

# FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 154 Number 4003

New York, N. Y., Thursday, November 6, 1941

Price 60 Cents a Copy

## Scientific Advances Described At Babson Park Commodity Prices, Inflation Hedges Discussed

Benefits to the American people, which have resulted from scientific research were described by Dr. James K. Hunt, of E. I. du Pont de Nemours & Co., in an address on Oct. 16, before the 28th Annual National Business Conference, at Babson Park, Mass. Among these he mentioned the higher standard of living, the reduction of drudgery, conservation of natural resources, and the greater independence of foreign sources of supply. As an instance of the conservation of resources he said that improved "cracking" processes have resulted in doubling the gasoline yield of crude oil.

"Last year," he said, "we refined about 1,294,000,000 barrels of crude oil in the United States, whereas without modern cracking technique we should have had to distill some 2,739,030,000 barrels. This means, of course, that this improved refining process conserved about 1,445,000,000 barrels of crude oil. Cracking has accordingly had the effect of doubling our oil reserves, at least as far as gasoline is concerned."

Concerning our greater independence of foreign sources of supply, Mr. Hunt said in part:

Let us consider briefly our present state of self-sufficiency, in comparison with the deplorable conditions of this country in 1914. Then, many of our industrial activities were dependent upon imports. Employment of millions of American workmen was threatened, particularly in the textile industry, which was almost wholly dependent upon foreign-made dyestuffs. At that time, the United States produced less than 10% of the dyes it consumed, and even that meager proportion was made from imported intermediates. In 1940, by contrast, the American dye industry produced about 95% of our total domestic consumption, and had an export balance of some 25,000,000 pounds.

But America suffered from more than a shortage of dyes when the British blockade made it virtually impossible for Germany to export. The health of our people was endangered because the importation of certain important medical supplies had been cut off; and our dependence upon foreign-made products did not end with dyes and medicinals. It extended to a wide variety of other products as well.

Today, in contrast, practically every important industrial, agricultural and medicinal need, of a chemical nature, is being filled by American factories on American soil, and this is due in no small part to the accomplishments of scientific research during the past two decades.

When war broke out in Europe a quarter of a century ago, this country did not have a single plant for extracting nitro-

gen from the air and transforming this element into the chemicals so vital to agriculture, industry and the national defense. We, in common with the European nations, were almost wholly dependent upon natural nitrates imported from Chile for the fixed nitrogen essential alike to the farmer and soldier. Today, through chemistry, we extract from the air much of the nitrogen consumed in this country, and it is quite feasible for us to make all we need.

In 1914, America likewise was dependent upon Europe for the fine optical glass, needed in the manufacture of various instruments, vital alike in peace or war. Today, thanks to research by American scientists, this country is capable of producing optical glass of a quality second to none in the world.

During the first World War, this country was wholly dependent upon imported rubber.

(Continued on page 930)

## NY State Mtg. Loans Increase In September

Mortgage loans made by all savings and loan associations in the New York State during September, 1941, show a 35% increase in total amount loaned over September, 1940, and a 17½% increase in number of loans, according to announcement made Oct. 24 by Zebulon V. Woodard, Executive Vice-President of the New York State League of Savings and Loan Associations. Details are given as follows:

The 120 reporting member associations with assets totalling \$299,640,164, made a total of 1,542 loans for a total of \$5,820,000. Of these, there were 733 loans for the purchase of homes, totalling \$3,130,379; 461 construction loans totalling \$2,106,271; 121 loans refinanced for a total of \$367,188; 83 repair loans totalling \$91,952 and 144 other loans amounting to \$124,210.

Projecting the actual number of loans made, 1,542, to include all associations in the State, there would be a total of 2,375 amounting to \$8,962,800, during September, 1941, which is an increase of 35%, or \$2,323,243 in amount loaned over September, 1940, and an increase of 17½%, or 356, in number of loans. It is also an increase of 4½%, or \$402,186 in amount loaned over August 1941.

## THE FINANCIAL SITUATION

The American people long ago have grown accustomed to all manner of vagaries in taxation, a few sensible, some half intelligent and reasonable, many wholly nonsensical and pernicious, and still more perhaps admixtures of all qualities, but there appears to be reason to fear that the next month or two will bring forward a record crop of weird tax proposals and the next half year a crushing harvest of ill-advised tax legislation. It seems that at the moment the Treasury authorities themselves have not yet reached definite conclusions as to what they wish to recommend in the form of taxes to finance the armament extravaganza. If the various reports, many of them apparently at least semi-official, are to be taken even as "trial balloons," their conclusions when reached will leave a great deal to be desired. In the past Secretary Morgenthau has upon occasion had some really sensible things to say on the subject of taxation in the current "emergency," but the schemes he suggested after having talked with apparent understanding on the subject have more often than not appeared to bear exactly no discernible relationship to his introductory remarks.

A somewhat similar situation may well be in the making now. His current informal conversations with the press again reveal more understanding at some points than is usual in Washington these days, although at other points he seems to stray easily and unawares from the path of commonsense and at times even of candor, but if some of the schemes now reported under advisement at least are even being seriously considered, the traditional Philadelphia lawyer may again he sadly puzzled to find more than a modicum of consistency between his theories and his programs. Most of the specific plans which are currently reported to be scheduled for inclusion in the forthcoming recommendations of the Treasury are so lacking in detail and in want of official confirmation that it would scarcely be profitable to devote much space here to their consideration. There would appear, however, to be no room for doubt that social security taxes are playing a vital part in the plans of the Treasury and in all probability are destined

(Continued on page 932)

## FROM WASHINGTON AHEAD OF THE NEWS

There is a truly amazing chapter of American history happening just now. It is moving so fast that a writer can't be positive in discussing it. A week ago this writer wrote that it was the consensus of Washington observers that Mr. Roosevelt had John L. Lewis over the barrel and that, because of his known despise for the gentleman, he would use his opportunity to put the labor leader out of business for good. Well, it

hasn't turned out that way. At this writing Lewis is still riding high, and as the National Mediation Board considers his case, the betting is 10 to one among those who consider that they know Washington, that he will win.

Indeed, the odds are that the Mediation Board will work out a policy whereby a union with a certain membership in an industry will be permitted to have what is tantamount to a closed shop, but at the same time say that it is not the policy of the Board to further the closed shop in industries of lesser union membership. The "certain membership figure," it is believed in Washington, will be the exact membership which Lewis has in the captive mine industry.

Now, in this case, it will be what is called a "compromise between the interests concerned." It would mean, that while the 5%

or more of the workers in the captive mine industry not now paying homage and dues to Lewis, would be required to do so, nevertheless

### GENERAL CONTENTS

<b>Editorials</b>	Page
Economize Now, And Drastically.....	930
Federal Land Banks.....	930
<b>Regular Features</b>	
Financial Situation.....	929
From Washington Ahead of the News.....	929
Legal Oddities.....	944
Moody's Bond Prices and Yields.....	935
On the Foreign Front.....	936
<b>State of Trade</b>	
Weekly Review.....	931
Auction Sales.....	938
Coal and Coke Output.....	934
Commodity Prices—Domestic Indexes.....	933, 933
Commodity Prices—World Index.....	933
Iron and Steel Operations—Weekly Review.....	936
Paperboard Statistics.....	938
Petroleum and Its Products.....	932
Railroad Car Loadings.....	937
September Dept. Store Sales.....	933
<b>Miscellaneous</b>	
Bank Debits.....	938
Trading on N. Y. Stock Exchange.....	934
Scientific Advances Described.....	929
N. Y. State Mortgage Loans Up.....	929
Non-Farm Mortgage Foreclosures.....	935
Brokers' Balances.....	935
Wickard On Price Control.....	939
Increased Reserve Requirements.....	942
President on Personal Sacrifice.....	942
Priorities and Farmers.....	942
CCC, NYA Consolidation.....	942
1941 Wheat Loans.....	931
NYSE Odd Lot Trading.....	941
Foreign Policy Aims.....	942
Subscriptions to Treasury Offerings.....	934
Roosevelt on Sinkings.....	941
Excess Profits Law Amended.....	941
President on "Shooting".....	940
Changes in National Bank Notes.....	938
Items About Banks and Companies.....	944

## IN THIS SECTION

Petroleum and its products—Higher prices sought in IPA Report to Ickes—Production prices above market level is contention —"Western Hemisphere problems ended"—Welles—British return tankers to U. S. owners—Crude oil production; inventories lower—API Convention discusses defense problems—Refined products — East Coast shortages ended by tanker returns— Warm weather holds down heating oil interest—Truck operators warned of possible gas rationing—Canada cuts gasoline consumption 20%—Motorists' taxes exceed highway expenditures—Refinery reports delayed by holiday.

Page 932

Steel companies have 7 months backlog at current production rate —Results of "Iron Age" priorities poll.

Page 936

Paperboard production during week ended Oct. 25 at 100% of activity; Output totaled 168,146 tons.

Page 938

Federal Reserve report on September department store sales.

Page 933

Revenue freight car loadings totaled 913,605 cars in week ended Oct. 25.

Page 937

Babson Business Conference hears Dr. James Hunt on recent scientific advances—Commodity price trend discussed by Dr. Spangenberg—Inflation hedges suggested by H. C. Baldwin.

Page 929

Bank debits up 22% from last year.

Page 938

Decline in non-farm mortgage recordings 3½% in August.

Page 935

(Continued on page 944)

## Binders For The Convenience Of Our Subscribers

Arrangements have been made with the "Expandit" Binder to supply temporary binders in which to file current issues of the Financial Chronicle in its new form. These will facilitate the use of the Chronicle and will protect copies against mutilation and loss. The cost is \$2.50 plus postage for each of these binders which have been designed to hold one month's issues of the Financial Chronicle. Orders for binders should be sent to "Expandit" Binder, 25 Spruce Street, New York City.

## Scientific Advances Described To Group

(Continued from first page)  
obtained chiefly from the Far East. Today we have the so-called synthetic rubbers, such as neoprene, which can be used for practically every purpose to which natural rubber is put. From certain of these chemical rubbers, for example, automobile tire treads can be made fully equal in abrasion resistance to the best natural rubber treads. Strategically, these synthetic rubbers are of tremendous importance because America has a virtually inexhaustible supply of the basic raw materials needed—chiefly, coal, limestone, salt, and petroleum. Although commercial production of synthetic rubber on a scale large enough to meet demands for natural rubber would take both time and large investments, it is comforting to know that we are no longer wholly dependent upon imported rubber.

Silk, another imported material, is in very much the same category as rubber. It is believed, however, there are few uses for silk which cannot be served by the recently-developed nylon yarn, although here, again, considerable time and much money would be required to meet present demands for silk. Nylon yarn is now being produced in our Seaford, Delaware, plant at the rate of about 8 million pounds annually, and a second plant that will bring total production to around 16 million pounds a year is now being built at Martinsville, Va.

Speaking before the Conference, also on Oct. 16, Dr. Leonard Spaugenberg, Vice-Pres., Babson's Statistical Organization, forecast that the commodity price trend would continue irregularly upward.

The odds, however, are against violent, runaway markets, he added, even though there is plenty of inflation dynamite lying around. Continuing, he said:

The Government thus far has been fairly successful in holding prices of most industrial commodities down to reasonable levels through the imposition of price ceilings in individual instances. On the other hand, it has deliberately fostered and effected a sharp rise in agricultural prices. The price-control measure in the works at Washington sidesteps the factory and the farm. Unless these two weak spots in our economic defense are strengthened—and political considerations are against it—the rising wage-and-living costs combination will work the one-two punch on price control. Not that it would be knocked completely out, but certainly rendered far less efficient than it otherwise might be.

Recent heavy purchases of automobiles, refrigerators, vacuum cleaners, and countless other items, in anticipation of higher prices and probable scarcities, should lessen total demand for such products for some time to come. Nevertheless, the main pressure on wholesale commodity prices should continue upward and bring further advances in the first half of 1942.

Speaking before the Conference, on Oct. 17, H. Clyde Baldwin, Investment Expert, recommended well selected common stocks as the best practical means of inflation protection for most individuals. He took exception, however, to the attitude of some investors who refuse to buy any bonds, annuities or life insurance policies because of fear of inflation. The inflation prospect does not justify disregarding all the

(Continued on page 938)

Editorial—

## Economize Now, And Drastically

The acknowledged Federal public debt at the close of business on October 28, last, stood at \$53,248,937,026, and to that aggregate it is necessary to add a minimum of \$7,000,000,000 in order to arrive at the actual debt now standing against the credit of the taxpaying citizenship of the United States. The excess of Federal expenditures over Federal revenues accumulated during the period of substantially four months from July 1, to October 28, 1941, is reported by the Treasury Department as \$4,566,708,355, while the amount expended for national defense purposes during the same period is given as \$4,740,189,574. The substantial equivalence between these two aggregates is significant and suggestive, especially as it has already become notorious that the term "national defense" is currently being stretched to the utmost possible limit in order to make it contain as many as possible of the items that, as qualified accountants assert, might with greater propriety be so allocated so as to compel their inclusion in the much-criticized and clearly excessive total representing non-defense expenditures.

Notwithstanding this deceptive manipulation, however, the total figures for the periods from July 1 to October 28, in the years 1940 and 1941, compare as follows:

Year	Ordinary Expenses	Defense Expenses	Total
1940	\$2,223,555,683	\$871,634,926	\$3,095,190,609
1941	2,149,633,727	4,750,189,574	6,899,823,301
Excess, 1940 over 1941	73,921,956		
Excess, 1941 over 1940		\$3,878,554,648	\$3,804,632,692

While measuring with some degree of accuracy what has happened during the elapsed period of the present fiscal year, the foregoing figures are in no way indicative of what will be the final showing as to defense expenditures for the remaining eight months, during which it is of course to be anticipated that the actual outlays under the vast aggregate of from \$66,000,000,000 to \$70,000,000,000 that has already been appropriated for war purposes will grow out of all proportion to the amounts that up to the present time have been charged into the Treasury Department's account. But the demonstration that so far there has been no genuine curtailment of ordinary or non-defense expenditures is startling and should not be overlooked. The outlays for purposes other than those of national defense, in the exceedingly broad sense in which that term is understood by the Administration and perhaps largely admitted by the general public and its legislative representatives, are not swelled by any emergency, dominating or otherwise, but they remain, as they always have been, within the control of the Government, through its executive and legislative departments, and ultimately within that of the people, which does not lack effective and constitutional means for enforcing in that direction its reasoned and reasonable determinations.

During his first campaign for the Presidency, in 1932, Mr. Roosevelt clearly saw, or represented that he clearly saw, opportunities for great economies in the ordinary expenditures of the Federal Government. He induced the representatives of the Democratic Party, assembled in national convention in Chicago for the purpose of determining whether he or some other aspirant should function as the Party's candidate and champion in the contest to displace President Hoover, to adopt a platform calling for drastic economies in public expenditure. He accepted that platform "100%," and before he was elected repeatedly promised, and repeatedly proclaimed his promise to the people, to cut the Federal disbursements below an aggregate of three-quarters of the annual total currently being expended by President Hoover. On Oct. 19, 1932, at Pittsburgh, in a speech so deliberately prepared that, as Professor Moley has recorded, about every member of his Brains Trust and nearly all his large corps of ghost writers had had a hand in it, submitted their varying versions, the future President compared the national credit to that of a family, saying—

"The credit of the family depends chiefly upon whether the family is living within its income. And that is equally true of the Nation. If the Nation is living within its income, its credit is good. If Government lives beyond its income for a year or two, it can usually borrow, temporarily, at reasonable rates. But if, like a spendthrift, it throws discretion to the winds and is willing to make no sacrifice at all in spending; if it extends its taxing to the limit of the people's power to pay and continues to pile up deficits, then it is on the road to bankruptcy."

Oddly enough, the foregoing "bit of campaign oratory" had the unusual merit of being free from exaggeration and wholly and soundly true. Although by no means applicable as a criticism of the opposing candidate, the allusion to governmental sacrifice, with its implication that there might be curtailments of the governing functions in the interest

Editorial—

## Federal Land Banks

New aspects of existence possibly impend for the system of twelve Federal Land Banks, which this year are completing a quarter-century of honorable, effective and adequate service in behalf of the rural community of the nation. Although it is not generally appreciated, there may well be in coming months and years a transformation of the outstanding debts of such banks into ordinary United States Treasury obligations.

No definite assurance presently can exist on this score, for the vagaries of Legislative and Administrative policies may alter the trend. Two unrelated circumstances nevertheless point toward such an end, and they illustrate the far-reaching nature of governmental activities and proposals. One of these is the so-called Fulmer Bill, which would effect among other things an outright United States Treasury guarantee of Federal Land Bank bonds, and the other is the Treasury program to transform all guaranteed or agency debt into direct Treasury debt.

The Fulmer bill was introduced last July with the intent of bridging certain gaps which have appeared since 1916, and of integrating fresh aspects into the Farm Credit System. Hearings on the measure recently were started in Washington. That this Administration measure was carefully drawn is conceded, and objections, though well taken, have been milder in the hearings than usually is the case with Administration bills.

There is no room here for an adequate discussion of the complicated proposal, but for the investment community the fact stands out that it contains a provision to subject the \$1,748,000,000 Federal Land Bank bonds to a Federal guarantee. This would be mere recognition of realities, since the Treasury already is obliquely responsible for these Federal "instrumentalities."

The Federal Land Banks, it should be recalled, are unlike other creatures of government, hastily called into existence to meet temporary emergencies or political exigencies. They were organized on a non-partisan basis in 1916, after long study of rural credit systems in all countries, and after one of the most thorough debates ever afforded any subject by our Congress. The resulting soundness of the Federal Farm Loan Act has been attested by a quarter-century of excellent service.

"It is a wide departure from the truth to suggest that the Act was hasty and ill-considered and that there was any political pressure exerted to secure its passage," said George W. Norris, first Commissioner of the Federal Farm Loan Board, in an article published in the "Commercial and Financial Chronicle" on March 9, 1918. "On the contrary," he added, "with the exception of the Federal Reserve Act, there probably was never an Act passed by Congress after more extended study and more mature deliberation."

The farm credit record of the last ten years could not possibly be described in the commendable terms used in 1918 with respect to the Federal Land Banks. The original institutions still stand, however, and if their bonds pass progressively under a direct Treasury guarantee and finally into ordinary Treasury obligations, relatively few pertinent objections can be raised. To a far greater degree than most other debts of Federal agencies, obligations of the Federal Land Banks truly are self-liquidating.

The Treasury in Washington has announced its intention of converting all agency debts into Treasury bonds, notes or bills. Indeed, a start already has been made on this program through the recent offering of 1% Treasury notes in exchange for \$299,839,000 Reconstruction Finance Corp. and \$204,241,000 Community Credit Corp. obligations about to mature.

In this manner a total of \$6,373,277,000 of guaranteed issues of Treasury agencies seem destined for eventual conversion into ordinary Treasury securities. If Federal Land Bank bonds are guaranteed under the proposed Fulmer measure, and conversion also is effected as the bonds become callable, the direct Treasury debt is destined to increase on this account by approximately \$905,000,000, which is the total of the bonds outstanding in the hands of the investing public. Much of the \$1,748,000,000 over-all total of such bonds is held by the Federal Farm Mortgage Corp. and other existing Treasury agencies.

of national economy and when unnecessarily extended was adroit and broadly alluring to many in the electorate who were convinced, as a great many more are in 1941, that the Federal Government not only interferes far too frequently and far too much, and that in order to do so, it has undertaken vastly complicated and difficult tasks for which it is inadequately equipped and, in the nature of things, must so remain. Yet the President, who, as a candidate seeking

the exalted trusteeship which he still continues to hold, volunteered the enticing implication, has not ceased to ignore all the requirements of public economy since the first few months of his first year in that great office. How far, during his Presidency, the Federal Government has proceeded along the "road to bankruptcy" which he pointed out in 1932 may be measured somewhat by the uninterrupted and cumulative deficits that have been incurred since his first inauguration, on Mar. 4, 1933. To Oct. 28, 1941 they are as follows:—

Fiscal Year	Deficit	Fiscal Year	Deficit
1932-3*	\$ 892,600,000	1937- 8	\$1,384,160,931
1933-4	3,965,991,685	1938- 9	3,542,267,954
1934-5	3,575,357,963	1939-40	3,611,056,036
1935-6	4,763,841,642	1940- 1	5,167,678,471
1936-7	2,707,347,110	1941- 2**	4,566,708,355
Total deficit, 8 years and 8 months		\$34,177,010,147	

\* Last 4 months. \*\* To Oct. 28.

Thus, during little more than eight and one-half years, under Mr. Roosevelt's unchecked direction, the Government he has controlled has traveled to the extent of \$34,177,010,147 upon the downward path towards the abyss of bankruptcy which he plainly recognized before his control was established. And only a very small fraction of the swelling number of items in this accusing aggregate have even the most remote relation to national defense.

At Sioux City, Iowa, on Sept. 29, 1932, in another bit of campaign oratory, Candidate Roosevelt attempted to direct against Herbert Clark Hoover, then President of the United States and not in decency to be lightly accused of incompetence or malfeasance in office, a scathing paragraph, every word of which now returns as a deadly boomerang upon its author and with accumulated intensity augmented during each of the intervening years condemns the unequalled recklessness of his course. His words, so appropriately applicable to his own subsequent record, then were:—

"I accuse the present Administration of being the greatest spending administration in peacetime in all our history. It is an administration that has piled bureau upon bureau, commission upon commission, and has failed to anticipate the dire needs and the reduced earning power of the people. Bureaus and bureaucrats, commissions and commissioners, have been retained at the expense of the taxpayer."

And how now? Deficits piled upon deficits, new bureaus and boards and commissions accumulated by the dozens and none abolished or its activities curtailed; every old bureau enlarged in its scope and the number of its employees multiplied; no expenses reduced but all taxes increased; "shooting has begun" under conditions that make any degree of warfare immeasurably costly and perilous as to its duration and extension in scope; high officers of Government talking of appropriations for war purposes even doubling the astronomical amounts already made available; no end of the unparalleled outlays in sight or suggested.

To this problem no leader in Congress has given such unceasing effort and such intensity of patriotic effort as Senator Harry F. Byrd, of Virginia. Not too soon, he has recently given notice that he will cast no further vote in favor of any war expenditures or preparations for or activities of warfare unless there is first evidence of genuine effort to curtail the non-defense and ordinary expenditures that undoubtedly can be curtailed and must be if the penalties of national bankruptcy are to be avoided. He is but carrying to a reasonable conclusion what he said last September, in a prepared statement for the public:—

"... it is shameful that there has been no earnest, sincere effort to reduce non-essential, non-defense expenditures of the Federal Government. Reductions made in these items this year have been inconsequential, and probably will be wiped out entirely when all the supplemental deficiency appropriation bills are passed. Moreover, the budget for the current year includes as emergency defense items the normal strictly peacetime expenditures of the War and Navy Departments as well as substantial parts of appropriations for other agencies, such as the Veterans Administration, the National Resources Planning Board, the Civil Service Commission, Federal Communications Commission, Federal Power Commission, etc. It is little short of outrageous to impose the burden of this tax bill (the tax-measure last adopted—Editor) upon the citizens of this country without at least a sincere attempt to reduce Federal expenditures outside of essentially emergency items."

Experience, sad and long, has proven the unfortunate fact that nothing in the remotest way approaching towards genuine economy can be expected from the White House coterie or from any section of the Executive Department as now constituted. Nor can really effective and consistent economy emanate from the present Congress, or from any other, unless in the future one may be selected in an election in which rigid economy and drastic retrenchment shall be made the paramount and all-exclusive issue, or unless an overwhelming public sentiment shall now make the demand and point out the practical sources of economy with unmistakable insistence. If the public should become well-advised and alive to its pressing interests, that demand would not be delayed and it would be directed clearly towards definite savings that could be made at once and that ought

# The State Of Trade

Business activity showed a further setback the past week, this being the second successive weekly decline. Most industries that make up the business index showed setbacks. However, electric output held near its record level. Engineering construction awards were 46% higher than the preceding week, but 35% under the volume reported for the corresponding 1940 week by Engineering "News-Record."

Steel ingot production in the United States is scheduled at 98.2% of capacity this week, against the year's peak of 99.9% a week ago, a drop of 1.7 points, the American and Steel Institute reveals: A month ago production was on the basis of 98.1% and a year ago the rate was 96%.

In line with seasonal expectations, carloadings of revenue freight during the week ended Oct. 25 declined to 913,605 cars, or 1% lower than in the previous week, according to the report of the Association of American Railroads. The improvement over the same week a year ago amounted to 75,948 cars, or 9.1%, while the gain compared with the similar

period in 1939 equaled 84,247 cars, or 10.2%.

The developments of the week did anything but make for buoyancy or optimism. Tax fears, and concern over the Federal method of handling labor disputes were no help to confidence. Seizure of the Bendix plant by troops coupled with the fact that the threatened strike in the captive coal mines has been postponed and not necessarily settled indicates "breakers ahead" for private enterprise.

The final action by the Administration's Mediation Board in connection with the captive mines case is awaited with the keenest interest. Financial a-

to begin immediately. In the non-defense and non-essential items of Federal expenditure, much greater curtailments than appear anywhere to have been suggested are not only practicable but upon every ground desirable.

No competent executive, the head of any great business enterprise with wide ramifications, ever relies completely upon the heads of its separate departments for suggestions of the sources of economies necessary to meet imminent requirements arising in its fiscal situation. What such an executive invariably does is to order specific curtailments wherever they are practicable and can safely be enforced. Heads of departments in industry, heads of Federal bureaus, both interested in their own aggrandizement, almost always can see possibilities of reduced expenditures somewhere else, almost never where they would reduce the superficial importance of their own activities. It is inevitably the same in Government. Let the citizen who is daily sacrificing to meet his taxes and the other extraordinary demands from Government, and who is daily told that he must sacrifice more and more with no visible or stated limitation, ask himself what governmental services he would rather go without, or see drastically curtailed, than accept the additional impairments in his standards of living which Federal authorities presently insist cannot be avoided. This discussion cannot here be made exhaustive but it might well be continued wherever thoughtful and patriotic citizens come together with opportunity to consider the exigencies of their condition as constituting a nation confronted with great and complicated fiscal difficulties. To make it concrete, what citizen supposes that he, or any group to which he belongs, receives services from the Federal Trade Commission, Federal Power Commission, Federal Communications Commission, Securities and Exchange Commission, Interstate Commerce Commission, National Resources Planning Board, and other boards and commissions that will occur to every reader, which at all equals in value the fraction of his taxes that could be saved if most of these bodies should be placed in a condition of substantially suspended activity for the duration of the war emergency? The Interstate Commerce Commission, for example, has nearly fifteen hundred employees and spends about \$10,000,000 annually. Who would suffer, and how much, if ninety per cent, let us say, of its activities should immediately cease until the emergency has ended? Pending that ending, ninety per cent of its personnel and its funds could, in that case, be diverted to more pressing necessities of Government. By no means would it be unreasonable to urge that in all branches of the Executive Department where there is no visible and direct connection between the work done and the great emergency alleged to confront the country, definite proportions of the appropriations allotted and of the forces of men and women employed should forthwith be withdrawn and made available for purposes contributing to relief of that emergency. To that extent the continued expansion of the Federal bureaucracy would be interrupted and the continued multiplication of Federal expenditures would be reduced. In a referendum, could one be called, there can be no doubt that all but an infinitesimal portion of the voters would declare themselves in favor of such a drastic measure of economy and of its immediate application. They would declare that their Government must make its "sacrifice in spending" make it generously, and make it now. Congress has power to command such a course and to compel its enforcement. The time for Congress to serve the people by severely and definitely restricting the non-essential expenditures and sharply limiting the extravagance of the Executive Department is right now.

well as industrial groups are somewhat fearful of the outcome. The issue, it was pointed out, is whether the United States Steel Corporation will be permitted to continue its historic policy of employing non-union as well as union men in its vast enterprises, or whether the closed-shop demand of John L. Lewis, President of the United Mine Workers, will be upheld. The Government's lack of firmness to date in dealing with defense tie-ups and Congressional failure to pass remedial legislation, are regarded as factors which contribute to much uneasiness.

If the power of the Government is used to force a closed shop in the case of the coal mines, it will have set a dangerous precedent, and very likely result in an epidemic of strikes for the "closed shop" principle. This would of course mean further serious setbacks for the Nation and further unsettlement of confidence in the Administration.

Labor displacement in non-defense industries because of priorities for raw material requirements for defense needs has been quite limited thus far, OPM reports show. A sharp rise in the number of persons displaced is likely over the next few months, however.

The actual displacement of workers in civilian lines last month was only some 35,000 workers, official data indicate. This figure includes clerical and sales help in allied lines affected by a curtailment of production due to priorities.

With pressure from defense industries to augment their supplies of needed materials now mounting, and with a new and vastly enlarged arms production program now being drafted, however, non-essential activities will have to be curtailed much more rapidly in the near future. Qualified sources believe a displacement of more than 1,000,000 workers is possible between now and next Spring, although they regard larger estimates of priority unemployment, which have run up to 3,000,000, as altogether unjustified.

Class I railroads had an estimated net income, after interest and rentals, of \$358,582,763 in the first nine months this year, compared with \$58,598,060 in the same period of 1940, the Association of American Railroads reveals. In September they had estimated net income, after interest and rentals, of \$59,300,735 compared with \$30,732,608 in September, 1940.

The "Iron Age" said that steel production had decreased little because of the captive coal mine strike as the strike was halted in its early stages, but that several thousand tons of steel were lost in Pittsburgh when a cranesmen's strike at the Homestead, Pa., works of the Carnegie-Illinois Steel Corp. had forced suspension of several open hearth furnaces. That was another example of "flash" strikes which are continually hampering steel production.

Steel industry backlogs are estimated at five to seven months' operation at the current rate. Bookings have continued to exceed production, the "Iron Age" states.

## 1941 Wheat Loans

The Department of Agriculture reported on Oct. 28 that through Oct. 18, 1941, Commodity Credit Corporation made loans on 258,632,533 bushels of 1941 wheat in the amount of \$257,908,331. The wheat in storage under loan includes 62,575,466 bushels stored on farms and 196,087,067 bushels stored in public warehouses. Loans to the same date last year had been made on 222,500,000 bushels.

Editorial—

## THE FINANCIAL SITUATION

(Continued from first page)

to form a substantial element in the sweeping proposals presently to come from the Treasury Department.

While precise information concerning Treasury plans as regards these taxes is not available, possibly does not yet exist, it is evident enough that some serious blunders, if not bad faith, have already crept into the Treasury's ideas and imbedded themselves in its program, tentative though it may be at present. It is none too soon for the intelligent American citizen to take notice, and having taken notice, to make his influence felt. Heaven knows the very concept of "social security," as well as the programs to give effect to it, have already for a long while been politically exploited enough in all conscience, but that can be no excuse for further action of the same sort which could easily in time, if not checked, utterly destroy the entire visionary scheme root and branch—and possibly at the same time the solvency of the Federal Government. To those unthinking persons who make the easy assumption that anything in the nature of real "social security" (which appears to be a trick name for economic security) can be provided for the people by legislative enactment, by the establishment of "funds," or by any of the other artful devices of the politicians these will doubtless appear to be strong words—possibly even unintelligible words.

Yet not a great deal of quiet, sober thought should be necessary to give them real and urgent meaning. Perhaps as an introduction to the subject it would not be amiss to inquire how it is possible to reconcile the President's frequently reiterated assertion that these social security taxes are for technical reasons called "taxes," but are really contributions to be set aside and carefully husbanded in Washington to provide for the old age and unemployment needs of the beneficiaries, with Mr. Morgenthau's bright idea that they be greatly increased and used to create unproductive armament not to say conduct a highly destructive war. Of course, there can be no such reconciliation, and the very inconsistency strikingly reveals the fuzzy thinking, or the amazing lack of candor, in official circles concerning this whole matter of "social security." In one breath these funds are set forth in official propaganda as a bulwark against want incident to old age and unemployment, and in the next they are quite callously and openly regarded as making a market for government securities, the proceeds of which are to be employed in armament and the like! Can the American people be so stupid, or so engrossed in the war situation, that they do not at once recognize the significance of strange behavior of their representatives in Washington?

The simple truth of the matter is, one suspects, that the Secretary is convinced, and correctly so, that to keep this country upon anything approaching an even financial keel during the next year or two it will be necessary to reach a grasping hand into the pockets of a great many who now contribute but little to defense costs, but at the same time lacks the courage to do so directly and openly by the simplest and probably the most feasible method available—a tax on wages and salaries, or what the union officials call a "check off." Such a dose must be sugar coated, or the politician at any rate is convinced that it must be, and what better method of coating it than labeling the tax a "social security tax," which the President has said is not a tax at all but merely a contribution to a "fund" which will protect the payer against the rigors of unemployment and the wants of old age? But is it a straightforward, honest way to deal with a trusting people?

No one appears to know whether social security benefits are to be increased in proportion to the additional tax imposed. The point, however, is of less practical importance than might be supposed. If not, the deception becomes almost incredibly crude, and it will not be long before irresistible political demand for proportionately larger benefits will arise. If so, then the scheme becomes a sort of forced defense loan. In neither case is the matter really related to "social security" as constantly defined in Washington. In either case the indebtedness of the Federal Government increases dollar for dollar with the increase in taxes paid. In either case, the Treasury will be obliged to go into the open market (unless it is possible to tax future generations sufficiently to provide the funds) whenever the moneys now to be paid into the "fund" are required. Want of straightforwardness has from the first characterized this whole "social security" scheme in its relationship to taxes exacted. The proposals apparently now about to come from the Treasury in this connection would add to the confusion, not to say duplicity, when action of the opposite sort is urgently needed.

In its implications and its almost certain consequences, we have here a situation which is of vastly greater con-

## Petroleum And Its Products

The domestic petroleum industry, faced with rising demand and lessened new developments, must have stimulant of higher prices to insure increased exploration and the development of new oil properties, Frank Buttram, President of the Independent Petroleum Association of America, reported to Petroleum Coordinator Ickes in a special brief justifying the higher prices for petroleum already sought of the Federal Govern-

ment by the Phillips Petroleum Co. in formal application of Mr. Ickes. "In calling your attention to the report, may I suggest that the report covers conditions at the present time which are not static," Mr. Buttram declared. "The figures themselves indicate a trend of rapidly rising prices. A price indicated as sufficient today might tomorrow be entirely inadequate. In transmitting this resolution and report to you, we feel that we are entitled to your full support and assistance in approaching other Governmental agencies in securing proper consideration for price increases. We therefore request your very earliest possible attention and action on this very important matter."

The survey sent to Mr. Ickes reported that production costs on a barrel of crude oil today are approximately 35 cents a barrel above those in 1937, but the current price of 36 gravity crude in the midcontinent stands at only \$1.17, against a price of \$1.12 four years ago. It also was pointed out that the current total investment to find, purchase and develop new reserves, plus drilling and equipping wells, has shown a sharp expansion, totaling \$40,928, as compared with \$27,824 in 1937. This factor, the

report stressed, means increased depletion and depreciation charges per barrel of production equal to 15 cents.

Since the current cost of finding, acquiring and producing crude oil of \$1.52 compares with \$1.33 last year and \$1.17 in 1937 and is far below the price of \$1.17 for 36 gravity in the midcontinent today, the report stressed the importance of higher crude oil prices immediately to stimulate exploration and development of new reserves to insure a continuous flow of crude petroleum into the Nation's refineries. Current production of crude today is in excess of 4,000,000 barrels daily, highest in the industry's history, and production in current fields could not be pushed far above that figure without endangering the wells through the lowering of gas pressure which would prevent maximum recoveries.

The sharp expansion of industrial activity as America forges ahead full steam on the Defense Program which calls for the arming not only of this Nation but also its allies such as Great Britain, Soviet Russia and China in the Second World War indicates further sharp expansion in demand in 1942 despite the jump of nearly 10% in demand in 1941 as compared with the previous 12

cern to the rank and file than the ordinary or garden variety of political trickery. Whatever may be thought of old age pension, unemployment insurance and related programs when undertaken by government, there can not be the slightest doubt that the notion of "funds" fed by contributions of taxpayers and "set aside" by the Government to provide the wherewithal for "benefits" under the scheme is a false one, even if to the unthinking it may be a plausible and enticing idea. The more plausible it is made to sound the more dangerous it is, and the larger the sums involved the greater the hazard to the public treasury and the beneficiary alike.

From the very first, certain obvious dangers have been recognized by the matriculate, and experience even in these few years have fully disclosed them to all who have eyes to see and are willing to use them. Plainly, for example, the program places in the hands of irresponsible Congressmen and public officials large sums of money which have been extracted more or less painlessly from the people who have been told and naively believe that their "contributions" are being "laid aside" to provide promised "benefits." About the only effective brake upon public extravagance is the natural aversion of the average man to the payment of taxes. Break this down by any means, among them convincing him that he is in reality not paying taxes but contributing to a "fund" nourished also by compulsory contributions from some one else from which he will reap large returns, and we have an invitation to extravagance in Government limited only by the volume of funds provided. It would have been a good deal more difficult for the New Deal to continue its profligacy during recent years, had its managers not had access to the billions "contributed" by expectant beneficiaries under the "social security" program.

If now we are to add a new wrinkle—that of raising the amounts of such "contributions" not even avowedly to finance "social security" but to meet the day-to-day needs of the Treasury—where is the limit? Plainly it is difficult to find one, if the people permit themselves to be hoodwinked in any such obvious manner. Let there be no misunderstanding about the matter. It would be an excellent thing if wages and salaries, particularly wages, which now are high and rising as a result of the defense program and which so largely escape the tax collector, were taxed at their source in much the way that appears to be under consideration in Washington. In the name of candor—even common honesty—let us call them defense taxes, and not attempt to mislead these taxpayers by dubbing their contributions "social security" taxes. For the sake of fiscal safety of the nation, we must be straightforward this time.

months. With the time element so important in the development of new fields, the industry feels that higher crude oil prices must be authorized at once.

The petroleum problems of the Western Hemisphere are ended, Sumner Welles, Undersecretary of State, told the Inter-American Financial and Economic Advisory Committee in Washington this week. "The current requirement of each country in this hemisphere can be met 100%, and very soon reserve inventories will begin to build up at substantial rates," Mr. Welles told the Committee representing the 21 American Republics. The ending of the diversion of tankers from the United States to Great Britain, and the return of 40 of these vessels no longer needed by the latter ends a period during which threats of a petroleum shortage had led to general apprehension.

With their final voyages under the British shuttle service ended, 12 American flag tankers are now available for return to normal domestic operations, it was disclosed in Washington this week by Petroleum Coordinator Ickes. Three more were to be returned before the end of October, and the remaining 25 of the 40 which are to be returned to this country will be transferred from the shuttle service to normal American operations during November. Details of the assignments of the returned tankers in the Western Hemisphere will be worked out by the Tanker Control Board, of which Assistant Petroleum Coordinator Davies is Chairman, it was indicated.

Daily average crude oil production in the United States dropped 27,600 barrels during the week ended Nov. 1, due mainly to sharp contraction of production in Kansas and California, declining to 4,071,200 barrels at the close of the period, the mid-week report of the American Petroleum Institute disclosed. Production was substantially above the 3,479,950-barrel figure for the comparable 1940 period, however. The Nov. 1 total compared with the October market demand for crude oil of 4,012,900 barrels recommended by the United States Bureau of Mines in its regular monthly forecast.

A slump of 18,150 barrels in output of Kansas wells pared the total there to 237,350 barrels while California's production of 626,100 barrels represented a decline of 117,000 barrels from the previous week. Louisiana showed a drop of 2,550 barrels with its daily average flow of 342,150 barrels. Broadest expansion was shown in Oklahoma where daily average production of 436,400 barrels was 11,100 barrels better than the previous week. Texas showed a gain of less than 1,300 barrels with its daily average of 1,469,950 barrels with Illinois also showing a nominal increase at 419,800 barrels daily.

Inventories of domestic and foreign crude oil held in the United States were off 1,344,000 barrels during the Oct. 25 week, dropping to a total of 242,261,000 barrels, the United States Bureau of Mines reported this week. Holdings of domestic crude oil were off 1,189,000 barrels during the period, with imported crude oil stocks down 155,000 barrels. Heavy crude oil stocks in California, not included in the "refinable" crude stocks, were 9,858,000 barrels, a dip of 82,000 barrels from the Oct. 18 figure.

Reports from Mexico City indicated an early settlement of the dispute over American oil properties expropriated by the Cardenas Administration in early 1938 with the United Press reporting from Mexico City on Tuesday that "Foreign Minister Dr. Ezequiel Padilla, in a prepared press statement, said tonight that agreement was in sight with the United States to settle (Continued on page 933)

### Labor Bureau's Wholesale Commodity Index Declines 0.5% In Week Ended October 25

With further weakness in agricultural commodity markets the Bureau of Labor Statistics' index dropped 0.5% during the week ended Oct. 25, Acting Commissioner Hinrichs reported on Oct. 30. The index of nearly 900 price series fell to the level of a month ago, 91.2% of the 1926 average. Notwithstanding the recent recession, average prices of commodities in wholesale markets are 16% higher than a year ago.

The Labor Department's announcement further stated: A sharp break in the livestock market, together with lower prices for cotton, peanuts, flaxseed, citrus fruits and sweet potatoes, largely accounted for a decline of 1.9% in the farm products group index, which is 2% below the level of a month ago. The grains, however, recovered part of the severe loss of last week and rose 1.2% on the average as prices for barley, corn, oats and wheat advanced, while rye declined 14%. In addition to higher prices for most grains, sheep, eggs, hay, hops, seeds, onions and white potatoes also advanced. Average prices for farm products are 31.5% above a year ago.

Wholesale prices for foods dropped 1% during the week. Meat prices, following the decline in livestock markets, fell 2%. Cereal products decreased 1.1%, and fruits and vegetables were down 0.9%. Dairy products declined fractionally. Lower prices were reported for butter, lard, refined vegetable oils, fresh and cured pork, veal, dressed poultry and for flour, corn meal, canned peaches and cocoa beans. Prices were higher for cheese, powdered milk, crackers, dried fruits, bananas, canned beans and for fresh beef at New York, canned red salmon and peanut butter. The foods group index, 87.5, is at approximately the level of a month ago and is more than 23% above a year ago. Cattle feed prices declined 2.7% during the week.

Industrial commodity markets were comparatively steady for the week. Textile products and building materials advanced 0.1%, while fuel and lighting materials, chemicals and allied products, and miscellaneous commodities declined 0.1%. The indexes for hides and leather products, metals and metal products, and housefurnishing goods remained unchanged at last week's level.

Prices for leather and for worsted yarns rose fractionally. Cotton goods, particularly print cloth, yarns, sheeting and shirting advanced under the sliding scale ceiling established by OPA and based on the average price of cotton in 10 spot markets. Blanket prices also were higher. Quotations were lower for drills and osnaburg and for cordage.

Lower prices were reported for bituminous coal in a few areas and for fuel oil from the Pennsylvania fields. The slight advance in average prices for building materials was the result of higher quotations for gum, poplar and yellow pine boards, flooring and lath, also for millwork and for rosin and turpentine. Prices for most types of lumber were lower, including maple and oak flooring, red cedar shingles and yellow pine dimension, drop siding, finish and timbers.

Linseed oil declined sharply. Average prices for industrial fats and oils dropped 1% because of a sharp decline in inedible tallow.

Mixed fertilizers advanced 0.5% during the week. The following tables show (1) index numbers for the principal groups of commodities for the past 3 weeks, for Sept. 27, 1941 and for Oct. 26, 1940 and the percentage changes from a week ago, a month ago, and a year ago (2) percentage changes in subgroup indexes from Oct. 18 to Oct. 25, 1941.

Commodity Groups	Percentage changes to Oct. 25, 1941, from—									
	10-25 1941	10-18 1941	10-11 1941	9-27 1941	10-26 1940	10-18 1941	9-27 1941	10-26 1940	10-18 1941	9-27 1941
<b>ALL COMMODITIES</b>	91.2	91.7	91.6	91.2	78.6	-0.5	-0.5	16.0	-1.9	-2.0
Farm products	88.1	89.8	90.5	89.9	67.0	-1.0	-1.0	23.6	-1.0	-1.1
Foods	87.5	88.4	89.2	87.6	70.8	-1.0	-1.0	23.6	-1.0	-1.1
Hides and leather products	113.2	113.2	112.6	112.3	101.9	0.0	+0.8	11.1	0.0	+0.8
Textile products	90.3	90.2	90.1	89.6	73.6	+0.1	+0.8	22.7	-0.1	-0.2
Fuel and lighting materials	79.9	80.0	79.9	80.1	72.2	-0.1	-0.2	10.7	-0.1	-0.2
Metals and metal products	102.2	102.2	102.2	102.2	97.4	0.0	+3.5	4.9	0.0	+3.5
Building materials	107.0	106.9	107.1	106.6	97.6	+0.1	+0.4	9.6	+0.1	+0.4
Chemicals and allied products	89.6	89.7	89.8	88.1	77.0	-0.1	+1.7	16.4	-0.1	+1.7
Housefurnishing goods	99.9	99.9	99.7	98.3	90.0	0.0	+1.6	11.0	0.0	+1.6
Miscellaneous commodities	85.6	85.6	85.9	85.1	77.0	-0.1	+0.5	11.0	-0.1	+0.5
Raw materials	88.2	89.2	89.6	89.0	71.5	-1.1	-0.9	23.4	-1.1	-0.9
Semi-manufactured articles	89.7	89.7	89.7	90.3	79.7	0.0	-0.7	12.5	0.0	-0.7
Manufactured products	93.1	93.5	93.1	92.7	82.1	-0.4	+0.4	13.4	-0.4	+0.4
All commodities other than farm products	91.9	92.2	91.9	91.5	81.1	-0.3	+0.4	13.3	-0.3	+0.4
All commodities other than farm products and foods	93.0	93.1	92.3	92.0	83.7	-0.1	+1.1	11.1	-0.1	+1.1

Percentage Changes in Subgroup Indexes from Oct. 18 to Oct. 25, 1941			
Increases			
Grains	1.2	Cotton goods	0.1
Mixed fertilizers	0.5	Other building materials	0.1
Woolen and worsted goods	0.2	Furnishings	0.1
Leather	0.1		
Decreases			
Livestock and poultry	4.0	Other foods	0.2
Cattle feed	2.7	Petroleum products	0.2
Meats	2.0	Paint and paint materials	0.2
Other farm products	1.5	Other textile products	0.1
Cereal products	1.1	Bituminous coal	0.1
Oils and fats	1.0	Lumber	0.1
Fruits and vegetables	0.9	Dairy products	0.1

### World Prices Steady

General Motors Corp. and Cornell University, which prior to the European war had collaborated in the publication of a world commodity price index, have resumed issuance of international price statistics, but on a different basis than before the war. Instead of a composite index of world prices, these organizations now are publishing the information only as individual country indexes.

The index is built upon 40 basic commodities and the list is the same for each country in so far as possible. Each commodity is weighted uniformly for each country, according to its relative importance in world production. The actual price data are collected weekly by General Motors overseas operations from sources described as "the most responsible agencies available in each country, usually a government department." The commodities involved include "a comprehensive list of several groups, including grains, livestock and livestock products, miscellaneous foods (coffee, cocoa, tea, sugar, &c.), textiles, fuels, metals and a list of other miscellaneous

### September Department Store Sales 24% Above Year Ago, Federal Reserve Board Reports

The Board of Governors of the Federal Reserve System announced on Oct. 22 that the dollar volume of September department store sales for the country as a whole was 24% larger than in the corresponding period a year ago. This compares with an increase of 32% for August and a gain of 19% for the nine months of 1941 over the same periods of 1940. These figures are based on reports received from each of the 12 Federal Reserve districts. The following tables, issued by the Board, show the percentage changes from a year ago for the country as a whole, for Federal Reserve districts and for leading cities:

DEPARTMENT STORES SALES IN SEPTEMBER, 1941			
Report by Federal Reserve Districts			
Federal Reserve District—	% Change from corresponding period a year ago	Sept., 1941	Aug., 1941
No. 1 (Boston)	+26	+31	+19
No. 2 (New York)	+20	r+29	+16
No. 3 (Philadelphia)	+21	+32	+18
No. 4 (Cleveland)	+27	+41	+23
No. 5 (Richmond)	+19	+34	+22
No. 6 (Atlanta)	+21	+34	+20
No. 7 (Chicago)	+25	+28	+18
No. 8 (St. Louis)	+25	+36	+21
No. 9 (Minneapolis)	+22	r+17	+12
No. 10 (Kansas City)	+26	+26	+17
No. 11 (Dallas)	+22	+35	+19
No. 12 (San Francisco)	+29	+34	+20
U. S. total	+24	+32	+19

REPORT BY CITIES			
Percentage Change from Corresponding Period a Year Ago			
	Sept., 1941	Aug., 1941	9 Mos., 1941
<b>Boston District</b>			
New Haven, Conn.	+21	+32	+17
Portland, Maine	+32	+29	+19
Boston, Mass.	+27	+28	+15
Springfield, Mass.	+25	+37	+21
Providence, R. I.	+30	+30	+20
<b>New York District</b>			
Bridgeport, Conn.	+42	+43	+29
Newark, N. J.	+20	+29	+15
Albany, N. Y.	+17	+29	+16
Binghamton, N. Y.	+31	+43	+24
Buffalo, N. Y.	+11	+45	+24
Elmira, N. Y.	+30	+60	+34
Niagara Falls, N. Y.	+31	+37	+15
N. Y. and Brooklyn	r+25	+15	+14
Poughkeepsie, N. Y.	+18	+23	+15
Rochester, N. Y.	+21	+30	+16
Syracuse, N. Y.	+24	+41	+23
<b>Philadelphia District</b>			
Trenton, N. J.	+20	+31	+18
Lancaster, Pa.	+37	+28	+16
Philadelphia, Pa.	+22	+32	+19
Reading, Pa.	+21	+31	+21
Wilkes-Barre, Pa.	+24	+39	+16
York, Pa.	+21	+4	+17
<b>Cleveland District</b>			
Akron, Ohio	+41	+59	+33
Cincinnati, Ohio	+20	+36	+18
Cleveland, Ohio	+33	+43	+25
Columbus, Ohio	+26	+32	+18
Toledo, Ohio	+16	+32	+18
Youngstown, Ohio	+35	+36	+28
Erie, Pa.	+34	+50	+27
Pittsburgh, Pa.	+23	+37	+18
Wheeling, W. Va.	+29	+53	+25
<b>Richmond District</b>			
Washington, D. C.	+17	+32	+22
Baltimore, Md.	+20	+36	+22
Winston-Salem, N. C.	+20	+21	+15
Charleston, S. C.	+34	+67	+37
Lynchburg, Va.	+19	+25	+16
Norfolk, Va.	+31	+46	+44
Richmond, Va.	+20	+20	+17
Charleston, W. Va.	+10	+47	+24
Huntington, W. Va.	+27	+48	+22
<b>Atlanta District</b>			
Birmingham, Ala.	+28	+37	+23
Montgomery, Ala.	+18	+30	+15
Jacksonville, Fla.	+24	+41	+31
Tampa, Fla.	+6	+45	+21
Atlanta, Ga.	+22	+30	+19
Macon, Ga.	+36	+48	+25
Baton Rouge, La.	+22	+33	+17
New Orleans, La.	+29	+33	+19
Jackson, Miss.	+26	+38	+21
Chattanooga, Tenn.	+20	+41	+22
Knoxville, Tenn.	+21	+38	+21
Nashville, Tenn.	+16	+34	+21
<b>Chicago District</b>			
Chicago, Ill.	+22	+18	+11
Peoria, Ill.	+22	+31	+15
Fort Wayne, Ind.	+32	+43	+28
Indianapolis, Ind.	+22	+36	+20
<b>Des Moines District</b>			
Des Moines, Iowa	+22	+19	+12
<b>St. Louis District</b>			
St. Louis, Mo.	+24	+30	+17
<b>St. Paul District</b>			
St. Paul, Minn.	+28	+50	+27
<b>Kansas City District</b>			
Denver, Colo.	+30	+32	+18
Hutchinson, Kans.	+33	+29	+19
Topeka, Kans.	+16	+20	+13
Wichita, Kans.	+37	+42	+23
<b>Dallas District</b>			
Kans. City, Kans. & Mo.	+28	+21	+17
Joplin, Mo.	+29	+36	+22
St. Joseph, Mo.	+14	+14	+11
Omaha, Nebr.	+30	+27	+14
Oklahoma City, Okla.	+23	+22	+18
Tulsa, Okla.	+21	+24	+15
<b>Duluth, Minn.-Superior, Wis.</b>			
Duluth, Minn.	+28	+31	+21
Superior, Wis.	+28	+31	+21
<b>San Francisco District</b>			
San Francisco, Calif.	+28	+22	+16
San Jose, Calif.	+18	+20	+6
Santa Rosa, Calif.	+21	+30	+11
Stockton, Calif.	+22	+27	+8
Vallejo & Napa, Calif.	+39	+45	+43
Boise & Nampa, Idaho	+27	+31	+19
Portland, Ore.	+21	+42	+20
Salt Lake City, Utah	+29	+33	+19
Bellingham, Wash.	+42	+37	+15
Everett, Wash.	+28	+49	+27
Seattle, Wash.	+48	+45	+31
Spokane, Wash.	+33	+34	+19
Tacoma, Wash.	+40	+54	+40
Walla Walla, Wash.	+16	+24	+5
Yakima, Wash.	+25	+37	+8

materials (rubber, hides, lumber, newsprint, linseed oil, &c.). Weights assigned in the index to the different commodity groups are as follows: Grains, 20; livestock and livestock products, 19; vegetable fats and other foods, 9; textiles, 12; fuel, 11; metals, 11; miscellaneous, 18.

The indexes, which are based on prices expressed in the currency of each country, were reported Nov. 3 as follows:

	(August, 1939=100)									
	Argen-tina	Aus-tralia	Can-ada	Eng-land	Java	Mex-ico	New Zealand	Swe-den	Switz-erland	United States
<b>1940—</b>										
May	120	118	120	143	116	113	112	131	132	112
June	118	118	120	144	116	113	114	131	136	109
July	118	118	120	145	115	112	114	132	140	109
August	118	119	120	150	115	111	120	132	144	109
September	116	120	121	145	116	110	122	135	153	111
October	113	123	122	145	117	110	120	139	158	114
November	113	125	124	146	118	111	118	142	164	118
December	113	126	126	149	120	111	119	144	168	118
<b>1941—</b>										
January	114	127	126	150	r120	111	119	144	r172	120
February	114	126	127	150	121	113	119	147	171	120
March	119	122	129	150	123	114	119	154	176	122
April	121	121	131	150	125	115	119	156	180	125
May	126	120	134	r152	129	117	120	156	189	129
June	133	121	137	155	131	119	121	155	193	132
July	r135	121	r141	r156	r136	r125	r122	r155	194	r136
August	138	121	r142	r157	138	127	123	156	—	138
September	139	122	145	r156	138	136	133	156	202	143
<b>1941—</b>										
<b>Weeks end:</b>										
Sept. 6	138	122	144	155	138	128	123	156	201	141
Sept. 13	138	122	r145	156	137	130	123	156	201	144
Sept. 20	139	122	r145	r158	137	131	123	156	202	144
Sept. 27	r142	122	145	r158	138	132	123	156	203	143
Oct. 4	140	122	145	r157	138	131	125	156	*203	143
Oct. 11	1									

### Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior in its current coal report stated that the total production of soft coal in the week ended Oct. 25 is estimated at 10,810,000 net tons, a slight decrease—140,000 tons, or 1.3% from the preceding week. Production in the corresponding week last year amounted to 8,810,000 net tons.

The latest report of the U. S. Bureau of Mines showed that the production of Pennsylvania anthracite for the week ended Oct. 25 was estimated at 1,224,000 tons, a decrease of 9,000 tons from the preceding week. Output in the corresponding week of 1940 amounted to 1,295,000 tons.

ESTIMATED UNITED STATES PRODUCTION OF SOFT COAL (IN THOUSANDS OF NET TONS), WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM

	Week Ended			Calendar Year to Date		
	Oct. 25 1941	Oct. 18 1941	Oct. 26 1940	1941	1940	1929
Bituminous coal <sup>a</sup>	10,810	10,950	8,810	404,497	365,304	435,028
Total, including mine fuel	1,802	1,825	1,468	1,613	1,441	1,708
Crude petroleum <sup>b</sup>						
Coal equivalent of weekly output	6,565	6,584	5,831	259,593	254,435	190,502

<sup>a</sup> Includes for purposes of historical comparison and statistical convenience the production of lignite. <sup>b</sup> Total barrels produced during the week converted to equivalent coal assuming 6,000,000 B.t.u. per barrel of oil and 13,100 B.t.u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal ("Minerals Yearbook," 1939, page 702). <sup>c</sup> Sum of 43 weeks ended Oct. 25, 1941, and corresponding 43 weeks in 1940 and 1929. <sup>d</sup> Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND BEEHIVE COKE (IN NET TONS)

	Week Ended			Calendar Year to Date		
	Oct. 25 1941	Oct. 18 1941	Oct. 26 1940	1941	1940	1929
Penn. Anthracite—						
Total, incl. colliery fuel <sup>b</sup>	1,224,000	1,233,000	1,295,000	45,409,000	41,409,000	59,452,000
Comm'l production <sup>c</sup>	1,163,000	1,171,000	1,230,000	43,144,000	39,339,000	55,171,000
Beehive Coke—						
U. S. total	146,000	156,600	86,000	5,071,100	2,068,600	5,564,500
Daily average	24,333	26,100	14,333	19,887	8,112	21,822

(a) Adjusted to comparable periods in the three years. (b) Includes washery and dredge coal, and coal shipped by truck from authorized operations. (c) Excludes colliery fuel.

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

State	Week Ended					Oct. average 1923
	Oct. 18 1941	Oct. 11 1941	Oct. 19 1940	Oct. 21 1939	Oct. 19 1929	
Alaska	4	3	2	3	(/)	(/)
Alabama	354	350	300	291	269	398
Arkansas and Oklahoma	105	116	67	89	131	88
Colorado	141	159	113	157	200	217
Georgia and North Carolina	1	1	1	(/)	(/)	(/)
Illinois	1,005	1,040	903	1,196	1,258	1,558
Indiana	500	485	283	410	390	520
Iowa	53	47	47	77	76	116
Kansas and Missouri	151	131	128	164	149	161
Kentucky—Eastern	955	963	684	964	1,008	764
Western	199	200	143	191	306	238
Maryland	37	37	24	38	55	35
Michigan	7	7	8	11	16	28
Montana	83	89	66	78	72	82
New Mexico	24	21	20	25	53	58
North and South Dakota	52	68	69	89	142	149
Ohio	681	686	952	542	561	736
Pennsylvania bituminous	2,677	2,715	2,363	2,615	3,000	3,149
Tennessee	146	145	93	141	112	118
Texas	9	9	8	17	22	26
Utah	96	104	66	100	109	121
Virginia	426	423	254	364	265	231
Washington	42	47	34	43	44	68
West Virginia—Southern <sup>a</sup>	2,236	2,269	1,679	2,207	2,175	1,488
Northern <sup>b</sup>	801	872	466	741	764	805
Wyoming	165	163	115	134	170	184
Other Western States <sup>c</sup>			1	76	74	74
Total bituminous coal	10,950	11,150	8,289	10,687	11,354	11,310
Pennsylvania anthracite <sup>d</sup>	1,233	1,281	850	1,210	1,895	1,968
Total, all coal	12,183	12,431	9,139	11,897	13,249	13,278

<sup>a</sup> Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the E. & O. in Kanawha, Mason, and Clay counties. <sup>b</sup> Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. <sup>c</sup> Includes Arizona, California, Idaho, Nevada, and Oregon. <sup>d</sup> Data for Pennsylvania anthracite from published records of the Bureau of Mines. <sup>e</sup> Average weekly rate for entire month. <sup>f</sup> Alaska, Georgia, North Carolina, and South Dakota included with "Other Western States." <sup>g</sup> Less than 1,000 tons.

### Subscriptions To Treasury Offering

Final subscription and allotment figures with respect to the Oct. 23 offering of 1% Treasury Notes of Series A-1946 to holders of maturing notes on the Reconstruction Finance Corporation and of the Commodity Credit Corporation were announced on Oct. 30 by Secretary of the Treasury Morgenthau. Subscriptions totaled \$502,983,000, of which \$299,561,000 was received from holders of RFC notes and \$203,422,000 from CCC noteholders. There were \$299,839,000 of 7/8% RFC notes of Series P scheduled to mature on Nov. 1, 1941, and \$204,241,000 of 1% CCC notes of Series E due to mature on Nov. 15. The details of this exchange offering were given in our issue of Oct. 30, page 801.

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

Federal Reserve District	Total Subscriptions Received from Holders of Reconstruction Finance Corporation Notes of Series P	Total Subscriptions Received from Holders of Commodity Credit Corporation Notes of Series E	Total Subscriptions Received (Allotted in full)
Boston	\$1,020,000	\$5,887,000	\$6,907,000
New York	227,076,000	132,088,000	359,164,000
Philadelphia	1,512,000	5,741,000	7,253,000
Cleveland	4,712,000	8,267,000	12,979,000
Richmond	3,848,000	2,647,000	6,495,000
Atlanta	250,000	1,450,000	1,700,000
Chicago	51,712,000	29,091,000	80,803,000
St. Louis	2,010,000	3,755,000	5,765,000
Minneapolis	2,170,000	3,250,000	5,420,000
Kansas City	2,731,000	3,401,000	6,132,000
Dallas	1,920,000	6,041,000	7,961,000
San Francisco	590,000	1,504,000	2,094,000
Treasury	10,000	300,000	310,000
Total	\$299,561,000	\$203,422,000	\$502,983,000

### Trading On New York Exchanges

The Securities and Exchange Commission made public on Oct. 31 figures showing the daily volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Oct. 18, 1941, continuing a series of current figures being published by the Commission. Short sales are shown separately from other sales in these figures, the Commission explained.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Oct. 18 (in round-lot transactions) totaled 428,165 shares, which amount was 13.82% of total transactions on the Exchange of 2,895,630 shares. This compares with member trading during the previous week ended Oct. 11 of 461,740 shares or 14.64% of total trading of 3,127,350 shares. On the New York Curb Exchange, member trading during the week ended Oct. 18 amounted to 78,305 shares, or 13.57% of the total volume on that Exchange of 531,190 shares; during the preceding week trading for the account of Curb members of 88,785 shares was 13.19% of total trading of 574,305 shares.

The Commission made available the following data for the week ended Oct. 18:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total Number of Reports Received	1,057	769
1. Reports showing transactions as specialists	185	97
2. Reports showing other transactions initiated on the floor	178	26
3. Reports showing other transactions initiated off the floor	174	72
4. Reports showing no transactions	607	579

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges. The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members\* (Shares) Week Ended Oct. 18, 1941

	Total For Week	Per Cent <sup>a</sup>
A. Total Round-Lot Sales		
Short sales	92,850	
Other sales <sup>b</sup>	2,802,780	
Total sales	2,895,630	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists		
1. Transactions of specialists in stocks in which they are registered		
Total purchases	203,350	
Short sales	41,130	
Other sales <sup>b</sup>	192,500	7.54
Total sales	233,630	
2. Other transactions initiated on the floor		
Total purchases	90,660	
Short sales	17,000	
Other sales <sup>b</sup>	107,290	3.71
Total sales	124,290	
3. Other transactions initiated off the floor		
Total purchases	78,630	
Short sales	5,700	
Other sales <sup>b</sup>	64,545	2.57
Total sales	70,245	
4. Total		
Total purchases	372,640	
Short sales	63,830	
Other sales <sup>b</sup>	364,335	13.82
Total sales	428,165	

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members\* (Shares) Week Ended Oct. 18, 1941

	Total For Week	Per Cent <sup>a</sup>
A. Total Round-Lot Sales		
Short sales	5,015	
Other sales <sup>b</sup>	526,175	
Total sales	531,190	
B. Round-Lot Transactions for the Account of Members		
1. Transactions of specialists in stocks in which they are registered		
Total purchases	43,740	
Short sales	3,015	
Other sales <sup>b</sup>	54,605	9.54
Total sales	57,620	
2. Other transactions initiated on the floor		
Total purchases	4,320	
Short sales	200	
Other sales <sup>b</sup>	4,385	0.84
Total sales	4,585	
3. Other transactions initiated off the floor		
Total purchases	17,815	
Short sales	990	
Other sales <sup>b</sup>	15,110	3.19
Total sales	16,100	
4. Total		
Total purchases	65,875	
Short sales	4,205	
Other sales <sup>b</sup>	74,100	13.57
Total sales	78,305	
C. Odd-Lot Transactions for the Account of Specialists		
Customers' short sales	0	
Customers' other sales <sup>c</sup>	36,702	
Total purchases	36,702	
Total sales	18,971	

\* The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

<sup>a</sup> Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

<sup>b</sup> Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."  
<sup>c</sup> Sales marked "short exempt" are included with "other sales."

### From Washington

(Continued from first page) ertheless this could not be taken as a criterion for the steel industry which is not so well organized. Many observers see in Lewis' move the real purpose of establishing the closed shop in the steel industry. That may be so, but it is giving more imagination to Lewis that this writer thinks he has. He was thinking in the terms of hatred against Roosevelt and his foreign policy and in the light of increased power for himself at the forthcoming meeting of the CIO, of which he hopes to regain control, not through himself as President, but through the election of key officers.

So a "compromise" which the steel industry would accept as such, will not be a "compromise" as Lewis looks at it. It will be a tremendous victory for him. He will have defied the President of the United States and got by with it. This will immeasurably add to his prestige at the CIO convention.

It is possible, of course, that the Mediation Board will not act as it is being predicted it will act. It may be that it will have acted entirely to the contrary before this appears in print. In which event, what has been said will be important as part of the background of a phase of how Washington is doing things. This prediction, too, may safely be made: If the Mediation Board does not rule along the lines as hereby set forth, then Lewis will call another strike.

Now, what is interesting, regardless of how this situation comes out, and regardless of what may have happened in the hours intervening before this is published, is why Mr. Roosevelt did not press Lewis when he had him down. Since he called in Myron C. Taylor and got him and Lewis together, and subsequently received Lewis, which the latter dearly wanted, Washington observers have marveled at the President's lack of forthrightness. It is not that he is a forthright man but he is so bitter at Lewis, particularly, and his fellow isolationists, that it was utterly amazing that he didn't strike at him. Instead, he has been telling friends that Lewis' mine workers presented a difficult problem. Lewis had a tremendous hold over his men, Mr. Roosevelt explained, and it was not a case of the Government just taking over a plant as it did in the case of North American aviation and the Kearny plants. Mr. Roosevelt's thought, apparently, was that the men, loyal to Lewis, would still refuse to work.

Every observer to whom this writer has talked does not believe that would be the case. It is an unhappy commentary on men but the way to break a strike, nine times out of ten, is simply to PRESERVE ORDER. Regardless of the merits of a case, there are always so many men who want to work that invariably when men are assured, by troops or otherwise, that they can work without being beaten up, they WILL WORK. Perhaps, unfortunately for them, they will not stick with their leaders. Surely, Mr. Roosevelt knows this. So he didn't have to "take over" the mines, whatever that means; all he had to do was to send troops and PRESERVE ORDER.

What has been written is not this writer's opinion alone but the subject of discussion among the Washington newspapermen. The question arises then as to why Mr. Roosevelt didn't pursue this course; why, despising Lewis as he does, he didn't press him into oblivion which he certainly had an opportunity to do.

The answer is, not in this writer's belief alone, that Lewis

outsmarted Roosevelt by injecting the name of J. P. Morgan into the controversy. He put the issue so that Roosevelt to rule against him was on the side of Morgan. It is amazing to thinking men that such things as this could have so much importance in the lives of the American people, but it is a fact that when Lewis issued a statement bringing Morgan into the controversy and inferentially insisting that Roosevelt, in being against him was with Morgan, it made the President flinch. Lewis has chuckled about this to his intimates. He considers it the masterstroke of his life.

Mr. Roosevelt's whole tenure of office has been that he was "against the Morgans and for the laboring man." Morgan was made a symbol of the New Deal when it first came in. This writer shall always recall how the wolves of the pack smacked their chops and waited to move in to devour Morgan at the Pecora hearings in 1933. And I have always thought that the only thing that saved the banker from mob attack was the circus press agent stunt of placing a midget in his lap one day. Morgan was the symbol of the depression and mob violence was the order of the day and the crux of the New Deal.

In 1939, after Hitler had gone into Poland, Winthrop Aldrich thought he would cash in on the New Deal's antipathy to Morgan. He came to Washington and told the President in the light of a son, talking to his father, that it would be very bad, indeed, if Morgan were permitted to be the British banker in this Second World War. Winthrop recalled the Nye committee revelations about Morgan. Roosevelt quickly agreed and observed:

"You're absolutely right, Winthrop. But, of course, the same thing applies to you."

Aldrich had been threatening Republic leaders that unless they fell in behind the President's policy, he would withdraw his Republican support and denounce the Rpublication party. The Senators to whom he made this threat—McNary, Taft, Vandenberg—prayed that he would do this.

But when Lewis threw the name of Morgan up to Roosevelt it was more than he could take. He didn't want to give a man like Lewis this issue against him; the issue that Roosevelt and Morgan were playing ball. Now, it would seem that Lewis is bound to come out of the controversy, much stronger than he was before — and the President despising the ground Lewis walks on too! It is something for the books.

Notwithstanding that Bill Knudsen has been pretty much pushed out of the Washington picture, the New Dealers apparently are not yet through with him. After all, in his present deflated capacity he still is a member of the overall defense board, the SPAB. So now an agitation is being built up for the great need of tanks. Tanks, tanks, the story goes, will have us from the machinations of Hitler.

Well, then, if we go in for "overall" tank production, the man obviously to concentrate on that is that tank genius, Bill Knudsen. But, he can't possibly be concentrating on tanks if he has his OPM and SPAB administrative tasks. So he must be relieved from his administrative duties. One wonders why he should be any worry to the New Dealers in the administrative set-up. He doesn't have much of a voice, being outvoted all around. However, he must be troublesome, because the plan just cited comes from the New Dealers.

## Non-Farm Mortgage Recordings Down

The \$428,000,000 of non-farm mortgages of \$20,000 or less recorded throughout the United States during August represented a decline of almost 3½% from the post-depression peak reached in July, according to the "Mortgage Recording Letter" issued by the Federal Home Loan Bank Board on Oct. 13, from which we also quote. "All classes of mortgage lenders participated in this reduction. By declining only 2½% from July, the savings and loan industry, traditionally the leader in the home-financing field, displayed the greatest resistance to the downward movement in real estate financing activity. Mutual savings banks, concentrated largely in the Boston and New York Federal Home Loan Bank districts, evidenced the sharpest July-to-August drop. However, during the first eight months of this year, recording activity of this type of lender has shown by far the greatest relative improvement over the same 1940 period.

"Curtailed mortgage financing activity was rather general throughout the country during August. Gains from July were evident in only two Bank districts, the Winston-Salem and Topeka districts, which registered increases of 2 and 5%, respectively. Declines in remaining areas ranged from less than one-half of one percent in the Des Moines District to as high as 11% in the Boston area.

Type of Lender	Aug., 1941	% Chg. from July, 1941	Aug., 1940	% Chg. from Aug., '40	Cumulative Recordings January-August 1941	% Change 1940
S. & L. Assns.	\$139,156	32.5	\$121,979	32.4	\$989,368	\$839,659 + 17.8
Ins. Cos.	35,995	8.4	31,639	8.4	257,826	213,939 + 20.5
Bank & Tr. Cos.	105,153	24.6	93,931	24.9	766,443	651,931 + 17.6
Mut. Svg. Banks	19,213	4.5	15,903	4.2	135,998	107,527 + 26.5
Individuals	69,002	16.1	56,770	15.1	509,361	424,822 + 19.9
Others	59,580	13.9	56,394	15.0	430,007	392,990 + 9.4
<b>Total</b>	<b>\$428,099</b>	<b>100.0</b>	<b>\$376,816</b>	<b>100.0</b>	<b>\$3,089,003</b>	<b>\$2,630,868 + 17.4</b>

"Total nonfarm mortgage recording activity during the first eight months of this year amounted to almost \$3,100,000,000, an increase of \$460,000,000, or 17% over the January-August period of 1940. Geographically the smallest percentage gains, from 8 to 10%, occurred in Little Rock, Topeka, and Los Angeles Bank districts, while relative gains in other sections of the country ranged as high as 25% in the Cincinnati District and 37% in the Chicago area."

## Federal Reserve Reports Brokers' Balances

The Board of Governors of the Federal Reserve System announced on Oct. 22 that member firms of the New York Stock Exchange carrying margin accounts for customers reported for September an increase of \$5,000,000 in their customers' debit balances and a decrease of \$64,000,000 in money borrowed by the reporting firms. These firms, says the Board, also reported a decrease of \$77,000,000 in the debit balances in their firm and partners' investment and trading accounts. During the year ending Sept. 30, 1941, customers' debit balances decreased by \$2,000,000 and money borrowed increased by \$26,000,000.

A summary of the customers' debit balances and principal related items of the member firms of the New York Stock Exchange that carry margin accounts, together with changes for the month and year ended Sept. 30, 1941, follows:

	(Ledger balances in millions of dollars)		Increase or decrease since	
	Sept. 30, 1941	Aug. 31, 1941	Sept. 30, 1941	1940
<b>Debit Balances:</b>				
Customers' debit balances	633	+5	-2	
Debit balances in firm and partners' investment and trading accounts	93	-77	+24	
Cash on hand and in banks	196	+7	-22	
<b>Credit balances:</b>				
Money borrowed	396	-64	+26	
Customers' credit balances:				
Free	260	-2	+8	
Other	78	+6	+2	
Credit balances in firm and partners' investment and trading accounts	24	+1	-1	
Credit balances in capital accounts	219	-2	-36	

## Bonds Remain Firm

The bond market has not moved far in either direction during the week under review. Treasury bonds pushed up fractionally to new highs for the year, bettering last year's record high level.

High-grade railroad bonds have lost fractionally in a few instances. Hocking Valley 4½s, 1999, at 130½ were off ¼ point while Chesapeake & Ohio 3½s, 1996, closed ¼ point lower at 104½. Medium-grade rail issues have not displayed any marked tendency in either direction while speculative rail bonds have lost ground. Among the latter group Pittsburgh & West Virginia 4½s, 1959, at 63½ were off one point and Atlantic Coast Line coll. 4s, 1952, declined ¾ to 70½. Defaulted rail bonds have been lower in sympathy with lower stock prices.

High-grade utility bonds have acted well and Brooklyn Edison 3¼s, 1966, Cleveland Electric Illuminating 3s, 1970, Pacific Telephone & Telegraph 3¼s, 1966, and Southern Counties Gas 3s, 1971, among other, attained peak levels. Considerable activity took place in Columbia Gas & Electric debentures which lost some ground. Speculative issues were inclined to be weak.

Changes in the industrial section of the list have been primarily confined to fractions. A few exceptions to the rule occurred, the General Steel Castings 5½s, 1949, having gained 2¼ points at 96¼ while the Certain-teed Products 5½s, 1948, gained 1½ points at 86½. Steel company obligations and oils have showed mixed fractional changes, metal company issues have gained fractionally and sugars have been weak. In the tobacco section, the Liggett & Myers 5s, 1951, a high-grade issue, lost ¾ at 126½.

The foreign list has been interesting because of the continued firmness of the South American group. Argentine issues have gained several points while Cuban loans and Uruguayan loans have established new highs for the move. Japanese bonds have been irregular, strength in some of the utility issues contrasting with declines in other sections of the group. Sharp losses have been suffered by German corporate and public issues in reflection of the critical situation caused by the recent naval events. There have also been losses of several points in Danish and Norwegian loans.

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

MOODY'S BOND PRICES† (Based on Average Yields)											
1941 Daily Averages	U. S. Govt. Bonds	Ave. Corp. Rate*	Corporate by Ratings*				Corporate by Groups*				
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.		
Nov. 4	120.04	108.34	118.60	115.82	109.42	92.06	97.47	112.19	116.23		
3	120.04	108.16	118.40	115.82	109.42	91.91	97.47	112.19	116.03		
1	120.03	108.16	118.40	115.82	109.42	92.06	97.47	112.19	116.03		
Oct. 31	119.43	108.16	118.40	115.63	103.42	92.06	97.47	112.19	116.02		
24	119.23	107.98	118.40	115.43	109.06	91.77	97.00	112.00	116.02		
17	119.23	107.98	118.40	115.43	109.06	91.77	97.00	112.00	116.02		
16	119.23	107.98	118.40	115.43	109.06	91.77	97.00	112.00	116.02		
15	119.18	107.98	118.40	115.43	109.24	91.91	97.16	112.19	116.22		
14	119.18	107.98	118.40	115.43	109.24	91.91	97.16	112.19	116.02		
13	119.16	107.98	118.40	115.43	109.24	91.91	97.16	112.19	116.02		
11	119.16	107.98	118.40	115.43	109.24	91.91	97.16	112.19	116.02		
10	119.16	107.98	118.40	115.43	109.24	91.91	97.16	112.19	116.02		
9	119.16	107.98	118.40	115.43	109.24	91.91	97.16	112.19	116.02		
8	119.13	108.16	118.40	115.43	109.24	92.20	97.31	112.19	116.22		
7	119.13	108.16	118.40	115.43	109.24	92.20	97.31	112.19	116.02		
6	119.17	107.98	118.40	115.43	109.24	91.91	97.16	112.19	116.02		
4	119.21	107.98	118.40	115.43	109.06	91.77	97.00	112.00	116.02		
2	119.17	107.80	118.20	115.43	109.06	91.62	97.00	112.00	115.82		
1	119.11	107.80	118.20	115.24	108.88	91.62	96.85	112.00	115.82		
Sept. 24	118.95	107.44	118.00	114.85	108.70	91.19	96.69	111.81	115.43		
17	118.82	107.62	118.20	114.66	108.70	91.48	96.69	111.62	115.43		
12	119.02	107.62	118.00	114.66	108.70	91.62	97.00	111.81	115.24		
5	119.13	107.80	118.20	114.85	108.88	95.06	97.31	112.00	115.24		
Aug. 29	119.14	107.80	118.40	114.85	108.88	91.77	97.16	111.81	115.43		
22	118.78	107.62	118.00	114.66	108.70	91.77	97.16	112.00	115.04		
15	118.90	107.80	118.00	115.04	108.70	91.91	97.31	112.00	115.04		
8	119.20	107.98	118.20	115.24	108.70	92.20	97.47	112.00	115.24		
1	119.56	107.80	118.20	115.24	108.52	92.06	97.47	112.00	115.24		
July 25	119.55	107.80	118.00	115.24	108.52	92.06	97.47	112.00	115.04		
18	119.47	107.62	118.20	115.04	108.34	91.91	97.46	112.00	115.04		
11	119.46	107.62	118.20	115.04	108.16	91.91	97.16	111.81	115.04		
3	119.55	107.44	118.00	114.66	107.88	91.77	97.00	111.62	114.85		
June 27	119.45	107.44	118.00	114.66	107.80	91.77	97.00	111.62	114.85		
20	119.02	107.09	117.80	114.46	107.62	91.48	97.16	111.44	114.66		
13	118.97	106.92	117.60	114.08	107.44	91.48	97.00	111.25	113.89		
6	118.81	106.74	117.20	113.70	107.27	91.19	96.69	110.88	113.31		
May 29	118.71	106.39	116.61	113.31	107.09	91.05	96.69	110.70	112.75		
23	118.35	106.39	116.80	113.50	106.92	91.19	96.69	110.70	112.92		
16	118.52	106.39	116.61	113.31	106.92	91.34	96.85	110.52	112.75		
9	118.45	106.56	116.80	113.12	106.92	91.62	97.00	110.52	112.92		
2	118.66	106.39	117.00	112.93	106.74	91.34	96.85	110.52	112.75		
Apr. 25	118.62	106.21	116.61	112.75	106.56	91.19	96.69	110.34	112.19		
18	118.28	105.86	116.41	112.56	106.39	90.91	96.54	110.15	112.00		
10	117.36	105.69	116.41	112.19	106.21	90.77	96.54	109.79	111.81		
4	117.55	106.04	116.80	112.37	106.21	91.48	97.00	109.97	112.19		
Mar. 28	117.80	105.86	116.41	112.19	106.04	91.05	96.54	109.79	111.81		
21	117.85	106.21	117.00	112.93	106.56	90.77	96.54	110.15	112.75		
14	117.77	106.21	117.40	113.31	106.56	90.48	96.54	109.97	113.31		
7	116.90	106.04	117.40	113.31	106.39	90.20	96.23	109.97	113.12		
Feb. 28	116.93	105.86	117.20	112.93	106.21	89.78	95.92	109.79	112.75		
21	116.06	105.52	117.00	112.75	106.04	89.52	95.82	109.60	112.75		
14	116.24	105.86	117.60	113.12	106.21	89.64	95.92	109.60	113.12		
7	116.52	106.21	117.80	113.31	106.39	90.20	95.54	109.79	113.31		
Jan. 31	117.14	106.39	118.00	113.70	106.39	90.48	96.85	109.79	113.70		
24	117.64	106.56	117.60	113.89	106.56	90.77	97.16	109.97	113.50		
17	118.06	106.56	118.20	113.99	106.56	90.48	96.69	110.15	113.89		
10	118.03	106.56	118.20	114.27	106.56	90.34	96.69	110.15	114.08		
3	118.65	106.39	118.40	114.46	106.39	89.78	95.92	110.15	114.46		
High 1941	120.05	108.34	118.60	115.82	109.42	92.35	97.62	112.19	116.22		
Low 1941	115.89	105.52	116.22	112.00	106.04	89.23	95.6				

# Steel Industry Backlog Estimated At 7 Months Operation At Current Rate—Output At 98%

The "Iron Age" in its issue of Nov. 5 reported that outcome of the move to replace the present priorities system with something better is likely to result in a slow revision over the next few months in the method of distributing materials.

Effects of priorities on the metal industries were shown this week by final returns in the "Iron Age" priorities poll in which approximately 2,000 companies took part. The poll showed that the conversion of civilian product plants to defense goods is farther along than is generally believed, with companies in the poll reporting an average of 65.12% of their current operations for defense. Eleven hundred and seventy-eight companies of the 1,897 submitting complete answers in the survey said their rate of production has not been affected by priorities, but an even 500 companies report priorities losses.

Six hundred and thirty-six companies told the "Iron Age" they are short of steel, although not all of this number had actually been forced to cut operation for that reason. Three hundred and seventy-four companies said they are short of non-ferrous materials such as copper, aluminum and zinc, to a degree which has in most cases curtailed operations, while 146 companies declared their production has been handicapped by shortages of machine tools and small tools of various types. Seventy-nine of the 1,897 companies mailing full answers in the poll said they could operate at a higher rate if they could find more skilled workmen. Latest to attack the priorities system is the SWOC which now claims that 55,000 workmen have already suffered "priorities unemployment" and that the jobs of an additional 45,000 are threatened in the steel and allied metal industries.

Industry and the public has been given a short breathing space by John L. Lewis, Labor Dictator, who has authorized the steel company-owned coal mines to operate without interruption until Nov. 15 while the National Defense Mediation Board studies his "closed shop or else" proposal for the mines. The possibility that the four employer and two public members of the Mediation Board will outvote the five labor members on the coal mine closed shop issue, with its potentialities of an outbreak of closed shop shutdowns in the steel and other industries, has not been entirely cast aside but most observers at mid-week believed Lewis would get what he wants from the board.

Steel production was down little because of the captive mine coal strike, which was stopped in its early stages, but several thousand tons of steel were lost at Pittsburgh when a cranesmen's strike at the Homestead, Pa., works of Carnegie-Illinois Steel Corp. resulted in suspension of several open hearth furnaces. This is another example of the "flash" strikes which are continuously interfering with steel production. The result in this case will be delay of structural material needed in national defense. At Homestead, as in many other plants, a few men tied up production at a strategic point and forced many hundreds of workers into temporary idleness. The Homestead tie-up was caused by 200 cranesmen but 3,000 men lost from two to three days work. Pay envelope losses by non-striking workmen in such strikes may eventually result in a decline in these "outlaw" defense-hampering shutdowns.

Steel ingot production this week rose to 98%, a gain of one point from last week's revised rate of 97%. Although October bookings were not as heavy as in the record-breaking month of August, new orders did run from seven to 15% ahead of the September figures. The volume of fresh business in October kept ahead of production with the result that backlogs were increased slightly. Steel industry backlogs are now estimated at five to seven months operation at the current production rate. In the last few days, bookings have continued to exceed production.

Iron and steel scrap shipments still are below requirements and dealers are intensifying their efforts to get more material.

For another week efforts by industry to broaden the present limited production stage of the national defense program were increased and were getting results. A steel cartridge case, long sought by many countries in wartime, is said to be near success in U. S. arsenals. Improved knowledge of steel metallurgy has strengthened the prospects of a successful steel cartridge and a lessening of the strain on copper, currently one of the tightest of defense materials. Another development of the past week also described in the current "Iron Age" is a plan for building a very large fleet of stainless steel cargo airplanes for sale to South American Republics. An order for 1,000 planes, said to be the first all-stainless type to go into mass production anywhere in the world, will be awarded shortly.

Structural steel awards dropped to 6,900 tons from 13,925 tons a week ago, the only large order being 3,000 tons for a factory at Toledo, Ohio, for the American Propeller Co.

### THE "IRON AGE" COMPOSITE PRICES

Finished Steel		High		Low	
Nov. 4, 1941, 2.30467c a Lb.					
One week ago	2.30467c	1939	\$22.61	Sep 19	\$20.61
One month ago	2.30467c	1938	23.25	Jun 21	19.61
One year ago	2.30467c	1937	23.25	Mar 9	20.25
▲ Weighted index based on steel bars, beams, tank plates, wire, rails, black pipe, hot and cold-rolled sheets and strip. These products represent 78% of the United States output.					
High					
1941	2.30467c	Sep 2	2.30467c	Sep 2	2.30467c
1940	2.30467c	Jan 2	2.24107c	Apr 16	1939
1939	2.35307c	Jan 3	2.26689c	May 16	1938
1938	2.58414c	Jan 4	2.27207c	Oct 18	1937
1937	2.58414c	Mar 9	2.32263c	Jan 4	1936
1936	2.32263c	Dec 28	2.05200c	Mar 10	1935
1935	2.07642c	Oct 1	2.06492c	Jan 8	1934
1934	2.15367c	Apr 24	1.95767c	Jan 2	1933
1933	1.95767c	Oct 3	1.75839c	May 2	1932
1932	1.89199c	Jul 5	1.83001c	Mar 1	1931
1931	1.99629c	Jan 13	1.86589c	Dec 29	1930
1930	2.25488c	Jan 7	1.97819c	Dec 9	1929
1929	2.31773c	May 28	2.26498c	Oct 29	
Low					
Nov. 4, 1941, \$23.61 a Gross Ton					
One week ago	\$23.61	1939	22.50	Dec 30	16.04
One month ago	\$23.61	1938	22.50	Oct 3	14.08
One year ago	\$23.61	1937	15.00	Nov 22	11.00
Based on averages for basic iron at Valley furnaces and foundry iron at Chicago, Philadelphia, St. Louis, Valley and Southern iron at Cincinnati.					
High					
1941	\$23.61	Mar 20	\$23.45	Jan 2	1940
1940	23.45	Dec 23	22.61	Jan 2	1939
Low					
1941	\$23.61	Mar 20	\$23.45	Jan 2	1940
1940	23.45	Dec 23	22.61	Jan 2	1939

# On The Foreign Front

## European Stock Markets

Fair activity was noted in recent sessions on several of the leading European financial markets, notwithstanding the depressing effect of the war. With currency circulation rapidly expanding everywhere, funds are drifting into equities to a degree. The efforts to curtail and control inflationary phenomena plainly are not entirely successful in any of the great countries actually engaged or on the fringe of war, and the demand for common stocks is a natural result. Trading on the London Stock Exchange was active late last week, with Cunard and other shipping shares in best demand. Some of the oil issues were taken

The American Iron and Steel Institute on Nov. 3 announced that telegraphic reports which it had received indicated that operating rate of steel companies having 91% of the steel capacity of the industry will be 98.2% of capacity for the week beginning Nov. 3, compared with 99.9% one week ago, 98.1% one month ago and 96.0% one year ago. This represents a decrease of 1.7 points or 1.7%, from the preceding week. Weekly indicated rates of steel operations since Nov. 4, 1940, follow:

1940—	Jan 20—	Apr 28—	Aug 4—
Nov 4—96.0%	Jan 27—97.1%	May 6—96.8%	Aug 11—95.6%
Nov 11—96.1%	Feb 3—96.9%	May 12—99.2%	Aug 18—96.2%
Nov 18—96.6%	Feb 10—97.1%	May 19—99.9%	Aug 25—96.5%
Nov 25—96.6%	Feb 17—94.6%	May 26—98.6%	Sep 2—96.3%
Dec 2—96.9%	Feb 24—96.3%	Jun 2—99.2%	Sep 8—96.9%
Dec 9—96.0%	Mar 3—97.5%	Jun 9—98.6%	Sep 15—96.1%
Dec 16—96.8%	Mar 10—98.8%	Jun 16—99.0%	Sep 22—96.8%
Dec 23—96.8%	Mar 17—99.4%	Jun 23—99.9%	Sep 29—96.9%
Dec 30—95.9%	Mar 24—99.8%	Jun 30—91.8%	Oct 6—98.1%
1941—	Apr 7—99.3%	Jul 7—94.9%	Oct 13—98.4%
Jan 6—97.2%	Apr 14—98.3%	Jul 14—95.2%	Oct 20—97.8%
Jan 13—98.5%	Apr 21—96.0%	Jul 21—96.0%	Oct 27—99.9%
		Jul 28—97.6%	Nov 3—98.2%

"Steel" of Cleveland, in its summary of the iron and steel markets on Nov. 3, stated:

Despite severe handicaps the steel industry continues to keep production at a high rate, some units operating well above capacity.

Truce in the captive coal mine strike, reached Thursday, eliminates at least temporarily this threat to continued steel production by mills dependent on these mines for fuel. Before the truce preparations had been made by several important producers to curtail production sharply to conserve coke supplies for most needed purposes. Return of strikers at Great Lakes Steel Corp. plants at Detroit caused resumption there but a strike at Homestead works of Carnegie-Illinois Steel Corp. practically balanced the Detroit gain.

Scrap shortage continues to hamper steel mills, open hearths taken off the previous week still being idle and further curtailment for this cause is being made at several points, though steelmakers are using every effort to obtain scrap to continue production as long as possible.

Doubt is expressed of the success of steel expansion programs under present plans, the blanket priority of A-1-k being far too low to give needed deliveries on numerous steel products, notably plates. Difficulties also appear in procurement of special equipment for blast furnaces and steel mills, manufacturers being booked far ahead on other defense business.

Additional pressure on non-defense production is being exerted by OPM, the past week bringing orders to washer and ironer manufacturers to reduce production by 17.3% for final five months, based on production during 12 months ending June 30. Manufacturers of ice boxes are ordered to cut steel use 35% during the period Sept. 1 to Dec. 31. Producers of structural shapes are asked to curtail the variety of sizes of angles by 50% and in beams, channels and shapes by a slightly smaller per cent. The request will be effective Feb. 1, 1942. Shapes used in ship, freight car and building construction are not affected.

Pig iron allocations for November have been issued and meet general approval, producers and consumers finding the situation much improved over that prevailing before it was established. Practically all needs for defense are being met and some tonnage seems likely to be available for melters without preference. An additional furnace will be blown in at Buffalo this month and a second is under construction there. All furnace production is being shipped and none accumulated. A cargo of 8,200 tons of iron salvaged from a wrecked ship in Delaware River has been allocated to a cast iron pipe producer.

Allocation of scrap is not expected before mid-month after all reports have been received, inventories determined and points of greatest need revealed. Occasional orders have been issued for movement of materials to melters in greatest need and at least one case has developed where a consumer with fairly large reserve has been ordered to accept no more until permission is given. Some additional capacity has been closed down because of shortage but most users have managed to obtain sufficient to maintain a good rate. In general steelmakers are running on current shipments and dipping into stock where the former do not suffice. Reserves are the exception.

Automobile production last week totaled 92,879 units, a gain of 1,024 over 91,855 cars the preceding week. This compares with 118,092 produced in the corresponding week last year.

Production held at 95½% in face of marked changes in two important districts, losses balancing gains. Detroit gained 59 points to 91%, Wheeling advanced 1 point to 95 and Chicago went up 1½ points to a new all-time high of 103½%. Pittsburgh lost 9 points to 90%, eastern Pennsylvania declined 1 point to 92 and Buffalo was 2½ points lower, at 81%. Rates were unchanged in other districts: Cleveland, 97; Birmingham, 95; New England, 90; Cincinnati, 91½; St. Louis, 83; Youngstown, 98.

Better to represent the situation and to reflect prevailing differentials between raw materials and the product in both semifinished and finished form "Steel" this week starts publication of four price composites instead of the three carried for many years. They cover finished steel, semifinished steel, steelmaking scrap and steelmaking pig iron. Figures have been compiled retroactively so that the usual comparisons can be made. In the new presentation finished steel is at \$56.73, semifinished steel at \$36.00, steelmaking pig iron at \$23.05 and steelmaking scrap at \$19.17.

up early this week, and a considerable upswing developed in diamond shares, owing to rumors of a 15% increase in the price of the brilliants. Gilt-edged stocks were well maintained on the London market, since the Government manages to divert a sizable part of the national income into such obligations.

Continental markets were relatively quiet. Occasional flurries were reported on the great Bourse in Amsterdam, but attention centered persistently in the shares of companies domiciled in the East Indies, the United States and elsewhere. Few reports are available of trends on French, German and Italian markets, but the belated accounts of dealings in all cases suggest quietness and a lack of sensational changes, since the latter would attract the attention of authorities.

## Naval Warfare

Naval war is developing swiftly between Germany and the United States, with incident after incident reflecting the growing conflict. The first outright sinking of an American warship in this war was recorded last Friday, after the overnight torpedoing with heavy loss of life of the destroyer Reuben James, while that ship was convoying west of Iceland. The nature of the convoy has not been disclosed, but the reticence on this aspect of the matter leads to the presumption that a British convoy was in question.

In the Navy Department announcement it was indicated that 44 enlisted men had been rescued, some of them badly wounded. Hope for the others was not abandoned until Tuesday, when the Navy disclosed final figures on the ship's personnel. It then appeared that 142 officers and men were aboard the Reuben James, and of these 95 were lost outright and two died after being rescued, making a death toll of 97 in this disaster. The Reuben James, an old destroyer of 1,190 tons, was engaged in convoying when attacked, according to the official Washington disclosures. All indications are that she sank quickly.

Just before these sad tidings were announced, it was made known in Washington that the attack on the destroyer Kearny, on Oct. 17, came after that ship rushed to the defense of an attacked merchantman. The Kearny, which suffered a torpedo hit and the loss of 11 of her crew dropped depth bombs before she was attacked by the submarine. This destroyer reached port without further incident.

Nor are these the only incidents of the naval war, to date. It was made known by the Navy Department, Tuesday, that the Navy tanker Salinas had been torpedoed without loss of life, west of Iceland, on Oct. 30. A bombing plane operating in the Atlantic, the Navy Department disclosed on Monday, had crashed in the "Atlantic Ocean area" with the loss of 11 naval men and one Army officer.

These and other items of the developing naval war naturally pose numerous problems, among them that of the constitutionality of President Roosevelt's order for shooting war. The President steadily has maintained, however, that the action is that of putting down piracy rather than of waging war, which only Congress can declare. After the sinking of the Reuben James became known, Mr. Roosevelt stated to press representatives that he did not expect the sinking to affect American policy or to occasion a breach in diplomatic relations with Germany.

The German Government last Saturday issued a statement denying (Continued on page 937)

## Revenue Freight Car Loadings During Week Ended Oct. 25 Placed At 913,605 Cars

Loading of revenue freight for the week ended Oct. 25, totaled 913,605 cars, the Association of American Railroads announced Oct. 30. The increase above the corresponding week in 1940 was 75,948 cars, or 9.1%, and above the same week in 1939 was 84,247 cars, or 10.2%.

Loading of revenue freight for the week of Oct. 25 decreased 9,279 cars, or 1.0% below the preceding week.

Miscellaneous freight loading totaled 405,584 cars, a decrease of 1,866 cars below the preceding week, but an increase of 48,120 cars above the corresponding week in 1940.

Loading of merchandise less than carload lot freight totaled 159,828 cars, an increase of 543 cars above the preceding week, and an increase of 3,100 cars above the corresponding week in 1940.

Coal loading amounted to 165,220 cars, a decrease of 2,393 cars below the preceding week, but an increase of 23,790 cars above the corresponding week in 1940.

Grain and grain products loading totaled 35,083 cars, a decrease of 2,481 cars below the preceding week, and a decrease of 5,338 cars below the corresponding week in 1940. In the Western Districts alone, grain and grain products loading for the week of Oct. 25 totaled 20,986 cars, a decrease of 2,898 cars below the preceding week, and a decrease of 4,142 cars below the corresponding week in 1940.

Live stock loading amounted to 20,378 cars, a decrease of 2,427 cars below the preceding week, and a decrease of 2,131 cars below the corresponding week in 1940. In the Western Districts alone, loading of live stock for the week of Oct. 25 totaled 16,633 cars, a decrease of 2,535 cars below the preceding week, and a decrease of 1,707 cars below the corresponding week in 1940.

Forest products loading totaled 45,917 cars, a decrease of 400 cars below the preceding week, but an increase of 2,313 cars above the corresponding week in 1940.

Ore loading amounted to 68,455 cars, a decrease of 353 cars below the preceding week and a decrease of 57 cars below the corresponding week in 1940.

Coke loading amounted to 13,140 cars, an increase of 98 cars above the preceding week, and an increase of 1,151 cars above the corresponding week in 1940.

All districts reported increases compared with the corresponding weeks in 1940 and 1939.

	1941	1940	1939
4 Weeks of January	2,740,095	2,557,735	2,288,730
4 Weeks of February	2,824,188	2,488,879	2,282,866
5 Weeks of March	3,817,918	3,123,916	2,976,655
4 Weeks of April	2,793,563	2,495,212	2,225,188
5 Weeks of May	4,160,527	2,351,840	2,926,408
4 Weeks of June	3,510,137	2,896,953	2,563,953
4 Weeks of July	3,413,427	2,822,450	2,532,236
5 Weeks of August	4,464,458	3,717,933	3,387,672
4 Weeks of September	3,539,171	3,135,122	3,102,236
Week of Oct. 4	917,516	806,004	830,102
Week of Oct. 11	913,877	811,906	839,952
Week of October 18	922,884	813,097	856,289
Week of October 25	913,605	837,657	829,358
<b>Total</b>	<b>34,921,366</b>	<b>29,859,516</b>	<b>27,641,645</b>

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Oct. 25, 1941. During this period 87 roads showed increases when compared with the same week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED OCT. 25

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1941	1940	1939	1941	1940
<b>Eastern District—</b>					
Ann Arbor	656	750	727	1,585	1,303
Bangor & Aroostook	1,646	1,065	1,402	315	254
Boston & Maine	8,908	8,165	8,440	13,898	11,553
Chicago, Indianapolis & Louisville	1,739	1,553	1,733	2,557	2,356
Central Indiana	38	20	39	52	52
Central Vermont	1,479	1,332	1,400	2,528	2,262
Delaware & Hudson	6,977	7,318	5,877	11,433	8,312
Delaware, Lackawanna & Western	9,203	10,314	10,909	8,686	7,585
Detroit & Mackinac	487	649	560	147	110
Detroit, Toledo & Ironton	2,467	2,670	2,571	1,204	1,236
Detroit & Toledo Shore Line	368	486	336	4,116	2,953
Erie	16,511	14,544	13,948	16,499	14,692
Grand Trunk Western	5,947	5,826	4,910	9,455	8,353
Lehigh & Hudson River	182	158	183	2,768	2,331
Lehigh Valley	2,180	2,450	1,922	1,829	1,318
Maine Central	10,351	10,307	10,103	10,060	8,105
Monongahela	3,245	2,554	2,784	3,136	2,224
Mountair	2,546	1,884	2,290	64	55
New York Central Lines	55,013	48,271	44,859	51,956	43,332
N. Y., N. H. & Hartford	13,282	11,258	10,586	16,726	14,377
New York, Ontario & Western	1,235	1,259	1,296	2,276	2,140
N. Y., Chicago & St. Louis	7,348	7,032	6,954	14,570	11,544
N. Y., Susquehanna & Western	491	418	470	1,835	1,602
Pittsburgh & Lake Erie	8,926	8,112	7,993	8,620	7,355
Pere Marquette	7,044	7,065	6,907	6,651	5,554
Pittsburgh & Shawmut	760	601	710	23	78
Pittsburgh, Shawmut & North	435	482	439	313	220
Pittsburgh & West Virginia	1,155	789	1,304	2,299	2,200
Rutland	618	664	672	1,255	1,057
Wabash	6,352	6,310	6,358	11,439	9,583
Wheeling & Lake Erie	5,473	5,022	5,218	4,608	3,457
<b>Total</b>	<b>189,727</b>	<b>173,518</b>	<b>169,462</b>	<b>213,318</b>	<b>177,573</b>
<b>Allegheny District—</b>					
Akron, Canton & Youngstown	746	572	543	1,135	895
Baltimore & Ohio	42,163	35,543	36,854	24,738	19,296
Bessemer & Lake Erie	5,279	6,639	5,980	1,968	2,219
Buffalo Creek & Gauley	303	278	334	5	4
Cambria & Indiana	1,888	1,613	1,699	17	11
Central R.R. of New Jersey	8,080	8,033	7,821	16,679	13,612
Cornwall	720	661	667	43	46
Cumberland & Pennsylvania	268	262	290	30	35
Ligonier Valley	137	140	154	61	47
Long Island	895	1,006	839	2,909	2,983
Penn.-Reading Seashore Lines	1,830	1,468	1,437	2,096	1,694
Pennsylvania System	91,249	72,420	77,353	60,630	47,775
Reading Co.	18,918	17,081	14,573	23,486	19,456
Union (Pittsburgh)	19,952	18,980	18,439	6,056	6,193
Western Maryland	4,362	3,782	4,556	9,925	6,998
<b>Total</b>	<b>196,790</b>	<b>168,478</b>	<b>171,539</b>	<b>149,778</b>	<b>121,264</b>
<b>Pocahontas District—</b>					
Chesapeake & Ohio	29,867	23,843	30,003	14,256	11,827
Norfolk & Western	25,020	21,234	24,471	6,702	6,084
Virginian	4,526	4,065	4,356	1,974	1,549
<b>Total</b>	<b>59,423</b>	<b>49,142</b>	<b>58,830</b>	<b>22,932</b>	<b>19,460</b>

## Foreign Front

(Continued from page 936)

ing categorically the declaration by Mr. Roosevelt in his Navy Day speech that he possesses documents proving a German intention to divide and rule Latin-America and to supplant all other religions with Nazism. Reviewing the Greer and Kearny incidents, the German Fuehrer affirmed that the United States had "attacked Germany" in both cases. Other German quarters asserted that the American destroyers were convoying British merchant ships and therefore were elements in a "British formation."

This brought the retort in Washington that American operations have been defensive from the beginning and that the Nazis now appear to be denying to others even the right of self-defense. It was reiterated, in Mr. Roosevelt's phase, that Germany has begun a shooting war and that all that matters is who will fire the last shot. Secretary of the Navy Frank Knox declared that the sinkings of American ships were "worse than piracy,"

and that "we are in this fight to a finish."

Also indicative of the Washington attitude are preliminary arrangements for pooling of world shipping of non-belligerent nations, under American direction, in the event of Congressional repeal of the neutrality legislation. The Navy Department announced, Monday, that fifty ships of a special convoy type will be built speedily in the United States for Great Britain, at a cost of \$6,000,000 each, to be defrayed under the lend-lease program. The United States Coast Guard was ordered by President Roosevelt, last Sunday, to be placed under Navy Department orders, which is a frank and avowed war measure.

Secretary of State Cordell Hull disclosed, Monday, that a claim had been filed with the German Government for \$2,967,092 costs, resulting from the torpedoing by a German submarine in the South Atlantic, May 21, of the American flag freighter Robin Moor. The German Government, he added, has declined to consider this claim, and the matter therefore has been filed for post-war con-

sideration. Mr. Hull also revealed that the German Charge d'Affaires, Hans Thomsen, declined to transmit to Berlin a copy of President Roosevelt's message to Congress, in which the sinking of the Robin Moor was termed an act of piracy by an international high-wyman.

### American Neutrality

Debates continued furiously in Washington, this week, regarding the Administration proposal for amending the neutrality legislation in a manner to permit the arming of U. S. merchant ships. Already approved by the House, the proposal was widened in the Senate to permit the sending of our merchant vessels into belligerent ports. It is generally agreed that this is the approximate equivalent to an all-out war step, and Senate debates have been based on that realization.

The mild reaction in the White House, however, to the sinking of the American destroyer Reuben James has occasioned some questioning whether even the complete repeal of the neutrality laws would be regarded by Mr. Roosevelt as carte blanche for the waging of total war against Germany. In an impromptu speech at Hyde Park, Monday, the President commented at length on the benefits of democracy and doubted that the Nazi "new order" ever would prevail in this country. "I hope very much that the rest of the world won't be forced into it," he said.

These quiet comments by Mr. Roosevelt contrasted sharply with his previous bellicose utterances and also with the many forensic demands in Washington for action, now that shooting war with the Nazis admittedly has begun. The complete lack of American neutrality from the beginning now is acknowledged, however, and it may be questioned whether official restraint at this late day can prevent an A. E. F. and other accompaniments of total war. Warfare on the all-out scale and basis would conflict diametrically with the many assurances held out by Mr. Roosevelt a year ago, which may or may not be an influence at this time.

### Finland and America

Signs of a rapid deterioration of relations between Finland and the United States are apparent in the unwillingness of the small European country to halt its war against Communist Russia at the behest of the democracies. Washington, like London, made it known some months ago that efforts were in progress to arrange a pacific settlement of this conflict. The Finnish authorities insisted at the time that their war was a defensive one, in which they were happy not to be alone.

Secretary of State Cordell Hull announced last Monday some of the circumstances of this intervention in the war and added that Finland, if she wishes to retain American friendship "now and later," must discontinue what he called offensive operations against the Soviet Union. A peace offer from Russia to Finland was transmitted to Helsinki on Aug. 18, the Secretary revealed, with territorial compensation to Finland the basis of the offer. No answer has been received from Finland, it was indicated, and Finnish forces merely have continued their actions.

In connection with this controversy, Washington dispatches stated that Finnish forces have advanced an average of 30 miles into Russian territory and are fighting almost entirely on Soviet soil. The Russians, however, still hold the former Finnish base at Hango. War reports make it clear that Finnish and German troops are only 14 miles from Murmansk, which is a vital point on the Arctic coast. Capture of that port would aid the Germans vastly in aerial bombing opera-

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1941	1940	1939	1941	1940
<b>Southern District—</b>					
Alabama, Tennessee & Northern	454	297	284	213	199
Atl. & W. P.—W. R.R. of Ala.	853	821	839	2,226	1,624
Atlanta, Birmingham & Coast	775	733	597	1,324	954
Atlantic Coast Line	10,816	10,548	10,138	7,382	6,178
Central of Georgia	4,740	4,500	4,118	4,321	3,467
Charleston & Western Carolina	476	470	400	1,577	1,213
Clinchfield	1,662	1,313	1,425	2,959	2,102
Columbus & Greenville	401	410	448	471	330
Durham & Southern	194	200	201	421	437
Florida East Coast	449	698	654	993	1,107
Gainsville Midland	37	30	39	104	144
Georgia	1,591	1,270	1,003	2,571	1,764
Georgia & Florida	545	322	280	754	464
Gulf, Mobile & Ohio	4,225	4,140	3,708	3,439	3,122
Illinois Central System	28,467	25,950	25,218	15,386	13,504
Louisville & Nashville	26,591	23,198	24,817	8,947	6,666
Macon, Dublin & Savannah	242	136	200	660	613
Mississippi Central	199	161	166	414	404
Nashville, Chattanooga & St. L.	3,939	3,585	3,030	3,846	3,205
Norfolk Southern	1,218	1,299	1,703	1,339	1,268
Piedmont Northern	510	395	430	1,771	1,177
Richmond Fred. & Potomac	430	401	428	5,888	4,417
Seaboard Air Line	10,106	10,199	9,200	7,414	5,504
Southern System	24,942	23,871	23,817	21,104	17,366
Tennessee Central	553	519	422	655	673
Winstop-Salem Southbound	160	164	182	1,080	901
<b>Total</b>	<b>124,575</b>	<b>115,630</b>	<b>113,747</b>	<b>97,259</b>	<b>78,803</b>
<b>Northwestern District—</b>					
Chicago & North Western	21,646	22,879	21,096	13,852	11,729
Chicago Great Western	2,918	2,934	2,781	3,534	3,285
Chicago, Milw., St. P. & Pac.	23,480	22,554	21,418	9,541	8,546
Chicago, St. P., Minn. & Omaha	3,757	3,968	4,153	4,700	4,168
Duluth, Missabe & Iron Range	23,415	22,252	13,407	313	258
Duluth, South Shore & Atlantic	1,207	1,078	1,052	522	509
Elgin, Joliet & Eastern	10,468	9,557	8,924	9,823	7,188
Ft. Dodge, Des Moines & South	595	641	480	186	154
Great Northern	25,589	22,718	26,512	4,375	3,424
Green Bay & Western	641	788	715	710	706
Lake Superior & Ishpeming	2,414	3,515	2,660	94	64
Minneapolis & St. Louis	1,994	2,401	1,987	2,510	2,293
Minn., St. Paul & S. S. M.	7,929	7,461	7,787	3,190	2,830
Northern Pacific	14,701	12,482	12,284	4,772	3,880
Spokane International	229	304	239	309	288
Spokane, Portland & Seattle	2,604	1,996	1,674	2,394	1,846
<b>Total</b>	<b>143,587</b>	<b>137,528</b>	<b>127,169</b>	<b>60,795</b>	<b>51,168</b>
<b>Central Western District—</b>					
Atch. Top. & Santa Fe System	23,702	23,989	23,673	9,385	7,819
Allon	3,318	3,258	3,247	2,964	2,459
Bingham & Garfield	981	430	370	87	70
Chicago, Burlington & Quincy	19,782	19,426	19,204	12,197	10,542
Chicago & Illinois Midland	2,685	2,330	1,872	859	797
Chicago, Rock Island & Pacific	13,463	14,014	13,068	11,329	10,032
Chicago & Eastern Illinois	3,086	2,718	3,091	3,092	2,946
Colorado & Southern	1,374	1,553	1,721	2,185	1,708
Denver & Rio Grande Western	4,719	5,581	5,282	4,654	4,569
Denver & Salt Lake	687	529	894	20	15
Fert Worth & Denver City	1,235	1			

### Petroleum And Its Products

(Continued from page 933)  
 eral Oil Controlled. "Discretion as to increased or decreased deliveries to dealers has been transferred from the distributors to the Controller," the announcement said. "A dealer seeking variation from his quota must make representations to his distributor and the distributor must in turn make application for a ruling by the Oil Controller." Another change ordered the establishment of minimum and maximum quotas.

Motor vehicle owners were "assessed" \$870,000,000 in general taxes, often overlooked in computation of the tax burden of American motorists, during 1940 in addition to the \$1,136,500,000 expended for highway improvements, the American Petroleum Industries Committee reported at the 22nd annual meeting of the American Petroleum Institute in San Francisco this week. This contribution to the expense of Federal, State and local governmental units is equal to the total collection of all kinds of taxes by the States in 1922, and is more than twice as great as the 1940 tax bill of the Nation's railroads, it was pointed out.

The American Petroleum Institute refinery report, covering stocks of finished, unfinished and aviation motor fuel, refinery operations, etc., was delayed because of the Election Day holiday in New York City and was not released by press time today (Wednesday).

Price changes in the major refined product markets were few and confined mainly to local readjustments.

(Due to the holiday there has been a delay in the release of the weekly refined products statistics. They will appear in a later issue—Ed.)

### Scientific Advances Described to Group

(Continued from page 930)  
 usual guides to sound investment and con'ning commitments entirely to common stocks, he said, He continued:

Some thought, of course, should be given to protection against possible inflation, and certainly inflation which is expressed in sharply rising living costs. There is no reason why you should not have some of the raw material producers in a list in reasonable amount such as the coppers and oils. By all means, you should have some of the better grade retail stocks that profit from the boomtime consumer spending. It is important generally to avoid companies that have a high labor cost in relation to total costs unless such companies can easily raise their selling prices to offset these cost increases.

It is also important to have a fairly large percentage of your stock commitments in those companies which are free from heavy debt or prior charges. You should include some young and vigorously growing new industries whose progress assures them a leading place in post-war reconstruction. Generally you should choose stocks representing companies with a large invested capital relative to market prices of the issues. Also you should have a number of fully integrated producers that control all of their production and distribution process.

Remember that inflation is not something that suddenly comes upon us. The path of inflation is a long and winding one. One form of inflation might, if it extends over a long period, develop into another which would require portfolio

### Auction Sales

The following securities were sold at auction on dates indicated: Transacted by R. L. Day & Co., Boston, on Wednesday, Oct. 22:

Shares	Stocks	\$ per Share
600	Boston & Maine RR. prior pref., par \$100	8 1/2
200	Victoria Gypsum Co., Ltd., com. VTC	\$30 lot
10	Massachusetts Real Estate Co., par \$50	20
30	Associated Gas & Electric Co., class A, par \$1	
1	Associated Gas & Electric Co., common, par \$1	
49	Public Utility Holding Corp., com. with 27 warrants	\$1 1/2 lot
25	General Investment Corp., common, par \$1	
80	Chicago Northwest Railway Co., com., par \$100	
20	New England Public Service Co., par \$5	
10	United Light & Power Co., class A	\$24 lot
5	Old Colony RR., par \$100	
10	American & Foreign Power Co., 2nd pref.	
400	Victoria Gypsum Co., Ltd., com., VTC	\$85 lot

\$1,000 Flour Mills of America, 6 1/2% April, 1946, coupon April, 1939, on

By R. L. Day & Co., Boston, on Wednesday, Oct. 29:

Shares	Stocks	\$ per Share
10	Farr Alpaca Co. (all dividends paid), \$50 par	1 1/2 lot
10	Chicago & Northwestern Rys. Co., com., \$100 par	5c lot
30	Wabash Ry., preferred A, \$100 par	1 1/4 lot
2	United Washington Ry. & Elec.	15
83	Chicago & Northwestern Ry., com., par \$100	25c lot
1,000	East Boston Co., par \$10	\$70 lot
30	Robertson Paper Box, com., \$5 par	8 3/4
20	Butlers Point Associates, pref. ctfs. benef. int.	\$10 lot
\$11,800	Butlers Point Associates, 10-year note 5s. Nov., 1943	
32	Indian Orchard Co.	1 1/4 lot
1,000	International Shoe Co.	1 1/4 lot

\$121,000 International-Great Northern RR., 5s. July, 1956

\$100,000 New York, Ontario & Western Ry., 4s. June, 1922

Transacted by Barnes & Lofland, Philadelphia, on Wednesday, Oct. 22:

Shares	Stocks	\$ per Share
10	National Bank of Lansdowne, Pa., par \$50	40%
15	Roosevelt Cemetery, common	
150	Roosevelt Cemetery, preferred	\$7.50 lot
12	Seltzer Fastener Co.	\$50 lot
100	Warner Bros. Pictures, com.	5
1	Quaker City Leasing Corp.	\$10 lot
100	Philadelphia Transportation Co., pref. VTC, par \$20	3 1/2
50	Chicago, Milwaukee & St. Paul Ry., com.	\$1 lot
60 units	Underwriters Group Capital Retirement Plan, series UG-B	2 1/2
533	Central Public Utility Corp., class A, par \$1	\$2 lot
1	Electric Shareholdings Corp., common, par \$1	\$1 lot
5	United Film Industries, Inc., preferred, par \$100, with 5 shares common, no par	\$1 lot
19 11/12	Parkview Beachfront Co., common B, no par	\$100 lot
53	Irving Worsted Co., Chester, Pa., no par	10
10	Irving Worsted Co., Chester, Pa., no par	12 1/2
52	Paint Specialties, Inc., preferred, par \$100	\$15 lot
20	Arcade Real Estate Co., preferred, par \$50	\$2 lot
30	Drueding Bros., B common, no par	20%
250	Rider-Wilkinson, Inc., common, no par	\$8.310 lot
282	Insurance Finance Corp., common, par \$10	2
100	Minneapolis, St. Paul & Sault Ste. Marie Ry. Co., pref., par \$100	\$6 lot
100	Wabash Ry. Co., common, par \$100	\$6 lot
57	Lehigh Valley Coal Corp., no par	1 1/4
50	Philadelphia Life Insurance Co., par \$10	1 1/2
5	Bankers Securities Corp., common, par \$50	6
46	Bankers Securities Corp., preferred, par \$50	16 1/2
21	The Pennrod Corp., common, par \$1	2 1/2
160	Packard Motor Car Co., no par	2 1/4
15	Central-Penn National Bank, par \$10	32 1/4
6	Philadelphia National Bank, par \$20	101
10	Irving Worsted Co., Chester, Pa., no par	10
12	National Press Building Corp., preferred, no par	\$9 lot
25	United Gas Improvement Co., common, no par	6 3/4
10	United Corp., common, no par	3 1/2

### Bank Debits Up 22% From Last Year

Bank debits as reported by banks in leading centers for the week ended Oct. 29 aggregated \$11,012,000,000. Total debits during the 13 weeks ended Oct. 29 amounted \$135,076,000,000, or 29% above the total reported for the corresponding period a year ago. At banks in New York City there was an increase of 27% compared with the corresponding period a year ago, and at the other reporting centers there was an increase of 30%.

#### SUMMARY BY FEDERAL RESERVE DISTRICTS (In millions of dollars)

Federal Reserve District	Week Ended Oct. 29, 1941	Oct. 30, 1941	13 Weeks Ended Oct. 29, 1941	13 Weeks Ended Oct. 30, 1940
Boston	509	496	7,288	5,982
New York	4,705	3,919	53,392	42,200
Philadelphia	568	445	7,369	5,462
Cleveland	796	585	10,029	7,658
Richmond	435	328	5,553	4,094
Atlanta	349	265	4,474	3,289
Chicago	1,557	1,350	20,463	15,644
St. Louis	365	281	4,454	3,196
Minneapolis	195	168	2,767	2,137
Kansas City	321	257	4,403	3,396
Dallas	295	215	3,557	2,612
San Francisco	918	661	11,309	8,889
Total, 274 reporting centers	11,012	8,968	135,076	104,559
New York City*	4,350	3,581	48,755	38,390
140 other leading centers*	5,769	4,674	74,444	57,056
133 Other centers	913	713	11,877	9,113

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

### Changes In National Bank Notes

The following shows the amount of National bank notes afloat (all of which are secured by legal tender deposits) at the beginning of September and October, and the amount of the decrease in notes afloat during the month of September for the years 1941 and 1940:

National Bank Notes—All Legal Tender Notes—	1941	1940
Amount afloat Sept. 2	\$150,073,040	\$163,876,107
Net decrease during September	1,303,845	1,129,415
Amount of bank notes afloat Aug. 1	\$148,769,195	\$162,746,692

Note—\$2,182,009.50 Federal Reserve bank notes outstanding Oct. 1, 1941, secured by lawful money, against \$2,203,796.50 on Oct. 1, 1940.

changes. We are apt to have our most serious inflation following the end of the war just as we did after the World War when commodity prices reached a very high peak in 1920 and

### Weekly Statistics of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

#### STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity	
				Current	Cumulative
1940—Month of—					
January	528,155	579,739	167,240	72	71
February	420,639	453,518	137,631	70	71
March	429,334	449,221	129,466	69	70
April	520,907	458,942	193,411	70	70
May	682,490	624,184	247,644	76	72
June	508,005	509,781	236,693	79	73
July	544,221	587,339	196,037	72	73
August	452,613	487,127	162,653	74	73
September	469,870	470,228	163,769	72	73
October	670,473	646,811	184,002	75	73
November	488,990	509,945	181,985	77	73
December	464,537	479,089	151,729	71	73
1941—Month of—					
January	673,446	629,863	202,417	75	—
February	608,521	548,579	261,650	81	—
March	652,128	571,050	337,022	82	—
April	857,732	726,460	447,525	83	—
May	656,437	602,323	488,993	84	—
June	634,684	608,995	509,231	88	—
July	509,231	607,440	737,420	86	—
August	659,722	649,031	576,529	94	—
September	642,879	630,524	578,402	94	—

Week Ended 1941	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Current	Cumulative
May 3	165,583	147,188	447,525	83	80
May 10	170,436	148,381	466,064	84	80
May 17	161,295	149,884	472,782	84	80
May 24	152,410	152,410	489,915	85	81
May 31	155,831	151,848	488,993	84	81
June 7	156,189	144,481	500,252	84	81
June 14	158,821	156,439	504,786	88	81
June 21	168,561	153,364	518,755	89	82
June 28	151,114	154,711	509,231	90	82
July 5	149,197	129,019	529,633	74	82
July 12	147,365	131,531	542,738	77	82
July 19	168,431	156,989	550,902	92	81
July 26	182,603	160,609	572,532	92	82
Aug. 2	159,844	159,272	572,635	93	83
Aug. 9	174,815	159,894	587,498	91	83
Aug. 16	169,472	162,889	592,840	92	83
Aug. 23	158,403	162,964	584,484	94	83
Aug. 30	157,032	163,284	576,529	97	84
Sept. 6	147,086	133,031	591,414	80	84
Sept. 13	164,057	166,781	589,770	98	84
Sept. 20	176,263	166,797	583,716	99	84
Sept. 27	155,473	163,915	578,402	98	85
Oct. 4	176,619	168,256	582,287	100	85
Oct. 11	159,327	164,374	575,627	99	85
Oct. 18	187,440	165,795	574,991	98	86
Oct. 25	165,279	168,146	568,161	100	86

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

### Commodity Price Index Average Advances

The general level of wholesale commodity prices was slightly higher again last week, according to the weekly commodity price index compiled by The National Fertilizer Association and made public on Nov. 3. In the week ended Nov. 1, 1941, this index was 116.1% of the 1935-1939 average. It was 115.9 in the preceding week, 116.5 a month ago, and 97.7 a year ago. The index has risen 16% since the first of the year and is now 19% higher than in the corresponding week of 1940.

The principal price changes during the week occurred in the farm products index, with 11 items included in the group advancing and only 3 declining. Despite substantial increases in farm product prices over the past two weeks the group average is still 4% below the high point of the year, recorded Sept. 13. The textile index moved upward to the level of Aug. 9, which was the highest point recorded by it since 1929. A decline in the food index was the result of lower prices for butter, flour, rice, bananas, and several meat quotations. The index representing the prices of miscellaneous commodities declined for the fourth consecutive week as cattle feed prices continued their downward trend; the price of cottonseed meal was also lower. The general level of industrial commodity prices remained unchanged.

During the week 20 price series included in the index advanced, while 21 declined; in the preceding week there were 30 advances and 19 declines; in the second preceding week there were 21 advances and 36 declines.

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

% Each Group Bears to the Total Index	GROUP	Latest Preceding Month			
		Week Nov. 1, 1941	Week Oct. 25, 1941	Week Sept. 27, 1941	Year Ago Nov. 2, 1940
25.3	Foods	112.5	113.2	113.7	89.3
	Fats and Oils	122.6	122.5	129.2	64.3
	Cottonseed Oil	145.3	145.3	155.0	61.0
23.0	Farm Products	115.7	114.0	117.9	86.7
	Cotton	155.0	148.4	157.1	87.4
	Grains	105.2	103.3	108.1	83.3
	Livestock	109.8	109.5	112.5	85.6
17.3	Fuels	112.3	112.3	110.8	101.3
10.8	Miscellaneous Commodities	125.1	125.2	125.7	110.5
8.2	Textiles	140.0	137.5	138.4	107.7
7.1	Metals	104.0	104.0	103.8	103.2
6.1	Building Materials	131.5	131.5	127.6	116.7
1.3	Chemicals and Drugs	112.3	112.3	114.3	104.2
.3	Fertilizer Materials	114.5	114.5	107.1	103.0
.3	Fertilizers	107.5	107.5	107.1	103.0
.3	Farm Machinery	100.2	100.2	99.7	99.5
100.0	All Groups Combined	116.1	115.9	116.5	97.7

\*Base period changed Jan. 4 from 1926-1928 average to 1935-1939 average as 100. Indexes on 1926-1928 base were: Nov. 1, 1941, 90.4; Oct. 25, 1941, 90.3; Nov. 2, 1940, 76.1.

## Secretary Wickard Agrees Thoroughly With Objectives Of Price Control Bill

Appearing before the House Banking and Currency Committee on Oct. 21, Secretary of Agriculture Claude R. Wickard expressed himself as agreeing "thoroughly with the objectives" of the price control bill—public hearings on which before the Committee were concluded on Oct. 23. In stating that "one of the merits of the pending bill is its acceptance of the parity principle," Secretary Wickard went on to say:

I assume that the bill uses the parity principle for farm prices because it is fair to both farmers and consumers. It asks no more of consumers than that they should pay prices sufficient to keep farmers producing under conditions which will permit a decent standard of living. Fair-minded consumers will admit that farm product prices have been bargain prices during most of the last 20 years. While the price increases have been relatively sharp in some commodities, as recently as September food was still the cheapest component of the cost of living, standing at 84.4% of the 1924-29 average as compared with 86.5% for all living costs combined.

As I understand the purpose of the pending bill, it is to cut off the inflationary spiral before it really gets started. The administrative effort will necessarily be to maintain a fair relationship among prices, and a practical margin between prices and costs. If a producer's prices are fixed at a given level, obviously his costs cannot be permitted to rise so high as to wipe out his net income. One advantage of the parity formula is that it reflects changes in the costs of production. The prices of industrial goods bought by farmers include the wages paid by industry, and a change in wage rates sufficient to change the price of the item will change the index of prices paid by farmers.

Section 3 of the bill provides that no price ceiling shall be established on any agricultural commodity below 110 percent of the parity price or comparable price for such commodity, or the market price prevailing for such commodity on July 29, 1941. There has been a good deal of discussion of this 110% figure.

Farmers have been accused of greediness, of not being content with parity. Let me say here and now that accusations of that sort are unjustified and unfair. The farm price ceiling provision of this bill is certainly no basis for such a conclusion.

There is a perfectly practical and obvious reason for stipulating that no ceiling should be imposed on farm products at less than 110% of parity, rather than exactly at parity. As every farmer knows, farm product prices fluctuate every day. The supply of a commodity coming on the market changes from day to day, and the demand changes from day to day. Prices fluctuate accordingly. Price fluctuations may be desirable to stop the flooding of markets at certain periods. As a rule daily price fluctuations are relatively small, but they ought to be allowed for in order to keep to a minimum the amount of administrative supervision necessary. If ceilings were placed exactly at parity, the daily fluctuations in the market would necessarily all be between parity and some lower figure, and as a result, farmers could not possibly average parity. The real purpose of restricting ceilings to a point somewhat above parity is to make it reasonably sure that all farmers will have an opportunity to get parity. After all, it happens to be the expressed policy of Congress and the Administration to achieve and maintain farm prices at parity.

In order that the intent of

Section 3 shall be clear, and in order that the instructions for administration of the section may be as specific as feasible, I should like to suggest to the committee certain clarifying changes in the language, as follows:

Sec. 3. (a) So as not to prevent the season's average prices for any agricultural commodity from averaging 100 per centum of parity, no ceiling shall be established for any agricultural commodity below (1) the market price equivalent of 110 per centum of the parity price or comparable price for such commodity, adjusted for grade, location, and seasonal differentials, as determined and published by the Secretary of Agriculture, or (2) the market price prevailing for such commodity on July 29, 1941.

These changes in language are designed to leave no doubt of the intention of Congress to obtain parity for farm products. The revised language also uses the term "market price equivalent," since a parity price is a farm or local market price, it is necessary, for purposes of administration, to determine at regular and frequent intervals the market price equivalent of parity at the major terminal markets for any commodity. It is also necessary, as the new language suggests, to take into account in the administration of this section, necessary adjustments for differences in the grade of a commodity, location, and for seasonal factors.

At the start of his statement before the Committee, Secretary Wickard pointed out that "price control alone cannot, of course, prevent inflation." "The Congress and the Administration," he said, "have already recognized this by steps taken to dampen the tremendous increase in consumer purchasing power, by increased taxation, by increased saving by individuals, and by checking uncontrolled installment selling. But beyond all these, important as they are, is the necessity for increased production. That is the surest preventive of inflation."

In part Secretary Wickard also said:

I know from personal experience what inflation does to agriculture. I was farming before the World War, during it, and after it. I saw prices double in three or four years, and along with a lot of other farmers, got quite excited about it. Then I saw the bottom drop out of prices, and that memory has stayed with me. Inflation feels fine while you are in the midst of it. It is the deflationary bump that hurts.

Thus far, the parallel between World War I and World War II, as far as farm prices and costs are concerned is too close for comfort. I am sure that this committee has already studied charts of price behavior during the two wars and has noticed that prices during 1914-16 and again during 1939-41 seemed to be following an almost identical course. These price charts, together with other things we see happening daily, make it appear that we may be starting on the same ruinous inflation we set out upon at about the same time in the last war.

No farmer who remembers the bitter experiences of the last post-war period wants to see this kind of inflation again. He knows that prices pushed up by speculative influences or

## Foreign Front

(Continued from page 937)

tions against the White Sea route into Archangel, which Washington and London desire to keep open as a supply port for the Russians. A German move into the Caucasus might make Archangel the only relatively safe port of entry in all of Russia.

Secretary Hull was reported to have enlarged upon the Finnish-American relations to an extraordinary degree, Monday. Emphasizing the warm regard of the United States for the small country, Mr. Hull expressed the view that continued Finnish operations against Russia not only would harm Finland but would bring the war nearer to the United States. The association of Finland with Germany, he contended, would lead to the complete subjugation of Finland to the whims of Hitler.

On the same day the Finnish authorities in Helsinki stated to American press representatives that they have already determined the lines on which they can safely stop their advance into the territory of the country which attacked them brutally two years ago. This area must remain a military secret for the time being, they added, and they also indicated that this was not a matter on which they are willing to accept the views of others.

### Hyde Park Parley

All phases of the international situation of interest to Canada and the United States were discussed in lengthy conversations at Hyde Park, over the last weekend, between Prime Minister W. L. Mackenzie King and President Franklin D. Roosevelt. Such was the official word resulting from the talks, which doubtless ranged over "anything and everything." Mr. Roosevelt emphasized the long personal friendship with the Canadian official which caused the meeting.

It would seem, however, that the meeting may well have resulted in tentative formulations of important new policies. A meeting at Hyde Park early this year terminated in far-reaching arrangements which, in effect, integrated Canada in the United States program of lend-lease aid to Great Britain. After the latest Hyde Park conference ended, rumors circulated in Washington that fresh economic steps would supplement the earlier measures, in a manner to aid the Canadians. Also of some interest is a comment made by Mr. King, upon his return to Ottawa, that "the whole trend of American opinion and official decision has been to regard neutrality as a mask and to throw it off altogether."

### Winter Battles

Battlefront reports from Moscow and Berlin show plainly that the Nazis are continuing to make some progress against their self-chosen Communist adversaries, but there is no longer much likelihood of a final decision in this vast war before real wintry weather settles over the woods, fields and steppes of Russia. The heavy snows associated with Russia have not yet appeared. Rains have fallen steadily around the

other distortions cannot be sustained. No farmer wants another 1921, nor 1932. I don't believe that major economic depressions are inevitable, but I am sure that the only way to prevent them is to prevent the inflation which breeds them.

The recent increases in farm prices have been unusually rapid, but I want to make it plain that in my opinion they are not yet out of line, for the reason that these are increases from levels which were abnormally low.

Moscow front for some weeks, however, and piercing cold already is noted near Leningrad. Far to the south, in the Ukraine and Crimea, the Germans have been able to make more progress than on other fronts, since the weather is milder.

All of this suggests that General Winter may turn out in the end to be one of the most effective of Russian allies. There is no certainty about this, on the other hand, for frozen ground may bring the German superiority in mechanized equipment into more effective operation. For the time being it may be more appropriate to say that General Autumn, with his unexpectedly heavy rainfall, has proved an excellent aid to the besieged Russians, especially in the Moscow sector.

Military reports from both sides have been meager as to the battle for the Soviet capital. Moscow was admitted by the Russians to be in danger several weeks ago, and the transfer of important government offices to Kuibyshev emphasized the situation. An almost continuous downpour stalled the German armies, and gave the Russians time to reorganize their defenses. Fresh Communist reserves were thrown into the battles, which continue to rage fiercely, for the Nazis also brought up vast reserves. The Reich troops now are reported in a semi-circle west, north and south of Moscow, which is being pounded day and night by aerial bombs.

The Leningrad siege was maintained by the Germans without abatement, despite freezing weather. Strenuous efforts were made by the Russians to break the steel ring around the city. Berlin admitted that some of these attacks almost succeeded, which attests the fighting strength and determination of the Communists locked up in the second Russian city.

It is the southern front that showed greatest fluidity in recent days, and that reflected to the greatest degree the hitting force of the German Panzer divisions. The Nazis finally broke through the Perekop Isthmus, late last week, and are now reported to have swarmed over a large part of the Crimea. Berlin says the Russian forces have been split in two, with the several groups fleeing the Crimea through Sevastopol and Kerch.

Russian authorities made little information available as to the situation in the Crimea, possibly because their reports were inadequate. All military experts were agreed that the German reports, if correct, presage Nazi control of the highly important peninsula, which probably will be one jumping-off place for a drive to the Caucasus oil region. In the Ukraine, meanwhile, the Germans staged a second and equally significant drive toward Rostov, and the west bank of the Don River. This is the straight land route to the Caucasus, where a further German success would endanger the Russian lifeline of supply through Iran, and provide the Nazi with vitally needed oil.

American and other neutral press correspondents were conducted by the Germans, over the last week-end, on a lengthy tour of the Ukraine. All dispatches from such sources agreed that the Nazis gained sizable quantities of grain and some other supplies, and are already laboring energetically to bring the region back into production. But men are lacking in the Ukraine, and the cities are devastated, which makes the value of the region to the conquerors questionable.

### Near Eastern Region

Active warfare moved steadily nearer to Western Asia, as the Nazis drove toward the Caucasus and its oil fields in recent days. There is still no large scale action

to report, however, in the area from Gibraltar to Singapore, and no conclusive indication of the means Great Britain will take to counter the threat to her lifeline. That vast preparations are in progress is well understood, on the other hand, and great battles in the Near and Middle East may be only a few weeks distant.

The Turkish authorities apparently viewed matters with increasing anxiety of late, for President Ismet Inonu last Saturday offered the services of his government as a peace-maker. He emphasized the determination of Turkey to maintain her integrity and independence, while pointing to the dangers of his country's strategic position, in the midst of the European, Asian and African theaters of war.

Enormous efforts are known to be in progress by the British for augmenting the supply line to Russia through Iran, and it may well be that troops are being rushed to the Caucasus for a joint defense with the Russians against the Nazi invaders. The British problem of supply also is difficult in this area, however, and London intimated this week that real large-scale action might develop elsewhere. British forces in the Western Desert region of Libya and Egypt were quiet, and the German-Italian troops showed little disposition to push the fighting. Aerial bombing of Italian cities was continued by the British, who also dropped some bombs upon German concentrations in Crete.

### Anglo-German Battles

Little change occurred this week in the war between Great Britain and the German Reich, which has steadily been a matter of aerial and sea conflicts since last Spring. Heavy British bombings of German cities and the German-held invasion coast of the Continent were almost a daily matter. Bombs were dropped upon Eastern German cities on Tuesday, as well as those in Western Germany. The Reich forces sent a few bombs hurtling upon British cities, and one lone raider was reported over London.

In the war at sea the Germans claimed numerous sinkings of British merchantmen, but their recapitulation of October operations indicated a decline in the rate of sinkings. Berlin placed the October total of British and allied ship losses at 441,300 tons, against 683,400 tons for September. All such German claims have greatly exceeded the admitted losses of the earlier months of the war. British fliers bombed and sank a number of German ships, early this week, in raids over the North Sea and Norway. London announced Tuesday that no less than 1,276 Germans had been captured as the result of submarine sinkings, which indicated positively that no less than 40 submarines have been destroyed, in the course of the war. The sinkings from which no rescues were made naturally would augment the total.

Both of the great antagonists in the Western European war are suffering from privations and difficulties of every sort. The British food position is said to be good, but shortages of coal and other essentials will make the winter a hard one. Germany also is short of coal and other comforts of winter existence, and likewise appears to have a fair supply of foodstuffs.

The political position in London shows some patchy spots, owing in part to the popular demand for a more effective move in aid of the Russians. Predictions were rife this week of Cabinet shifts in London. The Russians, it appeared, were anxious to see London declare war against Rumania, Hungary and Finland. Only with respect to Finland is the British Cabinet reluctant, for

(Continued on page 941)

# President Says "Shooting Has Started" In Address Demanding End Of War Zone Ban

President Roosevelt declared on Oct. 27 that as a result of the recent Nazi submarine attacks on American destroyers and American-owned merchant vessels "the shooting has started" and "America has been attacked." In a radio broadcast from the Navy Day dinner at Washington, the President stated that "history has recorded who fired the first shot," adding that "in the long run, however, all that will matter is who fired the last shot."

Saying that "the forward march of Hitler and of Hitlerism can" and "will be stopped," Mr. Roosevelt asserted that "very simply and very bluntly—we are pledged to pull our own oar in the destruction of Hitlerism." He added:

And when we have helped to end the curse of Hitlerism we shall help to establish a new peace which will give to decent people everywhere a better chance to live and prosper in security and in freedom and in faith.

Claiming that "it is the nation's will that America shall deliver the goods," the President called for the elimination of "hamstringing provisions" of the Neutrality Act in order to accomplish this end; Mr. Roosevelt also took occasion to declare that defense output "cannot be hampered by the selfish obstruction of a small but dangerous minority of industrial managers" and "of labor leaders."

In his address the President made the statement that "I have in my possession a secret map made in Germany by Hitler's Government—by the planners of the New World Order.

He went on say:

It is a map of South America and a part of Central America as Hitler proposes to reorganize it. . . . The geographical experts of Berlin. . . . have divided South America into five vassal states, bringing the whole continent under their domination. And they have also so arranged it that the territory of one of these new puppet states includes the republic of Panama and our great life line—the Panama Canal. That is his plan. It never will go into effect!

This map makes clear the Nazi design not only against South America but against the United States itself.

Your Government has in its possession another document made in Germany by Hitler's Government. . . .

It is a plan to abolish all existing religions—Protestant, Catholic, Mohammedan, Hindu, Buddhist and Jewish alike. . . .

In the place of the churches of our civilization there is to be set up an international Nazi church—a church which will be served by orators sent out by the Nazi Government. In the place of the Bible, the words of "Mein Kampf" will be imposed and enforced as holy writ.

Reference was also made by the President to the needs of Russia. and he quoted the Secretary of State in setting out a reason "to justify our giving aid to Russia." In another part of his remarks the President stated that "the lines of our essential defense now cover all the seas; and to meet the extraordinary demands of today and tomorrow our navy grows to unprecedented size. Our navy is ready for action. Indeed, units of it in the Atlantic patrol are in action."

In conclusion the President said:

We Americans have cleared our decks and taken our battle station. We stand ready in the defense of our nation and the faith of our fathers to do what God has given us the power to see as our full duty.

Regarding an interpolation in the President's address bearing on the miners' strike which began on Oct. 27, despite the President's persistent opposition, the Baltimore "Sun" from its Washington bureau on Oct. 27 reported:

The Navy League audience

here, one of a hundred Navy Day gatherings throughout the country, was more demonstrative in its reaction to a line of the President's speech devoted to a domestic defense crisis—a line interpolated into the prepared text—than to any other single statement in the whole address.

It was a line referring by inference to the captive coal mine strike and to the Executive's thus far fruitless efforts to win the cooperation of John L. Lewis, United Mine Workers President, in settlement efforts.

The President had been saying that America's total defense effort required the utmost production from "every assembly line—

"Yes, and from every coal mine," he put in.

The audience broke into a loud and prolonged cheer.

A moment later there was more cheering when the President, denouncing the "selfish obstruction" of "a small but dangerous minority of labor leaders," added to his prepared text an expression of belief that "labor as a whole knows that small minority is a menace to the true cause of labor itself."

The text of the President's message follows:

Five months ago tonight I proclaimed to the American people the existence of a state of unlimited emergency.

Since then much has happened. Our Army and Navy are temporarily in Iceland in the defense of the Western Hemisphere.

Hitler has attacked shipping in areas close to the Americas in the North and South Atlantic.

Many American-owned merchant ships have been sunk on the high seas. One American destroyer was attacked on September fourth. Another destroyer was attacked and hit on October seventeenth. Eleven brave and loyal men of our Navy were killed by the Nazis.

We have wished to avoid shooting. But the shooting has started. And history has recorded who fired the first shot. In the long run, however, all that will matter is who fired the last shot.

America has been attacked. The U.S.S. Kearny is not just a navy ship. She belongs to every man, woman and child in this nation.

Illinois, Alabama, California, North Carolina, Ohio, Louisiana, Texas, Pennsylvania, Georgia, Arkansas, New York, Virginia—those are the home states of the honored dead and wounded of the Kearny. Hitler's torpedo was directed at every American, whether he lives on our sea coasts or in the innermost part of the nation, far from the seas and far from the guns and tanks of the marching hordes of would-be conquerors of the world.

The purpose of Hitler's attack was to frighten the American people off the high seas—to force us to make a trembling retreat. This is not the first time he has misjudged the American spirit. That spirit is now aroused.

If our national policy were to be dominated by the fear of shooting, then all of our ships and those of our sister Republics would have to be tied up in home harbors. Our Navy would have to remain respectfully—abjectly—behind any line which Hitler might decree on any

ocean as his own dictated version of his own war zone.

Naturally we reject that absurd and insulting suggestion. We reject it because of our own self-interest, because of our own self-respect, because, most of all, of our own good faith. Freedom of the seas is now, as it has always been, a fundamental policy of your government and mine.

Hitler has often protested that his plans for conquest do not extend across the Atlantic Ocean. But his submarines and raiders prove otherwise. So does the entire design of his new world order.

For example, I have in my possession a secret map made in Germany by Hitler's government—by the planners of the new world order. It is a map of South America and a part of Central America, as Hitler proposes to reorganize it. Today in this area there are fourteen separate countries. The geographical experts of Berlin, however, have ruthlessly obliterated all existing boundary lines, and have divided South America into five vassal states, bringing the whole continent under their domination. And they have also so arranged it that the territory of one of these new puppet states includes the Republic of Panama and our great life line—the Panama Canal.

That is his plan. It will never go into effect.

This map makes clear the Nazi design not only against South America but against the United States itself.

Your government has in its possession another document made in Germany by Hitler's government. It is a detailed plan, which, for obvious reasons, the Nazis did not wish and do not wish to publicize just yet, but which they are ready to impose—a little later—on a dominated world—if Hitler wins. It is a plan to abolish all existing religions—Protestant, Catholic, Mohammedan, Hindu, Buddhist and Jewish alike. The property of all churches will be seized by the Reich and its puppets. The cross and all other symbols of religion are to be forbidden. The clergy are to be forever silenced under penalty of the concentration camps, where even now so many fearless men are being tortured because they have placed God above Hitler.

In the place of the churches of our civilization, there is to be set up an international Nazi Church—a church which will be served by orators sent out by the Nazi Government. In the place of the Bible, the words of Mein Kampf will be imposed and enforced as Holy Writ. And in place of the cross of Christ will be put two symbols—the swastika and the naked sword.

A God of Blood and Iron will take the place of the God of Love and Mercy. Let us well ponder that statement which I have made tonight.

These grim truths which I have told you of the present and future plans of Hitlerism will of course be hotly denied tonight and tomorrow in the controlled press and radio of the Axis Powers. And some Americans—not many—will continue to insist that Hitler's plans need not worry us—and that we should not concern ourselves with anything that goes on beyond rifle shot of our own shores.

The protestations of these American citizens—few in number—will, as usual, be paraded with applause through the Axis press and radio during the next few days, in an effort to convince the world that the majority of Americans are opposed to their duly chosen Government, and in reality are only waiting to jump on Hitler's

band wagon when it comes this way.

The motive of such Americans is not the point at issue. The fact is that Nazi propaganda continues in desperation to seize upon such isolated statements as proof of American disunity.

The Nazi have made up their own list of modern American heroes. It is, fortunately, a short list. I am glad that it does not contain my name.

All of us Americans, of all opinions, are faced with the choice between the kind of world we want to live in and the kind of world which Hitler and his hordes would impose upon us.

None of us wants to burrow under the ground and live in total darkness like a comfortable mole.

The forward march of Hitler and of Hitlerism can be stopped—and it will be stopped.

Very simply and very bluntly—we are pledged to pull our own oar in the destruction of Hitlerism.

And when we have helped to end the curse of Hitlerism we shall help to establish a new peace which will give to decent people everywhere a better chance to live and prosper in security and in freedom and in faith.

Each day that passes we are producing and providing more and more arms for the men who are fighting on actual battlefronts. That is our primary task.

And it is the nation's will that these vital arms and supplies of all kinds shall neither be locked up in American harbors nor sent to the bottom of the sea. It is the nation's will that America shall deliver the goods. In open defiance of that will, our ships have been sunk and our sailors have been killed.

I say that we do not propose to take this lying down.

Our determination not to take it lying down has been expressed in the orders to the American Navy to shoot on sight. Those orders stand.

Furthermore, the House of Representatives has already voted to amend part of the Neutrality Act of 1937, today outmoded by force of violent circumstances. The Senate Committee on Foreign Relations has also recommended elimination of other hamstringing provisions in that Act. That is the course of honesty and of realism.

Our American merchant ships must be armed to defend themselves against the rattlesnakes of the sea.

Our American merchant ships must be free to carry our American goods into the harbors of our friends.

Our American merchant ships must be protected by our American Navy.

It can never be doubted that the goods will be delivered by this nation, whose Navy believes in the tradition of "Damn the torpedoes; full speed ahead!"

Yes, our nation will and must speak from every assembly line. Yes, from every coal mine—the all-inclusive whole of our vast industrial machine. Our factories and our shipyards are constantly expanding. Our output must be multiplied.

It cannot be hampered by the selfish obstruction of any small but dangerous minority of industrial managers who perhaps hold out for extra profits, or for "business as usual." It cannot be hampered by the selfish obstruction of a small but dangerous minority of labor leaders who are a menace—for labor as a whole knows that that small minority is a menace—to the true cause of labor itself, as well as to the nation as a whole.

The lines of our essential defense now cover all the seas; and to meet the extraordinary

demands of today and tomorrow, our Navy grows to unprecedented size. Our Navy is ready for action. Indeed, units of it in the Atlantic patrol are in action. Its officers and men need no praise from me.

Our new Army is steadily developing the strength needed to withstand the aggressors. Our soldiers of today are worthy of the proudest traditions of the United States Army. But traditions cannot shoot down dive bombers or destroy tanks. That is why we must and shall provide, for every one of our soldiers, equipment and weapons—not merely as good but better than that of any other army on earth. And we are doing that right now.

For this—and all of this—is what we mean by total national defense.

The first objective of that defense is to stop Hitler. He can be stopped and can be compelled to dig in. And that will be the beginning of the end of his downfall, because dictatorship of the Hitler type can live only through continuing victories—increasing conquests.

The facts of 1918 are proof that a mighty German army and a tired German people can crumble rapidly and go to pieces when they are faced with successful resistance.

Nobody who admires qualities of courage and endurance can fail to be stirred by the full-fledged resistance of the Russian people. The Russians are fighting for their own soil and their own homes. Russia needs all kinds of help—planes, tanks, guns, medical supplies and other aids—toward the successful defense against the invaders. From the United States and from Britain, she is getting great quantities of those essential supplies. But the needs of her huge army will continue—and our help and British help will have to continue.

The other day the Secretary of State of the United States was asked by a Senator to justify our giving aid to Russia. His reply was: "The answer to that, Senator, depends on how anxious a person is to stop and destroy the march of Hitler in his conquest of the world. If he were anxious enough to defeat Hitler, he would not worry about who was helping to defeat him."

Upon our American production falls the colossal task of equipping our own armed forces, and helping to supply the British, the Russians and the Chinese. In the performance of that task we dare not fail. And we will not fail.

It has not been easy for us Americans to adjust ourselves to the shocking realities of a world in which the principles of common humanity and common decency are being mowed down by the firing squads of The Gestapo. We have enjoyed many of God's blessings. We have lived in a broad and abundant land, and by our industry and productivity we have made it flourish.

There are those who say that our great good fortune has betrayed us—that we are now no match for the regimented masses who have been trained in the Spartan ways of ruthless brutality. They say that we have grown fat, and flabby, and lazy—and that we are doomed.

But those who say that know nothing of America or of American life.

They do not know that this land is great because it is a land of endless challenge. Our country was first populated, and it has been steadily developed, by men and women in whom there burned the spirit of adventure and restlessness and individual independence which will not tolerate oppression.

Ours has been a story of vig-

## President Roosevelt Recounts Attacks On Kearny And Other American Ships

In his Navy Day address of Oct. 27 President Roosevelt stressed the sinking on the high seas of "many American-owned merchant ships," and stated that "Hitler has attacked shipping in areas close to the Americas throughout the Atlantic." In particular in declaring that "America has been attacked," the President mentioned the attack on the U.S.S. Kearny, which he said "is not just a navy ship." "She belongs," he said, "to every man, woman and child in this nation." The President added:

Illinois, Alabama, California, North Carolina, Ohio, Louisiana, Texas, Pennsylvania, Georgia, Arkansas, New York, Virginia—those are the home States of the honored dead and wounded of the Kearny.

The United States destroyer Kearny was torpedoed on Oct. 17 by a submarine 350 miles southwest of Iceland. The Navy Department's announcement on Oct. 19 said that 11 members of the ship's crew were missing and that 10 were injured as a result of the attack by the submarine, "undoubtedly German." The ship was able to reach port under her power despite the damage received, it was stated.

According to the Associated Press Washington accounts Oct. 17 President Roosevelt asserted that the torpedoing of the Kearny was clearly in the American defense zone. These advices added:

The President declined, however, to discuss the incident in detail, saying at a press conference that he would leave that to the Navy Department in Washington.

Under date of Oct. 21 United Press advices from Washington stated:

Mr. Roosevelt emphatically seconded Secretary of State Hull's week-end statement that the United States Government did not often write notes to international highwaymen. Mr. Hull made this statement at a Saturday (Oct. 18) press conference when asked whether this Government planned a protest against the Kearny attack.

The President said Mr. Hull also was dead right in describing sinkings as piracy. He said the situation now is such that any ship of any nation on the seven seas may be destroyed without warning.

This sinking of another American ship, he said, emphasizes the urgency of mounting guns on American merchantmen.

The President revealed at his press conference on Oct. 21 that the American-owned merchant ship Lehigh, flying the American flag, was sunk in the South Atlantic on Oct. 19.

Later the same day the State Department announced that the Bold Venture, American-owned vessel flying the Panamanian flag, was sent to the bottom off the coast of Iceland on Oct. 16.

These were the ninth and tenth of American-owned ships sunk since the war began.

The full list, according to the United Press, follows:

Nov. 8, 1940—City of Rayville. Struck mine in Australian waters. One American sea-

rious challenges which have been accepted and overcome—challenges of uncharted seas, of wild forests and desert plains, of raging floods and withering drought, of foreign tyrants and domestic strife, of staggering problems—social, economic and physical; and we have come out of them the most powerful nation—and the freest—in all of history.

Today in the face of this newest and greatest challenge of them all we Americans have cleared our decks and taken our battle stations. We stand ready in the defense of our nation and the faith of our fathers to do what God has given us the power to see as our full duty.

man lost. American owned. American flag.

Dec. 21, 1940—Tanker Charles Pratt. Torpedoed and sunk off Freetown, West Africa. Two Americans lost. American owned. Panamanian flag.

May 21, 1941—S. S. Robin Moor. Torpedoed and sunk in South Atlantic. All hands saved after ordeal in open boats. American owned. Panamanian flag.

Aug. 17—S. S. Sessa. Torpedoed and sunk off Iceland. Twenty-four, including one American lost. Three saved. American owned. Panamanian flag.

Sept. 5—S. S. Steel Seafarer. Sunk by aerial torpedo in Red Sea. All hands (38) saved. American owned. American flag.

Sept. 11—S. S. Montana. Torpedoed and sunk between Greenland and Iceland. Crew of 23—no Americans—escaped in life boats. American owned. Panamanian flag.

Sept. 19—S. S. Pink Star. Torpedoed and sunk between Greenland and Iceland. Twenty-three rescued. Eleven still missing. American owned. Panamanian flag.

Sept. 27—Tanker I. C. White. Torpedoed and sunk in the South Atlantic. Casualties undetermined. American owned. Panamanian flag.

Oct. 16—S. S. Bold Venture. Torpedoed and sunk south of Iceland. Seventeen of crew of 32 landed at Iceland. American owned. Panamanian flag.

Oct. 19—S. S. Lehigh. Torpedoed and sunk in South Atlantic off African Gold Coast. Twenty-two reported rescued. About 15 others adrift in life boats. American owned. American flag.

## NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Oct. 31 a summary for the week ended Oct. 25, 1941, of complete figures showing the volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures, which are based upon reports filed with the Commission by the odd-lot dealers and specialists, are given below:

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE		Total
Week Ended Oct. 25, 1941—		for Week
Odd-lot Sales by Dealers: (Customers' Purchases)		
Number of orders	13,349	
Number of shares	353,104	
Dollar value	14,465,150	
Odd-Lot Purchases by Dealers— (Customers' Sales)		
Number of Orders:		242
Customers' short sales		15,577
Customers' other sales		15,819
Customers' total sales		15,819
Number of Shares:		6,269
Customers' short sales		374,520
Customers' other sales		380,789
Customers' total sales		11,838,968
Round-Lot Sales by Dealers—		
Number of Shares:		250
Short sales		120,530
Other sales		120,780
Total sales		120,780
Round-Lot Purchases by Dealers—		
Number of shares	98,790	

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

## Amortization Clause Of Excess Profits Law On Defense Contract Certification Amended

The signing by President Roosevelt was announced on Oct. 30 of a resolution amending the amortization provisions of the excess profits tax law of 1940, whereby the time is extended for filing applications and changing the procedure for certification of national defense facilities and contracts for amortization purposes. Final Congressional action was registered on Oct. 21; the House originally passed the resolution.

on Sept. 22, while the Senate, in amended form passed in on Oct. 2. To effect adjustment of the differing provisions the resolution went to conference, the Senate adopted the Conference report on Oct. 13, while the House approved the report on Oct. 21.

In a statement issued with the signing of the resolution the President said:

This bill amends the Tax Amortization Law by requiring only the certification of the Secretary of War or the Secretary of the Navy, extending the time for filing applications to Dec. 1, 1941, and otherwise simplifying procedure for tax amortization.

"Last year Congress passed the law which permits defense manufacturers to amortize over a five-year period emergency facilities, certified as necessary in the interest of national defense during the emergency period.

"The amended statute eliminates the joint certification formerly required by the War and Navy Departments and the Advisory Commission, and places the certification solely in the service departments.

"The amended law puts into immediate effect other changes, based on actual experience, which will simplify the procedure and save time for both manufacturers and the Government. The time for filing applications has been extended. Defense manufacturers, who were unable to file applications within the short period of 60 days provided by the old law, are given until Dec. 1, 1941, to file new applications. Thereafter, the time for filing applications for certificates has been extended from 60 days to six months.

"The new law also simplifies procedures regarding certificates of non-reimbursement by limiting the contracts to be certified to those which are more than \$15,000 in amount and which were made with the War Department, the Navy Department, or the United States Maritime Commission after Dec. 31, 1939.

"Under the former law many manufacturers filed applications for certification of contracts of small amount, and contracts made with other departments such as the Department of the Interior, Postoffice, Department of Agriculture and others. Under the new law such applications are unnecessary for any contract with any of these departments, regardless of amount and for any contract if it is under \$15,000, with the War Department, the Navy Department, the United States Maritime Commission.

"Certificates which have already been issued are not affected by the amendment and the right of manufacturers who have already filed applications are not prejudiced.

"New forms of applications and instructions are being prepared and may be obtained from the office of the Under-Secretary of War, Tax Amortization Section, and from the office of the Under-Secretary of the Navy, Washington, D. C."

Indicating that the newly enacted legislation enables speedier disposition of applications on file by defense industries for amortization allowances on new construction, advices Oct. 21 to the

are reported to have approved the declaration.

### Eastern Asia

Japan's place in the Axis was plainly placed in question this week, by the naval war between Germany and the United States and the conflicting statements by President Roosevelt and Fuehrer Hitler as to who started this conflict. Official circles in Washington and Tokio, it seems clear, are anxious to avoid an armed clash. But Japan is a full-fledged member of the German-Italian Axis, pledged to intervene if nations not formally engaged in the European war enter that struggle against the European members.

Initial reactions in Tokio to the military and diplomatic events involving Mr. Roosevelt and Herr Hitler were lukewarm, if not cool. No "unreserved approval" of Hitler's charge of an American attack was forecast in the Japanese capital. But in unofficial Japanese circles an increasing impatience was manifested regarding the economic sanctions applied by the United States, Great Britain and the Netherlands East Indies. There was an expectation in Washington and Tokio, alike, that a new "crisis" might develop soon in the relations between the two countries.

Whether any such crisis might be linked to events of the war between Germany and Russia was far from clear or certain. There is every prospect, however, that the Tokio militarists will resume their aggressive moves in Eastern Asia, if and when the Russian defense collapses. Reports this week suggested that Japanese troop concentrations on the Thailand border are being strengthened, which might indicate an attack on the Burma Road route of Chinese supply, and perhaps even a move against British and Dutch possessions. But many earlier dispatches listed large transfers of Japanese effectives from China to the border of Manchukuo and Siberia, which seems the more likely area of fresh Japanese military aggressions.

Earlier legislation this year effecting a change in the amortization provisions was referred to in our issue of Feb. 8, 1941, page 915.

## Foreign Front

(Continued from page 939)

Finland is a difficult problem. There is more than a suspicion that London consulted Washington in this connection.

**German-Dominated Europe**  
Occasional signs again were in evidence this week of the profound unrest prevalent in the sizable part of Europe occupied or dominated by the German Nazi forces. The Serbians, in particular, made their indomitable spirit manifest, and numerous executions of patriotic Serbs followed. Norway was fairly quiet and not much was heard from the Low Countries. In France the forces of General Charles de Gaulle endeavored by radio to foment a five-minute sit-down strike, last Saturday, but nothing came of this attempt.

The French situation was illustrated by several additional incidents. British naval forces seized a number of French merchant ships which attempted to make the run from Madagascar to France with foodstuffs and other supplies. The Vichy regime of France lodged a strong protest with London against that action. Washington disclosed Monday that a cargo of food for infants and assorted medicines would be sent to France from the United States, under official authority. Like other European countries, France will be heavily hit this winter by the shortages of foods and other supplies. Premier Mussolini hinted in a speech at Rome, Monday, that Italian territorial claims against France also may be presented soon.

Representatives of four of the invaded nations of Europe joined in a manifesto, here in New York, Tuesday, pledging cooperation in a post-war federation. The representatives were those attending the International Labor Organization meeting at Columbia University. Poland, Czechoslovakia, Yugoslavia and Greece thus were joined in a tentative confederation stretching from the Baltic to the Aegean. The London governments-in-exile of these countries

### Latin-American Trade

Augmented plans for extending credit through the official Export-Import Bank to aid in the development of exports to Latin-America were announced in Washington, late last week. The precise occasion for this newest use of official credit where unofficial banking accommodations seem inadequate has not yet been made entirely clear. It appears, however, that the new lines of credit are to be available in cases where neither the importer nor the exporter is willing to assume the risks of delivery of goods to ports of destination.

Subject to reasonable limits and conditions, the Export-Import Bank is said to be now prepared to assume the risks of delivery. Arrangements are to be made with the United States banking correspondents of Latin-American banks, and funds are to be advanced for letters of credit and payments on drafts. Unusual delay in the delivery of some American wares is hinted at as one reason for the program.

Meanwhile, the diplomatic relations of the United States and the Good Neighbors to the south appear to be warm and cordial. There is still no announcement of that general agreement with Mexico, which frequently has been reported imminent. Our Ambassador to Mexico, Josephus Daniels, resigned his post last Friday, but only for personal reasons. Mexican relations with Great Britain have been resumed, perhaps as a forerunner of a general adjustment of the oil "expropriation" difficulty.

## New York Increases Reserve Requirements For Banks Not Federal Reserve Members

The New York State Banking Board adopted on Oct. 16 a resolution increasing the reserve requirements of banks and trust companies which are not members of the Federal Reserve System, as well as of private bankers and industrial banks, to conform with the recent increase decreed by the Board of Governors of the Federal Reserve System for member banks. The State Banking Board's order becomes effective Dec. 1, while the Reserve System increase in reserve requirements for member banks to the present statutory limit goes into effect Nov. 1.

In a letter to State banks notifying them of the Banking Board's action, William R. White, Superintendent of Banks, said:

As a result of the Banking Board's action, non-member banks, private bankers and industrial banks, wherever located, will be required to maintain reserves of 6% against their time deposits. This is equivalent to the reserve requirement against time deposits which will be applicable after Oct. 31, 1941, to member banks of the Federal Reserve System under Regulation D of the Board of Governors of the Federal Reserve System. The following table shows, with respect to demand deposits, the reserve requirements established by the Banking Law; the requirements which will be applicable to non-member banks and trust companies, private bankers and industrial banks on and after Dec. 1, 1941, under the Banking Board regulation; and the requirements applicable to member banks after Oct. 31, 1941, in accordance with the regulation of the Board of Governors:

	Banking Law	Federal Reserve Regulation	Federal Reserve Regulation
Manhattan	18	26	26
Brooklyn	18	20	20
Bronx	15	15	20
Queens	15	15	14
Buffalo	12	20	20
All Others	12	14	14

The items in the foregoing table relating to reserve requirements in the Boroughs of Bronx and Queens are included only in order to complete the table, since no non-member bank, private banker or indus-

trial bank has its principal office in either of such boroughs.

The last paragraph of the Board's regulation provides that no part of the additional reserves maintained in accordance with the regulation shall be required to be maintained on hand in cash. The combined effect of this paragraph of the regulation and certain of the provisions of Section 107 of the Banking Law is to permit all of the additional reserves maintained in accordance with the regulation to be deposited with the Federal Reserve Bank of New York or with a reserve depository designated in accordance with the provisions of the Banking Law.

The Banking Department will continue its present policy of requiring weekly reports of reserves against deposits by non-member institutions in the boroughs of Manhattan and Brooklyn and the City of Buffalo, and semi-monthly reports by all other non-member institutions. The Department will also continue to use an "average" method in determining whether reserves maintained comply with the requirements established by the statute or the regulation. In both of these particulars, the practice of the Department conforms with that of the Federal Reserve System.

Non-member banking institutions in the boroughs of Manhattan and Brooklyn and the city of Buffalo may make their reports of reserves for the semi-weekly period beginning on Saturday, Nov. 29, 1941, upon the same basis as for preceding periods. The new reserve requirements should be reflected in the reports of such institutions for the period beginning Wednesday, Dec. 3, 1941, and subsequent periods.

The Federal Reserve Board's action was referred to in these columns Oct. 2, page 396.

## Roosevelt Asks People Sacrifice Personal Interest For National Unity In Defense

President Roosevelt on Oct. 26 called on all Americans to pledge to their Navy "a support involving willing sacrifice of personal, sectional and group interests in order that we may remain united and unconquerable." In a letter to Secretary of the Navy Knox, in connection with the celebration of Navy Day, Oct. 27, the President expressed his "deep appreciation of the thoroughness with which the Navy has already measured up to its large share" in the national defense. He added that "ship for ship, man for man, I am proud and confident in knowing the Navy is ready to prove to the nation and to the forces of evil its fitness to assume" the responsibility of being our first line of total defense.

The President called attention to the fact that the country for the past 19 years has always honored the Navy on Oct. 27—the birthday of Theodore Roosevelt, "one of its greatest champions"—but this year the observance is expanded to "Navy and Total Defense Day."

The President's letter to Secretary Knox was as follows:

My dear Mr. Secretary:  
For the past 19 years our country has on Oct. 27 honored the Navy on the birthday of one of its greatest champions, Theodore Roosevelt. This year we go further and expand that observance to "Navy and Total Defense Day," a change whose significance will be clear to all right-thinking Americans.

You know and I know that such modification implies no change in spirit from past anniversaries. Rather it strengthens that spirit in identifying it with the responsibility of all of our people for national defense.

I want to state my deep appreciation as Commander in Chief of the thoroughness with which the Navy has already measured up to its large share in that burden.

As it is our first line of defense, so is its duty primary in any approach to total defense. Ship for ship, man for man, I am proud and confident in knowing the Navy is ready to prove to the nation, and to the forces of evil its fitness to assume that responsibility.

As today I add by own salute to that of our fellow-Americans I can count on our Navy to recognize the necessity for its close coordination with the Army and our millions of civilians defenders. In that spirit let the Navy today return the nation's salute.

Our fleets far out in the Atlantic and Pacific, yes, the naval forces that support them in our far-flung bases, the magnificent air arm of the service, and the night and day shifts working in the navy yards to keep our two-ocean building program ahead of schedule—all these various agencies are now highly integrated.

And so, on this Navy Day of 1941, merged with a day consecrated to total defense, I ask all Americans to salute the Navy, their Navy, in a spirit of self-discipline in line with the historic traditions of the service itself, and to pledge to their Navy a support involving willing sacrifice of personal, sec-

We have followed and are following a policy of giving all aid to other nations which are actively resisting aggression. This policy is sound common sense, but it represents merely a method, certainly not an end in itself.

The real end, the inescapable end, is the destruction of the Hitler menace. In achieving that end, our responsibility is fully as great as that of the peoples who are fighting and dying for it. I know that our country will not shrink from that responsibility nor quail before whatever sacrifices it may demand.

tional and group interests in order that we may remain united and unconquerable.

Very sincerely yours,  
FRANKLIN D. ROOSEVELT.

## Now Drafting Price Control Legislation

After ending on Oct. 23 its public hearings on price control legislation, the House Banking and Currency Committee began drafting a bill on Oct. 29. It is expected that the writing of a measure will be completed by the Committee by the end of this week or early next week.

The Administration bill on which hearings have been held before the Committee since Aug. 5, planned to give President Roosevelt authority to establish price ceilings on commodities and to control rents in defense areas. Objections were raised in some quarters against the omission in the bill of provisions limiting wages. At the hearing on Oct. 17 Representative Murray (Republican) urged the Committee to write a bill from the standpoint of keeping out profiteering. Associated Press accounts on that day said:

Limiting prices on products, he contended, might result in reduced production in agriculture.

"You can fix a ceiling on prices of agricultural products," he said, "but you can't make a man work or make a farmer produce cotton if you've put on a ceiling that limits his wage by limiting his returns."

He urged that the committee "consider the welfare of every group of people and try to be fair with every group and every class."

Representative Brown, Democrat, of Georgia, a committee member, said he would propose that the pending Administration control bill be amended to fix the base period for agricultural parity as 1919-29.

The base period now is 1909-14. Brown said the 1919-29 period would permit a "higher ceiling."

Parity prices give farm products purchasing power, in terms of manufactured goods, equal to those enjoyed in the base period.

The Committee on its last day of hearings (Oct. 23) was told by Jesse Jones, Secretary of Commerce, that the price control law should be "comprehensive" but flexible, at the same time expressing approval of the Administration's selective price bill. His views, set forth in a letter to the House group, were reported by the Associated Press as follows:

"Obviously some form of price regulation is necessary if we are to avoid further inflation. Certainly, every effort should be made to prevent serious inflation, and the bill, if enacted, should be so comprehensive in character as to affect the many factors that go to make up the cost of such articles as will require price regulation."

He said, however, that no producer or dealer should be required to sell his product at less than "a fair cost" after compensation for labor, material and other factors, including a living profit, had been paid.

"On the other hand, we should not gear our entire economy to fit the inefficient or the uneconomical," he continued.

In order to obtain the maxi-

## Priority Ratings Are Not For Farmers

The Department of Agriculture said on Oct. 15 that individual farmers are not required to have priority ratings of any kind under the defense program in order to purchase ordinary farm machinery, equipment, repair parts, fertilizers, insecticides, nails, fencing, roofing or similar items. "Priority ratings on equipment and supplies such as these," M. Clifford Townsend, Director, Office of Agricultural Defense Relations, explained, "are issued by the Office of Production Management to manufacturers, processors and warehousemen in order to avoid having individuals obtain ratings." Mr. Townsend added:

"So far as the individual farmer is concerned, he does not have to have a priority rating of any kind to buy his ordinary requirements. There may be things he may not be able to get, such as aluminum pressure cookers, but in cases like this the manufacturer and not the individual farmer is the one affected by the priority rating. On special classes of machinery which are used for purposes other than farming, such as heavy duty electric motors, a preference rating will be necessary. This can be applied for on what is known as a PD-1 form obtainable from the Office of Production Management."

## CCC, NYA Consolidation

President Roosevelt on Oct. 27 proposed the consolidation of the Civilian Conservation Corps, and the National Youth Administration under the Federal Security Administration. The merger would require legislation and the President indicated that he may send a message to Congress to effect the change. The CCC is now under the War Department while the NYA is administered through the office of Paul V. McNutt, Federal Security Administrator. Mr. McNutt and Harold D. Smith, Director of the Budget, have been asked by the President to work out plans for the proposed consolidation. Mr. Roosevelt's reason for urging the merger was disclosed as follows in a letter to Mr. McNutt:

In view of current world conditions, I feel that the War Department should be relieved from all activities which may in any manner interfere with its main objective—preparation for defense.

num quantity of some critical and essential materials; during the emergency, it will be necessary to make exceptions here and there in any price regulation.

"For this reason and many others that may arise, any price-control law should allow sufficient latitude to those in charge of its administration to exercise their best judgment as changes or unusual situations and circumstances may from time arise."

In a separate item we are giving the price control views of Secretary of Agriculture Claude R. Wickard, as presented to the Committee on Oct. 21.

A substitute measure, sponsored by Representative Gore (Dem.) of Tenn.) providing for ceilings on commodity prices, wages, rents and defense profits, is also before the Committee for consideration. Representative Gore predicted on Oct. 28 that some form of wage ceiling would be included in the measure decided upon by the House group. Mr. Gore's bill it is stated, is patterned roughly on the overall price control plan advocated by Bernard M. Baruch, head of the World War Industries Board. (Referred to in our Oct. 9 issue, page 516).

## Real Aim Of American Foreign Policy Is Destruction Of Hitler Menace — FDR

President Roosevelt, in a message to a forum meeting of the Foreign Policy Association in New York on Oct. 25, said that "the real end the inescapable end" of American foreign policy "is the destruction of the Hitler menace." In achieving that end, the President added, "our responsibility is fully as great as that of the peoples who are fighting and dying for it" and said that he knows "our country will not shrink from that responsibility nor quail before whatever sacrifice it may demand."

The President's message, read by Maj. Gen. Frank Ross McCoy, President of the Association, follows:

Every school child knows what our foreign policy is. It is to defend the honor, the freedom, the rights, the interests and the well-being of the American people. We seek no gain at the expense of others. We threaten no one, nor do we tolerate threats from others. No nation is more deeply dedicated to the ways of peace; no nation is fundamentally stronger to resist aggression.

When mighty forces of aggression are at large, when they have ruthlessly overrun a continent, when we know that they seek ultimately to destroy our freedom, our rights, our well-being, everything for which this Government stands, our foreign policy cannot remain passive. There are a few persons in this country who seek to lull us into a false entry of security, to tell

us that we are not threatened, that all we need to do to avoid the storm is to sit idly by—and to submit supinely if necessary. The same deadly virus has been spread by Hitler's agents and his quislings and dupes in every country which he has overrun. It has helped immeasurably.

The American people are not easily fooled; they are hard-headed realists and they fear no one. A free people with a free press makes up its own mind. In this process free discussion of the facts and issues involved, such as that which you are sponsoring, is of the greatest value. We do not take orders as to what we shall think; we judge the facts for ourselves and decide what course we must follow. We reach decisions slowly, but when they are made they are backed by the determination of 130,000,000 free Americans and are inexorable.

Our people have decided, and they are constantly becoming more determined, that Hitler's threat to everything for which we stand must be struck down.

## 1942 Cotton Marketing Quotas Announced; Referendum Will Be Held on December 31

National cotton marketing quotas for the marketing year beginning Aug. 1, 1942, were announced on Oct. 29 by Secretary of Agriculture Claude R. Wickard, and Dec. 13, 1941 was set for the referendum. The 1942 National acreage allotment will be approximately 27,400,000 acres, or about the same as last year. Farmers who plant within their acreage allotments, may market all the cotton grown on these acres. The Department pointed out that the 1942 quotas will not become effective unless approved by two-thirds of the eligible producers who vote in the referendum. The Department adds that "if approval is given this will be the fifth year quotas have been used by cotton growers."

In commenting on this policy Secretary Wickard said:

Cotton is one of the surplus crops for which no acreage increase is asked in 1942 under the Farm Defense Program. Faced by restricted world markets, we have on hand a supply of about twice the size of recent crops.

The quota measure has proved itself essential protection to cotton growers against the tremendous surplus. In times like these when we need all our national strength, economic as well as productive, quotas as part of the National Farm Program take on added importance.

Approval of quotas to help adjust the surplus will make possible continued use of loans, and we know from experience this year that loans work hand in hand with quotas to protect cotton income.

Under provisions of the Agricultural Adjustment Act of 1938, as amended, loans are prohibited in years when quotas are rejected by producers.

It is noted that regardless of whether quotas are approved by cotton producers, the conservation phases of the AAA program will remain the same.

The Agriculture Department's announcement further stated:

According to the Act, cot-

ton marketing quotas are proclaimed by the Secretary in any year in which the supply of cotton reaches more than 107% of the "normal" supply, which, as defined in the Act, consists of a normal year's domestic consumption and exports, plus 40% to allow for a normal carryover. This "normal" supply of American cotton as of Aug. 1, 1941, was 18,200,000 running bales, whereas the total supply of American cotton on the same date was 23,800,000 running bales, or about 131% of normal.

Collapse of foreign markets and the consequent drop in American exports of cotton, together with the fact that there is already enough cotton on hand to fill an extra year's needs, highlight the cotton situation. During the 1939-40 season the United States exported about 6,200,000 bales of cotton, but the following season, which ended July 31, 1941, exports amounted to only 1,100,000 bales. Since this slump was due primarily to the war and naval blockades, officials say there is little reason to believe that exports will be increased to any great extent during the present season.

This loss of foreign markets is partially offset, however, by the fact that domestic consumption of American cotton for the 1940-41 season just ended was the highest on record. Consumption was about 9,600,000 bales, which was about 2,000,000 bales above the preceding year.

## President Signs New Lease Lend Measure Providing An Additional \$5,985,000,000

Following final Congressional action on the \$5,985,000,000 second lend-lease appropriation bill it was announced on Oct. 28 that President Roosevelt had signed the measure, and that he had at the same time issued an Executive order and letter of commission in which he redesignated Edward R. Stettinius, Jr., as administrator in charge of the newly created agency. In United Press advices from Washington, Oct. 28, it was stated.

Signature of the new appropriation brings to nearly \$13,000,000,000 total funds appropriated this year to provide guns, tanks, planes, food, and other war materials for Britain and other nations fighting the Axis.

The bill also carries a rider, which will empower Mr. Roosevelt to appoint an Army officer to the position of Federal Works Administrator.

Final Congressional action on the bill was taken on Oct. 27 when the Senate and the House adopted a conference report adjusting minor differences in the two versions passed previously. The Senate had passed the bill on Oct. 23 by a vote of 59 to 13, whereas House approval by a 328 to 67 vote was given on Oct. 10 (as indicated in our issue of Oct. 23, page 734).

The \$5,985,000,000 fund, for aid to "those countries whose defense is vital to our own," is supplemental to the original \$7,000,000,000 appropriated last March. The President requested the second Lend-Lease fund on Sept. 18 in order that there be "no interruption in the flow of aid" to countries resisting aggression. The measure carries about \$177,000,000 in miscellaneous deficiency appropriations for various Government agencies.

The measure specifically provides:

\$1,190,000,000 for ordnance

and ordnance stores, supplies, spare parts, etc.

\$685,000,000 for aircraft and aeronautical material including engines.

\$385,000,000 for tanks, armored cars, automobiles and other vehicles.

\$850,000,000 for vessels, ships, boats and supplies.

\$155,000,000 for miscellaneous military and naval equipment.

\$375,000,000 for facilities and equipment, acquisition of land, etc.

\$1,875,000,000 for agricultural, industrial and other commodities.

\$175,000,000 for testing and repair of equipment for foreign governments.

\$285,000,000 for services and expenses for carrying out the program.

\$10,000,000 for administrative expenses.

### 1941 Cotton Loans

The Department of Agriculture announced Oct. 29 that through Oct. 25, 1941, a total of 179,898 loans on 318,021 bales of 1941 crop cotton were reported by Commodity Credit Corporation. Nearly half the cotton entered the loan in the Texas area. At the same time last year loans had been made on approximately 1,000,000 bales of cotton.

## Dept. Of Agriculture Reduces Crop Loan Stocks; Will Pay Peru For Requisitioned Planes

Accelerated demand for food and fiber has brought about extensive liquidation of commodities held by Commodity Credit Corporation under the loan programs of the Department of Agriculture in the 6 months ended Sept. 30, 1941, the Department said on Oct. 27. During the 6-months' period, says the Department, liquidation of stocks was both through sales by Commodity Credit of commodities owned by the Government and

by repossession of commodities pledged by producers who repaid their loans. The liquidation has reduced stocks of all commodities except wheat, barley and flaxseed, all of which are in the midst of the heaviest loan season. The Department's announcement further said:

Heaviest reductions were in corn, 117,000,000 bushels; and in cotton, over 4,000,000 bales. Wheat owned and under loan increased 135,000,000 bushels during the period, representing the difference between 94,000,000—repossessed by producers who repaid loans or sold by the Corporation—and 229,000,000 bushels from the near-record 1941 harvest pledged for loans under the program announced last May.

Corn sold by Commodity Credit Corporation during the 6-months' period amounts to about 66,000,000 bushels and repayments by producers were made on about 64,000,000 bushels plus an additional 10,000,000 bushels delivered on sales not recorded in the financial accounts. Farmers may repossess, by repaying loans, an additional 240,000,000 bushels from the 1938, 1939 and 1940 crops.

Delivery of 454,000 bales of CCC owned cotton has been made under lend-lease programs. Producers have repossessed 4,103,834 bales of cotton pledged by them from the 1938,

1939 and 1940 crops during 6 months.

Because of the heavy 1941 production of wheat, and because the market price has generally been under the 1941 loan rate, domestic sales of wheat have been limited to interior mills having grain in storage which is needed for milling, of a type and class which is not otherwise obtainable. No restriction applies, of course, to sales of wheat by farmers who repossess this grain by repaying their loans.

The Corporation has reduced its stocks of turpentine by 3,000,000 gallons and rosin by about 300,000 barrels.

Flue-cured tobacco, purchased from the 1939 crop to support a market demoralized by withdrawal of British buyers unable to obtain American dollar exchange for their requirements, is now made available to the British under lend-lease programs. Firm commitments have been made for disposition of two-thirds of this crop and deliveries already made total 65,000,000 pounds, out of 160,000,000 pounds originally purchased by Commodity Credit Corporation. Purchases and loans from the current crop of flue-cured tobacco are not expected greatly to exceed 90,000,000 pounds dry weight basis, forecasting a net reduction in the quantity of tobacco owned by the Corporation.

## League Of Nations World Economic Survey

Increased exports to the United States by Latin American countries have compensated for loss of European outlets, according to the ninth edition of the League of Nations, "World Economic Survey," now being distributed by the Columbia University Press. The survey finds the economic situation in these countries "materially improved as a consequence."

In Latin America generally, wholesale prices have shown a tendency to recover as a result of the improved demand for export products, the survey reports pointing out that the physical volume of Argentine exports has shown a steady rise from the low point of February, 1941, accompanied by a similar recovery in export prices. Because of the improvement the Argentine has effected a sweeping relaxation of her import and exchange control as from July 1, liquidating the Exchange Control Office and abolishing the system of "prior permits" for the allocation of foreign exchange, affecting about 85% of total imports and especially imports from the United States.

Increases in the dollar value of United States imports from Latin American countries between the second quarter of 1940 and the second quarter of 1941 are listed as follows: Argentina, 180%; Uruguay, 164%; Chile, 120%; Ecuador, 90%; Brazil, 85%; Mexico, 69%; Cuba, 56%; Colombia, 36%; Peru, 29%; Venezuela, 6%.

While the war has necessarily involved a disruption of economic intercourse, particularly between Continental Europe and the outside world, there has been a progressive drawing together and intensification of economic intercourse in the other areas of the world—areas which, by their size and resources, represent by far the greater part of the world's economic activity, the survey points out.

"Loss of the export market constituted by Continental Europe was one of the major disturbances of trade caused by the war," the

survey says, but the effect of the loss would have been much greater had it not been mitigated by heavy purchases by the United Kingdom and the United States. The survey goes on: "United States imports of staple products increased considerably in the course of 1940 and the early part of 1941, owing in part to the great industrial activity, especially in the armament industries, and in part to the policy of establishing reserves of strategic raw materials similar to those accumulated by various European countries in the late thirties."

"From the end of 1940, when the United States purchases of raw materials gained pace, the export surplus with numerous non-industrial countries was replaced by an excess of imports. The change was most noticeable in the case of South America; imports from that area during the three months ending February, 1941, amounted to \$149,000,000 or 21% of United States total imports during the three months ending February, 1941, as against \$105,000,000 or 15% during the corresponding period one year earlier. Exports to South America, however, fell from \$120,000,000 to \$90,000,000.

"For the year 1940 as a whole, the share of the United States in the trade of the Latin American republics was 51% as against 34% during the last year of peace (1938). The share of the United States in the exports of the same countries was 43% and 30%, respectively. The increase had taken place, of course, at the expense of European countries, particularly Germany."

The State Department at Washington announced on Oct. 20 that the United States will fully compensate the Peruvian Government for 18 airplanes recently requisitioned by this country "in the interests of national defense." The planes had been purchased by Peru but were taken over on Sept. 23 in New York by the Federal Government. This action brought a protest from the Peruvian Embassy at Washington and the State Department now explains its position in the matter. Secretary of State Hull, in a letter to the Peruvian Ambassador, Manuel de Freyre y Santander, on Oct. 17 said:

It is regretted that the Peruvian Government may have been inconvenienced by the requisitioning of these airplanes by this government. I believe Your Excellency and Your Excellency's government will agree, however, that in the present critical world situation it is of vital interest to all of the American republics that such rapid and effective action be taken whenever necessary to utilize airplanes and other scarce implements of war to defend this continent in the ways that may be decided to be most advantageous strategically by those new engaged in that defense.

With the rapidly expanding airplane production facilities of this country it will soon be possible to provide the other American republics with such aviation equipment as they may need for defense against non-American aggression. At this time it nevertheless continues to be necessary to exercise every precaution, and even such mandatory powers as those used in the present instance, to insure the complete mobility of the available mechanized equipment that is so essential for the protection of the American republics.

Secretary Hull in a further letter on Oct. 20 informed the Ambassador that the United States would give Peru full compensation for the loss of the planes.

### Fahy Solicitor General

President Roosevelt on Oct. 29 nominated Charles Fahy of New Mexico to be Solicitor-General of the United States, succeeding Francis Biddle, who is now Attorney General. Mr. Fahy, who has been Assistant Solicitor General since September, 1940, has been serving as Acting Solicitor General since Mr. Biddle assumed his new post early in September (referred to in these columns of Sept. 11, page 114). A native of Rome, Ga., he practiced law in Santa Fe, N. M., from 1924 to 1933 and came to Washington in the latter year to serve on the Interior Department legal staff. When the Labor Board was organized under the Wagner Act in 1935, Mr. Fahy became its first General Counsel.

### Chicago H. L. Bank Ahead

The Federal Home Loan Bank of Chicago advanced more money in September to its member savings, building and loan associations in Illinois and Wisconsin than in any previous September. A. R. Gardner, President, reported on Oct. 20. This was the fourth month so far in 1941 to see a larger outflow of funds from the reserve system than any like month in the previous eight years of the bank. The disbursement for September was \$1,789,613, marking the third busiest month of this year, and netting a gain of 6.6% over the new loans made the previous month as well as a 14.8% gain over September, 1940.

## LEGAL ODDITIES

### GARNISHEE AND INTEREST

Suppose, for the sake of supposing, that Tom has a \$1,000 deposit in the Snow Bank, owes Dick \$2,000; Dick gets a garnishee order from the Court ordering the bank to pay the deposit to him, and serves it on the cashier. "Here's your 'grand,'" the cashier tells him.

"How much interest is there to Tom's credit?" Dick demands.

"It's really none of your business, but \$65 interest was credited this morning."

"Well, I'll take that, too. The tail goes with the hide in the livestock business."

"Nothing doing — the order covers the deposit, and that's all you'll get," the cashier declares. Is the garnisher entitled to the interest, or to the deposit only?

This question was answered by the United States Supreme Court in a case where the Court dealt with some rather high figures, even for those piping days of peace and predatory plumbers, as the evidence in that case showed that a manufacturing company brought an action against a trade union for conspiracy and restraint of trade in connection with a strike in the company's plant. The case went to the United States Supreme Court three times, and, finally, the company recovered a judgment against the union for the tidy sum of \$353,130. At that time the sit-down strike (or, as Madam Perkins calls it, "the new technic") was unknown and unthought of.

The trade union had a deposit in a Connecticut savings bank, and, when the suit was started, the company served an attachment order on the bank which prevented it from paying over the deposit, pending the result of the suit.

Then, while the suit was pending, the trade union assigned to a parent union all dividends or interest on the deposit declared or accruing after the attachment, and, when the final decision was handed down, the parent union and the manufacturing company both claimed the interest.

"When our attaching order was served it 'plastered' everything—deposit and future interest," the company contended.

"No—your attachment simply applied to the account as it stood then, and held the account—but only the account—in status quo, and we're entitled to the interest under our assignment," the parent union retorted.

The Court, however, decided in favor of the company, on the ground that the interest grew out of the deposit, was incident thereto, and an attachment of the original deposit carried the interest earned thereby.

"While it is true that under the decisions it is the existing obligation or the debt due which is bound by the attachment, and that at the time the attachment was served the dividends in question had not been declared and were not in existence, nevertheless they would be subject to the attachment if they are to be considered a necessary incident of the deposits. For whatever binds the principal binds that which is inseparable from the principal. An attachment on a freehold, for example, gives a lien on the timber trees and on the buildings attached thereto," said the United States Circuit Court.

"The depositor has a vested right to the dividends—a vested right that the corporation should take the most prudent steps to secure them with an identified fund devoted to the result. We do not see why the possibility of

## Items About Banks, Trust Companies

Mr. E. Chester Gersten, President, announced today that the Board of Directors elected William J. Kissell a Vice President of the Public National Bank & Trust Company.



William J. Kissell

Mr. Kissell started his banking career in 1915 with the National Bank of Commerce in New York and was later with the Guaranty Trust Company with which the former institution was merged. During the period of bank difficulties he was Treasurer of the National Credit Corporation founded by the nation's banks as a forerunner of the Reconstruction Finance Corporation. Since the liquidation of that corporation in 1935 he has been with the New York Trust Company as Assistant Treasurer.

Stockholders of the First National Bank of Englewood, Chicago, Ill., approved on Oct. 14 the liquidation program recently announced by the bank's President, John M. Nichols. Mr. Nichols indicated after the meeting that a liquidating dividend of \$525 a share would be paid in cash about mid-December and that later a small final dividend would be distributed when the bank's accounts are finally settled. In these columns Aug. 23, page 1076, we reported Mr. Nichols' intention of discontinuing operations of the institution because he did not "care to continue as the custodian of other people's money" under the conditions existing in the country today. According to the Chicago "Journal of Commerce" of Oct. 17 the \$647,750 which Mr. Nichols will receive in the liquidation of the bank will be invested mainly in real estate in and around Chicago, he said on Oct. 16. The paper from which we quote also said Mr. Nichols is the owner of 1,230 of the bank's 20,000 shares of capital stock (\$100 par). He stated:

"As a stockholder in my bank my holdings were represented by currency, and I did not want to continue to hold it with the outlook as it is at present. Of our 26 stockholders, all but two were present or represented at our stockholders' meeting this week and the vote to liquidate the bank was unanimous.

"I am buying real estate as a personal investment, not with any idea of going into the real estate business."

All the bank's deposits have now been withdrawn except approximately \$31,000. Mr.

there-being no earnings because of fraud or a cataclysm, or a possibility of the earnings being greater than was expected, should make the right less a present one, subject to and covered by the attachment, than the right to the capital which runs the same risk," said the U. S. Supreme Court.

A similar point arises where ordinary corporate stock is attached under a garnishee order, and dividends are declared after the attachment is served, and on this point the United States Courts have held that the attachment covers the subsequently declared dividends as well, on the ground that "the dividends were but an incident to the stock—the mere fruits thereof—and were as much within the grasp of the attachment as the corpus of the stock."

Nichols said. Of this amount \$28,000 has been held for 30 or 40 years and the owners cannot be located.

"In winding up the bank's affairs, the \$28,000 will be turned over to the Comptroller of the Currency in Washington," he added.

The Continental Illinois National Bank and Trust Co. of Chicago announced on Oct. 10 the election of Charles T. Fisher to its Board of Directors. Mr. Fisher, who is President of Fisher & Co., succeeds to the position left vacant by the recent death of his brother, Fred J. Fisher. He was associated with his brother for many years. Together they founded the Fisher Body Corporation, now a division of the General Motors Corporation.

Tom K. Smith, President of the Boatmen's National Bank of St. Louis, announced on Oct. 21 that the Board of Directors has approved the declaration of a 25% stock dividend to holders of record as of Oct. 21. In connection with a capital readjustment in 1934, holders of the old \$100 par value stock received four \$20 par value shares. The action Oct. 21 restores them to the old basis of aggregate par value. A dividend of 25 cents a share, payable Jan. 1, 1942, was declared on the new stock, a similar dividend already having been declared on the outstanding stock.

## Assails Execution Of "Innocent Hostages"

President Roosevelt, in a statement issued Oct. 25, evinced his attitude toward the German executions of "innocent hostages" in Europe, saying the "Nazis might have learned from the last war the impossibility of breaking men's spirit by terrorism." Stating that such killings "revolts a world already inured to suffering and brutality" the President declared that "these are the acts of desperate men who know in their hearts that they cannot win." He also said that "frightfulness can never bring peace to Europe" since it "only sows the seeds of hatred which will one day bring fearful retribution."

The President's statement was prompted by the recent executions in France in reprisal for the killing of two German officers in the occupied French cities of Nantes and Bordeaux.

The practice of executing scores of innocent hostages in reprisal for isolated attacks on Germans in countries temporarily under the Nazi heel revolts a world already inured to suffering and brutality. Civilized peoples long ago adopted the basic principle that no man should be punished for the deed of another.

Unable to apprehend the persons involved in these attacks, the Nazis characteristically slaughter fifty or a hundred innocent persons. Those who would "collaborate" with Hitler or try to appease him cannot ignore this ghastly warning.

The Nazis might have learned from the last war the impossibility of breaking men's spirit by terrorism. Instead they develop their "lebensraum" and "new order" by depths of frightfulness which even they have never approached before. These are the acts of desperate men who know in their hearts that they cannot win. Frightfulness can never bring peace to Europe. It only sows the seeds of hatred which will one day bring fearful retribution.

## Sets Up Office Of Facts And Figures To Give Nation Defense Information

President Roosevelt in an Executive Order on Oct. 24 established the Office of Facts and Figures "for the purpose of facilitating the dissemination of factual information to the citizens of the country on the defense effort and on the defense policies and activities of the government."

Archibald MacLeish, Librarian of Congress will direct the new agency, without pay, and retain his present post. Existing Government services and facilities, it is said, will be used in the preparation and dissemination of information on the defense program. Stephen T. Early, the President's Secretary, said the new bureau will work within the Government to answer requests for defense data. He also said that the creation of the office was suggested by Mayor F. H. LaGuardia, of New York, Director of Civilian Defense.

In a statement bearing on the new organization, Mr. MacLeish said that the Office of Facts and Figures is established "upon the assumption that the people of a self-governing country are entitled to the fullest possible statement of the facts and figures bearing upon conditions with which their Government is faced." He added:

The essential difference between a democracy and a despotic form of government is that a democracy is based upon a complete trust in the people and a democratic service of information must necessarily re-

flect that trust.

The job of the Office of Facts and Figures, as stated in the Executive Order, is to serve as an inter-departmental clearing house for information and data required "for the most coherent and comprehensive presentation to the Nation of the facts and figures of national defense." In other words, the operation of the office will be purely within the Government.

The Office of Facts and Figures will not make a practice of issuing releases nor set up new channels for the dissemination of information, but will "rely upon the services and facilities of existing agencies of the government in the dissemination of information." In other words, the establishment of the office will in no way change the relation between the departments and the agencies of the Government and the press and radio services, nor will it alter the reliance of the Government upon these means of informing the people.

## IN THIS SECTION

(Continued from first page)

- Federal Reserve Board reports brokers' balances. Page 935
- Soft coal production in week ended Oct. 25 estimated at 10,810,000 net tons—Anthracite output placed at 1,224,000 net tons. Page 934
- Congress amends amortization provision of Excess Profits Tax Law affecting certification of defense contracts. Page 941
- President Roosevelt on attack on U. S. S. Kearny and other ships. Page 941
- Secretary Wickard in agreement with objectives of price control bill. Page 939
- President Roosevelt says "shooting has started"—In Navy Day address calls for end of war zone ban—Refers to secret Hitler maps affecting South America and U. S. and plan to ban religion. Page 940
- Labor Bureau's wholesale commodity index declines 0.5% in week ended Oct. 25. Page 933
- Commodity price index of the National Fertilizer Association records advances. Page 938
- Bonds Remain Firm. Page 935
- World Prices Steady. Page 933
- Subscriptions to Treasury offering of 1% notes of 1946. Page 934
- President signs new lend-lease measure following passage by Congress—Provides additional \$5,985,000,000. Page 943
- President Roosevelt in letter to Secretary Knox, incident to Navy Day asks people to sacrifice interests for unity in defense. Page 942
- President Roosevelt assails German execution of "innocent hostages." Page 944
- President Roosevelt acts to merge CCC and NYA. Page 942
- Agriculture Department reduces crop loan stocks. Page 943
- Cotton marketing quotas announced for next year—referendum to be held Dec. 31. Page 943
- World Economic Survey issued by League of Nations. Page 943
- Charles Fahy named Solicitor General. Page 943
- U. S. will fully compensate Peruvian Government for eighteen airplanes requisitioned "in the interests of national defense." Page 943
- 1941 Cotton loans. Page 943
- President Roosevelt says real aim of American foreign policy is destruction of Hitler menace—Message to foreign policy association. Page 942
- House approves added \$5,985,000,000 for lend-lease program—Votes down ban against aid to Russia. Page 943