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President at World Labor Conference Calls On Capital And Labor For Sacrifices

President Roosevelt declared on Nov. 6 that "the American people have made an unlimited commitment that there shall be a free world" and "against that commitment no individual or group shall prevail." Addressing the delegates to the final session of the Conference of the International Labor Organization, representing 33 nations, in the East Room of the White House, the President referred to the "misguided few—both industrialists and labor leaders—who place personal advantage above the welfare of their nation" and who put "their little victories over one another above triumph over Hitler."

Saying that Americans have not yet made any substantial sacrifices, the President warned that the United States and the whole Western Hemisphere have their places marked "in the Nazi scheme for world domination" and said that "the choice we have to make is this: Shall we make our full sacrifices now, produce to the limit, deliver our products today and every day to the battlefields of the entire world? Or, shall we remain satisfied with our present rate of armament output, postponing the day of real sacrifice—as did the French—until it is too late?"

With regard to these two choices the President pointed out:

> The first is the choice of realism—realism in terms of three shifts a day; the fullest use of every vital machine every minute of every day and every night; realism in terms of staying on the job and getting things made, and entrusting industrial grievances to the established machinery of collective bargaining—the machinery set up by a free people.
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> The second choice is the approach of the blind and the deluded who think that perhaps we could do business with Hitler. For them there is still "plenty of time." To be sure, many of these misled individuals honestly believe that we should later find that we can't do business with Hitler, we will roll up our sleeves later—later—later. And their tombstones would bear the legend "too late."

"In the process of working and fighting for victory," said the President, "we must never permit ourselves to forget the goal which is beyond victory," and he added that if the post-war world "is to be one in which peace is to prevail, there must be a more abundant life for the masses of the people of all countries," declaring that there must be no place "for special privileges for either individuals or nations." The President went on to say:

> Again, in the words of the Atlantic Charter: "All states, great or small, victor or vanquished," must have "access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity."

As may be recalled, it was the "Atlantic Charter" which he and Prime Minister Churchill of Great Britain formulated last August in their historic meeting at sea.

In mentioning sacrifices made the President singled out the people of Britain, China and Russia but called the struggle of the common men and women of Europe, from Norway to Greece, against a brutal force "the most heroic of all." He added that "as far as we in the United States are concerned, that struggle shall not be in vain."

Declaring that "labor under the Nazi system has become the slave of the military staff" and that "Berlin is the principal slave market of the world," Mr. Roosevelt said the American worker has "no

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GENERAL CONTENTS

THE FINANCIAL SITUATION

For a long while past it has been repeatedly asserted by professional observers in Washington that one of the greatest annoyances and one of the leading anxieties of Administration leaders was the circumstance, as they viewed it, that the rank and file of the American people continued so unaware of or so indifferent to many of the plain implications of the war effort—we say war effort quite advisedly—that this country has so blithely undertaken. It has always been plain to all thoughtful people, as it must from the first have been to the Administration, or at least those members of it who were not too much engrossed in day dreaming, that no nation could conceivably accomplish what was being laid out for the American people without the broadest and deepest repercussions throughout the lives of every man, woman and child in the land. Yet the Administration found itself faced with but little opposition in developing plans of armament and aid to "democracies" requiring the appropriation of sums which almost defy the imagination or in the formulation and initiation of programs which could hope for success only if heavy sacrifices were made by all—it found no opposition worthy of much attention to any of these things unless and until they actually began or immediately threatened to entail general sacrifices or inconveniences, and when that happened opposition aplenty has regularly made its presence easily discernible.

It is indeed a remarkable situation, probably explicable only in light of the general course of New Deal philosophy and activity in the half decade or more preceding the commencement of the armament program and of the want of forthrightness in presenting the issues involved in that program. It has, however, been quite evident from the first, and a more prudent, forward-looking Administration would without doubt have hesitated to proceed in so grandiose and reckless a manner in the face of it, leaving the matter of caring for the chickens when they came home to roost until such time as they arrived. This particular Administration in the event did, however, proceed in this way, and it now has its returning chickens upon its hands—and they present a problem which will not prove easy of solution.

But be all this as it may, the question which keeps recurring in the minds of thoughtful citizens throughout the land concerns not merely whether the rank and file of the people, but also and poignantly whether the Administration itself has any adequate understanding of these things, or if it has whether it will ever develop the hardihood to deal with them forthrightly and vigorously. A blind people are indeed in a hopeless situation when led by the blind, or by those who act as if they were. A number of observers have within the past few days found considerable encouragement in the action of the Navy Department when confronted with a "wild-cat" strike of building trades unions in the San Diego area on the Pacific Coast. A sharp surprise, and a heartening one so far as it goes, has now been provided by the action of the National Defense Mediation Board. In both instances, of course, the Administration was and is far behind, no ahead of, public opinion, but the history of such controversies during the past few months hardly warrants much confidence in these developments until the end result is evident. The Administration appears to be moving hesitantly in the right direction, and we can only hope it gains understanding and courage as it proceeds—if it does.

Unfortunately, however, in two other fields vastly broader than those concerned in these two particular labor controversies and proportionately more important, there is no corresponding indication of progress. On the contrary, in certain vital respects the situation has grown measurably more disheartening during the past week. We refer, of course, to price control and taxation. No one can say with any assurance what the Administration really wants in the form of price control legislation. It has conjured up powers to control prices which do not exist save possibly by virtue of other legislation which doubtless in the minds of Congress was unrelated to price restrictions, and at times it has

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FROM WASHINGTON AHEAD OF THE NEWS

The repeated efforts of Washington officialdom to make the country war conscious, if they were not so downright tragic, are humorous. It has just come to light that the Navy debated for days whether it should not bring back the bodies of the men killed on the destroyer Kearny to Washington and give them a state funeral in the National Cemetery at Arlington. There are more than 500 Washington newspapermen and the great majority of them were just itching to cover such a story and after the Kearny incident, many of them assumed there would be the state funeral pageantry and began collecting adjectives to describe it. It is no secret to say that many of them dug up the stories on the Unknown Soldier of the First World War written by Kirk L. Simpson of the Associated Press.

Then, after days had passed and the Navy had made no move to return the bodies to this country, inquiries were made. And it was learned that instead of making a pageantry out of the deaths of these boys, the Navy's propagandists or sounders of public opinion, had concluded that the less said about them the better it would be. The reaction, according to these soundings, was one of resentment that the boys should have been sent into battle, instead of an emotional surge of patriotism. The belligerent Secretary Know was baffled, and frankly this writer is, too. He can't recall a more stirring episode in all his life than the time when the casualties of our Vera Cruz occupation were paraded up Broadway and his overwhelming urge was to get at the throat of the then Mexican President, Huerta.

The Navy high moguls, utterly disgusted, are now saying that they suppose the only way to wake the American people up is for a capital ship to be sunk with the loss of 1,000 or more lives.

This writer does not know whether the soundings of public opinion by the Navy publicists were correct or not. It was surprising to the majority of the Washington newspapermen, however, that the Kearny losses were not more capitalized. Significant, too, is the fact that the sinking of the destroyer Reuben James came right at the height of the neutrality debate in the Senate, and so far as can be ascertained, not a single vote was changed. The matter came in for little or no discussion, as a matter of fact.

It is perhaps the most unusual situation that ever confronted this country. And it is a dangerous one in this respect: The people of the country as reflected through their members of Congress are apparently apathetic about our Navy being at war, about the loss of sailors, so long as we don't "shed a drop of blood on foreign soil." They are willing, if Congress can be taken as reflecting their will, to spend billions and billions — to give away

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From Washington

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the country's substance, in fact, if "the blood of no American boy is spilled on foreign soil."

There is really something crazy about this picture. There are Senators and members of the House who would vote freely for war tomorrow against Japan. Their thought is that is something that would be confined to our Navy and for some reason or another, the Navy is looked upon as a professional fighting force, getting paid to fight; therefore, there is no particular harm in its earning its money.

There seems to be no comprehension anywhere, at least in Washington, that the greatest slave master in all creation, a greater slave than Hitler could possibly be, is DEBT. And debt is what we are piling up. Washington officials sit around and talk glibly about the needs of getting our defense expenditures up to $3 billion a month. Congressmen and Senators talk of that need. But there are few of them who would vote tomorrow to send an expeditionary force to Europe.

From the beginning of this crisis, the emphasis has been put upon not sending "American boys" to Europe. There are few Congressmen and Senators who in public utterances have not assured their constituencies that under no circumstances would they do this. And, in spite of the isolationists' claims, Mr. Roosevelt has not the slightest intention, at this time, of sending men to Europe. He is obviously not training an AEF. His whole purpose is to crush Hitler without doing this, in which event he will undoubtedly be acclaimed as an amazing man: a man who "kept the country out of war" in such a world crisis as we are passing through. Yet Navy men will have been killed and the national debt will have arisen to the point of crucifying people.

The reason I said, at the outset, that the efforts of the Administration to make the country war-conscious are funny, if not tragic, is that I talk daily to my countless colleagues who have been called into this service or that—Nelson Rockefeller's Latin American cultural relations enterprise; Donovan's "coordination of information" agency; LaGuardia's Office of Civilian Defense, and most recently, but not all, Archibald MacLeish's Office of Facts and Figures. For years the New Deal was taking on newspapermen who because of the casualties in the newspaper field, needed jobs. But the so-called defense agencies are now pulling away good men from established jobs by making more attractive offers in many instances, by appealing to their patriotism in others. And these fellows piled up in the various and rival bureaus don't know what in the name of heavens to do. They step upon one another's toes. The more decent ones of them, not interested in promoting their agencies over the other agency, but wanting to do a job, are utterly lost. The cost of these many agencies run up to at least half a billion dolars a year. LaGuardia's OCD has already gotten $900,000 for the current fiscal year; Donovan is to get more than a million.

There is considerable significance in the action of the House in asking its Judiciary Committee to determine whether a Federal grand jury in Washington, investigating isolationist propaganda, has a right to subpoena Congressman Ham Fish. Fish is not a popular member of the House. But the resolution upon which the House acted in this instance, was introduced by the House Democratic Leader, John McCormack of Massachusetts.

The explanation is that the

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Editorial—

The Railroad Trainmen's Threat Against Public Safety

Transportation has become the basic necessity of civilization. Without a great volume of very cheap and highly efficient movement of commodities over long distances the whole productive capacity of the Earth could not be organized to support the great populations now inhabiting Western Europe and North America, at least without reducing their standards of living to levels approximating those of the unhappy and under-nourished millions who occupy the most densely populated regions of India and China. It is especially true of the United States that the mass-production of cheap and safe transportation, enabling the highest degree of localization and specialization of industrial and agricultural functions in production, with the maximum of territorial and group division of labor, supports an enormous interchange of commodities over far the greatest area of free and untrammelled trade upon this terrestial globe. And this with immense and immeasurable enhancement of the public welfare.

Steam railroad transportation remains the strong backbone of the system, sustaining that tremendous volume of essential movement of commodities and, should it be interrupted for an considerable period of time, the whole mechanism of American life would be deranged and brought to a full and tragic stop. Starvation would almost immediately confront every important center of population; all great localized industries would cease to receive raw materials and fuel; their production would abruptly come to an end; necessaries of existence which agriculture in many localities no longer attempts to produce for itself would cease to flow to the stagnant local markets; catastrophe black and appalling would have arrived. The foregoing sentences in no fraction exaggerate the disaster which would have followed almost at any time during the last 70 years from a general and effective strike of railroad labor, one lasting long enough to bring about as much as a two-weeks' interruption of the steady flow of raw materials, finished products, and food-supplies between their places of production and the points at which they are needed for the continuance of industrial activities or directly to supply the wants of the ultimate consumers. Momentarily, this extreme dependence upon railroad transportation is enhanced, if it is possibly at all subject to enhancement by any acute condition of necessity, by the absorption of all America in preparations to meet the probable military exigencies which deplorable foreign policies have made highly imminent. To interrupt railroad transportation for even as much as a single day, at this juncture, if effected by any combination or conspiracy of or among any group of employees or others, would convict the conspirators, in morals if not actually in law, of rebellion against the Government and the public welfare and of overt action giving great aid and comfort to the enemies, or the potential enemies, of the United States.

"Treason against the United States," is specially defined by Section 3 of Article III of the Federal constitution precisely to include such misconduct as "adhering to their enemies, giving them aid and comfort." Certainly, no sane human being, with knowledge of the facts as they are today, could imagine that even the taking of Moscow could create such rejoicing within the souls of Hitler and Mussolini as would arise from receiving information that a general railroad strike was in progress in the United States, the world's "arsenal of the democracies." Patriotism ought to render any course possibly leading to the fomentation of such a strike in this country totally unthinkable by any clear-headed railroad employee or citizen. It must be intolerable to any sound public sentiment and it ought to be concisely condemned and heavily penalized by the laws of the country.

Unfortunately, neither the first nor the third of the three conditions above outlined actually exists at this moment in the United States. There are, it is only too evident, some railroad employees, probably relatively few as compared with the whole number, who do not wholly abhor and totally reject the suggestion of a strike against the continuity of railroad service even during the present emergency, and one also against the closely related public safety, and there is no Federal law in existence which prohibits or penalizes a conspiracy to produce a general railroad strike effecting complete cessation of essential services; surely defeating the defense measures of a public that has already appropriated, within a very few months, over $66,500,000,000, in the firm belief that limitless devotion and expenditure have become necessities of self-protection; and producing immeasurable confusion, catastrophe, and terror throughout the length and breadth of the land. More than all this, five great labor organizations, including more than a majority of the five highest paid classes of railroad employees who are not executive or administrative officers, have dared actually to call and announce a general strike upon all the railroads of the United States, to begin within four weeks, on Friday, Dec. 5. They have taken this action in the teeth of an award giving to railroad labor, in general increases in wages, an annual amount estimated at $270,000,000 and effecting an increase in rail-

Editorial—

Securities Act Changes

Far more than most financial observers had hoped, the various securities enactments are receiving critical study in the legislative halls of Washington. A spirit of change appears to be in the air, if the hearings before the House Interstate and Foreign Commerce Committee are any index. The need for drastic revision and modification of enactments which were largely punitive, and which have been attended by enormous harm as well as some good, plainly is comprehended by at least some elective spokesmen in the national capital.

Whether Congress in general can be expected to realize the underlying essentials of arguments presented in the hearings is still to be established. Perhaps it is too early to rejoice unduly regarding the trend of those hearings. In New York circles it already is whispered that the Securities and Exchange Commission, which has grown into a hydra-headed and powerful body during its eight years of existence, already contemplates private suggestions to the President for veto of any sweeping modifications of its authority.

Such allegations possibly will be denied strenuously by members of the Commission. The course of the hearings nevertheless lends them color, for earnest, lengthy and boring efforts were made by Commission spokesmen from the beginning to depict the enactments as holy writ, almost incapable of improvement. In an obvious effort to recreate the punitive atmosphere that brought the enactments into existence, two whole days of testimony were presented at the start by Commissioner Ganson Purcell, with a view to reviving horrible images of unbridled excesses visited upon innocent investors.

But various Congressmen made plain, as the hearings progressed, their realization that the baby has been thrown out with the bath. They evinced a heartening understanding of the fact, long known to every financier, that the medicine is far too drastic and too long applied, making the continued existence of the patient uncertain on that score alone. Close observers at the hearings sensed a growing impatience with the stuffy pretensions of the Commission.

Indeed, a stiff reminder was given the SEC at one point that it enjoys no mandate as to the legislation under review. When a question came up regarding the Public Utility Holding Company Act, the Commission rejoined that amendments to that measure were not contemplated. Whereupon a member of the House Committee remarked pointedly that the Utility Act also may be revised, if Congress sees fit. These are straws in a wind which may well be blowing strongly here and there. The need for whipping up that wind further needs no emphasis.

Whatever the outcome may be of the present attempt to revise the laws and make them more reasonable instruments, the reactions of Congressmen are such as to pose further considerations. President Roosevelt may veto changes that Congress holds advisable, but that the SEC views as an infringement upon its bureaucratic entrenchment. The whole project may tumble under the stress of war. It is nevertheless plain that publicly elected representatives of the people begin to look upon these things with less jaundiced eyes than those which called the punitive and largely unworkable enactments into existence.

In the light of this tendency, two things can and should be done. The first is a maintenance of the highest ideals and standards in the business of originating and dealing in securities. A return to these first principles is not necessary in the vast majority of cases, for they were never abandoned. On the outer fringe of the securities business there are still, as the SEC itself admits, larcenous individuals, but they are not representative of the industry.

The second requirement of the situation that plainly impends is a genuine campaign for the education of the public to the realization that finance merely was made the scapegoat by unscrupulous politicians for all the ills and misjudgments of an era that is now more than a decade behind us. When that public understanding develops, the pendulum will swing of itself to the beneficial middle ground of sensible and modest Federal regulation, and a harsh treatment of all dishonesty, for which the common law always was and still is available.

road operating expenses of some 9 or 10%, this highly generous award having been made after long investigation and full argument by an impartial tribunal set up in accordance with law by the President of the United States and after representatives chosen by the respective unions had submitted all the evidence that they cared to produce. It is suitable to list here the names of the organizations of railroad labor which have undertaken to threaten the American people with such insolent and intolerable injuries, together with the names and titles of their chief officers who may have induced, and certainly are countenancing, this unwarrantable and unpatriotic threat against the public. They are—

Brotherhood of Railroad Engineers, Alvanley Johnston, Chief; Brotherhood of Locomotive Firemen and Enginemen, J. J. Goff, Assistant President; Order of Railway Conductors, H. W. Fraser, President; Brotherhood of Railroad Trainmen, A. F. Whitney, President, and Switchmen's Union of North America, T. C. Cashen, President.

These are the organizations that represent, as we have noted, the highest paid railroad labor, which is, presumably and upon the average, the most intelligent and, without any presumption being involved, the most avaricious and grasping. These organizations have never affiliated with the American Federation of Labor, nor connected themselves in any way with the Congress of Industrial Organizations, but have constituted themselves the independent and self-styled "Big Five." They have closely co-operated with each other against their employers and the public, including all labor that is not so well paid, which implies substantially all other labor in the country. Quite frankly, they have regarded and represented themselves as an aristocracy among wage-earners, made so by their employment and in remembrance of conditions that long ago expired, and entitled by something inhering in that illusive status, to wages and treatment definitely constituting them, as against all other railroad labor and all others among the Nation's workers, as an especially favored class separated by this advantage from all others among the gainfully employed citizens of the country. In large degree, they have attained their intended end and have maintained continuously their favored status. The conductors, at least, and probably many of the engineers and other trainmen and some of the switchmen, have long been considerably over-paid, as compared with workers of equivalent skill and training operating under comparable conditions in other industries. Of course, all railroad wages are really paid by the consumers of the commodities transported, at the expense largely of the much poorer inhabitants of the cities, towns, villages, and rural communities which are vitally dependent upon railroads for their existence. This arrogant combination of labor organizations does not include a majority of the employees of the railroads. If these five organizations possess all the members which their officers claim, which is rarely if ever the case among labor union, they have only 350,000 on their rolls, or less than one-third of the number who work for the railroads. Fourteen other organizations of railroad workers have accepted the award with evident satisfaction, and perhaps some surprise at its magnitude, and it has also been accepted by the railroads. The fourteen unions that have accepted the award have from 750,000 to 800,000 members, so that, if the five recalcitrant organizations should succeed in their alleged purpose of interrupting railroad operations over the country, they would throw out of employment, in their own industry alone, more than twice their own number of fully satisfied employees, in addition to the far greater injuries they would effect against the entire people of the United States.

It is not likely that the leaders of the "Big Five" have, in fact, no intention whatsoever of producing a general railroad strike, or any strike at all; that they are merely using the threat of a strike, assuming that the thing itself is so terrifying and so awful that, in the fear of it and to avoid it, the American people, led by their President, who has never in his whole career assumed a courageous stand against the coercions and encroachments of organizations of wage-earners, however arrogant and unwarranted, will ignominiously bow their heads, and bend their backs, to accept and to bear a new and unjustifiable burden of swollen pay-rolls in favor of these aggressive and persistent claimants. They remember the year 1916, when the country was also preparing for warfare, and when similar threats frightened President Wilson until he was induced to endorse and promote in Congress the very vicious Adamson Act, which was hastily adopted, and they anticipate that Mr. Roosevelt, far weaker than Mr. Wilson in meeting excessive demands from labor, will similarly submit himself to their will and readily rake their chestnuts from the fire.

There could be no justification or excuse for such a concession. Its cost would be excessive and it is absolutely unnecessary. Yielding to such pressure would be pure and unadulterated cowardice, despicable and beyond even plausible defense. Arrogance and effrontery should be met by firmness and courage, both supported by wisdom and understanding. The 135,000,000 people of the United States are not at the mercy of 350,000 railroad operatives who lack the decency and patriotism to accept, in this hour of national trial, the results of an impartial arbitration and to remain at their posts of duty when extreme public exigency is held to demand great sacrifices from every American citizen. There are ample resources at the command of statesmanship to meet and to control this situation. Congress, wisely advised and alert in the public interest, has powers sufficient completely to defeat the intolerable threat and to prevent entirely any interruption of service upon the railroads of the country. We propose here to show what these resources are and to outline the manner in which it would be possible immediately to utilize them, that is to say, substantially the manner in which we think that they ought forthwith to be utilized by enactment.

Since the decision of the Supreme Court in *Wilson vs. New*, the case sustaining the validity of the Adamson Act, there can be no doubt whatever of any of the following:

1. That under emergency conditions Congress has authority to prescribe wages and working conditions upon all railroads operating in interstate commerce, such wages and conditions to continue during the emergency.

2. Imminent threat of a general railroad strike constitutes such an emergency and Congress is the final judge of the facts.

3. Congress may exercise its authority to fixe wages and working conditions upon the railroads either directly or through a board or commission acting under delegated authority, the standard for its action being suitably defined in the statute.

The foregoing principles of law being recognized, as they must be, it ought to be clear to anyone at all competent to comprehend the metes and bounds of the present exigency that the time for immediate and bold Congressional action has arrived and that any unnecessary delay in taking such action would be an unpardonable failure to accept responsibility and a serious breach of faith with the public which entrusted its legislative representatives with all the necessary powers and looks to them for safeguarding action. There ought to be no waiting for recommendations from the President, whose long-established timidity in the face of organized labor would probably prevent the emanation of any sufficiently comprehensive measure from that source. A statute in very brief and concise form would suffice to accomplish the following:

1. Fix the rates of wages and the working conditions recommended by the Special Emergency (fact-finding) Board, in its last week's (Nov. 5, 1941) report to the President as the only lawful wages and conditions to be enforced until after (say) Feb. 28, 1942.

2. Create an impartial and especially qualified temporary board, subject to confirmation by the Senate, constituted somewhat like the Anthracite Coal Strike Commission set up by President Theodore Roosevelt in 1902, and authorize that board summarily to hear and before Feb. 28, next, to determine all issues between the employees and the railroads as to wages and working conditions and to prescribe such wages and conditions for the balance of the duration of the emergency, or until (say) June 30, 1944.

3. Declare that this emergency statute shall not be construed or applied to create or require any involuntary servitude on the part of any person or persons.

4. Prohibit any agreement combination or conspiracy between any two or more persons to interrupt intersate commerce upon any railroad, by simultaneous abandonment or suspension of service or by inciting or inducing others to cease or to suspend performance of their obligations as railroad employees or by any other means or device.

5. Prohibit any expenditures, by any person or persons, incorporated or unincorporated, in furtherance of any strike on any intersate railroad.

6. Penalize any infraction of the new law, which should take effect at once and remain in effect through June 30, 1944, by heavy fines and long imprisonment.

7. Direct the President to utilize the military forces of the United States to police the railroads whenever threatened and to prevent violence against any interstate railroad or any person working or desiring to work in connection with the operation of any such railroad.

Such a statute as we have outlined could be rapidly formulated by any competent legislative draftsman and, unless we underrate the character and determination of most members of Congress and most Senators, it could speedily be passed, and even passed over a Presidential veto should such executive opposition develop. The present Army, which has no useful occupation at this time, could gain useful experience and efficiently advance the public interest in protecting the railroads and railroad workers against any threatened violence which might develop.

From Washington

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House, and also the Senate, is stirring in an effort to save itself from the overwhelming bureaucracy which is steadily eclipsing it. The Congress is pretty much bewildered by what is going on. It has the picture before it of what happened to the Reichstag. It doesn't know yet just exactly what to do. Recently, it has witnessed the increasing contempt of bureaucrats, for example, the time when Leon Henderson told the House Banking and Currency Committee that he would not be guided by any recommendations which the Dies Committee made. The move to protect Fish against a Federal grand jury, directed by the Department of Justice, is a manifestation of the House's bewilderment, but desire to do something.

Over in the Senate, the manifestation is becoming more pronounced. During the neutrality debate, Senator Byrd of Virginia, started something when he announced that he would not support the Administration's war efforts any more unless it "cleaned up the domestic situation." Senator Tydings of Maryland, joined with him. And here was a rather definite move to make Mr. Roosevelt pay as a price for defeating Hitler a promise to call off the domestic revolution. It didn't go very far but the movement is not dead by any means.

There is an increasing rally around Jesse Jones, insofar as Congress is concerned, as the man to head off the domestic revolution, with his vast money lending powers. So far, it has been manifested pretty much in the majority of Congress giving its moral support to Jesse in his "business-like" handling of proposed plant expansions submitted to him by the New Deal controlled SPAB. The SPAB has a great way of announcing that it has certified aluminum and steel plant expansions to him, for example, and then subsequently, when Jesse hasn't taken any definite steps to finance them, to put the heat under him. But Jesse remains unmoved—and the majority of Congress is silently backing him up.

In the meantime, the indications are that Donald Nelson is coming to the end of his honeymoon as priorities director or as OPM's big shot. It seems that dissatisfaction with that agency is just as rife as ever. Rumors are increasing that it is due for another reorganization. Floyd Odlum, notwithstanding his efforts in behalf of little business, has been able to accomplish almost nothing. He has gone off to a hospital for a rest. He and Nelson do not see eye to eye; Nelson is not having his way with the New Dealers as much as he thought he would have.

Washington today is just as much administrative confusion as it was six months ago.

Moody's Commodity Index Advances

Moody's Daily Commodity Index advanced moderately from 208.5 a week ago to 209.7 this Friday. The most important individual gains were in wheat and cotton prices.

The movement of the index was as follows:

Monday, Nov. 3	208.5
Tuesday, Nov. 4	*
Wednesday, Nov. 5	209.6
Thursday, Nov. 6	209.3
Friday, Nov. 7	210.1
Saturday, Nov. 8	210.0
Monday, Nov. 10	209.7
Two weeks ago, Oct. 27	208.0
Month ago, Oct. 10	211.7
Year ago, Nov. 9	167.9
1940 High—Dec. 31	171.8
Low—Aug. 16	149.3
1941 High—Sept. 9	219.9
Low—Feb. 17	171.6

*Holiday.

THE FINANCIAL SITUATION

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appeared to be satisfied with this left-handed procedure. At any rate, there is nothing in the record which indicates it is prepared to put its weight behind any proposal to place all prices, including farm products and wages, under control. The wisdom of any such broad, over-all, price control legislation would, in our view be dubious enough in all conscience, but a school child should know that any effort to control other prices while those of farm products are left free to rise drastically and those of labor to rise without hindrance is foredoomed to failure. Here is a situation heavy with high explosives, but the Administration appears to be as indifferent, as evasive, or as unappreciative of it as is the public to many of the plain implications of the entire war program.

It is, however, in the tax situation that the President appears to be most interested at the moment. Here he is apparently really exerting himself to obtain action from Congress. Like the Secretary of the Treasury, he reveals himself in his recent communication to the Ways and Means Committee of the House to be anxious about "inflation," and strongly convinced that another and drastic tax measure is the means by which to avoid it. Without such legislation to drain off purchasing power, he says, price control can not be effective to prevent "inflation" which is in itself "a most inequitable type of taxation." His letter to Mr. Doughton, taken by itself, would suggest a rather unusual degree of understanding of the problem by which his Administration is faced, and is worth reproduction in full here. It follows:

> I understand that the Secretary of the Treasury recently consulted with you and other Congressional leaders about the inflation problem and the urgency of prompt tax legislation to counteract the inflationary pressures arising from the defense program. It seems clear that if we are to prevent a further sharp increase in the cost of living and in the cost of the defense program itself we must take immediate steps to absorb a large amount of purchasing power through additional taxes and incidentally to pay cash for greater part of our defense production. We must remember that taxation is a necessary complement of price control legislation because the continuing effectiveness of price control is largely dependent upon the restriction of the demand for goods.
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> If these taxes are to restrain inflation they should be directed mainly at that part of the national income which is being devoted to the purchase of civilian goods and should be of a character that will not increase the cost of these goods. Purchasing power so far exceeds actual and potential production of civilian goods that vigorous steps must be taken to reduce purchasing power more nearly to the level of production capacity.
>
> Inflation is itself a most inequitable type of taxation. It grants no exemptions—and recognizes no hardships—though a well-drafted tax bill can do both. I very much fear that unless we start within two or three months to withdraw through taxes a larger part of the current national income an even greater part may evaporate through inflation, and the upward spiral may gain such momentum that it will be difficult to regulate, despite all efforts through price control and similar measures. I do hope you will be able to help us with this problem now.

So much for fine phrases. Now turn to what is definitely proposed. The President, so far as known, presented no bill. In his published correspondence he does not make any concrete suggestion. It is, however, definitely known that the Treasury for months past has been strenuously engaged in preparing a tax program designed to do precisely what the President tells Mr. Doughton must be done. It is, moreover, definitely know that this program is now completed or virtually completed, that the Secretary of the Treasury laid it before the Chairman of the Ways and Means Committee in some detail, and that it was this act of the Secretary to which the President referred in his letter to Mr. Doughton. In these circumstances we can hardly suppose that the President does not know what the Treasury's program is or that he finds himself in any important way in disagreement with that program. One can, indeed, scarcely avoid the assumption that in broad outline at least the Treasury's program is definitely the Administration's program.

Now consider what the Treasury suggests. Unfortunately the public has not been permitted to know the full details. It is possible that much is contained in the measure of which nothing has been heard as yet, but what information has seeped through and now becomes officially verified is quite enough to cause any thoughtful person to gasp and stare. It is now proposed that during the year 1942 those who must in any event pay income taxes upon their 1941 income must suffer their employers to deduct 15% of their wages or salaries for payment to the tax collector—but only after the exemptions under the existing income tax have been applied! That is to say, the $4,800,000,000 additional taxes proposed are to come from the very same people who now pay crushingly heavy income taxes and who must continue to pay them in addition to this new impost. Those who now are not subject to income taxes will continue to go scot free!

And this plan is being proposed "to counteract the inflationary pressures arising from the defense program." These latter words are of course quoted from the President's letter already presented in full, but they are only a paraphrase of many statements previously made by the Secretary of the Treasury under those aegis the current tax plan has been evolved and who is the official sponsor of the measure. Can any man in his right senses for a moment imagine that "inflationary pressures arising from the defense program" make themselves effective through individuals now paying Federal income taxes? Of course, those pressures arise through the medium of wage earners whose pay envelopes have swollen enormously during the past year or two and are still swelling, and who seldom make the acquaintance of the income tax collector. Now it may well be that Congress will at length balk. It may be that the Treasury does not expect to obtain the full 15%, and would be content with half of it, but would still leave those now subject to Federal income taxes bearing the full load of the new burdens, and still leave the great rank and file (incidentally including the farmers) whose income has been greatly enlarged by reason of the defense program untouched. Perhaps presently the President will come forward, as he has done in the past, and suggest a further lowering of the exemptions, but that too, as the experience of the past year has demonstrated to those who did not know it beforehand, would leave those now subject to Federal income taxes bearing virtually the entire load, and those who are really profiting by the defense program and who accordingly are the natural instigators of inflation untouched.

Let no one imagine for a moment that the Treasury is not fully aware of the incidence of these proposed taxes. It is the settled policy of the Administration, often proclaimed and again reaffirmed in substance in private conversations concerning this very tax proposal, to see to it that this war costs wage earners (certainly organized labor) and the farmers nothing, and, if it can be accomplished, that along with all our so-called defense efforts the economic position of these groups shall be continually improved—at the expense, of course, of other elements in the population, although not so much is said of this phase of the matter.

The Administration's objective in this case is, in our considered opinion, "as far away as the moon" to make use of an apt recent phrase of a very unpopular and unworthy figure. It can not, no matter what its wishes are or what may be thought of the abstract justice of the case, effect any such defense program as is now projected, relieve "the poor" of any of the cost of it, prevent inflation, and load the cost on all those who, already sorely pressed, are not profiting but losing by the whole program, but it may wreck the country trying to do so. War, pestilence and inflation always do the most damage to the "under-privileged third," not because of some perversity of fate or the innate cussedness of former governments, but merely because these groups are less able to stand the punishment. There is no way to make them whole except by avoiding war, pestilence and inflation—and the Administration does not appear to have the most remote idea how to avoid them.

Petroleum And Its Products

The 7-cent a barrel increase in North Texas crude oil prices, posted on Nov. 6 by several companies, will be withdrawn, prices reverting to their former levels, at the request of the Office of Price Administration, Leon Henderson, Administrator, announced in Washington late Tuesday. The announcement followed two days' conferences between representatives of the Consolidated Oil Corp. and the Texas Co. and O. P. A. officials, the oil men being summoned to Washington by Mr. Henderson after the advance had been made "without the approval of the O. P. A."

"Prices cannot be advanced first and discussed afterward," Mr. Henderson pointed out in his announcement. "We are studying the whole crude price situation in the mid-continent area and this study will be pressed forward rapidly. It will include specific consideration of whether the customary price differential on north and north central Texas crudes, which is of nine years' standing, is still justified. This applies to differentials in other areas as well. In the meantime prices, which are generous compared with those obtaining until recently, should remain stable."

The advance, which was initiated by an affiliate of Consolidated Oil Corp., established a new top of $1.25 for 40 gravity and above, was quickly followed by Texas Co. and other marketers purchasing in the North Texas area. It was indicated that all companies would follow in the reduction of prices to former levels. The change was the first since Oct. 10 when the Office of Price Administration disclosed that it was undertaking a comprehensive price study of the crude oil markets following requests of Phillips Petroleum for a 25-cent barrel lift in mid-continent area.

The Sinclair Prairie Oil Marketing Co., subsidiary of Consolidated Oil, posted an advance of 7 cents a barrel in North Texas crude oil prices on Nov. 6, followed immediately by similar markups by Stanolind Oil Purchasing Co. and the Texas Co., although the gravity schedules vary somewhat. The advance was made to equalize prices between the Southern Oklahoma district and the Northern Texas area, just across the Red River. Price parity with Southern Oklahoma wells has long been sought by North Texas oil men since their crude is higher gravity, on the average.

A top of $1.25 for 40 gravity and above was established under the new price schedule initiated by Sinclair, against the former top of $1.88 with the other two companies setting similar top prices. The new price schedule for Sinclair starts at 95 cents for below 26 gravity, against 94 cents previously, rising 2 cents for each higher gravity to the $1.26 top. Stanolind starts at 85 cents for 21 gravity, formerly 78 cents, and hits the $1.25 top. A price of $1.01 for 28 to 28.9 gravity, against 94 cents previously, was set by Texas, with advances of 2 cents a barrel for each higher gravity establishing a top of $1.25.

Saying that the differential should never have existed between the Oklahoma and Texas prices, E. O. Thompson, Chairman of the Texas Railroad Commission, on Nov. 9 appealed to Price Administrator Henderson for approval of the 7-cent boost in crude postings. In the same wire, Mr. Henderson was urged by the Texas oil official to approve the 25-cent a barrel increase in mid-continent and southwestern oil areas proposed by the Phillips Petroleum Co., which is being deferred pending the results of an investigation by the O. P. A. and the Petroleum Co-ordinator's Office. The 25-cent a barrel advance has been proposed twice by Phillips Petroleum but has been deferred at the request of Mr. Henderson. The O. P. A. head, however, has indicated that his office's investigation of the cost background of the proposed advance is far from complete.

Pointing out that experience has shown that new discoveries always follow close upon price increases for crude oil, Mr. Thompson wired the O. P. A. chief that "the Nation is calling for 30-odd thousand new wells to be drilled in 1942. Some authorities claim that the crude needs will go as high as 5,000,000 barrels daily in 1942 This means many new fields must be discovered immediately." Mr. Thompson also pointed out that the increase would be instrumental in saving 300,000 stripper wells which now are facing abandonment because of the increased operating costs and continued low crude oil price levels.

Close on the heels of the North Texas crude advance the Price Administrator sent wires and letters to all purchasers, producers and marketers requesting that no increases be made in the purchase of crude oil over that ruling as of Oct. 1, last. The marketers were asked to submit all proposed advances in prices to the O. P. A. There is no formal ceiling on gasoline or crude oil prices existing now although the O. P. A. set up a schedule of "fair prices" for gasoline covering the East Coast during the scare-shortage. The schedule was not adhered to very closely by marketers. Unofficial statements from O. P. A. officials pointed out that the petroleum industry is dependent upon Government priorities to obtain needed material. In the past, the O. P. A. has used such power as an "enforcement weapon" when setting price ceilings.

An immediate end to waste of natural resources and violation of conservation laws by the petroleum industry was urged by Petroleum Coordinator Ickes in his address before the members of the American Petroleum Institute at that group's annual convention in San Francisco last week. "I view the work of the Office of Petroleum Coordinator as an agency to do a necessary job during the emergency—an agency that will be discontinued when the emergency ends," he also stated. Another highlight of his talk was his plea for higher production of high octane gasoline to over a "grave inadequacy."

"The Government does not want to control the oil business," Mr. Ickes continued. "I have neither the power nor the will to impose Federal control upon the oil industry." However, he added,

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Labor Bureau's Wholesale Price Index Advanced 0.4% In Week Ended Nov. 1

With a marked rise in agricultural commodity markets, particularly for livestock and fruits and vegetables, there was a gain of 0.4% in the Bureau of Labor Statistics' wholesale price index of nearly 900 series during the week ended Nov. 1, Acting Commissioner Hinrichs reported on Nov. 6. At 91.6% of the 1926 average, the all-commodity index is near the recent peak and is about 17% above a year ago.

The Labor Bureau's announcement added:

Six of the 10 commodity group indexes advanced and 4 remained unchanged at the level of the preceding week. Farm products rose 1.6%; foods and hides and leather products, 0.8%; building materials, 0.3%; chemicals and allied products, 0.2%, and housefurnishing goods, 0.1%.

Average wholesale prices for livestock and poultry advanced 2.6% following the sharp decline of the week before, but are nearly 9% below the relatively high level of mid-September. Quotations were higher for steers, hogs and sheep. Grains rose 0.7%. Barley, corn and oats were higher while rye and wheat declined. Higher prices were also reported for potatoes, citrus fruits, apples, for beans, seeds, hay, hops, and for eggs and wool. Prices for live poultry, and for cotton averaged lower. Notwithstanding the recent advance, prices for farm products in wholesale markets are 2.3% below the high level reached in September.

Prices for foodstuffs at wholesale rose moderately. A 2% advance in butter prices brought the index for dairy products up 0.6%. Cereal products and meats increased 0.4% as higher prices were reported for flour, cured and fresh pork, cured beef and mutton. In addition to seasonable higher prices for fresh fruits and vegetables, quotations were also higher for certain canned fruits and vegetables, and for tea, cocoa beans and cottonseed oil. Prices were lower for bananas, fresh beef at New York, bacon, dressed poultry and for lard, corn oil and peanut oil. Average wholesale prices for cattle feed were up 0.3%.

Earlier advances in prices for hides, skins and leather were reflected in substantial increases in wholesale prices for shoes, which are now at the highest level in 20 years. Sole leather declined.

Average prices for building materials rose fractionally as a result of higher quotations for most types of yellow pine lumber, maple and oak flooring and for millwork, whiting and lime. Rosin and turpentine dropped sharply.

Following a two-week period of falling prices, industrial fats and oils resumed their upward movement and rose 1.5% during the week.

The following tables show (1) index numbers for the principal groups of commodities for the past 3 weeks, for Oct. 4, 1941, and Nov. 2, 1940, and the percentage changes from a week ago, a month ago, and a year ago (2) percentage changes in subgroup indexes from Oct. 25 to Nov. 1, 1941.

(1926=100)

Commodity Groups	11-1 1941	10-25 1941	10-18 1941	10-4 1941	11-2 1940	Percentage changes to Nov. 1, 1941 from— 10-25 1941	10-4 1941	11-2 1940
All Commodities	91.6	91.2	91.7	91.6	78.5	+0.4	0.0	+16.7
Farm products	89.5	88.1	89.8	90.3	66.5	+1.6	—0.9	+34.6
Foods	88.2	87.5	88.4	89.7	70.8	+0.8	—1.7	+24.6
Hides and leather products	114.1	113.2	113.2	112.4	102.3	+0.8	+1.5	+11.5
Textile products	90.3	90.3	90.2	89.9	73.7	0.0	+0.4	+22.5
Fuel and lighting materials	79.9	79.9	80.0	80.1	72.2	0.0	—0.2	+10.7
Metals and metal products	102.2	102.2	102.2	98.7	97.4	0.0	+3.5	+4.9
Building materials	107.3	107.0	106.9	*106.6	98.1	+0.3	+0.7	+9.4
Chemicals and allied products	89.8	89.6	89.7	89.7	77.1	+0.2	+0.1	+16.5
Housefurnishing goods	100.0	99.9	99.9	98.5	90.1	+0.1	+1.5	+11.0
Miscellaneous commodities	85.5	85.5	85.6	85.0	76.9	0.0	+0.6	+11.2
Raw materials	89.1	88.2	89.2	89.5	71.2	+1.0	—0.4	+25.1
Semi-manufactured articles	89.7	89.7	89.7	90.5	80.0	0.0	—0.9	+12.1
Manufactured products	93.4	93.1	93.5	*93.1	82.0	+0.3	+0.3	+13.9
All commodities other than farm products	92.1	91.9	92.2	91.9	81.1	+0.2	+0.2	+13.6
All commodities other than farm products and foods	93.1	93.0	93.1	*92.1	83.7	+0.1	+1.1	+11.2

*Revised.

Percentage Changes in Subgroup Indexes from Oct. 25 to Nov. 1, 1941

Increases

Livestock and poultry	2.6	Plumbing and heating	0.7
Fruits and vegetables	2.3	Other building materials	0.7
Shoes	1.6	Dairy products	0.6
Oils and fats	1.5	Lumber	0.5
Other farm products	1.3	Cereal products	0.4
Other foods	0.8	Meats	0.4
Grains	0.7	Cattle feed	0.3
Rayon	0.7	Furniture	0.2
Cotton goods	0.1		

Decreases

Paint and paint materials	0.1	Leather	0.1

September Department Store Sales

The Board of Governors of the Federal Reserve System announced on Nov. 7 that department store sales declined in October following an unusually large volume of sales in the preceding three months. The Board's seasonally adjusted index is estimated at 104 for October, as compared with averages of 122 for the third quarter and 103 for the first half of this year. The Board's tabulation follows:

INDEX OF DEPARTMENT STORE SALES † 1923-25 AVERAGE=100

	Oct., 1941	Sept., 1941	Aug., 1941	Oct., 1940
Adjusted for seasonal variation	104	116	134	94
Without seasonal adjustment	111	125	106	101

Change from Corresponding Period a Year Ago (%)

Federal Reserve District—	One Week Ending— Nov. 1	Oct. 25	Oct. 18	Oct. 11	Four Weeks Ending— Nov. 1	Sep. 27	Aug. 30	Aug. 2	Yr. to Nov. 1
Boston	+12	+4	—1	+20	+8	+16	+37	+20	+16
New York	+8	—2	+4	+2	+3	+9	+33	+21	+13
Philadelphia	+14	+4	+7	+4	+7	+10	+37	+27	+18
Cleveland	+19	+12	+7	+16	+13	+14	+45	+28	+20
Richmond	+26	+12	+1	+21	+14	+10	+40	+31	+21
Atlanta	+29	+8	+7	+5	+12	+12	+36	+30	+19
Chicago	+22	r+6	+3	+17	+11	+15	+31	+22	+17
St. Louis	+34	+15	+16	+20	+21	+16	+38	+31	+21
Minneapolis	*	*	*	*	+8	+10	+22	+17	+13
Kansas City	+20	+12	+9	+13	+13	+15	+28	+25	+16
Dallas	+26	+10	+8	+18	+15	+15	+40	+27	+19
San Francisco	+18	+19	+20	+19	+19	+21	+35	+22	+19
U. S. total	+18	+8	+6	+13	+11	+14	+35	+24	+17

WEEKLY INDEX, WITHOUT SEASONAL ADJUSTMENT, 1935-39=100

1941—		1940—	
Oct. 11	130	Oct. 12	115
Oct. 18	131	Oct. 19	123
Oct. 25	130	Oct. 26	121
Nov. 1	137	Nov. 2	117

r Revised. *Not shown separately but included in United States total. †Monthly indexes refer to daily average sales in calendar month; October, 1941, figures estimated from weekly sales.

The State Of Trade

Business activity continues to rule at top levels in most lines. A fairly good barometer of the trend is the electric production report. Latest advices are that electric energy distributed by the electric light and power industry reached an all-time peak of 3,338,538 kilowatt hours, according to the Edison Electric Institute. The increase over the same week last year was 15.8%. While carloadings showed seasonal decreases, the gain over 1940 was 12.6%.

Continuing to reflect seasonal factors, carloadings of revenue freight during the week ended Nov. 1st dropped to 894,739 cars, or 2.1% lower than the preceding week, according to the Association of American Railroads. The improvement over the same week a year ago amounted to 99,942 cars or 12.6%, while the gain compared with the similar period in 1939 equaled 93,631 cars, or 11.7%.

Engineering construction awards for the short week due to the Election Day holiday, totaled $44,209,000, a decrease of 44% from the volume for the corresponding week last year, as reported by "Engineering News-Record." Private awards for the short week are 50% below a year ago, and public construction is 42% lower.

The physical volume of merchandise sold by stores has declined sharply over the last month, but is expected to rebound markedly before the end of November. It is pointed out that purchasing power is still at record levels and supplies of merchandise in stores' hands are ample, which would indicate a higher level of activity this month.

The scrap shortage which has threatened the steel industry for some time, and which has been denied in several quarters on various occasions, took a heavy toll of steel production this week in the indicated rate of operation, which the American Iron and Steel Institute has computed at 96.6%, against 98.2% last week.

While the shortage of iron and steel scrap has been known to be affecting production in some of the smaller steel mills for several weeks, gains in other districts have been sufficient to offset the loss and thus avoid a direct reduction in the industry rate. The situation has finally become so acute, however, that the reductions caused have been too great to be offset.

The labor situation is causing grave concern, and should a strike be called at the captive mines a second time, its consequences could be highly serious not only as concerns steel, but the entire defense program. The threatened railroad strike is another major consideration.

A Congressional revolt against failure of the White House to take a firm stand against strikes in defense industries is beginning to assume major proportions and threatens to raise serious problems for the Administration in future legislation dealing with the defense program.

The complaint being openly voiced in the corridors of the Capitol is that if the international situation is so threatening to the United States as to require the piling up of an astronomical public debt and sending of American ships into war zones it must be bad enough to end strikes that interrupt the defense program.

In non-defense areas such as this city retailers now believe that the decline in trade reflects consumer resistance to higher prices. This is noted particularly in textile lines. The slump in sales comes at a time when the stores are well stocked with merchandise. Many retailers consequently have curtailed their own further buying and are likely to pursue cautious buying policies until they can test consumer reaction in January "white."

Bank Debits Up 27% From Last Year

Bank debits as reported by banks in leading centers for the week ended Nov. 5 aggregated $11,722,000,000. Total debits during the 13 weeks ended Nov. 5 amounted to $136,292,000,000, 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 31%.

SUMMARY BY FEDERAL RESERVE DISTRICTS

(In millions of dollars)

Federal Reserve District	Week Ended Nov. 5, 1941	Nov. 6, 1940	13 Weeks Ended Nov. 5, 1941	Nov. 6, 1940
Boston	729	597	7,452	6,093
New York	4,785	4,092	53,989	42,812
Philadelphia	544	437	7,214	5,417
Cleveland	809	616	10,076	7,702
Richmond	443	331	5,600	4,119
Atlanta	365	286	4,523	3,336
Chicago	1,864	1,242	20,708	15,654
St. Louis	386	275	4,538	3,257
Minneapolis	228	171	2,790	2,147
Kansas City	333	255	4,405	3,399
Dallas	304	218	3,609	2,652
San Francisco	932	669	11,389	8,878
Total, 274 reporting centers	11,722	9,190	136,292	105,466
New York City*	4,399	3,802	49,350	39,003
140 Other leading centers*	6,355	4,632	74,983	57,278
133 Other centers	968	756	11,959	9,186

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

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 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. 10 as follows:

(August, 1939=100)

	Argentina	*Australia*	*Canada*	*England*	*Java*	*Mexico*	*New Zeal'd*	*Sweden*	*Switzerland*	*United States*
1940—										
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
1941—										
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	r121	r141	r156	r136	r125	r122	r155	194	r136
August	138	121	r142	*157	138	127	123	156	---	138
September	139	122	145	*156	138	136	133	156	202	143
1941— Weeks end.:										
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	r159	138	131	125	156	*203	143
Oct. 11	140	122	144	*160	138	132	126	156	---	142
Oct. 18	141	123	143	*159	139	132	126	156	---	140
Oct. 25	141	123	r143	*159	140	132	126	157	---	r140
Nov. 1	141	124	142	*159	140	*132	126	157	---	140

* Preliminary. r Revised

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Nov. 10 a summary for the week ended Nov. 1, 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

Week Ended Nov. 1, 1941—	Total for Week
Odd-lot Sales by Dealers: (Customers' Purchases)	
Number of orders	14,455
Number of shares	383,713
Dollar value	15,286,023
Odd-Lot Purchases by Dealers— (Customers' Sales)	
Number of Orders:	
Customers' short sales	274
Customers' other sales *a*	16,017
Customers' total sales	16,291
Number of Shares:	
Customers' short sales	5,677
Customers' other sales *a*	408,694
Customers' total sales	414,371
Dollar value	13,364,469
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	30
Other sales *b*	132,580
Total sales	132,610
Round-Lot Purchases by Dealers—	
Number of shares	94,040

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."

Note—This report and preceding reports do not include transactions in stocks effected on a "when issued" basis.

Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest coal report, stated that the total production of soft coal in the week ended Nov. 1 is estimated at 10,500,000 net tons, a decrease of 410,000 tons, or 3.8%, from the output in the preceding week. Production in the corresponding week of 1940 amounted to 8,665,000 tons.

The U. S. Bureau of Mines reported that the production of Pennsylvania anthracite for the week ended Nov. 1 was estimated at 1,025,000 tons, a decrease of 199,000 tons from the preceding week. Output in the corresponding week of 1940 amounted to 947,000 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 d		
Bituminous coal a	Nov. 1 1941	Oct. 25 1941c	Nov. 2 1940	1941e	1940	1929
Total, including mine fuel	10,500	10,910	8,665	416,046	373,969	446,294
Daily average	1,750	1,818	1,444	1,620	1,441	1,712
Crude petroleum b						
Coal equivalent of weekly output	6,521	6,565	5,574	266,114	260,009	195,018

a Includes for purposes of historical comparison and statistical convenience the production of lignite. b 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.) c Revised. d Sum of 44 full weeks ended Nov. 1, 1941, and corresponding 44 weeks in 1940 and 1929. e Subject to current adjustment.

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

	Week Ended			Calendar year to Date		
	Nov. 1 1941	Oct. 25 1941	Nov. 2 1940	1941	1940 a	1929 a
Penn. Anthracite—						
Total, incl. colliery fuel b	1,025,000	1,224,000	947,000	46,434,000	42,356,000	60,670,000
Comm'l production c	974,000	1,163,000	900,000	44,118,000	40,238,000	56,302,000
Beehive Coke—						
U. S. Total	117,800	146,300	96,700	5,189,200	2,165,300	5,678,400
Daily average	19,633	24,383	16,117	19,882	8,296	21,756

(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)

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

	Week Ended					Oct.
State—	Oct. 25, 1941	Oct. 18, 1941r	Oct. 26, 1940	Oct. 28, 1939	Oct. 26, 1938	average 1923 e
Alaska	4	4	2	3	(f)	(f)
Alabama	234	354	287	293	371	398
Arkansas and Oklahoma	100	105	53	77	132	83
Colorado	141	141	117	150	216	217
Georgia and North Carolina	1	1	*	1	(f)	(f)
Illinois	1,032	1,050	893	1,062	1,297	1,558
Indiana	464	510	331	371	354	520
Iowa	45	53	52	69	92	116
Kansas and Missouri	148	151	110	158	157	161
Kentucky—Eastern	960	955	741	981	996	764
Western	197	199	140	155	311	233
Maryland	37	37	28	41	59	35
Michigan	7	7	8	15	15	28
Montana	93	83	66	72	75	82
New Mexico	28	24	21	29	62	58
North and South Dakota	59	52	58	91	f44	f36
Ohio	680	681	394	550	582	817
Pennsylvania bituminous	2,698	2,692	2,466	2,711	3,021	3,149
Tennessee	141	146	113	124	114	118
Texas	0	9	10	16	24	26
Utah	94	96	65	95	109	121
Virginia	354	426	286	371	269	231
Washington	48	42	32	38	44	68
West Virginia—Southern a	2,303	2,300	1,835	2,301	2,260	1,488
Northern b	878	824	573	744	846	805
Wyoming	152	165	128	142	169	184
Other Western States c	3	3	1	1	f6	f4
Total bituminous coal	10,910	11,110	8,810	10,661	11,625	11,310
Pennsylvania anthracite d	1,224	1,233	1,295	1,149	1,822	1,968
Total, all coal	12,134	12,343	10,105	11,810	13,447	13,278

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

ESTIMATED PRODUCTION OF COAL, BY STATES, IN SEPTEMBER, WITH TOTAL OUTPUT FOR FIRST NINE MONTHS OF 1941, 1940, AND 1937
(In Thousands of Net Tons)

(Figures are preliminary estimates based on railroad carloadings and river shipments of coal and beehive coke, supplemented by direct reports from a number of mining companies, local coal operators' associations, and detailed monthly production statistics compiled by the State Mine Departments of Colorado, Illinois, Pennsylvania, Washington, and West Virginia. In making the estimates, allowance is made for commercial truck shipments, local sales, and colliery fuel, and for small trucking mines producing over 1,000 tons a year.

The estimates here given are based upon the latest information available, and differ in some cases from the current figures previously published in the Weekly Coal Report.)

State	September, 1941		Aug.	Sept.	Calendar year to the end of September		
	Net tons	% of total	1941	1940	1941	1940	1937
Alaska	14	.03	12	12	129	104	97
Alabama	1,264	2.70	1,438	1,160	11,167	11,212	9,133
Arkansas and Oklahoma	450	.96	388	344	2.238	2,098	1,892
Colorado	666	1.42	486	560	4,700	4,397	4,899
Georgia and N. Car.	3	.01	3	2	28	22	6
Illinois	4.658	9.94	4,545	3,995	38,392	35,370	36.024
Indiana	2,018	4.30	1,897	1,542	15,769	13.361	12,489
Iowa	194	.41	148	245	1,695	2,063	2,459
Kansas and Missouri	636	1,36	607	552	5,342	4,759	4,813
Kentucky:							
Eastern	4,083	8.71	3,900	3,284	30,170	30,300	28,574
Western	886	1.89	900	712	8,683	6,411	5,958
Maryland	168	.36	156	105	1,260	1,086	1,140
Michigan	30	.06	28	38	265	313	375
Montana	314	.67	258	218	2,258	1,998	2,001
New Mexico	97	.21	84	79	840	785	1.305
North and So. Dakota	186	.40	105	142	1,403	1,273	1,392
Ohio	2,930	6.25	2,774	1,857	20,731	16,682	18.631
Pennsylvania bituminous	11,150	23.78	11,442	9,944	88,889	81,622	86.020
Tennessee	620	1,32	598	477	4,842	4,570	3,814
Texas	27	.06	31	41	275	540	670
Utah	450	.96	382	368	2,688	2.322	2,652
Virginia	1,712	3,65	1,675	1,260	12,885	11,265	10,164
Washington	176	.37	149	150	1,322	1,171	1,460
West Virginia:							
Southern (a)	9.798	20.90	9,896	8,371	74.210	72.235	67,960
Northern (b)	3,689	7.87	3,596	2,683	27.181	23,279	22.276
Wyoming	659	1.41	525	506	4,425	3,892	4,091
Other West. States (c)	2	---	3	3	21	9	10
Total bituminous coal	46.880	100.0	46.026	38,650	361.808	333.133	330.305
Penn. antharcite (d)	5.138	---	5,246	4,172	41,016	38,316	37,810
Total, All Coal	52 018	---	51,272	42.822	402.824	371,449	368,115

(a) Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. (b) Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. (c) Includes Arizona, California, Idaho, Nevada, and Oregon. (d) Data for Pennsylvania anthracite from published records of the Bureau of Mines.

Trading On New York Exchanges

The Securities and Exchange Commission made public on Nov. 10 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. 25, 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. 25 (in round-lot transactions) totaled 541,075 shares, which amount was 15.29% of total transactions on the Exchange of 3,447,230 shares. This compares with member trading during the previous week ended Oct. 18 of 428,165 shares or 13.82% of total trading of 2,895,630 shares. On the New York Curb Exchange, member trading during the week ended Oct. 25 amounted to 94,505 shares, or 14.60% of the total volume on that Exchange of 586,545 shares; during the preceding week trading for the account of Curb members of 78,305 shares was 13.57% of total trading of 531,190 shares.

The Commission made available the following data for the week ended Oct. 25:

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows;

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total Number of Reports Received	1,056	769
1. Reports showing transactions as specialists	187	95
2. Reports showing other transactions initiated on the floor	183	31
3. Reports showing other transactions initiated off the floor	194	78
4. Reports showing no transactions	586	572

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. 25, 1941

	Total For Week	Per Cent a
A. Total Round-Lot Sales		
Short sales	114,150	
Other sales b	3,333,080	
Total sales	3,447,230	
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	273,650	
Short sales	46,950	
Other sales b	186,100	
Total sales	233,050	7.35
2. Other transactions initiated on the floor		
Total purchases	149,320	
Short sales	28,000	
Other sales b	170,890	
Total sales	198,890	5.05
3. Other transactions initiated off the floor		
Total purchases	90,175	
Short sales	8,450	
Other sales b	100,685	
Total sales	109,135	2.89
4. Total		
Total purchases	513,145	
Short sales	83,400	
Other sales b	457,675	
Total sales	541,075	15.29

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)
Week Ended Oct. 25, 1941

	Total For Week	Per Cent a
A. Total Round-Lot Sales		
Short sales	6,385	
Other sales b	580,160	
Total sales	586,545	
B. Round-Lot Transactions for the Account of Members		
1. Transactions of specialists in stocks in which they are registered		
Total purchases	42,115	
Short sales	3,250	
Other sales b	58,960	
Total sales	62,210	8.89
2. Other transactions initiated on the floor		
Total purchases	13,225	
Short sales	950	
Other sales b	10,040	
Total sales	10,990	2.06
3. Other transactions initiated off the floor		
Total purchases	21,445	
Short sales	500	
Other sales b	20,805	
Total sales	21,305	3.65
4. Total		
Total purchases	76,785	
Short sales	4,700	
Other sales b	89,805	
Total sales	94,505	14.60
C. Odd-Lot Transactions for the Account of Specialists		
Customers' short sales	0	
Customers' other sales c	43,994	
Total purchases	43,994	
Total sales	21,579	

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

a 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.

b Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

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

Petroleum And Its Products

(Continued from page 1028)

unless the industry cooperates—particularly in cutting down waste—Government control is the next logical step. Mr. Ickes cited the cases of Illinois and California, neither of which have oil production control laws satisfactory in the eyes of the Federal Petroleum Coordinator, as two of the factors which might force Government control of the industry to end the wasteful practices which he holds are existent in crude production in these two States.

Mr. Ickes was introduced by William B. Boyd, Jr., President of the American Petroleum Industry, who said that the industry was ready and willing to work but wanted no Government control, in pledging "the utmost measure of support and cooperation which appropriately and lawfully can be given in every effort of our Government to insure the national defense." Mr. Boyd also praised the industry's record during World War No. 1 and significantly remarked that "the job was so successfully done that the petroleum industry emerged from the war in full possession of all its oil wells, all its plants and all its facilities."

Wasteful practices in the petroleum industry will bring some measure of control, "probably not during my tenure of public office," but surely and inevitably, unless "intemperate exploitation" is prevented and producers exercise patriotic self-control, Mr. Ickes stated. In explaining that he lacked statutory powers possessed by the war-time director of the oil division of the United States Fuel Administration, Mr. Ickes said: "I hope that it will not be necessary for me to ask for them in order to carry out my responsibilities as petroleum coordinator."

The possibility of curtailed civilian oil supplies was revived by Deputy Petroleum Coordinator Ralph K. Davies who told the A. P. I. Convention that military authorities had asked if daily average production of crude oil could be lifted to 5,000,000 from the current all-time high of approximately 4,100,000 barrels daily. In an earlier speech, Representative Cole had indicated the possibility that demand might reach the 5,000,000-barrel level by mid-1943 but had not indicated these requirements would cause any shortage. Mr. Davies did not name his military source in his talk. Pointing out that production of 5,000,000 barrels daily from existing wells might cause some waste, he said he favored curtailment of consumption over possible inefficient production methods.

A definite trend toward small-diameter drilling in the petroleum industry has resulted from the enforced curtailment of oil production and the necessity for lowering costs and increasing efficiency, according to a survey of 2,300 oil wells in all sections of the United States by I. W. Alcorn, of the Pure Oil Co., and J. U. Teague, of Hogg Oil Co., the oilmen at the 22nd annual meeting of the American Petroleum Institute were told. The report indicated that the majority of small-diameter wells are being drilled with an 8¾-inch hole in which a 5½-inch casing is set. The reelection of William B. Boyd, Jr., as President of the Institute was followed by the abolition of the post of Executive Vice-President, which Mr. Boyd had held previously to his election as Acting President following the death of the late Axtell J. Byles.

Stimulated by a sharp expansion of production in California, daily average crude oil production during the initial week of November climbed 25,900 barrels to 4,096,100 barrels, according to the mid-week report of the American Petroleum Institute which pointed out that this figure was 26,100 barrels above the Bureau of Mines estimated market demand level for the current month. California production was up 32,900 barrels, with Louisiana and Texas also reporting increased output. Oklahoma showed the broadest decline, production there easing nearly 15,000 barrels. Inventories of United States and imported crude oil were up 1,079,000 barrels during the final week of October, the Bureau of Mines reported this week, totaling 243,340,000 barrels. Domestic crude stocks were up 892,000 barrels, foreign crude up 187,000 barrels.

Following a summons to the Department of State to hear a personal appeal from Secretary Hull for settlement of their problems with Mexico, American oil men have urged the State Department to announce settlement of the agrarian and general claims disputes with Mexico, and to leave the fight over the expropriated oil properties to be settled at a later date. The oil companies resent the fact that through the insistence upon all overall settlement, they are put in the light of interfering with vital hemisphere defense plans. The Mexican Government, fully as aware of this angle, is reported insisting upon any overall settlement or none at all.

Nov. 6—North Texas crude prices were lifted 7 cents a barrel to $1.25 for top gravity with Sinclair leading the advance.

Nov. 11—The 7-cent a barrel increase in North Texas crude prices was revoked by all companies.

Prices of Typical Crude per Barrel At Wells

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

Bradford, Pa.	$2.75
Corning, Pa.	1.31
Eastern Illinois	1.22
Illinois Basin	1.37
Mid-Contin't, Okla., 40 and above	1.25
Smackover, Heavy	0.83
Rodessa, Ark., 40 and above	1.20
East Texas, Texas, 40 and above	1.25
Kettleman Hills, 37.9 and over	1.29
Pecos County, Texas	0.95
Lance Creek, Wyo.	1.12
Signal Hill, 30.9 and over	1.23

Refined Products

Not only possible gasoline shortages but also lower grades of gasoline may result from the war-engendered shifts in the petroleum industry to affect the Nation's motorists, Dr. John W. Frey, Deputy Petroleum Coordinator, told members of the American Petroleum Institute at their 22nd annual convention in San Francisco last week. Lubricants also face new problems because of the heavy war demands for this type of refined products, Dr. Frey pointed out.

The sharply higher production of aviation gasoline will mean serious inroads into supplies of butane—the product that makes gasoline more volatile, helping quick starting of motors, he pointed out. The necessity for butane, Dr. Frey continued, may mean that so-called bottle gas distributors will have to replace butane with propane, affecting households using the tanked gas for heating and cooking.

Aviation gasoline will take more tetraethyl lead, and lead already is scarce, he pointed out. Army equipment requires premium grade gasoline, and when military needs are met, there will not be enough left to keep up the octane ratings of motor fuels to be sold to the civilian motorist. Pennsylvania lubricating oil marketers. Dr. Frey forecast, may have a hard time main-

(Continued on page 1039)

October Engineering Construction 37% Below September—Smaller Fed. Awards Responsible

Engineering construction awards for the five weeks of October, $406,332,000, average $81,266,000 per week. This is 37% below the average for the four weeks of September, and 42% under the average for the five weeks of October, 1940. The decline in the volume of federal work, 56% below a month ago, and 42% under a year ago, is the primary reason for the decrease from last month and last year according to an announcement issued by "Engineering News-Record" Nov. 5.

Private awards, on the weekly average basis, are 3½% higher than a month ago, but 59% lower than a year ago. Public construction, reflecting the decrease in federal work, is 43½% below last month, and 34% under last year. State and municipal awards top their September values by 14%, but fall 14% from the total for October, 1940.

Values of awards for the three months are:

	October, 1940 (five weeks)	September, 1941 (four weeks)	October, 1941 (five weeks)
Total construction	$702,842,000	$514,251,000	$406,332,000
Private construction	229,477,000	73,196,000	94,760,000
Public construction	473,365,000	441,055,000	311,572,000
State and municipal	129,612,000	77,886,000	111,214,000
Federal	343,753,000	363,169,000	200,358,000

The October award total brings the 1941 construction volume for the 10-month period to $5,250,210,000, a 64% increase over the figure for the corresponding ten months last year, and 31½% over the total for the entire year 1940. Private awards, $1,061,698,000, top the 10-month 1940 total by 11%; and public construction, $4,188,512,000, is 86% higher, due to the 196% gain in federal work.

October weekly averages in the various classes of construction work compared with those for the preceding month show gains in commercial building and large-scale private housing, 6%; waterworks, 20%; sewerage, 11%; and earthwork and drainage, 66%. Losses are in streets and roads, 13%; public buildings, 60%; industrial buildings, 3%; bridges, 17%; and unclassified construction, 2%.

Comparisons of current averages with those for the corresponding month last year reveal increases in waterworks construction, 25%; and earthwork and drainage, 109%. Decreases are reported in streets and roads, 23%; public buildings, 44%; industrial buildings, 65%; commercial building and large-scale private housing, 35%; bridges, 26%; sewerage, 34%; and unclassified construction, 37%.

Geographically, the Middle Atlantic states top their last month's volume by 67%, and are the only section to gain, either over a month ago or over the corresponding 1940 month.

New Capital

October new construction capital totals $228,329,000, a 67% decrease from the volume reported for October, 1940. The month's new financing is made up of $40,697,000 in state and municipal bond sales, $10,302,000 in corporate security issues, $175,730,000 in RFC loans for industrial plant expansion, and $1,600,000 in RFC loans for public improvements.

New construction financing for the year to date, $6,089,206,000, exceeds the total for the 10 months last year by 72%. Of the new capital total, private investment accounts for $707,098,000, a 9% increase over a year ago; federal funds for non-federal work, $555,990,000, down 8%; and federal appropriations for federal construction, $4,826,118,000, up 112%.

Bond Prices Firm

Without making any great advances on the average, the bond market has nevertheless shown distinct signs of strength in all groups this week. The Aaa's stand at their high of last January and the Baa's pushed up fractionally to a new 1941 high. Treasury bonds have remained at the year's highest levels.

Following the announcement that railroad labor had rejected the wage proposal of the President's board, the railroad bond market has been unsettled. High-grade rail issues have been fractionally lower but have displayed a firm undertone in the face of the behavior of the speculative rail issues. Atchison, Topeka & Santa Fe gen. 4s, 1995, at 109¼, were off ¼. Medium-grade and speculative rail issues declined. New York Central 4½, 2013, were one lower at 48¾; Illinois Central 4¾s, 1966, dropped 1½, to 40. Missouri Pacific issues have been particularly active upon announcement of the management's objection to the reorganization plan because of the present level of taxes.

High-grade and investment quality issues in the public utility group have not changed noticably, although advances generally have exceeded declines. Among lower grades weakness prevailed with Associated Electric 4½s, 1953, Electric Power & Light 5s, 2030, New England Gas & Electric 5s, 1947, and Standard Gas & Electric 6s, 1957, prominent in the movement.

Mixed fractional changes have been the rule among industrial bonds but a few of the lower-grade issues gained a point or more. The latter include the Marion Steam Shovel 6s, 1947, Manati Sugar 4s, 1957, (the Francisco Sugar 6s, 1956, lost a fraction), and United Stock Yards 4¼s, 1951. Meat packing company obligations have shown fractional gains and large fractional gains were registered by the Childs Company 5s 1943, and United Drug 5s, 1953. On the down side, the Curtis Publishing Company 3s, 1955, lost 2¼ points at 95.

Argentine bonds have continued in good demand under the added stimulus of successful internal consolidation and gains have been notable in the issues of the Province of Buenos Aires and Santa Fe. Mendoza 4s invited some profit taking and sold off several points. Among Brazilian issues the 8s, 1941, touched a new high at 26¼ and Minas Geraes 6½s and Sao Paulo issues continued firm except for the Coffee Stabilization 7s, which declined 1¼ points. Japanese government issues broke sharply as did some of the German industrial issues which had not participated in the recent downward adjustment. Strength in Norwegian issues contrasted with softness in Danish 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	Avge. Corporate *	Corporate by Ratings * Aaa	Aa	A	Baa	Corporate by Groups * R. R.	P. U.	Indus.
Nov. 11	Stock Exchange Closed								
10	120.02	108.34	118.60	115.82	109.60	92.06	97.62	112.37	116.22
8	120.01	108.34	118.60	116.02	109.60	92.20	97.62	112.56	116.22
7	120.04	108.34	118.60	116.02	109.60	92.20	97.78	112.37	116.22
6	120.04	108.52	118.60	115.82	109.60	92.50	97.78	112.37	116.41
5	120.04	108.34	118.60	115.82	109.60	92.35	97.62	112.37	116.41
4	Stock Exchange Closed								
3	120.04	108.34	118.60	115.82	109.42	92.06	97.47	112.19	116.22
1	120.04	108.16	118.40	115.82	109.42	91.91	97.47	112.19	116.02
Oct. 31	120.03	108.16	118.40	115.82	109.42	92.06	97.47	112.19	116.02
30	120.05	108.16	118.40	115.82	109.42	91.77	97.31	112.19	116.02
29	119.98	108.16	118.40	115.82	109.42	91.77	97.31	112.19	116.22
24	119.43	108.16	118.40	115.63	109.42	92.06	97.47	112.19	116.02
17	119.23	107.98	118.40	115.43	109.06	91.77	97.00	112.00	116.02
10	119.16	107.98	118.20	115.24	109.06	91.91	97.16	112.00	116.02
3	119.21	107.98	118.40	115.43	109.06	91.77	97.00	112.00	116.02
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	107.98	91.77	97.00	111.62	114.85
June 27	119.45	107.44	118.00	114.66	107.80	91.77	97.16	114.44	114.66
20	119.02	107.09	117.80	114.46	107.62	91.48	97.00	111.44	114.27
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	112.93
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	112.93
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	95.62	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	113.89	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	108.52	118.60	116.02	109.60	92.50	97.78	112.56	116.41
Low 1941	115.89	105.52	116.22	112.00	106.04	89.23	95.62	109.42	111.62
High 1940	119.63	106.74	119.00	115.04	106.74	89.92	96.07	110.88	114.85
Low 1940	113.02	99.04	112.19	109.60	99.52	79.37	86.38	105.52	106.56
1 Yr. Ago Nov. 9, '41	113.35	105.69	117.60	113.70	105.52	89.09	94.86	110.15	113.12
2 Yrs. Ago Nov. 10 '39	112.94	100.65	112.93	109.97	99.36	83.79	89.37	105.34	108.52

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

1941 Daily Average	Avge. Corporate	Corporate by Ratings Aaa	Aa	A	Baa	Corporate by Groups R. R.	P. U.	Indus.
Nov. 11	Stock Exchange Closed							
10	3.26	2.72	2.86	3.19	4.27	3.90	3.04	2.84
8	3.26	2.72	2.85	3.19	4.26	3.90	3.03	2.84
7	3.26	2.72	2.85	3.19	4.26	3.89	3.04	2.84
6	3.25	2.72	2.86	3.19	4.24	3.89	3.04	2.83
5	3.26	2.72	2.86	3.19	4.25	3.90	3.04	2.83
4	Stock Exchange Closed							
3	3.26	2.72	2.86	3.20	4.27	3.91	3.05	2.84
1	3.27	2.73	2.86	3.20	4.28	3.91	3.05	2.85
Oct. 31	3.27	2.73	2.86	3.20	4.27	3.91	3.05	2.85
30	3.27	2.73	2.86	3.20	4.29	3.92	3.05	2.85
29	3.27	2.73	2.86	3.20	4.29	3.92	3.05	2.84
24	3.27	2.73	2.87	3.20	4.27	3.91	3.05	2.85
17	3.28	2.73	2.88	3.22	4.29	3.94	3.06	2.85
10	3.28	2.74	2.89	3.22	4.28	3.93	3.06	2.85
3	3.28	2.73	2.88	3.22	4.29	3.94	3.06	2.83
Sept 24	3.31	2.75	2.91	3.24	4.33	3.96	3.07	2.88
17	3.30	2.74	2.92	3.24	4.31	3.96	3.08	2.88
12	3.30	2.75	2.92	3.24	4.30	3.94	3.07	2.89
5	3.29	2.74	2.91	3.23	4.27	3.92	3.06	2.89
Aug. 29	3.29	2.73	2.91	3.23	4.29	3.93	3.06	2.88
22	3.30	2.75	2.92	3.24	4.29	3.93	3.06	2.90
15	3.29	2.75	2.90	3.24	4.28	3.92	3.06	2.90
8	3.28	2.74	2.89	3.24	4.26	3.91	3.06	2.89
1	3.29	2.74	2.89	3.25	4.27	3.91	3.06	2.89
July 25	3.29	2.75	2.89	3.25	4.27	3.91	3.06	2.90
18	3.30	2.74	2.90	3.26	4.28	3.93	3.06	2.90
11	3.30	2.74	2.90	3.27	4.28	3.93	3.07	2.90
3	3.31	2.75	2.92	3.28	4.29	3.94	3.08	2.91
June 27	3.31	2.75	2.92	3.29	4.29	3.93	3.09	2.92
20	3.33	2.76	2.93	3.30	4.31	3.94	3.09	2.94
13	3.34	2.77	2.95	3.31	4.31	3.94	3.10	2.98
6	3.35	2.79	2.97	3.32	4.33	3.96	3.12	2.99
May 29	3.37	2.82	2.99	3.33	4.34	3.96	3.13	3.02
23	3.37	2.81	2.98	3.34	4.33	3.96	3.13	3.01
16	3.37	2.82	2.99	3.34	4.32	3.95	3.14	3.02
9	3.36	2.81	3.00	3.34	4.30	3.94	3.14	3.01
2	3.37	2.80	3.01	3.35	4.32	3.95	3.14	3.02
Apr. 25	3.38	2.82	3.02	3.36	4.33	3.96	3.15	3.05
18	3.40	2.83	3.03	3.37	4.35	3.97	3.16	3.06
10	3.41	2.83	3.05	3.38	4.36	3.97	3.18	3.07
4	3.39	2.81	3.04	3.38	4.31	3.94	3.17	3.05
Mar. 28	3.40	2.83	3.05	3.39	4.34	3.97	3.18	3.07
21	3.38	2.80	3.01	3.36	4.36	3.97	3.46	3.02
14	3.38	2.78	2.99	3.36	4.38	3.97	3.17	2.99
7	3.39	2.78	2.99	3.37	4.40	3.99	3.17	3.00
Feb. 28	3.40	2.79	3.01	3.38	4.43	4.01	3.18	3.02
21	3.42	2.80	3.02	3.39	4.45	4.03	3.19	3.02
14	3.40	2.77	3.00	3.38	4.44	4.01	3.19	3.00
7	3.38	2.76	2.99	3.37	4.40	3.97	3.18	2.99
Jan. 31	3.37	2.75	2.97	3.37	4.37	3.95	3.18	2.97
24	3.36	2.77	2.96	3.36	4.36	3.93	3.17	2.98
17	3.36	2.74	2.96	3.36	4.38	3.96	3.16	2.96
10	3.36	2.74	2.94	3.36	4.39	3.96	3.16	2.95
3	3.37	2.73	2.93	3.37	4.43	4.01	3.16	2.93
High 1941	3.42	2.84	3.06	3.39	4.47	4.03	3.20	3.08
Low 1941	3.25	2.72	2.85	3.19	4.24	3.89	3.03	2.83
High 1940	3.81	3.06	3.19	3.78	5.24	4.68	3.42	3.36
Low 1940	3.35	2.70	2.90	3.35	4.42	4.00	3.12	2.91
1 Year Ago— Nov. 9, '40	3.41	2.77	2.97	3.42	4.48	4.08	3.16	3.00
2 Years Ago— Nov. 10 '39	3.71	3.01	3.17	3.79	4.88	4.46	3.43	3.25

* These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

† The latest complete list of bonds used in computing these indexes was published in the issue of Oct. 2, 1941, page 409.

Steel Production At 97.5%—Mediation Board Denies Closed Shop In "Captive" Coal Mines

The "Iron Age" in its issue of Nov. 13 reported that in voting nine to two against the compulsory closed shop in steel company owned coal mines, The National Defense Mediation Board this week took a step which might mark one of the war's turning points by preventing major strikes threatening the national defense program. How strongly the administration is willing to stand behind the Board's action, in which two A. F. of L. members joined four employer representatives and three representatives of the public in preventing the forcing of the closed shop on the captive coal mines, remains to be seen.

Linked to the Mediation Board's decision is a long train of situations, one of these being in steel, where several weeks' calm is expected to end with the CIO convention Nov. 17 at Detroit. Demands for a steel wage increase and for the closed shop (the latter may be soft-pedaled in view of the Mediation Board's decision) are expected to be made following this convention, according to information given the "Iron Age."

High in importance among the week's industrial events was the Office of Production Management's all-day meeting Tuesday (Nov. 11) with representatives of more than 200 companies representing the entire steel industry. The meeting recalled the famous March, 1917, gathering of the iron and steel section of the War Industries Board and executives of the steel industry.

Steel ingot production for the industry is a half point lower this week to 97.5%, according to "Iron Age" estimates, the loss being due to various causes, including repairs, lack of pig rion and the ever-present shortage of scrap. In Birmingham, Ala., repairs reduced the rate 3.5 points to 95.5%. A one point decline to 90.5% in Eastern Pennsylvania was attributed to lack of scrap while lack of pig iron was a factor in a three-point drop to 97% in Southern Ohio. The "Iron Age" schedule of district steel operating rates also shows Pittsburgh down a point to 99%, Chicago up a point to 102, Youngstown unchanged at 96, Buffalo unchanged at 92.5 Wheeling unchanged at 94 and Detroit up 5.5 points to 109. Using its Board authority to direct shipments, the OPM has been briskly manipulating iron and steel scrap supplies to keep defense production going.

While the steps being taken to revise the often-ineffective workings of the priority system in steel still are not yet clear to most plant managers, the fear of too-rapid changes in priorities has not disappeared. An overnight change to a direct allocation system for steel, with the Government scheduling production and deliveries, might result in a slowing down, rather than a speeding-up, of the defense program.

Allocations made so far on a small scale have already disrupted steel mill schedules and, in many instances, some orders handed the mills by the Army and Navy should have been filled through other sources rather than through direct mill ordering.

How far the diversion of steel from the so-called civilian industries to defense industries has gone is shown in this issue of the "Iron Age" in a chart illustrating the distribution of steel by consuming industries. This chart represents distribution, as recently as this August, of the finished products of steel companies with more than 80% of United States capacity. The figures show roughly what the final breakdown of 1941 steel distribution will be. In August, for example, the automotive industry ranged eighth as a steel consumer against a ranking of first for all of 1940. It received 7.6% of the finished steel shipped against 9.9% for the first eight months of 1941, and 14.8% in 1940. Evidently, outbursts from its critics that the automobile industry is using up too much steel needed for national defense is on the way to being answered.

In contrast to the decline in automotive steel consumption, steel shipments to the shipbuilding industry rose from an average of 1.9% for 1940, and 2.8% in the first eight months of 1941, to 3.9% in August.

Exports of steel have followed an erratic course, with 11.1% going abroad in August, against an average of 9.3% for the first eight months of 1941, a 16.7% average in 1940 and a 6.4% average in 1939.

British requirements for steel in the first half of 1942 (covering semi-finished) are now expected to run to approximately 1,400,000 tons and allocation on this amount, more than half of which involves ingots and billets, is expected to be made soon. The British are expected to require, in addition to this tonnage, sheets, tin plate and other finished steel products in a volume which will lift total British steel requirements from the United States to near the level of the last half of 1941. Approximately 143,000 tons of shell steel, including 94,000 tons for Lend-Lease export, is being distributed to various steel companies and much larger tonnages are to be allocated in the months to come.

Incoming steel orders are running 15 to 20% below October, with non-defense customers dropping from the order books and new receivers of defense sub-contracts adding to the industry's backlog.

THE "IRON AGE" COMPOSITE PRICES

Finished Steel

Nov. 10, 1941, 2.30467c. a Lb.

One week ago	2.30467c.
One month ago	2.30467c.
One year ago	2.30467c.

A 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		Low	
1941	2.30467c.	Sep 2	2.30467c.	Sep 2
1940	2.30467c.	Jan 2	2.24107c.	Apr 16
1939	2.35367c.	Jan 3	2.26689c.	May 16
1938	2.58414c.	Jan 4	2.27207c.	Oct 18
1937	2.58414c.	Mar 9	2.32263c.	Jan 4
1936	2.32263c.	Dec 28	2.05200c.	Mar 10
1935	2.07642c.	Oct 1	2.06492c.	Jan 8
1934	2.15367c.	Apr 24	1.95757c.	Jan 2
1933	1.95578c.	Oct 3	1.75836c.	May 2
1932	1.89196c.	Jly 5	1.83901c.	Mar 1
1931	1.99629c.	Jan 13	1.86586c.	Dec 29
1930	2.25488c.	Jan 7	1.97319c.	Dec 9
1929	2.31773c.	May 28	2.26498c.	Oct 29

Pig Iron

Nov. 10, 1941, $23.61 a Gross Ton

One week ago	$23.61
One month ago	23.61
One year ago	22.61

Based on averages for basic iron at Valley furnaces and foundry iron at Chicago, Philadelphia, Buffalo, Valley and Southern iron at Cincinnati

	High		Low	
1941	$23.61	Mar 20	$23.45	Jan 2
1940	23.45	Dec 23	22.61	Jan 2
1939	$22.61	Sep 19	$20.61	Sep 12
1938	23.25	Jun 21	19.61	Jly 6
1937	23.25	Mar 9	20.25	Feb 16
1936	19.74	Nov 24	18.73	Aug 17
1935	18.84	Nov 5	17.83	May 14
1934	17.90	May 1	16.90	Jan 27
1933	16.90	Dec 5	13.56	Jan 3
1932	14.81	Jan 5	13.56	Dec 6
1931	15.90	Jan 6	14.79	Dec 15
1930	18.21	Jan 7	15.90	Dec 16
1929	18.71	May 14	18.21	Dec 17

Steel Scrap

Nov. 10, 1941, $19.17 a Gross Ton

One week ago	$19.17
One month ago	19.17
One year ago	20.67

Based on No. 1 heavy melting steel scrap quotations to consumers at Pittsburgh, Philadelphia, and Chicago.

	High		Low	
1941	$22.00	Jan 7	$19.17	Apr 10
1940	21.83	Dec 30	16.04	Apr 9
1939	22.50	Oct 3	14.08	May 16
1938	15.00	Nov 22	11.00	Jun 7
1937	21.92	Mar 30	12.92	Nov 10
1936	17.75	Dec 21	12.67	Jun 9
1935	13.42	Dec 10	10.33	Apr 29
1934	13.00	Mar 13	9.50	Sep 25
1933	12.25	Aug 8	6.75	Jan 3
1932	8.50	Jan 12	6.43	Jly 5
1931	11.33	Jan 6	8.50	Dec 29
1930	15.00	Feb 18	11.25	Dec 9
1929	17.58	Jan 29	14.08	Dec 3

The American Iron and Steel Institute on Nov. 10 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 96.6% of capacity for the week beginning Nov. 10, compared with 98.2% one week ago, 98.4% one month ago and 96.1% one year ago. This represents a decrease of 1.6 points or 1.6%, from the preceding week. Weekly indicated rates of steel operations since Nov. 4, 1940, follow:

1940—		Jan 20	96.5%	Apr 28	94.3%	Aug 4	96.3%
Nov 4	96.0%	Jan 27	97.1%	May 5	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	80.8%	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—		Mar 31	99.2%	Jly 7	94.9%	Oct 13	98.4%
Jan 6	97.2%	Apr 7	99.3%	Jly 14	95.2%	Oct 20	97.8%
Jan 13	98.5%	Apr 14	98.3%	Jly 21	96.0%	Oct 27	99.9%
		Apr 21	96.0%	Jly 28	97.6%	Nov 3	98.2%
						Nov 10	96.6%

"Steel" of Cleveland in its summary of the iron and steel markets on Nov. 10, stated:

With steel production consistently but a few points below theoretical capacity only necessity for periodical open-hearth furnace repair and inability to obtain sufficient scrap stand in the way of output above 100% of rated capacity, says "Steel".

New records are being set in iron ore and pig iron, thus providing a broad basis for steel production if the scrap situation can be bettered. The latter is the major factor and looms ominously as a threat to production during the next few months. Steelmaking furnaces recently shut down because of scrap shortage remain idle and others are expected to go out shortly. Government agencies are attempting nationwide organization to bring out all available supplies, particularly from homes and farms. Meanwhile, some relief is given by added pig iron tonnage from new or rehabilitated blast furnace stacks. As a whole the steel industry has little more than enough scrap for about 30 days production and receipts are far short of consumption.

While the labor situation contains implications of further interruption it is possible better counsels may prevail and strikes be avoided. At the moment the situation is quiet.

October pig iron production set two all-time records, the highest month on record and the highest total for the first ten months of any year. Output was 4,855,746 net tons, 2.8% above 4,721,337 tons in September, and 9.4% over 4,437,725 tons in October, 1940. Ten months output aggregated 46,191,610 tons, 21.7% greater than for the comparable months in 1940. Daily rate of output was 156,637 tons, 0.47% less than in September, being second highest daily rate in history. Daily average for ten months was by far the highest ever attained for a similar period.

Lake Superior iron ore shipments to Nov. 1 set a new record, a total of 71,224,580 gross tons being moved, which compared with the record full season total of 65,204,600 tons in 1929. Effect of interruption in the Sault Ste. Marie locks by a damaged bridge is seen in a decline of 465,063 tons in October. The month's total was 9,596,064 tons, compared with 10,061,127 tons in September. With more than a month of navigation still open the new season record will have wide margin over previous figures.

Wiremakers are suffering from lack of raw material, diversion of steel to other products limiting production of wire rods. Demand for wire products is heavy, much of it with high priority, but deliveries are slow, especially on material requiring much processing. Nails are increasingly scarce and stocks are at a low point.

Tin plate makers are running at capacity through the usually slack period following closing of the vegetable canning season. Some consumers whose needs were held back in favor of canners are now being supplied more fully and the large allocation for British colonies adds to backlogs. Little allocation has been necessary in this product but this condition is expected to change when supply of steel raw material is shortened in favor of other products.

Considerable interest attaches to recent arrival of 2,500 tons of ferromanganese from England, second installment of a 5,000-ton order. Cutting off of markets on the Continent is believed to have made it possible for England to ship the material here. This is the first arrival of ferro from abroad in a number of years. How England could spare the blast furnace capacity for its production in the face of pig iron needs for war purposes is difficult to understand.

Automobile production continues steady, output last week being 93,585 units, an increase of 706 over the 92,879 made in the previous week. This compares with 120,948 cars made in the corresponding week last year. The smaller current figure results from the reduced production allowed under government regulation.

Operations last week advanced 2 points to 97½% of capacity, on a gain of 9 points at Pittsburgh, rebound from the effects of a strike the preceding week, modified by several small declines at other points. Pittsburgh reacted to 99%; Detroit gained 4 points to 95 and St. Louis 15 points to 98%. Chicago lost 2½ points to 101%; Cincinnati, 4 points to 87½; Eastern Pennsylvania 1 point to 91; Cleveland 3 points to 94; Buffalo 2 points to 79; Youngstown 1 point to 97. Rates were unchanged at Birmingham, 95%; Wheeling, 95; New England 90.

Composites are unchanged: Finished steel, $56.73; semifinished steel, $36.00; steelmaking pig iron, $23.05; steelmaking scrap, $19.17.

On The Foreign Front

European Stock Markets

Small but persistent price advances are reported during recent trading on the principal European securities markets. The London Stock Exchange was fairly active, while leading Continental markets remained extremely quiet. War news was less of a factor than in some weeks, save for the growing participation by the United States, which aided the British exchange materially.

Advancing trends on the London Stock Exchange were occasioned by favorable reports from Prime Minister Winston Churchill and by such incidents as the $1,000,000,000 lend-lease loan by Mr. Roosevelt to Russia. Also important, however, were fresh rumors of advancing diamond prices and sizable textile exports from the United Kingdom.

Good buying came into the diamond mining and textile manufacturing stocks in London. The improvement was well maintained through dealings yesterday. Other industrial and mining shares gained some stimulation. Gilt-edged issues edged slightly higher, and even the foreign bond list reflected some selective inquiry.

Trading on the great Amsterdam market was dull in the weekly period ended last night, with small daily rises reported. The stocks of externally domiciled companies were still the favorites. Few reports were available of trading in Lyons, Paris and Berlin. On the French markets, however, heavy demand for stocks fails to bring out offerings, which appears to be a commentary on the inflation situation.

Far Eastern Showdown

That the United States soon may be plunged completely into a merged European and Far Eastern war has now been indicated plainly, with every likelihood that this country will be the catalytic agent fusing the distant conflicts. A showdown between Japan and the United States cannot be long delayed, if certain recent diplomatic measures have any meaning whatever. Nor is the prospect anything but grim, since a two-ocean war will be the all but inevitable outcome if neither Washington nor Tokio takes the course of moderation and peace.

The gravity of the position was emphasized successively, during the last few days, in Tokio, Washington and London. Japan suddenly dispatched to Washington, a week ago, her most persuasive diplomat, Saburo Kurusu, former envoy to Berlin, and no attempt was made either in Washington or Tokio to disguise the eleventh-hour nature of this mission. Mr. Kurusu, all too obviously, is charged with the task of altering the American policy toward the aggressions of his country in the Far East. That such aggressions are about to be widened and extended cannot be doubted, and our own Government is committed to counter action.

Japanese authorities apparently consider it to be a matter of national necessity to engage in another military adventure, either against Russia in the North, or the Dutch and British in the South. Tokio dispatches hint that Southern Asia and the great chain of Dutch islands will be the objective. This marks a change from the recent verbal threats against the Maritime Province of Siberia. Although the latest Japanese intimations may be intentionally misleading, it is equally possible that they reflect genuine intentions at Tokio. Oil and other vital war materials which Japan can obtain only in Southern Asia and the Netherlands East Indies probably are running short, making an extension of warfare the only alternative to a complete about-face.

The fierce national pride of the Japanese makes virtually imposible that turn toward peace and modification of the proclaimed aims in Eastern Asia which President Roosevelt clearly regards as the sine qua non for abandonment of the economic sanctions imposed against Japan by the United States, Great Britain and the Netherlands East Indies, under the President's leadership.

Mr. Kurusu is due to arrive in Washington at the end of this week, and his conversations will be portentous in the extreme. The desperate economic straits to which Japan has been reduced in recent months require alleviation, either through re-opening of trade with the United States, or efforts at conquest in Eastern Asia. Un-

(Continued on page 1033)

Revenue Freight Car Loadings During Week Ended Nov. 1 Amounted To 894,739 Cars

Loading of revenue freight for the week ended Nov. 1 totaled 894,739 cars, the Association of American Railroads announced on Nov. 6. The increase above the corresponding week in 1940 was 99,942 cars, or 12.6%, and above the same week in 1939 was 93,631 cars, or 11.7%.

Loading of revenue freight for the week of Nov. 1 decreased 18,866 cars, or 2.1% below the preceding week.

Miscellaneous freight loading totaled 401,244 cars, a decrease of 4,340 cars below the preceding week, but an increase of 57,741 cars above the corresponding week in 1940.

Loading of merchandise less than carload lot freight totaled 158,921 cars, a decrease of 907 cars below the preceding week, but an increase of 3,618 cars above the corresponding week in 1940.

Coal loading amounted to 162,303 cars, a decrease of 2,917 cars below the preceding week, but an increase of 36,998 cars above the corresponding week in 1940.

Grain and grain products loading totaled 35,852 cars, an increase of 769 cars above the preceding week, and an increase of 260 cars above the corresponding week in 1940. In the Western Districts alone, grain and grain products loading for the week of Nov. 1 totaled 21,851 cars, an increase of 865 cars above the preceding week, and an increase of 306 cars above the corresponding week in 1940.

Livestock loading amounted to 19,821 cars, a decrease of 557 cars below the preceding week, and a decrease of nine cars below the corresponding week in 1940. In the Western Districts alone, loading of livestock for the week of Nov. 1 totaled 15,926 cars, a decrease of 707 cars below the preceding week, and a decrease of 168 cars blow the corresponding week in 1940.

Forest products loading totaled 44,472 cars, a decrease of 1,445 cars below the preceding week, but an increase of 3,600 cars above the corresponding week in 1940.

Ore loading amounted to 59,378 cars, a decrease of 9,077 cars below the preceding week and a decrease of 2,664 cars below the corresponding week in 1940.

Coke loading amounted to 12,748 cars, a decrease of 392 cars below the preceding week, but an increase of 398 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
4 Weeks of October	3,657,882	3,269,476	3,355,701
Week of Nov. 1	894,739	794,797	801,108
Total	35,816,105	30,654,313	28,442,753

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Nov. 1, 1941. During this period 99 roads showed increases when compared with the same week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED NOV. 1

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
Eastern District—	1941	1940	1939	1941	1940
Ann Arbor	612	703	814	1,415	1,333
Bangor & Aroostook	1,502	1,101	1,146	273	239
Boston & Maine	9,062	8,044	8,429	13,852	11,607
Chicago, Indianapolis & Louisville	1,732	1,366	1,806	2,421	2,403
Central Indiana	29	17	26	66	50
Central Vermont	1,618	1,382	1,370	2,470	2,183
Delaware & Hudson	6,573	6,135	4,826	11,170	8,450
Delaware, Lackawanna & Western	9,331	9,111	9,575	9,131	7,210
Detroit & Mackinac	592	610	576	144	102
Detroit, Toledo & Ironton	2,511	2,758	2,595	1,315	1,169
Detroit & Toledo Shore Line	381	473	334	4,170	2,928
Erie	15,760	14,018	14,073	15,493	14,234
Grand Trunk Western	6,014	5,810	4,871	9,369	7,970
Lehigh & Hudson River	168	171	186	2,569	2,282
Lehigh & New England	1,941	1,975	1,618	1,554	1,379
Lehigh Valley	9,328	9,132	8,654	10,249	7,667
Maine Central	3,097	2,837	2,805	3,103	2,390
Monongahela	6,419	4,043	5.764	406	231
Montour	2,332	1,974	2,219	80	35
New York Central Lines	55,268	47,501	46,190	51,775	41,872
N. Y., N. H. & Hartford	13,220	10,771	10,428	16,735	14,578
New York, Ontario & Western	1,137	1,056	1,082	2,465	1,891
N. Y., Chicago & St. Louis	7,008	6,399	6,469	13,653	11,281
N. Y., Susquehanna & Western	529	417	451	1,670	1,681
Pittsburgh & Lake Erie	9,331	7,866	7,877	9,224	7,192
Pere Marquette	7,395	6,822	6,882	6,565	5,871
Pittsburgh & Shawmut	681	471	736	26	59
Pittsburgh, Shawmut & North	423	465	382	353	217
Pittsburgh & West Virginia	1,187	644	1,424	2,722	1,863
Rutland	626	628	674	1,132	1,038
Wabash	6,277	5,683	5,911	10,653	9,396
Wheeling & Lake Erie	5,609	4,383	4,939	4,322	3,553
Total	187,693	164,766	165,132	210,545	174,354
Allegheny District—					
Akron, Canton & Youngstown	666	536	492	1,059	856
Baltimore & Ohio	42,170	36,280	36,708	23,833	19,153
Bessemer & Lake Erie	5,016	6,724	6,123	1,990	2,305
Buffalo Creek & Gauley	274	297	310	3	7
Cambria & Indiana	1,996	1,709	1,580	21	10
Central R.R. of New Jersey	8,265	7,331	6,560	16,160	13,210
Cornwall	661	112	624	49	50
Cumberland & Pennsylvania	247	287	310	29	37
Ligonier Valley	115	132	129	51	37
Long Island	880	798	758	2,957	2,845
Penn-Reading Seashore Lines	1,926	1,515	1,433	1,767	1,551
Pennsylvania System	88,743	70,325	73,877	58,519	44,987
Reading Co.	16,707	15,463	14,000	24,201	18,937
Union (Pittsburgh)	20,181	19,079	18,118	5,430	6,324
Western Maryland	4,423	3,681	4,320	10,099	7,412
Total	192,271	164,269	165,342	146,168	117,721
Pocahontas District—					
Chesapeake & Ohio	30.057	23,042	28,814	14.049	11,105
Norfolk & Western	22,465	19,631	23,101	6.932	5,460
Virginian	4,705	3,888	4,483	2,308	1,465
Total	57,227	46,561	56,398	23.289	18,030

Foreign Front

(*Continued from page 1032*)

less the Japanese envoy is empowered to change the whole course of Japanese policy, his mission is almost completely hopeless. Nor, it is reported from Tokio, has Mr. Kurusu any illusions on the subject, for he is said to have questioned even his ability to make his way back to Japan. The commercial air lines are being utilized by the special envoy for his journey to Washington, but they would be discontinued at the first sign of hostilities.

Washington and London are equally realistic about the prospects of maintaining peace with Tokio. President Roosevelt stated last Friday that withdrawal of American marines from China stations was under consideration, and this was accepted in Administration circles as indicative of action imminent or already in progress. It is a strong indication, according to the Washington correspondent of the "New York Times," that Washington means to meet the consequences if negotiations with Japan fail.

Prime Minister Churchill added his powerful voice and much of the naval weight of Britain to this developing showdown, Monday, when he stated in his London Guildhall address that Britain would follow the United States "within the hour," in the event of war with Japan. The British spokesman minced no wards. He regretted the trend, in view of his feeling of friendship for Japan, but remarked pointedly that new dispositions of heavy naval units now can be made in the Indian and Pacific Oceans, since the United States Fleet is active in the Atlantic.

Mr. Churchill put the problem bluntly before the Japanese, on an economic as well as a military basis. He emphasized the enormous disparity between the Japanese steel production of 7,000,000 tons and the 90,000,000 tons of American production, not to mention the "powerful contribution which the British Empire can make in various ways." Expressing a devout hope for peace in the Pacific, he added that every preparation to defend British interests and the "common cause" in the Far East now has been made.

Underlying these matters are two factors which have received little attention in recent public discussions, but which may well provide the world with shattering impacts. The economic situation in the Far East has deteriorated to the point where rebellion, tumult and unimaginable horrors impend and may swiftly develop, if improvement is not effected. Greatly over-extended as they are, the Japanese militarists are sitting on a vast powderkeg, which may blow up the very Empire of Japan. Their counsels are those of desperation.

The second factor is the Axis agreement, the published terms of which provide for mutual action by Germany, Italy and Japan, in the event that any of them is attacked by a Power not engaged in either the European or Far Eastern conflicts at the time the agreement was made. The inclusion of Japan in the Axis was an obvious endeavor to immobilize the United States. If this country acts in the Far East, therefore, it must fully expect to encounter the full hostility of the European members of the Axis. The highest statesmanship plainly is necessary in Washington, in the face of this dire possibility of a merging of the European and Far Eastern wars, with the United States in the middle.

Neutrality Debate

Hardly a shred will be left of the neutrality laws if the House emulates the Senate and decrees termination of the provisions against the sending of American ships into war zones. The resolution of the House, widened to permit our merchant vessels to enter belligerent harbors, was passed by the Senate last Friday, by a vote of 50 to 37. The House promptly took up the necessary reconsideration of the measure and is likely to act in a day or two.

All opponents of the enlarged Senate version, and a good many of those who voted as the Administration desired, conceded that the resolution is tantamount to the entry of the United States into all-out war with the European Axis. The debate was tense in its final hours, and charged with the realization of an irrevocable move, involving unnumbered American lives and untold treasure.

Meanwhile the undeclared naval war with Germany remained fully in progress, with American participation rolling up a list of dead that is profoundly impressive. Those who died on the torpedoed destroyer Reuben James, the Navy Department announced a week ago, numbered 100. It appeared at the same time that 17 American civilians, bound for England to serve the British Government, were lost with an unnamed ship that went down. Indicating that there is no turning back when once the dread march toward war has begun, the Navy Department made it known last Saturday that a full-fledged American base is being established in Iceland.

The German Fuehrer, Adolf Hitler, alluded to the naval warfare in a speech at Munich, on Nov. 8. He affirmed that all ships carrying munitions of war to his enemies will be torpedoed. Accusing President Roosevelt of engineering the Polish and French entries into the war, Hitler said he had issued orders to the German Navy to fire upon American ships only when attacked. Mr. Roosevelt's charge that the German Government plans to divide much of Latin-America into a few regions under Axis domination was scorned by the German, who remarked that as far as he is concerned, South America is as far away as the moon. The alleged aim to establish a Nazi world-wide

(*Continued on page 1034*)

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
Southern District—	1941	* 1940	1939	1941	1940
Alabama, Tennessee & Northern	412	270	262	211	147
Atl. & W. P.—W. R.R. of Ala.	892	865	838	2,129	1,693
Atlanta, Birmingham & Coast	769	726	637	1,256	1,016
Atlantic Coast Line	11,585	10,024	9,637	7,216	6,366
Central of Georgia	4,728	4,230	4,153	4,100	3,768
Charleston & Western Carolina	485	443	417	1,674	1,310
Clinchfield	1,815	1,294	1,501	2,849	2,107
Columbus & Greenville	393	360	375	512	272
Durham & Southern	197	169	187	520	373
Florida East Coast	479	736	703	969	1,108
Gainsville Midland	36	33	39	100	120
Georgia	1,676	1,299	1,003	2,478	2,010
Georgia & Florida	469	309	317	856	462
Gulf, Mobile & Ohio	4,118	4,016	3,368	3,687	3,261
Illinois Central System	27,684	23,327	24,462	14,674	12,796
Louisville & Nashville	26,443	21,879	24,264	9,423	6,409
Macon, Dublin & Savannah	212	140	170	682	712
Mississippi Central	145	168	190	381	394
Nashville, Chattanooga & St. L.	3,874	3,359	3,081	3,844	3,347
Norfolk Southern	1,197	1,297	1,428	1,333	1,149
Piedmont Northern	521	458	464	1,658	1,154
Richmond Fred. & Potomac	468	380	408	6,233	4,728
Seaboard Air Line	10,577	10,240	8,965	7,114	5,673
Southern System	25,351	23,626	23,213	21,880	17,286
Tennessee Central	578	461	407	812	681
Winston-Salem Southbound	134	154	186	1,027	926
Total	125,238	110,263	110,775	97,618	79,268
Northwestern District—					
Chicago & North Western	22,158	20,872	20,279	11,446	11,156
Chicago Great Western	2,680	2,720	2,638	3,579	2,990
Chicago, Milw., St. P. & Pac.	22,985	20,764	21,254	9,112	8,018
Chicago, St. P., Minn. & Omaha	4,102	3,658	4,049	4,399	3,641
Duluth, Missabe & Iron Range	19,545	20,468	13,807	266	179
Duluth, South Shore & Atlantic	1,537	1,216	1,162	508	526
Elgin, Joliet & Eastern	10,127	9,475	8,574	9,196	7,872
Ft. Dodge, Des Moines & South	548	559	442	170	161
Great Northern	20,772	18,486	19,896	4,225	3,402
Green Bay & Western	691	688	686	764	746
Lake Superior & Ishpeming	2,543	3,781	3,509	62	69
Minneapolis & St. Louis	1,819	1,981	1,781	2,566	1,855
Minn., St. Paul & S. S. M.	8,038	6,827	7,489	2,880	2,770
Northern Pacific	13,752	12,265	12,607	4,482	3,821
Spokane International	205	254	207	316	231
Spokane, Portland & Seattle	2,704	2,082	1,825	2,314	1,844
Total	134,206	126,096	120,205	56,285	49,281
Central Western District—					
Atch. Top. & Santa Fe System	23,218	22,776	23,075	9,022	7,851
Alton	3,318	3,155	3,218	2,895	2,334
Bingham & Garfield	1,025	421	431	65	79
Chicago, Burlington & Quincy	19,625	17,558	18,155	11,636	9,842
Chicago & Illinois Midland	2,800	2,218	2,282	796	845
Chicago, Rock Island & Pacific	12,635	13,074	12,203	10,743	9,537
Chicago & Eastern Illinois	2,937	2,604	2,822	3,147	2,819
Colorado & Southern	1,519	1,354	1,504	1,829	1,700
Denver & Rio Grande Western	4,826	4,632	5,175	3,943	3,624
Denver & Salt Lake	742	515	896	19	14
Fort Worth & Denver City	1,141	1,214	1,253	1,173	1,164
Illinois Terminal	1,851	1,706	1,950	1,806	1,769
Missouri-Illinois	1,189	956	1,076	473	366
Nevada Northern	1,915	1,866	1,261	135	126
North Western Pacific	1,029	765	764	445	336
Peoria & Pekin Union	23	40	24	0	0
Southern Pacific (Pacific)	31,440	28,900	26,352	8,245	6,311
Toledo, Peoria & Western	335	346	494	1,730	1,353
Union Pacific System	22,838	20,321	20,993	13,136	10,578
Utah	423	446	698	2	3
Western Pacific	2,509	2,012	2,007	3,558	2,485
Total	137,338	126,879	126,633	74,798	63,236
Southwestern District—					
Burlington-Rock Island	284	159	205	280	291
Gulf Coast Lines	3,773	3,099	3,182	2,175	1,692
International-Great Northern	1,983	1,709	1,703	2,592	2,670
Kansas, Oklahoma & Gulf	224	331	296	841	869
Kansas City Southern	3,006	2,295	2,286	2,794	2,003
Louisiana & Arkansas	2,735	2,035	2,132	2,227	1,676
Litchfield & Madison	377	281	406	1,080	964
Midland Valley	750	507	612	244	202
Missouri & Arkansas	154	221	255	376	369
Missouri-Kansas-Texas Lines	4,676	4,424	4,277	3,605	3,098
Missouri Pacific	17,091	15,598	16,443	12,475	10.075
Quanah Acme & Pacific	141	235	138	182	141
St. Louis-San Francisco	9,220	8,725	8,232	6,195	4,731
St. Louis Southwestern	2,956	3,153	3,135	3,688	2,860
Texas & New Orleans	7,899	7,587	7,455	4,067	3,581
Texas & Pacific	5,296	5,411	5,664	5,051	3,889
Wichita Falls & Southern	184	175	181	50	74
Weatherford M. W. & N. W.	17	18	27	38	14
Total	60.766	55.963	56.623	47.960	39.199

Note—Previous year's figures revised. * Previous figures.

Foreign Front

(Continued from page 1033)

religion was brushed aside by the German Fuehrer with the comment that in Germany the Church is subsidized by the State, whereas in America the Church receives nothing from the Government.

President Roosevelt made speeches a week ago today, and on Armistice Day. In the earlier address he declared that the American people "have made an unlimited commitment that there shall be a free world." Against that commitment, he added, no individual and no group shall prevail. In his Armistice Day address the President endeavored to assert that the first World War was really fought to make the world safe for democracy, and he insisted that the American commitment is an eternal one. Washington and London buzzed with rumors that a meeting of President Roosevelt, Prime Minister Churchill and Premier Stalin soon may take place.

Russian Credit

American commitments against Hitler and in favor of all who oppose the Nazi Fuehrer were augmented sensationally, in an exchange of letters between President Roosevelt and Premier Stalin, published last Friday. Acting under the second lend-lease appropriation, Mr. Roosevelt pledged aid to Russia in the amount of $1,000,000,000, and extended to the Moscow regime a credit in that amount to be used in the purchase of military equipment and raw materials. The State Department made this information public without comment, and at the same time released the text of a letter from the President to the Russian Chief Executive, Mikhail I. Kalinin, extending felicitations and good wishes on the occasion of the anniversary of the Soviet revolution.

The rapid sequence of official moves intended to aid Russia and defeat Hitler included several other measures. The Russian Government last Friday made it known that Maxim Litvinoff had been appointed Ambassador to the United States, to replace Constantine A. Oumansky. This, it appeared, was quite acceptable to Washington. Mr. Roosevelt on the same day issued instructions to Edward R. Stettinius, Jr., the Lend-Lease Administrator, to arrange the transfer of war supplies to Russia, "as quickly as possible." Still another commentary on the situation was afforded by a huge fete in which the Russian Embassy in Washington celebrated, last Saturday, the terrible events which brought the Communists into power twenty-four years ago. Some 2,500 petty officials attended that celebration, but only one or two leading American authorities appeared.

The tremendous credit to Moscow attracted most attention, for the loan will bear no interest, and is to be repaid over a period of ten years beginning five years after the end of the conflict. Essential raw materials are to be acquired from Russia, in the meantime, and the cost thereof is to be charged against the aid.

Apart from its propaganda value this loan will have only a moderate immediate effect upon the war situation in Europe. Whatever the intentions in Washington may be, the shipping facilities for transportation of aid on such a scale are modest for the time being. If the war continues indefinitely, however, the gigantic cost to American taxpayers outlined in this project well may become a reality. Since Russia is well understood to possess upwards of $1,500,000,000 in gold, very little of which so far has been utilized, the occasion for the prodigious

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Third Quarter Security Registrations

Securities amounting to $932,673,000 were effectively registered under the Securities Act of 1933 during the third quarter of 1941, which was higher than any quarterly period since the first quarter of 1937, when $1,391,297,000 of securities became fully effective, the Securities and Exchange Commission announced on Oct. 31. Effective during the first quarter of 1941 totaled $761,625,000, while in the second quarter effectives aggregated $623,101,000.

The most important aspects of the registration statistics, prepared by the Research and Statistics Section of the Trading and Exchange Division for the third quarter of 1941, are summarized as follows by the Commission:

1. New money uses were expected to absorb $159,380,000, or 37.8% of all net proceeds in the third quarter of 1941, as compared with 28.6% in the third quarter of 1940. Of this amount, new money intended for investment in plant and equipment was $167,199,000, or 32.4% of total net proceeds, and about three times the sum intended for this purpose in the same period of 1940. Repayment of indebtedness and retirement of preferred stock remained—as in preceding quarters—the predominant use, taking $305,670,000, or 59.2% of the net proceeds, compared with $224,727,000, or 64.0% in the corresponding quarter of 1940. All other uses combined were expected to absorb 3.0% of net proceeds.

2. Of the $523,432,000 of securities offered for cash sale by the issuers in the third quarter, the net proceeds totaled $516,751,000. The difference of 1.3% was the cost of flotation. This compared with a cost of 3.7% in the same quarter of the preceding year. The part of this cost represented by compensation to underwriters and agents was 0.7% in the third quarter of 1941, compared with 3.1% in 1940. Agents handled less than 1.0% of all the issues registered for sale in the quarter and their remuneration averaged 10.4%. Slightly less than one-third of the securities were underwritten and on these the rate of remuneration was 1.9%. Over two-thirds of the securities registered for sale for issuers, or $355,143,000, were to be distributed directly by the issuers without the use of investment banking facilities and on these there was, of course, no compensation to underwriters and agents.

3. Credit obligations (bonds and face amount certificates) in the amount of $463,357,000, accounted for 88.5% of all issues registered for sale in the third quarter of 1941, compared with 74.0% in the same quarter of 1940. Preferred stock with $36,691,000, or 7.0% of all securities registered for sale by issuers, was in about the same proportion as in the corresponding three months of 1940. Common stock, certificates of participation, beneficial interest, etc., were registered for sale by issuers in the amount of $23,384,000, or 4.5% of the total, which was a decline from a proportion of 19.2% in the same quarter of 1940.

4. Transportation and communication companies registered $327,113,000 of securities for sale in the third quarter of 1941, equal to 62.5% of the total for all industries. This group was represented by only 0.1% of all issues in the similar quarter of 1940. Manufacturing companies were in second place with 15.5% of total registrations for sale, compared with 37.7% in the similar quarter of 1940, and electric, gas and water utilities were third with 13.4%, compared with 44.9% in the same quarter of the previous year.

During September 1941, the Commission says the number of statements which became effective was 24, covering 33 issues in the amount of $176,042,000. Of this amount $31,885,000 were registered for the account of others, $60,000 consisted of substitute securities, and $2,536,000 were reserved for conversion or intended exchange, leaving $141,561,000 registered for the account of issuers and proposed for sale. The SEC detailed the September registration figures as follows:

Bonds were in the largest amount of any of the types of securities registered by issuers for sale in September 1941, aggregating $109,857,000, which was 77.6% of the total, compared with 64.3% in the corresponding month of 1940. Preferred stock was registered for sale by issuers in the amount of $13,228,000, or 9.3% of the total; common stock $14,726,000, or 10.4%; and certificates of participation, beneficial interest, etc., $3,750,000, or 2.7%.

Transportation and communication companies registered the highest amount for sale of any industrial classification, $91,968,000, or 65.0% of the total. This was practically all represented by the single-issue of American Telephone and Telegraph Co. debenture 2¾s due 1976. Electric, water and gas utilities were second in importance with $20,843,000, which was 14.7% of the total; and manufacturing companies third with $18,099,000 or 12.8%. Securities of merchandising companies aggregated $6,780,000, or 4.8% of the total, and the balance of $3,871,000, or 2.7% was practically all of financial and investment companies.

Issuers expected to distribute directly $96,632,000, or 68.3% of all securities proposed by them for sale. The balance of $44,929,000 was underwritten and compensation to underwriters and distributors on this part averaged 2.1%.

Reflecting the large proportion of securities placed without the aid of the investment banking facilities, compensation to underwriters and distributors amounted to 0.7% of the value of all securities registered for sale by issuers in the month of September. Other costs of flotation amounted to 0.4%, leaving net proceeds to issuers of $139,988,000, or 98.9% of the amount expected to be paid by investors.

Most of the net proceeds were to be applied to repayment of indebtedness and retirement of preferred stock. The proportion of the total intended for this purpose was 77.0%, and amounted to $107,744,000. New money uses were next in importance with $28,433,000, or 20.3% of the total, of which $22,161,000, or 15.8% of all net proceeds, was destined for investment in plant and equipment. The balance for all other purposes combined was $3,811,000, or 2.7% of the total.

EFFECTIVE REGISTRATIONS UNDER THE SECURITIES ACT OF 1933
(By Types of Securities)
September, 1941

	Total securities effectively regist.		Total, less securs. res. for conversion or substitution			Securities proposed for sale by issuers		
Type of Security	No. of Issues	Amount	Amount	Percent Sept., 1941	Percent Sept., 1940	Amount	Percent Sept., 1941	Percent Sept., 1940
Secured bonds	5	18,249.285	18.249.285	10.4	34.4	18,199,701	12.9	40.5
Unsecured bonds	1	91 657.800	91,657.800	52.4	19,6	91,657.800	64.7	23.8
Preferred stock	9	14.978.393	14 978.393	8.6	13.9	13.227,582	9.3	3.3
Common stock	16	47,346,768	46,213,446	26.4	16.8	14,726,148	10.4	14.0
Certificates of partic., beneficial int., etc.	1	3,750,000	3,750,000	2,2	15.2	3,750,000	2,7	18.4
Warrants or rights	0	------	------	---	0.1	------	---	---
Substitute securs. (V.T. ctfs. & ctfs. of dep.)	1	60,060	------	---	---	------	---	---
Grand Total	33	176,042,306	174,848,924	100,0	100,0	141,561,231	100,0	100.0

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	Percent of Activity 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	456,942	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	468,870	470,228	163,769	72	73
October	670,473	648,611	184,002	79	73
November	488,990	509,945	161,985	77	73
December	464,537	479,099	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	807,440	737,420	86	--
August	659,722	649,031	576,529	94	--
September	642.879	630.524	578.402	94	--
October	839,272	831,991	568,264	99	--
1941—*Week Ended—*					
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	168,875	152,410	489,915	85	81
May 31	155,831	151,648	488.993	84	81
June 7	156,188	144,481	500,252	84	81
June 14	158.821	156,439	504,786	88	81
June 21	168,561	153,364	518,755	88	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	159,337	164,374	575,627	99	85
Oct. 18	167,440	165,795	574,991	98	86
Oct. 25	165,279	168,146	568.161	100	86
Nov. 1	170,597	165,420	568,264	99	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.

Cotton Ginnings Through Nov. 1 12% Below '40

The Census Bureau report issued Nov. 8 compiled from the individual returns of the ginners, show 7,964,325 running bales of cotton (counting round as half bales and excluding linters) ginned from the crop of 1941 prior to Nov. 1, compared with 9,085,870 bales from the crop of 1940 at that date last year and 10,079,112 bales two years ago. Below is the report in full:

REPORT ON COTTON GINNING

STATE	RUNNING BALES (Counting round as half bales and excluding linters) 1941	1940	1939
United States	*7,964,325	9,085,870	10,079,112
Alabama	733,511	586,958	705,076
Arizona	72,359	65,093	71,612
Arkansas	1,182,300	987,117	1,204,223
California	104,228	301,420	220,473
Florida	13,972	17,358	9,424
Georgia	588,836	858,936	846,960
Illinois	4,765	2,035	3,158
Kentucky	14,640	6,382	10,104
Louisiana	299,228	405,848	706,447
Mississippi	1,316,251	895,104	1,442,172
Missouri	407,683	231,751	345,813
New Mexico	29,553	54,960	56,805
North Carolina	487,178	545,952	400,583
Oklahoma	313,186	480,297	445,508
South Carolina	368,036	818,138	811,597
Tennessee	513,319	266,481	338,689
Texas	1,498,141	2,550,030	2,454,103
Virginia	17,139	12,010	6,365

*Includes 1,969 bales of the crop of 1941 ginned prior to Aug. 1 which was counted in the supply for the season of 1940-41, compared with 32,187 and 137,254 bales of the crops of 1940 and 1939.

The statistics in this report include 694 round bales for 1941; 3,164 for 1940 and 147,325 for 1939. Included in the above are 18,979 bales of American-Egyptian for 1941; 13,720 for 1940; and 12,360 for 1939; also 2,302 bales Sea-Island for 1941; 3,337 for 1940 and 1,743 for 1939.

The statistics for 1941 are subject to revision when checked against the individual reports being transmitted by mail. The revised total of cotton ginned this season prior to October 18 is 6,858,972 bales.

Consumption, Stocks, Imports, and Exports — United States

Cotton consumed during the month of September, 1941, amounted to 875,682 bales. Cotton on hand in consuming establishments on Sept. 30, was 1,636,521 bales, and in public storages and at compresses 11,523,702 bales. The number of active consuming cotton spindles for the month was 22,963,944. The total imports for the month of September, 1941, were 25,413 bales and the exports of domestic cotton, excluding linters, were 189,215 bales.

World Statistics

The world's production of commercial cotton, exclusive of linters, grown in 1939 as compiled from various sources was 27,-

875,000 bales, counting American in running bales and foreign in bales of 478 pounds lint; while the consumption of cotton (exclusive of linters in the United States) for the year ending July 31, 1939, was 27,748,000 bales. The total number of spinning cotton spindles, both active and idle, is about 145,000,000.

October Steel Production Sets New Record

Production of steel in October exceeded all previous monthly records by a substantial tonnage, according to a report released Nov. 8 by the American Iron and Steel Institute.

A total of 7,242,683 net tons of steel ingots and castings was produced during October, which brought total output for the ten months of this year nearly two million tons above production in the full twelve months of 1940.

Steel production in September amounted to 6,819,706 tons, while 6,644,542 tons were produced in October a year ago. Prior to last month, the record monthly production of steel was 7,131,641 tons, produced in March 1941.

During the first ten months of this year, 68,793,571 tons of steel were produced, or 27% more than in the corresponding period of 1940. Steel production in the whole of 1940 amounted to 66,981,662 tons, a greater tonnage than had been produced in any earlier year.

In establishing its new record in October, the steel industry operated at an average of 99.0% of capacity, rated as of June 30, 1941. Open hearth steel production, totaling 6,427,977 tons, represented 99.4% of capacity, output of 532,863 tons of Bessemer steel was 92.3% of capacity, and production of 281,843 tons of electric furnace steel represented 101.4% of capacity.

The October tonnages of both open hearth and electric furnace steels represented new peaks of production, while the output of Bessemer steel was the highest in a decade.

During October an average of 1,634,917 tons of steel was produced per week, as against 1,593,389 tons per week in September and 1,499,897 tons per week in October, 1940.

PRODUCTION OF OPEN HEARTH, BESSEMER AND ELECTRIC STEEL INGOTS AND STEEL FOR CASTINGS

Period	Estimated Production —All Companies— Total Net tons	Percent of capacity	Calculated weekly production, all companies (net tons)	Number of weeks in month
1941 †				
January	6,928,085	96.9	1,563,902	4.43
February	6,237,900	96.9	1,559,475	4.00
March	7,131,641	99.7	1,609,851	4.43
1st Quarter	20,297,626	97.8	1,578,353	12,86
April	6,756,949	97.6	1,575,046	4.29
May	7,053,278	98.7	1,592,153	4.43
June	6,800,730	98.2	1,585,252	4.29
2nd Quarter	20,610,917	98.2	1,584,237	13.01
1st 6 months	40,908,543	98.0	1,581,312	25.87
July	6,821,682	93.4*	1,543,367	4.42
August	7,000,957	95.7	1,580,351	4.43
September	6,819,706	96.4	1,593,389	4.28
3rd Quarter	20,642,345	95.2	1,572,151	13.13
9 months	61,550,888	97.0	1,578,228	39.00
October	7,242,683	99.0	1,634,917	4.43
1940 †				
January	5,764,723	83.4	1,301,292	4.43
February	4,525,797	70.0	1,093,188	4.14
March	4,389,183	63.5	990,786	4.43
1st Quarter	14,679,703	72.3	1,129,208	13.00
April	4,100,474	61.2	955,821	4.29
May	4,967,782	71.8	1,121,395	4.43
June	5,657,443	84.5	1,318,751	4.29
2nd Quarter	14,725,699	72.5	1,131,875	13.01
1st 6 months	29,405,402	72.4	1,130,542	26.01
July	5,724,625	83.0	1,295,164	4.42
August	6,186,383	89.5	1,396,475	4.43
September	6,056,246	90.6	1,415,011	4.28
3rd Quarter	17,967,254	87.7	1,368,412	13.13
9 months	47,372,656	77.5	1,210,339	39.14
October	6,644,542	96.1	1,499,897	4.43
November	6,469,107	96.6	1,507,950	4.29
December	6,495,357	94.1	1,469,538	4.42
4th Quarter	19,609,006	95.6	1,492,314	13.14
Total	66,981,662	82.1	1,281,210	52.28

* Revised. † Based on Reports by Companies which in 1940 made 98.43% of the Open Hearth, 100% of the Bessemer and 85.82% of the Electric Ingot and Steel for Castings Production.

Note—In 1940 the percentages of capacity operated are calculated on weekly capacities of 1,410,130 net tons open hearth, 114,956 net tons Bessemer and 36,011 net tons electric ingots and steel for castings, total 1,561,097 net tons; based on annual capacities as of Dec. 31, 1939 as follows: Open hearth 73,721,592 net tons, Bessemer 6,009,920 net tons, electric 1,882,630 net tons. In 1941 the percentages of capacity operated in the first 6 months are calculated on weekly capacities of 1,430,102 net tons open hearth, 134,187 net tons Bessemer and 49,603 net tons electric ingots and steel for castings, total 1,613,892 net tons; based on annual capacities as of Dec. 31, 1940 as follows: Open hearth 74,565,510 net tons, Bessemer 6,996,520 net tons, electric 2,586,320 net tons. Beginning July 1, 1941, the percentages of capacity operated are calculated on weekly capacities of 1,459,132 net tons open hearth, 130.292 net tons Bessemer and 62,761 net tons electric ingots and steel for castings, total 1,652,185 net tons; based on annual capacities as of June 30, 1941 as follows: Open hearth 76,079,130 net tons, Bessemer 6,793,400 net tons, Electric 3,272,370 net tons.

Fertilizer Assn. Commodity Index Up Again

The weekly wholesale commodity price index compiled by The National Fertilizer Association was again higher in the week ended Nov. 8, 1941. This index advanced to 116.5 last week from 116.1 in the preceding week. It was 117.2 a month ago, the highest point recorded since 1930. A year ago the index stood at 98.5, based on the 1935-1939 average as 100. A report issued by the Association Nov. 10, continued:

The farm products price index is now back to the level reached in the second week in October; grain and livestock quotations were higher, offsetting a decline in the price of cotton. The food index advanced last week, the net result of rising prices for butter, eggs, rice, beans, veal, lamb, cocoa, and lard, which more than counterbalanced declines in pork and cottonseed oil. A reversal in the downward trend of cattle feed prices and an increase in the price of cottonseed meal caused a moderate upturn in the index of miscellaneous commodities. The fertilizer material average was fractionally higher. The textile price index fell off last week, as declines in cotton and certain cotton goods outweighed slight advances in wool and woolen yarns. The price of oak flooring was lower resulting in a small decline in the building material average.

During the week 26 price series included in the index advanced while only 9 declined; in the preceding week there were 20 advances and 21 declines; in the second preceding week there were 30 advances and 19 declines.

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

% Each Group Bears to the Total Index	GROUP	Latest Week Nov. 8, 1941	Preceeding Week Nov. 1, 1941	Month Ago Oct. 4, 1941	Year Ago Nov. 9, 1940
25.3	Foods	113.5	112.5	114.0	90.2
	Fats and Oils	122.7	122.6	130.3	65.3
	Cottonseed Oil	143.6	145.3	159.6	63.8
23.0	Farm Products	116.4	115.7	118.4	88.6
	Cotton	153.8	155.0	161.6	88.9
	Grains	107.7	105.2	108.6	84.7
	Livestock	110.5	109.8	112.2	87.8
17.3	Fuels	112.3	112.3	110.8	101.3
10.8	Miscellaneous Commodities	126.0	125.1	127.5	110.6
8.2	Textiles	138.6	140.0	139.3	108.0
7.1	Metals	104.0	104.0	103.5	103.3
6.1	Building Materials	131.3	131.5	131.0	119.1
1.3	Chemicals and Drugs	112.3	112.3	111.9	103.5
.3	Fertilizer Materials	114.6	114.5	114.3	104.3
.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	116.5	116.1	117.2	98.5

*Base period changed Jan. 4 from 1926-1928 average to 1935-1939 average as 100. Indexes on 1926-1928 base were: Nov. 8, 1941, 90.8; Nov. 1, 1941, 90.4; Nov. 9, 1940, 76.7.

October Steel Shipments Greatest On Record

Shipments of finished steel products by subsidiary companies of the United States Steel Corp. for the month of October, 1941, totaled 1,851,279 net tons. The October shipments, which represent an all-time monthly shipments record, compare with 1,664,227 net tons in the preceding month (September) an increase of 187,052 net tons, and with 1,572,408 net tons in the corresponding month in 1940 (October) an increase of 278,871 net tons.

For the year 1941 to date, shipments were 16,988,715 net tons compared with 12,006,135 net tons in the comparable period of 1940, an increase of 4,982,580 net tons.

The current all-time monthly shipments record compares with the previous all-time high of 1,753,665 net tons in August, 1941 and with 1,701,874 net tons in May, 1929, the highest month prior to 1941.

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

	1941	1940	1939	1938	1932	1929
January	1,682,454	1,145.592	870,866	570,264	464,524	1,364,801
February	1,548.451	1,009,256	747,427	522,395	449,418	1,388,407
March	1,720.366	931,905	845,108	627,047	422,117	1,605,510
April	1,687.674	907,904	771,752	550,551	429,965	1,617,302
May	1,745,295	1,084,057	795,689	509,811	369,882	1,701,874
June	1,668.637	1,209,684	607,562	524,994	355,575	1,529,241
July	1,666,667	1,296,887	745,364	484,611	294,764	1,480,008
August	1,753.665	1,455,604	885,636	615,521	316,417	1,500,281
September	1,664,227	1,392,838	1,086,683	635,645	340,610	1,262,874
October	1,851,279	1,572,408	1.345,855	730,312	336,726	1,333,385
November	------	1,425,352	1,406,205	749,328	299,076	1,110,050
December	------	1,544,623	1,443,969	765,868	250,008	931,744
Total by mos.	------	14,976,110	11,752,116	7,286,347	4,329,082	16,825,477
Yearly adjust.	------	37,639	*44,865	29,159	*5,237	*12,827
Total	------	15,013,749	11,707,251	7,315,506	4,323,845	16,812,650

*Decrease.

Note—The monthly shipments as currently reported during the year 1940, are subject to adjustments reflecting annual tonnage reconciliations. These will be comprehended in the cumulative yearly shipments as stated in the annual report.

Foreign Front

(Continued from page 1034)

credit becomes all the more mysterious, not to say alarming.

Russian Campaign

Battles between the Russians and Germans in the endless drizzle and bottomless mud of the front in Soviet territory were overshadowed, in recent days, by addresses in which Premier Stalin and Fuehrer Hitler attempted to assure their respective peoples of victory. Neither speaker could hold out encouragement in the form of immediate successes. The Nazis, however, plainly retained the initiative in the vast depths of Russia, for they captured a few more towns.

Stalin addressed the Moscow Soviet a week ago, and followed this on Friday with comments at a military demonstration in Red Square, before the Kremlin in Moscow. In the first speech he assured the Communists of victory on the basis of German casualties of 4,500,000, as against Russian losses of 1,748,000. The Nazis will be annihilated, said the leader of the Russian forces, which have not yet won a battle in the current war. While confidently predicting the early collapse of the Reich, he hinted almost plaintively that this will be done with British and American aid. In his second address commemorating the Russian Communist revolution, the Russian dictator said the Germans will be defeated in six months or a year.

Hitler, whose bloody excesses now rival those of Stalin, reiterated that the Russians already are beaten. Never was a great empire smashed and destroyed in shorter time than Soviet Russia, according to the leader of the mired Nazi warriors. Red Army prisoners captured were placed by Hitler at 3,600,000, while the Russian losses in equipment were said to be 15,000 airplanes, more than 22,000 tanks and more than 27,000 guns. These gigantic Russian losses, he averred, could be replaced only slowly by all the industry of the world. Obviously sensitive about the long and fruitless siege of Leningrad, Hitler asserted that the population of that city will be starved into submission in order to waste no German lives. The city could be taken by storm, he added, for "whoever has marched from the East Prussian border to within 10 kilometers of Leningrad also can march the final 10 kilometers into the city."

In the actual fighting a new move on Leningrad appears to be developing, largely from the Karelian Isthmus, where the Finns have battled heretofore. This appears to indicate a winter drive by combined German - Finnish forces, possibly over frozen ground. The Russian soldiers in Leningrad made fresh sorties, this week, but failed to drive back the encircling German and Finnish forces.

The Moscow front was again bogged down in mud, with snow and rain alternately making life miserable for the soldiers and preventing really sizable military operations. Southward of the Russian capital, the Germans claimed the capture of the city of Tula, late last week. If this report is substantiated, it may suggest a new Nazi attempt at encirclement of Moscow, with the southern drive the more important aspect, militarily speaking.

In the long run the German drive in southern Russia may turn out to be more important than other tactical moves, for there is no doubt of the vast power of that thrust. Following their break through the Perekop Isthmus into the Crimea, the Germans speedily overran a good part of the peninsula, possession of which is vital for control of the Black Sea and a fresh march into the Caucasus. The Yalta Mountains were crossed last week, according to Berlin spokesmen, and the port of Yalta captured by the Nazis last Sunday. In the face of admittedly fierce Russian resistance, the Germans deployed toward the great naval base at Sevastopol and the Kerch region, which could be a jumping-off spot for the Caucasus.

Empire Lifeline

Some naval activity finally has developed along the British Empire lifeline from Gibraltar to the East, but the land units of Great Britain and the Axis remain strangely quiescent in that vast region. The Middle East, it is now apparent, may well turn out to be the next battleground. Indeed, a tremendous pincers movement from the Caucasus eastward, and from Indo-China westward, possibly is part of the German-Japanese strategy. That Britain will not be unprepared for such developments is suggested by activities of General Sir Archibald P. Wavell, who is understood to be organizing countermoves against the Axis from his base in India.

The most heartening military news of the week unquestionably has been that supplied by London with respect to naval operations in the Mediterranean. Early last Sunday, the Admiralty announced, two small British cruisers and two destroyers intercepted a superior Axis convoy near Taranto, on its way to the North African coast, and sank several Italian destroyers and at least ten merchant ships. Rome admitted the loss of two destroyers and seven other vessels in this surprise attack, which cost the British nothing in the way of lives or damage.

In a speech before the House of Commons, Monday, Prime Minister Churchill augmented the tally of Italian losses, and still further announcements of Italian losses were made by the London Admiralty on Tuesday. At least four Axis troop or supply ships and two sailing vessels were sunk by submarines, it was indicated. The reverse of this medal is, of course, the vast flow of Axis men and supplies to the Western Desert region between Libya and Egypt. Neither side seems inclined toward military adventure in the Western Desert, although weather conditions have been favorable for several weeks.

The increasing gravity of the situation in the Middle East is illustrated by the German progress in the Crimea and the likelihood that supplies to Russia via the Gulf of Persia will be halted, if the Caucasus is taken by the Nazis. Cabinet changes in Turkey

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President Demands Personal Sacrifices

(Continued from First Page)

illusions about the fate that waits him and his free labor organization if Hitler should win." The President further said:

He knows that his own liberty and the very safety of the people of the United States cannot be assured in a world which is three-fourths slave and one-fourth free. He knows that we furnish arms to Britain, Russia and China and that we must do it now—today.

The President's address follows in full:

Miss Perkins, Mr. Goodrich, Mr. Phelan, delegates and advisers to the conference, taking part in a conference of the International Labor Organization is not a new experience for me. It was exactly at this time of the year, in 1919, that the International Labor Organization had its first conference in Washington. Apparently someone had fallen down on the job of making the necessary physical arrangements for the conference. Finally someone picked on the then Assistant Secretary of the Navy to help. I had to find office space in the Navy Building, as well as supplies and typewriters to get the machinery organized.

In those days the International Labor Organization was still a dream. To many it was a wild dream. Who had ever heard of governments getting together to raise the standards of labor on an international plane? Wilder still was the idea that the people themselves who were directly affected—the workers and the employers of the various countries—should have a hand with government in determining these labor standards.

Now 22 years have passed. The International Labor Organization has been tried and tested. Through those extravagant years of the twenties, it kept doggedly at its task of shortening the hours of labor, protecting women and children in agriculture and industry, making life more bearable for the merchant seamen, and keeping the factories and mines of the world safe and fit places for human beings to work in.

Then through the long years of depression, it sought to bring about a measure of security to all workers by the establishment of unemployment and old-age insurance systems and again to set the wheels of industry in action through the establishment of international public works, rational policies of migration of workers, and the opening of the channels of world trade.

Now, for more than 2 years you have weathered the vicissitudes of a world at war. Though Hitler's juggernaut has crowded your permanent staff out of its home at Geneva, here in the New World, thanks in large part to the efforts of our friend, John Winant, you have been carrying on, and when this world struggle is over you will be prepared to play your own part in formulating those social policies upon which the permanence of peace will so much depend.

Today you, the representatives of 33 nations, meet here in the White House for the final session of your conference. It is appropriate that I recall to you, who are in a full sense a parliament for man's justice, some words written in this House by a President who gave his life in the cause of justice. Nearly 80 years ago Abraham Lincoln said: "The strongest bond of human sympathy, outside of the family relation, should be one uniting all working people, of all nations and tongues and kindreds."

The essence of our struggle is that men shall be free. There can be no real freedom for the common man without enlightened social policies. In last analysis they are the stakes for which democracies are today fighting.

Your concern is the concern of all democratic peoples. To many of your member states adherence to the International Labor Organization has meant great sacrifice. There is no greater evidence of the vitality of the International Labor Organization than the loyal presence here today of the representatives of the nations which suffer under the lash of the dictator. I welcome those representatives especially.

I extend the hand of courage to the delegates of those labor organizations whose leaders are today languishing in concentration camps for having dared to stand up for the ideals without which no civilization can live. Through you, delegates from these despoiled lands, the United States sends your people this message: "You have not been forgotten; you will not be forgotten."

We in the United States have so far been called upon for extremely limited sacrifices, but even in this country we are beginning to feel the pinch of war. The names may be unfamiliar to you, but the workers of Manitowoc, Wis., who used to make aluminum utensils, have had to sacrifice their jobs that we may send planes to Britain and Russia and China. Rubber workers in a hundred scattered plants have had to sacrifice their opportunities for immediate employment that there may be ships to carry planes and tanks to Liverpool and Archangel and Rangoon. Tens of thousands of automobile workers will have to be shifted to other jobs in order that the copper which might have been used in automobiles may carry its deadly message from the mills of the Connecticut Valley to Hitler. But with all this, we have not yet made any substantial sacrifices in the United States.

We have not, like the heroic people of Britain, had to withstand a deluge of death from the skies. Nor can we ever grasp the full extent of the sacrifices that the people of China are making in their struggle for freedom from aggression. We have in amazement witnessed the Russians oppose the Nazi war machine for 4 long months—at the price of uncounted dead and a scorched earth.

Most heroic of all, however, has been the struggle of the common men and women of Europe, from Norway to Greece, against a brutal force which, however powerful, will be forever inadequate to crush the fight for freedom.

As far as we in the United States are concerned that struggle shall not be in vain. The epic stands of Britain, of China, and of Russia will receive the full support of the free peoples of the Americas. The people of this country insist upon their right to join in the common defense.

To be sure there are still some misguided among us—thank God they are but a few—both industrialists and leaders of labor, who place personal advantage above the welfare of their Nation. There are still a few who place their little victories over one another above triumph over Hitler. There are still some who place the profits they may make from civilian orders above their obligation to the national defense. There are still some who deliberately delay defense output by using their economic power to force acceptance of their demands, rather than use the established machinery for the mediation of industrial disputes.

Yes, they are but few. They do not represent the great mass of American workers and employers. The American people have made an unlimited commitment that there shall be a free world. Against that commitment no individual or group shall prevail.

The American workman does not have to be convinced that the defense of the democracies is his defense. Some of you, from the conquered countries of Europe and from China, have told this conference with the eloquence of anguish how all that you have struggled for—the social progress that you and your fellow men have achieved—is being obliterated by the barbarians.

I need not tell you that one of the first acts of the Fascist and Nazi dictators—at home and in conquered countries—was to abolish free trade unions and to take away from the common people the right of association. Labor alone did not suffer. Free associations of employers were also abolished. Collective bargaining has no place in their system; neither has collaboration of labor, industry, and government.

Nor need I tell you that the Nazi Labor Front is not a labor union but an instrument to keep labor in a state of permanent subjection. Labor under the Nazi system has become the slave of the military state.

To replace Nazi workers shipped to the front, and to meet the gigantic needs of her total war effort, Nazi Germany has imported about 2,000,000 foreign civilian laborers. They have changed the occupied countries into great slave areas for the Nazi rulers. Berlin is the principal slave market of the world.

The American worker has no illusions about the fate that awaits him and his free labor organizations if Hitler should win. He knows that his own liberty and the very safety of the people of the United States cannot be assured in a world which is three-fourths slave and one-fourth free. He knows that we must furnish arms to Britain, Russia, and China and that we must do it now—today.

Our place—the place of the whole Western Hemisphere—in the Nazi scheme for world domination has been marked on the Nazi timetable. The choice we have to make is this: Shall we make our full sacrifices now, produce to the limit, and deliver our products today and every day to the battle fronts of the entire world? Or shall we remain satisfied with our present rate of armament output, postponing the day of real sacrifice—as did the French—until it is too late?

The first is the choice of realism, realism in terms of three shifts a day; the fullest use of every vital machine every minute of every day and every night; realism in terms of staying on the job and getting things made, and entrusting industrial grievances to the established machinery of collective bargaining—the machinery set up by a free people.

The second choice is the approach of the blind and the deluded who think that perhaps we could do business with Hitler. For them there is still "plenty of time." To be sure, many of these misled individuals honestly believe that if we should later find that we can't do business with Hitler, we will roll up our sleeves later—later—later. And their tombstones would bear the legend "Too late."

In the process of working and fighting for victory, however, we must never permit ourselves to forget the goal which is beyond victory. The defeat of Hitlerism is necessary so that there may be freedom; but this war, like the last war, will produce nothing but destruction unless we prepare for the future now. We plan now for the better world we aim to build.

If that world is to be one in which peace is to prevail, there must be a more abundant life for the masses of the people of all countries. In the words of the Atlantic charter, we "desire to bring about the fullest collaboration between all nations in the economic field with the object of securing, for all, improved labor standards, economic advancement, and social security."

There are so many millions of people in this world who have never been adequately fed and clothed and housed. By undertaking to provide a decent standard of living for these millions, the free peoples of the world can furnish employment to every man and woman who seeks a job.

We are already engaged in surveying the immediate post-war requirements of a world whose economies have been disrupted by war.

We are planning not to provide temporary remedies for the ills of a stricken world; we are planning to achieve permanent cures—to help establish a sounder life.

To attain these goals will be no easy task. Yes, their fulfillment will require "the fullest cooperation between all nations in the economic field." We have learned too well that social problems and economic problems are not separate water-tight compartments in the international any more than in the national sphere. In international, as in national affairs, economic policy can no longer be an end in itself. It is merely a means for achieving social objectives.

There must be no place in the post-war world for special privilege for either individuals or nations. Again in the words of the Atlantic Charter "All states, great or small, victor or vanquished" must have "access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity."

In the planning of such international action the International Labor Organizations, with its representation of labor and management, its technical knowledge and experience, will be an invaluable instrument for peace. Your organization will have an essential part to play in building up a stable international system of social justice for all peoples everywhere. As part of you, the people of the United States are determined to respond fully to the opportunity and challenge of this historic responsibility, so well exemplified at this historic meeting in this historic home of an ancient democracy.

Foreign Front

(Continued from page 1035)

unquestionably reflect the intense pressure being brought to bear upon that country by the great belligerents. They may also foreshadow a Turkish military move.

Churchill and Hitler

While British and German forces hammered away at each other in the air and on the seas, Prime Minister Churchill and Chancellor Hitler dealt verbal blows at each other this week. Both speakers commented not only on their direct warfare but also, as indicated elsewhere in these columns, on the spread of the conflict to other areas and peoples. With respect to the immediate battle between Britain and Germany they were less illuminating than on other phases of the two crisis.

Prime Minister Churchill, in the customary Guildhall address on Monday, which was held on this occasion in the Mansion House, pointed to the deplorable state of a Europe which almost in its entirety is under the military hell of the German dictator. In addition to warning the Japanese, heartening the Russians and endeavoring to stir the conquered European peoples to revolt, Mr. Churchill made much of recent decisions in the United States. He emphasized the financial aid rendered England and disclosed that Britain, after spending £500,000,000 in dollar resources, had reached the end of such resources when lend-lease aid was extended by Washington.

One of the most significant passages in the Guildhall address by the Prime Minister related to the growing signs of a "peace offensive" from Berlin. Assurances were extended that the British Government never will enter into negotiations with Hitler or with any Nazi regime in the Reich. In a further speech before the House of Commons, Tuesday, Mr. Churchill said that retribution for Axis atrocities was among the major war aims of the British Government. The Prime Minister, who speaks almost as facilely as President Roosevelt, asserted at Hull, last Friday, that the tide is turning and that Britain once again is master of her own fate.

Chancellor Hitler treated the British scornfully in his beerhall address at Munich, last Saturday. If any invasion of the Continent is undertaken by England, the British forces wil be invited to step up and will be assured of leaving more quickly than they came, Hitler declared. He also dismissed summarily the aid which the United States is rendering to Britain, and which both Democracies are extending to Russia. Hitler referred to Churchill as a "crazy drunkard," and Churchill returned the compliment by calling Hitler a Nazi "ogre."

In actual battle, meanwhile, the British and Germans came to deadly grips. Vast aerial bombing attacks were made by British fliers on a score of German ports and industrial cities. The Germans hit back savagely and brought down many of the British airplanes. London admitted that almost two-score airplanes were lost last Saturday, largely because of weather conditions. Berlin claimed that 60 British airplanes were destroyed.

The aerial toll suffered by the British Air Force at the end of last week did not deter the intrepid English fliers, who continued this week to batter the German cities and many points in France, the Low Countries and Norway, which are vital to the Reich war effort. There were indications of sizable German airplane transfers from Russia to the Western European theatre of war, which may account for the heavy losses of the British, in part. London claimed immense damage to the Reich war potential, but Berlin dismissed the matter briefly. A few German aerial raids on English towns were reported.

In the war at sea the British suffered a grievous loss in the sinking of the famed destroyer Cossack, of 1,870 tons. The mere loss of the destroyer was announced by the Admiralty, Monday, and no details were furnished. The ship participated in many engagements and was a sort of symbol of British seapower and fighting ability. Berlin made daily claims of sizable sinkings of

(Continued on page 1038)

Reserve Banks Report On Business

Indications of the trend of business in the various Federal Reserve districts is indicated in the following extracts which we give from the "Monthly Review" of the Federal Reserve Districts of Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas and San Francisco.

First (Boston) District

The Federal Reserve Bank of Boston, in its "Monthly Review" of Nov. 1, reports that in New England the level of general business activity during September was maintained at approximately the same high volume as that which prevailed in August, after allowances had been made for customary seasonal changes, and when compared with September a year ago was substantially higher. The Bank's "Review" further said:

Total revenue freight carloadings in this district were 113,623 during the four-week period ending Oct. 11, an increase of 18.4% over the total for the corresponding period last year.

Boot and shoe production in New England during September is estimated to have been 14,436,000 pairs, as compared with 15,556,000 pairs in August and 12,859,000 pairs produced during September, 1940.

The amount of raw cotton consumed by mills in New England during September was 101,194 bales, as compared with a total of 100,441 bales in August and 72,502 bales in September last year.

Second (New York) District

The Federal Reserve Bank of New York, in its "Monthly Review" of Nov. 1, reports that during October business operations on the whole continued at a high level. The "Review" also notes that during September this bank's index of production and trade declined to 109% of estimated long term trend, four points below the figure for August and one point below that for July. The general level of productive activity appears to have held rather steady during July, August, and September, and the behavior of the index of production and trade over this period is largely accounted for by a sharp spurt in retail trade during August and a settling back in September. Continuing the Bank's summary says:

Although the major group index of production showed stability during July, August, and September, changes were apparent in certain of its components. Output of consumers' durable goods, principally passenger cars, declined during this period, seasonal factors considered, as a result of official limitations upon production and shortages of vital materials. On the other hand, output of producers' durable goods showed additional marked gains in both August and September, reflecting further advances in such key defense industries as steel, shipbuilding, aircraft, and machinery. Production of nondurable goods was not much changed during the July-September period, either in the consumers' or producers' categories.

After allowing for seasonal factors, sales volumes in various lines of retail trade were reduced sharply in September from the unusually high levels of August. Sales increases at department stores, mail order houses, and chain stores failed by considerable margins to measure up to usual seasonal proportions. Mainly a result of model changeovers and restrictions on production, retail sales of new passenger cars declined sharply in September, and for the first time this year fell below the figure for the corresponding month of 1940.

(Adjusted for seasonal variations and estimated long-term trend; series reported in dollars are also adjusted for price changes)

	1940 Sept.	1941 July	1941 Aug.	1941 Sept.
Index of Production and Trade	94	110	†113	†109
Production of—				
Producers' durable goods	‡96	126	†130	†133
Producers' non-durable goods	‡99	120	†118	†119
Consumers' durable goods	79	103	†96	†83
Consumers' non-durable goods	96	105	†105	†104
Primary distribution	87	105	†109	†108
Distribution to consumer	96	107	†116	†100
Industrial Production—				
Steel	114	126	125	130
‡Automobiles	114	149	103	86
Bituminous coal	96	130	117	†107
Crude petroleum	85	86	88	†89
Electric power	101	112	115	†115
Cotton consumption	‡111	155	152	144
Wool consumption	124	‡168	177	†205
Shoes	99	134	†118	†117
Meat packing	‡100	106	110	107
Tobacco products	90	96	97	101
Manufacturing Employment—				
Employment	98	120	120	†118
Man-hours of employment	95	‡120	122	†124
Construction—				
Residential building contracts	58	73	82	64
Non-residential building and engineering contracts	60	93	137	132
Primary Distribution—				
Railway freight car loadings, mdse. and miscellaneous	87	‡104	‡104	104
Railway freight car loadings, other	95	116	114	106
Exports	85	110	†134	---
Imports	76	91	†98	---
Distribution to Consumer—				
Department store sales (United States)	96	108	‡124	104
Grocery chain store sales	95	99	103	97
Variety chain store sales	99	108	126	111
Mail order house sales	98	111	131	104
New passenger car sales	87	104	90	†58
*Velocity of Deposits—				
Velocity of demand deposits, outside New York City (1919-25 average=100)	55	57	61	59
Velocity of demand deposits, New York City (1919-25 average=100)	25	26	27	27
*Cost of Living and Wages—				
Cost of living (1935-39 average=-00)	104	109	110	†111
Wage rates (1926 average=100)	114	123	123	---

†Preliminary.

‡Revised; in the case of automobiles the series has been revised.

*Not adjusted for trend.

Third (Philadelphia) District

It is stated by the Federal Reserve Bank of Philadelphia, in its "Business Review" of Nov. 1, that productive and distributive activity in the Third Federal Reserve District has been maintained at unusually high levels, owing to increasing defense work and heavy consumer demand. The Bank goes on to say:

Recent gains have been somewhat smaller than seasonal and less extensive than prevailed in several earlier months, as the sustained rise since the first of the year has brought current operations in many lines of manufacturing near capacity and heavy anticipatory buying in wholesale and retail channels during the summer pushed sales to record volumes.

Industrial production has been maintained at the peaks reached late in the summer. Manufacturing activity has increased further, particularly in such durable goods as metals and transportation equipment. The output of crude oil has also expanded more than was to be expected seasonally. Mining in both the anthracite and bituminous fields has increased, but the gains have been smaller than usually occur at this time of the year, owing partly to work stoppages and partly to an accumulation of supplies during the summer months. The output of electric power also has advanced slightly less than seasonally.

Fourth (Cleveland) District

The Federal Reserve Bank of Cleveland indicates in its Oct. 31 "Monthly Business Review" that "the increasing tempo of defense production at both new and previously existing plants in the Fourth District during late September and the first weeks of October was more than sufficient to offset declines in those industries which for various reasons, were finding it necessary to curtail production or cease operations entirely." The summary further states:

Demand for labor by new airplane engine, powder, and shell-loading plants as well as companies making parts on a subcontract basis was great enough to cause general employment indexes to rise moderately to record high levels; payroll series were steady to fractionally lower, reflecting customary seasonal declines in such industries as clothing and shoes.

In lines more closely related to the defense effort, production continued near practical capacity limits of existing facilities.

Fifth (Richmond) District

The Oct. 31 "Monthly Review" of the Federal Reserve Bank of Richmond indicates that "the aggregate volume of business and industry in the Fifth Federal Reserve District in September and early October expanded further, chiefly due to seasonal influences." The following is also from the summary:

Distribution of consumer goods showed the usual seasonal increase in September except in furniture and automobiles. Department store sales rose 11% from August to September, and in the latter month were 19% above September, 1940, sales. . . . Wholesale trade in September in the Fifth district exceeded August, 1941, trade by 10% and September, 1940, trade by 49%.

Industrially the district worked at virtual capacity levels in September. Cotton textile mills, many of them working on defense orders, consumed more cotton than in any previous September, and tobacco manufacturers set a new all time monthly record in the production of cigarettes. Bituminous coal mined in September was 18% above the September, 1940, tonnage. Shipyards, airplane factories, rayon yarn mills, chemical industries and lumber mills continued operations at or near record levels and construction, while somewhat handicapped by priorities, showed no signs of recession.

Sixth (Atlanta) District

The following regarding business conditions in the Sixth Reserve District is from the Oct. 31 "Monthly Review" of the Federal Reserve Bank of Atlanta:

In September all previous records of construction contracts awarded in the Sixth District were broken, building permits issued at reporting cities recorded a substantial gain, and there were further increases in textile operations and in pig iron production. Department store sales, however, declined in September, after allowance is made for the usual seasonal change, although the September index is the highest on record for that month, and wholesale trade increased less than it usually does in September as compared with August.

Seventh (Chicago) District

In its Nov. 3 issue "Business Conditions" the Federal Reserve Bank of Chicago states that "although production, employment, and trade continued at a high level during September and the first half of October, there was a noticeable slackening in the upward sweep of business in the Seventh Federal Reserve District. This was brought about in part by the shifting of industry from civilian to defense production which is an engineering problem that involves more than just the utilization of machines." The Bank further reports:

In the adaptation of machine tools to the production of specific defense items, questions of plant balance must be studied, if serious dislocations in productive capacity are to be avoided. Although progress has been made in the solution of these technical problems, raw material shortages still exist, and lack of plant facilities in some industries and incomplete utilization in others continue to retard the production program. Employment and wage payments edged upward, and the cost of living in the principal cities of the district continued to advance.

Durable goods industries helped maintain a high level of productive activity. This was particularly true in steel which continued to operate above rated capacity throughout September although handicapped by the steel scrap situation which became tighter. Notwithstanding price adjustments which were made, the increases were not sufficient to overcome freight differentials and draw supplies of scrap from other districts. The pig iron industry established a new average daily production record of 34,852 tons, which is an increase over the previous high attained in August. Castings, both steel and malleable, were produced in tempo with the activity of the industry and were up over the previous month.

Maximum quotas set for automobile production were not attained, although the number of units coming off assembly lines exceeded the ten-year average, and weekly production rose from a September low of 33,000 to 77,000.

Reporting paper mills showed no gain, and pulp production was maintained at the levels recorded the month previous. Furniture, which is one of the important industries of the district, continued to operate at 97% of capacity.

Eighth (St. Louis) District

The Federal Reserve Bank of St. Louis reports that "Eighth District industry and trade continued to maintain high levels of activity throughout September and early October." In the Bank's Oct. 31 "Business Conditions" it is also stated:

Unemployment began to appear in some lines with the curtailment of production of refrigerators, automobiles and other heavy durable goods. Employment continued to rise, however, at plants working on defense orders.

Output of bituminous coal at mines in this area in September decreased 3% from August but was 20% over September, 1940. Steel ingot production at mills in the district as of mid-October dropped to 83% of capacity from the 98% level obtained a month ago. September consumption of electricity by industrial users was 1% and 31% greater, respectively, than a month and a year ago.

September sales of department stores in the principal cities of the district were 10% above August and 25% greater than a year earlier.

Ninth (Minneapolis) District

The Oct. 28 "Monthly Review" of the Federal Reserve Bank of Minneapolis has the following to say in part:

Business activity during September declined somewhat but continued near the high level reached in August. Retail trade in the district was 22% over a year ago in dollar amount. Member bank loans to customers were at the highest level since 1930. Deposits at member banks reached a new high of $1,275,000,000. Farm product prices advanced during September. Farmers' cash income from hogs was 75% greater than in September, 1940.

Tenth (Kansas City) District

The following regarding business conditions in the Tenth Federal Reserve District was reported in the Oct. 31 "Monthly Review" of the Kansas City Federal Reserve Bank:

Retail trade in September was nearly a fourth larger than last year although department store sales did not maintain this gain in the first half of October due probably to tax anticipation buying in September.

The rate of increase in most lines of production continues to accelerate. This is especially true in the case of flour, petroleum, and coal production, livestock slaughter—except hogs—and zinc and lead shipments. Construction continues very active.

Eleventh (Dallas) District

According to the Dallas Federal Reserve Bank, "acceleration of industrial output in this district is indicated by persistent increases in employment at manufacturing establishments, and the rising volume of payrolls, accompanied by increased cash farm income, has created unprecedented consumer demands for merchandise for the season." In its Nov. 1 "Monthly Business Review" the Bank also reports:

During September consumer purchases at department stores were at the highest level of record for that particular month, and the distribution of merchandise through wholesale channels continued at a rate about one-third higher than a year earlier. Construction work on national defense projects has been increased by the letting of a large volume of new contracts, and the output of defense goods is expanding. . . . The daily average rate of petroleum production showed little change from August to September, while refinery operations continued to expand. Consumption of cotton at Texas textile mills averaged one-fourth higher than in September, 1940. Growing crops as well as harvesting operations, were affected adversely by unfavorable weather in September and the first half of October, and prospective production of some important cash crops declined. Livestock and ranges continued in good to excellent condition.

Twelfth (San Francisco) District

Viewed over the first nine months of the year, a large expansion has taken place in Twelfth Federal Reserve District industrial production and employment, it is indicated in the Oct. 30 "Business Conditions" is-

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IBA Representatives And Others Discuss Proposed Securities Acts Amendments

During the hearings before the House Interstate and Foreign Commerce Committee on the proposals to amend the Securities laws, Representative Cole, (Democrat) of Maryland, a member of the Committee indicated (on Oct. 29), that he favored an increase in the number of members comprising the Securities and Exchange Commission. It was pointed out in Washington advices Oct. 29 to the New York "Herald Tribune" that the Investment Bankers Association, the National Association of Securities Dealers, Inc., the New York Stock Exchange and the New York Curb Exchange recommended that the number of members on the SEC should be increased from five to nine and their salaries should be raised to $15,000 annually. In addition, a term of office of ten years instead of four was proposed. Last July when the industry proposed this suggestion, the SEC objected, and its opposition, said the "Herald Tribune," was voiced again on Oct. 29 when Ganson Purcell, member of the SEC, asserted that the present membership of the Commission could handle all of the problems which come up.

Laurence M. Marks, of Laurence M. Marks & Co., member of the board of governors of the National Association of Securities Dealers, Inc., and Edward B. Twombly, of the law firm of Putney, Twombly & Hall, appeared before the Committee on Oct. 30, at which time, said the "Herald Tribune" in its advices from its Washington bureau, Mr. Twombly threw his support to a bill to amend the two securities acts, the trust indenture Act and the investment company Act of 1940, which was introduced last June by Representative James Wadsworth, Republican, of New York.

From the same advices we quote:

> Mr. Jones contended that the changes in the securities act of 1933 and the securities exchange act of 1934 would impede rather than facilitate the flow of capital at a time when the major problem of business is expanding production for defense.
>
> His views were questioned by a number of members of the committee. For example, Mr. Wadsworth asked the witness how the association could oppose these changes, inasmuch as a survey which he conducted indicated that some NAM members approved.
>
> Later Mr. Twombly offered for the records excerpts from letters supporting liberalization of the securities act to permit small business to finance its capital needs without the impediments which the securities laws place in their path.

On Oct. 31, Congress was asked to relax regulations relating to the sale of securities in order that "we may still do business" and yet give prospective purchasers full information. In making this request R. McLean Stewart, Chairman of the Securities Act Committee of the Investment Bankers Association told the House Committee that the industry and the SEC were in disagreement over such a revision. Noting this the Associated Press said:

> The Commission has favored a prohibition on all sales made on and after the effective date of a registration statement of the security unless a general prospectus has been given to the purchaser not less than 24 hours after the sales contract is made.
>
> Mr. Stewart said such a procedure would be a burden to the industry and recommended this proposal instead: During the first seven days of public offering of a security, no sale can be made unless such a prospectus is presented to the purchaser, or if not presented, one must be sent within one business day with a written confirmation of the sale and the absolute right to cancel the contract by noon of the next business day.
>
> "What we are trying to do here is to find means to still do business and still give the purchaser the information and full opportunity to read the prospectus before he parts with value," Mr. Stewart said.

Complaints by security dealers describing themselves as "little fellows" were made on Nov. 4 before the Committee, these dealers complaining of their inability to obtain new issues as readily as institutional buyers closer to Wall Street. They maintained that the Securities Act of 1933 and its administration by the Securities and Exchange Commission had meant that their customers could obtain only issues of lower quality. As to this the Associated Press said in part:

> Rush S. Dickson of Charlotte, N. C., member of the Investment Bankers Association, said that section 5 of the Act, which prohibits sending a customer throguh the mail anything of value for analyzing a security before its registration statement becomes effective, was "prohibiting us from getting any useful information into the hands of our customers until it is too late to be of value to them."
>
> Edward H. Hilliard of Louisville, member of the IBA, told the Committee that while he could discuss forthcoming issues with his larger customers in Louisville, he could not, before the effective date of registration, "afford to take the risk of mailing to a large list of individuals any information because this action puts the right of decision in the hands of any recipient who merely indicates a tentative interest in this offering."
>
> The securities industry has suggested that during the first seven days after the effective registration date a sale be allowed without a general prospectus provided one is sent to the customer immediately, with the customer having the right to cancel the sale within another business day.
>
> Representative Wadsworth, Republican, New York, inquired why brokers were prohibited from giving certain general information to their customers, while at the same time it was legal for newspapers to carry advertisements giving almost the same details. He termed it "a very curious practice for a government agency to indulge in."
>
> R. McLean Stewart, Chairman of the Securities Act Committee of the IBA, concluding the IBA's opening statement, told the Committee:
>
> "The proposals as to Section 5 which are being put forward as our proposals are certainly not relaxations of the statute designed to suit the convenience of underwriters and dealers at the expense of investors, as the Commission suggests in its report.
>
> "Far from it. For the most part, they represent almost pathetic willingness on the part of business to accept the Commission's point of view. But we could not go all the way along the road which the Commission wishes us to travel because to do so would, in our best judgment, make it virtually impossible to conduct business."
>
> Frayser Jones, spokesman for the National Association of Manufacturers, said he wanted to clarify a previous statement that the NAM thought "this might not be an appropriate time" to change the law.
>
> He said that some of the amendments represented "a backward step" but that he did not want to voice any opposition to proposals to simplify registration statements.

Soviet Russia Granted $1,000,000,000 Credit By U. S. Under Lend-Lease Act

The United States has arranged to grant Soviet Russia a loan of $1,000,000,000 under the Lend-Lease Act, according to an exchange of letters between President Roosevelt and Premier Josef Stalin made public by the State Department on Nov. 6.

The President's letter to Premier Stalin, dated Oct. 30, said that the loan will be used for the purpose of paying for military equipment, munition items and raw materials and proposed that the indebtedness incurred be subject to no interest charges, that payments on the loan begin five years after the end of the war and be completed over a ten-year period. Saying he had examined the record of the recent Moscow supply conference and discussed it with members of the American mission, Mr. Roosevelt sent assurances to Mr. Stalin that "we will carry out to the limit all the implications thereof." The $1,000,000,000 supply loan was made, the President said, "in an effort to obviate any financial difficulties." The President suggested that Russia make special efforts "to sell us the available raw materials and commodities which the United States may need urgently under the arrangements that the proceeds thereof be credited to the Soviet Government's account." These materials, the State Department said, would include magnesium ore, magnesite, potash, apatite, phosphate rock and asbestos.

In his reply, Mr. Stalin said the loan "is accepted with sincere gratitude by the Soviet Government as unusually substantial and in its difficult and great struggle against our common enemy, bloodthirsty Hitlerism." He also agreed to the conditions set for the loan and said the Soviet Union "stands ready" to supply the United States with available raw materials. The State Department made public as follows the correspondence between President Roosevelt and Premier Stalin, according to the Associated Press:

> The following is the paraphrase of a text of a letter addressed by the President under date of Oct. 30, 1941, to Mr. Joseph Stalin:
>
> "I have examined the record of the Moscow Conference and the members of the mission have discussed the details with me. All of the military equipment and munitions items have been approved and I have ordered that as far as possible the delivery of raw materials be expedited.
>
> "Deliveries have been directed to commence immediately and to be fulfilled in the largest possible amounts. In an effort to obviate any financial difficulties, immediate arrangements are to be made so that supplies up to $1,000,000,000 in value may be effected under the Lease-Lend Act.
>
> "If approved by the Government of the U. S. R. R., I propose that the indebtedness thus incurred be subject to no interest and that the payments by the Government of the U. S. S. R. do not commence until five years after the war's conclusion and be completed over a ten-year period thereafter.
>
> "I hope that special efforts will be arranged by your Government to sell us the available raw materials and commodities which the United States may need urgently under the arrangement that the proceeds therefore be credited to the Soviet Government's account.
>
> "At this opportunity I want to tell you of the appreciation of the United States Government for the expeditious handling by you and your associates of the Moscow Supply Conference and to send you assurances that we will carry out to the limit all the implications thereof. I hope that you will communicate with me directly without hesitation if you should so wish."
>
> The following is a paraphrase of the text of a letter by Mr. Joseph Stalin under date of Nov. 4, 1941, to the President of the United States:
>
> "The American Ambassador, Mr Steinhardt, through Mr. Vishinsky [Soviet Vice Commissar of Foreign Affairs], presented to me on Nov. 2, 1941, an aide memoire containing the contents of your message, the exact text of which I have not yet received.
>
> "First of all, I would like to express my sincere thanks for your appreciative remarks regarding the expeditious manner with which the Conference was handled. Your assurance that the decisions of the Conference will be carried out to the limit is deeply appreciated by the Soviet Government.
>
> "Your decision, Mr. President, to grant to the Soviet Union a loan in the amount of $1,000,000,000 subject to no interest charges and for the purpose of paying for armaments and raw materials for the Soviet Union is accepted with sincere gratitude by the Soviet Government as unusually substantial aid in its difficult and great struggle against our common enemy, bloodthirsty Hitlerism.
>
> "I agree completely, on behalf of the Government of the Soviet Union, with the conditions which you outlined for this loan to the Soviet Union—namely, that payments on the loan shall begin five years after the end of the war and shall be completed during the following ten-year period.
>
> "The Government of the U. S. S. R. stands ready to expedite in every possible way the supplying of available raw materials and goods required by the United States.
>
> "I am heartily in accord with your proposal, Mr. President, that we establish direct personal contact whenever circumstances warrant."

The agreement reached at the Moscow Conference was referred to in our issue of Oct. 9, page 527.

Other recent financial transactions with Russia included the U. S. Treasury advance of $30,000,000 in October against future Soviet gold shipments (a previous $10,000,000 advance against gold shipments having already been repaid) and the Reconstruction Finance Corporation contracting in September to buy $100,000,000 worth of strategic Russian materials, with advances up to $50,000,000 being made against the purchase price of the materials, to be used by Russia in paying for purchases in this country. These agreements were referred to in these columns Oct. 30, page 831, and Oct. 2, page 412, respectively.

Foreign Front

(Continued from page 1036)

British and allied merchant ships, but no confirmation is available under the rule of silence imposed at London. Canadian authorities made it known, last week, that German submarines are operating clear to the coastline of Newfoundland and even in Belle Isle Strait. This suggests an imposing Reich submarine total.

European Conference

Germany soon may move in a general European conference for an organization of that vast and populous area in the "New Order" of the Nazis. Rumors to this effect were prevalent in a number of European capitals this week, and also received adverse comment from Prime Minister Churchill. Although the British naturally are not interested in such a conference, it is hardly to be doubted that some of the conquered European peoples would welcome some effort to improve their terrible situation.

The most persistent reports of the impending conference emanated from the French capital of Vichy, with Vienna named as the probable meeting place of the arrogant Nazis and their subject peoples. Official Berlin, however, professed to know little of these plans, possibly because they depend upon prior subjugation of European Russia. There were no indications, meanwhile, of any improvement in the economic and political plight of occupied Europe. Vichy seems to be drawing closer to Berlin, which is hardly a matter of satisfaction. The German "crusade against Bolshevism" was commended last week by the aged Marshal Petain, as French recruits marched off to aid the Nazis in Russia.

Reserve Banks Report On Business

(Continued from page 1037)

sue of the Federal Reserve Bank of San Francisco. The review further says:

> Expansion, although still continuing, was less pronounced in August and the retarded rate of increase was somewhat more evident in September. In the field of construction, value of permits issued for private residential building decreased in September for the second successive month, although some seasonal expansion is customary at this time of year, and the value of non-residential building was also lower. . . . Retail trade was somewhat less active than in the preceding month, seasonal influences considered, but the decline was from an unusually high level.
>
> While activity in local defense industries, centering principally about aircraft production and shipbuilding, expanded further in September, and output in other major district industries was generally well maintained, there was some evidence in September and early October that operations and employment in a number of smaller plants using metals but manufacturing products not essential to defense had been curtailed because of lack of materials.

Curb Seat Retirements

Arrangements have been made by the New York Curb Exchange to purchase and retire the membership of J. C. Richter and Victor A. Romagna, deceased. These will be the thirteenth and fourteenth seats to be retired under the plan adopted by vote of the membership on July 29. Present market for seats is $1,000, bid by the Exchange, offered at $2,500.

Germany Refuses To Consider Compensation To U. S. For Sinking of Robin Moor

The German Government, it was made known on Nov. 3, has decided to withhold consideration of the United States' demand for $2,967,092 in full settlement for the losses and damages sustained as a result of the sinking of the American vessel, Robin Moor, by a German submarine on May 21 in the South Atlantic ocean. This was disclosed on Nov. 3 by Secretary of State Hull, who made public an exchange of correspondence with Hans Thomsen, German Charge d'Affaires at Washington. It was also revealed that a copy of President Roosevelt's message to Congress on the sinking, transmitted on June 20, was sent to the German Embassy "for the information of the German Government," but that Mr. Thomsen did not find himself in a position to pass it on to his Government.

Secretary Hull's note to Mr. Thomsen regarding reparations follows:

Sept. 19 1941.

Sir:

Reference is made to the Department's communication of June 20, 1941, with which there was transmitted, by direction of the President of the United States, a copy of a message addressed on that date by the President to the Congress of the United States in which it was stated that the German Government would be expected to make full reparation of the losses and damages sustained by American nationals as a consequence of the unlawful sinking of the American vessel, Robin Moor, by a German submarine on May 21, 1941, in the South Atlantic Ocean.

I now have to inform you that after an investigation undertaken for the purpose of ascertaining the extent of the losses and damages sustained, and with a view to effecting a prompt liquidation of the matter, the Government of the United States is prepared to accept, for appropriate distribution by it, the lump sum of $2,967,092, currency of the United States, in satisfaction and full settlement of all claims of the United States and its nationals against the German Government for losses and damages sustained as a consequence of the sinking, subject, however to the condition that payment of that sum by the German Government be effected at Washington within 90 days from this date.

While the sum mentioned includes an amount representing the value of property of this Government which was on board the vessel, no item of punitive damage is included.

Accept, sir, the renewed assurances of my high consideration. CORDELL HULL.

Herr Hans Thomsen,
Charge d'Affaires ad Interim of Germany.

The German Embassy acknowledged the note on Sept. 19 and said that it had been transmitted to the German Government. On Sept. 26, Mr. Thomsen sent the following note to Mr. Hull:

Washington, D. C.,
Sept. 26, 1941.

Mr. Secretary of State:

On the 19th day of this month you sent me a new note with reference to your communication of June 20 of this year concerning the American steamer "Robin Moor." I have the honor to reply to your herewith that the two communications made are not such as to lead to an appropriate reply by my Government. In this regard I refer to my note of June 25 (June 24) of this year.

Accept, Mr. Secretary of State, the renewed assurances of my most distinguished consideration. THOMSEN.

His Excellency,
Cordell Hull, Secretary of State of the United States.
Washington, D. C.

The President's message on the sinking of the Robin Moor was given in our issue of June 21, page 3899, while the sinking was reported in these columns June 14, page 3737.

Instalment Credit Regulations Amended By Federal Reserve Board—Effective Dec. 1

The Board of Governors of the Federal Reserve System announced on Oct. 27 that it has adopted, effective Dec. 1, 1941, several amendments to Regulation W, dealing with instalment credit. The amendments are mainly of an administrative and technical nature, according to the Board's announcement, which further states:

The amendments include adoption of the so-called "purpose test," requiring a borrower on an instalment loan, after Jan. 1, 1942, to sign a statement as to the purpose of the loan; exempting business instalment loans from the Regulation, as well as loans to purchase or construct an entire building, and making the 18-month maximum maturity apply to all instalment loans of $1,500 or less, instead of $1,000 or less, as previously provided. In addition, more liberal provisions have been adopted to facilitate repayment of instalment loans by farmers in accordance with the seasonal nature of their income. Also, in the case of so-called "add-ons," options are provided—either the additional credit may be treated separately, or the combined credit may be paid in 15 months, the monthly payments to be not less than they would have been without the add-on.

As amended, the Regulation closes the loophole whereby, although dealers in listed articles were required to obtain down payments, cash lenders were free to lend the full price unless the article was given as security for the loan.

Other provisions are as follows:

All instalment loans of $1,500 or less which are not for the purpose of purchasing a listed article are made subject to the 18-month maturity limit (except modernization loans, where the figure remains $1,000).

Down payments of $2 or less will no longer be required; and the $5 minimum on monthly instalments (which was to become effective Jan. 1, 1942) is eliminated.

The extension of an instalment loan which is for the purpose of making a down payment on a listed article is prohibited.

All business loans are exempted from the Regulation unless they are for the purpose of purchasing listed articles.

The provision covering instalment credit for farmers permits any schedule of payments, if the down payment and maturity requirements of the Regulation are complied with, and if one-half of the balance is paid within the first half of the maximum maturity.

These amendments, says the Board, are effective Dec. 1, 1941, and the provisions of the Regulation which were to have become effective on Nov. 1 are postponed to Dec. 1.

Air Associates Plant In Bendix Seized After Mediation Board Efforts Fail

The month long tie-up at the Bendix, New Jersey, plant of Air Associates, Inc. was terminated Oct. 31, when the War Department, acting under orders of President Roosevelt, took over the plant. It was the third plant seized by the government during the present emergency; the first instance was the seizure by the Army on June 9 of the North American Aviation plant at Inglewood, California, and the second was the taking over by the Navy on Aug. 23 of the Federal Shipbuilding & Drydock Yards at Kearny, New Jersey.

It had seemed a few days previous that this action might be avoided in the case of Air Associates, for on Oct. 24 it was announced that parties to the controversy had agreed to accept recommendations of the National Defense Mediation Board. However, the strikers refused on Oct. 27 to resume production, holding that the company was invalidating seniority rights, placing men in wrong jobs and otherwise violating both the letter and the spirit of the agreement.

President Roosevelt stepped into the situation Oct. 30 after there had been two clashes between strikers and non-union employees when efforts were made to put the former back to work. The strikers were injured by the men working in the plant and two interruptions of production took place. Word was sent by the union to its men working in other plants in the metropolitan area to quit their jobs and go to Bendix to take part in a huge demonstration there Oct. 31. When the President heard of these events he ordered troops to take over the plant.

Following is a statement issued by President Roosevelt Oct. 30 in explanation of his action:

Continuous production in the Bendix, N. J., plant of Air Associates, Inc., is essential to national defense. It is engaged in manufacturing for the United States, and its contractors, military aircraft parts and accessories vital to the defense of the nation.

Production in this plant is now seriously impaired because of a labor dispute, and cessation of work is imminent. In July a strike was called at the Bendix plant by the United Automobile Workers of America, which had been certified by the National Labor Relations Board as the sole collective bargaining agency. Unsuccessful efforts at conciliation were made by the conciliation service of the Department of Labor and the New Jersey State Board of Mediation and the Labor Division of the Office of Production Management. On July 17, 1941, the Secretary of Labor certified the dispute to the National Defense Mediation Board.

The Board was successful in arranging a resumption of production pending consideration of the many issues in the controversy. Negotiations between the parties proceeded through August and September without tangible results. On Sept. 30, 1941, another strike was called and the board immediately scheduled another hearing. The board made extensive efforts to arrange for a termination of the strike but the company refused to agree to take the strikers back to their former jobs.

On Oct. 9, 1941, the board again issued a formal recommendation calling for immediate termination of the strike and calling for the company immediately to return all strikers to their former jobs.

The union accepted these recommendations, but, despite all attempts by the board, the Office of Production Management and the War Department, the company has failed to carry out its part of the recommendations.

As a result of this failure on the part of the company, production of this plant is gravely jeopardized.

Therefore, as President and Commander in Chief of the armed forces of the United States, I have directed that the Secretary of War should immediately take possession of and operate the plant and remain in charge and continue to operate the plant as long as may be required in the interest of national defense.

Our country is in serious danger. The products of this plant play an indispensable part in defense. I call upon all workers in this plant to cooperate with the War Department in insuring an immediate resumption of maximum production.

Petroleum And Its Products

(Continued from page 1031)

taining their automobile trade since aviation needs will materially cut available supplies.

"I would not be surprised to see considerable change in lubricating oil specifications," he ventured, "at least for the duration of the emergency. Before we get much further along, it probably will be found that lubricating oils will have to last longer than they did a year ago. Serious reconsideration of the 1,000-mile lubricating program may be desirable."

An increase of ½ cent a gallon, sought in gasoline prices by Standard Oil Co. of Kentucky, this week was approved by the Office of Price Administration which held that the company is strictly a marketing company and has been absorbing increased refinery costs which had been passed along to it. The OPA approval ruled that the price increase is justified and may be made if the company agrees to reduce the price if, at any time in the future, its refinery or transportation costs should be reduced.

Reassurance that the return of the American tankers loaned to Great Britain has ended any danger of a shortage of oil transportation facilities on the East Coast was given this week in a letter from Admiral Emory S Land, Chairman of the Maritime Commission, to the Hart subcommittee of the House Merchant Marine Committee. In reporting that the 40 tankers returned should be in the hands of their American owners by the end of November, Admiral Land disclosed that the Maritime Commission is working with the Petroleum Coordinator to see that the tankers were used to serve defense and essential commercial needs of the United States, Britain, Russia and Latin America.

A Tuesday holiday, for the second consecutive week, resulted in the delay of the release of the refinery figures of the American Petroleum Institute for the week ended Nov. 8. Figures for the week ended Nov. 1, delayed because of the Election Day holiday, showed a contra-seasonal contraction of gasoline stocks, which dipped 120,000 barrels to 83,223,000 barrels of finished, unfinished and aviation motor fuel. East Coast stocks were off 327,000 barrels, indicating accumulation of inventories in other sections of the Nation.

The decline was in the face of a fractional gain in refinery operations which were up 0.4 of a point to 94.6% of capacity. Daily average runs of crude oil to stills rose 20,000 barrels to 4,080,000 barrels but production of gasoline during the week was off 182,000 barrels at 13,504,000 barrels. Inventories of residual fuel oil showed a seasonal gain of 1,232,000 barrels at 96,527,000 barrels, with stocks of gas oil and distillate gaining 583,000 to 53,766,000 barrels.

Representative price changes follow:

Nov. 5—Standard Oil of Kentucky advanced gasoline prices ½ cent a gallon with the approval of the Office of Price Administration.

U. S. Gasoline (Above 65 Octane), Tank Car Lots, F. O. B. Refinery

New York—	
Socony-Vac.	$.085
Tide Water Oil	.09
Texas	.085
y Shell Eastern	.085
Other Cities—	
Chicago	.06-.06⅜
Gulf Coast	.06-.06
Oklahoma	.06-.06⅜

y Super.

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

New York (Bayonne)	$.055
Baltimore	.0525
Philadelphia	.0525
North Texas	.04
New Orleans	.05⅜-.06
Tulsa	.04⅜-.04¾

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

N. Y. (Harbor) Bunker C	$1.35
Diesel	2.00
Savannah, Bunker C	1.30
Philadelphia, Bunker C	1.35
Gulf Coast	$.85-.90
Halifax	1.60

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

N. Y. (Bayonne) 7 plus	$.04
Chicago, 28.30 D	.053
Tulsa	.03⅛-.03

OPM Tightens Control Of Cotton Linters

Further restrictions on the processing and distribution of cotton linters were announced on Nov. 4 by the Office of Production Management Priorities Division. In amendments to the Aug. 20 preference order covering cotton linters, it is stipulated that no deliveries of second-cut cotton linters may be made, save to plants engaged in the chemical industry in the United States, its territories and possessions, and the Philippine Islands, and the amended order restricts their use to the production of purified cotton linter pulp.

Placing of cotton linters under priority control was indicated in these columns Aug. 23, page 1073. Cotton linters are needed for the manufacture of smokeless powder and plastics.

Firm Penalized For Violation Of Priority

The Government's first order penalizing a firm for the alleged diversion of critical materials for non-defense work was issued on Oct. 16 by Donald M. Nelson, Priorities Director of the Office of Production Management. From Washington Oct. 16 the United Press reported:

Mr. Nelson's action bars the company from buying aluminum, now under Government rationing, or from filling any orders for aluminum products other than defense contracts entered into before Oct. 1. The order prohibits further delivery of aluminum to or from the company.

Similar orders are contemplated against other firms found to be violating priorities regulations, Mr. Nelson said.

The company employs about 250 men. In addition to its aluminum operations, it also fabricates brass and zinc products which are not affected by the order. About 60% of the company's business is in aluminum, however.

Mr. Nelson explained that he signed the order after an exhaustive investigation. The major charge against the company was that in July it allegedly shipped 41,449 pounds of aluminum products in direct violation of priorities orders.

The War And Marine Insurance

Insurance companies in the United States, benefitting from lessons of World War I and observing Government insurance organizations set up in Europe, were ready for the present war even before it started. The American Cargo War Risk Reinsurance Exchange was in full operation when Germany invaded Poland in August, 1939. Almost every domestic insurance company, writing ocean cargo insurance, participates in this Exchange and, through it, every war-risk policy, issued by any member company, is back by the resources of all other members. The Nation's shippers thus obtain standard rates, standard policy conditions and ample financial resources behind their insurance. For marine underwriters, the first two years of war have proved highly difficult.

The year 1941 got under way with fighting in Libya and Ethiopia. Hostilities broadened through the Balkans, swept through Greece and Crete. Now Russia fights Germany on a 3,000-mile front. Of course, foreign trade between the Mediterranean area and the United States came to a standstill. Imports from Turkey were routed via Suez and Cape of Good Hope instead of via Gibraltar, which added expense of canal tolls and higher freight rates for the longer voyage. Such voyages cross the Equator twice, making special precautions necessary for cargo protection in the ship's hold. Duration of the trips is two or three times as long on such voyages as it would be in peace time. It is now past history that underwriters suffered heavy losses on tobacco shipped from Mediterranean ports via Suez and the Cape. Marine insurance rates went up on such voyages.

Our Neutrality Act prohibited American ships from traveling to the War Zone as defined by the President. At first they were excluded from the waters of Great Britain and Ireland, France, Holland, Belgium, Germany, Norway south of Bergen, and the Baltic Sea. These restrictions naturally were disturbing to certain American steamship lines which had built up a substantial trade with those countries. The merchant vessels of Germany were withdrawn from trade immediately upon declaration of war. British and French ships were commandeered by their respective governments for national service, leaving only neutral fleets to carry on. These circumstances contributed to a great shortage of tonnage. Old vessels, which had been laid up for years, were pressed into service. This redistribution of tonnage required close observation by underwriters and higher rates when inferior ships were involved. Fast loading of steamers with the probability of improper stowage, and hasty unloading, tend to increase losses, with inevitable increase in marine insurance rates.

Shortage of materials cause voyages over routes which would not be used in time of peace. Shortage of ships brings out vessels unsuited to the run and commodity carried. Every time the international situation shifts, these shipping problems change also. Each of these circumstances is echoed by fluctuating freight rates, changing commodity quotations and usually by a new set of marine insurance rates.

Before this article appears in print, new circumstances may have arisen. A ship sailing now for the Far East usually will not complete her run for seven or eight weeks. Marine insurance rates which apply today may be distinctly out-of-date by the time she arrives.

Ocean **Cargo** insurance rates are increased when ships, instead of utilizing regular routes, radio, weather reports, lighthouses and other navigation aids, run zig-zag in convoy, close to others, with lights out and radio silent. These handicaps, together with darkness, fog and storm, are highly conducive to collissions. At belligerent ports, moreover, storage and warehousing of cargo are impeded by blackout or air raid and frequently disrupted by heavy port traffic. If such increased hazards were not contemplated in the basic marine rate for cargo insurance, the war-zone surcharge put into effect, and increased last spring, may prove insufficient.

Ocean **War Risk** insurance rates are sensitive day by day to the world political picture. Broadly speaking, war-risk insurance applies only when the cargo is on board the overseas vessel, although a new phase developed last July, following the Japanese Government's recall of its flag steamers, preventing their sailings with goods to the United States. This action probably tied up millions of dollars worth of merchandise owned by American interests. In an endeavor to relieve this situation, marine underwriters deviated somewhat from the fixed restriction of war risk coverage only while afloat, and offered limited protection to bona fide American interests.

For American owned cargo on which war risk insurance has heretofore attached, but which cargo, due to recent acts of the Japanese Government, is now afloat or on shore at a port of transhipment in Japan or Japanese controlled territories, it is at present possible to secure insurance against physical damage for fixed periods of time. This includes damage or destruction by named perils, such as bombs, gunfire or torpedoes, but excludes capture, seizure, arrests, restraint, etc.

Cotton Insulation

The Department of Agriculture announced on Nov. 1 the 1941-42 Cotton Insulation Program under which up to 12,000,000 pounds or about 27,600 bales of cotton, card strips and comber waste may be utilized in the manufacture of cotton insulation. Card strips and comber waste, said the Department, are mostly short fibers removed as waste in the manufacture of cotton yarn. The program is similar to cotton insulation programs operated by the Surplus Marketing Administration in 1939-40 and 1940-41 and seeks to encourage new uses for cotton grown in the United States. Details were given by the Department as follows:

> Under the 1941-42 program, Federal payments at the rate of 9 cents per pound will be made through SMA to holders of approved applications who manufacture and sell insulation made of cotton, card strips, or comber waste. The insulation must be manufactured or sold not later than June 30, 1942. Payments made to manufacturers will cover the cotton as it is impregnated for resistance to fire, but will not include backing material and metal fasteners.

Department officials say that if cotton insulation can be successfully introduced to 10% of its potential markets, there will exist a new and non-textile domestic market annually for about 750,000 bales of cotton.

As an insulation material for use in the construction of homes and buildings, the product is in growing demand as it combines the advantages of low installation cost, non-hazardous application, and insulating qualities comparable to the best of other materials.

James Speyer Formerly Head Of Speyer & Co. And Prominent Financial Figure Is Dead

James Speyer, retired financier and philanthropist, who was for many years prominent in New York banking circles, died on Oct. 31 at his home in New York City; he was 80 years of age. Before his retirement on June 30, 1939, Mr. Speyer had been senior partner of his family's international banking firm, Speyer & Co., for 40 years.

Mr. Speyer, a descendant of a long line of Frankfort on the Main (Germany) bankers who have been prominent since the Seventeenth Century, was born in New York City on July 22, 1861, the eldest son of Gustavus and Sophie (Rubino) Speyer. When he was three years old, his parents took him to Frankfort where he received his education. Mr. Speyer obtained his early business training in London and Paris banking houses and in 1885 he returned to New York City to become a partner in his family's New York banking firm, Speyer & Co. The firm was established in 1837 by his uncle, Philip Speyer, and was discontinued in 1939 when Mr. Speyer retired from active business. He had been its senior partner since 1899.

Mr. Speyer became interested in civic affairs shortly after his arrival in New York and served on various committees and boards before the turn of the century. He had always been independent in politics.

Always showing a keen interest in charitable and educational undertakings, Mr. Speyer's active participation and financial contributions (given anonymously) were instrumental in bringing about the erection of five buildings in New York City devoted to educational and philanthropic purposes. They are: University Settlement Society (founded 1886; Settlement House—184 Eldridge Street—erected 1896); Provident Loan Society of New York (founded 1894; its main office, 346 Fourth Ave., was erected 1909); Speyer School, 514 West 126th St., presented by Mr. and Mrs. Speyer to Teachers College, Columbia University; Ellin Prince Speyer Hospital for Animals, 350 Lafayette St., founded 1910 by Mrs. James Speyer), and Museum of the City of New York (founded 1929; Museum building on Fifth Ave. between 103rd and 104th Streets erected 1929).

Mr. Speyer was active in the United Hospital Fund of New York and the Salvation Army for many years. He also was a founded of the American Museum of Safety,(the Economic Club of New York and the National Academy Association.

Mr. Speyer was a Trustee of Mount Sinai Hospital from 1902-1935, when he was elected an Honorary Trustee.

Mr. Speyer was a Vice-President, and the third oldest member of the Chamber of Commerce of the State of New York in years of affiliation, having been elected on June 4, 1891. He was made a member of the organization's Half Century Club at the June 5 monthly meeting this year. On that occasion, President Percy H. Johnston paid the following tribute to him:

> It is given to but few men to have won so high an esteem and affection from their fellow men and to have lived so humanitarian a life. His name has been associated with so many enterprises for making the world a better and happier place in which to live that we shall always remember him as a patron of humanity—a man we were all proud to call our friend.

Mr. Speyer served on many important committees of the Chamber and was twice elected a Vice-President for four-year terms. He had been a member of the Board of Trustees of the Real Estate of the Chamber since 1933.

President Johnston appointed the following committee to represent the Chamber at the funeral services held for Mr. Speyer at his Fifth Avenue home on Nov. 3:

> Mr. Johnston, Vice-Presidents Leroy A. Lincoln, Franklin D. Mooney, John M. Davis, Jeremiah Milbank, William J. Graham, Lewis E. Pierson, John D. Rockefeller, Jr., J. Stewart Baker, Frederick E. Hasler, Sydney G. McAllister and John M. Schiff; H. Boardman Spalding, Chairman of the Executive Committee, and Charles T. Gwynne, Executive Vice-President.

Dr. Jonah B. Wise, rabbi of Central Synagogue, and the Rev. Charles W. Baldwin, rector of St. Mary's Episcopal Church of Scarborough-on-Hudson, N. Y., were the officiating clergymen, said the New York "Times," which also stated:

> Relatives of Mr. Speyer who were present were Herbert Beit von Speyer, his nephew, and Mrs. von Speyer; Mrs. Edgar Speyer, his sister-in-law, and John Dyneley Prince, a nephew of Mr. Speyer's wife, the late Mrs. Ellin Prince Speyer, and Mrs. Prince.
>
> Bankers and others prominent in philanthropic and educational spheres were among the large number who attended the services.
>
> During and after the World War Mr. Speyer took an active part in both military and humanitarian undertakings. He also was active from the beginning in the movement to repeal the Prohibition Amendment.

During the last few years, Mr. Speyer gradually resigned his directorates on the boards of banks, trust companies, etc. However, he continued his connection with the public-spirited undertakings in which he was interested, viz., Provident Loan Society of New York (Mr. Speyer was the Honorary President and had been a Trustee since its founding in 1894); Chamber of Commerce of the State of New York; New York World's Fair 1939 (an incorporator and member of Finance and Executive Committee but resigned in 1940); Hundred Year Association of New York (member of Board of Governors; Speyer & Co. was elected to membership in 1937; Citizens Budget Commission; Greenwich Village Historical Society and Federal Memorial Hall Museum.

Mr. Speyer's retirement from active business and the discontinuance of Speyer & Co., was reported in these columns June 17, 1939, page 3630, at which time a sketch of the career of the banking firm was given.

Manager Ind. Bureau

Announcement was made Nov. 2 by the Commerce and Industry Association of New York, Inc., of the appointment of Wadsworth W. Mount, who for the last 3½ years has been the Association's Assistant Director of Research, to the position of Manager of the Association's Industrial Bureau, succeeding R. V. Rickcord. Mr. Rickcord retired as Industrial Manager on Oct. 31, to take the position of Director of Industrial Relations for a large St. Louis manufacturer of ammunitions.

Mr. Mount, it is said, has had a broad experience in financial and accounting work, and business management in the operation of a manufacturing business. He was formerly President and Treasurer of Mount & Robertson, Inc., manufacturers of fine woodwork, partitions and brokers' stock boards, with factories in Brooklyn and New Jersey.

Lumber Movement Week Ended Nov. 1, 1941

Lumber production during the week ended Nov. 1, 1941, was 5% less than the previous week; shipments were 2% greater; new business 3% greater, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 8% above production; new orders 5% below production. Compared with the corresponding week of 1940 production was 13% greater, shipments 1% less, and new business 7% less. The industry stood at 120% of the average of production in the corresponding week of 1935-39 and 134% of average 1935-39 shipments in the same week.

Year-to-Date Comparisons

Reported production for the 44 weeks of 1941 to date was 13% above corresponding weeks of 1940; shipments were 13% above the shipments, and new orders 8% above the orders of the 1940 period. For the 44 weeks of 1941 to date, new business was 5% above production, and shipments were 6% above production.

Supply and Demand Comparisons

That ratio of unfilled orders to gross stocks was 33% on Nov. 1, 1941, compared with 32% a year ago. Unfilled orders were 10% less than a year ago; gross stocks were 13 less.

Softwoods and Hardwoods

Record for the current week ended Nov. 1, 1941, for the corresponding week a year ago, and for the previous week, follows in thousand board feet:

Softwoods and Hardwoods

	1941 Week	1940 Week	1941 Previous Week (Rev.)
Mills	455	455	478
Production	252,715	224,627	267,116
Shipments	274,169	277,971	268,537
Orders	240,361	258,051	233,482

	Softwoods 1941 Week		Hardwoods 1941 Week	
Mills	378		89	
Product.	242,730	—100%	9,985	—100%
Shipments	262,631	108	11,538	116
Orders	227,213	94	13,048	131

Dutch Bond Payment

The Royal Netherlands Legation at Washington announced on Nov. 3 that arrangements have been completed for the payment in United States dollars of coupons which matured subsequent to May 15, 1940, from bonds of the Kingdom of The Netherlands, with respect to such bonds as have previously been registered with a consular official of The Netherlands. Individual holders are being advised by letter that they should present their bonds through their bankers to J. P. Morgan & Co. Incorporated, New York City, accompanied by the certificate of registration, on or after Nov. 3, 1941. According to an announcement issued by the Netherlands Information Bureau, the Royal Netherlands Government has always been anxious to resume, with as little delay as possible, the interest service of that portion of the national debt which is indisputably free of enemy control, but the necessary investigation to insure this consumed considerable time.

The Royal Netherlands Legation on Nov. 9 issued the following statement:

> The Royal Netherlands Government, exercising its functions in London, has issued a decree providing, upon certain conditions, for the registration of bond certificates of Netherlands East Indian loans and payment of interest coupons appertaining thereto. Facilities for registration will be available until Jan. 1, 1942, and owners of these bonds, residing in continental United States of America, are advised to contact the Netherlands Consulates General in either New York, Chicago or San Francisco.