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On The Foreign Front

European Stock Markets

Generally firm conditions continued to prevail on leading European stock markets, during sessions of recent days. A little uncertainty appeared at times on the London Stock Exchange, owing to strike developments in the United States and fears of Japanese involvement in the spreading European war. Other European markets also were irregular on occasion, but the undertone was firm.

The sharp contrast between the London and New York markets gains additional emphasis, with each day of advancing levels in Great Britain and declining prices in the United States. Only government policy can account for that difference, which deserves the most studious consideration.

Some good gains were recorded toward the end of last week, on the London Stock Exchange, owing to the changes effected in the American neutrality legislation. As business was resumed, this week, gilt-edged and industrial issues alike reflected modest inquiry. The market became more spotty in mid-week periods, but strong spots still were in evidence.

Some of the Continental markets reflected the difficulties and dangers of the war situation, but any recessions were in local bonds and stocks. Amsterdam reports suggest continued good inquiry for securities of companies domiciled externally. Inflation fears are reported occasioning demand for many equities on various European markets.

Washington and Tokio

Every diplomatic and military development bearing upon the Far East continued to reflect, in the last few days, the gathering tension between Washington and Tokio, where decisions now are being made which spell the difference between war and peace in the Pacific. That the Japanese are prepared at any cost to continue their policy of aggression in Eastern Asia is now inescapably clear. The Administration in Washington, it is equally plain, intends to counter any fresh Japanese military move.

Officials on both sides are fully aware of the dreadful implications of the situation and are marching on with open eyes. In this circumstance rests the best chance for avoidance of Japanese-American warfare. Matters are far beyond the point, however, where bluffing can be of any avail, and various recent measures can only be regarded as preparation for a clash.

President Roosevelt last Friday announced that all United States

marines are being withdrawn from China. This, of course, might be interpreted as the beginning of the end of extraterritoriality in China, but other circumstances plainly would be more suitable for such a move. That the question of war or peace was in the President's mind was generally conceded in Washington, where it was pointed out that the 970 marines might be seized as hostages in the event of hostilities. But the Yangtze gunboat patrol will continue, and the State Department confirmed that all diplomatic and consular agents will remain in China, for the time being.

This sign of increasing tension was matched in the Far East, in various spheres. The Japanese Diet heard declarations of Japanese policy which are uncompromising, and voted immense sums to the military forces. Preparations were rushed in Thailand and Burma for resisting

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FROM WASHINGTON AHEAD OF THE NEWS

In the pageantry of Washington, the indications are that there will be less emphasis on Administration "war moves" the next few weeks and more on the United States "assuming the world leadership" after the war is over. It is essential in keeping up with Washington that one should always separate the pageantry from actuality. Amazing phenomena come up. For example, one day the chant is

that we are going "all out," and the announcement gets startling headlines in the newspapers and the bureaucrats spread out over the country fan-like to make speeches, in most instances for a fee, that the country must go "all out" and their auditors go home and repeat that the thing the country needs is to go "all out," when not one person who has uttered the phrase knows anything about what is meant. Donald Nelson's conception of going "all out" is to spend three and a half billion dollars a month. That would certainly constitute going "all out" for something, probably national suicide.

Then, it will be decreed that the "country must suffer" and out will go the speakers telling their audiences that the "country must

suffer." This is really one of the most interesting studies of the Brain Trusters that can be made. Apparently the psychiatrists or psychologists in their midst have concluded that the way to turn the thinking molecules of the mass mind away from the sufferings of some 10 years, is to insist that we must suffer some more. Surely, there has been plenty of suffering in this country since the great collapse of 1929. The records are that suicides have greatly increased. The New Dealers, being the tremendous students that they are, presumably think that the world exists only in the state of mind. Nothing is actual; it is only what one thinks in his mind. Therefore, to those millions who were unemployed; those employers who got high blood pressure trying to figure out how to meet payrolls; those millions of the middle class who got squeezed in the class war between the so-called "lower one-third" and the upper stratum—the thing to do is to tell them that they must suffer so they will forget that suffering is what they have been doing for a decade.

It is in connection with the pageantry of Washington that the fight for the virtual repeal of the Neutrality Act was made. The situation is not to be in the slightest degree different from what it

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THE FINANCIAL SITUATION

For a long while past, indeed ever since they were first established in Washington, the New Deal in general and the President in particular have, as regards labor relations, been sowing the wind, and both, the President in particular, are now faced by the task of controlling or taming, if not reaping, the whirlwind. At bottom the situation is not really greatly different from literally dozens of other conflicts which have quite unnecessarily raised their ugly heads during recent months, but the current stoppage strikes rather more directly at a vital spot in our defense effort than many of the others, and meanwhile large sections of the public have become sick unto death with the endless eruptions of labor unions and with the nature of most of the conflicts. Congress, apparently, is particularly disgusted with the wincing and relenting and refraining of the Administration whenever it must deal with its rebellious devotees in the ranks of organized labor, and in this it without question reflects what it hears from "back home." It has become difficult, it may be becoming rapidly impossible, for the President to obtain what he wants from Capitol Hill unless and until he deals more effectively with the current labor problem, at least as far as it has a direct bearing upon the armament program. The President and John L. Lewis, as is well-known, have long been at sword's points, a fact which, no matter what may be said by officialdom, disposes the President to take up the cudgels against labor leadership more willingly in this case than in some of the others which have preceded it.

So it comes about that the President has in public utterance at least taken a stronger stand than upon similar occasions in the past, and has, it would appear, although by no means certainly, reversed, or partially reversed, the position of the Administration concerning the question of the so-called closed shop. And so it is likewise that we hear more and more about plans for drastic legislative curbs upon the unions. There are apparently many observers, among them no small number who must be set

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"Words Like Weeds . . ."

I tell you frankly that the Government of the United States will not order, nor will Congress pass legislation ordering, a so-called closed shop.

It is true that by agreement between employers and employees in many plants of various industries the closed shop is now in operation. This is a result of the legal collective bargaining, and not of Government compulsion on employers or employees. It is also true that 95% or more of the employees in these particular mines belong to the United Mine Workers Union.

The Government will never compel this 5% to join the union by a Government decree. That would be too much like the Hitler methods toward labor.—The President to the captive mine conferees.

A former British Poet Laureate once said that "words like weeds half reveal and half conceal the truth within."

The President has always been a consummate artist in making words perform this doubtful purpose.

His art is well exemplified in parts of his statement to the captive mine conferees.

Neither the Government nor Congress will "order" a closed shop. He will never oblige by "Government decree" a small minority of miners to join the union.

At the same time he still seems to approve the same result when it comes without "government order" or "government decree."

His wits seem to wander a little, or his memory fails him, however, when he says that closed shops now existing have come through "legal collective bargaining," and not through "government compulsion on employers or employees."

It seems to us quite clear that, if we forget technicalities and confine ourselves to the substance of the facts, there has been a great deal of "government compulsion" on both employers and individual employees which has inevitably led and is inevitably leading to the closed shop in Americans industry.

The difference between "orders" and "decrees" and this type of compulsion is not quite that between twiddle-dee and twiddle-dum, but it is not very great.

Binders For The Convenience Of Our Subscribers

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

**Lumber Movement
Week Ended Nov. 8, 1941**

Lumber production during the week ended Nov. 8, 1941, was 5% less than the previous week; shipments were 17% less; new business 13% less, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 5% below production; new orders 12% below production. Compared with the corresponding week of 1940 production was 11% greater, shipments 10% less, and new business 9% less. The industry stood at 126% of the average of production in the corresponding week of 1935-39 and 133% of average 1935-39 shipments in the same week.

Year-to-date Comparisons

Reported production for the 45 weeks of 1941 to date was 12% above corresponding weeks of 1940; shipments were 12% above the shipments, and new orders 8% above the orders of the 1940 period. For the 45 weeks of 1941 to date, new business was 4% above production, and shipments were 5% above production.

Supply and Demand Comparisons

The ratio of unfilled orders to gross stocks was 32% on Nov. 8, 1941, compared with 32% a year ago. Unfilled orders were 11% less than a year ago; gross stocks were 11% less.

Softwoods and Hardwoods

Record for the current week ended Nov. 8, 1941, for the corresponding week a year ago, and for the previous week, follows in thousand board feet:

Softwoods and Hardwoods			
	1941		1940
	Week	Week	(Rev.)
Mills	448	448	469
Production	244,898	220,931	256,571
Shipments	231,781	258,709	280,761
Orders	215,059	235,215	245,858
Softwoods			
Mills	369	369	392
Production	235,338	100%	9,580
Shipments	220,745	94	11,036
Orders	203,416	86	11,643
Hardwoods			
Mills	79	79	77
Production	9,540	100%	100%
Shipments	11,036	94	115
Orders	11,643	86	122

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Nov. 17 a summary for the week ended Nov. 8, 1941, of complete figures showing the volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures, which are based upon reports filed with the Commission by the odd-lot dealers and specialists, are given below:

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE		Total for Week
Week Ended Nov. 8, 1941—		
Odd-lot Sales by Dealers:		
(Customers' Purchases)		
Number of orders	14,423	
Number of shares	381,968	
Dollar value	14,301,104	
Odd-lot Purchases by Dealers:		
(Customers' Sales)		
Number of Orders:		
Customers' short sales	219	
Customers' other sales a	16,180	
Customers' total sales	16,399	
Number of Shares:		
Customers' short sales	4,678	
Customers' other sales a	414,982	
Customers' total sales	419,660	
Dollar value	12,234,432	
Round-lot Sales by Dealers:		
Number of Shares:		
Short sales	430	
Other sales b	132,790	
Total sales	133,220	
Round-lot Purchases by Dealers:		
Number of Shares	93,320	

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

Editorial—

Russian Loan Terms

There are some exceedingly curious aspects of the lend-lease loan of \$1,000,000,000 to the Russian Soviet Government, as announced through publication by the State Department on Nov. 6 of notes exchanged between President Roosevelt and Premier Stalin. This tremendous credit is to be immediately available to Russia for munitions purchases in the United States, and is to be repayable without interest, beginning five years after the end of the war and within a period of 10 years thereafter.

So simple in its outlines is this loan, and so neglectful of some of the most ordinary considerations of American interests, that the impression is left inescapably of hasty and poorly formulated action for propaganda and similar reasons. The commitment, nevertheless, is a definite one that the bloody Soviet dictator accepted with alacrity. It will require vast sacrifices on the part of the American people and taxpayers. And the amazing part of the transaction is that such sacrifices were visibly and obviously needless.

Whether the Russian dictator intends to repay this advance in the specified form of Russian raw materials during the post-war decade is one of the problems involved. Early last year President Roosevelt, along with all other Americans, was in the habit of excoriating the "absolute dictatorship" of Russia because of the lack of treaty observance in the ruthless attack on Poland and Finland, and the attempted absorption of Latvia, Estonia and Lithuania. Such countries all were included in the Russian ring of non-aggression treaty arrangements, and they are more bitterly aware than the rest of the world of the utter worthlessness of Stalin's promises and commitments.

Granting, for the sake of argument, all of the contentions advanced by the Roosevelt Administration with respect to aiding countries defending themselves against Nazi aggression, there remains a broad highway out of the credit dilemma, and avoidance of that highway is a sheer and willful neglect of American interests.

Russia happens to possess gold in amounts more than ample to meet even the vast requirements for munitions reflected by the \$1,000,000,000 credit. In the initial United States Treasury advance of \$10,000,000 to Russia, extended Aug. 15, the stipulation was for prompt payment in gold, and the indications are that Russia already has effected repayment. In the \$100,000,000 credit promised to Russia in mid-September by the Defense Supplies Corp., the arrangement was for immediate provision of \$50,000,000 and future repayment by Russia of metals and other materials. The tendency comes to its head in the \$1,000,000,000 credit, with gold apparently forgotten.

In disregarding gold, the distinct disservice to American interests is evident, for this country possesses the bulk of world gold stocks and presumably is interested in retaining for that metal the importance it has for centuries held in trade and exchange. What Mr. Roosevelt arranged on a prodigious scale, after the Defense Supplies Corp. took a relatively modest initial step, was a pure barter arrangement. It is a barter arrangement of precisely the same sort against which the Administration has inveighed endlessly, when resorted to by countries stripped of their gold.

Use of barter on an immense basis, as between the two countries of Russia and the United States, is an immeasurably significant hit at gold. And it is hitting below the belt, for both countries have ample gold stocks. No indication was afforded in the note exchange of any basis for calculating the barter of American munitions for Russian materials. No mention whatever was made of gold.

The ships that are to carry to Russia the American war supplies promised are available to bring back Russian gold in immediate payment. The metal does not circulate in Russia, and no contention could be raised as to safeguarding the Russian currency system by the barter agreement. Indeed, it is well known that Russia accumulated its gold as a "war chest." The ordinary and American requirements of the situation plainly called for spot payment in gold for our supplies to Russia. If Russia preferred to make eventual repayment in kind, and Mr. Roosevelt thought it wise to agree, the Russian gold might at least be held in the United States in the meanwhile. Empty ships returning from Russian ports will make a mockery of contentions that transportation difficulties supervened.

That Russia possesses ample stocks of gold is well known to American mining experts and to the United States Bureau of Mines. Definite estimates are available of Russian gold production in the years from 1930 to 1936, inclusive, and in some instances the private figures coincide exactly with those of the Bureau of Mines, while in others the differences are inconsequential.

Such definite production figures are:

1930	1,443,664 oz.
1931	1,700,960 oz.
1932	1,878,101 oz.
1933	2,492,240 oz.
1934	3,684,519 oz.
1935	4,996,207 oz.
1936	6,308,115 oz.

In addition, Russia is well understood to have produced approximately 5,500,000 ounces in each of the years 1937 and 1938, and at least 5,000,000 ounces in 1939. In the decade of the 1930's, in other words, Russian gold production totaled 38,503,806 ounces. At the price of \$35 stipulated by our Treasury Department, this metal has a value of \$1,347,633,210, which is considerably more than enough to meet all requirements of payment in the United States for war supplies, as indicated in the known commitments.

There is reason to believe that some modest gold shipments were made by Russia in the last decade in settlement of balances. Such shipments could not have exceeded what Russia possessed before 1930, and can be left out of account. Any error in the estimate of Russian gold holdings necessarily is one of modesty, rather than exaggeration, for no production is included for the war period, and production continues, even though it may well be more modest than before this war began.

The situation thus presented is all the more singular in view of the requirement that much of the British holdings of gold be utilized, as they were utilized, in defraying war materials purchases before lend-lease aid was extended to Great Britain. Russian gold holdings are spared, and with respect to Moscow our New Deal in Washington enters upon a pure barter agreement which threatens the position of gold far more than any action ever taken by our avowed enemies. All this at a moment when we have every reason for preserving the gold status.

Editorial—

The House Divided

In April, 1917, President Wilson led a united and grimly determined country into an unfortunate and unfruitful war on the other side of the Atlantic Ocean. The American expeditionary force, to which he at first believed himself to be unalterably opposed but eventually came to regard as imperatively necessary, was effective to prolong the conflict, ultimately to turn the scale and vanquish an exhausted enemy and to enable a dictated rather than a negotiated peace. In thus gaining for England and France a peace that was not the "peace without victory" which its leader had advocated America contributed to the satisfaction of the pride and rancor of her associates in the struggle, but accomplished nothing genuinely for their benefit.

The peace of victory and vengeance, as the wisest feared from the beginning and as gradually became apparent wherever men clearly perceived its consequences, was actually detrimental to all concerned, which means to all the world, and created conditions of international inequality and animosity that led rapidly and inevitably to instability and insecurity utterly incompatible with permanent peace. Thus American intervention in the first World War, well-intentioned as it was and urgently solicited as it was by the distant belligerents it was planned to assist, achieved nothing that was desirable. On the contrary, it wrought general and incalculable injury and was perhaps among the greatest of the imponderable forces by which the so-called Peace of Versailles, which if fairly and reasonably negotiated might have supported a period of general peace, prosperity, and progress continuing during many generations, was diminished and degraded to a merely restless and uncertain armistice during which every nation in Europe suffered political, economic, and social demoralization.

To the people of the United States the cost of this episode of folly was gruesome and immense. Millions of their sturdy and promising sons were seized and herded as conscripts across the seas, compelled to detested servitude as partisans of a cause of which they knew nothing and in which they had no conceivable interest. Thousands of them never returned at all, while others came back with maimed bodies and minds forever seared with memories of suffering and horror. In mere expenditure, the outlay was appalling to a generation still cherishing a sound currency soundly based upon gold and believing in economical government while determined to protect the integrity of their national obligations "at all hazards." In one year, the highest of all (1919), Federal expenditures had risen to \$18,522,894,705, and Federal revenues to \$5,152,257,156; while the Federal public debt, which before the war had been reduced to less than \$1,000,000,000, had amounted to \$25,482,134,419, to them an overwhelming aggregate and not much more than

\$5,000,000,000 less than the total which the New Deal now admits that it has added to the same debt during its less than nine years of nominal peace. But a confiding public thought to find some encouragement in the fact that this great debt included \$13,458,643,883 that had been loaned to European nations, a credit which every President from Woodrow Wilson to Franklin D. Roosevelt, inclusive, at one time or another insisted should be fully liquidated by the debtors. Alas, in the event, only \$2,750,076,760 was ever repaid, and it was not long before all the obligors, except otherwise inconspicuous Finland, against which threats are now fulminated from Washington, callously refused further payments of interest or principal, leaving \$11,231,001,000 of this repudiated indebtedness resting upon the taxpayers of the United States.

Reactions to this course of events soon became marked, although they were widely different, both among the European powers, chiefly England and France, with which this country had associated itself to overcome the Germans, and throughout the United States. When the Presidential election of 1920 occurred, the citizenship of the United States had very generally concluded that its recent interference in a European quarrel "not its own" had been an instance of monumental folly amounting almost to a temporary national aberration of mentality and, as such, was one never upon any occasion or excuse to be repeated. The briefly ignored or forgotten warning solemnly registered by the revered Father of His Country, was newly and widely insisted upon and a chastened people firmly resolved never again to enter upon "entangling alliances" involving possible interference in the petty or serious squabbles of European land-grabbers or to depart in their foreign relations from the wise precepts of George Washington. On the other side of the Atlantic, the reactions could not be identical but they were, in effect, complimentary or reciprocal. The United States was sharply criticized as a laggard coming too late into a war which England and France eventually forced themselves to regard as a "first-line" defense of freedom in America against an autocratic despotism over the whole world personally dictated by Kaiser Wilhelm II, and as an international Shylock peremptorily demanding and taking his pound of flesh from suffering peoples to whose prowess he owed his own alleged immunity from corresponding injuries. Americans who ventured at that time to visit England, France, or Belgium experienced to the full this baseless and unreasoning scorn and resentment.

History, in 1941, is not repeating itself. It never does repeat itself in the details, although some of the broad outlines are frequently almost identical. Now, the United States is not being led into a European war by a President capable of convincing an intelligent people that their duty lies and awaits performance, capable of persuading them to a grim unity and determination sufficient to induce hearty acceptance of unpleasant obligations and ready submission to extreme sacrifices. Just the opposite is taking place. An unconvinced and a reluctant people, without consciousness or even suspicion of injury attributable to any foreign government and supremely indifferent to alleged threats vaguely defined, of which their completely fearless contempt would be immeasurable if they were ever made tangible and definite and hurled at them by any potential enemy, has been maneuvered, without adequate information candidly supplied or asking its consent, into some subtle and still undefined relationship to a warfare, the causes and the objectives of which have never been explained to them and in which their naturally enlisted sympathies are not supported by any consciousness of national interest, obligation, or opportunity to act with benefit to themselves or real benefit to any present participant in the struggle. It is not strange that, under such conditions, the American people is no more united in feeling or sentiment than it is determined forcibly to forward purposes not yet defined to its comprehension.

This condition of public disunity has had numberless illustrations. When the Administration determined to demand additional service, beyond the period of one year which nearly all supposed to be the pledged limit of their involuntary servitude, from the conscripts now under military training, its whole power of executive persuasion in a House of Representatives wholly dominated by Democrats could produce a victory by but one vote. And last week, when the same body was asked, with great urgency, to repeal the principal restrictions of the rather banal Neutrality Act, a weak copy of the Embargo and Non-Intercourse Acts with which this country began the Nineteenth Century, personal solicitation by President Roosevelt and Secretary Hull, although in writing and publicized, obtained but a meager majority of 18 in the popular branch. Such victories are certain, in the long run, to prove more devastating than actual defeats, for a defeat has sometimes the result of shifting responsibility to the prevailing side. Analysis of the later

voting is more persuasive than the mere statement that in a House of 429 members (six seats were vacant at the time), with 418 members, all but 11 of the total, voting or paired for or against the measure, there were only 218 members for the Administration against 200 on the negative side. And, although a further defection of nine members would have caused a tie vote and defeat of the Administration, the tide was actually turned by eight States, from Virginia to Louisiana, bordering upon the Atlantic and the Gulf of Mexico. These eight States gave the bill 55 supporters and only eight opponents, without which it would have been lost, for the figures representing all the balance of the United States are 163 for the resolution and 192 for its defeat. From and including Ohio and Michigan to the Ohio River and all west of the Mississippi River, except Louisiana but including Texas and Arkansas, there were 124 members who opposed the measure and only 83 willing to be recorded in its favor.

Undoubtedly, this slender success was obtained at the last practicable moment by President Roosevelt's too equivocal expression construed as in support of legislation against strikes in defense industries. Whether this expression has any real certainty of meaning, or was intended as a binding declaration, may prove to hinge upon the choice of the single term, "closed shop," in preference to "union shop," or the conjoined use of both. John L. Lewis is not urging the "closed shop" for the "captive mines," but something equally obnoxious to those who believe in free men, which he has devised and chosen to call the "union shop." Be that as it may, however, the defection, even temporary, from the New Deal, of such consistent Democrats as Robert L. Doughton of North Carolina, Chairman of the most important of all House committees, that on Ways and Means, is a significant proof of the high character of the opposition that is increasing within the Democratic Party itself, while the vote in its entirety records, but not fully, the intensity of the public sentiment against policies plainly leading to complete war, and, in the opinion of many, to war for which the country is disabled by defective preparation and irreconcilable discontent with the leadership by which war is urged.

No nation can hope to obtain success in a warfare for which it is unprepared or to which great masses of its citizens are opposed—at least until in the midst of conflict, losses and suffering force achievements that ought to have been preparatory and imminent necessities of self-defense and compel a provisional unity which can last only until dangers and distress are removed. The people of the United States, *en masse*, perceive no adequate reason for further intervention in the European and Asiatic struggles which have already overflowed upon long-suffering Africa. Their sympathies are, of course, with English-speaking peoples within the British Isles and wherever they are to be found, but they once before sacrificed greatly believing that it was in the British interest, and are still convinced that all their sacrifices were futile, that in fact they brought forth more evil than good. They are not disposed or at all willing to repeat that experiment nor can they see differences in the situation sufficient to support confidence in a completely different result.

In 1917 and 1918, America was told that Kaiser Wilhelm II, with support of the German peoples, was violently pressing towards world-domination. "Our turn will come next," was the oft-repeated challenge of the proponents of armed intervention. Now they are told that Adolph Hitler, with the same support and with modernized violence, is seeking the same all-pervasive power. "Our turn will come next," shout Knox and Hull and others close to the President. The people believe that they were too readily convinced before and they are not effectively misled by the same assertions and arguments weakly echoed in 1941. Some of them know that similar ambitions were attributed to Napoleon Bonaparte during England's obstinate struggle to make headway against him upon the Continent of Europe—when Washington and John Adams steadfastly refused to become embroiled. The question whether they want Adolph Hitler to dominate the world leaves them cold, for they regard it as susceptible of nothing but an unmitigated negative and, therefore, as a weak begging of the question, which is whether he plans or is capable of attempting such control and how most successfully to resist any aggression against them or their real interests when it comes.

Meanwhile, they feel assured that England could have a negotiated peace at any time upon terms by no means as destructive to the welfare of the masses of the peoples of the British Isles as even as much as one-month's continuance of the struggle that has already so nearly exhausted her resources that they are proclaimed to be no longer adequate for her unassisted defense of her narrow islands or of her outlying possessions. The term "outlying possessions" gives pause to American thought. By what title, it is asked,

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Pres. Roosevelt Hails American Education Week

Incident to the celebration of American Education Week, Nov. 9-15, President Roosevelt said on Nov. 8 in a letter to "the patrons, students and teachers of American schools" that the theme of the 21st anniversary program, "Education for a Strong America," has in it "a timely note of optimism," reminding us of "the sources of our inherent strength." He also stated that "organized education does its full part to make America strong" and warned against "any feeling of fatalism," saying that "the shape of things to come is ominous only to those who lack resolution." His letter follows:

The theme of the 21st observance of American Education Week should strike a responsive chord in the hearts of all patriotic citizens. "Education for a Strong America" has in it a timely note of optimism. It reminds us of the sources of our inherent strength—the courage and fortitude of individual men and women devoted to freedom and its defense.

Today's young Americans are not taking their freedoms for granted. They are being taught that freedom must be held by each generation; that it is not by hoarding, but by sacrificial giving that life gains meaning and power.

Organized education does its full part to make America strong. It helps to dispel ignorance and confusion. It builds knowledge and character. It stimulates a desire to achieve the satisfactions of the good life and to eliminate evil from the world.

The challenge of today's tragic world is ever with us. We must guard against any feeling of fatalism. The shape of things to come is ominous only to those who lack resolution; who fail to sense the inherent strength of democracy; who lack faith that we live in a moral universe in which truth, righteousness and justice will eventually be made to triumph.

Dutch Sell Bonds

The following is learned from a wireless dispatch to the New York "Times" from Amsterdam (via Berlin), Nov. 9:

The latest Dutch public loan, one of 500,000,000 guilders of 3½% bonds, was marketed at 97½ and has a maturity of 20 years. Repayable in annual drawings, its average return will be below 4%. At present its price is about 96½.

The loan was voluntary, but the authorities issued a scheme for subscription safeguarding subscribers against an eventual 2½% forced loan at par if the issue had not succeeded. The scheme regulated subscriptions of individuals according to their property taxes, while corporations were expected to subscribe amounts equal to 3% of their capital above 50,000 guilders. If the loan had not been successful subscriptions to a forced loan would have doubled the total. The market position of securities plus the scheme resulted in a considerable over-subscription.

This was the first public bond issue since the 4% loan was put out in January.

1941 Cotton Loans

On Nov. 5 the Department of Agriculture announced that through Nov. 1, 1941, a total of 244,194 loans on 425,510 bales of 1941 crop cotton were reported by Commodity Credit Corporation. Nearly half the cotton entered the loan in the Texas area. At the same time last year loans had been made on approximately 1,250,000 bales of cotton.

Economists Predict Rise In Living Costs

A general rise in the cost of living, ranging from 15 to 20%, was predicted for the next year by economists and bankers who took part in an economic trust panel held on Nov. 7 at St. Louis, Mo., as a feature of the annual Mid-Continent Trust Conference of the American Bankers Association. The panel was participated in by Dr. William A. Irwin, economist and national educational director of the American Institute of Banking; Montfort Jones, Prof. of Finance of the University of Pittsburgh; Dr. Willard E. Atkins, Chairman of the Department of Economics, New York University, and H. C. Sauvain, Prof. of Finance and Director of the Investment Research Bureau of Indiana University.

Bankers who took part in the panel discussion were L. H. Rosebery, Vice-President and manager of the Trust Department, Security-First National Bank of Los Angeles; James W. Allison, Vice-President in charge of trusts of the Equitable Trust Co., Wilmington, Del., and William A. Stark, Vice-President and Trust Officer, of the The Fifth-Third Union Trust Co. of Cincinnati, Ohio. The economists and bankers were in agreement that a general rise in the price level of all commodities is "inevitable" but they asserted that with "economic statesmanship" on the part of the government, inflation can be controlled without resort to rigid price fixing measures.

No rigid price control machinery is necessary, according to these experts if fiscal and economic controls are applied in such a way that they will be effective. It is within the power of the government now to make these controls work if the government avoids the pitfalls of political expediency, they agreed.

The national debt, they felt, is significant not in terms of figures, but in terms of post war conditions when the debt will have to be serviced and paid.

They cited five definite points which, in the post war period, they said, will determine whether or not the national debt is reaching disastrous proportions. They are the rate of interest to be paid on the debt, amortization of payments on its principal, the size of our future national income, the amount of public expenditures after the war, and the post-war price level.

Harriman Back In London

W. Averell Harriman, President Roosevelt's special representative to London expediting lend-lease aid, left New York on Nov. 15 aboard the Pan American Airways' Atlantic Clipper to resume his work. Mr. Harriman, who returned to the United States on Oct. 18, after heading the American mission to the Moscow supply conference, said that he would join Lord Beaverbrook, British Supply Minister, in London to coordinate the supplies of British and American material for Russia. Before departing he praised the passage of the Neutrality Act amendment, saying that the United States was no longer attempting to aid Britain and Russia with one hand tied behind her back.

Mr. Harriman's return to the United States was referred to in our issue of Oct. 30, page 831.

Also aboard the Clipper was a group of five members of the House of Representatives, who plan an 18-day study of the British war position. Members of the Congressional party are Joseph Clark Baldwin and William S. Cole, both of New York; Melvin J. Maas and Richard P. Gale, both of Minnesota, and William S. Hill of Colorado. Their trip is an unofficial one.

The House Divided

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does England possess South Africa and India, dominate Egypt, control all of Australasia, and command the allegiance of British North America? How satisfactory to the native peoples of India is her rule over that vast and densely populated empire, and how salutary and progressive are her policies wherever her rule has been or may hereafter be challenged? Not many years ago, great numbers of patriotic Americans were ready to sacrifice strongly in order to assist Ireland to escape from what they regarded as the tyranny of England. Very few of them would care now to endure the further deprivations of a long war in order to continue the same nation in the dominance of Egypt, India, and Australasia. Yet is it not clear that perpetuation of the far-flung British Empire in all its vast entirety and potential strength is the sole sufficient reason, from any point of view, for prolongation of the bloodshed and terror?

Nor are these great masses of dissidents satisfied with the leadership under which they are asked to undertake combat, or the terms upon which they are offered national unity of purpose under that leadership, if only they will first surrender all their convictions as to what the united purpose ought to accept or to undertake. A President who demands unity in sacrifice upon an extraordinary scale, yet persistently refuses to sacrifice anything from the costly operations of the vastly expanded and extravagant bureaucracy that he has created, is scarcely to be listened to with enthusiasm by a dairy farmer whose feed-bills are inordinately rising, or by a housewife who has to reduce her carefully planned expenditures for household subsistence, or by a dry-goods clerk who suddenly finds that he has to devote scanty savings to the payment of his income tax. It is difficult fully to believe in the sincerity of demands for extreme endeavors towards the manufacture of arms and munitions, involving even the destruction of small enterprises not transformable for defense production, when the insistent leadership never fails to back away from any contest with organized labor and to every threatened contest invariably yields everything vital that it is within its power to yield. Mothers and fathers are not well-satisfied to surrender their sons as conscripts, for purposes other than to repel invasion that is either actual or demonstrably and presently threatened, while every day they witness steps that, if not in reality planned to provoke a conflict not supported by any constitutional declaration of war or by any direct action by Congress, is plainly tending inevitably toward that undesired result.

Those who read the *New York Times* of last Friday, were advised by its leading editorial, that the amendments to the Neutrality Act just adopted by a scant majority, bring "an end to the lie and the mockery of American neutrality." Possibly that "neutrality" has, for some months, been without actuality and the country, in the fashion determined by Mr. Roosevelt, has been actually a participant in the great foreign struggle. But, if that is true, it is not the great and independent masses of American citizens, who have seen no reason for intervention, who have lied or mocked. Perhaps it is they who have been lied to and who have been mocked. The devious courses and the mendacity of method and performance are not chargeable to them. The tradition so wisely founded by the first President has been mocked, the Constitution which provides that only Congress may declare war has been mocked, but the mockery was not of or from the people of America.

THE FINANCIAL SITUATION

(Continued from First Page)

down as men with wide experience and with the good of their country thoroughly at heart, who are ardently hoping events may presently show that Mr. Lewis has unwittingly done the country an excellent service by precipitating the current coal situation at this particular time—served it well, that is, by creating an occasion out of which grows constructive action of a sort that we have sadly needed for a long while. 'Tis a consummation most devoutly to be wished, and there is certainly some ground for hope that recent excesses of the unions, brought more or less dramatically to a climax by Mr. Lewis in this coal situation, will provoke a more critically thoughtful attitude of mind throughout the country concerning this always troublesome question of labor relations.

It would, however, be well, we believe, for the people to keep their emotions sufficiently under control even under these trying circumstances to trace out calmly the inner structure of our difficulties, and if they do so it will quickly become clear that the situation existing either in the coal mines or elsewhere is not one likely to be completely amenable to mere legislation, whatever its nature, or to controls by administrative procedures. Legislation,

if no more than drastic modification of the existing labor laws, we certainly need. A number of other legislative proposals of a more positive nature are being seriously considered, some of which may presently be found to have Administration support. Legislation carefully designed to make the unions more responsible for their acts, to curb the dictatorial powers of a few labor leaders, to eliminate, as far as may be, the dishonesty and fraud of many varieties now perpetrated in many instances upon the members of the unions, and possibly some other provisions of law would be helpful. There is, without question, a good deal that Congress can do to improve matters directly.

But the situation by which we are now confronted goes much deeper than is commonly understood, we suspect. The state of affairs exemplified by the coal conflict is one that calls for a good deal more than the favorite American remedy of "passing a law." It is not likely to be eliminated, or even made endurable until the great rank and file of the American people really come to their senses concerning this question of labor relations. The query, therefore, naturally arises as to how extensively and how deeply all that has been occurring of late has altered the trend of thought, or perhaps better expressed, the sentiment of the American public concerning these matters. If peace were to come tomorrow, and with it an end to all this pressure, emotional and other, to "crush Hitler," would Mr. Lewis and the others who have been so frequently getting in the way of the armament program still be viewed by most citizens as they are today, or is this whole "crisis," so-called, merely a matter of their being troublesome or "selfish" at an inconvenient season? Has popular discontent spread beyond considerations of the defense program, and touched upon the broader, more fundamental, more permanent aspects of the situation in hand?

It is not easy to discern convincing evidence of anything of the sort, and if popular thought has not gone to the rest of the situation and does not do so very quickly we shall not progress very far along the road toward better basic conditions in the labor field. In this column on Thursday, October 23, we said:

It is hardly surprising that the unending series of labor difficulties by which American industry has been beset for a long while past should be viewed at this time by the rank and file almost wholly in terms of impediments placed in the path of the defense program. The veritable flood of propaganda about the urgency of arming ourselves and every other nation and people who are opposing the Axis powers (albeit with indifferent accomplishment) has so centered the attention and emotions upon that subject that any event or circumstance, whatever its nature or origin, which obviously further retards that effort, is set down by the average man as a matter having to do with the defense program and with little else. There can, of course, be no doubt, no matter what the labor apologists have to say on the subject, that all manner of disputes, which have no basis in unreasonably low wages, over-long hours, or working conditions, have become one of the major handicaps now being suffered by all those engaged in the defense program.

The fact is, however, that all this carries implications for American industry in its peace-time operations, and for the American consumer (which means everybody) fully as serious as those which have to do with the defense program as such, and these implications have their roots in the basic nature of the changes that are taking place in our thinking and in our emotions.

We again commend these ideas to our readers. They are as true today as they were when they were written and even more pertinent. Legislation designed merely to protect the defense program, or laws erupting merely from vexation over the fact that armament production is being halted or curtailed by labor unions are not altogether likely to be of great benefit, certainly not of lasting benefit. Indeed laws or administrative acts which do not spring from, or are not a reflection of, newly found conviction that something is rotten in our labor attitudes if not in the State of Denmark, will inevitably fall short of the hopes many of the more thoughtful of our citizens are now beginning to entertain.

We take the liberty of again quoting our analysis of the situation on October 23, last:

... class consciousness has been so enthroned in Washington and so instilled into the minds of the American wage-earners that even what passes as peaceful picketing (which is not always quite wholly that) is often not very far from being as effective as any other kind. It is by no means generally realized how widespread and how deeply the notion exists today that it is a sort of disgrace to pass through a picket line whether or not the transgressor is in even a remote way concerned with the controversy which occasions the strike or lockout, or, for that matter, even whether he knows what that controversy is or who is involved in it. Refusal to cross a picket line is fast becoming a part of what the philosopher terms the mores and folkways of the time. Carry all this but a little further, and we shall have something very closely approaching a monopoly, for all practical purposes, in the field of labor without more ado.

Let it be carefully observed that here is a situation which is not an outgrowth merely of law. Certain statutes, like the National Labor Relations Act, which place special restrictions upon employers in their dealing with their employees, and other legislation which, as interpreted by the courts, leaves labor virtually free of restraint under the anti-trust laws, without question are very potent factors in the current state of affairs, but the very existence of such laws

is to be traced to the class consciousness which has been so sedulously and successfully fostered in this country for years past, and, moreover, this state of mind, this increasingly widespread conviction, that almost wholly unrestrained collective bargaining is an unmixed blessing, almost sacrosanct in its innermost quality, this tendency to assume that any employer who finds himself in any controversy with labor is ipso facto to be condemned and the unions supported, is reaching a point where it alone is almost enough to foist a labor monopoly upon us. Indeed, this "class consciousness," in conjunction with the laws it has generated, already appears to be doing so.

The time has come when the American people would do well to take closely to heart the question as to whether it is wise to permit, much less encourage, the growth of this monopoly. Nothing less than such a re-appraisal of the situation and a firm conclusion that something needs to be done in the premises is likely to afford real relief, not merely in connection with the defense program, but as regards the normal course of industry and trade upon which we all must depend for such of the abundant life as we are able to achieve in these or any other times.

Has the President, has Congress, have the American people reached, or are they approaching, a stage where they realize that this persistent encouragement of class consciousness is unwise, even highly dangerous, whether in peace or war? Has organized labor as yet so over-played its hand as to lose its control over the politicians? There is unfortunately all too little evidence of any such sweeping change in the situation, and if none has occurred it would be well not to expect too much even at best from the situation which the coal stoppage appears to be bringing more or less to a head. It may or may not be that the American people are so aroused over international developments that these repeated appeals in the name of patriotism will presently become effective. There are good grounds for misgivings on the subject, but such appeals will in any event lose their force the moment the "emergency" is over. The recent behavior of labor unions has often been a sin against the general well-being of the country and against the best interests of their own memberships, and ought to be characterized and condemned as such by public opinion with such force that we shall have an end of it. Nothing short of that will bring full relief, or anything approaching it.

The State Of Trade

Business activity is holding at high levels compared with last year, but most industries fell off slightly compared with the previous week's showing. For instance, a further decline in carloadings occurred last week, as the seasonal recession from the fall peak of about 922,000 cars was marked by a sharp drop in miscellaneous traffic according to the report of the Association of American Railroads.

The total number of revenue cars loaded in the period ended Nov. 8th was 873,585 cars, a decline of 21,154, or 2.4% from the preceding week. The gain over the corresponding period last year amounted to 95,267 cars, or 12.2%, while the increase over the similar week of 1939 amounted to 91,997 cars, or 11.8%.

Total electrical energy distributed by the electric light and power industry for the week ended Nov. 8th, amounted to 3,325,574,000 kilowatt-hours, an increase of 16.4% over the same week a year ago. The gain reported for the previous week was 15.8%.

Engineering construction awards for the week, in the amount of \$130,160,000, climbed sharply from the \$44,209,000 reported for the short preceding week, but were lower than the \$139,119,000 reported for the short 1940 week, according to "Engineering News-Record."

Federal work accounts for 75% of the week's volume, and State and municipal construction and private awards each are responsible for 12½%.

Failing an immediate resumption of production in captive coal mines, raw steel production will be curtailed as much as 10% within 10 days and 20% or more within a month if the stoppage continues, according to steel interests here. The reduction of steel output will, in turn, hold up enormous defense projects, munitions contracts and handicap shipbuilding, according to trade estimates.

The American Iron & Steel Institute announced yesterday that ingot output is scheduled this week at 97% of the steel industry's capacity, up 4/10ths of a point from last week. The rate will, however, be subject to such enforced adjustments in operat-

From Washington

(Continued from First Page)
was before. We cannot send one additional ship to Britain because of that action. The only difference is that we won't have to pay Panama any more for registering our ships and letting them fly the Panamanian flag. Mr. Roosevelt wanted the repeal to serve as more encouragement to Britain, to show the world that the American people were behind his foreign policy. Regardless of what was said in the debate in Congress, this was the issue. An example of the propaganda in this instance was the fact that Mr. Roosevelt had intended to move a little slower and when three Republican Senators—Bridges, Gurney and Austin—forced the repeal issue, it was widely advertised that they had put the President and the New Dealers in a hole. They had "grabbed the ball," it was widely reported, and as a result they would get "credit" for repeal of the Neutrality Act instead of the President. The President permitted himself to be placed in this "embarrassing" position, it was reported, because he was behind the country's temper.

Now, just how did this action of the three Republican Senators embarrass the President? He wanted repeal of the Neutrality Act. He said so in his message to Congress asking for permission to arm merchant ships. His leaders on Capitol Hill prevailed upon him to take one thing at a time. The three Republican Senators made it possible for him to get what he wanted in one bill. This can hardly be termed as embarrassing a man.

But, having gotten what he wanted in one bill, Mr. Roosevelt also got something else. He got some worthwhile information on the state of feeling in the country which belies the statements of the interventionists that he is behind the parade of public opinion. As a result of this information, he intends, for the next several weeks at least, to soft-pedal "war moves."

If one will take the trouble to analyze the votes in the Senate and in the House on neutrality repeal he will learn that instead of Mr. Roosevelt being behind public opinion in what the interventionists call his reluctance to move towards war, that the country is, if anything, lagging behind him.

Take a map of the country and draw a line between North and South. Draw this line south of Maryland and north of Missouri. In other words, put Maryland in the North and Missouri in the South. In this division, Mr. Roosevelt lost his neutrality repeal in the North, based on the House vote, 170 to 100. He lost it proportionately in the Senate vote. It was the South—in this blanket division between North and South—that saved him. In so far as the House was concerned, the balance of power in the Southeastern Congressmen. A lot of them bolted to demand that something be done about labor as a price of their supporting his neutrality repeal. It was the President's frantic message to these men, interpreted by Sam Rayburn, the Speaker of the House, to mean a definite promise on Mr. Roosevelt's part, that brought them back into line and saved the President from a disastrous defeat. It is quite clear from an analysis of the vote, and in spite of any polls to the contrary, that Mr. Roosevelt is not lagging behind this country's public opinion in moves towards war.

It should be worthy of

profits, save in exceptional instances. They reduce earnings of industries whose business is not being greatly stimulated by defense orders, where priorities are cutting down sales volume.

mention, too, that notwithstanding Rayburn's interpretation of what the President intended to do about labor, he is still vigorously opposed to any anti-strike legislation. It is not unlikely that the House, being in the mood it is and further encouraged by the spectacle of the captive mine strike, will now pass such legislation. But the indications are pretty clear that Mr. Roosevelt will head it off in the Senate, and if it should, perchance, pass that body, he would be strongly tempted to veto it and probably would. The facts are that anti-strike legislation still has a long way to go.

In the meantime, the President having become somewhat chastened by the anti-war state of mind, is most likely to harp, or to have his subordinates harp, on the next several weeks, on the enticing subject of this country "assuming the world leadership" after the war. This chord, as a matter of fact, has been recently coming to the forefront in the Washington chorus. It began with Claude Wickard, the Secretary of Agriculture, saying sometime ago that "food will win the war and save the world." Then there was the Roosevelt-Churchill conference in the Atlantic which promised that the world's raw materials must be accessible to everybody. Following this, came Sumner Welles, suggesting that another version of a League of Nations was needed after the war. Thrown in between these highlights, Adolph Berle, an Assistant Secretary of State, has sounded off occasionally on "our duty to the world" after the war. Ordinarily, all of this would be taken as part of the propaganda to make the German people overthrow their government, something on the line of Wilson's so-called 14 points which attracted them in 1918. But the fact is that in this instance, it is a definite plan of the New Dealers to keep up the war boom after the war. This is behind their insistence that industry expand—steel, aluminum, all industry. They are switching from the economy of scarcity which they have been preaching, to an economy of plenty. Let's see what our capacity to produce is, regardless of needs. Don't worry about war's end. Build new plants and produce to the limit. Develop agriculture to its highest output.

After the war, we will have the rebuilding of Europe and the feeding of Europe. The world can use our greatest output. The sky is the limit.

To reluctant agriculturists and reluctant industrialists, cautious from overproducing in the past, the frantic argument is: "But we are going to assume the world leadership. We won't make the mistake of World War No. 1."

In the light of the pagantry of Washington I am looking forward fascinatedly to see the particular manifestation of our "assuming the world leadership." What does a nation do when it does that, when it "assumes the world leadership"? Does it sort of announce by decree that "now we are the world leaders"? Does it pass a law? What does it do? Do a people line up in parade formation and start out to leading the world? Then, what happens if the people of other countries have something else to do on this particular occasion and don't fall in line? It really grips me when I contemplate the spectacle of our "assuming the world leadership." Assuming it, after "failing in our duty" after the last war.

The utter bunk of it all is what I am trying to get at. It so happens that we "assumed" the world leadership after the last war. There has never been a time, in fact, certainly since the

Spanish-American war, when we were not a "leader" in world affairs. The fact that we did not join the League of Nations has no bearing on the foreign policy we pursued in the post-war years. The League was but an instrument, a vehicle. Our policy would have been the same whether we were in the League or out.

Were we not the "leader" in pouring money into Germany in an effort to rehabilitate her? Were we not a leader in pouring money into Britain, France and other European countries? Were we not a leader in pressing France to get off Germany's neck, in forcing the Allied evacuation of the Rhineland, in pressing France to permit the peaceful German occupation of the Ruhr?

We have long been a "leader" in world affairs. We "led" against the Japanese occupation of China and couldn't get anyone to follow our "lead." We "led" against Mussolini's invasion of Ethiopia and once again could get nobody to follow us.

What does leadership constitute?

The New Deal version of what it will constitute when we "again assume the world leadership" is to extend credits to Europe, as Secretary Morgenthau says, and it will in turn buy our goods and keep up the boom. There will be this difference this time. After the last war, the Government poured money into Europe for two years; then American industrialists took up the flow. The Government lost and the industrialists lost. This time, the farmers and industrialists will produce for Europe and this Government will pay them. Europe will not have the money. The New Deal economists explain blandly that with a removal of tariff barriers, the European countries will, in time, send us goods in return.

In the meantime, the American taxpayers will support the new system of international trade. Very likely, something ingenious will be worked out, such as a foreign trading agency which will issue bonds outside the national budget but with the Government's guarantee, which will not be considered a part of the national debt, and which American investors will buy and clip coupons. But somebody, some day, it would seem, whatever the arrangement may be, will have to pay the bill.

Henry Wallace used to say by way of expressing contempt for our past foreign policy, that "We have been exporting our soil."

What we are getting ready to do, apparently, is to "export our substance." But it will look nice in the schoolbooks that we have once again "assumed the world leadership."

A manufacturer of cattle dipping vats for export to South America, has been having an awful time. He couldn't get priorities for the steel involved from the OPM because he called them "dipping tanks." The OPM insisted that the War Department had to pass on all tanks.

"But these are tanks in which cattle are dipped," he insisted.

"Tanks are tanks," insisted the OPM, "and tanks come under the jurisdiction of the War Department."

He was tipped off to call them "vats" and is on the way to better success.

Schuess In NYC

Frank X. Schuess has opened offices at 55 West 42nd Street, New York City, to engage in a securities business, specializing in investment trust issues. Mr. Schuess is currently handling Corporate Leaders Trust Fund Certificates.

Revenue Freight Car Loadings During Week Ended Nov. 8 Amounted To 873,585 Cars

Loading of revenue freight for the week ended Nov. 8, totaled 873,585 cars, the Association of American Railroads announced on Nov. 13. The increase above the corresponding week in 1940 was 95,267 cars or 12.2%, and above the same week in 1939 was 91,997 cars or 11.8%.

Loading of revenue freight for the week of Nov. 8, decreased 21,154 cars or 2.4% below the preceding week.

Miscellaneous freight loading totaled 382,916 cars, a decrease of 18,328 cars below the preceding week, but an increase of 52,692 cars above the corresponding week in 1940.

Loading of merchandise less than carload lot freight totaled 158,966 cars an increase of 45 cars above the preceding week, and an increase of 2,629 cars above the corresponding week in 1940.

Coal loading amounted to 164,568 cars, an increase of 2,265 cars above the preceding week, and an increase of 29,485 cars above the corresponding week in 1940.

Grain and grain products loading totaled 35,532 cars, a decrease of 320 cars below the preceding week, but an increase of 1,717 cars above the corresponding week in 1940. In the Western Districts alone, grain and grain products loading for the week of Nov. 8 totaled 22,647 cars, an increase of 796 cars above the preceding week, and an increase of 2,554 cars above the corresponding week in 1940.

Live stock loading amounted to 18,766 cars, a decrease of 1,055 cars below the preceding week, but an increase of 2,190 cars above the corresponding week in 1940. In the Western Districts alone, loading of live stock for the week of Nov. 8 totaled 15,241 cars, a decrease of 685 cars below the preceding week, but an increase of 2,348 cars above the corresponding week in 1940.

Forest products loading totaled 42,455 cars, a decrease of 2,017 cars below the preceding week, but an increase of 3,656 cars above the corresponding week in 1940.

Ore loading amounted to 56,945 cars, a decrease of 2,433 cars below the preceding week but an increase of 1,278 cars above the corresponding week in 1940.

Coke loading amounted to 13,437 cars, an increase of 689 cars above the preceding week, and an increase of 1,620 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
4 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
4 Weeks of May	4,160,527	3,351,840	2,928,408
4 Weeks of June	3,510,137	2,822,450	2,532,226
4 Weeks of July	4,413,427	3,717,933	3,387,872
4 Weeks of August	4,464,458	3,717,933	3,387,872
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
Week of Nov. 8	873,585	778,318	781,588
Total	36,689,690	31,432,631	29,224,341

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Nov. 8, 1941. During this period 105 roads showed increases when compared with the same week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED NOV. 8

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1941	1940	1939	1941	1940
Eastern District—					
Ann Arbor	422	452	351	3,961	2,711
Bangor & Aroostook	648	696	719	1,511	1,244
Boston & Maine	1,483	1,006	1,327	246	220
Chicago, Indianapolis & Louisville	8,728	8,274	7,804	13,551	11,257
Central Indiana	1,747	1,326	1,831	2,318	2,160
Central Vermont	23	18	27	58	54
Delaware & Hudson	1,544	1,355	1,437	2,556	2,209
Delaware, Lackawanna & Western	6,418	6,187	5,291	10,765	8,096
Detroit & Mackinac	9,127	8,742	9,270	8,572	7,716
Detroit, Toledo & Ironton	454	576	589	156	126
Detroit & Toledo Shore Line	2,450	2,680	2,675	1,200	1,174
Erie	14,957	13,833	12,831	15,769	14,345
Grand Trunk Western	6,254	5,672	5,028	9,261	7,909
Lehigh & Hudson River	227	178	162	2,662	2,189
Lehigh & New England	1,743	2,158	1,579	1,631	1,347
Lehigh Valley	9,336	9,368	9,052	9,593	7,422
Maine Central	3,046	3,045	2,551	2,994	2,314
Monongahela	7,046	4,113	5,450	414	222
Montour	2,542	1,973	2,206	65	26
New York Central Lines	52,114	45,216	43,150	51,846	40,180
N. Y., N. H. & Hartford	12,656	10,890	9,990	16,357	13,847
New York, Ontario & Western	1,102	1,200	1,021	2,333	1,897
N. Y., Chicago & St. Louis	6,780	6,104	6,138	13,459	10,417
N. Y., Susquehanna & Western	418	399	449	1,519	1,471
Pittsburgh & Lake Erie	8,297	7,318	7,633	9,495	8,850
Pere Marquette	6,894	6,038	6,765	6,598	5,343
Pittsburgh & Shawmut	644	619	712	28	67
Pittsburgh, Shawmut & North	402	476	399	251	205
Pittsburgh & West Virginia	1,116	711	1,461	2,578	1,920
Rutland	632	609	709	1,130	975
Washington	5,616	5,566	5,943	10,468	9,248
Wheeling & Lake Erie	5,614	4,367	4,975	4,303	3,510
Total	180,280	162,159	159,384	207,588	168,680
Allegheny District—					
Akron, Canton & Youngstown	675	599	522	1,042	942
Baltimore & Ohio	40,472	34,130	36,320	23,193	18,008
Bessemer & Lake Erie	4,832	6,507	6,481	1,771	2,770
Buffalo Creek & Gauley	268	229	334	1	1
Cambria & Indiana	1,888	1,829	1,677	8	13
Central R.R. of New Jersey	7,309	7,106	6,427	16,254	13,328
Coruwall	670	151	624	45	49
Cumberland & Pennsylvania	279	274	272	29	44
Ligonier Valley	128	155	154	25	44
Long Island	793	880	778	2,722	2,547
Penn-Reading Seashore Lines	1,774	1,548	1,371	1,972	1,459
Pennsylvania System	83,308	72,101	73,384	57,274	44,118
Reading Co.	18,332	15,070	14,335	24,520	19,115
Union (Pittsburgh)	19,514	19,285	18,698	5,678	5,936
Western Maryland	4,310	3,604	4,482	9,899	7,416
Total	182,552	163,468	165,859	144,378	118,504
Peachontas District—					
Chesapeake & Ohio	28,792	22,424	27,849	13,675	10,953
Norfolk & Western	23,766	20,029	22,254	6,513	5,034
Virginian	4,815	3,950	4,193	2,093	1,530
Total	57,373	46,403	54,296	22,281	17,517

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1941	1940	1939	1941	1940
Southern District—					
Alabama, Tennessee & Northern	392	274	238	257	173
Atl. & W. P.—W. R.R. of Ala.	806	814	793	2,112	1,642
Atlanta, Birmingham & Coast	818	698	593	1,235	880
Atlantic Coast Line	11,062	9,994	9,865	7,046	6,225
Central of Georgia	4,977	4,363	4,031	4,049	1,523
Charleston & Western Carolina	418	414	397	1,554	1,238
Clinchfield	1,814	1,360	1,393	2,702	1,941
Columbus & Greenville	354	328	328	337	292
Durham & Southern	183	137	164	457	392
Florida East Coast	632	780	800	1,043	1,077
Gainsville Midland	42	37	34	1,043	1,077
Georgia	1,588	1,179	975	2,585	1,821
Georgia & Florida	452	325	312	856	539
Gulf, Mobile & Ohio	4,060	3,622	3,621	3,599	2,947
Illinois Central System	27,377	23,340	23,348	14,721	11,984
Louisville & Nashville	25,137	22,114	22,969	8,761	6,278
Macon, Dublin & Savannah	212	140	176	748	701
Mississippi Central	172	177	169	398	423
Nashville, Chattanooga & St. L.	3,773	3,390	2,908	3,660	3,129
Norfolk Southern	1,123	1,198	1,504	1,315	1,132
Norfolk Northern	534	420	386	1,680	1,163
Richmond, Fred. & Potomac	438	388	422	6,381	4,869
Seaboard Air Line	10,547	10,424	9,381	7,815	5,408
Southern System	24,833	22,464	22,469	22,942	16,887
Tennessee Central	130	429	395	767	643
Winston-Salem Southbound	143	152	191	930	844
Total	122,549	108,961	107,852	98,055	74,256

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1941	1940	1939	1941	1940
Northwestern District—					
Chicago & North Western	21,430	19,101	19,288	13,435	10,524
Chicago Great Western	2,758	2,634	2,565	3,205	2,975
Chicago, Milw., St. P. & Pac.	23,090	20,740	20,708	9,782	7,776
Chicago, St. P., Minn. & Omaha	4,133	3,653	4,071	4,626	3,550
Duluth, Missabe & Iron Range	20,023	18,719	15,096	246	163
Duluth, South Shore & Atlantic	1,360	684	796	618	461
Elgin, Joliet & Eastern	10,450	9,400	8,599	9,384	7,713
Ft. Dodge, Des Moines & South	548	512	358	138	156
Great Northern	22,809	17,500	18,964	4,371	3,526
Green Bay & Western	703	641	632	764	701
Lake Superior & Ishpeming	2,149	3,461	3,555	80	87
Minneapolis & St. Louis	1,775	1,761	1,785	2,471	1,843
Minn., St. Paul & S. S. M.	8,120	6,984	6,892	3,219	2,604
Northern Pacific	13,820	11,679	11,770	4,290	3,613
Spokane International	469	175	199	333	254
Spokane, Portland & Seattle	2,433	1,828	1,725	2,520	1,841
Total	135,570	119,481	117,003	59,282	47,784

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1941	1940	1939	1941	1940
Central Western District—					
Atch. Top. & Santa Fe System	23,348	21,304	22,161	8,959	7,176
Alton	3,231	2,960	3,017	2,823	2,221
Bingham & Garfield	1,155	537	423	106	104
Chicago, Burlington & Quincy	19,533	17,550	18,421	10,890	9,083
Chicago & Illinois Midland	2,447	2,420	2,112	835	771
Chicago, Rock Island & Pacific	13,200	12,813	12,027	10,603	9,027
Chicago & Eastern Illinois	2,837	2,682	2,756	3,091	2,524
Colorado & Southern	1,356	1,060	1,200	1,853	1,562
Denver & Rio Grande Western	4,852	4,323	4,334	5,149	3,467
Denver & Salt Lake	723	650	846	16	16
Fort Worth & Denver City	1,258	1,274	1,258	1,310	1,087
Illinois Terminal	1,959	1,742	2,031	1,898	1,557
Missouri Illinois	1,064	892	1,138	473	357
Nebraska Northern	1,979	1,854	1,880	129	135
North Western Pacific	1,040	730	747	425	406
Peoria & Pekin Union	21	25	32	0	0
Southern Pacific (Pacific)	30,169	27,316	24,828	8,172	6,001
Toledo, Peoria & Western	321	396	357	1,679	1,376
Union Pacific System	23,320	19,313	19,575	12,755	10,377
Utah	478	508	505	7	7
Western Pacific	2,547	2,021	1,950	3,248	2,447
Total	135,838	122,410	121,818	74,412	59,874

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1941	1940	1939	1941	1940
Southwestern District—					
Burlington-Rock Island	261	157	148	241	259
Gulf Coast Lines	3,478	2,998	3,207	1,546	1,516
International-Great Northern	2,002	1,699	1,757	2,570	2,283
Kansas, Oklahoma & Gulf	205	248	224	1,127	912
Kansas City Southern	2,716	2,382	2,162	2,657	1,952
Louisiana & Arkansas	2,662	2,030	2,019	2,038	1,682
Litchfield & Madison	397	276	368	1,082	993
Midland Valley	689	63			

strongly urge my fellow-citizens to join as members during the present roll-call. Others taking part in the program include: Secretary of War Stimson, Secretary of the Navy Knox and Secretary of Labor Perkins.

N. Y. Chamber Opposes St. Lawrence Waterway

Elimination of the St. Lawrence Waterway project and other non-defense, unessential undertakings from the billion dollar omnibus Rivers and Harbors bill on the ground that their construction "would place further unnecessary strain upon the vital resources of the nation" was urged in a report presented and adopted (after a slight amendment) at the monthly meeting of the New York State Chamber of Commerce on Nov. 6. Drawn by the Executive Committee, of which H. Boardman Spalding is Chairman, the report warns that if the United States is to avoid grave financial difficulties, the citizens must unite in a nation-wide demand upon Congress that "outside of national defense, not one dollar shall be appropriated for projects which are not immediately essential to the welfare of the nation." The report also stated:

At a time when the Government is tapping every available resource to raise money and must devise further new sources in the very near future, every dictate of common sense and sound judgment should compel the rejection at this time of long-range, costly public undertakings which can contribute nothing to our own immediate defense needs or to our help to Great Britain and her allies, but which, on the other hand, would divert money, materials and manpower from them.

Every loyal American will appreciate the necessity of having to pay greatly increased taxes to help finance our defense effort and will accept them as a matter of course, but the taxpayers cannot be blamed for objecting strenuously to digging into their pockets for another billion dollars to be spent on projects which are wholly unnecessary now. It is difficult to reconcile this prodigality with the Government's plea to the public to economize and buy defense bonds.

The Chamber appreciates that many items in the Rivers and Harbors bill are essential to the proper maintenance and improvement of the nation's important waterways and cannot be safely postponed; as such they merit the united support of Congress.

The report on the Rivers and Harbors bill was slightly amended before a vote was taken. At the suggestion of President Johnston, who presided at the meeting, and upon formal motion of H. Boardman Spalding, Chairman of the Executive Committee, the following sentence was stricken out:

We cannot condemn too strongly, however, the selfish, unpatriotic motives responsible for saddling this measure with costly, unnecessary projects in the hope that they would be carried to passage along with the essential ones.

This sentence was substituted for it:

We again reiterate the Chamber's position, however, that we are opposed to saddling this measure with the St. Lawrence Waterway or any other non-defense, unessential projects.

The Chamber on previous occasions has taken a stand in opposition to the inclusion of provision for the St. Lawrence Waterway project in the River and Harbors Bill, and a reference thereto appeared in our issue of Jan. 11, page 209.

Wholesale Commodity Prices Advance Slightly In Week Ended Nov. 8, Reports Labor Bureau

Commodity prices in wholesale markets continued to advance moderately during the week ended Nov. 8. With a gain of 0.1% the Bureau of Labor Statistics' index of nearly 900 price series rose to 91.7% of the 1926 average. This was the level reached by the index in mid-October, which was followed by a short, sharp reaction, Acting Commissioner Hinrichs reported on Nov. 13. Although commodity prices have been fairly steady for the past two months, the all commodity index is more than 16% above a year ago.

The Labor Bureau's announcement further said: Wholesale prices of grains and their products were substantially higher in the first week of November. Corn and oats advanced about 5%; barley, more than 4%; wheat, 3% and rye, 2%. Prices for cereal products were up 2%, and cattle feed advanced over 7%. Seasonally higher prices continued in fruit and vegetable markets, with apples, onions, potatoes and dried fruits rising sharply. Cotton, hay, seeds, and peanuts also advanced. Following the marked rise of the preceding week, livestock prices fell 2.7%, with lower prices reported for calves, steers, hogs, lambs and live poultry. Average prices for meats declined slightly because of lower quotations for fresh pork, bacon, ham and veal. Higher prices for butter, fresh milk at Chicago, and condensed and powdered milk brought the index for dairy products up 0.6%. Quotations were also higher for cocoa beans, lard, pepper and certain vegetable oils.

Minor price increases were reported for sheeting, topcoating, worsted yarns and for rayon underwear.

Average wholesale prices for woolen blankets continued to rise, and higher prices were also reported for sewing machines and for office furniture.

Weakening prices for fuel oil and gasoline caused the petroleum products index to drop 1.3%. Bituminous coal in some areas and kerosene advanced slightly.

Except for an advance in prices for quicksilver, the metal markets were steady under continued government regulation of most primary and scrap materials.

Lower prices for paint materials such as tung and linseed oils and rosin and turpentine, together with weakening prices for yellow pine boards, dimension, drop siding, finish, and flooring and for red cedar shingles, and maple and oak flooring, caused the index for building materials to drop 0.2%. Prices were higher for yellow pine lath and timbers and for ponderosa, Idaho and sugar pine.

The following tables show (1) index numbers for the principal groups of commodities for the past 3 weeks, for Oct. 11, 1941 and Nov. 9, 1940 and the percentage changes from a week ago, a month ago, and a year ago (2) percentage changes in subgroup indexes from Nov. 1 to Nov. 8, 1941.

Commodity Groups	Percentage changes to Nov. 8, 1941 from—								
	11-8 1941	11-1 1941	10-25 1941	10-11 1941	11-9 1940	11-1 1940	10-11 1940	11-9 1940	11-8 1940
All Commodities	91.7	91.6	91.2	91.6	78.8	+0.1	+0.1	+16.1	
Farm products	89.6	89.5	88.1	90.5	67.2	+0.1	-1.0	+33.3	
Foodstuffs	88.8	88.2	87.5	89.2	71.7	+0.7	-0.4	+23.8	
Hides and leather products	114.1	114.1	113.2	112.6	102.4	0.0	+1.3	+11.4	
Textile products	90.4	90.3	90.3	90.1	73.9	+0.1	+0.3	+22.3	
Fuel and lighting materials	79.7	79.9	79.9	79.9	72.5	-0.3	-0.3	+9.9	
Metals and metal products	102.2	102.2	102.2	98.6	97.4	0.0	+3.7	+4.9	
Chemicals and allied products	107.1	107.3	107.0	107.1	98.3	-0.2	0.0	+9.0	
Housefurnishing goods	89.8	89.8	89.6	89.6	77.2	0.0	0.0	+16.3	
Miscellaneous commodities	100.1	100.0	99.9	99.7	90.1	+0.1	+0.4	+11.1	
Raw materials	85.9	85.5	85.5	85.9	77.1	+0.5	0.0	+11.4	
Semi-manufactured articles	89.2	89.1	88.2	89.6	71.6	+0.1	-0.4	+24.6	
Manufactured products	89.5	89.7	89.7	89.7	80.2	-0.2	-0.2	+11.6	
All commodities other than farm products	93.5	93.4	93.1	93.1	82.4	+0.1	+0.4	+13.5	
All commodities other than farm products and foods	92.2	92.1	91.9	91.9	81.4	+0.1	+0.3	+13.3	
Farm products and foods	93.1	93.1	93.0	92.3	83.9	0.0	+0.9	+11.0	

Commodity Groups	Percentage Changes in Subgroup Indexes from Nov. 1 to Nov. 8, 1941		
	Increases	Decreases	
Cattle feed	7.4	Hosiery and underwear	0.2
Grains	3.9	Woolen & worsted goods	0.2
Cereal products	2.0	Cotton goods	0.1
Fruits and vegetables	1.2	Other textile products	0.1
Other farm products	1.0	Bituminous coal	0.1
Dairy products	0.6	Cement	0.1
Other foods	0.6	Furnishings	0.1
Paper and pulp	0.3	Furniture	0.1
Oils and fats			0.1
Livestock and poultry	2.7	Paint and paint materials	0.5
Petroleum products	1.3	Lumber	0.4
Meats			0.1

Bank Debits Up 7% From Last Year

Bank debits as reported by banks in leading centers for the week ended Nov. 12 aggregated \$9,070,000,000. Total debits during the 13 weeks ended Nov. 12 amounted to \$136,119,000,000, or 27% above the total reported for the corresponding period a year ago. At banks in New York City there was an increase of 23% compared with the corresponding period a year ago, and at the other reporting centers there was an increase of 29%.

Federal Reserve District	Week Ended		13 Weeks Ended	
	Nov. 12, 1941	Nov. 13, 1940	Nov. 12, 1941	Nov. 13, 1940
Boston	543	501	7,489	6,201
New York	3,551	3,393	53,980	43,770
Philadelphia	484	433	7,137	5,482
Cleveland	632	571	10,008	7,752
Richmond	391	335	5,620	4,180
Atlanta	311	259	4,519	3,368
Chicago	1,376	1,230	20,690	15,835
St. Louis	296	258	4,550	3,298
Minneapolis	184	140	2,787	2,137
Kansas City	293	253	4,373	3,403
Dallas	256	205	3,622	2,677
San Francisco	754	669	11,345	8,913
Total, 274 reporting centers	9,070	8,447	136,119	106,997
New York City*	3,224	3,305	49,331	39,959
140 Other leading centers*	5,029	4,428	74,833	57,777
133 Other centers	818	714	11,956	9,262

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

Retail Price Continue Advance In October According To Fairchild Publications Index

Retail prices reached a new high in the present upward movement, although the rate or gain has slowed down considerably. The Fairchild Publications retail price index as of Nov. 1 shows a gain of only 1% compared with Oct. 1, the smallest monthly advance since May. However, the index shows a gain of 13.5% over the corresponding period a year ago. Quotations also show an advance of 19.5% over the period immediately preceding the outbreak of the war.

The firm's announcement, issued Nov. 14, further said: Each one of the major groups again advanced during the month, with the largest gain recorded in piece goods, with women's apparel and home furnishings following. Piece goods and women's apparel also showed the greatest advances over the corresponding period a year ago. In comparison with the period immediately preceding the outbreak of the war piece goods and home furnishings showed the greatest advances.

Despite the fact that October recorded the smallest gain for any month since May, not one item in the index showed a decline from the previous month. However, there were a number of items which remained unchanged. These included furs, women's shoes and infants' socks. Marked gains, however, were recorded in sheets and pillow cases, women's hosiery, women's aprons and house dresses, women's underwear, men's underwear, infants' underwear, musical instruments and luggage.

While a further gain in retail prices is indicated, the advance should nevertheless be within a restricted range, according to A. W. Zelomek, economist, under whose supervision the index is compiled. He points out that the momentum of the current advance has been lost, although the peak in the present movement may not be seen for several months.

	THE FAIRCHILD PUBLICATIONS RETAIL PRICE INDEX				
	May 1 1931	Nov. 1 1940	Aug. 1 1941	Sept. 2 1941	Oct. 1 1941
Composite index	69.4	93.6	99.6	102.6	105.2
Piece goods	65.1	86.7	93.3	97.1	99.9
Men's apparel	70.7	89.3	91.5	93.3	95.5
Women's apparel	71.8	92.1	96.9	100.4	104.1
Infants' wear	76.4	97.7	98.7	100.0	101.2
Home furnishings	70.2	95.3	102.4	104.9	105.9
Piece Goods—					
Silks	57.4	69.4	72.0	76.7	78.9
Woolens	69.2	87.6	93.2	95.8	98.4
Cotton wash goods	68.6	103.2	114.6	118.7	122.4
Domestic—					
Sheets	65.0	93.6	100.8	104.8	108.9
Blankets & comfortables	72.9	116.0	120.8	122.8	124.4
Women's Apparel—					
Hosiery	59.2	73.4	73.5	79.4	83.4
Aprons & house dresses	75.5	106.1	111.0	114.6	121.4
Corsets & brassieres	83.6	93.0	94.6	96.3	99.1
Furs	66.8	106.0	126.2	133.0	138.1
Underwear	69.2	86.0	88.0	90.7	93.8
Shoes	76.5	88.9	89.1	89.5	89.6
Men's Apparel—					
Hosiery	64.9	87.6	89.2	91.3	94.3
Underwear	69.6	92.0	94.2	96.6	100.3
Shirts & neckwear	74.3	86.0	87.4	88.3	90.0
Hats & caps	69.7	83.0	85.7	86.9	89.0
Clothing incl. overalls	70.1	92.0	95.2	97.1	98.3
Shoes	76.3	91.8	97.4	99.6	101.0
Infants' Wear—					
Socks	74.0	103.8	104.0	105.3	106.3
Underwear	74.3	95.2	95.9	96.8	98.3
Shoes	80.9	94.1	96.3	97.9	98.6
Furniture	69.4	101.5	116.7	120.5	123.1
Floor coverings	79.9	127.5	135.1	136.7	138.3
Musical instruments	50.6	54.0	56.7	58.9	61.3
Luggage	60.1	76.0	79.1	81.8	84.2
Electrical Household—					
Appliances	72.5	80.0	84.9	87.1	89.0
China	81.5	94.6	102.1	103.4	104.1

Note.—Composite index is a weighted aggregate. Major group indexes are arithmetic averages of subgroups. The Federal tax of 10% at retail is excluded in the computation of the fur index. The excise taxes on luggage, radios, and electrical appliances are levied on the manufacturers.

Oct. Living Costs Higher In Industrial Cities

Although the cost of living in the entire United States increased 1.2% in October, or at about the same rate as in the previous six months, increases in 60 industrial cities ranged from 0.5% to 2.4%, according to the Division of Industrial Economics of The Conference Board, which under the date of Nov. 12 said:

Several of the largest increases were in cities of the South and Far West: 2.4% in Atlanta, 2.3% in Chattanooga, 2.3% in San Francisco, 2.1% in Los Angeles, and 2.0% in Dallas. The smallest increases were in St. Louis, New Orleans, Wilmington, Delaware, Meadville, Pennsylvania, Louisville, and Cleveland.

The cost of living in the entire country was 7.5% higher in October than in October, 1940, but in 56 industrial cities it increased by percentages ranging from 5.1% in Spokane to 13.0% in Syracuse. The median increase of 8.1% occurred in Manchester, New Hampshire, and Omaha.

Percentage changes from September to October, in order of size, are tabulated below.

Percentage Changes in Living Costs in 60 Cities from September to October, 1941					
Source: The Conference Board					
City	% Chge.	City	% Chge.	City	
Atlanta	+2.4	Manchester, N. H.	+1.4	Detroit	+1.0
Chattanooga	+2.3	Richmond	+1.4	New York	+1.0
San Francisco	+2.3	Sacramento	+1.4	Roanoke, Va.	+1.0
Akron	+2.1	Boston	+1.3	Minneapolis	+0.9
Los Angeles	+2.1	Front Royal, Va.	+1.3	Newark	+0.9
Dallas	+2.0	Memphis	+1.3	Baltimore	+0.8
Syracuse	+2.0	Muskegon	+1.3	Grand Rapids	+0.8
Erie, Pa.	+1.8	Omaha	+1.3	Providence	+0.8
Houston	+1.8	St. Paul	+1.3	Vausau, Wis.	+0.8
Macon	+1.8	Indianapolis	+1.2	Bridgeport	+0.7
Seattle	+1.8	Dayton	+1.2	Kansas City, Mo.	+0.7
Buffalo	+1.6	Portland, Ore.	+1.2	Milwaukee	+0.7
Fall River	+1.6	Toledo	+1.2	Farkersburg, W. Va.	+0.7
Oakland	+1.6	Birmingham	+1.1	Pittsburgh	+0.7
Philadelphia	+1.6	Des Moines	+1.1	Cleveland	+0.6
Lansing	+1.5	Duluth	+1.1	Louisville	+0.6
Youngstown	+1.5	New Haven	+1.1	Meadville, Pa.	+0.6
Cincinnati	+1.4	Rochester	+1.1	Wilmington, Del.	+0.6
Denver	+1.4	Spokane	+1.1	New Orleans	+0.5
Lynn	+1.4	Chicago	+1.0	St. Louis	+0.5

Weekly Statistics of Paperboard Industry

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

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

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity	
				Current	Cumulative
1940—Month of—					
January	528,155	579,739	167,240	72	71
February	420,639	453,518	137,631	70	71
March	429,334	449,221	129,466	69	70
April	520,907	456,942	193,411	70	70
May	682,490	624,184	247,644	76	72
June	508,905	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	468,970	470,228	163,769	72	73
October	670,473	648,611	184,002	79	73
November	488,990	509,945	181,995	77	73
December	464,537	478,099	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	472,762	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	151,141	154,711	509,231	90	82
July 5	145,197	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	82
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	187,440	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
Nov. 8	169,585	159,860	576,923	97	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.

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. 17 as follows:

	Argentina	Australia	Canada	India	Japan	Mexico	New Zealand	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	120	111	119	144	172	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	152	129	117	120	156	189	129
June	133	121	137	155	131	119	121	155	193	132
July	135	121	141	156	136	125	122	155	194	136
August	138	121	142	157	138	127	123	156	196	138
September	140	122	145	157	138	130	123	156	202	143
October	140	123	143	159	139	132	126	156	---	141
1941—Weeks end:										
Oct. 4	140	122	145	159	138	131	125	156	*203	143
Oct. 11	140	122	144	159	138	132	126	156	---	142
Oct. 18	141	123	143	159	139	132	126	156	---	140
Oct. 25	141	123	143	159	140	132	126	157	---	140
Nov. 1	141	124	142	158	140	135	126	157	---	140
Nov. 8	140	124	142	158	140	*135	125	157	---	141

* Preliminary. † Revised

Trading On New York Exchanges

The Securities and Exchange Commission made public on Nov. 17 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 Nov. 1, 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 Nov. 1 (in round-lot transactions) totaled 494,368 shares, which amount was 14.34% of total transactions on the Exchange of 3,221,260 shares. This compares with member trading during the previous week ended Oct. 25 of 541,075 shares or 15.29% of total trading of 3,447,230 shares. On the New York Curb Exchange, member trading during the week ended Nov. 1 amounted to 124,670 shares, or 14.07% of the total volume on that Exchange of 739,220 shares; during the preceding week trading for the account of Curb members of 94,505 shares was 14.60% of total trading of 586,545 shares.

The Commission made available the following data for the week ended Nov. 1:

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—	1,058	769
1. Reports showing transactions as specialists	183	99
2. Reports showing other transactions initiated on the floor	185	27
3. Reports showing other transactions initiated off the floor	211	92
4. Reports showing no transactions	578	560

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 Nov. 1, 1941		
	Total For Week	
A. Total Round-Lot Sales		
Short sales	81,820	
Other sales b	3,139,440	
Total sales	3,221,260	
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	214,590	
Short sales	43,000	
Other sales b	181,630	
Total sales	224,630	6.82
2. Other transactions initiated on the floor		
Total purchases	118,980	
Short sales	20,300	
Other sales b	142,310	
Total sales	162,610	4.37
3. Other transactions initiated off the floor		
Total purchases	95,900	
Short sales	3,980	
Other sales b	103,148	
Total sales	107,128	3.15
4. Total		
Total purchases	429,470	
Short sales	67,280	
Other sales b	427,088	
Total sales	494,368	14.34

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)		
Week Ended Nov. 1, 1941		
	Total For Week	Per Cent a
A. Total Round-Lot Sales		
Short sales	9,775	
Other sales b	729,445	
Total sales	739,220	
B. Round-Lot Transactions for the Account of Members		
1. Transactions of specialists in stocks in which they are registered		
Total purchases	47,985	
Short sales	6,035	
Other sales b	78,480	
Total sales	84,515	8.96
2. Other transactions initiated on the floor		
Total purchases	14,100	
Short sales	1,800	
Other sales b	11,755	
Total sales	13,555	1.87
3. Other transactions initiated off the floor		
Total purchases	21,340	
Short sales	300	
Other sales b	26,300	
Total sales	26,600	3.24
4. Total		
Total purchases	83,425	
Short sales	8,135	
Other sales b	116,535	
Total sales	124,670	14.07
C. Odd-Lot Transactions for the Account of Specialists		
Customers' short sales	0	
Customers' other sales c	47,881	
Total purchases	47,881	
Total sales	47,881	

* 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."

U. S., Canada Set Up Coordination Board

The White House at Washington announced on Nov. 5 that President Roosevelt and Prime Minister Mackenzie King of Canada have set up a Joint Defense Production Committee, composed of 12 members, to coordinate the capacities of the two countries for the production of defense material. This action puts into effect a recommendation of the Joint Economic Committee of Canada and the United States. The announcement of the creation of the Joint Production Committee of 12 followed conversations held at the President's Hyde Park (N. Y.) home on Nov. 1 and 2 between the President and the Prime Minister. Regarding the recommendation of the Joint Economic Committee, the White House announcement of Nov. 5 stated:

The Resolution of the Joint Economic Committee, in accordance with which the Joint Defense Production Committee has been established, is as follows:

Whereas: (a) At Hyde Park on April 20, 1941, the Prime Minister of Canada and the President of the United States agreed "as a general principle that in mobilizing the resources of this continent, each country should provide the other with the defense articles which it is best able to produce, and above all, produce quickly, and that production programs should be coordinated to this end;" and

(b) The two Governments have established joint bodies in the field of military strategy (the Permanent Joint Board on Defense), in the field of primary materials (the Joint Materials Coordinating Committee), and in the field of general economic relations (the Joint Economic Committee); but

(c) No machinery has been established for the specific purpose of most effectively coordinating capacities of the two countries for the production of defense material;

Therefore, The Joint Economic Committees

Recommend: (1) That the Governments of Canada and of the United States establish a joint committee on defense production to survey the capacity and potential capacity for the production of defense material in each country to the end that in mobilizing the resources of the two countries each country should provide for the common defense effort the defense articles which it is best able to produce, taking into consideration the desirability of so arranging production for defense purposes as to minimize, as far as possible and consistent with the maximum defense effort, maladjustments in the post-defense period;

(2) That the said joint committee be directed to report from time to time to the Prime Minister of Canada and to the President of the United States, with such recommendations as are found to be necessary to secure the purposes set forth above, as well as reports on progress made under their recommendations.

(3) That the said joint committee be furnished with such studies as have already been initiated in this field by the Joint Economic Committees and the Joint Materials Coordinating Committee; that the said joint committee be directed currently to furnish to the Joint Economic Committee copies of its surveys, findings and recommendations and reports, and to take appropriate steps to insure a continuing liaison between its secretariat and members and the secretariat and members of the Joint Economic Committees

and that the said joint committee be invited to consist with the Joint Economic Committees through joint meetings or otherwise, as occasion may indicate to be desirable, particularly with regard to the objective of minimizing post-defense economic maladjustments.

Signed:

(W. A. Mackintosh)
Canadian Chairman.
(Alvin H. Hansen)
U. S. Chairman.

Date: Sept. 19, 1941.

Those comprising the newly created Joint Production Committee appointed by the President and the Prime Minister respectively are:

American Members

Milo Perkins, Executive Director, Economic Defense Board, Chairman; J. V. Forrestal, Under Secretary of the Navy; W. H. Harrison, Director, Production Division, Office of Production Management; R. P. Patterson, Under Secretary of War; E. R. Stettinius, Jr., Administrator, Office of Lend-Lease Administration; H. L. Vickery, Vice-Chairman, United States Maritime Commission.

Canadian Members

G. K. Sheils, Deputy Minister, Department of Munitions and Supply, Chairman; J. R. Donald, Director General, Chemicals & Explosives Branch, Department of Munitions and Supply; H. J. Carmichael, Director General, Munitions Production Branch, Department of Munitions and Supply; R. P. Bell, Director General, Aircraft Production Branch, Department of Munitions and Supply; H. R. MacMillan, President, War-Time Merchant Shipping, Ltd.; Walter Gordon, Department of Finance.

The program of coordinating defense production facilities, agreed upon at Hyde Park by President Roosevelt and Prime Minister Mackenzie King on April 20 last, was referred to in our April 26 issue, page 2634.

Blue Food Stamps Add Farm Products To Diets

Blue food stamps added \$9,637,000 worth of farm products to the diets of more than 3,598,000 persons eligible to receive public assistance during the month of September, the Department of Agriculture announced on Nov. 11 in its monthly report on the Food Stamp Program. During September, families taking part in the Food Stamp Program used blue stamps, which increased their expenditures for agricultural products approximately 50%, as follows: about 21% for eggs, 26% for flour and other cereals, 30% for vegetables and potatoes, and 23% for fruits. The Department's announcement further said:

Purchases with blue stamps, representing new outlets for farm commodities, as estimated by the Surplus Marketing Administration, included about 5,500,000 dozen eggs, nearly 51,000,000 pounds of white and graham flour and about 16,000,000 pounds of other cereals; and over 82,000,000 pounds of vegetables and potatoes.

Other blue stamp purchasers during the month included over 2,400,000 dozens of fresh oranges; nearly 10,000,000 pounds of fresh peaches; 1,500,000 pounds of raisins and 1,800,000 pounds of dried prunes.

In addition to purchases of commodities with blue stamps, the Surplus Marketing Administration continued in September to distribute farm products for use in free school lunches, and to needy families in areas not served by the Food Stamp Program.

Market Value Of Stocks On New York Stock Exchange Declined In October

The New York Stock Exchange announced on Nov. 6 that as of the close of business Oct. 31, 1941, there were 1,236 stock issues aggregating 1,465,181,804 shares listed on the New York Stock Exchange, with a total market value of \$39,057,023,174. This compares with 1,236 stock issues, aggregating 1,462,257,934 shares listed on the Exchange Sept. 30, 1941, with a total market value of \$40,984,419,434 and with 1,230 stock issues aggregating 1,452,542,070 shares listed on the Exchange Oct. 31, 1940, with a total market value of \$42,673,890,518.

As of the close of business Oct. 31, 1941, New York Stock Exchange member total net borrowings amounted to \$444,162,810. The ratio of these member borrowings to the market value of all listed stocks on that date was, therefore, 1.14%. As the above figure includes all types of member borrowings, these ratios will ordinarily exceed the precise relationship between borrowings on listed shares and their total market value.

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

Group—	—Oct. 31, 1941—		—Sept. 30, 1941—	
	Market Value \$	Average Price \$	Market Value \$	Average Price \$
Amusement	287,909,692	13.45	295,179,915	13.79
Automobile	2,855,738,823	23.77	3,087,433,225	25.69
Aviation	577,384,573	17.83	611,526,158	19.27
Building	413,613,551	19.04	464,802,407	21.37
Business and office equipment	279,977,422	23.93	286,994,304	24.53
Chemical	5,370,174,717	56.73	5,681,370,506	60.14
Electrical equipment	1,199,278,039	30.08	1,328,915,957	33.64
Farm machinery	579,496,376	44.21	617,091,242	47.08
Financial	758,111,694	14.76	794,220,120	15.44
Food	2,596,867,532	27.68	2,703,444,865	28.82
Garment	42,272,407	25.23	41,892,553	25.00
Land and realty	14,999,125	3.08	15,757,076	3.24
Leather	186,998,544	22.30	195,539,869	23.32
Machinery and metals	1,365,853,207	20.22	1,453,803,685	21.53
Mining (excluding iron)	1,387,438,750	23.47	1,461,344,348	24.72
Paper and publishing	389,969,477	17.62	4,262,636	18.64
Petroleum	4,353,174,713	22.64	4,263,618,148	22.18
Railroad	2,880,718,589	25.87	2,961,429,641	26.86
Retail merchandising	2,141,987,481	29.21	2,326,833,086	30.54
Rubber	348,320,613	32.89	361,282,670	34.09
Ship building and operating	100,280,889	23.40	101,700,112	23.75
Shipping Services	9,381,330	5.11	9,663,481	5.26
Steel, iron and coke	2,103,306,810	41.39	2,211,295,419	43.51
Textiles	322,104,563	23.69	335,537,426	24.68
Tobacco	1,203,718,652	45.02	1,368,635,184	51.19
Utilities:				
Gas and electric (operating)	1,782,526,330	19.29	1,909,458,973	20.67
Gas and electric (holding)	857,354,709	8.95	942,425,125	9.84
Communications	3,279,643,860	79.67	3,371,328,764	81.90
Miscellaneous	78,598,414	10.01	84,164,008	10.72
U. S. companies operating abroad	477,871,174	14.51	508,121,460	15.43
Foreign companies	698,226,976	17.25	750,803,270	18.55
Miscellaneous businesses	113,725,142	19.37	116,284,161	19.81
All listed stocks	39,057,023,174	26.66	40,984,419,434	28.02

We give below a two-year compilation of the total market value and the average price of stocks listed on the Exchange:

1939—	Market Value	Average Price	1940—		
			Market Value	Average Price	
July 31	\$44,751,599,352	31.31	Sept. 30	\$41,491,698,705	\$28.56
Aug. 31	41,652,664,710	29.12	Oct. 31	42,673,890,518	29.38
Sept. 30	47,440,476,622	33.15	Nov. 30	41,846,246,961	28.72
Oct. 31	47,373,972,773	33.11	Dec. 31	41,890,646,959	28.80
Nov. 30	45,505,228,611	31.79	1941—		
Dec. 30	46,467,616,372	32.37	Jan. 31	40,279,504,457	27.68
1940—			Feb. 28	39,398,228,749	27.08
Jan. 31	45,636,655,548	31.68	Mar. 31	39,696,269,155	27.24
Feb. 29	46,058,132,499	31.96	Apr. 30	37,710,958,708	25.78
Mar. 30	46,694,763,118	32.34	May 31	37,815,306,034	25.84
Apr. 30	46,769,244,271	32.35	June 30	39,607,836,569	27.07
May 31	36,546,583,208	25.26	July 31	41,654,256,215	28.46
June 29	38,775,241,138	26.74	Aug. 30	41,472,032,904	28.32
July 31	39,991,865,997	27.51	Sept. 30	40,984,419,434	28.02
Aug. 31	40,706,241,811	28.00	Oct. 31	39,057,023,174	26.66

September Hotel Sales Up

In its monthly report on the trend of business in hotels, Horwath & Horwath, New York hotel accountants, state that the September increases over the corresponding month of last year exceeded the average gains for the year to date, and as usual those for food and beverages were a little more than those for rooms. For the second month in succession, the average room rate was up 5% and the occupancy at 69% is the highest for the month of September since 1929. The firm's bulletin goes on to say:

Notwithstanding these fairly good improvements for the country in general, some of the important cities and sections did not make very favorable comparisons with last year. New York City feels the absence of the World's Fair business this year, and Cleveland had no such heavy convention business as in last September. Detroit had a higher average occupancy than a year ago, but a lower average rate and consequently its increase in room sales was only 1%.

San Francisco reported a decrease in room sales from September, 1940, and about the same amount of restaurant business, but Los Angeles and the rest of the Pacific Coast had large increases, as did also Philadelphia, Washington and Texas. For Philadelphia the improvement in room sales was the result of higher occupancy and not better rates.

The group, "All Others," had an 8% increase in rates, which is especially encouraging as these hotels are scattered all over the country outside of the large cities.

SEPTEMBER, 1941, COMPARED WITH SEPTEMBER, 1940

	Sales, Increase or Decrease					Occupancy		Room Rate Increase or Decr.
	Total	Rooms	Restaurant	Food	Beverages	Sept. 1941	Sept. 1940	
New York City	- 1%	- 5%	+ 7%	+ 5%	+ 11%	72%	75%	- 1%
Chicago	+ 7%	+ 13%	+ 12%	+ 12%	+ 11%	71%	66%	+ 5
Philadelphia	+ 20%	+ 16%	+ 25%	+ 24%	+ 26%	60%	52%	+ 0
Washington	+ 19%	+ 14%	+ 25%	+ 20%	+ 32%	82%	77%	+ 7
Cleveland	- 4%	- 3%	- 6%	- 5%	- 11%	73%	75%	- 1
Detroit	0	+ 1	- 1	- 5	+ 4	75%	73%	- 2
Pacific Coast	+ 14%	+ 8%	+ 20%	+ 18%	+ 23%	69%	64%	0
Texas	+ 12%	+ 11%	+ 13%	+ 13%	+ 14%	65%	60%	+ 4
All others	+ 13%	+ 12%	+ 13%	+ 14%	+ 11%	68%	66%	+ 8
Total	+ 11%	+ 9%	+ 13%	+ 13%	+ 13%	69%	67%	+ 5%

Year to date... + 9% + 7% + 10% + 10% + 11% 68% 65% + 2%
*The term "rates" wherever used refers to the average sales per occupied room and not to scheduled rates. *Rooms and restaurant only.

Value Of Bonds On N. Y. Stock Exchange

As of the close of business Oct. 31, 1941, there were 1,274 bond issues aggregating \$57,855,667,727 par value listed on the New York Stock Exchange with a total market value of \$55,106,635,894, the Stock Exchange announced on Nov. 7. This compares with 1,275 bond issues aggregating \$56,386,500,477 par value listed on the Exchange on Sept. 30, 1941, with a total market value of \$53,418,055,935.

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

Group—	—Oct. 31, 1941—		—Sept. 30, 1941—	
	Market Value \$	Average Price \$	Market Value \$	Average Price \$
U. S. Government (incl. States, Cities, etc.)	39,753,699,340	108.59	38,013,285,841	108.55
U. S. companies:				
Amusements	45,203,578	99.27	42,122,224	99.14
Automobile	14,133,762	104.34	14,151,082	104.34
Building	21,521,402	93.72	20,648,976	89.76
Business and office equipment	15,337,500	102.25	15,300,000	102.00
Chemical	75,798,250	98.57	74,860,125	97.35
Electrical equipment	16,125,000	107.50	16,143,750	107.63
Financial	50,358,763	105.27	50,340,061	102.66
Food	211,295,637	105.27	211,731,644	105.48
Land and realty	9,376,438	65.48	9,540,824	66.63
Machinery and metals	49,864,845	99.88	50,222,758	100.19
Mining (excluding iron)	91,030,506	56.34	92,668,570	57.01
Paper and publishing	59,721,127	101.08	60,165,292	101.83
Petroleum	598,076,993	104.44	597,631,987	104.31
Railroad	6,453,056,399	61.65	6,423,318,544	61.21
Retail merchandising	11,926,703	77.62	12,261,687	79.80
Rubber	75,086,781	101.24	74,616,998	100.61
Ship building and operating	13,170,418	101.00	12,163,305	92.25
Shipping services	17,415,376	62.66	17,486,600	62.92
Steel, iron and coke	568,150,661	101.87	566,968,372	101.56
Textiles	26,642,600	100.36	26,673,970	100.48
Tobacco	41,194,740	102.34	41,079,236	122.00
Utilities:				
Gas and electric (operating)	3,192,560,678	108.63	3,187,440,942	108.45
Gas and electric (holding)	117,073,125	105.47	117,454,375	105.81
Communications	1,231,990,072	109.79	1,312,810,275	108.91
Miscellaneous utilities	81,696,082	55.28	81,916,286	55.41
U. S. companies oper. abroad	100,240,374	52.42	102,916,082	53.79
Miscellaneous businesses	32,261,250	105.77	32,413,750	106.27
Total U. S. companies	13,230,308,520	77.54	13,274,047,675	77.30
Foreign government	1,344,633,609	46.59	1,349,557,409	46.57
Foreign companies	777,994,425	60.01	781,165,010	60.24
All listed bonds	55,106,635,894	95.25	53,418,055,935	94.74

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

1939—	Market Value	Average Price	1940—		
			Market Value	Average Price	
Sept. 30	\$46,430,860,982	\$88.50	Oct. 31	\$50,438,409,964	\$92.84
Oct. 31	47,621,245,885	90.79	Nov. 30	50,755,887,399	93.58
Nov. 30	47,839,377,778	91.24	Dec. 31	50,831,283,315	93.84
Dec. 30	49,919,813,386	92.33	1941—		
1940—			Jan. 31	50,374,446,095	93.05
Jan. 31	49,678,905,641	92.02	Feb. 28	50,277,456,796	92.72
Feb. 29	49,605,261,998	91.97	Mar. 31	52,252,053,607	93.73
Mar. 30	50,006,387,149	92.86	Apr. 30	52,516,026,554	94.32
Apr. 30	49,611,937,544	92.48	May 30	52,321,710,056	94.22
May 31	46,936,861,020	87.87	June 30	53,237,234,699	94.80
June 29	47,665,777,410	90.14	July 31	53,259,696,637	95.04
July 31	48,601,638,211	90.96	Aug. 30	53,216,867,646	94.86
Aug. 31	49,238,728,732	91.33	Sept. 30	53,418,055,935	94.74
Sept. 30	49,643,200,867	92.08	Oct. 31	55,106,635,894	95.25

Fertilizer Ass'n Index Fractionally Lower

The general level of wholesale commodity prices was fractionally lower last week, according to the price index compiled by The National Fertilizer Association. In the week ended Nov. 15, 1941 this index was 116.4 compared with 116.5 in the preceding week. A month ago it was 116.8 and a year ago 98.8, based on the 1935-39 average as 100. An announcement of the Fertilizer Ass'n, issued Nov. 17, continued:

The dip in the all-commodity index was due principally to moderate decreases in farm product and foodstuff prices. Lower quotations for corn meal, bananas, meats, and edible vegetable oils were responsible for a drop in the food price index. Although cotton was higher last week, declines in grains and livestock were sufficient to cause a decrease in the farm product average. The building material index was slightly lower. A recession in the chemical and drug price index was the result of a downturn in the price of glycerine. Cotton and wool prices were higher causing an increase in the textile index. The fuel price index was at the highest point reached since 1929, the result of increases in gasoline and kerosene. Higher cattle feed and cottonseed meal quotations were responsible for an upturn in the miscellaneous commodity price index. The fertilizer material index also moved upward last week.

Steel Production Threatened By CIO Coal Strike— To Reallocate Freight And Tank Car Plates

A new sufferer from a defense strike—the civilian steel consumer, the man in the street—for the first time finds himself on the receiving end of John L. Lewis' blows for a universal closed shop—a system under which every man, to hold a job, must belong to a union, according to the "Iron Age" of Nov. 20, which adds: "Defense plants, because of the importance of keeping them operating at full capacity, are certain to get the necessary steel as long as there is any left to ship. It is the civilian product plant, consuming steel, which will be the first to be hit if the coal strike continues. For the first time, Mr. Lewis seemed to be ready in the name of the closed shop to shut off material needed for the already diminishing flow of refrigerators, stoves, washing machines and other peacetime products to the public." This publication further went on to say:

Observers recalled that work stoppages and slowdowns in the steel industry, prior to the coal strike, had already caused a loss in steel production estimated at 700,000 tons, a loss which will be a burden on civilian steel consumers for all of 1941 and beyond. How quickly this total will increase if the coal strike continues may be judged by the fact that the Clairton, Pa. works of Carnegie-Illinois Steel Corp.—"bottleneck" plant on which operations of most U. S. Steel Corp. steel plants in the Pittsburgh area depend—has little more than six days' supply of coal.

Since earlier shutdowns have reduced the steel industry's supplies of coal, coke, pig iron, scrap and semi-finished steel, the gravity of the Lewis threat to the entire defense program seems hard to exaggerate.

While the CIO strike threatened the entire output of steel, other difficulties continued to beset steel consumers despite slow progress already made in streamlining the priorities system.

One of the industry's experts on mill operation told the "Iron Age" that "only about 60% of the potentially available plate capacity in the country is now being used because of the inefficient allocation of plate orders by Washington." Of all the claims made about defense agency mismanagement, this is one of the most serious, since plates have long been one of the scarcest of steel items. Plate allocation has been presented as a successful system which could well be applied, at the proper time, to all steel items and to other materials. Demands that mills stop rolling sheets and strip for the automotive industry and after conversion be used to roll vitally needed plates, have figured in the plate situation in recent months.

A move has been started to bring about a complete reallocation of freight and tank car plates so that the mills will go on all-out production for Navy, Maritime Commission and Lend-Lease use. Pressure may be exerted to bring Navy and Maritime Commission plate specification closer to commercial practice so that output can be increased.

This week brought to light an interesting steel industry backlog analysis which shows 60.3% of all steel orders for November delivery are for direct and indirect defense needs. October delivery orders showed 58.6% for defense, while steel orders for delivery after Dec. 1 for steel companies with 94% of the industry's capacity are 57.4% for defense and total 11,207,171 net tons. A chart in the current issue of the "Iron Age" shows that the defense program (for November delivery) is taking steel ranking, by products, from a high point of 100% for armor plate and forgings to a low of 11.4% for tin and terne plate. Of the plates for November delivery, 91%, or 465,436 tons, were for defense.

Meanwhile, steel ingot production, as the week began, (before the coal strike had any direct effect) stood at 97.5%, unchanged from last week, according to the "Iron Age" estimate. Continued efforts of OPM in shifting scrap tonnage is permitting several producers who have no inventory to squeeze through from day-to-day on a full schedule. Prior to the coal strike the Pittsburgh district reported steel operations up a point from a week ago to 100%; Youngstown, unchanged at 96%; Philadelphia unchanged at 90%; Cleveland up one point to 99%; Buffalo off 2.5 to 90%; Wheeling unchanged at 94%; Birmingham unchanged at 95.5%; Detroit down 8 to 101%; Southern Ohio River up 4 to 101%; Western unchanged at 96%; St. Louis unchanged at 111% and Eastern down 2 to 107%. The big Chicago district was down a point to 101%.

Structural steel awards for the week dropped to 13,950 tons from 44,450 tons last week. New structural projects of 16,700 tons are slightly lower than a week ago and include 2,900 tons for the Boston Navy Yard, 2,850 tons for an airplane repair shop at Hill Field, Utah, and 1,200 tons at Westerly, R. I. for a power house.

Reinforcing steel awards total only 2,825 tons, while new projects of 21,550 tons include 8,000 tons for a shell-loading plant at Wahoo, Neb., 5,400 tons for the South Boston Navy Yard, and 3,000 tons at Hinton, W. Va. for the Blue Stone reservoir.

Item	High	Low
Nov. 18, 1941, 2.30467c. a Lb.	\$22.61	\$20.61
One week ago	23.25	19.61
One month ago	23.25	20.25
One year ago	19.74	18.73
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.	18.84	17.83
High	17.90	16.90
Low	16.90	15.56
1941	14.81	13.56
1940	15.90	14.79
1939	18.21	15.90
1929	18.71	18.21
Steel Scrap		
Nov. 18, 1941, \$19.17 a Gross Ton	\$19.17	\$19.17
One week ago	19.17	19.17
One month ago	20.82	20.82
One year ago	20.82	20.82
Based on No. 1 heavy melting steel scrap quotations to consumers at Pittsburgh, Philadelphia, and Chicago.		
High	\$22.00	\$19.17
Low	21.83	16.04
1941	22.50	14.08
1940	15.00	11.00
1939	21.92	22.00
1938	17.75	12.67
1935	13.42	10.33
1934	13.00	9.50
1933	12.25	8.75
1932	8.50	6.43
1931	11.33	8.50
1930	15.00	11.25
1929	17.58	14.08
Pig Iron		
Nov. 18, 1941, \$23.61 a Gross Ton	\$23.61	\$23.61
One week ago	23.61	23.61
One month ago	23.61	23.61
One year ago	22.61	22.61
Based on averages for basic iron at Valley Forge and Conduy Valley at Chicago, Philadelphia, Buffalo, Valley and Southern Iron at Cincinnati.		
High	\$23.61	\$23.61
Low	23.45	22.61
1941	23.45	22.61
1940	23.45	22.61

The American Iron and Steel Institute on Nov. 17 announced that telegraphic reports which it had received indicated that operat-

ing rate of steel companies having 91% of the steel capacity of the industry will be 97.0% of capacity for the week beginning Nov. 17, compared with 96.6% one week ago, 97.8% one month ago and 96.5% one year ago. This represents a decrease of 0.4 points or 0.4%, from the preceding week. Weekly indicated rates of steel operations since Nov. 4, 1940, follow:

Year	Month	Rate	Year	Month	Rate	Year	Month	Rate
1940	Jan 20	96.5%	May 5	96.8%	Aug 18	96.2%	Jan 27	97.1%
Nov 4	96.0%	Jan 27	97.1%	May 12	99.2%	Aug 25	96.5%	Feb 3
Nov 11	96.1%	Feb 3	96.9%	May 19	99.9%	Sep 2	96.3%	Feb 10
Nov 18	96.6%	Feb 10	97.1%	May 26	98.6%	Sep 9	96.9%	Feb 17
Nov 25	96.6%	Feb 17	94.6%	Jun 2	99.2%	Sep 16	96.1%	Feb 24
Dec 2	96.9%	Feb 24	96.3%	Jun 9	98.6%	Sep 23	96.8%	Mar 3
Dec 9	96.0%	Mar 3	97.5%	Jun 16	99.0%	Sep 30	96.9%	Mar 10
Dec 16	96.8%	Mar 10	98.8%	Jun 23	99.9%	Oct 7	98.1%	Mar 17
Dec 23	80.8%	Mar 17	99.4%	Jul 7	99.9%	Oct 14	98.4%	Mar 24
Dec 30	95.9%	Mar 24	99.8%	Jul 14	95.2%	Oct 21	97.8%	Apr 7
1941	Jan 6	97.2%	Apr 7	99.3%	Jul 21	96.0%	Oct 28	99.9%
Jan 13	98.5%	Apr 14	98.3%	Jul 28	97.6%	Nov 4	96.6%	Apr 21
		Apr 21	96.0%	Aug 4	96.3%	Nov 11	97.0%	Apr 28
		Apr 28	94.3%	Aug 11	95.6%			

"Steel" of Cleveland, in its summary of the iron and steel markets, on Nov. 17, stated:

Increasing proportion of steel inquiries carrying high preference rating is an indication of the spread of defense work among smaller manufacturers. Subcontracting is engaging a larger segment of industry in work for national defense.

This is a heartening sign as the larger the number of steel fabricators engaged in essential work the sounder the business situation and the fewer the shutdowns. Efforts of the Government to spread work widely are being exerted to obtain quicker delivery of completed parts and to offer employment to as many as possible in all branches of industry. Such division of production tends to eliminate choke points and give better flow of parts to plants engaged in assembling complete units of armament.

Steel allocation is coming nearer as top priorities increase to the extent that some central authority is needed to sort out most pressing orders for first attention. Under present conditions steel-makers can not determine which of numerous orders bearing highest priority should be rolled and shipped first. Probably allocation will be applied gradually to various products as need arises. Plates already are practically on this basis without formal notice and other products are approaching a point where the whole picture must be seen to indicate most pressing need and decide the sequence in which steel should be produced and shipped. Success in pig iron distribution indicates what may be done in allocating steel, though the latter will be a much more complicated process.

Heavy tonnages of shell rounds are about to be allocated to supply government munitions plants coming into production. These will be rolled on rail and structural mills and will tend to reduce deliveries of regular products of these mills. Railroads have been asked to hold rail orders to a minimum consistent with safety. Most current rail business is for tracks in connection with defense munition plants. The Government is also buying a number of locomotives to serve inside these plants.

Freight car builders are receiving larger supply of steel, mainly plates, and are operating at a better rate, though not yet at full capacity. Several roads have large programs of carbuilding in their own shops and are doing much repair work to add to available rolling stock.

Necessity for further curtailment in steel production because of scrap shortage is more imminent as the supply fails to increase and steel output is kept at a high rate. In some areas current supply is not over 10 days and in others only 30 to 60 days under present conditions. Some diversion of scrap from one consuming district to another is being ordered in an effort to keep all plants going as long as possible. Open hearths already down remain idle as no additional scrap supply appears. Additional pig iron production makes up for some of the shortage but can not fill the gap to more than a slight degree. Flow of remote scrap has subsided after a spurt and little is now being received.

Steelworks operations are feeling the effect of scanty scrap supplies and the national rate last week receded 1/2-point to 97% as a result, with indications of more severe contraction in the next few weeks. Chicago gained 1 1/2 points to 102 1/2%, only a point below the all-time high reached a few weeks ago. Cincinnati rose 1/2-point to 88%, Cleveland 1 1/2 points to 94 1/2%, Detroit 1 point to 96% and New England 2 points to 92%. Birmingham lost 5 points to 90%, Wheeling 4 points to 91% and Youngstown 3 points to 94%. Unchanged rates were: St. Louis, 98%; Pittsburgh, 99%; Eastern Pennsylvania, 91% and Buffalo, 79%.

Threats of renewed strikes in captive mines is disturbing to the steel industry as interference with coke deliveries would bring shutdowns within a short time. Coal supplies for coke ovens are estimated at not more than 30 days in general, with some operations holding stocks for only a portion of this period.

Automobile output last week was 92,990 units, compared with 93,585 the preceding week, a drop of 595. In the comparable week last year production was 121,943 cars. Weekly assemblies for the past month have been consistently close to 90,000 in conformity with orders of OPM to limit production.

Composite prices continue under influence of ceilings and are unchanged: Finished steel, \$56.73; semifinished steel, \$36.00; steel-making pig iron, \$23.05; steelmaking scrap, \$19.17.

The London Stock Exchange

Quotations of representative stocks as received by cable each day of the past week:

	Sat. Nov. 8	Mon. Nov. 10	Tues. Nov. 11	Wed. Nov. 12	Thur. Nov. 13	Fri. Nov. 14
Boots Pure Drugs	35/-	35/6	35/6	35/6	35/6	35/6
British Amer. Tobacco	93/9	95/-	96/3	96/3	96/3	96/3
Cable & W. ord.	£ 67/4	£ 68	£ 68	£ 68 1/2	£ 68 1/2	£ 68 1/2
Central Min. & Invest.	£ 13	£ 13	£ 13	£ 13	£ 13	£ 13
Cons. Goldfields of S. A.	40/-	40/-	42/6	43/9	43/9	43/9
Courtaulds (S.) & Co.	35/-	35/-	34/6	34/6	34/6	34/6
De Beers	£ 9 1/2	£ 9 1/2	£ 9 1/2	£ 9 1/2	£ 9 1/2	£ 9 1/2
Distillers Co.	70/3	70/6	71/-	71/-	70/9	70/9
Electric & Musical Ind.	13/-	13/3	13/3	13/3	13/6	13/6
Ford Ltd.	24/3	24/3	24/6	24/3	24/3	24/3
Hudsons Bay Company	25/3	25/3	25/3	25/3	25/3	25/3
Imp. Tob. of G. B. & I.	125/-	125/-	127/6	127/6	127/6	127/6
London Mid. Ry.	£ 15 1/2	£ 15 1/2	£ 15 1/2	£ 15 1/2	£ 15 1/2	£ 15 1/2
Metal Box	77/-	77/-	77/-	77/-	77/-	77/-
Rand Mines	£ 7 1/2	£ 7 1/2	£ 7 1/2	£ 7 1/2	£ 7 1/2	£ 7 1/2
Rio Tinto	£ 6 1/4	£ 6 1/4	£ 6 1/4	£ 6 1/4	£ 7 1/4	£ 7 1/4
Rolls Royce	80/-	81/3	81/3	81/3	82/6	82/6
Shell Transport	53/9	55/-	55/-	55/6	55/6	55/6
United Molasses	27/9	27/9	27/9	27/9	27/9	27/9
Vickers	17/6	17/6	17/6	17/6	17/6	17/6
West Witwatersrand						
Areas	£ 5 1/4	£ 5 1/4	£ 5 1/4	£ 5 1/4	£ 5 1/4	£ 5 1/4

*Per £100 par value.

Sept. Hourly Wages Reach New Record

Average hourly earnings in 25 manufacturing industries in the United States rose to a new high record in September, according to the Division of Industrial Economics of The Conference Board, which under date of Nov. 14 further reported:

The hourly average for September was 84.4 cents, as compared with 82.8 cents in August and 74.4 cents in November, 1940, when the present wave of wage increases began. It was higher than in August in 22 of the 25 industries. In the meat packing industry hourly earnings increased from 75.8 cents to 80.4 cents. There were increases of two cents an hour or more in the automobile, chemical, northern cotton, silk and rayon, wool, machine and machine tool, and other foundry product industries. Average hourly earnings in the petroleum refining industry, not included in the 25 industries for which continuous records are available for many years, increased from \$1.041 in August to \$1.107 in September.

Average hours per week in the 25 industries amounted to 41.6, as compared with 41.2 in August and 41.7 in June, the post-depression high mark. The greatest increase was in the lumber and millwork industry, where average hours rose from 41.0 in August to 43.1 in September. The largest number of hours worked was in the machine and machine tool industry, where the employees worked 50.4 hours as compared with 49.1 in August. Seven industries worked fewer hours in September than in August.

Average weekly earnings were also the highest ever. In the 25 industries they amounted to \$3.10 in September as compared with \$3.10 in August. The largest increase, amounting to \$2.53, was in the lumber and millwork industry. The highest weekly earnings, \$44.08, were in the machine and machine tool industry, where the employees worked 50.4 hours per week at the comparatively high hourly earnings of 88.7 cents.

The Conference Board's index of real weekly earnings (the index of earnings divided by the cost of living index) was 145.3 (1923=100) in September, as compared with 143.3 in August and 145.4 in June, the previous high record. The Board's indexes of employment increased from 123.0 in August to 125.3 in September; of total man hours worked from 103.0 to 106.0; and of payrolls from 157.6 to 165.3.

Says Trust Companies Must Cut Costs

Reduction of operating costs for trust institutions is one of the best means available at the present time for putting the business on a profitable basis, it was declared by Ronald M. Kimball, Vice-President of the Continental Illinois National Bank and Trust Co. of Chicago, at the annual Mid-Continent Trust Conference of the American Bankers Association, at St. Louis on Nov. 7. Speaking on the subject "Savings in Operations," Mr. Kimball declared that "for the past several years there has been a concerted effort on the part of ABA committees to have trust departments find their costs, and much progress has been made in this direction." He recommended seven methods by which operating costs can be reduced. "In addition to these," he said, "there are at least 60 additional ways in which these costs can be lowered." The seven suggestions made by Mr. Kimball are:

Analyze administrative work

to the end that duties of lesser responsibility may be assigned to the lower salaried employees; Eliminate numerous small holdings of securities; Maintain an approved list of securities for ready use to eliminate investigation and analysis costs;

Dispose of "expensive assets"—those on which maintenance costs, such as some types of real estate, are relatively high;

Consider aligning real estate to professional property management for necessary management services;

Level off the "peaks" of clerical operations by spreading remittance or statement dates; File securities in vaults on the "open face" system, so that they may be readily obtainable.

"To bring about these economies requires a great deal of cooperation inside the institution itself," Mr. Kimball declared. "No one officer or group of officers unaided can ever bring them about. Very possibly, the board of directors should name a special committee on economies in trust administration. The committee might be made up of general officers or directors, or the trust officers and possibly the junior officers and division heads. This committee should be given power to act and not just power to suggest."

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. 8 is estimated at 10,930,000 net tons. This is an increase of 374,000 tons, or 3.5% over the preceding week, and is in comparison with 8,974,000 tons in the corresponding week of 1940. Cumulative production of soft coal in 1941 to date is now 11.6% above that in 1940, and but 6.6% below that in 1929. Anthracite production is 9.3% above that in 1940.

The U. S. Bureau of Mines reported that the estimated production of Pennsylvania anthracite for the week ended Nov. 8 was 1,051,000 tons, an increase of 26,000 tons over the preceding week. Output in the corresponding week of 1940 amounted to 1,069,000 tons.

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

Table with columns: Bituminous coal, Total, including mine fuel, Daily average, Crude petroleum, Coal equivalent of weekly output. Rows for Nov. 8, 1941, and corresponding weeks in 1940 and 1929.

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 45 full weeks ended Nov. 8, 1941, and corresponding 45 weeks in 1940 and 1929. e Subject to current adjustment.

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

Table with columns: Penn. Anthracite, Total, incl. colliery fuel, Comm'l. production, Beehive Coke, U. S. Total, Daily average. Rows for Nov. 8, 1941, and corresponding weeks in 1940 and 1929.

(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.)

Large table showing coal production by state for Nov. 1, 1941, and corresponding weeks in 1940 and 1929. States listed include Alaska, Alabama, Arkansas, Colorado, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, Montana, New Mexico, North and South Dakota, Ohio, Pennsylvania, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, Wyoming, and Other Western States.

Total bituminous coal, Pennsylvania anthracite, Total, all coal. Includes operations on the N. & W., C. & O., Virginian, K. & M., B. C. & G., and 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.

Bonds Unchanged

The corporate bond market has remained in about the same position as last week. The drift toward harder money rates which has been evident for several weeks among shorter term governments has been reflected this week in declines among the longer Treasury issues.

High-grade railroad bonds have lost some ground. The refusal of railroad labor to accept the President's Fact Finding Board's recommendation as to wages, together with the voting of strike action set for Dec. 7, were factors explaining the poor market action of second-grade rails. Among issues of this group New York Central 4s, 1998, declined 3/4 points to a new low of 50 3/4; Pere Marquette 5s, 1956, dropped 1 1/2 points to 71. Defaulted issues showed declines in sympathy with lower stock prices.

High-grade utility bond prices have wavered in spots although on the whole net changes have been relatively small. Lower-grade investment and speculative issues gave ground, losses in some instances assuming sizable proportions. Among these American Power & Light 6s, 2016, Brooklyn Union Gas 5s, 1950, International Hydro-Electric 6s, 1944, Georgia Power & Light 5s, 1978, and Standard Gas & Electric 6s, 1948, were prominent.

The highest grades of industrial bonds have been virtually unchanged. Among lower grades, steel company bonds have evidenced some softness, with Jones & Laughlin, 3 1/4s, 1961, off 3/4 at 98 1/4 and Youngstown Sheet and Tube 3 1/4s, 1960, down 3/4 at 101 1/4. Oils have been about the same. Among special issues, United Drug 5s, 1953, declined 1/2 point to 94. A new industrial issue was on the market this week, the \$15,000,000 Superior Oil 3 1/2s, 1956, the offering price being 103. This was the first industrial issue in many months, with the exception of the \$20,000,000 Westinghouse Electric and Manufacturing deb. 2 1/8s, 1951, and \$15,000,000 Hiram Walker serial debentures sold last week.

A sharp drop in Denmark 6s and weakness in Norwegian loans have marked trading in foreign bonds. South American loans have been subject to some liquidation, as Cuban bonds continued firm. Commonwealth issues have sold lower while price changes in Canadian loans were unimportant.

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

MOODY'S BOND PRICES (Based on Average Yields)

Table of Moody's Bond Prices showing daily averages for U.S. Govt. Bonds, Corporate Bonds, and Corporate Bonds by Ratings (Aaa, Aa, A, Baa) and Corporate by Groups (R.R., P.U., Indus.). Rows include dates from Nov. 17, 1941, to Nov. 18, 1939.

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

Table of Moody's Bond Yield Averages showing average yields for U.S. Govt. Bonds, Corporate Bonds, and Corporate Bonds by Ratings and Corporate by Groups. Rows include dates from Nov. 18, 1941, to Nov. 18, 1939.

Says Canadians Must Sacrifice for Defense

If the Canadian people are to give the fullest aid to Great Britain and the Allied Powers in bringing the World War to a successful conclusion, they must be shaken from their sense of false security and complacency and be made to realize that the war effort is one in which everyone has to make an effective contribution. G. W. Spinney, joint general manager of the Bank of Montreal and Chairman of the Canadian National War Finance Committee told members of the Investment Dealers Association of Canada at the closing session of their convention at Lucerne-in-Quebec during the week of Nov. 3. In part, Mr. Spinney said:

The choice now before us is whether to regard the war as a high-class opportunity to build planes and make munitions at high profits and wages, or to regard it as a national effort in which everyone has to make an effective contribution where one's responsibilities involve personal sacrifice. For my part, I do not believe that we can hope to succeed unless we are prepared to subject ourselves to controls, to self-denial in every possible direction, and to channel into the war effort the utmost share of our collective labor and resources. If we as a people cannot be aroused to a full recognition of our individual and collective responsibility we most certainly cannot do the job justice and we shall with equal certainty jeopardize our prospects of success.

Moody's Commodity Index Declines

Moody's Daily Commodity Index declined moderately from 209.7 a week ago to 209.0 this Tuesday. The most important individual change was the drop in corn prices.

The movement of the index was as follows:

Table showing the movement of the Moody's Commodity Index from Monday, Nov. 10, 209.7, to Low—Feb. 17, 171.6.

* These prices are computed from average yields on the basis of one "typical" bond (3% coupon, maturing in 25 years) and do not purport to show either the average level or the 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.

October Cotton Consumption Makes New High

Under date of Nov. 14, 1941, the Census Bureau issued its report showing cotton consumed in the United States, cotton on hand, active cotton spindles, and imports and exports of cotton for the month of October, 1941, and 1940. Cotton consumed amounted to 953,600 bales of lint and 133,006 bales of linters, as compared with 770,832 bales of lint and 113,837 bales of linters in October, 1940.

September consumption of cotton includes 6,000 bales distributed by Surplus Marketing Administration through various cotton mattress programs. The following is the statement.

OCTOBER REPORT OF COTTON CONSUMED, ON HAND, IMPORTED AND EXPORTED AND ACTIVE COTTON SPINDLES
(Cotton in running bales, counting round as half bales, except foreign which is in 500-pound bales.)

Year	Cotton consumed during		Cotton on hand October 31		Cotton spindles active during October (number)
	October (bales)	3 mos. ending Oct. 31 (bales)	In consuming establishments (bales)	In public storerooms and compresses (bales)	
United States.....	1941 953,600	2,703,395	1,993,293	13,342,123	23,043,310
	1940 770,832	2,059,955	1,355,460	13,836,566	22,470,784
Cotton-growing States	1941 805,975	2,290,938	1,648,371	12,955,370	17,390,512
	1940 652,843	1,762,856	1,172,276	13,700,798	17,014,378
New England States.....	1941 119,319	320,934	287,169	358,657	5,013,310
	1940 97,953	243,363	147,805	126,176	4,854,828
All other States.....	1941 28,306	91,503	57,753	28,096	639,488
	1940 20,036	53,736	35,379	9,592	601,578
INCLUDED ABOVE					
Egyptian cotton.....	1941 6,890	18,417	35,415	7,822	-----
	1940 4,945	13,232	28,666	3,078	-----
Other foreign cotton.....	1941 10,464	28,281	52,151	66,547	-----
	1940 6,993	17,703	27,659	22,377	-----
Amer.-Egyptian cotton.....	1941 3,174	8,358	10,139	11,442	-----
	1940 2,076	5,757	7,735	9,453	-----
NOT INCLUDED ABOVE					
Linters.....	1941 133,006	394,051	460,523	94,599	-----
	1940 113,837	295,450	406,080	65,431	-----

Country of production	IMPORTS OF FOREIGN COTTON (500-pound bales)			EXPORTS OF DOMESTIC COTTON AND LINTERS (running bales)		
	October 1941	October 1940	3 months ending Oct. 31 1941	October 1941	October 1940	3 months ending Oct. 31 1941
Total.....	40,696	15,726	109,431	29,871	161,668	194,700
Egypt.....	8,213	3,814	20,051	7,986	-----	-----
Peru.....	4,908	164	6,102	330	-----	-----
China.....	-----	-----	-----	-----	-----	-----
Mexico.....	15,816	273	26,198	276	-----	-----
Br. India.....	10,768	10,976	56,087	20,774	-----	-----
All others.....	991	499	993	505	-----	-----

Linters imported during 2 months ending Sept. 30, 1941, amounted to 58,040 equivalent 500-pound bales.

*October consumption of cotton includes 6,000 bales distributed by Surplus Marketing Administration through various cotton mattress programs.

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.

Cost Of Living Advanced 1.2% Further In October Conference Board Reports

The cost of living in the United States continued to rise in October at about the same rate as in the previous seven months, according to the Division of Industrial Economics of The Conference Board. The October increase amounted to 1.2%, as compared with an average monthly increase of 0.9% since last March, said the Board, which under date of Nov. 11 further reported:

Clothing prices advanced more than any of the other principal items in the wage earner's budget in October, thus taking the ball away from retail food prices which, until September were rising faster than anything else. Clothing prices were 1.8% higher than in September, as compared with an increase of 1.5% in food prices. Since last March, however, food prices have risen more than 14%, whereas clothing prices have risen not quite 7%.

Part of the rise in the cost of living in October was caused by the new Federal excise taxes. The index of the cost of sundries, which includes some of the principal articles subject to these taxes, rose 1.4% from September to October. This is the first time that sundries have shown any marked increase. From March to September they rose only 1.5%.

Since October, 1940, the cost of living has risen 7.5%. It is now 28.2% above the April, 1933 depression low point and 9.2% below the October, 1929 level.

Food—Costs in October were 1.5% higher than in September, 17.2% above those in October, 1940, and 48.4% more than during March, 1933. They were, however, 17.5% lower than in October, 1929.

Rents, by rising 0.3% from September to October, reached a level 2.1% above the October, 1940 level, 42.3% higher than the January, 1934 low point, and only 3.1% less than in October, 1929.

Clothing prices in October advanced 1.8% above those of September. They exceeded those of a year ago by 7.1%, and those of the depression low month by 29.0%, but were 20.9% below October, 1929 prices.

Coal prices were increased 1.0% in October to a point 7.4% higher than in October last year but 0.6% lower than in the same month of 1929.

Sundries in October cost 1.4% more than in September, 3.2% more than in October, 1940, 12.2% more than in June, 1933, and 1.3% more than in October, 1929.

The purchasing value of the dollar was 108.8 cents in October as compared with 110.1 cents in September, 117.0 cents in the same month of 1940, 98.8 cents in October, 1929, and 100 cents in 1923.

The following table shows The Conference Board's indexes for

the major items of the family budget in September and October, 1941 and the percentages of change in each.

Item	Relative Importance in Family Budget	Indexes of the Cost of Living 1923=100		Pct. of Inc. (+) or Dec. (-) from Sept., 1941 to Oct., 1941
		Sept. 1941	Oct. 1941	
*Food.....	33	90.7	89.4	+1.5
Housing.....	20	89.2	88.9	+0.3
Clothing.....	12	78.3	76.9	+1.8
Men's.....	-----	86.2	84.8	+1.7
Women's.....	-----	70.4	69.0	+2.0
Fuel and light.....	5	90.0	89.4	+0.7
Coal.....	-----	92.0	91.1	+1.0
Gas and electricity.....	-----	85.9	85.9	0
Sundries.....	30	101.2	99.8	+1.4
Weighted average of all items.....	100	91.9	90.8	+1.2
Purchasing value of dollar.....	-----	108.8	110.1	-1.2

*Based on The Conference Board index of food prices for Oct. 15, 1941 and Sept. 15, 1941. †Based upon retail prices of 35 kilowatt hours of electricity, 1,000 cubic feet of natural gas, or 2,000 cubic feet of manufactured gas.

Daily Average Crude Oil Production for Week Ended Nov. 15, 1941 Off 9,250 Barrels

The American Petroleum Institute estimates that the daily average crude oil production for the week ended Nov. 15, 1941, was 4,086,850 barrels. This was a decrease of 9,250 barrels from the output of the preceding week and the current week's figures were above the 4,070,000 barrels calculated by the U. S. Department of the Interior to be the total of restrictions imposed by the various oil-producing States during November. Daily average production for the four weeks ended Nov. 15, 1941, is estimated at 4,088,250 barrels. The daily average output for the week ended Nov. 16, 1940, totaled 3,576,550 barrels. Further details as reported by the Institute follows:

Reports received from refining companies owning 86.4% of the 4,538,000 barrel estimated daily potential refining capacity of the United States, indicate that the industry as a whole ran to stills, on a Bureau of Mines' basis, 4,010,000 barrels of crude oil daily during the week, and that all companies had in storage at refineries, bulk terminals, in transit and in pipe lines as of the end of the week, 33,412,000 barrels of finished and unfinished gasoline. The total amount of gasoline produced by all companies is estimated to have been 13,772,000 barrels during the week.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

State	aB. of M. Calculated Requirements (November)	Actual Production				
		Week Ended Nov. 15, 1941	Change from Previous Week	4 Weeks Ended Nov. 15, 1941	Week Ended Nov. 16, 1940	
Oklahoma.....	469,400	428,000	b427,500 + 5,850	427,700	399,900	
Kansas.....	253,500	257,000	b255,500 + 16,600	246,850	192,200	
Nebraska.....	6,200	-----	b5,900 - 300	6,050	2,200	
Panhandle Texas.....	-----	79,600	- 200	79,750	62,000	
North Texas.....	-----	105,900	+ 150	105,650	110,550	
West Texas.....	-----	31,400	-----	31,400	30,700	
West Central Texas.....	-----	285,600	- 1,200	285,400	215,150	
East Central Texas.....	-----	83,050	- 4,200	85,450	74,900	
East Texas.....	-----	389,650	-----	389,700	374,750	
Southwest Texas.....	-----	215,800	- 5,050	219,250	198,050	
Coastal Texas.....	-----	289,200	- 2,300	291,350	234,450	
Total Texas.....	1,454,700	c1,533,283	1,460,200	-12,800	1,467,950	1,300,550
North Louisiana.....	-----	82,100	- 350	81,650	66,700	
Coastal Louisiana.....	-----	269,650	+ 3,800	265,100	215,700	
Total Louisiana.....	333,200	347,058	351,750	+ 3,450	346,750	282,400
Arkansas.....	76,500	73,653	72,800	+ 350	72,400	69,300
Mississippi.....	55,100	-----	b76,300 + 12,150	67,550	16,100	
Illinois.....	408,100	-----	384,650 - 31,950	410,200	343,150	
Indiana.....	20,500	-----	b17,600 - 1,150	18,350	19,450	
Eastern (not incl. Ill. & Ind.).....	94,300	-----	92,300 + 2,000	93,700	87,650	
Michigan.....	47,400	-----	61,300 + 1,550	60,200	47,350	
Wyoming.....	83,400	-----	74,400 - 6,050	80,150	72,600	
Montana.....	20,600	-----	21,400	20,700	18,050	
Colorado.....	5,200	-----	5,650 + 50	5,400	3,400	
New Mexico.....	115,200	116,500	116,450	116,450	100,850	
Total East of Calif.....	3,443,300	-----	3,423,750 - 13,350	3,440,400	2,955,150	
California.....	628,700	d613,200	663,100 + 4,100	647,850	621,400	
Total United States.....	4,070,000	-----	4,086,850 - 9,250	4,088,250	3,576,550	

aThese are Bureau of Mines' calculations of the requirements of domestic crude oil based upon certain premises outlined in its detailed forecast for the month of November. As requirements may be supplied either from stocks, or from new production, contemplated withdrawals from crude oil inventories must be deducted from the Bureau's estimated requirements to determine the amount of new crude to be produced.

bOkla., Kans., Neb., Miss., Ind. figures are for week ended 7 a. m. Nov. 12.

cThis is the net basic 30-day allowable as of Nov. 1, but experience indicates that it will increase as new wells are completed, and if any upward revisions are made. With a few exceptions the entire State, including Panhandle, was ordered shut down on Nov. 2, 8, 9, 11, 16, 23, 27 and 30.

dRecommendation of Conservation Committee of California Oil Producers.

NOTE:—The figures indicated above do not include any estimate of any oil which might have been surreptitiously produced.

CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE AND GAS AND FUEL OIL, WEEK ENDED NOV. 15, 1941

District	Daily Refining Capacity		Crude Runs to Stills	Gasoline Production at Refineries		Stocks of Unfinished Gasoline	Stocks of Gasoline	Stocks of Fuel Oil	Stocks of Gasoline	
	Po-ten-tial Rate	P. C. Re-ported		at Re-vised	Unfin-ished					
East Coast.....	673	100.0	649	96.4	1,938	19,013	22,375	11,523	E. Coast	
Appalachian.....	166	83.8	122	87.8	417	3,307	657	381	874	
Ind., Ill., Ky.....	752	84.4	622	98.0	2,493	15,250	5,846	4,713	Interior	
Okla., Kans., Mo.....	413	80.7	300	90.1	1,181	7,837	2,047	2,335	1,468	
Inland Texas.....	253	63.2	136	81.9	644	2,505	472	1,383	G. Coast	
Texas Gulf.....	1,097	91.0	1,004	100.5	3,281	11,059	6,470	8,519	2,665	
Louisiana Gulf.....	156	94.2	160	114.3	482	2,610	1,741	2,171	-----	
No. La. & Ark.....	95	49.9	39	83.0	124	425	399	399	-----	
Rocky Mountain.....	136	50.1	49	72.1	236	1,026	144	279	Calif.	
California.....	787	90.9	557	77.9	1,601	15,055	13,232	63,040	2,105	
Reported.....	-----	-----	86.4	3,638	92.9	12,397	78,087	53,383	94,743	6,912
Estimated unreported.....	-----	-----	372	1,375	5,325	1,600	1,250	395	-----	
aEst'd. Total U. S. Nov. 15, 1941.....	4,538	-----	4,010	13,772	d83,412	54,983	95,993	7,307	-----	
aEst'd. Total U. S. Nov. 3, 1941.....	4,538	-----	3,945	12,907	d82,777	54,643	95,815	7,128	-----	
U. S. B. of M. aNov. 15, 1940.....	-----	-----	b3,512	c11,619	79,340	47,911	105,909	6,264	-----	

aEstimated Bureau of Mines' basis. bNovember 1940 daily average. cThis is a week's production based on the U. S. Bureau of Mines November 1940 daily average. dFinished 75,590,000 bbl.; unfinished 7,822,000 bbl. eAt refineries, bulk terminals, in transit and pipe lines. fIncluded in finished and unfinished gasoline total.

Mutual Savings Bank Xmas Clubs At Record

The 52 mutual savings banks in the five boroughs of New York City hold \$23,948,511 in Christmas Club savings for 537,454 depositors, according to figures issued Nov. 13 by the National Association of Mutual Savings Banks. The 21 mutual savings banks of Brooklyn have the largest share of such funds, amounting to \$11,749,444, distributed among 279,473 accounts. In Manhattan, 18 mutual institutions hold \$7,646,567 for Christmas savers, the holiday money of 148,884 depositors.

The total of Christmas Club deposits for New York State mutual savings banks is reported at \$32,270,329, belonging to 712,527 depositors, while the total for the 17 States in which mutual savings banks operate is \$75,982,610, a gain of about \$6,500,000 for the year; and number of depositors to 1,624,282. Second in rank among the States is Massachusetts with Christmas Club deposits aggregating \$18,485,463, belonging to 417,324 depositors. Connecticut held third place, having Christmas fund deposits of \$8,939,561 and 181,940 depositors. New Jersey ranked fourth, its Christmas Club deposits being \$4,725,000 and its depositors numbering 78,668.

"These record figures for Christmas Clubs in mutual savings banks supply an impressive example of what consistent saving will do," said Andrew Mills, Jr., President of the Association and of the Dry Dock Savings Institution, New York. He continued:

It is gratifying to know that in such trying times so many savers will have funds to enjoy the Christmas season and spread some of the cheer among others. Let me urge, though, that every person having a Christmas Club account divert a part of the current balance for the purchase of at least one Defense Savings Bond. Certainly, a bond in any amount will make an ideal Christmas gift. There could be no better evidence of the Christmas spirit than to devote a part of holiday funds to national defense.

Rayon's 30th Birthday

The United States rayon industry is observing this year the 30th anniversary of its first full year of production, it was stated on Nov. 18 by the American Viscose Corporation, which established the industry in this country. The firm's announcement issued Nov. 17 further said:

Production of rayon yarn in 1911, the year in which rayon manufacture commenced in the United States, amounted to 362,544 pounds, and was manufactured entirely at the Viscose company's plant at Marcus Hook, Pa., the only American rayon plant at that time. Today the company's seven plants turn out this amount of rayon yarn in less than a day and a half.

In the 30-year period since the beginning of rayon manufacture in the United States, the annual domestic output of rayon yarn and rayon staple fiber has increased more than a thousand-fold to an annual total of approximately 500,000 pounds. Production of the American Viscose Corporation, the largest manufacturer, amounted to 147,000,000 pounds of rayon yarn and rayon staple fiber in 1940, and accounted for 31% of the total domestic output of 471,071,000 pounds. Production this year will be slightly larger, as the company is operating at maximum capacity to supply rayon for the hosiery industry and for defense materials in addition to providing for its regular customers in the weaving, knitting and other industries.

Electric Output For Week Ended Nov. 15, 1941 Shows Gain Of 14.3% Over Like Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Nov. 15, 1941 was 3,304,464,000 kwh. The current week's output is 14.3% above the output of the corresponding week of 1940, when production totaled 2,889,937,000 kwh. The output for the week ended Nov. 8, 1941 was estimated to be 3,325,574,000 kwh., an increase of 16.4% over the like week a year ago.

Major Geographic Regions	Week Ended Nov. 15, '41	Week Ended Nov. 8, '41	Week Ended Nov. 1, '41	Week Ended Oct. 25, '41
New England	15.7	18.7	17.7	17.5
Middle Atlantic	10.4	14.0	12.2	12.2
Central Industrial	16.8	18.5	18.1	17.4
West Central	15.9	17.8	17.5	16.5
Southern States	14.3	17.3	16.4	17.9
Rocky Mountain	16.9	16.3	17.7	11.9
Pacific Coast	x12.2	x11.1	x12.4	x8.4
Total United States	14.3	16.4	15.8	15.1

x Percentage should be higher; data under revision.

Week Ended	1941	1940	Percent Change 1941 from 1940	1939	1938	1937
June 7	3,042,128	2,598,812	+17.1	2,328,756	2,056,509	2,266,759
June 14	3,066,047	2,684,853	+15.1	2,340,571	2,051,006	2,260,771
June 21	3,055,941	2,653,788	+15.2	2,362,438	2,082,232	2,287,420
June 28	3,120,780	2,659,825	+17.3	2,395,857	2,074,014	2,285,362
July 5	2,866,865	2,425,229	+18.2	2,145,033	1,937,486	2,139,281
July 12	3,141,158	2,651,626	+18.5	2,402,893	2,154,099	2,358,438
July 19	3,162,586	2,681,071	+18.0	2,377,903	2,152,779	2,321,531
July 26	3,183,925	2,760,535	+15.3	2,426,631	2,159,667	2,312,104
Aug. 2	3,226,141	2,762,240	+16.8	2,399,805	2,193,750	2,341,103
Aug. 9	3,196,009	2,743,284	+16.5	2,413,600	2,196,266	2,360,930
Aug. 16	3,200,818	2,745,697	+16.6	2,453,556	2,208,560	2,365,859
Aug. 23	3,193,404	2,714,193	+17.7	2,434,101	2,202,454	2,351,233
Aug. 30	3,223,609	2,736,224	+17.8	2,442,021	2,216,648	2,360,501
Sept. 6	3,095,746	2,591,957	+19.4	2,378,852	2,109,985	2,211,398
Sept. 13	3,281,290	2,773,177	+18.3	2,532,014	2,279,233	2,338,370
Sept. 20	3,232,192	2,769,346	+16.7	2,538,118	2,211,059	2,231,277
Sept. 27	3,233,278	2,816,358	+14.8	2,558,538	2,207,942	2,331,415
Oct. 4	3,289,692	2,792,067	+17.8	2,554,290	2,228,586	2,339,384
Oct. 11	3,314,952	2,817,465	+17.7	2,583,366	2,251,089	2,324,750
Oct. 18	3,273,186	2,837,730	+15.3	2,576,331	2,281,328	2,327,212
Oct. 25	3,299,120	2,866,827	+15.1	2,622,267	2,283,531	2,297,785
Nov. 1	3,338,538	2,882,137	+15.8	2,608,664	2,270,834	2,245,449
Nov. 8	3,325,574	2,858,054	+16.4	2,588,618	2,276,904	2,214,337
Nov. 15	3,304,464	2,889,937	+14.3	2,587,113	2,325,273	2,263,679

	1941	1940	Percent Change 1941 from 1940	1939	1938	1937
January	13,149,116	11,683,430	+12.5	10,183,400	9,290,754	9,787,901
February	11,831,119	10,589,428	+11.7	9,256,313	8,396,231	8,911,125
March	12,882,642	10,974,335	+17.4	10,121,459	9,110,808	9,886,443
April	12,449,229	10,705,682	+16.3	9,525,317	8,607,031	9,573,698
May	13,218,633	11,118,543	+18.9	9,866,962	8,750,940	9,665,137
June	13,231,219	11,026,943	+20.0	10,068,845	8,832,736	9,773,908
July	13,836,992	11,616,238	+19.1	10,185,255	9,170,375	10,036,410
August	14,118,619	11,924,381	+18.4	10,785,902	9,801,770	10,308,884
September	11,484,529	10,653,197	+10.6	9,486,866	8,498,866	9,908,314
October	12,474,727	11,289,617	+10.5	9,844,519	8,844,519	10,065,905
November	12,813,543	11,087,838	+15.8	9,893,195	8,908,495	9,508,495
December	12,842,218	11,476,294	+11.2	10,372,602	9,717,471	9,717,471
Total for yr.	138,653,997	124,502,309	+11.2	111,557,727	117,141,591	117,141,591

Petroleum And Its Products

Recommendations of E. O. Thompson, Chairman of the Texas Railroad Commission, that adequate crude oil be produced, ratably, and without damage to fields, to meet the current emergency defense needs, won the approval of the Federal Oil Administrator's office this week but Deputy Petroleum Coordinator Ralph K. Davies, in answering Mr. Thompson's suggestions, asked that not only Texas but other major oil-producing States to continue their usual procedure in establishing the December production quotas, pending the adoption of further steps to coordinate petroleum storage with production and consumption.

In wiring his answer to Mr. Thompson's suggested program which called for long-range balancing of production and consumption through adequate "stockpiling" or storage operations, Mr. Davies, in asking that any such moves be deferred pending the development of a complete program, said "some preliminary program might be quite adequate and effective with respect to Texas, because of its predominant position in the petroleum industry," but it might "result in severe economic dislocation" in other areas. Mr. Davies' answer was sent to Mr. Thompson at Austin where it was made public at the state-wide prorotation meeting on Monday.

"It is our opinion," Mr. Davies said, "that the Texas Railroad Commission and the regulatory bodies of other States conform to their usual procedure in determining crude oil production quotas for December, pending an early announcement of a consistent and practical program for protecting the national interest by better correlation of petroleum stocks with petroleum production and consumption.

"To meet the contingencies that may arise during the emergency, it seems to me," he continued, "that the industry should be immediately called upon to begin producing, refining and storing substantially large and increased quantities of crude, gasoline and other products. * * * At least 306,000,000 barrels of crude oil and a minimum of 103,000,000 barrels of gasoline should be carried in storage through the emergency * * * possibly much more." He pointed out that current stocks of crude oil were 243,340,000 barrels, and of gasoline 83,343,000 barrels.

The nominations for purchases of Texas crude filed with the Railroad Commission at Monday's meeting totaled 1,947,403 barrels, which is 55,364 barrels above the November nominations and compares with current production for the Lone Star State of 1,540,517 barrels daily. Almost unanimous support of the move for higher production in Texas was shown at the meeting with some producers calling for a sharp reduction in the number of shutdown days, now at 10 or better monthly. In sup-

port of the move for higher production quotas, figures were quoted showing that Texas refineries were operating at only 88% of capacity, while stocks of crude oil in the State were off sharply.

The embargo on low-grade petroleum product exports from the Atlantic Seaboard was lifted on Nov. 14 by the Economic Defense Board with the board's Office of Export Control ordering the extension of the same regulations now in effect for the Gulf and West Coast to the East Coast. "Relaxation of this control," the board said, "permits the resumption of exportation of certain petroleum products from Atlantic Coast ports to countries to which such shipments had been discontinued during the recent oil emergency in the East States."

The Board's announcement placed uniform general licenses in effect, replacing special licenses GEG and GEH, and making applicable to all ports of export the regulations governing exportation of petroleum products and tetraethyl lead to countries of approved destination. "In effect," it was explained, "this modification of control means that Atlantic Coast exporters may now also ship to the Netherlands Indies, Free China, the Belgian Congo, Free France, Canada, Newfoundland, Iceland, Great Britain, Northern Ireland and other American republics.

"Shippers must continue to furnish affidavits certifying that certain petroleum products included in their export proposals do not meet aviation grade specifications. High grade petroleum products are permitted as heretofore to be exported under general license only to Canada, Great Britain, and Northern Ireland, Newfoundland, Iceland and the Philippine Islands," the announcement pointed out.

A new high in domestic consumption of fuel oils was scored during 1940 when a gain of 9% over the previous year lifted the total to 498,758,000 barrels, against 456,943,000 a year earlier, the Petroleum Economic Division of the Bureau of Mines reported on Nov. 13. A substantial loss in exports was shown, however, at the 1940 figure of 35,240,000 barrels in contrast to 49,505,000 barrels shipped out of the United States in the previous 12 months. The bunker trade in fuel oil dropped about 6% during the year, totals being 65,146,000 barrels in 1939, against 61,554,000 barrels last year.

September demand for all oils was at a new all-time record high level of 4,510,000 barrels daily, comparing with 3,988,000 barrels in the comparable 1940 month, the Bureau of Mines disclosed on Monday. Domestic consumption averaged 4,205,000 barrels during the month covered in the report, against 3,670,000 barrels in September a year ago. Exports were off slightly, totaling 305,000 barrels in contrast to a total of 318,000 barrels daily reported for the comparable 1940 period.

High priority ratings for materials for five additional plants to make 100-octane aviation gasoline or the materials used in the refining of this product have been established following recommendations for such a move by the Office of the Petroleum Coordinator, it was announced in Washington on Monday by Petroleum Coordinator Ickes' office. This brings the number of aviation gasoline plants now building or scheduled for immediate erection under the Coordinator's program to triple current production facilities of 40,000 barrels daily to twenty, it was pointed out.

The Office of Production Management, unable to establish a "stockpile" of steel drums for overseas shipments of petroleum products because of space limitations, this week ordered a "stockpile" of the raw materials used in the manufacture of these drums.

J. S. Knowlson, Acting Director of Priorities, signed two orders, effective immediately, designed to make possible the speedy manufacture of such drums. The material set aside under the two priority orders can be used only upon the specific order of the Priorities Division.

Daily average crude oil production, held down by shutdown days in Texas, showed a small slump during the week ended Nov. 15, according to the mid-week report of the American Petroleum Institute which placed output at 4,086,050 barrels, against 4,095,300 a week earlier, a loss of 9,250 barrels. The total compared with the November market demand estimate of the United States Bureau of Mines of 4,070,000 barrels, indicating continued over-production.

There were no crude oil price changes during the week.

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

Immediate allocation of sales of tetra-ethyl lead fluid, used in aviation and motor fuel gasoline to increase the octane rating, will go into effect because of the threatened shortages of raw materials used in the manufacture of the fluid, the Ethyl Gasoline Corp., sole maker of the fluid, wired its customers this week. The company is owned jointly by Standard Oil Co. of New Jersey and the General Motors Corp.

In announcing the allocation plans, the company said that while it hopes to be able to supply 100% of the previous 12 months' demand over the ensuing 12 months, there has been sharp expansion in recent months over a year ago. "This percentage, however, may have to be decreased, or it may be increased from time to time, consistent with production, schedules which it may be possible to maintain under the governmental agency or agencies which have jurisdiction of the subject matter," it was pointed out by E. W. Webb, president of the company.

The allocation will be on the basis of: (1) All current orders will be filled; (2) All future orders for aviation fluid and all direct orders for United States and foreign governments for defense purposes will have priority in fulfillment; (3) All future orders from its customers necessary to fill requirements of both the United States and approved foreign armed forces, certified by the customer, will also have priority in fulfillment; (4) All other orders, until further notice, will be allocated, if necessary, on the basis of a percentage (the same percentage for all customers) of each customer's purchases during the year beginning Nov. 15, 1940, distributed by Ethyl as nearly as possible to correspond with the distribution for the 12 months in question.

It was pointed out that the company's manufacturing capacity is far in excess of present needs, but governmental restrictions on raw material supplies make it necessary to adopt the allocation plan. The company's production has, for some months, been limited by the rationing of raw material supplies by the Office of Production Management.

"The consequent reduction of our output, coupled with the increasing demands for our products

for defense needs and increasing demands for commercial use, have brought our inventory to the point where government defense officials and ourselves consider it now approaches a level which may prove inadequate for emergencies for national defense, and all indications are that national defense demands will be substantially increased and commercial use may also rise still further during 1942," Mr. Webb declared.

The tight statistical position of the gasoline division of the refined products branch of the petroleum industry coupled with the continued record demand has created a pattern of price steadiness that presents a definite picture of contra-seasonal strength in the gasoline price structure. The dealer net price in 50 leading cities on Nov. 1 was 10.02 cents a gallon, off only 2 points from a month earlier but 1.44 cents a gallon above the price on the like 1940 date.

Service station prices, the reports gathered by the American Petroleum Institute disclosed, were 14.04 cents a gallon, before taxes, on Nov. 1, unchanged from Oct. 1 but 1.83 cents a gallon higher than a year ago. The consumer price, including taxes, averaged 19.99 cents a gallon, unchanged from a month earlier but 1.88 cents a gallon better than the level prevailing on Nov. 1, a year ago.

A combination of continued warm weather and high inventories, the latter compiled at the time of the fuel oil shortage scare this summer, have exerted a depressing influence upon the heating oil price structure in the New York market, and to a lesser degree along the Atlantic Coast. No. 6 heating oil has given ground under pressure, and No. 2, although holding better, may also recede unless cold weather becomes an actuality, oil circles believe.

Gasoline stocks, including finished, unfinished and aviation fuel, were up 635,000 barrels during the week ended Nov. 15, totaling 83,412,000 barrels, according to the American Petroleum Institute report. Refinery operations showed a slight gain, with daily average crude runs to stills climbing 65,000 barrels to 4,010,000 barrels. In the week ended Nov. 8, figures covering this period having been delayed because of the Armistice Day holiday last week, gasoline stocks showed a contra-seasonal drop, easing off 443,000 barrels to 82,777,000 barrels. The slump was due in part to the cut in refinery operations which dropped 3.4 points to 91.2% of capacity, lowest figure in some time. Daily average runs of crude oil to stills during this period were off 135,000 barrels, at 3,945,000 barrels.

There were no major changes in the refined products price structure this week.

New York—	
Socony-Vac.	\$0.85
Tide Water Oil	.09
Texas	.085
Shell Eastern	.085
Other Cities—	
Chicago	.06-.06%
Gulf Coast	.06-.06
Oklahoma	.06-.06%
Super.	
Kerosene, 41-43 Water White, Tank Car, F. O. B. Refinery	
New York (Bayonne)	\$0.55
Baltimore	.0525
Philadelphia	.0525
North Texas	.04
New Orleans	.05%-06
Tulsa	.04%-04%
Fuel Oil, F. O. B. Refinery or Terminal	
N. Y. (Harbor) Bunker C.	\$1.55
Diesel	2.00
Savannah, Bunker C.	1.30
Philadelphia, Bunker C.	1.35
Gulf Coast	\$0.85-.90
Halifax	1.60
Gas, Oil, F. O. B. Refinery or Terminal	
N. Y. (Bayonne) 7 plus	\$0.04
Chicago, 28,30 D.	.053
Tulsa	.03%-03

Foreign Front

(Continued from First Page)

Japanese moves which are expected in those areas to develop toward the Burma Road into China. Chinese military authorities also dispatched additional forces to the only route from which munitions can be obtained from the outside world.

Few indications were afforded in Berlin and Tokio of the reactions in those Axis capitals, but it requires no stretch of the imagination to realize that full entry of the Japanese Axis partner into the world conflict is ardently desired. Prime Minister Churchill has promised a war declaration against Japan "within the hour," if war develops between Japan and the United States. Russia is similarly concerned.

In a last desperate attempt to alleviate the difficulties between Washington and Tokio, the Japanese authorities dispatched to the United States their famed special envoy, Saburo Kurosu. The flight of Mr. Kurosu around half the world was concluded in Washington, last Saturday, and after some discussions at the Japanese Embassy, he conferred at length with Secretary of State Cordell Hull and with President Roosevelt. Neither the Japanese nor the American officials would indicate, as the conversations proceeded, that any progress was made toward a satisfactory adjustment.

The Japanese Diet, meanwhile, met last Saturday in a special session called for authorization of vast additional war expenditures and a clarification of war policy. The Japanese Premier, Gen. Hideki Tojo, addressed the Diet on Monday, and emphasized the necessity for preventing the European war from spreading to the Pacific. Main points of Japanese policy otherwise, however, were entirely at variance with the attitude and commitments of the United States Government.

Other nations, according to Premier Tojo, must keep aloof from the Sino-Japanese war and the settlement which Tokio intends to impose. The economic blockade which is keeping Japanese foreign trade at a standstill must be lifted, he added. Japan also requires termination, said the Premier, of the "military encirclement" policy developed, according to the Premier, by the ABCD nations of America, Britain, China and the Dutch East Indies. In the course of his speech General Tojo referred again and again to the need for normal trade relations.

Foreign Minister Shigenori Togo said in the same Diet session that there is a limit to what he called Japan's conciliatory attitude. The Tokio Government, he said, is bending all efforts toward an understanding with the United States, but "should an occasion arise such as might menace the very existence of our Empire, or compromise the prestige of Japan as a great Power, it goes without saying that Japan must face it with a firm and resolute attitude." Japanese entrance into the Axis was described by the Foreign Minister as "a great contribution toward the construction of a new order in East Asia and Europe, as well as toward the prevention of the spread of war."

The precise stipulations that may have been put before Mr. Kurosu in Washington, early this week, have not been revealed. But the course of policy leaves no doubt that Mr. Roosevelt requires an end to Japanese expansionism, and withdrawal by Japan both from the Axis and from large portions or all of China, proper. In return, Mr. Roosevelt can offer Japan the friendship of America and resumption of normal trade relations.

Whether the Japanese are

prepared to view matters in the American light may be doubted, since various steps toward enlarged military activities already have been taken in Tokio. Conscription has been extended to hitherto exempt groups, and Tokio was reported on Monday to have demanded from Indo-China the right to send in another 50,000 soldiers. Most important of all, the Diet voted speedily on Monday appropriations of 3,800,000,000 yen for the extraordinary military budget.

End of Neutrality

Every pretense of American neutrality in the European war now has been abandoned, owing to enactment by Congress last Thursday of a resolution which, if effected, makes possible not only the arming of American merchant ships, but also the entry of such vessels into combat waters. The Neutrality Act, whittled away in previous moves, became little more than a dead letter when those vital prohibitions were cast aside by the House, soon after the Senate acted similarly. President Roosevelt signed the bill last Monday, and the arming of ships began immediately, with convoying to British ports the obvious next step.

The debate in which this move was considered by the House was grave and portentous, as befits a measure that friends and foes of the Administration alike regarded as an outright war step. Restlessness resulting from strikes in captive coal mines and other industries almost defeated the proposal. A general and public appeal by President Roosevelt was issued on the very eve of the voting in the House, and assurances by the President of action to halt the strikes apparently persuaded some Representatives and secured the necessary majority.

It was, nevertheless, an impressively close vote that decided the issue, for 212 Congressmen voted for repeal of the two vital sections of the Neutrality Act, while 194 voted against such repeal, a margin of only 18 votes. All Washington reports indicated that the Administration exerted utmost pressure to obtain passage of the resolution. When the tally was completed and the results made known, the Navy Department announced that it was prepared promptly to place guns and anti-aircraft equipment on the ships.

News reports of ship movements will, of course, become sparse and may well disappear altogether for the "duration." It is already well known, on the other hand, that a vast new base has been under preparation for months in Northern Ireland by Americans in the employ of the British Government. The newly armed American ships, it is accepted, will transport direct to that base and perhaps also to English and Scottish ports the war supplies furnished under lend-lease. That the ships will be convoyed is quite obvious.

Jubilant was occasioned in Great Britain by the American move, with the press frankly declaring that the Americans "are coming." In Berlin and Rome the view was expressed that a "sea of incidents" impends under the new dispensation, with all-out war more than possible.

Secretary of the Navy Frank Knox treated the situation, in his customary manner, as an incident in what he called "the war against the Axis powers." Since Mr. Knox frequently foreshadows White House pronouncements, it requires no stretch of the imagination to foresee a war declaration, with an American Expeditionary Force the next move. Secretary of the

Interior Harold Ickes, who also expresses Presidential views in advance, indicated on Sunday that anyone failing to agree fully with the Administration must expect to be called a traitor. "We must be prepared to face the possibility," said Mr. Ickes, "that in order to defeat Hitler we may ourselves have to engage him."

The list of naval incidents was expanded, Sunday, by a Navy Department announcement in Washington that an Axis merchant ship, disguised as an American vessel, had been captured in Equatorial Atlantic waters, after an unnamed American cruiser hailed the vessel. The crew of the ship, which was disclosed on Monday to be the Odenwald, of German ownership, tried to scuttle when hailed by the cruiser. But repairs hastily were made by American sailors. The incident actually took place Nov. 6, and terminated a voyage of the unarmed German ship from Japan to European ports, with a general cargo.

Britain and the Axis

War developments in the direct conflict between Great Britain and the Berlin-Rome Axis suggest intensified activity in the Mediterranean and perhaps also in the Middle East. Spread of the war to new portions of Africa is rumored widely in Washington. It may be questioned whether the Nazis would engage in an all-out struggle in fresh theaters of war, while the Russian campaign remains unfinished. There is no doubt, however, of the presence of German submarines in the Mediterranean, and a degree of uneasiness has been occasioned by this disclosure.

Loss of the great British aircraft carrier Ark Royal, 22,000 tons, was announced by the British Admiralty last Friday. The ship was torpedoed and it was assumed at first that an Italian submarine had engaged the new British vessel, which often was reported "sunk" by the Germans, early in the war. The Ark Royal limped toward Gibraltar, after an attack in the Mediterranean. The German High Command announced on Saturday that Nazi submarines had sunk the ship, and also stated that the British battleship Malaya had been damaged seriously enough to make towing to Gibraltar necessary. Only one man was lost on the Ark Royal, according to the London authorities, who maintained silence as to the Malaya.

This incident, together with intensified German-French conversations, occasioned apprehensions in various capitals of a Reich military adventure in Africa, designed to close the Mediterranean entirely to British shipping. As yet, however, there are no definite signs of moves in Libya. The British, also, have failed to move into Egypt, while still firmly holding Tobruk.

Attacks by the British Air Force upon the nearby "invasion coast" and industrial points in Germany were continued this week, but weather conditions were none too favorable and the attacks were more modest than in previous weeks. Cities in Eastern Germany were raided, probably by long-range Russian bombers. The Germans made a few aerial sorties against England, without occasioning much damage.

The war at sea begins to favor the British, according to statements made at the opening of the new Parliamentary session, last week, by Prime Minister Churchill. During the four months, ended in October, Mr. Churchill said, British shipping lost totaled less than 750,000 tons, as against more than 2,000,000 tons in the preceding four months. German

spokesmen claimed few actual sinkings of merchant ships, this week, but indicated that a fresh drive against shipping impends.

Prime Minister Churchill found it advisable to effect some changes in the British military command, Tuesday, possibly because of the growing criticism of the war effort, and especially of the lack of a second front in Europe. General Sir John Dill was relieved of his post as Chief of the General Staff, and was replaced by General Sir Alan Brooke. A number of less important changes also developed. In response to questions in the House of Commons, Mr. Churchill stated on the same day that co-operation with Russia is "as close as geographical and other conditions allow." Whether the General Staff changes herald an altered British military policy remains to be seen.

Russo-German Conflict

As the immense struggle between Nazi Germany and Communist Russia neared the end of its fifth month, much of the vast front from the Arctic to the Caucasus appeared to be stabilized. There were a few movements reported in the Far North and in the Moscow area, but extreme cold prevailed and probably necessitated a modification of activities. Only in the Far South, on the Crimean Peninsula, were sweeping developments reported, and these suggest maintenance of the striking power of the German Panzer units.

The break-through by the Nazis at the Perekop Isthmus has been followed by a rapid march through much of the Crimea. Sevastopol remains firmly in Russian hands, and this vitally important naval base may gain significance in later developments. Toward Kerch the Germans marched in impressive force, and they claimed the capture of that city last Monday, with the usual fanfare. More than 100,000 prisoners and a vast array of war booty of all kinds was claimed by the German High Command, as a consequence of the Crimean campaign. Russian authorities made no reports of any consequence available regarding operations in the Peninsula, and confined their statements to other fronts.

For the continued conduct of the war by Russia, the German march eastward is of deep importance. Only the narrow Kerch straits, from two to ten miles wide, now separate the Nazis from the Caucasus. Further progress by the Germans would place them on the edge of oil fields north of the Caucasus range, although the most important fields lie south of the vast mountains. The Black Sea threatens to become a German lake, if the Nazis continue to prevail, and Russian forces in the Donets Basin may be outflanked.

These eventualities presumably were foreseen by the British and Russian general staffs, which are said in various reports to have made preparations to meet the advancing Nazis. There is some danger, however, that the Germans will by-pass the Southern Caucasus for the time being, since the mountains are just as hard to cross northward as southward, and concentrate on halting the flow of supplies into Russia via Iran. Other routes of supply for Russia already are endangered.

The military circle around Moscow apparently remains a scene of intense activity, but German statements are silent and the Russian comments indicate only a modest backward push of the invaders. Russian reports are colorful, since they supply details of German soldiers fleeing in their underwear before surprise attacks. Sub-zero temperatures and heavy snow are emphasized by the Russians. The

City of Tula was the area of greatest fighting this week, on the Moscow front. Around Leningrad the Germans apparently have dug in, but the Russians claimed some successes in sorties. Frozen ground is reported to have made some minor moves possible in the vast stretch north of Lake Ladoga to the Arctic Sea, but neither the Finns nor the Russians seem to be making real progress.

A winter lull on the central and northern fronts in Russia would not be surprising, in view of the admittedly severe weather. Since cold weather now is spreading rapidly to the Northern Caucasus, that region also may be immobilized, at least in part. Both sides indicated this week that they have no intention of remaining idle in other spheres, in the event of a military halt. The Russian authorities busily moved industrial equipment eastward. The Germans, in turn, began to set up agencies of civil government and economic exploitation in the 660,000 square miles of Eastern Europe overrun by their armies. Dr. Alfred Rosenberg was appointed by Hitler, Monday, as the Reich Minister for the East.

Finnish Position

Efforts to take Finland out of the European war and thus increase the possibility of delivering lend-lease supplies to Russia were disclosed as fruitless, in correspondence made available at Helsinki and by the Finnish Minister to Washington, a week ago today. The little nation which fought a valiant war against Russian aggression, and resumed the conflict on the side of Nazi Germany, made it clear that American friendship still was desired. What the further reaction of Washington will be possibly depends upon London, where a war declaration against associates of Hitler is reported under study.

In suddenly bringing the Finnish question to public notice on Nov. 3, Secretary of State Cordell Hull remarked that American friendship for Finland was at stake, now and hereafter. A Finnish reply was invited to a Russian peace offer, said to have been communicated to Helsinki through American good offices, last August. Fresh disclosures last week indicated that the "peace offer" was made orally to the Finnish Minister to Washington, Hjalmar Procope. The Finnish Government, in a reply published last Thursday, stated that it did not view the oral comments as a peace offer, nor even as an American mediation offer, and preferred to await developments.

Notes of conversations between Secretary Hull and other State Department officials on the one side, and the Finnish Minister on the other, were made available in part to bolster the Washington viewpoint. In the course of his conversation with Mr. Procope, Secretary Hull stated that the United States Government is prepared to spend up to \$75,000,000 to resist and suppress Hitler and Hitlerism. The notes also showed that the State Department officials remained silent when the Finnish Minister asked what guaranties Britain and the United States could offer Finland.

Secretary Hull reputedly displayed much impatience over this controversy, and emphasized reports that Finland, in moving eastward from her 1938 frontier, might tend to block war supplies for Russia. The real issue, he was reported as saying, is whether the Finns should over and above necessary defense requirements furnish extremely valuable aid to Germany in the effort to blockade British and American supplies to Russia through Murmansk and Archangel. Finnish spokesmen declared late last week that they do not con-

sider, the door closed to further negotiations with the United States. They reiterated an intention to send home the major part of the Finnish Army, as soon as a military situation is created in which Finland is considered safe. At some points, it was hinted, the Finns already have passed the strategic points of safety. The Swedish reaction was said in Helsinki to be unanimously favorable to the Finnish viewpoint.

Pax Germanica

Fresh indications became available this week of an impending German effort to unify the Continent of Europe under the domination of the Nazis. That the British Government will view all such efforts disdainfully has already been made clear by Prime Minister Churchill, but no useful purpose can be served by minimizing the appeal of a peace offer to France and other countries under the German military heel. The prospect looms of a Continent turning its back upon Britain and the United States, and endeavoring to compensate in Eastern Europe and perhaps in Africa for the privations of a continuing sea and aerial war.

The German Ambassador to Turkey, Franz von Papen, let slip some informative comments on Nazi intentions, in an interview last Sunday with a Spanish press representative. A strong bid is to be made for peace with England, Turkey to be the mediator, it was hinted. Such measures are to be attempted when the "decisive phase" of the Russian campaign has been concluded.

Intensive discussions among the leaders of unoccupied France were said in Vichy, this week, to concern full collaboration by Marshal Petain and his associates with the Berlin regime. The German Commissioner for the Netherlands, Dr. Arthur Seyss-Inquart, held in a speech last Saturday that "full equality" is to be accorded the Hollanders in a Germanic State. Similar suggestions well may be put forward to other occupied countries, but the reactions doubtless will be unfavorable in most instances. Guerrilla activities in Serbia are said to have reached the point where much of Yugoslavia now is in their hands.

Unfixed Cotton Call Sales

Unfixed call sales of cotton reported to the Commodity Exchange Administration increased 43,000 bales during the week ended Oct. 31 to 938,700 bales, compared with 1,134,500 bales a year earlier, according to the weekly statement issued on Nov. 7 by the Department of Agriculture. The department gave the following details:

The total sales outstanding on Oct. 31 consisted of 159,700 bales based on the December future of the current year, 4,600 bales based on the January future of next year, 336,200 on March, 227,200 on May, 200,700 on July, 10,200 on October, and 100 on December.

Unfixed call purchases reported increased 29,300 bales during the week to 280,700 bales on Oct. 31, compared with 134,300 bales on the corresponding date last year. At the recent date, 126,800 bales of unfixed call purchases were based on the December future, 300 on January, 84,900 on March, 44,200 on May, 24,400 on July, and 100 on October.

This statement includes only call sales and purchases based on New York cotton futures, as reported to the Commodity Exchange Administration by merchants with futures contracts of 5,000 bales or more in a single future. The figures released therefore, do not cover all such transactions.

U. S. Exports In September Near August Peak Lend-Lease Deliveries Boost Food Shipments

The movement of goods out of the United States aggregated \$417,139,000 in September, 8% below August's shipments of \$455,414,000, but was otherwise the heaviest of any month since December, 1929. August's exports were the heaviest since October, 1929 and were \$96,765,000 higher than July's which in turn were \$108,547,000 greater than August, 1939, the last month of peace in Europe.

August's figures represented a great stride forward in a single month that it was hardly to be expected that September's might equal or surpass that record. The fact that September's shipments were able to maintain a level of \$58,490,000 higher than July; would seem to have greater significance than that they were less than August's. September's shipments were substantially greater than September, 1940's \$295,451,000.

Lend-lease shipments account for a large part of the total exports, of course, although the precise amount is not stated, and for this reason the figures are not indicative of ordinary commercial gains. Rather they are representative of the degree of success attained in our policy of material aid to the nations opposing the Axis powers.

Previous reports of lend-lease shipments have indicated that agricultural products comprise a large portion of the total and September's exports show large gains in this category. Agricultural products had an aggregate value of \$73,936,000 compared with only \$22,164,000 in September, 1940, and \$55,956,000 last August. As to individual instances, wheat shipments rose to \$2,907,000 from \$787,000 in August and \$704,000 in September, 1940; corn, to \$2,539,000 from \$990,000 in August and \$1,543,000 in September, 1940. Vegetables, meat products, lard, and dairy products had already shown great increases in August and these rose further in September. Even cotton, exports of which have lately been on the lowest scale since the Civil War, participated in the gains, shipments of the staple rising to the greatest in a year and a half; 99,302,000 pounds valued at \$15,052,000 were exported in September, compared with 42,035,000 pounds valued at \$5,843,000 in August and 49,857,000 pounds worth \$5,138,000 in September, 1940.

On the other hand, various manufactured items including war materials showed considerable decreases from August and some of them were also reduced from September, 1940. Among the more important articles, industrial machinery, iron and steel, merchant vessels and automobiles were lower in comparison with both periods. Medicines, explosives and firearms were reduced from August but remained much higher than a year ago. Aircraft exports are not shown as a separate item in the September exports.

Import trade in September dropped to \$262,680,000 from \$282,629,000 in August but was more than a third greater than September, 1940, when \$194,854,000 goods came into the country. In the import category, agricultural products represented 44% of the aggregate in comparison with 53% in the first nine months. Government purchases of strategic materials was an important factor influencing the character of imports. Rubber, the largest individual import, had a value of \$34,841,000 compared with \$44,880,000 in August and \$30,655,000 in September, 1940. Wool slightly under August but triple a year ago. Coffee dropped to a very low level due to the fact that the larger producing countries have about reached their quotas for this year. Burials, which were scarce during the last world war, dropped to \$3,182,000 in September from \$4,924,000 in August and \$4,966,000 in September, 1940.

Gold imports rose nearly 100% above average of the four previous months to \$65,707,000 but were only about a fifth as great as September, 1940, when \$334,113,000 of the metal came into the country.

Silver imports of \$3,356,000 in September were not quite up to the average for this year and compare with \$4,656,000 in September, 1940.

Urban Home Financing Over \$3,500,000,000

Urban home financing in the United States exceeded \$3,500,000,000 during the first nine months of 1941, economists of the Federal Home Loan Bank Board announced on Nov. 8. During this period, all types of lenders recorded 1,220,758 mortgages on urban property—12.5% more than for January-September, 1940. In dollar volume, recordings rose 17.6% above those of 1940. The Board likewise said:

Accounting for nearly one-third of the country's total mortgage recordings—up to \$20,000 each—savings and loan associations again lead all classes of lenders with recordings aggregating \$1,125,122,000, or 32% of the total. Banks and trust companies followed with recordings of \$867,155,000, or 24.7%; and individuals comprised the third largest group, lending \$579,738,000, or 16.5% of the \$3,513,932,000 total.

The size of the average mortgage loan continues to increase, say Bank Board economists, who point out that whereas 1939's average mortgage loan was \$2,706, 1940's amounted to \$2,755—a rise of only \$49—and that 1941 loans, now averaging \$2,878, represent an increase of \$123 over 1940 and \$172 over 1939. Factors chiefly responsible for this steady upward trend are increased construction costs, mounting real-estate values, and the general use of higher percentage loans.

The nation's urban mortgage recordings during September are reflected in the following figures which each month are compiled by the Bank Board's Division of Research and Statistics in cooperation with regional Federal Home Loan Bank presidents, savings and loan officials throughout the country, the American Title Association and the Mortgage Bankers Association:

	Number	Amount	Percent of total amount
Savings & loan assns.	49,262	\$135,754,000	31.9
Insurance cos.	7,433	36,250,000	8.5
Banks & trust companies	31,001	100,712,000	23.7
Mutual savings banks	5,197	20,802,000	4.9
Individuals	34,982	70,377,000	16.6
Other mtges.	18,295	61,034,000	14.4
Total	146,170	\$424,929,000	100.0

Curb Short Position

Total short position of stocks dealt in on the New York Curb Exchange for the month of October, 1941, reported as of Oct. 31, amounted to 9,664 shares as compared with 13,155 shares reported on Sept. 30 last, the Exchange announced on Nov. 10.

Five issues showed a short position of more than 400 shares. They were:

	Oct. 1941	Sept. 1941
American Cyanamid Co. ("B") Non-Vt. Com.	1,032	100
Atlas Corp. (Preferred)	538	100
Amer. Gas & Elec. Co. (Com.)	1,096	2,508
Cessna Aircraft Co. (Com.)	510	61
Phoenix Securs. Corp. (Com.)	400	...

Pres. Roosevelt Authorizes Transfer Of Defense Supplies To Soviet Russia Under Lend-Lease Act

President Roosevelt on Nov. 7 authorized Edward R. Stettinius, Jr., Administrator of the Lend-Lease program, to take "immediate action" to transfer defense supplies to Soviet Russia under the Lend-Lease Act. This action followed the recent extension of \$1,000,000,000 in lend-lease credits; referred to in these columns Nov. 13, page 1038. In a letter to Mr. Stettinius, the President said that he had found that the "defense of the Union of Soviet Socialist Republics is vital to the defense of the United States."

Mr. Roosevelt also referred to his letter to President Kalinin of the Soviet Union congratulating him on his country's national anniversary and pledging "the United States to do everything possible to assist" Russia in its "struggle against aggression."

The President's letter to Mr. Stettinius read as follows:

On Nov. 7, 1941, I addressed a letter to His Excellency President Kalinin in which I congratulated him upon the national anniversary of the Union of Soviet Socialist Republics and expressed the admiration of the people of the United States for the "valiant and determined resistance of the army and people of the Soviet Union," and the determination of the United States that the "sacrifices and sufferings of those who have the courage to struggle against aggression will not have been in vain."

In that letter I assured President Kalinin "of the desire of the government and people of the United States to do everything possible to assist your country in this critical hour."

In accordance with that pledge and pursuant to the power conferred upon me by the Lend-Lease Act, I have today found that the defense of the Union of Soviet Socialist Republics is vital to the defense of the United States.

I therefore authorize and direct you to take immediate action to transfer defense supplies to the Union of Soviet Socialist Republics under the Lend-Lease Act and to carry out the terms of my letter of Oct. 30, 1941, to Premier Stalin (providing for the \$1,000,000,000 credit).

I should appreciate it if you would work out as quickly as possible details of this program with representatives of the Union of Soviet Socialist Republics.

Corn Crop Forecast Higher - Yield Near Peak

The greatest corn crop in nine years, 2,675,373,000 bushels, is forecast by the Department of Agriculture in its Nov. 1 report of crop conditions. The estimate is nearly 50,000,000 bushels higher than that of a month earlier whereas trade expectations were for a slight decrease in the figure.

The crop as forecast compares with harvests of 2,449,200,000 bushels in 1940 and a 10-year average (1930-39) of 2,307,452,000 bushels. Farm stocks represent the bulk of the carryover of old corn, and when these are added to the crop it appears that this year's supply of corn (excluding commercial stocks) will total 3,140,991,000 bushels compared with 2,997,825,000 bushels in 1940 and the 10-year average of 2,542,586,000 bushels. The current supplies are large by comparison with these figures and, in fact, have only been exceeded on a few occasions.

Consumption of corn, however, should also be heavy this year, for livestock numbers are approaching the previous peak and production of livestock and livestock products is reported to be now at a record level and still increasing. This is chiefly due to the government's expressed desire for increased output and the heavy government buying for shipment under the Lend-Lease legislation.

The yield per acre of the current crop is estimated at 31.1 bushels, second only to the 1906 yield of 31.7 bushels, in the 75-year period for which records are available. The high yield is attributable to the increased planting of hybrid corn which is estimated to amount to 37.2% of this year's average as compared with 29.9% last year.

Soy beans, virtually unknown as a domestic crop in this country up to 1921 when Eugene Staley organized his soy bean milk in Illinois and persuaded local farmers to plant the crop, are expected to be harvested in an aggregate of 111,300,000 bushels this year the largest crop so far, comparing with 79,837,000 bushels in 1940 and 91,272,000 bushels in 1939, the previous high. Acreage harvested of soybeans for beans, amounted to 133,000 acres in 1921 and will amount to about 5,920,000 acres this year. The earliest yield figures available are those for 1924 when only 11.0 bushels per acre were produced; this year it is estimated that the yield will amount to 18.8 bushels and it was as high as 20.7 bushels in 1939.

Mr. Staley forecast several years ago that soybean production in

the United States would ultimately reach 200,000,000 bushels a year. The record to date indicates that he was not immodest in his prognostication.

Restricts Cellophane Use

A ban on many uses of cellophane and similar transparent materials derived from cellulose was ordered on Nov. 7 by the Priorities Division of the Office of Production Management. The order, effective immediately, permits suppliers and their customers to use up existing stocks under certain conditions, allowing them 60 days to exhaust stocks now on hand. The OPM said that the limitation order was necessary because large quantities of chlorine, phenol and glycerine, chemicals vital to defense production, are used in the manufacture of cellophane. While the restrictions do not apply to food and tobacco products, the manufacture of cellophane for packaging a long list of items, including cosmetics, razor blades and soaps, is prohibited.

The OPM Priorities Division on Nov. 10 issued an order designed to conserve the supply and direct the distribution of phenols. This order, amending one issued Aug. 30, imposing a milder form of control, provides that on and after Dec. 1 no delivery of phenols may be made or accepted by any person, except as specifically directed by the Priorities Director.

Auto Sales Below '40

Factory sales of cars and trucks in the United States in October totaled 374,600 units, according to preliminary estimates by the Automobile Manufacturers Association.

This showing compares with 234,255 cars and trucks sold in September and with 493,223 units in October, 1940.

For the first ten months of the current year, factory sales were estimated to have totaled 4,196,578 units, which compares with 3,498,435 cars and trucks sold in the corresponding period a year ago.

LEGAL ODDITIES

ALL FOR LABOR AND MATERIAL BUT BANK LOSES OUT

The bids had been opened, and Henry McAdam, the successful bidder, promptly approached the Sunnyside Bank.

"I want to borrow \$100,000 to pay for labor and material on my contract on the Wilson highway," McAdam said.

"That's quite a good-sized loan in the present condition of the money market," the bank demurred.

But McAdam was ready with an answer.

"Well, if you're not satisfied with my financial standing, you can't kick on the Amalgamated Surety Company. They gave a \$200,000 bond to the Highway Commissioners to provide that I'd pay for all labor and material used in the work," the contractor urged.

"We'll look into it," the bank agreed, ascertained that such a bond had been given, and McAdam got the required loan.

"Put in McAdam's note that it's given for money advanced by the bank to pay for labor and material for the Wilson highway," the cashier directed.

Then, when McAdam failed to pay the note, the bank promptly threatened to sue the Amalgamated Surety Company.

"But you didn't supply any labor or material," the Surety Company argued.

"No—but we advanced money for that purpose, and it says so right on the note that he gave us," the bank retorted.

"That's a pig of another snout. If McAdam had got your money and failed to pay it over for labor and materials, we'd be bound to pay the workmen and materialmen, but we signed no bond to pay his bank loans," the Surety Company contended, and the Kansas Supreme Court held that the bank had no case.

"By loaning money to the contractor the bank acquired no interest in the claims of the individual laborers or materialmen, although the money was applied in the payment of their claims," said the Court.

Liberty of Conscience

President Roosevelt, in a message to the National Catechetical Congress of the Confraternity of Christian Doctrine, held in Philadelphia on Nov. 14, said that the nation must defend "with every resource at our command" the priceless heritage of liberty of conscience.

The President's letter follows:

The founders of this nation, who made beginnings along the Atlantic seaboard in far-away colonial days, were men and women who placed their faith in the everlasting reality of religion.

True to the tradition of their fathers, the framers of our Federal Constitution guaranteed among our cherished freedoms complete freedom of conscience, which has been a source of happiness to us as a people through all the decades since the momentous decision was taken in the city where more than a century and a half later you are to hold your congress.

It is for us to defend with every resource at our command this priceless heritage of liberty of conscience, which also carries with it freedom of education and the right of free assembly now denied over wide areas of the earth, where democracy has been trampled under foot.

New York State Factories Continue To Show A High Level Of Employment In October

Industrial Commissioner Frieda S. Miller, in a statement released on Nov. 11, reported little net change in either employment or payrolls at New York State factories from the middle of September to the middle of October. Total employment rose 0.3% in the month, while total payrolls dropped 0.3%. Over the past 27 years, the average September to October changes have been small gains of 0.6% in forces and of 0.3% in payrolls.

Commissioner Miller's statement further said:

The small net changes this October give little indication of the varied movements that took place at individual plants and industries. Several of the larger defense plants hired hundreds of additional workers. Some nonferrous metal and silk firms curtailed their operations as material shortages developed. Losses in the steel, miscellaneous wood products and baked goods industries were caused by strikes at individual establishments. Firms making goods for the Christmas trade expanded while large seasonal losses were reported by canneries, and clothing shops. In the airplane, instrument, wood products, rubber goods, baked goods, and cotton textile industries, wage rate increases at several plants resulted in increased average earnings. Drops in average earnings were more frequent than increases, however, since Columbus Day was observed by many firms during the reported pay period in October. For the total of all industries, per capita weekly earnings declined from \$34.95 in September to \$34.74 in October.

Index numbers for October were 126.7 for factory employment and 152.1 for payrolls. These indexes are computed with the average of the three years 1925-27 as 100. Compared with October 1940, there were 27.1% more workers employed this October on a payroll that was 51.3% higher.

The reports from 2,415 representative New York State factories were included in the preliminary October tabulations. These firms employed 605,617 employees on a total payroll of \$21,041,474 for the middle week of the month. The Division of Statistics and Information, under the direction of Dr. E. B. Patton, is responsible for the monthly collection, tabulation and analysis of these data.

Good Gains Reported by Utica and Schenectady Factories

As in the State as a whole, the movements among compo-

City	Sept. to Oct. '41		Oct. '40 to Oct. '41	
	Empl.	Payr.	Empl.	Payr.
Utica	+2.2	+6.7	+32.6	+77.1
Albany-Schenectady-Troy	+1.2	+2.5	+42.0	+72.1
Syracuse	+0.8	+1.7	+23.2	+46.3
Binghamton-Endicott-Johnson City	+0.6	+1.6	+14.4	+54.3
Buffalo	+0.6	+1.3	+32.9	+56.7
New York City	+0.5	-4.3	+23.3	+37.9
Rochester	-1.1	+0.7	+24.7	+50.0

Rayon Yarn Output In The United States During Third Quarter At Peak Level

Production of rayon yarn in the United States during the third quarter of 1941, for the fourth consecutive quarter, broke all previous output records, states the current issue of the "Rayon Organon," published by the Textile Economics Bureau, Inc., New York City. Output of domestic yarn for the July-September quarter aggregated 114,200,000 pounds. This total, says the Bureau, which exceeded the previous record of 112,000,000 pounds reported for the April-June quarter by only 2%, nevertheless was 23% greater than the production reported for the third quarter of 1940.

The new record, states the publication, was made possible by an increase in the output of viscose-cuprammonium yarns, for which a new high total of 73,400,000 pounds was reported, accomplished primarily by a further increase in the average denier of yarn spun. Acetate yarn production declined slightly in the September quarter as compared with the June quarter due to a reduction in the size of the

average denier of yarn spun, which in turn reflected the prevailing tight supply conditions for some of the raw materials used in acetate yarn manufacturing. The announcement of the Bureau further states:

Rayon staple fiber available for consumption (production plus imports) in the third quarter reached a record total 35,100,000 pounds, consisting of 34,100,000 pounds of domestically produced fiber and 1,000,000 pounds of imported staple. This combined total represents an increase of 13% over the previous record reported for

President Asks House Group For Early Anti-Inflation Taxes; Action Deferred

President Roosevelt appealed to the House Ways and Means Committee on Nov. 8 to promptly consider new taxes, which would become effective "within two or three months," to counteract inflationary pressures arising from the defense program; on Nov. 10 Chairman Doughton replied that his committee had voted to defer temporarily action on an anti-inflation tax program. Both letters were released by the White House on Nov. 10.

In his letter the President said 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." He suggested that the taxes "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." Representative Doughton, in his reply, agreed that "the dangers of inflation must be of immediate concern to all of us," but he added that the price control bill would require "the full time and effort of the entire membership of the House" for the moment.

Under date of Nov. 8 the President wrote Mr. Doughton as 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.

the June quarter and is 81% greater than staple available for consumption in the third quarter of 1940.

This new record was due primarily to the marked increase in domestic production, the 34,100,000-pound total being 28% greater than the previous record level of 26,600,000 pounds reported for the June quarter. In contrast, the import situation continues to grow worse. A substantial part of the 1,000,000 pounds of foreign staple fiber available for consumption in the third quarter consisted of withdrawals from United States bonded warehouses rather than imports for immediate consumption. With many nations completely removed as potential sources of supply, the status of foreign staple in United States bonded warehouses has about been exhausted with no immediate prospect replenishment.

Shipments of rayon filament yarn to domestic consumers in October totaled 41,700,000 pounds as compared with 37,000,000 pounds in September and 36,700,000 pounds in October, 1940. Domestic shipments of rayon yarn for the first 10 months of 1941 aggregated 374,700,000 pounds as compared with 319,900,000 pounds in the corresponding 1940 period, an increase of 17%.

Stocks of rayon filament yarn in the hands of rayon producers as of Oct. 31 amounted to 5,300,000 pounds as compared with 4,900,000 pounds at the end of September.

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.

Under date of Nov. 10 Chairman Doughton wrote the President as follows:

Your letter of Nov. 8th suggesting prompt consideration of the taxation aspects of our inflation problem has been given my most careful attention.

I agree with you that the dangers of inflation must be of immediate concern to all of us. In this respect, the present attention of the House is directed to the bill reported by the Committee on Banking and Currency on Nov. 7th and which will be debated in the House this week. It will require the full time and effort of the entire membership of the House, including the members of our Committee on Ways and Means, to perfect a bill of this character and magnitude.

Last week Senator George and I met with Secretary Morgenthau to consider a Treasury proposal that taxation be used as a damper upon inflation. The Treasury representatives presented this proposal to our full Committee and after consideration of their arguments it was our conclusion that action on the Treasury proposal should be deferred temporarily.

However, I realize fully that taxation is an important integral part of any anti-inflation program. While I cannot speak for the membership of our Committee, I wish to assure you of my own earnest desire, which I believe also to be the desire of my colleagues, to cooperate with you in an endeavor to find a practical and equitable approach to this problem.

Senator George and I will be most happy, if you so desire, to discuss this matter with you and the Secretary of the Treasury at your convenience.

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