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President Roosevelt Sees Long, Hard War But Voices Confidence In Final Victory

President Roosevelt told the American people on Dec. 9 that they must prepare for a long, hard battle in order "to maintain our right to live" and warned that Germany and Italy, as well as Japan, now consider themselves at war with the United States.

In a nation-wide radio address, the President conceded that the United States has "suffered a serious setback" in Hawaii and possible loss of Guam and Wake and Midway Islands, but dismissed the Japanese claim that they have gained naval supremacy of the Pacific as "fantastic." He warned against accepting all rumors of disaster and said the Government will give out information when it is officially confirmed and when it will not be of aid to the enemy.

After citing the industrial progress made in the past year and one-half by following the policy of aiding nations resisting Hitler and Japan, the President said the Government has decided on two broad production policies: (1) Work on a seven-day week basis in every war industry, and (2) building of new plants, expanding existing ones and using smaller plants for war needs.

The President went on to say that on the road ahead lies har-

gruelling work but stated it was not a sacrifice but rather a privilege to be able to help "when the nation is fighting for its existence and its future life." He did not see any shortage of food at present but called for curtailment in civilian uses of metals.

Declaring that the United States can accept no result save final, complete victory, the President asserted that the "shame of Japanese treachery" must be wiped out and the "sources of international brutality" must be broken. He also called for the abandonment "once and for all" of the policy of isolationism, explaining that "there is no such thing for any nation or individual in a world ruled by the principles of gangsterism."

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FROM WASHINGTON AHEAD OF THE NEWS

When the historians, speaking through the new devices that will have undoubtedly been wrought, begin to search through the debris of Dec. 7 and 8 of 1941, they will come upon the fact that unity in Washington lasted just about six hours. It was not a question of disunity in the matter of Japan. On the question of destroying her utterly, there was no voice of dissent. The disunity occurred over the inefficiency in high circles which brought about the greatest naval disaster in all of America's history.

The temper of Congress, amazingly stirred from its inertia of many months, was that heads would soon roll. And the first head, apparently, was to be that of the Rotarian, Secretary of the Navy Frank Knox.

It was around 2:30 or 3 o'clock when official and semi-official Washington heard of the disaster. Many were at the football game. Many others were preparing to go to cocktail parties. By seven o'clock at night, Washington semi-official and official gatherings were seething with indignation over Knox. Around 9 o'clock, Senator Tom Connally of Texas, Chairman of the Senate Foreign Relations Committee, fiery but not a heavyweight, yet still typical of the people, was heatedly telling Knox at the conference of military and Congressional leaders with the President that the American people wanted to know why the debacle of the Pacific and

they wanted to know it "damned quick."

The following day, a New Dealer, Congressman Dingell of Michigan, made known that he planned to seek an inquiry with a view to some courtmartialing of Navy heads. It was ironic that as this was happening, newspapers advertised another magazine article of the Navy Secretary's—in American Magazine, entitled, according to the ad, "You have asked for it, Mr. Hitler."

The attitude of Washington was that America was tired of bombastic statements and bombastic magazine articles. Now it was in trouble, it expected to go through with it, but it demanded efficiency.

The pretentious SPAB, policy-making defense production agency, had to get its voice into the confusion of Monday. It announced that a spending program of \$150 billion would be necessary to defeat the forces confronting this country. Economists and other men in the Government

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anxious to have their voices heard, had been preaching this for some time. Like the young professor who at the outset of the intellectual control of America, tried to impress his young girl students by making audacious remarks, these fellows, including Donald Nelson, have been saying this for some time.

But Connally, in his heated set-to with Knox, pointed out that America had appropriated unstinted billions for defense. Therefore, he wanted to know why what happened at Hawaii could have occurred. Knox has been running up and down the country for several months, bombastic and insisting that we were prepared to knock hell out of Hitler—and the Japs—at one thrust.

These things are interesting because the American people are now up against something far more realistic than the practice of their leaders in issuing bombastic statements. They are in something which they unquestionably intend to see through. So no tendency to censorship should deny them the facts. For almost two years Cordell Hull and Sumner Welles, at odds many times before but admirably together through the crisis, have been trying to keep out of a war on two fronts. They had the world facts, they knew what they were dealing with. But Knox and Harold Ickes, whose no real business it was and who had plenty to do to deal with the matters under his jurisdiction, have insisted upon aggressive action against Japan. Their attitude was that Japan could be bowled over with pretty much of a turn of the wrist on the part of this country. They have annoyed and harassed the State Department no end.

Then it happens, and we, to say the least, do not bowl Japan over with the turn of a wrist. The question arises as to the rank incompetency in the Pacific fleet which seems apparent. Well—and we may as well know the facts—Mr. Roosevelt made a complete shake-up in the navy command in either late 1939 or early 1940. He put in Admiral Starke as chief of operations and Admiral Kimmel as head of the fleet, in charge par-

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THE FINANCIAL SITUATION

The long feared and long dreaded has come to pass. The United States has been widely, vigorously, and treacherously attacked, and is now formally as well as very really at war with a powerful and determined nation. We are in fact, if not technically, at war with another even more powerful and equally determined nation. It is now plainly not only our duty but our necessity to look forward, not backward. We shall have to study with care certain recent events, as for example what now appears to have been gross negligence or almost incredible incompetency at Pearl Harbor, in order that the future may be protected against a recurrence of such an episode. At other points, too, the past, though not all that we could wish, may point the way for the future—that is, for the future immediately ahead when the one task is winning the war.

But only in such a sense and in such circumstances is there any good reason or can there be any excuse for harping now on matters that have divided us for years past. Even the President's unfortunate inclusion in his otherwise admirable radio address on Tuesday evening of a reiteration of his interventionist philosophy can and must for the time being at all events be disregarded in our determined and undivided application to the task at hand—a successful conclusion of the war.

Let no one suppose that this task will be an easy one. In light of the events of the past few days, there should be no one left so bereft of realism as to suppose any such thing, but it is well to utter the warning nonetheless. The cocksureness of some patriots who now must defend their country in the first line of action is no longer in evidence, and it is well that it has disappeared, but we must make certain that any false impressions left in the minds of unthinking or of the emotionally surcharged do not linger. Only if we as a people fully appreciate the magnitude of the task ahead and the sacrifice and unruffled courage required to

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Now To Work!

Yesterday, Dec. 7, 1941—a date which will live in infamy—the United States of America was suddenly and deliberately attacked by naval and air forces of the Empire of Japan.

The attack yesterday on the Hawaiian Islands has caused severe damage to American naval and military forces. I regret to tell you that very many American lives have been lost. In addition, American ships have been reported torpedoed on the high seas between San Francisco and Honolulu.

Yesterday the Japanese Government also launched an attack against Malaya.

Last night Japanese forces attacked Hong Kong.

Last night Japanese forces attacked Guam.

Last night Japanese forces attacked the Philippine Islands.

Last night the Japanese attacked Wake Island.

And this morning the Japanese attacked Midway Island.

Japan has therefore undertaken a surprise offensive extending throughout the Pacific area. The facts of yesterday and today speak for themselves.—The President to Congress on December 8, 1941.

Such facts do indeed speak for themselves, and their message is a demand for effective action—not invective phrases.

From this time forward, the professional speech makers—and the day dreamers—long prominent in the Washington scene must have no place in the picture.

What we need now is men of effective action who can match deed with still more effective deed.

Anything or any man who stands in the way is the real enemy of the country now.

That, we believe, the country at length understands.

Let the politicians and the labor leaders take notice.

One Reader Says...

"The Financial Chronicle has been so useful that we have had the copies bound and kept for reference."

Running through our correspondence, we find a subscriber whose file of bound copies dates back to 1887—another to 1906—and still another to 1880. Can there be any doubt in your mind about the value of binding your copies of the Financial Chronicle, of having at your finger tips a complete record of all important financial developments? The new Financial Chronicle was designed for binding. With the larger page size, bound volumes will be thinner, will open flat and will be easier to handle.

This is merely a suggestion—passed along to you because we want you to get full value from your subscription to the Financial Chronicle.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Dec. 3 a summary for the week ended Nov. 29, 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. 29, 1941 | |
| Odd-lot Sales by Dealers: | |
| (Customers' Purchases) | |
| Number of orders..... | 20,595 |
| Number of shares..... | 558,495 |
| Dollar value..... | 20,552,212 |
| Odd-lot Purchases by Dealers: | |
| (Customers' Sales) | |
| Number of Orders: | |
| Customers' short sales..... | 323 |
| Customers' other sales a..... | 23,224 |
| Customers' total sales..... | 23,547 |
| Number of Shares: | |
| Customers' short sales..... | 6,032 |
| Customers' other sales a..... | 647,605 |
| Customers' total sales..... | 653,637 |
| Dollar value..... | 17,856,547 |
| Round-lot Sales by Dealers: | |
| Number of Shares: | |
| Short sales..... | 120 |
| Other sales b..... | 214,510 |
| Total sales..... | 214,630 |
| Round-lot Purchases by Dealers: | |
| Number of shares..... | 135,560 |

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

Lumber Movement Week Ended Nov. 29

Lumber production during the holiday week ended Nov. 29, 1941, was 10% greater than the previous week, also a holiday in some States; shipments were 13% greater; new business 7% greater, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 0.5% above production; new orders 8% below production. Compared with the corresponding week of 1940 production was 1% less, shipments 11% less, and new business 17% less. The industry stood at 132% of the average of production in the corresponding week of 1935-39 and 129% of average 1935-39 shipments in the same week.

Year-to-date Comparisons

Reported production for the 48 weeks of 1941 to date was 12% above corresponding weeks of 1940; shipments were 11% above the shipments, and new orders 6% above the orders of the 1940 period. For the 48 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 31% on Nov. 29, 1941, compared with 32% a year ago. Unfilled orders were 15% less than a year ago; gross stocks were 10% less.

Softwoods and Hardwoods

Record for the current week ended Nov. 29, 1941, for the corresponding week a year ago, and for the previous week, follows in thousand board feet:

| | Softwoods and Hardwoods | | |
|------------|-------------------------|-----------|--------------------------|
| | 1941 Week | 1940 Week | 1941 Previous Wk. (rev.) |
| Mills | 443 | 443 | 474 |
| Production | 233,635 | 234,854 | 212,726 |
| Shipments | 234,726 | 264,013 | 207,731 |
| Orders | 214,885 | 257,501 | 199,982 |

| | Softwoods | | Hardwoods | |
|------------|---------------|---------------|-------------|-------------|
| | 1941 Week | 1941 Week | 1941 Week | 1941 Week |
| Mills | 364 | 364 | 92 | 92 |
| Production | 233,368-100% | 233,368-100% | 10,267-100% | 10,267-100% |
| Shipments | 222,300-99.5% | 222,300-99.5% | 12,426-121% | 12,426-121% |
| Orders | 205,392-92% | 205,392-92% | 9,493-92% | 9,493-92% |

Editorial—

Latin-American Trade Relations

Something of a test case for private enterprise versus government action appears to have developed in connection with the trade and financial relations between the United States and the Latin-American countries. A public discussion of this problem has projected into the limelight some of the difficulties faced by our own importers and exporters. If the assertions of Washington spokesmen are sincere, there should be no question about retention of this vitally important business activity in the private sphere.

The happy circumstance exists in this connection that everyone concerned is extraordinarily anxious to foster and improve the business being done internationally in the Western Hemisphere. All requirements and interests point in the same direction, which makes it possible to narrow the issue down to suitable and adequate methods for expansion.

To those familiar with this matter it is glaringly obvious that simple ability to supply Latin-America with manufactured wares depends upon defense requirements, priorities and allocations within the United States. From the defense effort flows a vast series of difficulties and delays, not only in manufacture of goods ordered, but also in delivery.

Still another set of problems faces the American manufacturer in his arrangements for payment, and it is on this aspect that attention lately has centered. The payment troubles stem in part from manufacturing uncertainties, and at least in equal measure from Treasury and other regulations in Washington which often appear to exporters as little more than capricious.

Over the web of trade and financial relationships hangs continually, in these days, the threat of intervention by the Export-Import Bank of Washington, which operates on United States Treasury funds without regard to profit. Warren Lee Pierson, President of that official bank, declared at a bankers' forum here in New York, some days ago, that bankers and manufacturers in the United States are displaying reluctance toward ordinary peace-time relationships with Latin-America. He intimated that this alleged attitude is not as smart as it might be, and disclosed that the official bank is increasing its collaboration with Latin-American institutions.

The comments by Mr. Pierson bore an unfortunate resemblance to what is often described as the Administration practice of first making it impossible for private enterprise to function and then moving in with government control on the charge that it does not function. He warned that the foreign trade of all countries increasingly is becoming the concern of governments, but also insisted that every effort is being made by his office to keep transactions within the sphere of private enterprise. Private banking institutions were urged by Mr. Pierson to come along and act as partners in the expansion of inter-American trade and finance.

The record indicates that Mr. Pierson is hardly to be charged with a genuine desire to supplant private enterprise and initiative with government funds and controls. It would also seem to be clear, however, that he has little realization of the thorny path trod by American manufacturers, exporters and bankers in the field of Latin-American trade. The suggestion seems appropriate, therefore, that the earnest and hard-working President of the Export-Import Bank examine some of the obstacles to trade needlessly set up by official agencies, other than his own.

Perhaps Mr. Pierson could do little, for the time being, toward a reasonable supply to American manufacturers of materials needed to fill orders. If priorities on Latin-American orders were not almost completely neglected, however, such orders might be filled more nearly on time, and one great cause of friction removed. The Treasury foreign property controls might well be administered in a manner that would obviate breaches of contract under irrevocable letters of credit. The State Department might decide who in Latin-America really is and who is not on the blacklists, which change often and in a manner that can only be regarded as discomfiting.

Soon after Mr. Pierson issued his challenge, the Foreign Credit Interchange Bureau made it quite clear that there has not been any such tightening of credit terms to Latin-American purchasers as the Washington spokesman alleged. On the basis of experience with hundreds and thousands of cases and items, this group of the National Association of Credit Men differed sharply with Mr. Pierson, and indicated that the question of credit terms is a minor one, as against the problem of obtaining goods for export.

In further refutation of Mr. Pierson the fact should be noted that trade between the United States and Latin-

America actually is increasing sharply. The gain in U. S. imports is tremendous, for reasons that are obvious. Our exports to Latin-America also are advancing decidedly, and plainly would grow faster if Washington could be persuaded to interfere less with the filling of orders. No genuine case can be made out here for government control on charges of private dereliction.

An illuminating commentary on this general problem of Latin-American trade relations is supplied by a special Congressional Committee, which issued a report last week, after returning from a survey of relative American and British practices. The five-man committee requested the State Department to study British trade competition in the light of representations that "the British were soliciting orders for the delivery of commodities and manufactured goods that our country, because of priorities requirements, was not in a position to deliver."

Editorial—

Unsettling Settlements

Very much more has been unsettled than was settled by the time-serving improvisations which, within the last few weeks, have been adopted as desperate last-minute expedients to obviate further immediate demoralization in coal-mining and in railroad transportation. In the case both of the captive coal mines, which produce fuel for the directly controlled agencies of important steel-producers, and of interstate carriers by railroad, the revenues of which for more than fifty years have by dull and merciless Federal regulation, been held below the level of fair and reasonable returns upon the capital employed, the rather awkward and cumbersome processes of governmental intervention resulted in awards at the hands of official bodies that were at the least impartial in the sense that all their sympathies and preconceptions were inimical to the employers. In both cases there was no genuine discontent with wages or conditions of employment on the part of actual workers, nor among them was there discoverable any reluctance to accept the applicable official determination and to continue without interruption in the regular fulfillment of the obligations of the employment. Actual workers in the coal mines and upon the railroads knew of no grievances or demands that had not been met sufficiently for their satisfaction; they were not insensible to the obligations laid upon the industries in which they are employed by the public policies that now dominate, with extreme urgency, nor unpatriotically disposed to defeat those policies by withdrawing the essential support of their continued and diligent labors.

In the one case, the National Defense Mediation Board, which was the highest and ultimate Federal agency created for the purpose of preventing interruptions in coal-mining, steel production, and other industries, except railroad and highway transportation, essential to national defense, had made a determination acceptable to substantially all the operatives working in the mines and of which the controlling corporations had declared their acceptance. In the other case, the elaborate processes of a somewhat complicated statutory scheme for the adjustment of controversies over wages or conditions of employment had been precisely followed; there had been negotiations, proposals and counter-proposals, official offers of mediation, technical overtures and technical rejections, the President of the United States had eventually named the Emergency Fact-Finding Board provided for in the Railway Labor Act, lengthy and elaborate testimony had been taken by that Board and it had heard able arguments from the chosen advocates of the different parties. The Emergency Board, appointed on September 10, 1941, and consisting of five men of excellent standing and character, made its unanimous report and award on Nov. 5, recommending general advances in wages-rates which, according to its own estimates, would have increased the annual operating expenses of Class I railroads by from \$267,000,000 to \$272,000,000. Like the proprietors of the coal mines, the responsible officers of the railroads agreed of necessity to accept the additional burden of these higher wages.

Had there been similar acquiescence on the part of the leaders of the organizations representing the well-satisfied workers in both these essentially important industries, heavy additional burdens would have been laid upon the industries and the consumers and taxpayers of the United States, but at least the authoritatively created machinery for avoiding the enormous costs and the incalculable losses from interruptions of vital activities of transportation and production would have been preserved, with their prestige and efficacy perhaps enhanced by new records of successful achievement during a period of extreme public exigency. But it was not to be. Chief officers of organizations of employees, of whom John L. Lewis, President of the United Mine Workers of America, Alexander F. Whitney, President of the Brother-

hood of Railroad Trainmen, and Bert M. Jewell, President of the Railway Employees' Department of the American Federation of Labor, are typical, must, if they are to remain in such leadership, give thought and effect to many considerations other than the immediate contentment and the mere welfare of the workers by whose complacency they are perpetuated in power. Their high salaries, their liberal expense accounts, their extraordinary immunities from supervision and pecuniary or other accountabilities, their so largely unchecked powers, have all combined to create and to sustain ambitions and rivalries, both within and without their organizations, which can be kept down only by uninterrupted vigilance and subtle and incessant activities. Nor would it accord with the self-interests of men enjoying highly advantageous employment and much-prized and irresponsible authority in organizations that are in every real sense powerful and controlling, although not legally recognized, governments within the lawful Government, and capable of action contrary to the interests and the purposes of the latter, to allow the official Government finally to settle many matters to the satisfaction of their own narrower constituencies. If the real workers should learn to look to a superior and ultimate Government for desired benefits and advantages, they would naturally and easily come to the conclusion that labor leaders with large staffs and expenses, as well as salaries, are quite superfluous luxuries not longer to be tolerated or supported.

Hence the recent official recommendations, those of the National Defense Mediation Board in the case of the captive coal mines, and those of the Emergency Fact-Finding Board in the case of the railroads, which the employers felt patriotically constrained to accept in spite of their huge cost, and which the employees were ready to accept with substantial rejoicings and unanimity, had to be, or were, repudiated by the officers whom the same employees were supporting as their representatives and their effectual leaders in many things beyond their inevitably limited contemplation. This repudiation suggests that the unreconciled heads of the affected organizations of labor had led themselves into an impasse from which their extrication without damage and humiliation would be a feat quite beyond their own by no means extraordinary powers. But they were extricated, although not at all in virtue of their own subtlety or skill. Perhaps something may be accredited to their perception of weakness where there should have been strength, and to their resultant audacity, but the event is principally attributable to a President who appears always ready to contest to the bitter end with any distant or invisible opponent but has invariably dealt timidly and impotently with organized labor. The statutes of the United States and the administrative agencies provided by those statutes having fully operated, having produced awards accepted by the employers and not objectionable to any actual employees, nothing being necessary to support the finality of the lawful processes and probably their complete efficacy as to the immediate controversies, except determination and good will, the Executive Department coldly denied its effective support and promoted settlements that must hereafter tend to the rejection of every similar official award and that have already destroyed public confidence in the means and measures upon which the public must, at least until there is further legislation, continue to rely as its sole protector against the sabotage and slackening of its defensive efforts. And unless the President, with Secretaries Hull, Stimson, and Knox, and all the other members of the Administration, persistently and grossly overstate the public necessities of efficiency and expedition in those efforts, such damage and retardation must be essentially equivalent to irremediable delays if not to defeat.

The railroad determination raises the liberal award of the Emergency Board, not by a decision of the original Board that the additional payments are reasonable and just, but by what is euphemistically called "mediation", by some \$60,000,000, to from \$325,000,000 to \$330,000,000, annually. The Board was reconvened, upon a rather far-fetched representation of newly discovered evidence, but it was not stultified to the extent of being compelled to alter its original award in arbitration. On the contrary, it induced the parties to allow it to function as a mediating agency which, by definition, is immediately concerned with an adjustment of conflicting contentions, by inducing one or both parties to mitigate their demands until there can be an ultimate agreement upon a settlement, rather than upon determining and announcing the terms of settlement that accord with propriety or justice. As mediator, using terms and measures of persuasion or insistence of which the public has not been advised, the Emergency Board, almost at the last minute, induced a settlement that gives to the employees much larger increases than the railroads can meet out of revenues collectible under the present schedules of rates of fare and

freight and that threatens the solvency of some among those which the severities and crudities of excessive public regulation have not already forced into stubborn insolvency.

Hence there has occurred not even a provisional settlement of the problems of railroad labor and its remuneration. Twenty-five years ago, in 1916, when President Wilson was considering the deathless problems of railroad transportation under public regulation which regulates operating revenues down, that is the fares collected from passengers and the charges for the movement of commodities, and at the same time unceasingly regulates up the taxes paid to local, State and National governments and the wages paid to all labor, he repelled a suggestion that the Interstate Commerce Commission should regulate both sides of the income account, by saying, in substance, that such would not do, because the Commission was created to reduce the rates. It has unquestionably operated in that way for more than fifty years. As Senator Henry Cabot Lodge, the elder, said, "the railroads, once the opponents of public regulation, have become its victims." Yet there must be, there will have to be, some way of establishing a practical and continuing equivalence between the cost of supplying railroad services, including wages, taxes, and returns to capital sufficient to maintain an efficient railroad system commensurate with all legitimate demands for that form of transportation. Capital cannot continuously be confiscated to meet operating deficits, nor can the taxpaying public be looked to for support when private capital has been permanently repelled or supplanted.

Nor is it alone capital that is being robbed and supplanted. The injury extends to the employees and to the public in ways easily, although only partially, traceable. There is no manifestation of what is called technological unemployment that is on nearly so large a scale or so directly and readily to be followed in reliable statistics as in the case of the interstate railroads of the United States. There is room for pride in the achievements of American railroad executives, who under the urgent compulsion of dire necessity have found means for making capital and tools replace man-power, but it may not be wholly fortunate for the country that, within such a relatively brief period and under such artificial stimulation, so many capable men, with their families, have been deprived of opportunities to earn the means of their subsistence from this wide-flung industry. Roughly, the reduction in the number of employees since the war of 1914-1918 amounts to approximately one half of the number formerly utilized in maintenance and operation. The following comparisons, although inconclusive in themselves, are significant and suggestive. With 254,037 miles of railroad line on Dec. 31, 1916, the railroads in that calendar year had \$3,744,927,555 in gross receipts from operations and a net income from operations of \$1,281,948,091. Twenty-five years later, full official data for no later year being as yet available, at the close of the year 1939, the mileage was 235,064 and, during that year, the corresponding gross receipts were \$3,995,004,251 with a net from operations of \$1,076,794,543. The Interstate Commerce Commission reported the number of employees for 1916 as 1,647,097 and their aggregate compensation as \$1,468,576,394; while, for 1939, the corresponding figures were 987,943 for the number of employees and \$1,863,502,823 for compensation. Probably, the following detailed figures are equally applicable to other classes of employees than those included in the table.

| | Number | | Decr. % | Compensation | | Incr. % |
|-----------------------------|----------------|----------------|-------------|----------------------|----------------------|-------------|
| | 1916 | 1939 | | 1916 | 1939 | |
| Operating Employees— | | | | | | |
| Passenger trains | 1916 | 1939 | % | 1916 | 1939 | % |
| Conductors | 10,633 | 6,893 | 35.2 | \$19,956,674 | \$22,592,913 | 13.2 |
| Engineers and motormen | 13,429 | 8,678 | 35.4 | 28,529,665 | 31,519,135 | 10.5 |
| Firemen and helpers | 13,131 | 7,933 | 39.6 | 17,034,213 | 21,673,868 | 27.2 |
| Brakemen and flagmen | 14,800 | 9,094 | 38.6 | 15,262,872 | 20,770,368 | 36.1 |
| Baggagemen | 5,618 | 3,853 | 31.4 | 6,167,707 | 9,619,698 | 56.0 |
| Freight trains | | | | | | |
| Conductors | 25,430 | 15,085 | 40.7 | 41,125,243 | 46,341,281 | 12.7 |
| Engineers and motormen | 31,675 | 19,186 | 39.4 | 58,656,271 | 65,745,681 | 12.1 |
| Firemen and helpers | 33,637 | 21,899 | 34.9 | 37,868,522 | 52,260,741 | 38.0 |
| Brakemen and flagmen | 63,285 | 38,143 | 39.7 | 66,602,840 | 81,453,841 | 22.3 |
| Total | 211,638 | 130,764 | 38.2 | \$291,204,007 | \$351,977,526 | 20.9 |

Comment upon the foregoing would be quite superfluous at this point. The table shows conclusively why, with a very largely increased investment in property used and useful in the public service of indispensable transportation, with vastly improved and more efficient plant and equipment, and with some increase in gross receipts, the income from operations, even before deductions for taxes, which have also been most disastrously augmented, the net income available for taxes, interest, other fixed charges, and dividends, if any, has so grievously diminished. Obviously, the so-called settlement that has been effected leaves a great deal to be desired and very much that must immediately be attempted.

Felicitations To Cathedral

President Roosevelt, in a message made public Nov. 29, said that the completion of the whole interior of the Cathedral of St. John the Divine in New York City "will bear witness to all the world that in this country we still place our faith in the eternal truths of religion." The opening service of the completed cathedral was held on Nov. 30. The President's message, sent to the Right Rev. William T. Manning, Protestant Episcopal Bishop of New York, follows:

It is a fortunate circumstance that the great Cathedral of St. John the Divine has reached completion at this time of world crisis. This happy consummation is a witness to all the world that American faith in the eternal verities of religion remains unshaken.

The opening of the whole interior of this noble fabric will bear witness to all the world that in this country we still place our faith in the eternal truths of religion. I regret exceedingly that circumstances beyond my control prevent my acceptance of your invitation, but in these days of such grave anxiety I find it very difficult to make advance commitments with any assurance of fulfillment. Since the pressure in the weeks ahead promises to increase rather than to diminish, I seem to have no recourse except to reserve an ever greater amount of my time for official duties.

I am sure the occasion will be a milestone in our religious life and will be a source of inspiration to all who are privileged to participate.

Rations Steel Plate

Steel plates were made subject to complete allocation on Dec. 1 in an order issued by Donald M. Nelson, Priorities Director of the Office of Production Management. "General allocation order No. 1" is the first step taken by the OPM in compliance with the request of the Supply, Priorities and Allocations Board, made Nov. 1, that a direct allocation system for all steels be worked out. Mr. Nelson reported that on Nov. 1 defense and essential civilian orders, all with priority preference ratings, were in excess of production capacity for shipment during the month. According to OPM figures, capacity of the industry is approximately 600,000 tons a month.

About 50% of existing capacity is required to fill orders of the Army, Navy and Maritime Commission, while the rest is required principally by railroads for car construction, and by the petroleum industry for pipe and tanks.

Latin American Foreign Trade Report

The United States Tariff Commission issued on Dec. 3 the final three sections of its report, "The Foreign Trade of Latin America." These sections, which deal with the commercial policies and trade relations of El Salvador, Honduras, and Nicaragua, complete the Commission's report on Latin American trade. The reports are part of a series which has been issued for all countries of Latin America, covering a brief description of the physical characteristics, population, natural resources, and industries of the particular country, its commercial policy, the trend, composition, and destination of its exports, and its imports. Each section also contains an analysis of the country's trade with the United States.

A limited supply of these reports are available at the office of the United States Tariff Commission, Washington, D. C., and at the Commission's office in the Custom House, New York, N. Y.

THE FINANCIAL SITUATION

(Continued from First Page)

perform it, shall we be able to carry through worthily and fully to a successful conclusion.

We have made a poor start, and without doubt much more that is disconcerting will appear in the headlines before this business is done, but a courageous people fully conscious of what is before them do not permit incidents to weigh unduly upon them, or to cripple their efforts. On the contrary, they take what fate brings—and place their shoulders more firmly to the wheel. That is what the American people now at long length appear to be doing, and that fact augurs no good for their enemies.

Only those who have been led to believe that which is not true, which indeed could not have been true, and those who permit themselves to be too greatly swayed by passing phases or are unfamiliar with the true inwardness of the situation, will permit the outlook to disconcert them too greatly. To be sure, blood and sweat and tears await us. Certainly any war goes against the grain of the American people. Of course, no one in his right mind can look with glowing anticipation to the days to come. All that is to be taken for granted. No one with understanding can, however, view with anything approaching despair the future in this war if it is clear that the nation is really girding itself in earnest for the conflict. Faults in leadership there have been and doubtless will be, but they can and must be corrected. The officers of our army and navy are largely without experience in actual warfare, certainly in modern warfare. The Commander-in-Chief will doubtless find it necessary to learn in part from trial and error in whose hands our military destinies may be best placed, but that, too, can and must be learned without excessive costs.

This war will, of course, be won in large part in our factories, and here it is indeed heartening to observe that after much unnecessary delay armament appears to be beginning to roll off our assembly lines in real quantity. Never mind the fact that this should have occurred many months ago. The essential truth is that it is now apparently taking place, and that the attack upon this nation seems to be in the process of bringing to an abrupt end the condition—senseless, inexcusable and horribly wasteful labor conflict—which in recent months certainly has been responsible for most of the delay. We doubt if the temper of the American people will permit a return of this plague during the continuance of the existing critical situation.

All that is now necessary for something approaching a production miracle in this country, we believe, is for the President to divest himself of some of his unconscionable burden by placing all that has to do with armament production in the hands of men of proved capacity in industry—and see that neither politicians nor day-dreamers get near them. It would be inexcusable—and, we believe, so recognized by the American people—if he failed to take such action without delay.

If these things are done, the American people may well rest assured that though the way be long and hard there can be but one ultimate outcome—and that is the vital thing.

The State Of Trade

Business activity up to last Saturday was reported as holding at high levels, with production of electricity showing an increase of 2.7% over the previous week and 12.3% over the same period last year. Carloadings increased 66,803 cars, or 8.4% over the previous week. Steel production in the United States is scheduled this week at 97.5% of capacity compared with 97.6% last week, the dip probably reflecting difficulties of steel scrap, the American Iron and Steel Institute reports. A month ago the rate was 96.6% and a year ago operations were on a 96% basis. Engineering construction awards for the four weeks of November total \$348,800,000, "Engineering News-Record" reports. This is an average of \$87,200,000 per week and is 7% higher than the average for the five weeks of October.

Now that this country is an active belligerent in the new World War, sweeping economic and financial changes must be expected. It is pointed out, however, that the economy of the nation has been shifting from a peace-time to a war-time basis at an accelerating pace over the past year and a half. Because of this, the further steps now necessary to adjust the nation to a state of war will be so much less drastic in character.

Since time is now the essential factor, a large-scale conversion of

peace-time industries to war production is inevitable. The faltering progress made toward subcontracting defense orders will now be speeded.

It is believed that the plight of the small manufacturer who can no longer obtain materials to maintain normal production will cause less concern.

Of this country's 185,000 factories about one out of every 15 is now engaged in war production, such war plants totaling some 12,000 units. It has been estimated that under the projected \$150,000,000,000 Victory program some 80,000 factories or nearly 40% of the country's total would have to be converted to defense.

Because of the prospective large-scale conversion of peace-time factories, the expansion of defense production is not likely to result in a corresponding expansion in industrial activity.

All this is bound to have its

effect on the labor situation. Congress and the country will be in no mood to temporize further with strikes in war industries. Recent statements of labor leaders supporting the Government to the limit would seem to indicate that the seriousness of the country's position is causing a decided change of attitude on the part of certain labor leaders. Undoubtedly the labor leaders themselves will now exert considerable pressure on subordinates to prevent disruption of war production.

The war with Japan may have a temporary depressing effect on retail sales, some retail executives believe. It is not, however, expected to have a notable effect on total holiday trade.

The uncertainty that usually attends a great crisis is likely to have an adverse psychological effect on consumers. Concern over higher taxes and general insecurity may tend to restrain buying.

Offsetting factors, such as increasing talk of shortages due to war restrictions will encourage buying. It is pointed out that consumer purchasing power is higher than any time in history and will undoubtedly go higher. When the first shock of the war news passes, retail trade is ex-

pected to proceed along lines that were anticipated earlier.

It is believed that the entry of this country into the war will result in an increase in the number and effectiveness of economic controls to check inflation. Efforts to enact legislation establishing strict Government control over commodity prices, for example, have hitherto encountered stiff opposition. With the nation at war, such resistance it is believed will surely weaken.

Political pressure from special groups has handicapped and jeopardized the Administration's efforts to check inflation. With the war a reality these groups will be compelled to modify their stand or bring down upon themselves popular hostility and drastic legislative curbs, such as those voted by the House to end the epidemic of strikes in defense industries.

Prospects of far more drastic price controls and priority regulations due to the involvement of the nation in actual warfare tend to discourage buying of stocks. Greatly increased taxes next year are bound to have a similar effect. It is pointed out that new restrictions are certain for civilian industries, particularly those which consume commodities of war imported from the Far East.

United States Declares War On Japan Following Wide Attacks In the Pacific

The United States formally declared war on Japan on Dec. 8. This action was taken within 24 hours after the Japanese had, without warning, launched sea and air attacks on Hawaii and other United States islands in the Pacific, torpedoed American ships on the high seas and issued a declaration of war against the United States and Great Britain.

Congress, with only one dissenting vote, adopted the war resolution in the record time of 33 minutes, directly after President Roosevelt addressed a joint session of the two houses asking for the declaration. The President signed the resolution at 4:10 p.m. the same afternoon. The vote in the Senate was unanimous 82 to 0 while in the House the war vote was 388 to 1. The lone vote against the resolution was that of Representative Jeanette Rankin, Republican of Montana, who also opposed the declaration of war against Germany in 1917.

The text of the war measure, known as Senate Joint Resolution 116, was as follows:

Declaring that a state of war exists between the Imperial Government of Japan and the Government and the People of the United States, and making provisions to prosecute this same.

Whereas the Imperial Government of Japan has committed unprovoked acts of war against the Government and the People of the United States of America; therefore be it

Resolved by the Senate and House of Representatives of the United States of America, in Congress assembled, that the state of war between the United States and the Imperial Government of Japan which has thus been thrust upon the United States is hereby formally declared; and the President is hereby authorized and directed to employ the entire naval and military forces of the United States and the resources of the Government to carry on war against the Imperial Government of Japan, and, to bring the conflict to a successful termination, all of the resources of the country are hereby pledged by the Congress of the United States.

In his speech to the Congress, delivered at 12:30 p.m. and lasting only about 6½ minutes, President Roosevelt declared that on Dec. 7—"a date which will live in infamy—the United States of America was suddenly and deliberately attacked by naval and air forces of the Empire of Japan." Pointing out that the attacks on America's Pacific possessions were

staged while Japanese representatives were still in conversation with United States officials in Washington looking toward the maintenance of peace, the President charged that the Japanese Government "has deliberately sought to deceive the United States by false statements and expressions of hope for continued peace." He disclosed that the Japanese attacks in the Hawaiian Islands had "caused severe damage to American naval and military forces" and that "very many American lives have been lost." (The White House announced officially earlier the same day that the United States had lost one old battleship and damage had been done to several other ships and that probably 1,500 persons were killed and a like number wounded.)

Saying that Americans "always will remember the character of the onslaught against us," Mr. Roosevelt asserted that "no matter how long it may take us to overcome this premeditated invasion the American people in their righteous might will win through to absolute victory." He added that "we will not only defend ourselves to the uttermost but will make certain that this form of treachery shall never endanger us again."

The President concluded his remarks by stating:

With confidence in our armed forces—with the unbounding determination of our people—we will gain the inevitable triumph—so help us God.

I ask that the Congress declare that since the unprovoked and dastardly attack by Japan on Sunday, Dec. 7, a state of war has existed between the United States and the Japanese Empire.

The text of the President's war message to Congress follows:

Mr. Vice-President, Mr. Speaker, members of the Senate and of the House of Representatives:

Yesterday, Dec. 7, 1941—a date which will live in infamy—the United States of America was suddenly and deliberately attacked by naval and air forces of the Empire of Japan.

The United States was at

peace with that nation and, at the solicitation of Japan, was still in conversation with its Government and its Emperor looking toward the maintenance of peace in the Pacific.

Indeed, one hour after Japanese air squadrons had commenced bombing in the American island of Oahu, the Japanese Ambassador to the United States and his colleague delivered to our Secretary of State a formal reply to a recent American message. While this reply stated that it seemed useless to continue the existing diplomatic negotiations, it contained no threat or hint of war or armed attack.

It will be recorded that the distance of Hawaii from Japan makes it obvious that the attack was deliberately planned many days or even weeks ago. During the intervening time the Japanese Government has deliberately sought to deceive the United States by false statements and expressions of hope for continued peace.

The attack yesterday on the Hawaiian Islands has caused severe damage to American naval and military forces. I regret to tell you that many American lives have been lost. In addition, American ships have been reported torpedoed on the high seas between San Francisco and Honolulu.

Yesterday the Japanese Government also launched an attack against Malaya.

Last night Japanese forces attacked Hongkong.

Last night Japanese forces attacked Guam.

Last night Japanese forces attacked the Philippine Islands.

Last night the Japanese attacked Wake Island.

And this morning the Japanese attacked Midway Island.

Japan has, therefore, undertaken a surprise offensive extending throughout the Pacific area. The facts of yesterday and today speak for themselves. The people of the United States have already formed their opinions and well understand the implications to the very life and safety of our nation.

As Commander in Chief of the Army and Navy I have directed that all measures be taken for our defense.

Always will our whole nation remember the character of the onslaught against us.

No matter how long it may take us to overcome this premeditated invasion, the American people in their righteous might will win through to absolute victory.

I believe I interpret the will of the Congress and of the people when I assert that we will not only defend ourselves to the uttermost but will make it very certain that this form of treachery shall never again endanger us.

Hostilities exist. There is no blinking at the fact that our people, our territory and our interests are in grave danger.

With confidence in our armed forces—with the unbounding determination of our people—we will gain the inevitable triumph—so help us God.

I ask that the Congress declare that since the unprovoked and dastardly attack by Japan on Sunday, Dec. 7, 1941, a state of war has existed between the United States and the Japanese Empire.

Great Britain also declared war against Japan on Dec. 8, a few hours before the official action of the United States. A statement issued by the exiled Netherlands Government in London on Dec. 7 said that it considered a state of war to exist between the Netherlands and Japan. Canada and Costa Rica took similar action the same day and several of the other Western Hemisphere republics declared war on or severed relations with Japan on Dec. 8.

On The Foreign Front

European Stock Markets

Marked uncertainty developed this week on leading European financial markets, owing to the rapid spread of the World War and the initial reverses suffered by the Democratic nations. The trend was steady to firm in the latter half of last week, but a definite downward movement finally made its appearance when two great British warships were reported sunk in Malayan waters. Even this event, however, failed to upset the London market to the degree that New York was unsettled.

London reports indicated quiet buying of gilt-edged and industrial stocks up to the end of last week. When the market reopened Monday, it was faced by the treacherous Japanese attack on both American and British possessions in the Pacific, and by the war declarations which instantly followed. The appearance of a new active enemy somewhat overshadowed the formal participation by the United States in the conflict, and prices slowly drifted lower on the London Stock Exchange. The downward tendency was accelerated yesterday, on news that the Prince of Wales and the Repulse had gone down under Japanese aerial attacks. Spreads between bid and asked prices widened and caution prevailed in all sections.

Tendencies on the great Netherlands market were persistently weak, obviously because the real interests of Holland are tied up with those of the Democratic States. The outbreak of the war in the Pacific endangers the vast possessions of Holland, at least for the time being. Huge price recessions therefore took place, especially in issues of companies domiciled in the East Indies. Other markets on the Continent were easy.

Japan Attacks

Peace in the Pacific vanished before the roar of cannon, last Sunday, as Japan unleashed a series of wanton, desperate and unheralded attacks against the United States, British Malaya, the Netherlands East Indies and Thailand. The Pacific member of the Axis endeavored to employ typical Blitzkrieg tactics in a vast area ranging from Hawaii to Singapore, and there is no denying that the surprise moves resulted in heavy damage to all the attacked countries. The initial perplexity passed quickly, however, and in 24 hours formal declarations of war against the Japanese Empire were issued by half a score of countries.

In a few brief hours, and by the decision of the militaristic clique in Tokio, the people of the United States and Japan thus were propelled into an unwanted and unprovoked war. However long and costly the conflict may be, however, there can be no question of the outcome. Throughout the United States the cry rang out that we will finish victoriously the battle that Japan has begun. All signs of dissension and disunity disappeared, as the terrible reports of the Japanese attacks became known.

Months of patient and painful negotiations between Washington and Tokio regarding peace in the Pacific were terminated by the treacherous Japanese in the most abrupt of all possible ways. Even while a final note terminating the discussions was being handed in Washington to Secretary of State Cordell Hull, by the Japanese envoys, bombing airplanes bearing the Rising Sun insignia of Japan were attacking Pearl Harbor in the Hawaiian Islands and a number of other military points under the American flag. The Philippines were bombed, and assaults directed against Guam, Wake and Midway Islands. Vast Japanese armies swarmed over the border from French

mains clear, however, that every effort was made by President Roosevelt and Secretary Hull to avert the catastrophe.

The final gesture by Mr. Roosevelt was a personal appeal to Emperor Hirohito, dispatched last Saturday, in which the withdrawal of Japanese forces from French Indo-China was urged. Like the rest of the correspondence, this note was not published textually until after the issue of war or peace had been decided. Secretary Hull made known at the same time the texts of statements to the Japanese envoys of Nov. 26, and the negative answer received when hostilities already were in progress, last Sunday.

These extraordinary documents deserve far more care and study than has so far been given them in the first fevered flush of war. Mr. Hull proposed a basis of "agreement" covering the Pacific, which entailed the abandonment of force, recognition of the principle of territorial integrity and sovereignty of all nations, non-interference in the internal affairs of others, equality of opportunity, and reliance upon international cooperation and conciliation. He proposed a non-aggression pact embracing all countries bordering the Western Pacific, the withdrawal by Japan of all forces from China and Indo-China, abandonment of extraterritoriality in China, the conclusion of a reciprocal trade treaty, and consequent removal of freezing and trade restrictions, along with a yen stabilization arrangement. Under the Hull proposal, moreover, both countries were to agree that their understandings with third parties were not to conflict with the "fundamental purposes" of the proposed Japanese-American pact.

To this the Japanese Government replied last Sunday with abundant expressions of an injured desire for conciliation, but also with tart comments that the Hull proposals fail to accord with realities in East Asia. It was charged by Tokio that both the United States and Great Britain have obstructed the establishment of peace between China and Japan, through aid to Chungking. The peace of the world, according to the Tokio note, may be brought about only by discovering a mutually acceptable formula through recognition of the reality of the situation and mutual appreciation of respective positions. The accusation was made that the United States was endeavoring to "secure its rear by stabilizing the Pacific area," while it is engaged in aiding Great Britain and preparing to attack, in the name of self-defense, Germany and Italy. On the basis of these and other like declarations the Japanese found the Hull proposals unacceptable as a basis for negotiations.

When making these documents public, after the "treacherous and utterly unprovoked attack" by the Japanese upon the United States, Mr. Hull also released the text of some choice remarks leveled at the Japanese envoys, Kichisaburo Nomura and Saburo Kurusu. "In all my fifty years of public service," he said to the Japanese, "I have never seen a document that was more crowded with infamous falsehoods and distortions—infamous falsehoods and distortions on a scale so huge that I never imagined until today that any government on this planet was capable of uttering them."

After the Japanese attack became known, the machinery of government in Washington began to whirl. President Roosevelt conferred at great length with his naval and military advisers.

Counter-moves promptly were instituted against the Japanese. And word was issued that the President would address Congress in person, on Monday, soon after the noon hour. In the light of the Japanese attack a call for a declaration of war was inevitable, and the events that followed were not surprising.

In a brief message, Mr. Roosevelt placed the somber facts before Congress, Monday, and asked for recognition of the existence of a state of war. He described the day of the attack as one that "will live in infamy." One hour after the Japanese bombers had commenced to bomb Hawaii, the Japanese envoys delivered the formal Tokio reply to the American proposals, the President disclosed. The attack necessarily was deliberate and planned days and weeks ago, Mr. Roosevelt added. Severe damage to American naval and military forces occurred, and very many American lives were lost. The various points of Japanese attack were listed in the message and the facts of this surprise offensive were left to speak for themselves. Defensive measures already had been taken, said Mr. Roosevelt, who added that the American people, in their righteous might, will win through to absolute victory.

The Senate, in a matter of minutes, adopted unanimously a resolution declaring war and empowering the President to wage it with the entire military and naval forces of the United States and the resources of the government. To bring the conflict to a successful conclusion, all the resources of the country were pledged by Congress. The House acted soon thereafter, and adopted the resolution with only the single dissenting vote of Jeanette Rankin of Montana. Thus the issue was joined and formal war was in progress.

Prime Minister Winston Churchill summoned the British Parliament for a session early Monday morning, and informed the House that a war declaration against Japan already had been lodged with the Foreign Office in Tokio. Mr. Churchill dilated on the Japanese assault upon the English-speaking world and assured Parliament that "every circumstance of calculated and characteristic Japanese treachery was employed against the United States." The House and the Empire will notice, said the Prime Minister, that some of the finest ships of the British Navy have reached their stations in the Far East at a "very convenient moment." The ordeal will certainly be hard, and it will probably be long, Mr. Churchill added, "yet when we look around us upon the somber panorama of the world we have no reason to doubt the justice of our cause or that our strength and will power will be sufficient to sustain it." Canada, Australia and the Netherlands Government quickly adopted war resolutions.

Some concern was occasioned, however, by indications that the Government of Thailand was inclined to temporize with the Japanese invaders, after a perfunctory show of resistance. Almost immediately after the Japanese troops poured in from French Indo-China and from the sea, the Thai soldiers ceased firing and truce negotiations with the Japanese were instituted. The Japanese announced, late Monday, that an agreement had been reached for the passage of Japanese troops through Thailand.

Military Intelligence

Bitter lessons of the tactical value of surprise in warfare were learned by the military forces of the United States and by the people, when the Japanese launched at dawn, last Sunday, their desperate attack upon a ring of chosen "enemies." The first action was directed against the great American base at Pearl Harbor, on the Island of Oahu, in

the Hawaiian Islands. It soon appeared, however, that this was merely one move in a gigantic and unquestionably well-integrated program for "Blitzkrieg" elimination of Occidental forces and influences from the Pacific and East Asia.

At Pearl Harbor the attackers achieved their greatest initial success, and the events at that point stand out for this reason. Successive waves of about 50 planes each, loaded with bombs and aerial torpedoes, soared over the peaceful port at suitable altitudes for their various purposes and wreaked havoc with their weapons. Why the Japanese airplanes were able to approach undetected to within striking distance of Pearl Harbor is a matter that deserves complete investigation. The necessary assumption is that the attackers took off from one or more airplane carriers in waters adjacent to the Islands.

Damage sustained by American forces at Pearl Harbor admittedly is serious, but no full account so far is available. The White House stated on Monday that one of our older battleships capsized and that several other ships were seriously damaged, while one destroyer was blown up and several other smaller craft damaged. Casualties, both military and civilian, were estimated at 3,000, half of them dead. Bombs were dropped in Honolulu, and on military airfields, where direct hits upon barracks were reported. A large number of our airplanes was put out of commission.

There were rumors, on succeeding days, that Japanese airplanes were near or over the Pacific Coast. Some of these reports gained semi-official confirmation, but no confirmation satisfactory to skilled observers was available. New York and other cities on the Atlantic Coast were reported Tuesday to be in danger of immediate attack, and air raid warnings sounded. These cries of "Wolf! Wolf!" are deplorable, as the time now has passed for experiments.

In addition to the attack on Hawaii, the Japanese staged actions against Midway, Wake and Guam Islands, all of which are stations on the American maritime highway to the Far East, and points of immense strategic value. President Roosevelt, in a fireside chat, late Tuesday, warned the people to be prepared for the loss of all three islands. Details of such actions are not available. The Philippines were hit on Sunday, and possibly will be a main point of Japanese attack. Here again, details are meager, but aerial assaults on Manila and on a number of flying fields developed, with damage great in some instances.

Against Thailand the Japanese sent heavy contingents, both by land and sea, and that country apparently capitulated almost immediately. Some of the aggressor forces are reported moving against the Burma Road route into the interior of China, but other and perhaps larger groups are moving toward the Malay Peninsula. From transports the Japanese landed troops near important British airfields in the Malay States. Singapore was attacked from the air on a number of occasions. Attempts were made to land Japanese troops on North Borneo, where oil fields of some importance are located.

Initial clashes between British and Japanese forces in the Far East were no more fortunate than the first results of the Japanese attacks for the United States. Prime Minister Churchill announced, sorrowfully yesterday that the great battleship Prince of Wales, 35,000 tons, and the old battlecruiser Repulse, 32,000 tons,

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Foreign Front

(Continued from page 1461)

had settled beneath the waves off the Malayan Coast, after heavy Japanese aerial attacks. Landing parties of Japanese admittedly made some progress in the North-eastern corner of the Malay States, where they were said yesterday to hold the important airfield of Kota Bharu. Numerous Japanese transports were sunk on the other hand, and many of their airplanes were downed.

Hongkong was a further aim of the Japanese, in this Blitzkrieg. Sizeable Japanese forces have been grouped near that island fortress for several years, and when the signal was given last Sunday, they began to move. The Shanghai International Settlement was taken over, and the British gunboat Peterel destroyed there, while the U. S. gunboat Wake was captured. In Northern China, 183 U. S. marines were captured and interned.

As to the military successes achieved by the Japanese, there is some question. The move at Hawaii is a disaster for the United States forces, since sizeable losses are admitted in Washington. The Japanese claimed the sinking there of the battleships Oklahoma, West Virginia and Pennsylvania, and destruction of other ships. They claimed that a Japanese submarine sank an American aircraft carrier in the Pacific, and ended these claims with something of a flourish, Tuesday, by asserting that the balance of naval power in the Pacific had been shifted because of the American losses. These claims, of course, need hardly be taken seriously.

That the way stations of Midway, Wake and Guam were taken by the Japanese seems evident, since Mr. Roosevelt admitted this by implication. In the Philippines some landings of Japanese are reported, and "fifth columnists" from among the extensive Japanese population are said to be aiding the aggressors. Serious fighting is in progress at Hongkong, in North Borneo and Malaya. British spokesmen claim that all Japanese attacks are being parried. Several American transports in the Pacific were subjected to submarine attacks, and on Tuesday the Japanese captured the U. S. liner President Harrison, 10,500 tons, and a number of smaller ships in the China seas.

This is far from a "catastrophe of disaster," but it nevertheless is a serious matter. Few claims of effective counter-strokes were advanced in Washington, where the war machinery is only beginning to turn. Ships of the Pacific Fleet steamed out of Pearl Harbor last Sunday to engage the enemy, and from shore points the report of cannonading was heard. American airplanes scoured the Pacific. Some Japanese airplanes were downed on the Hawaiian Islands, but how many is not yet certain.

The grand strategy of the Japanese seems simple enough, since it entails a Blitzkrieg effort to immobilize much of the Pacific Fleet of the United States, and keep the balance close to our own Pacific Coast, so that nefarious work can proceed in the vast sphere of East Asia marked out by the war-mad militarists in Tokio for conquest. The whereabouts of the Asiatic Fleet of the United States naturally is undisclosed, and no information is available as to the sizeable British squadron that arrived so fortunately, last week, at Singapore. A number of Netherlands war vessels also are in the far Pacific. All these ships are acting in concert, it is said, and as the force of the democracies is brought to bear the military situation will change.

Within the United States every reasonable precaution for safety has been taken. All Japanese nationals were taken immediately into custody, and additional orders were issued for impounding of Japanese balances in the United States. Controls promptly were established on war news and reports. In British Empire countries similar measures were instituted, and the Japanese, of course, acted in the same manner against American and British nationals within their borders.

Fireside Chat

President Roosevelt reported to the nation in a fireside chat, late Tuesday, the dire events of the preceding days, but disclosed little of the actual military developments. The Japanese attack was described by the President as the "climax of a decade of international immorality" in the Far East. The set-back at Hawaii was "serious," said Mr. Roosevelt, and we must be prepared for word that the important outposts of Guam, Wake and Midway have been seized. The Philippines also are under attack, he added.

To the popular outcry for information on the events in Hawaii, Mr. Roosevelt answered only that full information will be disclosed when two conditions are met. The first of these is official confirmation, and the second is that the information will not be of aid to the enemy. He scoffed at the Japanese claims that naval supremacy has been achieved in the Pacific, in consequence of the Hawaiian assault, but confessed that he did not, himself, yet know the full extent of the damage we sustained at Pearl Harbor, since this depends partly upon the surveys which determine the time necessary for repairs.

Initial moves of the Japanese, said the President, paralleled the course of Hitler and Mussolini in Europe. The events indicate that the Axis considers all lands and all oceans as a battlefield. Indeed, said Mr. Roosevelt, extensive collaboration among the Axis countries obviously existed as the preliminary to the Japanese attack. Germany and Italy consider themselves, he stated, as much at war with the United States as they are with Britain and Russia. Positive knowledge was claimed by the President that Germany promised Japan control of the entire Pacific area, in the effort to get the Japanese into active war.

Contrary to Axis plans, Mr. Roosevelt asserted, the United States will continue to supply with lend-lease aid all countries attacked by the Axis. He called for all-out endeavors and seven-day weeks in the defense effort. The United States now is in the war "all the way," and it will be "not only a long war, but a hard war," Mr. Roosevelt said. As the war aim of the United States, he proclaimed the defeat not only of the Japanese, but also of Hitler and Mussolini.

Russia And Germany

One of the primary developments of the World War occurred in Russia, this week, when German spokesmen admitted an inability to take Moscow this year, and announced that they would "dig in" for the winter on lines indicated by present conditions. These comments were made in Berlin on Monday, after days of frigid weather along the entire Russian front, and after the Russians had thrown the Nazis back a considerable distance in the Southern Ukraine.

Whether this heralds a real turn in the war between Russia and Germany is not entirely certain, although the presumption is clear. The military reverse suffered by the "invincible" Nazis is obvious. But a degree of uneasiness is warranted by dis-

closure that our own military authorities believe Russia will be out of the war by next July. The failure of Russia to join Britain and the United States immediately in the war that Japan now has started is another factor for conjecture. Among the possibilities suggested by that hesitation is a depletion of Russian forces in Siberia, and a compromise of some sort by the Communists and Nazis, neither of whom can be trusted.

The only "active" sector of the vast Russian front, in recent days, has been the region west of Rostov. Russian spokesmen claimed that the Germans had been driven back east of Taganrog, where some of the Nazis were said to be trapped. German authorities made light of these assertions, and declared that only "local" actions were taking place in Russia. The area west of Moscow, both the Germans and Russians agreed, was locked in the icy Russian winter. Leningrad remained besieged.

Finland, Hungary And Rumania

Extension of the European war on a basis that, it is clear, must remain largely pro forma was effected last Saturday, when the British Government indicated that it considered itself at war with Finland, Hungary and Rumania. This move climaxed long and unsuccessful efforts to take Finland out of the conflict and thus improve the possibilities of supplying Russia through the northern ports of Murmansk and Archangel.

The United States Government shares with Britain the diplomatic defeat entailed in the decision of Finland to continue her war against Russia. Secretary of State Cordell Hull made every effort to persuade the Finnish Government to cease hostilities, and even went so far as to call the Finnish Government a "puppet" of the Hitler forces. Unperturbed by this, as by other charges, the Finns kept on fighting. They denied, in the politest manner, the representations by London and Washington.

Either for military or for diplomatic reasons, or perhaps for a mixture of both, the Russians last week surrendered the base at Hango, within Finnish territory, which they gained under the "peace" settlement imposed after their completely unprovoked attack upon Finland, two years ago. The maneuver gained the Russians nothing, diplomatically. The picked Russian troops in Hango fell in numbers before Finnish and German forces, and many others were captured. Notification of a state of war by the British government followed, on the alleged ground that the Finns were acting in closest collaboration with Germany. The London action against Hungary and Rumania was on the same basis.

African Battle

High hopes which the British entertained of prompt success in the Battle of Libya remain unfulfilled, although the struggle now is in its fourth week. German and Italian units continue to hit back and to hold tenaciously to their positions. In the last few days, however, the superior strength of the Empire forces apparently has begun to tell, and the prospect of a genuine British success seems reasonable.

Diplomatic moves of some importance are accompanying the developments in the Western Desert region. German authorities obviously are endeavoring to gain the cooperation of Vichy for African moves that would include the Northern African colonies of France. The United States possibly has taken a hand in the game, for lend-lease aid last week was promised to Turkey.

Feints and thrusts of little immediate importance were reported late last week, in the Libyan campaign. The Germans considered their General, Erwin Rommel, the victor in the initial phases, but admitted that this was only the "first round." Both sides repaired their battered tanks and made dispositions for further fighting. Another stage of the struggle opened last Sunday, and is said in Cairo to be favoring the British Empire forces.

Aerial And Sea Warfare

Hardly any activity was noted in the last few days in the war being waged directly by Great Britain and the German Reich, in Western Europe and on the high seas. Bad weather presumably accounts for the modesty of air raids by either side upon territory of the other. Preoccupation with the struggle in Libya and with the developments of the Far East also may have contributed to this result.

Other than a few sinkings of German commerce raiders by British cruisers in the South Atlantic, the sea struggle has been uneventful, as well. German submarine attacks upon British convoys seemingly have halted altogether, possibly because the Nazis looked forward to a sizable withdrawal of British and American warships from the Atlantic, for service against Japan. Any such withdrawal, of course, would make future German attacks more effective.

The lull in the war, fortunately, has occasioned no diminution of the British effort. The House of Commons gave almost unanimous support, last week, to the Churchill proposal for conscripting womanpower and additional manpower for the war effort, when the bill came up for its first reading.

President Sees Long Hard War, But Victory

(Continued from First Page)

While admitting that "our enemies have performed a brilliant feat of deception," Mr. Roosevelt said the fact is that "modern warfare as conducted in the Nazi manner is a dirty business" and that "we are going to fight it with everything we've got."

In his concluding remarks, the President said the true goal we seek is directed toward "ultimate good as well as against immediate evils," adding that "we are going to win the war and we are going to win the peace that follows."

The text of the President's address follows:

My Fellow Americans:

The sudden criminal attacks perpetrated by the Japanese in the Pacific provide the climax of a decade of international immorality.

Powerful and resourceful gangsters have banded together to make war upon the whole human race. Their challenge has now been flung at the United States of America. The Japanese have treacherously violated the long-standing peace between us. Many American soldiers and sailors have been killed by enemy action. American ships have been sunk. American airplanes have been destroyed.

The Congress and the people of the United States have accepted that challenge.

Together with other free peoples, we are now fighting to maintain our right to live among our world neighbors in freedom, in common decency, without fear of assault.

I have prepared the full record of our past relations with Japan, and it will be submitted to the Congress. It begins with the visit of Commodore Perry to Japan 88 years ago. It ends with the visit of two Japanese emissaries to the Secre-

tary of State last Sunday, an hour after Japanese forces had loosed their bombs and machine guns against our flag, our forces and our citizens.

I can say with utmost confidence that no Americans today or a thousand years hence need feel anything but pride in our patience and in our efforts through all the years toward achieving a peace in the Pacific which would be fair and honorable to every nation, large or small. And no honest person, today or a thousand years hence, will be able to suppress a sense of indignation and horror at the treachery committed by the military dictators of Japan under the very shadow of the flag of peace borne by their special envoys in our midst.

The course that Japan has followed for the past 10 years in Asia has paralleled the course of Hitler and Mussolini in Europe and in Africa. Today it has become far more than a parallel. It is collaboration—actual collaboration—so well calculated that all the continents of the world, and all the oceans, are now considered by the Axis strategists as one gigantic battlefield.

In 1931, 10 years ago, Japan invaded Manchukuo—without warning.

In 1935, Italy invaded Ethiopia—without warning.

In 1938, Hitler occupied Austria—without warning.

In 1939, Hitler invaded Czecho-Slovakia without warning.

Later in 1939, Hitler invaded Poland—without warning.

In 1940, Hitler invaded Norway, Denmark, The Netherlands, Belgium and Luxembourg—without warning.

In 1940, Italy attacked France and later Greece—without warning.

And this year, in 1941, the Axis powers attacked Yugoslavia and Greece and they dominated the Balkans—without warning.

In 1941, also, Hitler invaded Russia—without warning.

And now, Japan has attacked Malaya and Thailand—and the United States—without warning.

It is all of one pattern.

We are now in this war. We are all in it—all the way. Every single man, woman and child is a partner in the most tremendous undertaking of our American history. We must share together the bad news and the good news, the defeats and the victories—the changing fortunes of war.

So far the news has been all bad. We have suffered a serious setback in Hawaii. Our forces in the Philippines, which include the brave people of that commonwealth, are taking punishment, but are defending themselves vigorously. The reports from Guam and Wake and Midway Islands are still confused, but we must be prepared for the announcement that all these three outposts have been seized.

The casualty lists of these first few days will undoubtedly be large. I deeply feel the anxiety of all the families of the men in our armed forces and the relatives of people in cities which have been bombed. I can only give them my solemn promise that they will get news just as quickly as possible.

This Government will put its trust in the stamina of the American people, and will give the facts to the public as soon as two conditions have been fulfilled; first, that the information has been definitely and officially confirmed; and, second, that the release of the information at the time it is received will not prove valuable to the enemy directly or indirectly.

Most earnestly I urge my

countrymen to reject all rumors. These ugly little hints of complete disaster fly thick and fast in war time. They have to be examined and appraised.

As an example, I can tell you frankly that until further surveys are made, I have not sufficient information to state the exact damage which has been done to our naval vessels at Pearl Harbor. Admittedly the damage is serious. But no one can say how serious, until we know how much of this damage can be repaired and how quickly the necessary repairs can be made.

I cite as another example a statement made on Sunday night that a Japanese carrier had been located and sunk off the Canal Zone. And when you hear statements that are attributed to what they call "an authoritative source," you can be reasonably sure from now on that under these war circumstances the "authoritative source" is not any person in authority.

Many rumors and reports which we now hear originate with enemy sources. For instance, today the Japanese are claiming that as a result of their one action against Hawaii they have gained naval supremacy in the Pacific. This is an old trick of propaganda which has been used innumerable times by the Nazis. The purposes of such fantastic claims are, of course, to spread fear and confusion among us, and to goad us into revealing military information which our enemies are desperately anxious to obtain.

Our Government will not be caught in this obvious trap—and neither will the people of the United States.

It must be remembered by each and every one of us that our free and rapid communication these days must be greatly restricted in war time. It is not possible to receive full, and speedy, and accurate reports from distant areas of combat. This is particularly true where naval operations are concerned. For in these days of the marvels of the radio it is often impossible for the commanders of various units to report their activities by radio at all for the very simple reason that this information would become available to the enemy and would disclose their position and their plan of defense or attack.

Of necessity there will be delays in officially confirming or denying reports of operations but we will not hide facts from the country if we know the facts and if the enemy will not be aided by their disclosure.

To all newspapers and radio stations—all those who reach the eyes and ears of the American people—I say this: You have a most grave responsibility to the nation now and for the duration of this war.

If you feel that your Government is not disclosing enough of the truth you have every right to say so. But—in the absence of all the facts, as revealed by official sources—you have no right in the ethics of patriotism to deal out unconfirmed reports in such a way as to have people believe they are gospel truth.

Every citizen, in every walk of life, shares this same responsibility. The lives of our soldiers and sailors—the whole future of this nation—depend upon the manner in which each and every one of us fulfills his obligation to our country.

Now, a word about the recent past—and the future. A year and a half has elapsed since the fall of France, when the whole world first realized the mechanized might which the Axis nations had been building for so many years. America has used that year and a half to great advantage. Knowing that the

attack might reach us in all too short a time; we immediately began greatly to increase our industrial strength and our capacity to meet the demands of modern warfare.

Precious months were gained by sending vast quantities of our war material to the nations of the world still able to resist Axis aggression. Our policy rested on the fundamental truth that the defense of any country resisting Hitler or Japan was in the long run the defense of our own country. That policy has been justified. It has given us time, invaluable time, to build our American assembly lines of production.

Assembly lines are now in operation. Others are being rushed to completion. A steady stream of tanks and planes, of guns and ships, and shells and equipment—that is what these 18 months have given us.

But it is all only a beginning of what has to be done. We must be set to face a long war against crafty and powerful bandits. The attack at Pearl Harbor can be repeated at any one of many points, points in both oceans and along both our coast lines and against all the rest of the hemisphere.

It will not only be a long war, it will be a hard war. That is the basis on which we now lay all our plans. That is the yardstick by which we measure what we shall need and demand: money, materials, doubled and quadrupled production—ever increasing. The production must be not only for our own Army and Navy and air forces. It must reinforce the other armies and navies and air forces fighting the Nazis and the war lords of Japan throughout the Americas and throughout the world.

I have been working today on the subject of production. Your Government has decided on two broad policies.

The first is to speed up all existing production by working on a seven-day-week basis in every war industry, including the production of essential raw materials.

The second policy, now being put into form, is to rush additions to the capacity of production by building more new plants, by adding to old plants, and by using the many smaller plants for war needs.

Over the hard road of the past months, we have at times met obstacles and difficulties, divisions and disputes, indifference and callousness. That is now past—and, I am sure, forgotten.

The fact is that the country now has an organization in Washington built around men and women who are recognized experts in their own fields. I think the country knows that the people who are actually responsible in each and every one of these many fields are pulling together with a teamwork that has never before been excelled.

On the road ahead there lies hard work—gruelling work—day and night, every hour and every minute.

I was about to add that ahead there lies sacrifice for all of us.

But it is not correct to use that word. The United States does not consider it a sacrifice to do all one can, to give one's best to our nation, when the nation is fighting for its existence and its future life.

It is not a sacrifice for any man, old or young, to be in the Army or the Navy of the United States. Rather is it a privilege.

It is not a sacrifice for the industrialist or the wage earner, the farmer or the shopkeeper, the trainman or the doctor, to pay more taxes, to buy more bonds, to forego extra profits, to work longer or harder at the task for which he is best fitted—rather is it a privilege.

It is not a sacrifice to do without many things to which we are accustomed if the national defense calls for doing without it.

A review this morning leads me to the conclusion that at present we shall not have to curtail the normal use of articles of food. There is enough food today for all of us and enough left over to send to those who are fighting on the same side with us.

But there will be a clear and definite shortage of metals of many kinds for civilian use, for the very reason that in our increased program we shall need for war purposes more than half of that portion of the principal metals which during the past year have gone into articles for civilian use. Yes, we shall have to give up many things entirely.

And I am sure that the people in every part of the nation are prepared in their individual living to win this war. I am sure that they will cheerfully help to pay a large part of its financial cost while it goes on. I am sure they will cheerfully give up those material things that they are asked to give up.

And I am sure that they will retain all those great spiritual things without which we can not win through.

I repeat that the United States can accept no result save victory, final, complete. Not only must the shame of Japanese treachery be wiped out, but the sources of international brutality, wherever they exist, must be absolutely and finally broken.

In my message to the Congress yesterday I said that we "will make very certain that this form of treachery shall never endanger us again." In order to achieve that certainty, we must begin the great task that is before us by abandoning once and for all the illusion that we can ever again isolate ourselves from the rest of humanity.

In these past few years—and, most violently in the past three days—we have learned a terrible lesson.

It is our obligation to our dead—it is our sacred obligation to their children and to our children—that we must never forget what we have learned.

And what we all have learned is this:

There is no such thing as security for any nation or any individual—in a world ruled by the principles of gangsterism.

There is no such thing as impregnable defense against powerful aggressors who sneak up in the dark and strike without warning.

We have learned that our ocean-girt hemisphere is not immune from severe attack—that we cannot measure our safety in terms of miles on any map any more.

We may acknowledge that our enemies have performed a brilliant feat of deception, perfectly timed and executed with great skill. It was a thoroughly dishonorable deed, but we must face the fact that modern warfare as conducted in the Nazi manner is a dirty business. We don't like it—we didn't want to get in it—but we are in it and we're going to fight it with everything we've got.

I do not think any American has any doubt of our ability to administer proper punishment to the perpetrators of these crimes.

Your Government knows that for weeks Germany has been telling Japan that if Japan did not attack the United States, Japan would not share in dividing the spoils with Germany when peace came. She was promised by Germany that if she came in she would receive the complete and perpetual control of the whole of the Pacific

area—and that means not only the Far East but also all of the islands in the Pacific, and also a stranglehold on the west coast of North, Central and South America.

We know also that Germany and Japan are conducting their military and naval operations in accordance with a joint plan. That plan considers all peoples and nations which are not helping the Axis powers as common enemies of each and every one of the Axis powers.

That is their simple and obvious grand strategy. And that is why the American people must realize that it can be matched only with similar grand strategy. We must realize, for example, that Japanese successes against the United States in the Pacific are helpful to German operations in Libya; that any German success against the Caucasus is inevitably an assistance to Japan in her operations against the Dutch East Indies; that a German attack against Algiers or Morocco opens the way to a German attack against South America and the Canal.

On the other side of the picture, we must learn also to know that guerrilla warfare against the Germans in, let us say, Serbia or Norway, helps us that a successful Russian offensive against the Germans helps us, and that British successes on land or sea in any part of the world strengthens our hands.

Remember always that Germany and Italy, regardless of any formal declaration of war, consider themselves at war with the United States at this moment just as much as they consider themselves at war with Britain or Russia. And Germany puts all the other republics of the Americas into the same category of enemies. The people of our sister republics of this hemisphere can be honored by that fact.

The true goal we seek is far above and beyond the ugly field of battle. When we resort to force, as now we must, we are determined that this force shall be directed toward ultimate good as well as against immediate evils. We Americans are not destroyers—we are builders.

We are now in the midst of a war, not for conquest, not for vengeance, but for a world in which this nation, and all that this nation represents, will be safe for our children. We expect to eliminate the danger from Japan, but it would serve us ill if we accomplished that and found that the rest of the world was dominated by Hitler and Mussolini.

So, we are going to win the war and we are going to win the peace that follows.

And in the difficult hours of this day—through dark days that may be yet to come—we will know that the vast majority of the members of the human race are on our side. Many of them are fighting with us. All of them are praying for us. For, in representing our cause, we represent theirs as well—our hope and their hope for liberty under God.

From Washington

(Continued from First Page)
ticularly of the Pacific fleet. Among the Senators at the time, although it is significant of the degenerating influence working upon that body, went around the word that the President wanted to get in some "yes" men. Kimmel, in particular, was said to be a younger man of "more daring" whom Mr. Roosevelt wanted to have in command. At the time, the Senators said freely, though privately, that the President wanted to move vigorously in the Pacific

and that the appointment of Kimmel denoted this.

Well, manifestly, the business of moving "freely" has come from the Japs. The Senators and Members of Congress wanted to know all about the debacle and as of this writing, they are in a mood to find out. Though they might quiet down.

A matter of importance is the political problem which Mr. Roosevelt now has on his hands. As reflected in Congress, the American people, though divided on the question of Hitler, are now united against crushing Japan. In this light, they are likely to demand, indeed, it is already being demanded, that there be less or no emphasis on aid to Britain—the business of giving lend-lease funds to the British in Egypt, to Russia and to Turkey—and that we concentrate our efforts on crushing Japan. Already there are complaints in Congress that the reason we have suffered at the hands of the Japs is that we have been giving our equipment to Britain. Such complaints come up in such tense times but it is important that these are the complaints of Congress.

Mr. Roosevelt, rightly or wrongly, still thinks fundamentally in the terms of Hitler. Of course, the prevalent attitude in Congress of shooting the works at Japan and neglecting aid to Britain is right up Hitler's alley. At the President's conference with Congressional leaders Monday night the subject came up of declaring war on Germany and Italy at the same time we did with Japan. And there were several present who wanted to do this. It was decided to wait for an incident which it was confidently expected among those present would come soon, perhaps within a day or so, maybe before this appears in print.

This would greatly ease the President's burden. His idea is an economic war, primarily, on Japan, strangling her to death, without reducing the primary motive of crushing Hitler. After all, notwithstanding the initial disaster to our fleet at Hawaii, the Japanese will have essentially not accomplished anything until they have control of the Dutch East Indies. But neither can we strangle her if our Pacific fleet is to be impaired. The proposition of carrying on an all-out war against Japan and at the same time keeping up the lease-lend is to be Mr. Roosevelt's difficult task to sell to the American people in the next few weeks. They will want all our planes, our ships, sent to avenge the Japanese attack. Mr. Roosevelt will want to keep Hitler foremost in mind. In that light, he would appreciate Hitler declaring war. It would help him mightily in the business of American psychology.

It would have been decided at the White House Sunday night to declare war on Hitler except that it was pointed out that everybody was against Japan and that a declaration of war against Japan alone would bring about unity.

The historians will undoubtedly give some recognition to Jeannette Rankin, Congresswoman of Wyoming. They may study her as a specimen of passing American individualism.

She was in Congress in 1917, one of those woman suffragettes elected to Congress to the chagrin of all masculinity. When it came to voting on World War No. 1, she voted no, and cried just like a woman would. She was retired after one term in Congress.

Came a great running amuck of men again. In the whole Congress and Senate there was but one vote against war with Japan. It was that of Jeannette Rankin, who meanwhile in 1940 had returned to the House.

Platform Adopted By Congress Of American Industry Favors Single Defense Agency

The 46th annual Congress of American Industry, meeting in New York, adopted on Dec. 4 a platform entitled "National Defense and America's Future," in which it called for the establishment of "a single agency with a single head" to guide and expedite the defense program. The platform also called for "a far-sighted national labor policy," assailing defense strikes as "a gift to Hitler," and elimination of non-essential spending. It recommended that civilian production be increased as much as possible without delaying the defense program. It was also suggested that a general Federal sales tax be imposed saying that "over half of the national income now goes to those who are almost untouched by direct taxation."

The platform was unanimously adopted by the Congress, which is sponsored by the National Association of Manufacturers. This 1942 program for industry was prepared by the NAM Industrialists' Resolutions Committee, headed by Charles E. Wilson, President of the General Electric Co.

Following is the text of the platform:

Why are the American people preparing for defense? What do we have at stake? What is America's future? What will happen to our jobs after the war? Will our money have any value? Will we eat as well as we have been eating? Will our children be able to get jobs when they leave school?

These are questions that must be faced now. This is no time for fine phrases. Let us get down to earth and consider some important details of everyday life that are involved in the present struggle.

What is our most cherished possession? For many of us it is the right to say what we please when and where we please; to grumble if we feel like it; to criticize any one in this country from the local town board to the President himself and the members of his Cabinet. There are no concentration camps in America for those who do not vote the "right way." This is political freedom.

What church do you go to on Sunday? Is your minister, your priest, or your rabbi dragged forcibly out of the pulpit for daring to preach the truth as he sees it? Are you yourself forced to slip secretly and at night to the church of your choice? Not in America! This is religious freedom.

If you are offered a better job across the street, do you have to see a political boss before you can take it? If you save a few dollars and want to buy a little store, do you have to ask some Government agent if you can do it? If you don't like your job is a bayonet stuck in your back to keep you at it? Not in America! This is economic freedom.

These freedoms are in danger. They are the freedoms we are preparing to defend.

We have fought for these freedoms in the past. We will fight again, if necessary, that these freedoms may continue a living, vital force in our daily lives.

Therefore the present emergency is a real challenge to all of us. It is a challenge to the power of our belief in political freedom, religious freedom and economic freedom.

During the present emergency it is obvious that we must give the defense agencies the power to do their job. But this increased power must end when the emergency ends. We are not surrendering any of our rights. We are merely lending them because of the emergency.

When the war is over these rights must be recovered. This

must never be forgotten. We must not allow this lending of our rights to be used to undermine our free institutions. And we must not let the spread of communism, fascism, nazism, or any other doctrine destroy our free and independent way of living. Otherwise we shall be creating here those very conditions that we are now helping to fight throughout the world.

The immediate problems which we must face are:

Production during the defense period.

Strikes and national defense. Inflation and the cost of living. Taxes.

What lies ahead for America.

Production During the Defense Period

Modern wars are wars of machines—of tanks, of guns, of bombs and airplanes and battleships. It is no longer merely army against army; it is factory against factory; it is farm against farm; it is the production of one country against the production of another country.

If defense is to be speeded up and its cost held down, the existing confusion resulting from the conflicting authority and the overlapping of Governmental committees must be ended. There should be a single agency with a single head who has full power to supervise and guide the defense program.

The primary job of this agency would be to speed up the defense program. The Government must decide what kind of goods it needs, how many, and when it needs them. Actual production must be left to our factories. That is, industrial management must have the authority and responsibility for turning out the goods.

Second, the defense agency must plan defense production in such a way that it will cause as little hardship as possible to the civilian population and to those small producers not directly concerned with the defense program. Many of our smaller companies are now being forced out of business because they cannot get materials. Much of this is unnecessary. They could be saved by a more careful distribution of available supplies. These small companies are vital to our future. The jobs of millions of our people, not only at present but in the post-war period as well, depend upon their survival. Their destruction would wreck our whole economic system. Everything possible must be done to save them. The creation and development of a great industry may depend upon the preservation today of some little shop in which a man with an idea is beginning to produce a new product.

Third, the agency should recognize that the proposed armament program is so big, the demand so enormous, and speed so urgent, that even if we should all work harder and longer we still might not have enough raw materials and plant facilities to take care of the defense program and at the same time turn out civilian goods as usual. Where there is an actual shortage of materials it should decide how much can be made available for civilian production but—and this is most important—it should not decide how and where these materials are to

be used. It should leave open the possibility that American inventiveness will find a substitute or be able to make the material go farther.

Fourth, the agency should see to it that neither business nor Government is stampeded into hoarding goods by the fear of future shortages. With an orderly flow of production and sensible buying there is reason to believe many threatened shortages will not occur.

Fifth, the agency should guard against any needless interference with the flow of raw materials. It should not issue priorities or make allocations without a thorough investigation by men experienced in the particular field.

Strikes and National Defense

Every strike now is a gift to Hitler—paid for by the American people—paid for not only in dollars and cents but in the loss of badly needed defense supplies and civilian goods. We are convinced that the American workingman does not approve of needless work stoppages called by selfish labor leaders. He does not want American labor blamed for slowing up defense.

If we had a clear and fair national labor policy we would not have these strikes and other work stoppages. Labor leaders would not be allowed to take advantage of the emergency—to force unwilling men to join or stay in a union—to establish closed shop monopolies—to insist upon the check-off of union dues and assessments—to carry on rival union fights—to set aside local government and establish mob rule—even to defy the President of the United States himself.

The present situation must be corrected. We need a far-sighted national labor policy that is fair to all.

The foundation of such a policy should be the right to work and the right to employ. The man who wants to work should be just as free to take a job and stay on a job as the man who wants to stop work is free to quit. It is the clear, inescapable duty of public officials to protect workers and their families against every form of intimidation, coercion or violence.

The right to strike must not be used to destroy the right to work or the right to employ. It should be illegal to call a strike (1) unless more than half of the workers affected vote for it by secret ballot properly supervised; (2) when there is no dispute with the employer—the so-called sympathetic strike; (3) to settle a dispute between rival unions; (4) to bring about a closed shop or any other form of labor contract leading to a union monopoly of employment.

It is recognized, of course, that individuals have just as much right to join together into unions for their mutual benefit as they have to join together in corporations. But no organization, labor union or corporation, should exercise power without corresponding responsibility.

The welfare of the employee, the employer, and the public at large requires that labor unions as well as corporations be legally responsible and fully accountable for their actions and those of their agents. This would weed out labor racketeers and thus protect the public, the individual laborer and the well-run union.

Inflation and the Cost of Living

Inflation creeps up on a nation silently and almost unnoticed. But it can be just as socially destructive as war, and

once it has arrived no one is able to escape it.

What exactly does inflation mean to the average citizen? It means that the value of his pay check may be cut in half—that the price of everything he has to buy may be doubled. A pound of meat may cost him more than he now pays for a pair of shoes. A little later a pair of shoes may cost him more than he now pays for a suit of clothes. Still later a suit of clothes may cost him more than he now pays for a new car. In time savings may be wiped out, the value of insurance policies destroyed, investments wrecked and social security become a meaningless phrase.

How can we protect ourselves from this danger? First we must all recognize that an emergency exists. Industry must not misuse this emergency to raise prices; labor must not misuse it to demand an increase of wage rate; Government must not misuse it to boost farm prices.

But this alone will not be enough. We must also:

1. Cut to the bone every non-defense expenditure—Federal, State and local. Every public works project which is not vital to national defense should be postponed.

2. Avoid waste in defense spending.

3. Raise a substantial proportion of the cost of the defense program by widely spread taxation and borrow the remainder out of the savings of the country, not from the banks.

4. Increase civilian production as much as possible without delaying the defense program.

5. Release the Government stocks of farm commodities as the cost of living tends to rise.

6. Hold instalment buying in check.

If all of these policies are followed quickly enough and with sufficient vigor we may escape severe inflation in this country. Otherwise a system of rationing and price control for all commodities, wages, rents and services may be necessary to guard against runaway inflation. For a short time that might enable us to escape disaster. It could not prevent great hardship. And to be successful over a long period it would require something very close to complete dictatorship.

Taxes

Unwise taxation can wreck a nation. It can dry up the sources of government revenue. It can destroy our free institutions. It can make impossible the return to a normal way of life after the war is over. In considering our present-day tax problems we must be aware of these dangers.

The maximum number of citizens must contribute their fair share to the support of the Government. Over half of the national income now goes to those who are almost untouched by direct taxation. As one means of reaching this income immediately we recommend a general Federal sales tax payable upon the last sale of all goods and commodities produced for use or consumption.

What Lies Ahead for America

Most of us are seriously concerned about what will happen when the war is over. Will there be a depression? Will millions of jobs end suddenly? Is industry now expanding so fast that many plants will later have to go out of business?

These questions can be answered. When the war is over there will certainly have to be a period of readjustment. Millions of men will be released from our armed forces. Millions

of workers now making defense goods will also be seeking jobs. But this does not mean that a major depression is inevitable. Wise policies now and after the defense period can prevent widespread unemployment.

What are these policies? They are the policies which will create jobs in industry.

What is it that creates such jobs? In peacetime they are created by the demand for products of industry and the production of goods at prices which people will pay. This involves the investment of money for the operation and expansion of existing plants; for the invention and marketing of new and better products; for the development of new industries.

How can we assure that money will be invested and thus create these new jobs?

1. Make investments attractive by allowing both business and individuals who risk their money to keep enough earnings to make the venture worth while.

2. Have tax policies which encourage, not penalize, "rainy day" reserves and savings.

3. Hold the public debt to a size which will not further endanger the value of our currency.

4. Change our securities law and the regulation of our securities market so that the financing of honest business will not be burdened by unnecessary red tape and expense.

5. Maintain banking and credit policies which will provide enough credit to meet expanding business needs but will prevent excessive speculation.

These suggestions deal primarily with steps which should be taken by the Government. It is equally important that American industry do its part. Plans to this end are already under way in many companies. Every company should review its own situation and do everything possible to prepare for the post-defense period. The Congress of American Industry urges that such plans as the following be considered by business management, for immediate adoption:

1. Develop new and improved products, new designs, new uses for old products, and improve production methods.

2. Use every reasonable means to strengthen the financial position of each business unit.

3. Do not put money in bricks and mortar until maximum production is obtained from present facilities—that is, defer until after the war in so far as possible all new building and expansion of machine facilities.

4. Avoid excessive inventories during the defense period and seek to prevent customers from overbuying.

5. Make every effort to keep costs and prices down.

6. Adopt every reasonable means to maintain regular employment.

7. Plan for the re-training of workers released from the Army and from defense industries when the present emergency ends.

8. Adopt the policy whenever possible of employing and training young men directly out of school or college in order to help build up the long term productive force of the country.

Conclusion

In 1861, in his first annual message to Congress, when the country also faced a grave emergency, Abraham Lincoln said:

"Many independent men everywhere in these States, a few years back in their lives, were hired laborers. The prudent, penniless beginner in the

world labors for wages awhile, saves a surplus with which to buy tools or land for himself, then labors on his own account another while, and at length hires another new beginner to help him. This is the just and generous and prosperous system which opens the way to all—give hope to all, and consequent energy and progress and improvement of condition to all. No men living are more worthy to be trusted than those who toil up from poverty—none less inclined to take or touch aught which they have not honestly earned. Let them beware of surrendering a political power which they already possess, and which, if surrendered, will surely be used to close the door of advancement against such as they, and to fix new disabilities and burdens upon them, till all of liberty shall be lost.”

In the present emergency Lincoln's words are just as true as they were in 1861. We must

guard with all our energy the way of life which “opens the way to all—gives hope to all * * * and improvement to all.” Under no circumstances will we surrender our fundamental rights. Under no circumstance will we permit destruction of the heritage of freedom that our parents left to us. Under no circumstances will we feel to leave this heritage to our children.

American industry realizes the task that faces it. It will willingly make what sacrifices are necessary. It will produce the machines and equipment needed to defend our freedom. It will do the job with a speed and efficiency that will astonish the world. American industry is proud of its ability to meet the present challenge. It will show that the spirit of freedom is the strongest power on earth, that no amount of slave labor can equal the voluntary cooperation of free men.

for its obligations. And again, like capital, should be required to make a public accounting of its acts. We can at least hope something comprehensive will be done.”

Mr. Sloan said that manufacturers as industrialists and as citizens have the dual responsibilities of discharging an all-out defense production effort and at the same time preserve the representative democratic system with free enterprise.

“National security, the preservation of a representative democracy, with free enterprise as an instrumentality of national progress—that is what we are fighting for,” Mr. Sloan emphasized.

He said that many persons erroneously assume that the end of the war will close another successful episode in the evolution of America.

“Here is where the danger lies,” Mr. Sloan added. “We shall be able to deal effectively with physical aggression. But can we deal equally effectively with forces that are attacking our way of living in a more subtle way? There is little doubt . . . that there are far too many among us who look upon the present emergency as a ‘heaven-sent’ opportunity to alter, or at least importantly to reorganize, the American system of free enterprise. . . . This is no idle thought. The time to begin the fight to win the peace is NOW.”

Mr. Sloan said that business must maintain the strongest possible economic positions and the most virile organizations to meet the post-war challenge. He urged that research be expanded rather than curtailed during this period, and by research he explained that he meant the word in its broadest sense as applying to all functional business activities, distribution, labor policies, production and management technique.

A. P. Sloan Calls For Organized Effort By Management To Meet Post-War Challenge

Modernization of the obsolete American production plant is industry's Number One post-war job, Alfred P. Sloan, Jr., Chairman of the General Motors Corporation, said on Dec. 4.

This program calls for all the ingenuity and drive of American management, Mr. Sloan said in a discussion of “Industry's Post-War Responsibilities” before the 46th annual meeting of the National Association of Manufacturers in New York City.

The General Motors organization already has put such a long-range program into effect, Mr. Sloan said. He called it “our ‘A. H.’ program (After Hitler).”

“Such an approach contemplates accelerating the development of new products, re-engineering existing products, making use of new materials and new methods, and in other ways—thus improving quality and value, particularly having in mind the necessity of lower post-war prices,” Mr. Sloan said. “It contemplates the substitution of new instrumentalities in all functional activities wherever gains are possible. Again, lower prices. It contemplates studies to develop the possibilities of further horizontal expansion.”

“In total, on the liquidation of the defense program we hope to save available concrete programs for each production unit, engineered and approved and founded on the most modern technology—all ready for action.”

Mr. Sloan said that in this “all-out effort to defend the American system of free enterprise, businessmen must give attention to several important factors affecting their activities.” These factors and his comments on them follow:

1. **Public debt.** “The tremendous expansion of the public debt, now inevitable, contains the germ of monetary inflation. It demands drastic taxation and an effective control of the price-level. Depression expedients should be liquidated, non-defense extravagance eliminated.”

2. **Price level.** “. . . the most important economic problem of the hour as affecting post-war conditions. . . . Inflation is about the worst economic disease . . . Our present policies contemplate an artificial stimulation of farm prices, ignore the factor of wages, attempt to control industrial prices. Inflation has already started. . . . Prices can be controlled, economically; but in all probability not politically.”

3. **Taxation.** “It seems clear that no more constructive contribution could be made in re-establishing business confidence as we enter the post-war era than a frank recognition now of the fact that the whole present system of federal taxation requires drastic change. . . . It must be based on the concept of encouraging rather than of attempting to regulate and penalize enterprise.”

4. **Labor relations.** “We subscribe to the principle of collective bargaining. But we protest against discriminations prescribed by law. Monopolies in general are enemies to the system of free enterprise. But this applies to labor as well as to capital. Labor, if it is to continue to enjoy its great privileges, must be held responsible

can list was weak with losses ranging from one to over 4 points. Canadian issues performed relatively well and declines remained within narrow limits.

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

MOODY'S BOND PRICES*
(Based on Average Yields)

| 1941 Daily Average | U. S. Govt. Bonds | Avg. Corporate rate * | Corporate by Ratings * | | | | Corporate by Groups * | | | |
|--------------------|-------------------|-----------------------|------------------------|--------|--------|-------|-----------------------|--------|--------|--|
| | | | Aaa | Aa | A | Baa | R. R. | P. U. | Indus. | |
| Dec. 9 | 118.17 | 106.39 | 116.80 | 113.50 | 108.16 | 89.78 | 95.92 | 110.88 | 113.31 | |
| 8 | 118.69 | 107.44 | 117.80 | 114.85 | 109.06 | 90.91 | 96.85 | 111.81 | 114.85 | |
| 7 | 118.59 | 107.16 | 118.40 | 115.43 | 109.89 | 91.77 | 97.31 | 112.19 | 115.82 | |
| 6 | 118.52 | 106.16 | 118.40 | 115.43 | 109.89 | 91.82 | 97.47 | 112.37 | 116.02 | |
| 5 | 118.56 | 106.16 | 118.60 | 115.43 | 109.89 | 91.82 | 97.47 | 112.37 | 116.02 | |
| 4 | 118.58 | 106.16 | 118.60 | 115.43 | 109.89 | 91.82 | 97.47 | 112.37 | 116.02 | |
| 3 | 118.59 | 106.16 | 118.60 | 115.43 | 109.89 | 91.82 | 97.47 | 112.37 | 116.02 | |
| 2 | 118.59 | 106.16 | 118.60 | 115.43 | 109.89 | 91.82 | 97.47 | 112.37 | 116.02 | |
| 1 | 118.65 | 106.16 | 118.40 | 115.43 | 109.89 | 91.82 | 97.47 | 112.37 | 116.02 | |
| Nov. 28 | 119.77 | 108.16 | 118.60 | 115.63 | 109.60 | 91.62 | 97.16 | 112.37 | 116.02 | |
| 21 | 119.96 | 108.16 | 118.60 | 115.82 | 109.60 | 91.77 | 97.47 | 112.37 | 116.02 | |
| 14 | 119.98 | 108.16 | 118.60 | 115.82 | 109.60 | 91.77 | 97.31 | 112.37 | 116.02 | |
| 7 | 120.04 | 108.34 | 118.60 | 116.02 | 109.60 | 92.20 | 97.78 | 112.37 | 116.02 | |
| Oct. 31 | 120.03 | 108.16 | 118.40 | 115.82 | 109.42 | 92.06 | 97.47 | 112.19 | 116.02 | |
| 24 | 119.43 | 108.16 | 118.40 | 115.63 | 109.42 | 92.06 | 97.47 | 112.19 | 116.02 | |
| 17 | 119.23 | 107.98 | 118.40 | 115.43 | 109.06 | 91.77 | 97.00 | 112.00 | 116.02 | |
| 10 | 119.16 | 107.98 | 118.20 | 115.24 | 109.06 | 91.77 | 97.00 | 112.00 | 116.02 | |
| 3 | 119.21 | 107.98 | 118.40 | 115.43 | 109.06 | 91.77 | 97.00 | 112.00 | 116.02 | |
| Sept. 24 | 118.95 | 107.44 | 118.00 | 114.85 | 108.70 | 91.19 | 96.69 | 111.81 | 115.43 | |
| 17 | 118.82 | 107.62 | 118.20 | 114.66 | 108.70 | 91.48 | 96.69 | 111.62 | 115.43 | |
| 10 | 118.52 | 107.62 | 118.00 | 114.66 | 108.70 | 91.62 | 97.00 | 111.81 | 115.24 | |
| 3 | 118.52 | 107.62 | 118.00 | 114.66 | 108.88 | 91.62 | 97.00 | 112.00 | 115.24 | |
| Aug. 29 | 119.13 | 107.80 | 118.40 | 114.85 | 108.88 | 91.77 | 97.16 | 111.81 | 115.43 | |
| 22 | 118.78 | 107.62 | 118.00 | 114.66 | 108.70 | 91.77 | 97.16 | 112.00 | 115.04 | |
| 15 | 118.90 | 107.80 | 118.00 | 115.04 | 108.70 | 91.91 | 97.31 | 112.00 | 115.04 | |
| 8 | 119.20 | 107.98 | 118.20 | 115.24 | 108.70 | 92.20 | 97.47 | 112.00 | 115.24 | |
| 1 | 119.56 | 107.80 | 118.20 | 115.24 | 108.52 | 92.06 | 97.47 | 112.00 | 115.24 | |
| July 25 | 119.55 | 107.80 | 118.00 | 115.24 | 108.52 | 92.06 | 97.47 | 112.00 | 115.04 | |
| 18 | 119.47 | 107.62 | 118.20 | 115.04 | 108.34 | 91.91 | 97.46 | 112.00 | 115.04 | |
| 11 | 119.46 | 107.62 | 118.20 | 115.04 | 108.16 | 91.91 | 97.16 | 111.81 | 115.04 | |
| 4 | 119.55 | 107.44 | 118.00 | 114.66 | 107.98 | 91.77 | 97.00 | 111.62 | 114.85 | |
| June 27 | 119.45 | 107.44 | 118.00 | 114.66 | 107.80 | 91.77 | 97.16 | 111.44 | 114.66 | |
| 20 | 119.02 | 107.09 | 117.80 | 114.46 | 107.62 | 91.48 | 97.00 | 111.44 | 114.27 | |
| 13 | 118.97 | 106.92 | 117.60 | 114.08 | 107.44 | 91.48 | 97.00 | 111.25 | 113.89 | |
| 6 | 118.81 | 106.74 | 117.20 | 113.70 | 107.27 | 91.19 | 96.69 | 110.88 | 113.31 | |
| May 29 | 118.71 | 106.39 | 116.61 | 113.31 | 107.09 | 91.05 | 96.69 | 110.70 | 112.79 | |
| 22 | 118.35 | 106.39 | 116.80 | 113.50 | 106.92 | 91.39 | 96.69 | 110.70 | 112.93 | |
| 15 | 118.52 | 106.57 | 118.20 | 113.89 | 106.58 | 91.54 | 96.85 | 110.52 | 112.79 | |
| 8 | 118.45 | 106.58 | 118.00 | 113.12 | 106.92 | 91.62 | 97.00 | 110.52 | 112.93 | |
| 1 | 118.66 | 106.39 | 117.00 | 112.93 | 106.74 | 91.34 | 96.85 | 110.52 | 112.93 | |
| Apr. 25 | 118.62 | 106.21 | 116.61 | 112.75 | 106.56 | 91.19 | 96.69 | 110.34 | 112.19 | |
| 18 | 118.28 | 105.86 | 116.41 | 112.56 | 106.39 | 90.91 | 96.54 | 110.15 | 112.00 | |
| 11 | 117.36 | 105.69 | 116.41 | 112.19 | 106.21 | 90.77 | 96.54 | 109.79 | 111.81 | |
| 4 | 117.55 | 106.04 | 116.80 | 112.37 | 106.21 | 91.48 | 97.00 | 109.97 | 112.19 | |
| Mar. 28 | 117.80 | 105.86 | 116.41 | 112.19 | 106.04 | 91.05 | 96.54 | 109.79 | 111.81 | |
| 21 | 117.85 | 106.21 | 117.00 | 112.93 | 106.56 | 90.77 | 96.54 | 110.15 | 112.79 | |
| 14 | 117.77 | 106.21 | 117.40 | 113.31 | 106.56 | 90.48 | 96.54 | 109.97 | 113.31 | |
| 7 | 116.90 | 106.04 | 117.40 | 113.31 | 106.39 | 90.20 | 96.23 | 109.97 | 113.12 | |
| Feb. 28 | 116.93 | 105.86 | 117.20 | 112.93 | 106.21 | 89.78 | 95.92 | 109.79 | 112.75 | |
| 21 | 116.06 | 105.52 | 117.00 | 112.75 | 106.04 | 89.52 | 95.62 | 109.60 | 112.75 | |
| 14 | 116.24 | 105.86 | 117.60 | 113.12 | 106.21 | 89.64 | 95.92 | 109.60 | 113.12 | |
| 7 | 116.52 | 106.21 | 117.80 | 113.31 | 106.39 | 90.20 | 95.54 | 109.79 | 113.31 | |
| Jan. 31 | 117.14 | 106.39 | 118.00 | 113.70 | 106.39 | 90.48 | 96.85 | 109.79 | 113.70 | |
| 24 | 117.64 | 106.56 | 117.80 | 113.89 | 106.56 | 90.77 | 97.16 | 109.97 | 113.50 | |
| 17 | 118.06 | 106.57 | 118.20 | 113.89 | 106.58 | 90.48 | 96.85 | 110.15 | 113.89 | |
| 10 | 118.03 | 106.58 | 118.20 | 114.27 | 106.56 | 90.34 | 96.85 | 110.15 | 114.08 | |
| 3 | 118.65 | 106.39 | 118.40 | 114.46 | 106.39 | 89.78 | 96.85 | 110.52 | 114.40 | |
| High 1941 | 120.05 | 108.52 | 118.60 | 116.02 | 109.60 | 92.50 | 97.78 | 112.56 | 116.41 | |
| Low 1941 | 115.89 | 105.52 | 116.22 | 112.00 | 106.04 | 89.23 | 95.62 | 109.42 | 111.62 | |
| High 1940 | 118.63 | 106.74 | 119.00 | 115.04 | 106.74 | 89.92 | 96.07 | 110.88 | 114.85 | |
| Low 1940 | 113.02 | 99.04 | 112.19 | 109.60 | 99.52 | 79.37 | 86.38 | 105.52 | 106.50 | |
| 1 Yr. Ago | | | | | | | | | | |
| Dec. 9, 1940 | 119.35 | 106.56 | 118.80 | 114.66 | 106.56 | 89.37 | 95.62 | 110.88 | 114.46 | |
| 2 Yrs. Ago | | | | | | | | | | |
| Dec. 9, 1939 | 114.62 | 100.98 | 113.89 | 110.34 | 99.84 | 83.53 | 89.37 | 105.86 | 109.06 | |

Bonds Decline As War Begins

The decline which took place in all sections of the bond market on Monday, following the outbreak of hostilities between the United States and Japan, was extended on Tuesday. While heavy liquidation was not in evidence, losses were general throughout all types of bonds on both days. The Treasury bond average of long term issues stood at 118.17 on Tuesday, down 1.42 from a week ago. Municipal issues lost ground and high-grade corporates were lower than in several months. Lower grades lost several points on the average. Trading was suspended by the Exchange in Japanese issues, while Philippine dollar bonds lost up to 15 points.

Railroad bonds reacted on the war news with sharply lower prices. Among the high-grade issues Union Pacific 4s, 1947, fell 2 3/4 points on the week, to 109; Atchison, Topeka & Santa Fe gen. 4s, 1995, declined 3 to 105 1/2. Speculative rails were heavy and in some instances new lows were registered. New York Central junior issues were especially weak. Southern Pacific 4 1/2s, 1981, dropped 5 points to 43 1/2. Northern Ohio 5s, 1945, were up 12 points at 80 upon the Supreme Court's decision holding New York, Chicago & St. Louis RR. liable for interest on the issue.

Utility bonds acted well in the days immediately prior to the declaration of war but the first reaction to that development was unfavorable with selling predominating and covering a wide range of issues. Speculative bonds, of course, reflected the feeling of uncertainty to the greatest extent with losses in American & Foreign Power 5s, 2030, International Tel. & Tel. 4 1/2s, 1952, Laclede Gas 5 1/2s, 1960, Associated Electric 4 1/2s, 1953, and Cities Service 5s, 1950, amounting to 4 or more points on a single day's trading. Weakness in high grades was not as pronounced but declines of a point or more were registered by American Tel. & Tel. 3 1/4s, 1966, Commonwealth Edison 3 1/2s, 1958, New York Edison 3 1/4s, 1965, and others. Obligations of Pacific Coast utilities were under considerable pressure.

The industrial section of the list was no exception to the rule of the bond market as a whole, declines for the week having been registered in almost every instance. One outstanding exception, however, was the rise of 4 1/2 points, to a price of 70, registered by the Francisco Sugar 6s, 1956. The Manati Sugar 4s, 1957, rose fractionally on Monday, but showed a 2 point net loss for the week at 44. Losses of one-half to three points were registered among steel company bonds. High-grade oil bonds were down better than a point and other high grades, such as the tobacco company bonds, lost fractions to better than a point. Trading commenced in the new Paramount Pictures 4s, 1956, in a range from 100 3/4 to 98 1/2.

Foreign bonds have followed the general decline in the other sections of the market. Trading in Japanese loans was suspended while Australian bonds suffered severely with losses of 4 points and more. German and Italian issues dropped to new lows and declines in Danish and Norwegian bonds were substantial. The South Ameri-

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

| 1941 Daily Average | U. S. Govt. Bonds | Avg. Corporate rate * | Corporate by Ratings * | | | | Corporate by Groups * | | | |
|--------------------|-------------------|-----------------------|------------------------|------|------|------|-----------------------|-------|--------|--|
| | | | Aaa | Aa | A | Baa | R. R. | P. U. | Indus. | |
| Dec. 9 | 3.37 | 2.81 | 2.98 | 3.27 | 4.43 | 4.01 | 3.12 | 2.99 | | |
| 8 | 3.31 | 2.76 | 2.91 | 3.22 | 4.35 | 3.95 | 3.07 | 2.91 | | |
| 7 | 3.27 | 2.73 | 2.88 | 3.19 | 4.29 | 3.92 | 3.05 | 2.86 | | |
| 6 | 3.27 | 2.73 | 2.88 | 3.19 | 4.28 | 3.91 | 3.05 | 2.85 | | |
| 5 | 3.27 | 2.72 | 2.88 | 3.19 | 4.28 | 3.91 | 3.04 | 2.85 | | |
| 4 | 3.27 | 2.72 | 2.88 | 3.19 | 4.28 | 3.91 | 3.04 | 2.85 | | |
| 3 | 3.27 | 2.72 | 2.87 | 3.19 | 4.28 | 3.92 | 3.04 | 2.85 | | |
| 2 | 3.27 | 2.73 | 2.88 | 3.19 | 4.28 | 3.92 | 3.04 | 2.85 | | |
| 1 | 3.27 | 2.72 | 2.87 | 3.19 | 4.30 | 3.93 | 3.04 | 2.85 | | |
| Nov. 28 | 3.27 | 2.72 | 2.86 | 3.19 | 4.29 | 3.91 | 3.04 | 2.85 | | |
| 21 | 3.27 | 2.72 | 2.86 | 3.20 | 4.29 | 3.92 | 3.04 | 2.85 | | |
| 14 | 3.27 | 2.72 | 2.86 | 3.20 | 4.26 | 3.89 | 3.04 | 2.84 | | |
| Oct. 31 | 3.27 | 2.73 | 2.88 | 3.20 | 4.27 | 3.91 | 3.05 | 2.85 | | |
| 24 | 3.27 | 2.73 | 2.87 | 3.20 | 4.27 | 3.91 | 3.05 | 2.85 | | |
| 17 | 3.28 | 2.73 | 2.88 | 3.22 | 4.29 | 3.94 | 3.06 | 2.85 | | |
| 10 | 3.28 | 2.74 | 2.89 | 3.22 | 4.28 | 3.93 | 3.06 | 2.85 | | |
| 3 | 3.28 | 2.73 | 2.88 | 3.22 | 4.29 | 3.94 | 3.06 | 2.85 | | |
| Sept. 27 | 3.31 | 2.75 | 2.91 | 3.24 | 4.33 | 3.96 | 3.07 | 2.89 | | |
| 20 | 3.30 | 2.74 | 2.92 | 3.24 | 4.31 | 3.96 | 3.06 | 2.88 | | |
| 13 | 3.30 | 2.75 | 2.92 | 3.24 | 4.30 | 3.94 | 3.07 | 2.89 | | |
| 6 | 3.29 | 2.74 | 2.91 | 3.23 | 4.27 | 3.92 | 3.06 | 2.89 | | |
| Aug. 29 | 3.29 | 2.73 | 2.91 | 3.23 | 4.29 | 3.93 | 3.06 | 2.88 | | |
| 22 | 3.30 | 2.75 | 2.92 | 3.24 | 4.29 | 3.93 | 3.06 | 2.90 | | |
| 15 | 3.29 | 2.75 | 2.90 | 3.24 | 4.28 | 3.92 | 3.06 | 2.89 | | |
| 8 | | | | | | | | | | |

Cotton Ginnings Continue About 12% Below '40

The Census Bureau report issued Dec. 8 compiled from the individual returns of the ginner, show 9,595,706 running bales of cotton (counting round as half bales and excluding linters) ginned from the crop of 1941 prior to Dec. 1, compared with 10,866,474 bales from the crop of 1940 at that date last year and 11,110,486 bales two years ago. Below is the report in full:

REPORT ON COTTON GINNING

Number of bales of cotton ginned from the growth of 1941 prior to Dec. 1, 1941 and comparative statistics to the corresponding date in 1940 and 1939.

| STATE | RUNNING BALES (Counting round as half bales and excluding linters) | | |
|----------------|---|------------|------------|
| | 1941 | 1940 | 1939 |
| United States | 9,595,706 | 10,866,474 | 11,110,486 |
| Alabama | 769,404 | 710,715 | 763,716 |
| Arizona | 107,197 | 102,872 | 131,796 |
| Arkansas | 1,351,766 | 1,228,111 | 1,336,080 |
| California | 242,205 | 466,594 | 389,761 |
| Florida | 14,186 | 17,822 | 9,616 |
| Georgia | 626,911 | 956,859 | 900,578 |
| Illinois | 5,362 | 2,759 | 3,865 |
| Kentucky | 16,778 | 8,639 | 12,224 |
| Louisiana | 309,215 | 440,488 | 716,929 |
| Mississippi | 1,379,216 | 1,077,132 | 1,526,954 |
| Missouri | 459,397 | 295,211 | 416,299 |
| New Mexico | 63,613 | 90,647 | 78,287 |
| North Carolina | 556,144 | 692,855 | 446,672 |
| Oklahoma | 562,824 | 615,378 | 489,146 |
| South Carolina | 398,323 | 912,487 | 842,397 |
| Tennessee | 565,485 | 380,776 | 419,245 |
| Texas | 2,145,598 | 2,847,999 | 2,617,643 |
| Virginia | 22,082 | 19,120 | 9,478 |

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

The statistics in this report include 846 round bales for 1941; 3,404 for 1940 and 164,936 for 1939. Included in the above are 35,703 bales of American-Egyptian for 1941; 20,800 for 1940; and 19,204 for 1939; also 2,579 bales Sea-Island for 1941; 4,382 for 1940 and 2,069 for 1939.

The statistics for 1941 are subject to revision when checked against the individual reports being transmitted by mail. The revised total of cotton ginned this season prior to Nov. 14 is 8,809,422 bales.

Consumption, Stocks, Imports, and Exports — United States

Cotton consumed during the month of October, 1941, amounted to 953,600 bales. Cotton on hand in consuming establishments on Oct. 31, was 1,993,293 bales, and in public storages and at compresses 13,342,123 bales. The number of active consuming cotton spindles for the month was 23,043,310. The total imports for the month of Oct. 1941, were 40,696 bales and the exports of domestic cotton, excluding linters, were 161,668 bales.

World Statistics

The world's production of commercial cotton, exclusive of linters, grown in 1939 as compiled from various sources was 27,875,000 bales, counting American in running bales and foreign in bales of 478 pounds lint, while the consumption of cotton (exclusive of linters in the United States) for the year ending July 31, 1939, was 27,748,000 bales. The total number of spinning cotton spindles, both active and idle, is about 145,000,000.

Petroleum And Its Products

The American petroleum industry was placed on a full war-time footing at the Dec. 8 meeting called in Washington by Petroleum Coordinator Ickes to organize the Oil Industry Council for National Defense on the day following the "shoot first-declare war afterward" move of the Japanese Empire. It was a fortunate coincidence that the industry's leaders had previously been summoned to Washington by the Petroleum Coordinator on the same day that saw the United States of America recognize the state of war resulting from the treacherous Japanese attack upon our Far East possessions.

The first immediate move to cope with the new situation involves the transfer of at least twenty oil tankers to the Pacific Coast, where the industry has the burden of supplying the Army and Navy with its petroleum requirements. The only soft spot in the West Coast oil industry in the war picture is that of transportation, and that can be swiftly corrected. The return of the tankers sent to Great Britain during the summer under the Lend-Lease Bill greatly simplifies this problem. Early pooling of the resources of all West Coast oil companies to cope with the emergency is seen. Not only must the tankers withdrawn from the West Coast for loan to Great Britain be replaced, but others must also be sent.

The general petroleum picture on the West Coast in relation to Army and Navy needs is good. Stocks of aviation gasoline total about 2,200,000 barrels, or approximately 30% of the nation's total. A six months' supply of the principal petroleum products, or about 129,000,000 barrels, currently exists and since oil refining capacity is substantially in excess of current needs, it is likely that no aid from other oil areas will be required with the possible exception of special lubricants. Stocks of heavy fuel oil held on the Pacific Coast are large, equal-

ing about 75% of the nation's entire inventories.

Japan since early summer has been cut off from all outside supplies of oil since the United States, which had furnished around 24,000,000 barrels in 1940, and the Dutch East Indies, which had furnished much less, had placed an embargo upon supplies of crude or refined products to the Empire. The war into which Japan has ruthlessly plunged has cut off forever peaceful access to its previous sources of supplies. And should the Japanese be able to take the Dutch East Indies, by the time the islands had been conquered, the oil fields there would have been thoroughly destroyed.

Several years ago, the Japanese government initiated a ruling requiring each foreign oil company operating there to keep a six month's supply on hand. Current stocks of petroleum in Japan are estimated as sufficient to meet peace-time consumption needs over a 1 to 2-year period. War-time consumption is sharply higher, and increased supplies are constantly needed in China so unless the Japanese gain entrance to fresh sources of supplies within the next year, increased curtailment of its vital military and navy movements due to lack of fuel oil is seen probable.

What is said above of the Japanese oil situation assumes more telling proportions when it is realized that the American petroleum industry will have no difficulty in meeting all military de-

mands for crude and its products from the American armed forces. Civilian consumption will suffer somewhat, mainly in the lack of high-test motor fuel since the Army and Navy will require heavy supplies of aviation and other high-test motor fuel. The mechanization of the United States Army opens up a further drain upon available supplies of crude and refined products but the industry is, and has been prepared, to cope with these demands with no delay.

One probable effect of the war will be enlargement of refining capacity, it is thought. The Government already has plans under way for the tripling of the current capacity of 40,000 barrels daily of aviation gasoline. Now, with the war actually in progress some expansion in refining capacity is seen indicated since the industry currently is running around 90% of capacity and will have to resort to obsolete, high-cost equipment to hit the 100% mark. Stocks of aviation gasoline total nearly 7,000,000 barrels, while holdings of finished and unfinished motor fuel aggregate 80,000,000 barrels.

The Office of Price Administration, on the basis of statements made to the Independent Petroleum Association by Administrator Leon Henderson, has established a policy of not dealing with trade associations "on prices," it was indicated this week. The decision of the OPA was made known in a letter dated Nov. 8 in which Mr. Henderson advised Frank Buttram, head of the Independent Petroleum Association, that "please understand it is not our policy to deal with associations on prices." The IPA has for some time been campaigning for higher crude oil prices and recently submitted a price cost study for consideration by Petroleum Coordinator Ickes and the OPA.

Mr. Buttram, in a letter sent last week to Mr. Henderson in Washington, said that he interpreted Mr. Henderson's statement as "restricting further communications with you, or your office, in regard to this subject (crude prices) and I addressed a letter to you Nov. 14, suggesting that, while this was the natural interpretation, I hoped it was not so intended by you." Mr. Buttram also disclosed that he made an unsuccessful trip to Washington to see Mr. Henderson during which he spent a week in Washington awaiting a reply from Mr. Henderson to this letter.

"The first paragraph of the Bill of Rights states that even Congress cannot pass a law abridging * * * the right of the people peaceably to assemble and petition the government for a redress of grievances." Mr. Buttram said in his latest letter to Mr. Henderson, "Aside from the political philosophy and the right to associated effort, which I will not attempt to discuss with you here, there is a practical phase involved. Not all of the members of the petroleum industry are members of our Association, but we assume that the position you take with us is one of policy and would be consistently followed with regard to other organizations. There are hundreds of thousands of individuals in the petroleum industry who would be affected by your action. Most of them at some time or another 'assembled' themselves together in some sort of an association in order that they might more intelligently 'petition' their government with regard to matters affecting them.

"I am sorry that you take the position that our people may not associate together for the purpose of discussing the price question with you or the members of your staff. In this great industry, there are many small as well as large operators. The large may associate their operations in what are known as corporations. Some of these corporations which are associations of investors have more separate members than any one of the trade associations within the industry. The large have incorpo-

rated their operations and you have invited representatives of such associations. The small are scattered throughout the United States. Their problems are as important to them as the problems of the large units are to their own welfare."

The OPA "has nothing against trade associations" as such "but no trade associations can deal with us as spokesmen for their industry," Daniel Ginsberg, general counsel for the OPA, said in Washington. He contended that since associations do not include all members of their industry within their membership, therefore they cannot be regarded as the spokesmen for their industry. He also made the point of probable conflict with the anti-trust laws. In this regard, it will be remembered that Petroleum Coordinator Ickes has assured the petroleum industry that concerted actions taken by it at his request will not lay the industry open to charges of anti-trust violations since under the emergency the Justice Department would be far more lenient than in normal times.

A six-point program designed to bring about conservation in the petroleum industry in the use of steel and other metals for containers in which petroleum products are shipped, stored, distributed and marketed was urged upon the industry by Acting Petroleum Coordinator Ralph K. Davies in Washington this week. He asked chairmen of the industry subcommittees to attend a Dec. 15 meeting in Washington and present recommendations to his office, and the container division of the OPM. Other Washington news included a vigorous protest by Senator Connally, of Texas, against the plans of the Internal Revenue Department to revise its regulations on contract oil well drilling to conform with recent rulings of the Board of Tax Appeals. The revised rules would work great hardships upon the industry, and are unnecessary, Senator Connally said.

The eleven member-States of the Interstate Oil Compact Commission have been notified that the next quarterly meeting will be held in Oklahoma City on December 19-20. The meeting, which will welcome three new members. New York, Pennsylvania and Arkansas, will be devoted to the election of officers, appointment of standing committees and to outlining and planning the Commission's activities for the coming year.

Daily average crude oil production in the United States during the initial week of December showed a gain of 21,350 barrels over the previous week, rising to 4,107,950, the American Petroleum Institute reported today. Higher production totals for Texas, Louisiana and California offset curtailed production in other oil-producing States. Output compared with estimated December market demands of 4,139,000 barrels forecast by the United States Bureau of Mines.

There were no crude oil price changes posted during the week.

Prices of Typical Crude per Barrel At Wells

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

| | |
|-------------------------------------|-------|
| Bradford, Pa. | \$2.7 |
| Corning, Pa. | 1.31 |
| Eastern, Illinois. | 1.2 |
| Illinois Basin | 1.3 |
| Mid-Cont'n't., Okla., 40 and above. | 1.25 |
| Smackover, Heavy | 0.8 |
| Rodessa, Ark., 40 and above | 1.20 |
| East Texas, Texas, 40 and above | 1.25 |
| Kettleman Hills, 37.9 and over | 1.20 |
| Pecos County, Texas | 0.95 |
| Lance Creek, Wyo. | 1.1 |
| Signal Hill, 30.9 and over | 1.22 |

Refined Products

A gain of 831,000 barrels in stocks of finished, unfinished and aviation motor fuel was shown during the initial week of Decem-

ber despite a sharp contraction of refining operations and a decline in gasoline production. The American Petroleum Institute report placed total holdings of motor and aviation fuel at 86,356,000 barrels, against 85,525,000 a week earlier, and 80,351,000 barrels on the comparable 1940 date.

A slump of 5 points in refinery operations cut them to 90.1% of capacity, with daily average runs of crude oil to stills dipping 70,000 barrels during the week to total 3,945,000 barrels, against 4,115,000 in the previous seven-day period. A decline also was shown in the production of gasoline during the Dec. 6 week, output easing off to 13,659,000 barrels, against 14,089,000 for the Nov. 29 period. Production, however, was substantially above the 11,514,000-barrel total in the like 1940 period.

Joint passage of a resolution urging the government to allocate sufficient chlorine and pig lead for the manufacture of tetraethyl lead to maintain the gasoline supply for the motoring public at its present high quality by the Refining and Marketing Committees of District No. 1, which embraces the East Coast area, was announced this week by John A. Brown, President of Socony-Vacuum Oil Co., Inc., and Chairman of the District. The two committees were asked by Petroleum Coordinator Ickes to study the problem in view of the proposal by the Office of Civilian Supply of the OPM for a drastic reduction in the use of tetraethyl lead.

The proposal to restrict production of tetraethyl lead would greatly impair the quality of motor fuel and thus in turn make necessary a larger public consumption of a less efficient grade, the committees contended. This would increase the public's motor fuel bill, at a minimum, by \$175,000,000 annually, it was argued. In opposing the OPM proposal, the resolution pointed out that "no question of the inadequacy of the supply of any one of these materials for direct defense requirements has appeared. The question is solely one of the relative economic gain or loss through the diversion of these raw materials from tetraethyl lead manufacture to other channels of civilian consumption."

The heating oil price structure continued to labor under the pressure of generally contraseasonally warm weather which has held down consumption sharply. Kerosene, however, has been steadier than other fuel oils this being due in part to the expanding consumption of this refined product in the Southeast where it is being used in replacing lighting facilities curbed by the power-shortage and consequent curtailment of power.

Prices showed little change, on the whole, movements being confined for the most part to local readjustments.

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

| | |
|-----------------|----------|
| New York— | |
| Socony-Vac. | \$0.85 |
| Tide Water Oil | .09 |
| Texas | .085 |
| y Shell Eastern | .085 |
| Other Cities— | |
| Chicago | .06-.06% |
| Gulf Coast | .06-.06 |
| Oklahoma | .06-.06% |
| y Super. | |

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

| | |
|--------------------|------------|
| New York (Bayonne) | \$0.53 |
| Baltimore | .0525 |
| Philadelphia | .0525 |
| North Texas | .04 |
| New Orleans | 4.25-4.625 |
| Tulsa | .04%-.04% |

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

| | |
|-------------------------|---------|
| N. Y. (Harbor) Bunker C | \$1.50 |
| Diesel | 2.15 |
| Savannah, Bunker C | 1.30 |
| Philadelphia, Bunker C | 1.50 |
| Gulf Coast | \$85-90 |
| Halifax | 1.70 |

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

| | |
|------------------------|--------|
| N. Y. (Bayonne) 7 plus | \$0.04 |
| Chicago, 28.30-D | .053 |
| Tulsa | .03% |

Steel Industry Plans Increased Production—Scrap And Pig Iron Shortages Serious

American industry this week went to war with the knowledge that the almost overwhelming demand for its products here and abroad could only be met with an upsurge in production of a magnitude never before seen in the country's history, says "The Iron Age" in its issue of Dec. 11, further adding:

First effect of the war declaration was a tendency to sweep away many domestic difficulties, such as strikes in defense plants, and to bring a complete reappraisal of the order books and operating schedules of most big defense plants. On all sides industry was learning to substitute the word "war" for "defense."

From various industrial centers, "Iron Age" observers report plant managers weighing the adoption of the 7-day week, the dropping in some cases of all orders except those for direct war goods, and the conversion of still more non-defense industrial capacity to war needs. War has already sharpened the drive to spread defense work among small metal-working plants so that the plants themselves can be saved and so that production of planes, guns, ships, tanks and other fighting equipment can be brought to victory levels.

Without waiting for official requests from the Government the steel industry, for example, at midweek was already gearing for activity never before seen against obstacles which include serious shortages of such raw materials as scrap and pig iron. While defense orders have consistently been given the right of way in recent months, all companies this week were checking their order books and rolling mill schedules to balance output so that war materials may be produced in the greatest volume with the greatest efficiency and speed.

In the steel producing and consuming industries demands which were believed impossible of fulfillment a month ago are now being reconsidered with the realistic acknowledgement that the Nation is at war.

Machine tool manufacturers told "The Iron Age" this week that the "new sense of urgency" might establish still higher production in that war-stimulated industry.

While early reverses for the U. S. in Japan's attack without warning on Hawaii and other Pacific islands alarmed the public, industry was soberly weighing the significance of this danger to the Pacific lanes by which tin, chromium, tungsten, rubber and other vital materials are brought to U. S. industry. Most important of the Pacific metal imports and one of the hardest to replace is tin, of which the U. S. is declared to have one year's supply.

In the steel industry events at the week's start moved quickly.

To head the OPM's Iron and Steel Branch in new efforts to speed production and bring about better distribution, the OPM appointed C. Edward Adams, 60-year-old Chairman of Air Reduction Co., and a Director of the Vanadium Corp. of America and of other companies. Mr. Adams, whose appointment was announced shortly after the U. S. had declared war on Japan, was senior administrative assistant to E. R. Stettinius, Jr., when the latter was OPM Priorities Director. Mr. Adams also served as special consultant to the Industrial Materials Division of the old National Defense Advisory Commission and was once a division administrator of NRA. Assisting Mr. Adams will be a strong staff of consultants, including highly-placed steel executives who are to be called to Washington, in an effort to streamline the steel distribution.

The proposed committee of experienced steel men is expected to help answer the various questions of priorities and allocations on steel products to coordinate the distribution of this metal.

Meanwhile, a survey just completed by "The Iron Age," in co-operation with steel and scrap experts, indicates that with a shortage of iron and steel scrap of close to ten million tons for 1942 and an insufficient supply of this material for 1943 and 1944, Government plans to expand steel-making capacity may merely result in idle capacity.

The immediate problem of the scrap shortage will be examined today (Dec. 11) at a Washington meeting of OPM representatives with buyers and sellers of scrap. During this and recent meetings conversation centered around simplification of grades rather than prices.

As industry entered a new phase of the new World War production race, steel ingot output rose a half point to 97½% from 97% a week ago, a level still a half point above the November peak. The increase resulted from an edging upward of schedules in most major districts.

The Pittsburgh district steel operating rate at midweek was at 99%, unchanged from a week ago, Chicago up 1½ points to 101½, Cleveland and Youngstown up 2 points to 98, Buffalo up 2½ to 92½, South Ohio River up 3½ to 103½, St. Louis 6 points higher at 108, and the Eastern area up 2 points to 102%. Detroit eased a point to 104 while Philadelphia was unchanged at 90½, Wheeling at 93, Birmingham at 95½ and the West at 97%.

The American Iron and Steel Institute on Dec. 8 announced that telegraphic reports which it had received indicated that operating rate of steel companies having 91% of the steel capacity of the industry will be 97.5% of capacity for the week beginning Dec. 8, compared with 97.6% one week ago, 96.6% one month ago and 96.0% one year ago. This represents a decrease of 0.1 points or 0.1%, from the preceding week. Weekly indicated rates of steel operations since Dec. 2, 1940, follow:

| | | | | | | | |
|--------|--------|--------|--------|--------|--------|--------|-------|
| 1940— | Feb 24 | 96.3% | Jun 2 | 99.2% | Sep 8 | 96.9% | |
| Dec 2 | 96.9% | Mar 3 | 97.5% | Jun 9 | 98.6% | Sep 15 | 96.1% |
| Dec 9 | 96.0% | Mar 10 | 98.8% | Jun 16 | 99.0% | Sep 22 | 96.8% |
| Dec 16 | 96.3% | Mar 17 | 99.4% | Jun 23 | 99.9% | Sep 29 | 96.9% |
| Dec 23 | 96.8% | Mar 24 | 99.8% | Jun 30 | 91.8% | Oct 6 | 98.1% |
| Dec 30 | 95.9% | Mar 31 | 99.2% | Jul 7 | 94.9% | Oct 13 | 98.4% |
| 1941— | Apr 7 | 99.3% | Jul 14 | 95.2% | Oct 20 | 97.8% | |
| Jan 6 | 97.2% | Apr 14 | 98.3% | Jul 21 | 96.0% | Oct 27 | 99.9% |
| Jan 13 | 98.5% | Apr 21 | 96.0% | Jul 28 | 97.6% | Nov 3 | 98.2% |
| Jan 20 | 96.5% | Apr 28 | 94.3% | Aug 4 | 96.3% | Nov 10 | 96.6% |
| Jan 27 | 97.1% | May 5 | 96.8% | Aug 11 | 95.6% | Nov 17 | 97.0% |
| Feb 3 | 96.9% | May 12 | 99.2% | Aug 18 | 96.2% | Nov 24 | 95.9% |
| Feb 10 | 97.1% | May 19 | 99.9% | Aug 25 | 96.5% | Dec 1 | 97.6% |
| Feb 17 | 94.6% | May 26 | 98.6% | Sep 2 | 96.3% | Dec 8 | 97.5% |

"Steel" of Cleveland, in its summary of the iron and steel markets, on Dec. 8 stated:

Steel requirements for defense and lend-lease purposes are absorbing an increasing proportion of production. New munitions plants coming into production require further supplies of raw material and established war plants continue to take tonnages as rapidly as mills can provide it.

Expected allocation of steel for an extensive shell program, estimated to require about 1,000,000 tons, puts a further load on producers. This is to be allocated among a number of mills and will carry a high priority. Delivery will be scheduled to meet speed of shell production. Increased shipments of plates to shipbuilders have been ordered, causing corresponding delay for other users. Agricultural implement manufacturers have been given a slightly higher priority rating for December and January as an aid to meeting the food situation. A new price schedule on relaying rails has established maximums.

Plate allocations under the new OPM plan will follow the pattern that has proven of value in pig iron distribution. Producers will file reports each month for the succeeding month, showing production, shipments and unfilled orders. On this basis a schedule of shipments will be formulated for each supplier. Production in excess of schedule will be disposed of only on order of the priorities division. This action on plates followed reports by platemakers that orders with A-10 ratings or higher exceeded November production. It is believed the allocation plan will be applied to other steel products when they reach a similar oversold condition. Application to other steel products is awaited with interest.

Conditions grow worse in regard to scrap and steel production is being curtailed at some points as a result. No general allocation has been put into effect but cases of distress are being met by orders for shipment to consumers in greatest need. An instance last week was an order covering 10,000 tons to Inland Steel Co. at Chicago, to minimize its cut in production. Previous diversion of scrap from Chicago to Ohio River points had contributed to the shortage. The industry considers these diversion orders as futile since they had no effect in increasing supply. Continued reduction of steel production is expected to result during the winter.

Steelworks operations last week advanced 1½ points to 96½%, although lack of scrap and necessity for furnace repair holds several producers at low rates. Pittsburgh recovered 2 points to 98% and Chicago ½-point to 100%. Cincinnati gained 3½ points to 91%, Wheeling 3 points to 95%, Cleveland 1 point to 96½% and Youngstown 4 points to 92%. Eastern Pennsylvania lost 3 points to 87%, Detroit 10 points to 85%, St. Louis 7½ points to 86% and New England 8 points to 92%. Buffalo at 79% and Birmingham at 90% showed no change.

Except for the fact that November had only 30 days a new all-time record in pig iron production probably would have been made. As it was, production of 4,707,194 net tons was only 152,839 tons, 3.2%, below the all-time monthly production of 4,860,033 tons in September. This difference was less than the November average daily rate of 156,906 tons, which was .08% above the October daily rate of 156,775 tons. The November rate was second only to the record reached in September, 157,378 tons. One more blast furnace was in production than in October.

Automotive assemblies continue to decline in accordance with the OPM program of limitation for December. Last week production was 90,205 units, compared with 93,495 the previous week. Last year the corresponding figure was 125,690 cars.

Placing of 2,222 freight cars during November brings the total for 11 months to 113,093 units, compared with 59,708 for the corresponding period last year. The total for the entire year is expected to be about 117,000 cars, the largest in several years.

Lake Superior iron ore movement in November was 7,660,987 gross tons, 41.76% greater than the same month last year and exceeding the former November record of 7,333,826 tons, made in 1917. Shipments to Dec. 1 aggregated 79,281,279 tons, 24.46% over the same period last year and exceeding the largest full-season movement, 65,204,600 tons, in 1929. Continued favorable weather, with a large part of the fleet still in service, indicates an unusual movement in December. This gives foundation for expectation of a season total of more than 80,000,000 tons.

Composite prices continue unchanged, under control by Office of Price Administration: Finished steel, \$56.73; semifinished steel, \$36.00; steelmaking pig iron, \$23.05; steelmaking scrap, \$19.17.

English Financial Market--Per Cable

The daily closing quotations for securities, &c., at London, as reported by cable, have been as follows the past week:

| | Saturday | Monday | Tuesday | Wednesday | Thursday | Friday |
|---------------------|----------|--------|---------|-----------|----------|--------|
| Silver, p. oz. d. | Closed | 23½d | 23½d | 23½d | 23½d | 23½d |
| Gold, p. fine oz. | 168s | 168s | 168s | 168s | 168s | 168s |
| Consols, 2½% | Closed | £ 82½ | £ 82½ | £ 82½ | £ 82½ | £ 82½ |
| British 3½% W. L. | Closed | £ 104¾ | £ 104¾ | £ 104¾ | £ 104¾ | £ 104¾ |
| British 4% 1960-90. | Closed | £ 114¾ | £ 114¾ | £ 114¾ | £ 114¾ | £ 114¾ |

The price of silver per oz. (in cents) in the United States on the same days has been:

| | | | | | | |
|----------------------------|-------|-------|-------|-------|-------|-------|
| Bar N. Y. (Foreign) | 35½ | 35½ | 35½ | 35½ | 35½ | 35½ |
| U. S. Treas. (newly mined) | 71.11 | 71.11 | 71.11 | 71.11 | 71.11 | 71.11 |

President on Savings And Loan Associations

"Fifth columns simply don't penetrate the ranks of ordinary men and women who own their own homes," President Roosevelt said in a message to the opening of the United States Savings and Loan League convention at Coral Gables, Fla., Dec. 2. He commended the construction of thousands upon thousands of homes for defense workers which has been, according to him, the Savings and Loan Association's answer to the call made upon them last year. The full message of the President to the convention follows:

When I sent a message to your convention a year ago, I asked your full cooperation in the great task that even then it was apparent lay ahead of us. The call made upon you to assume a major share in the Defense Housing program has been answered by the construction of thousands upon thousands of homes for defense workers. The part you have played in helping the sale of Defense bonds and stamps is an added contribution to the defense effort.

For more than 100 years, savings and loan associations and other thrift institutions have been turning savings into homes. Each home has given an American family a "stake" in its own country and the broad home ownership which extends throughout this land today is one of the basic guarantees of its democratic existence. You have the satisfaction of knowing that your work in past years has helped to make your country incomparably stronger in the face of threats from without and subversive movements from within. Fifth columns simply don't penetrate the ranks of ordinary men and women who own their own homes.

In sending you my greetings as your convention opens, I would like you to know that I fully appreciate that your industry is one of those profoundly affected by the change that has been forced in our national life. Understanding the difficult problems which you face, it is all the more heartening to be told, as I was, that you are entering on your meetings "with realistic thinking about the issues we face today in our world relationships and the determination to make any change or sacrifices to see our country through the emergency."

A convention called in such a spirit is inspiring evidence of the way in which Americans answer to a national emergency.

Unemployment Payments At New Low in October

Federal Security Administrator Paul V. McNutt announced Dec. 3 that unemployment benefit payments dropped to a new low in October for the third successive month, with fewer workers receiving benefits than at any time since the program came into full operation. However, a 28% increase over September in new claims for benefits received by the State unemployment compensation agencies indicates, Mr. McNutt said, that benefit payments may rise during the next few months unless these workers find new jobs quickly. He attributed the increase in claims to several factors—temporary displacement of workers as the result of the shift from nondefense to defense production; lay-offs on account of labor disputes; and tapering off of seasonal construction, agricultural, and canning activities.

The number of jobs filled by the State employment services during October totaled 539,000, a drop of 1% from September instead of the usual September-October increase. The number of placements, however, was second only to the record high of the previous month

THE "IRON AGE" COMPOSITE PRICES

| Finished Steel | | High | | Low | | |
|-------------------------------|-----------|------|---------|--------|---------|--------|
| Dec. 9, 1941, 2.30467c. a Lb. | | 1939 | \$22.61 | Sep 19 | \$20.61 | Sep 12 |
| One week ago | 2.30467c. | 1938 | 23.25 | Jun 21 | 19.61 | Jul 6 |
| One month ago | 2.30467c. | 1937 | 23.25 | Mar 9 | 20.25 | Feb 16 |
| One year ago | 2.30467c. | 1936 | 19.74 | Nov 24 | 18.73 | Aug 17 |
| | | 1935 | 18.84 | Nov 5 | 17.83 | May 14 |
| | | 1934 | 17.90 | May 1 | 16.90 | Jan 27 |
| | | 1933 | 16.90 | Dec 5 | 13.56 | Jan 3 |
| | | 1932 | 14.81 | Jan 5 | 13.56 | Dec 6 |
| | | 1931 | 15.90 | Jan 6 | 14.79 | Dec 15 |
| | | 1930 | 18.21 | Jan 7 | 15.90 | Dec 16 |
| | | 1929 | 18.71 | May 14 | 18.21 | Dec 17 |

| Steel Scrap | | High | | Low | | |
|-----------------------------------|-----------|------|--|--|------------------------|--------|
| Dec. 9, 1941, \$19.17 a Gross Ton | | 1939 | \$19.17 | Apr 10 | \$19.17 | Apr 9 |
| One week ago | 2.32280c. | 1938 | 23.25 | Mar 10 <td>14.08 <td>May 16 </td></td> | 14.08 <td>May 16 </td> | May 16 |
| One month ago | 2.32280c. | 1937 | 15.00 <td>Nov 22 <td>11.00 <td>Jun 7 </td></td></td> | Nov 22 <td>11.00 <td>Jun 7 </td></td> | 11.00 <td>Jun 7 </td> | Jun 7 |
| One year ago | 2.32280c. | 1936 | 21.92 | Mar 30 <td>12.92 <td>Nov 10 </td></td> | 12.92 <td>Nov 10 </td> | Nov 10 |
| | | 1935 | 17.75 | Dec 21 <td>12.67 <td>Jun 9 </td></td> | 12.67 <td>Jun 9 </td> | Jun 9 |
| | | 1934 | 13.42 | Dec 10 <td>10.33 <td>Apr 29 </td></td> | 10.33 <td>Apr 29 </td> | Apr 29 |
| | | 1933 | 13.00 <td>Mar 13 <td>9.50 <td>Sep 25 </td></td></td> | Mar 13 <td>9.50 <td>Sep 25 </td></td> | 9.50 <td>Sep 25 </td> | Sep 25 |
| | | 1932 | 12.25 | Aug 8 <td>6.75 <td>Jan 3 </td></td> | 6.75 <td>Jan 3 </td> | Jan 3 |
| | | 1931 | 8.50 | Jan 12 <td>6.43 <td>Jul 5 </td></td> | 6.43 <td>Jul 5 </td> | Jul 5 |
| | | 1930 | 11.33 | Jan 6 <td>8.50 <td>Dec 20 </td></td> | 8.50 <td>Dec 20 </td> | Dec 20 |
| | | 1929 | 15.00 | Feb 14 <td>11.25 <td>Dec 9 </td></td> | 11.25 <td>Dec 9 </td> | Dec 9 |
| | | 1928 | 17.58 | Jan 28 <td>14.08 <td>Dec 3 </td></td> | 14.08 <td>Dec 3 </td> | Dec 3 |

| Pig Iron | | High | | Low | | |
|-----------------------------------|-------|------|---|--------|---------|-------|
| Dec. 9, 1941, \$23.61 a Gross Ton | | 1939 | \$23.61 | Jan 20 | \$23.45 | Jan 2 |
| One week ago | 23.61 | 1938 | 23.45 <td>Dec 23</td> <td>22.61</td> <td>Jan 2</td> | Dec 23 | 22.61 | Jan 2 |
| One month ago | 23.61 | | | | | |
| One year ago | 22.61 | | | | | |

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

and was 32% higher than in October, 1940.

Applications for jobs rose 7% to 1,500,000, another probable result, Mr. McNutt said, of priorities lay-offs. A contributing factor, he said, was the release of workers from defense construction projects which were nearing completion. Despite this increase in job seekers, the active file of the employment offices continued to shrink. About 4,200,000 persons were registered for work in October, 123,500 less than in September, and the lowest number on record.

The monthly analyses of State employment security activities prepared by the Bureau of Employment Security of the Social Security Board show, Mr. McNutt said, that the continued month by month drop in benefits this year has brought total payments for the first 10 months of 1940 to approximately \$297,000,000 — 35% less than in the corresponding period of 1940. If this trend should continue during the remainder of 1941, he said, payments for the year will be about \$185,000,000 less than in 1940. Job placements, on the other hand, have risen sharply during 1941, and thus far total approximately 4,600,000 — 51% above the volume reached in the first 10 months of the previous year.

Savings and Loan League Meets Today

The annual mid-winter conference of the New York State League of Savings and Loan Associations convenes today (Dec. 11) at the Waldorf-Astoria, New York City, and will continue through tomorrow. The theme is "Savings and Loan Faces Defense." Approximately 700 delegates from the League's 216 member associations located in all parts of the State are expected to attend.

The Conference will feature the forum type of meeting. Three speakers will each give a series of three lectures on matters of direct concern to the industry in this defense era. Dr. Henry E. Hoagland, Professor of Business Finance at Ohio State University, will give the lectures on Management, under three headings: "Business Leadership", "Inflation" and "Personnel Problems." Dr. Melchior Palyi, visiting professor at the University of Wisconsin, will deliver the series on Economics, his subjects being "The Prospects of War," "The General Outlook in America during and after the War" and "Interest Rates and the Future of Financial Institutions." Granville B. Jacobs, public relations counselor, will lead the discussion on Public Relations, with three lectures entitled "Strategy in Dealing with People," "Commercial Value of Words" and "The Secret of Pleasing People."

Moody's Commodity Index Advances

Moody's Daily Commodity Index advanced from 210.0 a week ago to 213.4 this Tuesday. The most important individual gains were in cotton, hog and wheat prices.

The movement of the index was as follows:

| | |
|------------------------|-------|
| Tuesday, Dec. 2 | 210.0 |
| Wednesday, Dec. 3 | 211.3 |
| Thursday, Dec. 4 | 211.4 |
| Friday, Dec. 5 | 212.0 |
| Saturday, Dec. 6 | 211.6 |
| Monday, Dec. 8 | 214.1 |
| Tuesday, Dec. 9 | 213.4 |
| Two weeks ago, Nov. 25 | 207.8 |
| Month ago, Nov. 8 | 210.0 |
| Year ago, Dec. 9 | 169.0 |
| 1940 High, Dec. 31 | 171.8 |
| Low, Aug. 16 | 149.3 |
| 1941 High, Sept. 9 | 219.9 |
| Low, Feb. 17 | 171.6 |

Revenue Freight Car Loadings During Week Ended Nov. 29 Amounted To 866,189 Cars

Loading of revenue freight for the week ended Nov. 29, totaled 866,189 cars, the Association of American Railroads announced on Dec. 4. The increase above the corresponding week in 1940 was 137,664 cars or 18.9%, and above the same week in 1939 was 180,693 cars or 26.4%.

Loading of revenue freight for the week of Nov. 29, increased 66,803 cars or 8.4% above the preceding week.

Miscellaneous freight loading totaled 388,614 cars, an increase of 21,341 cars above the preceding week, and an increase of 72,189 cars above the corresponding week in 1940.

Loading of merchandise less than carload lot freight totaled 152,503 an increase of 11,246 cars above the preceding week, and an increase of 2,588 cars above the corresponding week in 1940.

Coal loading amounted to 164,328 cars, an increase of 34,085 cars above the preceding week, and an increase of 20,582 cars above the corresponding week in 1940.

Grain and grain products loading totaled 40,902 cars, a decrease of 120 cars below the preceding week, but an increase of 7,213 cars above the corresponding week in 1940. In the Western Districts alone, grain and grain products loading for the week of Nov. 29 totaled 25,222 cars, an increase of 75 cars above the preceding week, and an increase of 5,369 cars above the corresponding week in 1940.

Live stock loading amounted to 14,647 cars, an increase of 1,446 cars above the preceding week, but a decrease of 1,092 cars below the corresponding week in 1940. In the Western Districts alone, loading of live stock for the week of Nov. 29 totaled 10,916 cars, an increase of 932 cars above the preceding week, but a decrease of 860 cars below the corresponding week in 1940.

Forest products loading totaled 44,447 cars, an increase of 4,722 cars above the preceding week, and an increase of 5,926 cars above the corresponding week in 1940.

Ore loading amounted to 47,396 cars, a decrease of 7,631 cars below the preceding week but an increase of 29,593 cars above the corresponding week in 1940.

Coke loading amounted to 13,352 cars, an increase of 1,714 cars above the preceding week, and an increase of 665 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 | 2,926,408 |
| 4 Weeks of June | 3,510,137 | 2,896,953 | 2,565,953 |
| 4 Weeks of July | 3,413,437 | 2,822,450 | 2,532,238 |
| 4 Weeks of August | 4,464,458 | 3,717,933 | 3,387,672 |
| 4 Weeks of September | 3,539,171 | 3,135,122 | 3,102,236 |
| 4 Weeks of October | 3,657,892 | 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 |
| Week of Nov. 15 | 883,839 | 745,295 | 766,987 |
| Week of Nov. 22 | 799,386 | 733,488 | 673,113 |
| Week of Nov. 29 | 866,189 | 728,525 | 685,496 |
| Total | 39,239,104 | 33,639,939 | 31,349,937 |

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Nov. 29, 1941. During this period 115 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED NOV. 29

| Railroads | Total Revenue Freight Loaded | | | Total Loads Received from Connections | |
|------------------------------------|------------------------------|---------|---------|---------------------------------------|---------|
| | 1941 | 1940 | 1939 | 1941 | 1940 |
| Eastern District— | | | | | |
| Ann Arbor | 624 | 619 | 610 | 1,421 | 1,322 |
| Bangor & Aroostook | 1,686 | 1,034 | 1,179 | 252 | 185 |
| Boston & Maine | 8,957 | 7,092 | 7,300 | 12,849 | 10,393 |
| Chicago, Indianapolis & Louisville | 1,839 | 1,508 | 1,604 | 2,416 | 2,326 |
| Central Indiana | 27 | 7 | 25 | 47 | 40 |
| Central Vermont | 1,471 | 1,254 | 1,240 | 2,407 | 1,995 |
| Delaware & Hudson | 5,340 | 5,160 | 4,974 | 10,433 | 7,991 |
| Delaware, Lackawanna & Western | 9,108 | 8,881 | 10,083 | 8,281 | 7,411 |
| Detroit & Mackinac | 466 | 492 | 458 | 175 | 110 |
| Detroit, Toledo & Ironton | 2,745 | 2,872 | 2,675 | 1,301 | 1,192 |
| Detroit & Toledo Shore Line | 364 | 442 | 343 | 4,294 | 3,479 |
| Erie | 15,271 | 14,035 | 13,794 | 14,486 | 12,918 |
| Grand Trunk Western | 6,006 | 5,956 | 5,121 | 8,817 | 8,182 |
| Lehigh & Hudson River | 207 | 159 | 158 | 2,601 | 2,003 |
| Lehigh & New England | 1,627 | 1,657 | 1,793 | 1,308 | 1,336 |
| Lehigh Valley | 9,519 | 9,433 | 9,945 | 9,777 | 7,194 |
| Maine Central | 3,097 | 2,502 | 2,708 | 3,003 | 2,174 |
| Monongahela | 5,721 | 4,220 | 4,886 | 377 | 228 |
| Montour | 2,406 | 1,665 | 1,165 | 27 | 30 |
| New York Central Lines | 52,726 | 45,621 | 41,321 | 46,124 | 40,323 |
| N. Y., N. H. & Hartford | 13,150 | 9,520 | 8,866 | 15,600 | 13,076 |
| New York, Ontario & Western | 991 | 1,109 | 1,097 | 2,256 | 1,624 |
| N. Y., Chicago & St. Louis | 7,157 | 6,129 | 5,965 | 13,278 | 10,995 |
| N. Y., Susquehanna & Western | 591 | 367 | 452 | 1,403 | 1,399 |
| Pittsburgh & Lake Erie | 8,479 | 7,538 | 7,383 | 7,587 | 6,910 |
| Pere Marquette | 7,535 | 6,780 | 6,430 | 6,054 | 5,670 |
| Pittsburgh & Shawmut | 739 | 460 | 576 | 37 | 39 |
| Pittsburgh, Shawmut & North | 428 | 488 | 412 | 320 | 231 |
| Pittsburgh & West Virginia | 828 | 653 | 969 | 2,475 | 1,876 |
| Rutland | 510 | 493 | 594 | 1,090 | 896 |
| Wabash | 6,165 | 5,434 | 5,922 | 10,764 | 9,437 |
| Wheeling & Lake Erie | 5,267 | 4,215 | 4,231 | 4,265 | 3,522 |
| Total | 181,047 | 157,795 | 154,269 | 195,525 | 166,505 |
| Allegheny District— | | | | | |
| Akron, Canton & Youngstown | 676 | 630 | 458 | 1,011 | 920 |
| Baltimore & Ohio | 41,310 | 34,173 | 34,186 | 21,245 | 17,881 |
| Bessemer & Lake Erie | 5,123 | 3,631 | 2,588 | 1,667 | 1,705 |
| Buffalo Creek & Gauley | 295 | 280 | 309 | 5 | 7 |
| Cambria & Indiana | 1,937 | 1,845 | 1,477 | 20 | 11 |
| Central R.R. of New Jersey | 7,422 | 6,885 | 6,846 | 15,114 | 12,046 |
| Cornwall | 656 | 624 | 647 | 68 | 35 |
| Cumberland & Pennsylvania | 296 | 274 | 307 | 26 | 28 |
| Ligonier Valley | 121 | 150 | 150 | 52 | 35 |
| Long Island | 794 | 929 | 683 | 2,585 | 2,402 |
| Penn-Reading Seashore Lines | 1,971 | 1,504 | 1,415 | 1,903 | 1,579 |
| Pennsylvania System | 83,885 | 66,499 | 71,749 | 52,181 | 43,671 |
| Reading Co. | 15,081 | 14,450 | 14,228 | 23,443 | 20,207 |
| Union (Pittsburgh) | 20,172 | 19,083 | 19,321 | 5,054 | 4,535 |
| Western Maryland | 4,507 | 3,710 | 3,773 | 9,446 | 7,506 |
| Total | 184,246 | 154,667 | 158,137 | 133,820 | 112,568 |
| Pocahontas District— | | | | | |
| Chesapeake & Ohio | 28,799 | 22,298 | 22,010 | 12,432 | 10,559 |
| Norfolk & Western | 24,156 | 21,518 | 19,086 | 5,846 | 5,142 |
| Virginian | 4,633 | 4,457 | 4,034 | 1,922 | 1,517 |
| Total | 57,588 | 48,273 | 45,130 | 20,200 | 17,218 |

| Railroads | Total Revenue Freight Loaded | | | Total Loads Received from Connections | |
|---------------------------------|------------------------------|---------|--------|---------------------------------------|--------|
| | 1941 | 1940 | 1939 | 1941 | 1940 |
| Southern District— | | | | | |
| Alabama, Tennessee & Northern | 387 | 257 | 233 | 290 | 201 |
| Atl. & W. F.—W. R.R. of Ala. | 863 | 745 | 730 | 1,969 | 1,520 |
| Atlantic, Birmingham & Coast | 785 | 709 | 590 | 1,218 | 1,085 |
| Atlantic Coast Line | 11,443 | 10,856 | 8,963 | 7,023 | 6,024 |
| Central of Georgia | 4,668 | 4,100 | 3,848 | 3,945 | 3,305 |
| Charleston & Western Carolina | 438 | 420 | 435 | 1,062 | 1,277 |
| Chinchfield | 1,575 | 1,337 | 1,359 | 3,066 | 2,339 |
| Columbus & Greenville | 240 | 245 | 318 | 381 | 266 |
| Durham & Southern | 183 | 179 | 175 | 480 | 549 |
| Florida East Coast | 859 | 821 | 707 | 1,008 | 1,117 |
| Gainsville Midland | 38 | 37 | 33 | 80 | 88 |
| Georgia | 1,375 | 1,007 | 913 | 2,339 | 1,669 |
| Georgia & Florida | 426 | 337 | 362 | 804 | 457 |
| Gulf, Mobile & Ohio | 4,463 | 3,602 | 3,335 | 3,574 | 2,660 |
| Illinois Central System | 28,962 | 22,263 | 20,960 | 15,781 | 11,806 |
| Louisville & Nashville | 25,673 | 22,715 | 19,481 | 7,924 | 6,179 |
| Macon, Dublin & Savannah | 215 | 128 | 204 | 653 | 694 |
| Mississippi Central | 207 | 134 | 161 | 526 | 396 |
| Nashville, Chattanooga & St. L. | 3,181 | 3,123 | 2,494 | 3,488 | 3,023 |
| Norfolk Southern | 1,135 | 1,068 | 1,109 | 1,426 | 1,147 |
| Piedmont, Northern | 521 | 461 | 393 | 1,472 | 1,372 |
| Richmond, Fred. & Potomac | 498 | 422 | 242 | 6,702 | 5,094 |
| Seaboard Air Line | 10,758 | 10,300 | 8,332 | 6,221 | 5,562 |
| Southern System | 21,405 | 22,032 | 20,284 | 20,107 | 15,785 |
| Tennessee Central | 513 | 409 | 357 | 765 | 602 |
| Winston-Salem Southbound | 166 | 118 | 163 | 1,068 | 903 |
| Total | 123,949 | 107,915 | 96,331 | 93,940 | 75,111 |

| Northwestern District— | | | | | |
|--------------------------------|---------|--------|--------|--------|--------|
| Chicago & North Western | 18,654 | 15,894 | 13,780 | 13,000 | 11,553 |
| Chicago Great Western | 2,609 | 2,572 | 2,243 | 3,405 | 3,081 |
| Chicago, Mtlw., St. P. & Pac. | 23,496 | 21,341 | 18,829 | 9,247 | 8,000 |
| Chicago, St. P., Minn. & Omaha | 4,675 | 4,519 | 3,582 | 4,215 | 3,513 |
| Duluth, Missabe & Iron Range | 19,353 | 1,792 | 627 | 279 | 143 |
| Duluth, South Shore & Atlantic | 677 | 594 | 603 | 551 | 474 |
| Elgin, Joliet & Eastern | 10,579 | 9,046 | 8,445 | 9,199 | 8,063 |
| Ft. Dodge, Des Moines & South | 479 | 417 | 349 | 121 | 124 |
| Great Northern | 19,217 | 12,539 | 9,964 | 4,044 | 3,207 |
| Green Bay & Western | 633 | 538 | 507 | 744 | 630 |
| Lake Superior & Ishpeming | 2,658 | 580 | 218 | 67 | 67 |
| Minneapolis & St. Louis | 1,947 | 1,731 | 1,572 | 2,197 | 1,939 |
| Minn., St. Paul & S. S. M. | 6,134 | 5,309 | 4,306 | 2,878 | 2,472 |
| Northern Pacific | 12,643 | 11,844 | 10,152 | 4,253 | 3,553 |
| Spokane International | 122 | 126 | 145 | 344 | 239 |
| Spokane, Portland & Seattle | 2,740 | 2,232 | 1,594 | 2,305 | 1,769 |
| Total | 126,616 | 91,074 | 76,916 | 56,849 | 48,812 |

| Central Western District— | | | | | |
|----------------------------------|---------|---------|---------|--------|--------|
| Atch. Top. & Santa Fe System | 22,435 | 17,416 | 17,703 | 8,026 | 6,325 |
| Alton | 3,612 | 3,235 | 3,092 | 2,933 | 2,110 |
| Bingham & Garfield | 639 | 471 | 463 | 100 | 103 |
| Chicago, Burlington & Quincy | 19,001 | 17,789 | 15,396 | 10,420 | 8,871 |
| Chicago & Illinois Midland | 2,611 | 2,762 | 2,654 | 946 | 781 |
| Chicago, Rock Island & Pacific | 12,351 | 10,896 | 10,505 | 11,175 | 8,245 |
| Chicago & Eastern Illinois | 3,092 | 2,826 | 2,540 | 3,398 | 2,732 |
| Colorado & Southern | 1,330 | 1,504 | 1,050 | 1,377 | 1,515 |
| Denver & Rio Grande Western | 4,378 | 4,220 | 3,859 | 3,975 | 3,211 |
| Denver & Salt Lake | 908 | 916 | 731 | 190 | 110 |
| Fort Worth & Denver City | 1,572 | 1,334 | 928 | 1,200 | 1,337 |
| Illinois Terminal | 2,015 | 1,734 | 1,993 | 1,858 | 1,497 |
| Missouri-Illinois | 1,094 | 915 | 957 | 455 | 436 |
| Nevada Northern | 2,020 | 1,787 | 1,460 | 141 | 126 |
| North Western Pacific | 1,152 | 853 | 681 | 511 | 409 |
| Peoria & Pekin Union | 27 | 20 | 24 | 0 | 0 |
| Southern Pacific (Pacific) | 30,543 | 27,556 | 24,525 | 7,718 | 6,033 |
| Toledo, Peoria & Western | 413 | 328 | 280 | 1,544 | 1,138 |
| Union Pacific System | 19,226 | 18,350 | 14,633 | 11,324 | 10,122 |
| Utah | 606 | 611 | 465 | 5 | 6 |
| Western Pacific | 2,890 | 2,263 | 1,715 | 2,945 | 2,364 |
| Total | 131,915 | 117,586 | 105,663 | 70,270 | 57,376 |

| Southwestern District— | | | | | |
|-------------------------------|-------|-------|-------|-------|-------|
| Burlington-Rock Island | 128 | 132 | 112 | 228 | 297 |
| Gulf Coast Lines | 3,858 | 3,183 | 2,825 | 1,958 | 1,422 |
| International-Great Northern | 1,546 | 1,505 | 1,479 | 2,242 | 2,162 |
| Kansas, Oklahoma & Gulf | 242 | 172 | 229 | 1,057 | 907 |
| Kansas City Southern | 2,667 | 2,141 | 2,011 | 2,720 | 1,826 |
| Louisiana & Arkansas | 2,702 | 2,158 | 1,938 | 1,809 | 1,482 |
| Litchfield & Madison | 424 | 362 | 391 | 1,092 | 956 |
| Midland Valley | 633 | 546 | 477 | | |

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 Dec. 8 as follows:

| 1940— | (August, 1939=100) | | | | | | | | | |
|------------|--------------------|-----------|--------|---------|------|--------|-------------|--------|-------------|---------------|
| | Argentina | Australia | Canada | England | Java | Mexico | New Zealand | Sweden | Switzerland | United States |
| 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 | 128 | 124 | 146 | 118 | 111 | 118 | 142 | 164 | 118 |
| December | 113 | 126 | 126 | 149 | 120 | 111 | 119 | 144 | 168 | 118 |
| 1941— | | | | | | | | | | |
| January | 114 | 127 | 126 | 150 | r120 | 111 | 119 | 144 | r172 | 120 |
| February | 114 | 126 | 127 | 150 | 121 | 113 | 119 | 147 | 171 | 120 |
| March | 119 | 122 | 129 | 150 | 123 | 114 | 119 | 154 | 176 | 122 |
| April | 121 | 121 | 131 | 150 | 125 | 115 | 119 | 156 | 180 | 125 |
| May | 126 | 120 | 134 | r152 | 129 | 117 | 120 | 156 | 189 | 129 |
| June | 133 | 121 | 137 | 155 | 131 | 119 | 121 | 155 | 193 | 132 |
| July | r135 | r121 | r141 | r156 | r136 | r125 | r122 | r155 | r194 | r136 |
| August | 138 | 121 | r142 | 157 | 138 | 127 | 123 | 158 | 196 | 138 |
| September | r140 | 122 | 145 | r157 | 138 | r130 | r123 | 158 | 202 | 143 |
| October | 140 | 123 | 143 | 159 | 139 | 132 | 126 | 156 | — | 141 |
| 1941— | | | | | | | | | | |
| Weeks end: | | | | | | | | | | |
| Oct. 4 | 140 | 122 | 145 | r159 | 138 | 131 | 125 | 156 | *203 | 143 |
| Oct. 11 | 140 | 122 | 144 | r159 | 138 | 132 | 126 | 156 | — | 142 |
| Oct. 18 | 141 | 123 | 143 | 159 | 139 | 132 | 126 | 156 | — | 140 |
| Oct. 25 | r140 | 123 | r143 | r158 | 140 | 132 | 126 | 157 | — | r140 |
| Nov. 1 | r140 | 124 | 142 | r158 | 140 | r133 | 126 | 157 | — | 140 |
| Nov. 8 | 140 | 124 | 142 | *158 | 140 | r133 | 125 | 157 | — | r139 |
| Nov. 15 | 140 | 124 | 142 | *157 | 141 | r133 | 124 | 157 | — | r141 |
| Nov. 22 | 142 | 124 | 143 | *157 | 141 | r133 | 124 | 157 | — | 141 |
| Nov. 29 | 142 | 123 | 143 | *158 | *141 | 132 | 124 | 157 | — | 142 |

* Preliminary. r Revised

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 | 508,005 | 509,781 | 236,693 | 79 | 73 |
| July | 544,221 | 587,339 | 196,037 | 72 | 73 |
| August | 452,613 | 487,127 | 162,653 | 74 | 73 |
| September | 468,870 | 470,228 | 163,769 | 72 | 73 |
| October | 670,473 | 648,611 | 184,002 | 79 | 73 |
| November | 488,990 | 509,945 | 161,985 | 77 | 73 |
| December | 464,537 | 479,099 | 151,729 | 71 | 73 |
| 1941—Month of— | | | | | |
| January | 673,446 | 629,863 | 202,417 | 75 | — |
| February | 608,521 | 548,579 | 261,650 | 81 | — |
| March | 652,128 | 571,050 | 337,022 | 82 | — |
| April | 857,732 | 726,460 | 447,525 | 83 | — |
| May | 656,437 | 602,323 | 488,993 | 84 | — |
| June | 634,684 | 608,995 | 509,231 | 88 | — |
| July | 509,231 | 807,440 | 737,420 | 86 | — |
| August | 659,722 | 649,031 | 576,529 | 94 | — |
| September | 642,879 | 630,524 | 578,402 | 94 | — |
| October | 839,272 | 831,991 | 568,264 | 99 | — |
| November | 640,188 | 649,021 | 554,417 | 98 | — |
| 1941—Week Ended— | | | | | |
| June 7 | 156,188 | 144,481 | 500,252 | 84 | 81 |
| June 14 | 158,821 | 156,439 | 504,786 | 83 | 81 |
| June 21 | 168,561 | 153,364 | 518,755 | 88 | 82 |
| June 28 | 151,114 | 154,711 | 509,231 | 90 | 82 |
| July 5 | 149,197 | 129,019 | 529,633 | 74 | 82 |
| July 12 | 147,365 | 131,531 | 542,738 | 77 | 82 |
| July 19 | 168,431 | 156,989 | 550,902 | 92 | 81 |
| July 26 | 182,603 | 160,609 | 572,532 | 92 | 82 |
| Aug. 2 | 159,844 | 159,272 | 572,635 | 93 | 83 |
| Aug. 9 | 174,815 | 159,894 | 587,498 | 91 | 83 |
| Aug. 16 | 169,472 | 162,889 | 592,840 | 92 | 83 |
| Aug. 23 | 158,403 | 162,964 | 584,484 | 94 | 83 |
| Aug. 30 | 157,032 | 163,284 | 576,529 | 97 | 84 |
| Sept. 6 | 147,086 | 133,031 | 591,414 | 80 | 84 |
| Sept. 13 | 164,067 | 166,781 | 589,770 | 98 | 84 |
| Sept. 20 | 176,263 | 166,797 | 583,716 | 99 | 84 |
| Sept. 27 | 155,473 | 163,915 | 578,402 | 98 | 85 |
| Oct. 4 | 176,619 | 168,256 | 582,287 | 100 | 85 |
| Oct. 11 | 159,337 | 164,374 | 575,627 | 99 | 85 |
| Oct. 18 | 167,440 | 168,798 | 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 |
| Nov. 15 | 156,394 | 160,397 | 570,430 | 99 | 87 |
| Nov. 22 | 145,098 | 160,889 | 550,383 | 96 | 87 |
| Nov. 29 | 169,111 | 164,875 | 554,417 | 101 | 87 |

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.

Electric Output For Week Ended Dec. 6, 1941 Shows 13.2% Gain Over Same 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 Dec. 6, 1941, was 3,368,870,000 kwh. The current week's output is 13.2% above the output of the corresponding week of 1940 when production totaled 2,975,704,000 kwh. The output for the week ended Nov. 29, 1941 was estimated to be 3,293,415,000 kwh., an increase of 12.3% over the corresponding week a year ago.

| Major Geographic Regions | PERCENTAGE INCREASE OVER PREVIOUS YEAR | | | |
|--------------------------|--|-------------------------|-------------------------|-------------------------|
| | Week Ended Dec. 6, '41 | Week Ended Nov. 29, '41 | Week Ended Nov. 29, '40 | Week Ended Nov. 15, '41 |
| New England | 18.2 | 23.2 | 9.5 | 15.7 |
| Middle Atlantic | 10.6 | 9.9 | 11.2 | 10.4 |
| Central Industrial | 14.3 | 13.2 | 14.5 | 16.8 |
| West Central | 11.9 | 12.8 | 14.8 | 15.9 |
| Southern States | 13.8 | 9.3 | 13.0 | 14.3 |
| Rocky Mountain | 18.7 | 16.3 | 17.4 | 16.9 |
| Pacific Coast | x9.8 | x12.2 | x10.5 | x12.2 |
| Total United States | 13.2 | 12.3 | 12.9 | 14.3 |

x Percentage should be higher; data under revision.

| Week Ended | DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours) | | | | |
|------------|---|-----------|-------------------------------|-----------|-----------|
| | 1941 | 1940 | Percent Change 1941 from 1940 | 1939 | 1938 |
| June 7 | 3,042,126 | 2,598,812 | +17.1 | 2,328,756 | 2,056,509 |
| June 14 | 3,066,047 | 2,664,853 | +15.1 | 2,340,571 | 2,051,006 |
| June 21 | 3,055,841 | 2,653,788 | +15.2 | 2,362,436 | 2,082,232 |
| June 28 | 3,120,780 | 2,659,825 | +17.3 | 2,395,857 | 2,074,014 |
| July 5 | 2,866,865 | 2,425,229 | +18.2 | 2,145,033 | 1,937,486 |
| July 12 | 3,141,158 | 2,651,626 | +18.5 | 2,402,893 | 2,154,099 |
| July 19 | 3,162,586 | 2,681,071 | +18.0 | 2,377,902 | 2,152,779 |
| July 26 | 3,183,925 | 2,760,935 | +15.3 | 2,426,831 | 2,159,667 |
| Aug. 2 | 3,226,141 | 2,762,240 | +16.8 | 2,399,805 | 2,193,750 |
| Aug. 9 | 3,196,009 | 2,743,284 | +16.5 | 2,413,600 | 2,198,266 |
| Aug. 16 | 3,200,918 | 2,745,697 | +16.6 | 2,453,556 | 2,206,560 |
| Aug. 23 | 3,193,404 | 2,714,193 | +17.7 | 2,434,101 | 2,202,454 |
| Aug. 30 | 3,223,609 | 2,736,224 | +17.8 | 2,442,021 | 2,216,648 |
| Sept. 6 | 3,095,746 | 2,591,957 | +19.4 | 2,375,852 | 2,109,985 |
| Sept. 13 | 3,281,290 | 2,773,177 | +18.3 | 2,532,014 | 2,279,233 |
| Sept. 20 | 3,232,192 | 2,769,346 | +16.7 | 2,538,118 | 2,211,059 |
| Sept. 27 | 3,233,278 | 2,816,358 | +14.8 | 2,558,538 | 2,207,942 |
| Oct. 4 | 3,289,692 | 2,792,067 | +17.8 | 2,554,290 | 2,228,586 |
| Oct. 11 | 3,314,952 | 2,817,465 | +17.7 | 2,583,366 | 2,251,089 |
| Oct. 18 | 3,273,184 | 2,837,730 | +15.3 | 2,576,331 | 2,281,328 |
| Oct. 25 | 3,299,120 | 2,866,827 | +15.1 | 2,622,267 | 2,283,831 |
| Nov. 1 | 3,338,538 | 2,882,137 | +15.8 | 2,608,664 | 2,270,534 |
| Nov. 8 | 3,325,574 | 2,858,054 | +16.4 | 2,588,618 | 2,276,904 |
| Nov. 15 | 3,304,464 | 2,889,937 | +14.3 | 2,587,113 | 2,325,273 |
| Nov. 22 | 3,205,034 | 2,839,421 | +12.9 | 2,560,962 | 2,247,712 |
| Nov. 29 | 3,293,415 | 2,931,877 | +12.3 | 2,605,274 | 2,334,690 |
| Dec. 6 | 3,368,870 | 2,975,704 | +13.2 | 2,654,395 | 2,376,541 |

| | DATA FOR RECENT MONTHS (Thousands of Kilowatt-Hours) | | | | |
|-----------|--|------------|-------------------------------|------------|-----------|
| | 1941 | 1940 | Percent Change 1941 from 1940 | 1939 | 1938 |
| January | 13,149,116 | 11,683,430 | +12.5 | 10,183,400 | 9,290,754 |
| February | 11,831,119 | 10,589,428 | +11.7 | 9,256,313 | 8,396,231 |
| March | 12,882,642 | 10,974,335 | +17.4 | 10,121,459 | 9,110,808 |
| April | 12,449,229 | 10,705,682 | +16.3 | 9,525,317 | 8,607,031 |
| May | 13,218,633 | 11,118,543 | +18.9 | 9,868,962 | 8,750,840 |
| June | 13,231,219 | 11,026,943 | +20.0 | 10,068,845 | 8,832,736 |
| July | 13,836,992 | 11,616,238 | +19.1 | 10,185,255 | 9,170,375 |
| August | 14,118,619 | 11,924,381 | +18.4 | 10,785,902 | 9,801,770 |
| September | 13,901,644 | 11,484,529 | +21.0 | 10,653,197 | 9,486,866 |
| October | 12,474,727 | — | — | 11,289,617 | 9,844,519 |
| November | 12,213,543 | | | | |

homes. The League official pointed out that this rising interest in the ownership of real estate, particularly of residential property, was to have been expected in an era of higher prices and that the increasing volume of loans to finance such purchase is not surprising. He said that throughout the third quarter each month saw a larger and larger proportion of the total lending going into purchase loans. During the first half of the year the percentage was 39.65; it rose to 41.87 in July, 43.2 in August and 44.7 in September.

Analysis of September loans and the purpose for which they were made and percentage of loans for each purpose follows:

| Purpose | Estimated loans made by all assoc. in U.S. | % of Total |
|------------------------|--|------------|
| Construction | \$40,782,000 | 31.4 |
| Repair & modernization | 5,884,000 | 4.5 |
| Home purchase | 58,052,000 | 44.7 |
| Refinancing | 15,871,000 | 12.2 |
| Other purposes | 9,345,000 | 7.2 |
| | \$129,934,000 | |

Asks N. E. Governors To Submit Views On Employment Security

President Roosevelt has invited suggestions from New England Governors to help solve "some of the problems that are giving us concern in the field of employment security."

In a telegram to Governor Hurley of Connecticut, made public in Hartford on Nov. 29, the President replied to a request of the New England executives for information concerning the possible federalization of State unemployment insurance funds.

According to the United Press, the President admitted that "ways and means of extending and improving the Social Security Act have been the subject of intensive consideration for some time," but added that "no conclusions have yet been reached as to what amendments should be recommended to the Congress."

"Mass unemployment," Mr. Roosevelt said, "results from causes that are beyond the control of the individual States and that therefore the Federal Government must assume considerable responsibility in this field." The advice quoted further reported:

The President listed these five problems which, he said, were creating considerable concern:

"Making unemployment compensation generally more adequate and providing unemployment benefits for men who leave the armed forces but are not covered by State laws.

"Simplifying the collection of social insurance contributions, and if possible eliminating the necessity for maintaining fifty-two separate wage record systems.

"Eliminating the inequities to employers with identical experience under differing experience rating systems.

"Strengthening the unemployment reserve funds to enable them to meet the impact of post-defense unemployment.

"Providing adequate employment services in those areas which are not rendering necessary service at present, and improving the administration of employment services in those labor market areas which cut across State lines."

The President told Governor Hurley that "if you wish to make any suggestions as to ways and means of solving the various problems I have mentioned, I will see that they are given proper consideration."

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. 29 is estimated at 11,150,000 net tons. This is in comparison with 8,615,000 tons in the preceding week, and 9,712,000 tons in the corresponding week last year.

The U. S. Bureau of Mines reported that the production of Pennsylvania anthracite for the week ended Nov. 29 was estimated at 808,000 tons, a decrease of 67,000 tons from the preceding week. Output in the corresponding week of 1940 amounted to 918,000 tons.

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

| | Week Ended | | Calendar Year to Date | |
|----------------------------------|---------------|---------------|-----------------------|---------|
| | Nov. 29, 1941 | Nov. 22, 1941 | 1940 | 1941 |
| Bituminous coal a | 11,150 | 8,615 | 9,712 | 458,248 |
| Total, including mine fuel | 11,150 | 8,615 | 9,712 | 458,248 |
| Daily average | 1,992 | 1,436 | 1,635 | 1,463 |
| Crude petroleum b | 1,615 | 1,674 | 1,640 | 1,463 |
| Coal equivalent of weekly output | 6,546 | 6,947 | 5,342 | 282,714 |
| Crude petroleum b | 1,615 | 1,674 | 1,640 | 1,463 |
| Coal equivalent of weekly output | 6,546 | 6,947 | 5,342 | 282,714 |

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 Sum of 48 full weeks ended Nov. 29, 1941, and corresponding 48 weeks of 1940 and 1929. d Revised. e Average based on 5.76 working days. f Average based on 5.24 working days.

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

| | Week Ended | | Calendar Year to Date | |
|---------------------|---------------|---------------|-----------------------|-------------|
| | Nov. 29, 1941 | Nov. 22, 1941 | 1940 | 1941 |
| Penn. Anthracite— | | | | |
| fuel b | 808,000 | 875,000 | 918,000 | 50,233,000 |
| Comm'l production c | 768,000 | 831,000 | 872,000 | 47,727,000 |
| Beehive Coke— | | | | |
| U. S. Total | 136,100 | 106,800 | 99,100 | 5,702,000 |
| Daily average | 22,683 | 17,800 | 16,517 | 20,007 |
| Total | 1,412,100 | 1,772,800 | 1,817,100 | 105,662,000 |

(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.)

| State | Nov. 22, 1941 | Nov. 15, 1941 | Nov. 23, 1940 | Nov. 25, 1939 | Nov. 23, 1929 | Nov. average 1923-39 |
|----------------------------|---------------|---------------|---------------|---------------|---------------|----------------------|
| Alaska | 4 | 4 | 4 | 3 | (f) | (f) |
| Alabama | 217 | 333 | 294 | 297 | 284 | 400 |
| Arkansas and Oklahoma | 97 | 100 | 99 | 51 | 151 | 100 |
| Colorado | 156 | 154 | 190 | 140 | 277 | 236 |
| Georgia and North Carolina | 1 | 1 | 1 | 1 | (f) | (f) |
| Illinois | 1,170 | 1,114 | 1,114 | 982 | 1,401 | 1,571 |
| Indiana | 547 | 495 | 414 | 407 | 400 | 536 |
| Iowa | 66 | 62 | 70 | 65 | 114 | 128 |
| Kansas and Missouri | 160 | 166 | 165 | 147 | 175 | 175 |
| Kentucky—Eastern | 601 | 936 | 719 | 751 | 824 | 724 |
| Western | 230 | 264 | 189 | 175 | 326 | 218 |
| Maryland | 18 | 35 | 30 | 34 | 49 | 35 |
| Michigan | 5 | 8 | 9 | 9 | 17 | 26 |
| Montana | 100 | 96 | 80 | 62 | 88 | 83 |
| New Mexico | 31 | 27 | 22 | 27 | 62 | 65 |
| North and South Dakota | 96 | 106 | 75 | 41 | 59 | 764 |
| Ohio | 620 | 698 | 441 | 425 | 532 | 764 |
| Pennsylvania bituminous | 1,684 | 2,379 | 2,432 | 2,508 | 2,933 | 2,993 |
| Tennessee | 141 | 143 | 122 | 126 | 106 | 117 |
| Texas | 9 | 9 | 9 | 15 | 18 | 29 |
| Utah | 94 | 78 | 98 | 95 | 141 | 112 |
| Virginia | 328 | 416 | 283 | 295 | 244 | 217 |
| Washington | 52 | 51 | 41 | 34 | 54 | 72 |
| West Virginia—Southern a | 1,513 | 2,332 | 1,788 | 1,797 | 2,021 | 1,271 |
| Northern b | 520 | 855 | 603 | 661 | 742 | 776 |
| Wyoming | 154 | 148 | 147 | 133 | 179 | 184 |
| Other Western States c | 1 | 1 | 1 | 1 | f | f |
| Total bituminous coal | 8,615 | 11,210 | 9,440 | 9,280 | 11,173 | 10,878 |
| Pennsylvania anthracite d | 808 | 1,065 | 905 | 806 | 1,323 | 1,896 |
| Total, all coal | 9,490 | 12,275 | 10,345 | 10,086 | 12,496 | 12,774 |

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

The London Stock Exchange

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

| | Sat. Nov. 29 | Mon. Dec. 1 | Tues. Dec. 2 | Wed. Dec. 3 | Thur. Dec. 4 | Fri. Dec. 5 |
|---------------------------|--------------|-------------|--------------|-------------|--------------|-------------|
| Boots Pure Drugs | 37/6 | 37/9 | 37/6 | 37/6 | 37/6 | 37/6 |
| British Amer. Tobacco | 103/9 | 105/- | 103/9 | 102/6 | 102/6 | 102/6 |
| *Cable & W. ord. | £ 71 | £ 71 | £ 71 1/4 | £ 71 | £ 71 | £ 71 |
| Central Min. & Invest. | £ 13 1/2 | £ 13 1/2 | £ 13 1/2 | £ 13 1/2 | £ 13 1/2 | £ 13 1/2 |
| Cons. Goldfields of S. A. | 45/9 | 45/9 | 45/9 | 45/9 | 45/9 | 45/9 |
| Courtauld's (S.) & Co. | 35/6 | 35/9 | 35/6 | 35/6 | 35/6 | 35/6 |
| De Beers | £ 10 1/2 | £ 10 1/2 | £ 9 7/8 | £ 9 7/8 | £ 9 7/8 | £ 9 7/8 |
| Distillers Co. | 74/6 | 74/6 | 74/6 | 74/6 | 74/6 | 75/6 |
| Electric & Musical Ind. | 14/9 | 14/9 | 14/9 | 14/9 | 14/9 | 14/9 |
| Ford Ltd. | 25/- | 25/3 | 25/- | 25/- | 25/- | 25/- |
| Hudson's Bay Company | 25/6 | 25/6 | 25/6 | 25/6 | 25/6 | 25/6 |
| Imp. Tob. of G. B. & I. | 132/6 | 136/3 | 133/9 | 134/3 | 133/6 | 133/6 |
| *London Mid. Ry. | £ 16 | £ 16 1/4 | £ 16 1/4 | £ 16 1/4 | £ 16 1/4 | £ 16 1/4 |
| 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 | £ 8 | £ 8 | £ 8 | £ 8 | £ 8 | £ 8 |
| Rolls Royce | 92/6 | 91/3 | 91/3 | 91/3 | 91/3 | 91/3 |
| Shell Transport | 65/- | 65/- | 63/9 | 63/9 | 63/9 | 63/9 |
| United Molasses | 31/6 | 31/6 | 31/3 | 31/3 | 31/3 | 31/3 |
| Vickers | 18/- | 18/- | 18/- | 18/- | 18/- | 18/- |
| West Witwatersrand Areas | £ 5 1/2 | £ 5 1/2 | £ 5 1/2 | £ 5 1/2 | £ 5 1/2 | £ 5 1/2 |

* Per £100 par value.

Trading On New York Exchanges

The Securities and Exchange Commission made public on Dec. 5 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. 22, 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. 22 (in round-lot transactions) totaled 387,770 shares, which amount was 11.34% of total transactions on the Exchange of 3,657,060 shares. This compares with member trading during the previous week ended

Nov. 15 of 462,260 shares or 11.86% of total trading of 4,035,480 shares. On the New York Curb Exchange, member trading during the week ended Nov. 22 amounted to 104,145 shares, or 12.34% of the total volume on that Exchange of 816,045 shares; during the preceding week trading for the account of Curb members of 106,440 shares was 11.17% of total trading of 879,455 shares.

With respect to the figures for the week ended Nov. 15 (see issue of Dec. 4, page 1351) the Commission announces that the Stock Exchange has submitted corrected totals for round-lot transactions of its members for own accounts. The corrections are under item B-1—transactions of specialists—as follows: total purchases should read 256,800, instead of 254,300; the revised short sales total is 49,260, as against the preliminary figure of 48,860; total sales are 234,420 in place of 232,620 and the percentage should be 6.09 compared with the preliminary percentage of 6.03. Under the item giving the number of reports received the specialists' reports (1) should read 185 instead of 184.

The Commission made available the following data for the week ended Nov. 22:

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 | 1,054 | 769 |
| 1. Reports showing transactions as specialists | 186 | 97 |
| 2. Reports showing other transactions initiated on the floor | 214 | 26 |
| 3. Reports showing other transactions initiated off the floor | 202 | 31 |
| 4. Reports showing no transactions | 598 | 571 |

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)

| | Total For Week | Per Cent a |
|--|----------------|------------|
| A. Total Round-Lot Sales | 66,350 | |
| Short sales | 3,590,710 | |
| Other sales b | 3,657,060 | |
| 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 | 249,940 | |
| Total purchases | 41,820 | |
| Short sales | 163,250 | |
| Other sales b | 204,870 | 6.22 |
| 2. Other transactions initiated on the floor | 106,010 | |
| Total purchases | 9,000 | |
| Short sales | 68,330 | |
| Other sales b | 77,330 | 2.51 |
| 3. Other transactions initiated off the floor | 85,430 | |
| Total purchases | 6,500 | |
| Short sales | 99,070 | |
| Other sales b | 105,570 | 2.61 |
| 4. Total | 441,380 | |
| Short sales | 57,120 | |
| Other sales b | 387,770 | 11.34 |

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

| | Total For Week | Per Cent a |
|---|----------------|------------|
| A. Total Round-Lot Sales | 3,975 | |
| Short sales | 812,070 | |
| Other sales b | 816,045 | |
| B. Round-Lot Transactions for the Account of Members | | |
| 1. Transactions of specialists in stocks in which they are registered | 53,270 | |
| Total purchases | 2,400 | |
| Short sales | 60,940 | |
| Other sales b | 63,340 | 7.14 |
| 2. Other transactions initiated on the floor | 10,055 | |
| Total purchases | 800 | |
| Short sales | 11,100 | |
| Other sales b | 11,900 | 1.35 |
| 3. Other transactions initiated off the floor | 33,880 | |
| Total purchases | 175 | |
| Short sales | 28,730 | |
| Other sales b | 28,905 | 3.85 |
| 4. Total | 97,205 | |
| Short sales | 3,375 | |
| Other sales b | 100,770 | |
| Total sales | 104,145 | 12.34 |
| 5. Odd-Lot Transactions for the Account of Specialists | | |
| Customers' short sales | 0 | |
| Customers' other sales c | 57,347 | |
| Total purchases | 57,347 | |
| Total sales | 23,734 | |

* 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 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."

LEGAL ODDITIES

THE MORON MESSENGER

"Take these bonds down to John Doe in the Roe Building, and remember they're strictly cash on delivery and not otherwise," the broker ordered. "There's a statement on the envelope of the exact amount."

"Sure—I understand perfectly," the messenger boy agreed, and promptly delivered the bonds without getting (or even asking for) the cash. The broker nearly went into hysterics, and then dashed to Doe's office to demand the return of the bonds or the cash.

"Cash is out of the question," Doe assured him.

"Then return the bonds. They were sold C. O. D.," the broker pointed out.

"Sure," Doe agreed.

"So the title never passed to you," the broker maintained, "and they're still my bonds."

"Up to a certain point," Doe argued, "but when you delivered them without demanding the cash, that waived the condition; the title passed to me, even if your bright boy disobeyed instructions; the bonds are mine, and I owe you for the price of them."

"I'll go to law first," the broker threatened, but the Supreme Court of Massachusetts (in Scudder vs. Bradbury, 106 Mass. 422) ruled in Doe's favor.

Gov't, Industry, Labor Must Cooperate

(Continued from page 1469)
as equally valuable inflation controls.

7. Adopt a labor policy that is fair to workers, management and capital alike.

8. For the defense period do not assume that the government has a mandate to re-make America.

For manufacturers, Mr. Fuller laid down the following program:

1. Make defense and make it fast. The American people will never be satisfied with less than our best.

2. Don't wait for Uncle Sam to bring business to you. The defense agencies maintain regional offices, hold clinics and traveling exhibits. Use them to the utmost.

3. Try to adapt your production to defense, but don't think it unpatriotic to seek raw materials if your non-defense requirements are needed to sustain morale among defense employees and the civilian population.

4. Don't buy all the raw materials a bootlegger will sell you.

If either private enterprise or government hoards material, the effect will be unnecessarily bad on the civilian manufacturer.

5. Don't profiteer, yet don't apologize for reasonable profits. Capital needs wages in war time the same as labor does. Defense has to be paid for out of taxes on profits.

6. Be sure you are giving labor a square deal, so work stoppages will not be your fault. But, for the sake of defense efficiency and individual liberty, retain the right to hire the best man for each job and to manage your own business in the most efficient manner possible.

7. Start planning now for post-war adjustment. Keep research going. Appoint committees of executives in your company now to study new production and change-overs to come. Ac-

cumulate financial reserves, if possible, to cushion post-war unemployment.

8. Finally, manufacturers, make yourselves available to government on call for any task—at home, in Washington, anywhere!

The N. A. M. President revealed that his Association, through one of its standing committees, already was at work on a comprehensive study out of which would emerge a blueprint of action to guide the country during the "great tests" it will have to endure in the post-defense period. This "distinguished" committee, he said, is made up of a group of noted economists whose report will be ready "in a month or so."

Of his proposal for setting up an Economic Coordination Council, Mr. Fuller said that "This would represent national planning of economic policies for government as opposed to economic planning by government for industry." The Council, he added, would be selected from national farm, labor, consumer, banking, industrial and commercial groups and, after the manner of the Royal Commission system in Britain, would have an equal number of government representatives. The Council's work would be advisory, would cover the transition period only and its recommendations would carry on compulsion.

"A group of this character," Mr. Fuller pointed out, "would subject

the economic future of the nation to the influence of men of intellectual integrity, sufficiently independent so that they would be responsible only to the obligation of their office."

Turning to the labor situation, Mr. Fuller called on the government to set aside its "afraid-to-act" attitude with respect to unions, adding:

If we can't get at the heart of this labor mess and cure the cause, let's quit emphasizing any other emergency.

He called for revision of the Wagner Act to provide for equalization of employers and employees before the law; to make unions, as well as business, subject to the anti-trust laws.

He also urged that unions be required to settle jurisdictional and other inter-union troubles without holding up defense production and that unions be required to get and hold members on merit and "not by the blackjack of the closed shop."

"Industrial morale," Mr. Fuller concluded, "is as important an incentive to production speed as the public's morale is to the attainment of unity. It is difficult to switch from factional conflict to national unity overnight; but it is impossible to continue both. There is responsibility on all sides to end this mental distrust and lack of confidence. To be strong, we must work together."

Bank Of The Manhattan Co. Operating Net Income For 1941 To Be 20% Above 1940

Net operating earnings of Bank of the Manhattan Co., New York, for the year ending Dec. 31, 1941, on the basis of present indications, will be more than 20% greater than last year's figure of \$2,278,099, J. Stewart Baker, Chairman, told stockholders at the annual meeting on Dec. 2. Mr. Baker added, however, that net profits on the sale of securities in 1941 will be substantially less than in 1940.

In explaining the increase in net operating earnings, Mr. Baker said:

While the return on loans and investments for the first ten months of this year was 1.84% as compared with 2.03% for the year 1940, the average funds so employed increased 25%, which accounts for the increase in net operating earnings this year, notwithstanding a substantial increase in taxes. In view of this, the Directors plan to declare, in addition to the regular dividend for the current quarter, a special year-end dividend of ten cents per share.

From Mr. Baker's report we also quote:

Since the first of the year balances carried in the Federal Reserve Bank of New York have averaged 32% of the deposits; \$67,800,000 in excess of that required by law. This amount represented the funds of the company which could not be invested profitably in a manner consistent with sound banking practice. On Nov. 1 the reserve requirements were increased from 22 3/4% to 26% on demand deposits and from 5% to 6% on time deposits. If these reserve requirements had been in effect during the entire year, the excess reserves would have averaged \$48,700,000.

On Nov. 15 the United States Government bond portfolio amounted to \$170,600,000, compared with \$109,700,000 a year ago. The average maturity of these bonds was eight years and three months, 44% maturing in less than five years, 13% maturing between five and ten years and 43% maturing after ten years. Government bonds represented approximately 23% of our total assets.

On Nov. 15th the loans and discounts amounted to \$283,300,000, compared with \$204,900,000 on Nov. 15, 1940, an increase of 38%. This increase of \$78,400,000 is most gratifying, for loans

to merchants and manufacturers are, and have been for a great many years, the backbone of the company's business. We have approximately 38% of our total assets in loans and discounts. These loans, ranging from amounts of less than one hundred dollars to several million dollars, have been made for a great many different purposes.

The deposits have averaged so far this year \$663,300,000 as compared with \$598,400,000 for the year 1940. As we were unable to put all these funds to work, we made no effort to increase deposits by accepting funds which were of a temporary nature.

Mr. Baker reported that the company at the present time is in "fine condition" and added that "if times were normal, I feel I would be warranted in making an optimistic forecast for the coming year. However, times are far from normal and we must be prepared to face new conditions and to adjust ourselves to the changes that are bound to come."

Mr. Baker did not discuss any public questions at the meeting, as had been his custom in previous years, explaining that "it is my belief that at this time when our country faces a grave crisis such discussions serve no useful purpose." He concluded his report by stating:

We are conscious of the fundamental changes which are taking place in our economic and business life during this national emergency and are prepared to accept them wholeheartedly in order to further the defense effort and cooperate to the fullest extent in meeting the requirements of a war economy.

The Manhattan Company is proud that it has played a part in every crisis in our Nation's history since Revolutionary days. It stands today ready and eager to serve our country to the best of its ability.

U. S. Annual Rayon Yarn Capacity Is Now 450,000,000 Pounds—Nov. Output Down

November shipments of rayon filament yarn in the United States registered a decline as compared with October, records compiled by the "Rayon Organon," published by the Textile Economics Bureau, New York, indicate. Shipments for November approximated 38,600,000 pounds as compared with 41,700,000 pounds produced in October and 34,800,000 pounds in November 1940. The decline in shipments last month chiefly reflected the

fewer number of working days in November as compared with October, although the lowering of the average denier spun by producers likewise acted to reduce the poundage output in November.

For the 11 months ended Nov. 30, domestic shipments of yarn totaled 413,300,000 pounds as compared with 354,700,000 pounds in the corresponding 1940 period, an increase of 17%.

Stocks of rayon yarn held by producers on Nov. 30, including reserves held under Government order, totaled 4,500,000 pounds as compared with 5,400,000 pounds reported at the end of October.

In its annual survey covering the present and planned capacity of the United States rayon industry, the "Organon" states that the operating capacity of the filament yarn industry as of November of this year is 450,000,000 pounds annually, and a total annual operating capacity of 470,000,000 pounds is anticipated by July 1942. By March 1943, tentative industry plans indicate an operating capa-

city of 475,000,000 pounds. In November 1940 the operating capacity was 395,000,000 pounds.

For staple fiber; only the data on installed capacity is available. This data shows that the current installed capacity is rated at 150,000,000 pounds annually and that no additions to capacity are contemplated over the period of the next 18 months.

The following table shows the active rayon producing capacity in place in the United States (in millions of pounds annually):

| | Filament yarn Installed capacity* | Staple Fiber Installed capacity* |
|-------------|--------------------------------------|-------------------------------------|
| Nov., 1941 | 450 | 150 |
| July, 1942 | 470 | 150 |
| March, 1943 | 545 | 150 |

*For the three dates shown, the acetate yarn comprised somewhat less than 40% of the total capacity.

†Viscose and cuprammonium yarn-at 150 denier and acetate yarn at 120 denier.

‡Based on present deniers of yarn spun. *For all dates shown, the acetate process comprised less than 20% of the total capacity shown. This acetate capacity includes that staple made on machines designed especially for that purpose, as well as that staple made on former yarn capacity.

Cotton Textile Production In U. S. For Ten Months Exceeds Record Year Of 1940

All-time high production of cotton-textiles for the year 1941 has already been attained in the first 10 months' operations, and may exceed 11,500,000 square yards of cloth for the full year, according to a report to members of The Association of Cotton Textile Merchants, issued by W. Ray Bell, President of the Association, on Dec. 5. The report states that this estimated production for the year would be an increase of 20% over the previous record year (1940), and of 27% over 1939, the last full pre-defense year. It is said that this record production has been achieved by the industry in its efforts to meet the demands made upon it by the defense program.

Commenting on the figures, Mr. Bell expressed the opinion that discussion of certain shortages, both in the trade and in the press, has neglected to give due credit to the unprecedented production record of the industry. "The demands of the defense program have necessarily caused dislocations in some types of civilian production and shortages in others," he said, "but the present huge production is graphic testimony to the extent to which the industry has succeeded in turning to 3-shift production. For the country as a whole, operations of active machinery averaged 132.5% of 2-shift production during October, a record which would have been practically inconceivable a year ago."

The report states that cotton consumption for 10 months totaled 8,838,000 bales, or approximately 10% more than for the entire 12 months of 1940, which was an all-time peak. Mill operations for the 10 months amounted to 101,331,000 active spindle hours, which compare with 98,184,000,000 hours for 12 months of last year.

In the Association's calculations, these census figures of cotton consumption and mill operations represent an over-all production of cotton-textiles approximating 9,891,000,000 square yards, exceeding all of 1940 by 300,000,000 square yards. With November and December production still to be added, Mr. Bell predicted that the final figures for the year would approach the grand total of 11,500,000,000 square yards, making a gain of 2,000,000,000 square yards over the previous peak of 1940.

Urges Saving Now For Income Tax Payments

Copies of a message to taxpayers from the Secretary of the Treasury Morgenthau, urging saving now for income tax payments next year, were sent on Dec. 2 to 20,000 banks and savings and loan associations. It was suggested to the banking institutions that they may wish to use the message in their advertising copy.

National banks were addressed by Comptroller of the Currency Preston Delano and other banks and the savings and loan associations will receive the message as an enclosure in a communication from Chairman Leo T. Crowley of the Federal Deposit Insurance Corporation. The text of the message from Secretary Morgenthau is as follows:

The folder, "Know Your Taxes," which is being distributed by the Treasury, shows at a glance what you will have to pay in the coming year and how much of your monthly income you should set aside regularly for tax payments.

The purchase of Tax Savings Notes, now on sale by the Treasury, is one way to save systematically and conveniently for this purpose—but the important thing is to save.

I suggest you consult your local bank, savings and loan association, or employer. They will, I am sure, assist you in arranging now a savings plan to provide the money for income tax payments next year.

Financial institutions are now making, and I know will continue to make, a real contribution to the defense program by educating the public to save. By saving and thrift we can combat the threat of inflation which endangers us all.