

FINANCIAL CHRONICLE

(Reg. U. S. Pat. Office)

Volume 155 Number 4050

New York, N. Y., Thursday, February 26, 1942

Price 60 Cents a Copy

FROM WASHINGTON AHEAD OF THE NEWS

It is important, I think, that the attitude of Washington should be reported from week to week because it is the attitude in which Mr. Roosevelt and those others charged with the conduct of the war live. Naturally they are influenced by it. What may be the attitude out in the rest of the country is of small importance except to the extent that it is reflected in Washington. It is too bad that this is so but nevertheless

it is so and it is true of all countries which have permitted themselves to become bureaucracy ridden.

The attitude in Washington this past week has been, first, one of high revelry over the story in the Communist weekly, the "New Masses," that a Cliveden set has been holding forth. At the dinner tables of Washington, composed of members of Congress, bureaucracy and newspaperdom, this has been the occasion of much merriment. "Are you a member of the Cliveden set?" one dinner companion will turn to the other and ask.

The funny thing about it is that few of these people read the "New Masses" and really know little about what its article said. The fact is that, apparently, Mr. Roosevelt or someone close to him had read the advanced proofs on it, and Mr. Roosevelt at his press conference on the day previous to

the article's appearance denounced Washington's "Cliveden set." The "New Masses" is not read in Washington outside of New Deal circles. Few of the matrons at whose dinner tables the episode is brought up, realize that the "New Masses" had anything to do with the matter. Mr. Roosevelt denounced the Washington Cliveden set and thereupon official and semi-official Washington has something to talk about at the dinner tables for a couple of weeks, until he gives them something else to talk about.

Presumably, it was only a coincidence that he brought up the subject a day before the Communist publication was to appear on the streets.

Then you begin to wonder whether this was simply coincidental. Mrs. Roosevelt, resigning
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On The Foreign Front

European Stock Markets

Small and irregular movements were recorded in recent sessions on the London Stock Exchange, the general level having fallen to the lows of last August, owing to the succession of military defeats in the East. There appears to be little tendency to bid prices up from such figures, for the time being, and trading is reported modest. Pronouncements by President Roosevelt and Premier Stalin aided the London market briefly, while references by Prime Minister Churchill to heavier shipping losses exerted a contrary effect.

Gilt-edged stocks have shown best results at London, early this week. Reinvestment of funds derived from requisitioned Indian and Canadian issues occasioned minor gains in high grade investment securities. Industrial and home rail stocks were dull throughout. Oil and rubber stocks continued to drift lower, save for a few Latin-Americans. South African gold mining shares likewise eased.

French markets are quite firm, according to belated reports from Vichy and other centers. The French tax on capital gains has been modified slightly, which increased the interest in some departments of the markets. A large

new railway loan found ready buyers in unoccupied France, last week. The Axis controlled markets remain unreported.

The President Reports

In a radio address to the nation, last Monday, President Roosevelt made a sort of "progress report" on the war and disposed of some of the absurd rumors which have circulated increasingly since Dec. 7.

Recalling the tribulations of General Washington and his Continentals during the Revolution, Mr. Roosevelt called upon his countrymen to exhibit today an equal fortitude in the face of momentary defeat and uncertainty. Our strength is increasing daily, he added, and soon we and not our enemies will have the offensive, will win the final battles and make the final peace.

Although the demand of the
(Continued on Page 870)

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THE FINANCIAL SITUATION

If the true inwardness of the President's first "progress report" Monday evening on the conduct of the war has reached or presently reaches into the inner consciousness of the rank and file in this country it has done so or will do so as a result of a broad understanding, not heretofore fully in evidence, of the fundamental nature of the task we have undertaken. We who have no farflung imperial interests to protect as do the British; we who profess to have, and for the moment at least probably have, no territorial ambition as do the Germans and the Japanese; we who traditionally have asked merely to be left in peace to work out our own destiny here in our own hemisphere; we who in the past have as a rule only asked that we be given equal treatment in the trade of other areas and other continents—we with this background have now, so far as world politics and the conduct of this war are concerned (although not, of course, in the older "land grabbing" sense), taken the globe as our domain, or at least as our responsibility.

We should obviously be sadly wanting in candor if we pretended that there are no patriotic Americans who doubt the wisdom of this course. It is, however, not our purpose here to pass judgment upon, but merely to state the fact and to call attention to some of the more significant implications as they concern our part in the world wide struggle now in progress. Unless they have these carefully in mind, many Americans have doubtless found, and will continue to find, some parts of the President's address lacking in point and the address as a whole wanting in certain qualities some observers at least had hoped to find in it—unless indeed they are ready to shed their blood and give of their energies and treasure without stint that some 425,000,000 Asiatics and much smaller numbers of natives in other parts of the world shall have one rather than another master.

It must, first of all, be carefully borne in mind that, whatever may be the reasons and whatever the ultimate results, we are at this moment actually fighting other peoples' wars. The President is right, now that we are actually in "shooting war" with Germany and Japan, in
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Mr. Henderson Is Right

*I have made representations to the War Labor Board, that, in view of the supply situation which faces us, any general increase in basic wage rates will compound an already difficult problem in the price field. * * **

*In this situation, the principle of adjusting wages to the cost of living should, in my opinion, be limited to those workers who are really on a sub-standard level. The spread between the wages in this group and the wages of the better paid, better organized workers should be reduced. If wage increases are permitted according to bargaining power, this spread will be increased. The strong bargainers will hold their standard of living at the expense of the others and those others will suffer a double burden, getting an even smaller piece of a smaller pie. * * **

I say to you deliberately that further increases in the purchasing power of agriculture cannot benefit agriculture as a whole, except for debt reduction, because the supply of commodities the farmer buys cannot be increased to match higher farm prices.

Farmers know the disaster that followed the peak prices of the last war and they want, I think, to prevent a repetition of the miseries of that period. As with labor increases, a hike in farm purchasing power will only increase the inflationary gap and compound our difficulties.—Leon Henderson.

Mr. Henderson is obviously on strong ground.

There are many in Washington, including the President, who might with profit emulate Mr. Henderson's forthrightness.

Dollar Depreciation Makes Under-Insurance

Merryle Stanley Rukeyser, economic commentator and author, in an address delivered last week before the New School for Social Research in New York declared that abnormal wartime conditions and the rise in the cost of living require a new orientation regarding their life financial plans by the 65,000,000 life insurance policyholders of the nation.

"The decline in the purchasing power of the dollar," Mr. Rukeyser, who is author of "Financial Security in a Changing World," declared, "tends to make the average policyholder under-insured. If policies should mature during the current abnormal period, the dollars contracted for may be insufficient to provide the standard of security intended for dependents or for the insured themselves in old age. More coverage, possibly in short term inexpensive policies, intended to tide the family over the abnormal hazards of the war period, is indicated.

"In more or less inflationary times, the insurance buyer should place emphasis on the indemnity factors in life insurance rather than the long term investment elements. This is especially true in periods when the benefit payments may be returned in dollars of diminishing purchasing power.

"Irrespective of the monetary factor, there is no suitable device other than life insurance for protecting the individual and his family from the risk of unpredictable timing of individual death and accident. Common sense dictates that it is better for the individual, whose life tenure is uncertain, to contract for an array of dollars of varying purchasing power than to provide for no dollars at all in time of family crisis. The new optional settlements offered by life insurance companies enable policyholders to mitigate the inflationary risk by arranging for their dependents to receive serial beneficiary payments over an extended number of years, rather than in a lump sum at an unpredictable time of death which might occur at a time when the fluctuating dollar might conceivably be at a low ebb of purchasing power."

In dealing with the safety of life insurance, Mr. Rukeyser said that the TNEC investigation had uncovered no fundamental weaknesses in managerial technique which bear on this subject. The investigation primarily rather brought to light questions of ethics and procedure, which, though important, did not bear materially on the capacity of the great institutions to meet their contractual obligations. The amount of security which dollar promises of this type provide are conditioned rather by governmental policy affecting the rate of interest on invested funds, which has a bearing on the net cost of life insurance, and relating also to the purchasing power of the monetary unit. With insurance providing the equivalent of high grade bonds or dollar claims for the insured, he can further balance his investment diet by allocating part of his savings to so-called inflation hedges such as common stocks, convertible bonds, and selected real estate.

National Banks

The following information is from the office of the Comptroller of the Currency, Treasury Department:

VOLUNTARY LIQUIDATION	
Amount	
Feb. 16, 1942—The First National Bank of Mineral City, Ohio	\$25,000
Effective Feb. 14, 1942. Liquidating Agent: I. N. Sattler, Mineral City, Ohio. No absorbing or succeeding association.	

Editorial—

Coin of the Realm

Hoarding of currency quite obviously is in progress on a considerable scale in the United States and poses a problem that already is under official study from various angles. Whether action will be taken to control the tendency possibly depends upon results of the quiet debate regarding the causes and extent of the hoarding, and the future currency trend naturally will be a further influence. This is not an easy question to answer, for blundering in such a sphere might conceivably entail disastrous consequences.

Facts of the matter are infinitely more complex than any simple statistical presentation might suggest. Currency in circulation now is reported at \$11,339,000,000, which is far more than double the \$5,058,000,000 maximum which sufficed for all business and other needs of the active decade of the 1920's. Even in the period that culminated in the 1933 bank holidays, when hoarding was rife, currency in circulation attained a maximum of only \$7,538,000,000.

The bank holiday peak was not again attained until the holiday season at the end of 1939, but from that point on the rise has been phenomenal. Even billion dollar circulating levels were passed from eight billions to eleven billions on Aug. 28, 1940, April 30, 1941, Sept. 3, 1941, and Dec. 17, 1941. The level now indicated is the highest on record, for seasonal influences are almost nullified at present and every small recession quickly is followed by a fresh advance to record heights.

All of this might seem to constitute prima facie evidence of a vast hoarding tendency. The figures are so vast that it is indeed impossible to quibble with the contention that hoarding is taking place. Much of the circulation increase, it may be added, consists of large denomination bills, which are not ordinarily used for business transactions, but which are decidedly preferred by certain types of hoarders. The heavy outflow of United States currency to other countries, in the period leading up to the present war, was largely in the more sizeable bills.

Against the simple statistics it is necessary to place a variety of known influences making for rapid expansion of currency. The defense and war programs of the United States Government have tended to place dizzying amounts of money in hand-to-hand use. This is especially true since citizens enlisted and were inducted into the armed forces in enormous numbers. Anyone who has served in the armed forces is well aware that cash payments to the men keep large aggregates of currency moving, but the bills are entirely of small denominations.

Ordinary business has been stimulated vastly by the military program and requires more currency. The effect here is pronounced, the more so because many areas never regained adequate banking accommodations after the extensive bank closing of 1933. The social programs of the United States Government have placed large aggregate amounts of money in areas and in hands which were not previously accustomed to such circumstances. The banks, themselves, hold larger amounts of cash in their vaults, for numerous reasons.

Balancing the statistics against the reasons for a currency increase, some Washington monetary experts are questioning, privately, whether the hoarding has yet proceeded to the danger point. But the Federal Reserve Bank of New York entertains no such doubts, for the last monthly bulletin of that institution noted the hoarding of a "substantial" amount of dollars which could with advantage be invested in defense savings bonds. The bank rightly pointed out that hoards outside the banking system represent a wasted resource and urged that the idle currency be put to work.

Among the closer students of this problem there is a school, not yet very strong numerically, which holds that drastic action should be taken and taken soon to control the hoarding trend. The powers granted in the 1933 banking crisis, for stringent control of currency withdrawals from banks, should be brought into use, according to this school. It is argued that controls of this sort could be employed beneficially and without occasioning an opposite effect from that intended. Such views are neither advocated nor disputed here, for a deeper study of the question seems advisable before adequate conclusions are possible.

One of the more esoteric aspects of the problem concerns the influence upon currency of the increasing bootleg operations in liquors, and the "black markets" in some controlled commodities which are reputed to be developing here and there. Such operations and markets rely entirely upon cash, and they may be contributing more than most of us realize to the currency increase. Whether controls

Editorial—

Frederick D. Underwood And His Times

Few of those who learned through the daily press of the death, on Wednesday of last week, of Frederick D. Underwood, "F. D." to a huge number of admiring and affectionate subordinates upon many railroads and throughout many decades of the most brilliant period of railroad development, can fully realize the magnitude or significance of the changes witnessed during his long and eventful life. He had recently completed his ninety-third year. On Feb. 1, 1849, when he was born, at Wawautosa, in Wisconsin, the Presidency of James Knox Polk, Democratic successor to John Tyler, was drawing to its close and General Zachary Taylor, slave-owning Whig whose daughter had married Jefferson Davis, was about to enter the White House from which he would be buried within seventeen months. Former President Martin Van Buren, the first Chief Executive born a citizen of the United States, was still living, at Kinderhook, New York, and John Tyler would survive almost thirteen years, at Sherwood Forest in Virginia, to be elected to membership in a secession Congress. Future President Abraham Lincoln was completing his single term as a Member of Congress and James Buchanan, by whom he was to be preceded in the highest office, was serving as Secretary of State. Although there were only thirty States then in the Union, their sixty Senators included more illustrious and memorable names than could perhaps be listed as of any subsequent date. For then participating in the deliberations of the Senate were Daniel Webster, John C. Calhoun, Stephen A. Douglas, Lewis Cass, Thomas Hart Benton, William R. King, Hannibal Hamlin, Thomas Corwin, John A. Dix, Sam Houston, Herschell V. Johnson, Reverdy Johnson, Jefferson Davis, Samuel S. Phelps, John P. Hale, John Bell, William L. Dayton, Simon Cameron, Willie P. Mangum, and Robert M. Hunter. On March 4, 1849, Henry Clay, William H. Seward, and Samuel Portland Chase would become Senators. Even Mr. Underwood's name is reminiscent of the issues they debated, for the Baptist clergyman who was his parent endowed him with that of the famous mulatto, ex-slave, Frederick Douglass, then editing an Abolitionist paper at Rochester, N. Y.

Politically, at least, the world outside of the Western Hemisphere was very different in 1849 from that familiar to memories which do not extend much into the Nineteenth Century. Commodore Perry, with his formidable naval force, had not yet "persuaded" Japan to open her ports to the trade and civilization of the West, which she would learn to copy with a flattering, if sometimes disconcerting enthusiasm. And China, although she had felt the aggressive interest of Europe had not yet seen the shrines of her Manchu Emperors pillaged and burned by French and English soldiers nor met the destroying strength of England opposing her effort to exclude opium from importation to the detriment of her people. Queen Victoria, not yet proclaimed Empress of India, was in the twelfth year of her prosperous English reign and the thirtieth of her long life. Across the English Channel, Louis Napoleon Bonaparte, "the nephew of his uncle," in his third month as President of the short-lived Second Republic of France, which he was already conspiring to destroy, was stealthily pressing toward his *Coup d'Etat* and the Imperial dictatorship over which he was to preside, as Napoleon III. Further to the East, Germany, still a congeries of jealous and disunited sovereignties, weakly led by Austria, where the youthful Francis Joseph reigned as Emperor, remained in the troubled aftermath of the 1848 Revolution. Prussia, in a few years to overcome Austria on the battlefield of Sadowa, to exclude her from the German bund while seizing and effectually exercising her leadership, was also, for the time, suffering the confusions of domestic revolt and under an incompetent King. It would still be nine years before Wilhelm I, grandfather of the exiled sovereign who died at

on currency withdrawals present an avenue for the control also of the illegal activities is an interesting but debatable point.

Also of a piece with the illegal dealings is a tendency, which some believe to be growing in these days of extraordinarily heavy and still waxing taxation, of doing ordinary business in cash with a view toward dodging the tax collector. Whether such reprehensible and unpatriotic tendencies could be halted or modified by currency controls again is a matter that requires the most penetrating thought and study. For any action taken with respect to the currency must be carefully conceived in theory and executed with equal judgment, lest evil effects outweigh the good intended.

Doern last year, would become Regent of Prussia, over which he was to reign as King from 1861 to 1888, and as Emperor of Germany, the title conferred upon him by Prince Bismarck after the triumvirate, Bismarck, Von Moltke, and Wilhelm, had captured Napoleon III and his army at Sedan and the victors had marched onward to Paris, which they entered in 1871. From Russia, the huge autocracy of Czar Nicholas I, seemingly completely entrenched and stabilized, frowned threateningly against Europe while hungrily viewing the Dardanelles and access to the Mediterranean. Southward, Italy was still only a geographical expression, for the peninsula was held by a discordant group of small nations, including the regions governed under the cherished Temporal Power of Pope Pius IX, the Duchies of Tuscany and Modena, the Sicilies, the especially mis-governed Kingdom of Naples, Lombardy, Piedmont, Sardinia and Venetia. In 1849, Pius IX held Rome only by the aid of French bayonets, Russia had involved herself in peninsular politics by guarantees of autonomy, Austria dominated in Venetia and elsewhere less effectively and claimed or aspired to wider dominion. Europe had existed, since the great Congress of Vienna, under the treaties of 1815 and the Holy Alliance, without any major war. But, after that long reign of imperfect peace, the continent had been swept by surging revolution from the Baltic to the Mediterranean, and, when the forces of insurgency had subsided and disappeared, it was found that its most lasting legacies were embodied in the conflicting careers of two persistent war-mongers, Napoleon the Little and Count (sometime to be Prince) Otto von Bismarck. Before Mr. Underwood's career as a railroad executive, had closed, most of this Asiatic and European picture had passed away. China had been, for more than a generation, almost the plaything of the variable policies and fluctuating interest of European nations and the United States, it had suffered its Boxer Rebellion and the protective invasions that followed, it had deposed its exotic dynasty and become uncertainly committed to a rather socialistic and communistic republicanism. Japan, surrendering her isolation but not her oligarchical traditions and copying western industrialism and military methods and devices, defeated Russia, expanded her island kingdom at the expense of her neighbors, seized Manchuria, and acquired the confidence and courage necessary before she dared to threaten her racial superiors. While Mr. Underwood's activities continued, Queen Victoria became an Empress, over India, and was succeeded by son and grandson, while two great-grandsons who have already occupied her throne grew to manhood. During the same years, the Empire of Napoleon III ceased to exist and was almost forgotten during the seventy years of the Third French Republic that disappeared in the maelstrom of 1940; Bismarck, after three wars for which he confessed responsibility, had been discarded by the petulant successor of the Emperor he had made and, in another war wantonly begun, that Empire had itself disappeared, carrying with it in its fall its sister Empire of Austria, but not before conniving at the overturning of the Russian Empire which it was first to witness. Italy, united in 1870 under Victor Emmanuel, had prospered intermittently under his royal successors, but had suffered the penalties of an alliance with the nominal victors in the widely destructive World War of 1914-1918, and had fallen under the sterilizing depotism of Benito Mussolini. Similarly, Russian, without a Czar, was to be held under the yet more comprehensive despotism of Joseph Stalin; and Germany, having no Kaiser, was to be much more autocratically and tyrannically controlled by Adolph Hitler than ever by any Hohenzollern.

Transformations in America, during this long life, were usually less tempestuous and commonly more salutary. In truth, the United States had its devastating Civil War, but at its close human slavery had been destroyed and there had emerged a united Nation, commanding the respect of all the world, in the manifold activities of which most of the bitterness of conflict soon disappeared. Alaska was acquired from Russia for a cash consideration; the Gadsden Purchase extended the area of New Mexico and Arizona south of the Gila River, supplying the route for a southern railroad to the Pacific Coast, now occupied by the Southern Pacific; gold in large quantities was discovered in California and gold and silver in many Rocky Mountain areas; the sewing machine, friction matches, utilization of petroleum products for lighting, lubrication, and power production; the phonograph and telephone electric lighting and power transmission; wireless telegraphy and dissemination of sound by radio activities; the internal combustion engine and automotive vehicles; and many other labor-saving, time-saving, and power-multiplying inventions were made or developed and adapted by American ingenuity and fostered by American capital. The East and the Middle-West especially were industrialized and many other localities less completely. Population and wealth, and at the same time,

comfort and security, increased by leaps and bounds. The Wisconsin in which Mr. Underwood was born was found to contain, at the census of 1850, 305,191 inhabitants; in 1940 it contained more than ten times that number, or 3,137,587. Between the same years, the United States, in its continental area, excluding Alaska, grew more than five-fold, from 23,191,876 in 1850, to 131,669,275 in 1940. Where only 15.3% of the smaller aggregate had been classified as living under urban conditions during the earlier year, no less than 56.5% were found to reside in cities in 1940.

Railroads had been built. When Mr. Underwood was born there were precisely twenty miles of railroad in the whole State of Wisconsin, this mileage, presumably part of what is now the great Chicago and North Western System, and all of it then existing, lay somewhere along the route between Milwaukee and Prairie du Chien. But the whole country had only 9,021 miles in 1850. Now, Wisconsin alone has more than 7,000 miles and the United States some 245,000. But by 1849 service by the once ubiquitous stage-coach had by no means ceased. The Post-Master General in the Cabinet of President Taylor reported for the fiscal year ended June 30, 1849, that 3,823 miles of postal routes were maintained in the State of Wisconsin during that year and 167,703 miles in the entire country. No part of the service in Wisconsin was rendered with the aid of railroads and 581 miles enjoyed coach service, while, for the Nation, there were 5,497 miles of railroad-served mail routes and 36,238 miles of routes operated by coaches. In 1849, Cornelius Vanderbilt, although in his fifty-fifth year, had not yet interested himself in railroads; the route of the New York Central from Albany to Buffalo was still controlled by eight or ten separate railroad corporations; there was no railroad paralleling the Hudson River, although one was to be completed to East Albany in 1851; the Erie Railroad, with its "broad" gauge, six feet wide, would not reach its Lake Erie terminus until April 4, 1851; it would be almost four years before the Baltimore and Ohio attained Wheeling; the connecting link of the Pennsylvania Railroad, between its canal and portage crossing of the Allegheny Mountains and Pittsburgh, would not be operated to that Ohio River city until September 10, 1852. No railroad had entered Chicago; there was no railroad mileage anywhere west of the Mississippi River, except a few miles in Louisiana. Lake, river, and canal transportation by mule-drawn canal boats, in canoes, flat-boats, and keel-boats, sailing craft, and steamboats of small capacity and sluggish movement, still flourished. And it is no wonder. The competition of the new railroads cannot have been generally keen. Their tiny, wood-burning locomotives hauled small cars over strap-rails laid upon poor road-beds which led around curves of short radii and up and down grades of paralyzing severity. Gauges were varied, few streams were bridged, cars could seldom be interchanged even where there were connections and connections were few, breaking of bulk in transit and reloading were frequently recurring necessities. Passengers traveled far more comfortably on canal-packets and in the poor accommodations supplied upon boats traversing the rivers and lakes than upon any railroads. There were, of course, no sleeping-cars, no dining-cars, and no parlor-cars. Universally, the coaches were poorly lighted, dangerously and insufficiently heated by stoves, dingy, dirty, and ill-kept, and they joggled drearily and uncomfortably between termini with the least possible regard to time-schedules.

Frederick Douglass Underwood not only witnessed all these things, and much more; so far as any of them happened within the United States or affected the United States, and most of them did. He saw them all, he was part of the strenuous life that produced the utmost in successful and beneficent industrial achievement. Wherever and in whatever capacity he served, he was always an important factor in every item of growth and improvement. It is pleasing mentally to envision the stalwart and handsome youth, a splendid example of virile manhood, certain to attract any beholder, just emerged from the Academy at Beaver Dam, Wisconsin, which was his last school, who became a clerk with the expanding Chicago, Milwaukee and St. Paul Railway, in July, 1868, at nineteen years of age. But he must have felt "cribbed, cabined, and confined" in any merely clerical or office capacity and, after brief service, exchanged to more active employment. Before, in July, 1868, he left his first employer, where he owed his advancement to Alexander Mitchell and S. S. Merrill, two of the greatest of old-time railroad operators and managers, and where Thomas G. Shaughnessy (afterwards Lord Shaughnessy, of the Canadian Pacific and the British Peerage) was a minor officer and an associate, and where Daniel Willard ran a locomotive as one of his subordinates, he was successively clerk; brakeman; baggageman; elevator foreman; conductor, on working, freight, and passenger trains; assistant division superintendent; and division superintendent.

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War Industries Had 43 Strikes in Jan.—NAM

Work stoppages, under the "Strikes As Usual" policy, continue to impede war production despite the urgency for military stores and supplies, the National Association of Manufacturers revealed on Feb. 17 in pointing out 68 strikes were reported in the metropolitan newspapers as having occurred in January. The Association states that while the actual number of war production plant work stoppages—43—in January was lower than in any month preceding Pearl Harbor, that fact, it states is no gauge of their importance in impeding the war effort. There is no way to measure, it was pointed out, the ultimate effect of the stoppages on the production of war materials by other industries dependent upon the strike-bound plant for supplies and materials.

The NAM compilation, it was pointed out, did not purport to report on every strike occurring at defense and non-defense plants during January. The compilation was made from newspapers in principal industrial centers of the nation. From the Association's announcement we also quote:

The 43 strikes at "defense plants" involved 15,512 workers and 661,976 lost man-hours. Twenty-five other strikes at non-defense factories involved 13,108 men and a loss of 1,750,224 man-hours, a total of 2,412,200 man-hours lost during January because of work stoppages.

The Association pointed out the majority of the January work stoppages in war production industries could be described as "critical." Construction of such vital military stores as airplane parts, airplanes, engine pistons, machine tools, anti-aircraft guns, cartridge containers, parachute cloth, ships, electric motors, cable and wire was stopped because of the strikes, the Association said.

The work stoppages at "defense" plants, involved CIO, AFL, and independent unions. Nineteen strikes involved CIO locals, 15 AFL affiliates and three independent unions, the compilation revealed. None of the reports about the remainder of the strikes at "defense" plants named unions involved.

Man-hours lost at "defense" plants during January was the potential work-time to build four 170-foot steel submarine chasers. The United States Navy had ordered prior to Dec. 7 and since the beginning of the national emergency 62 submarine chasers, ranging in size from 60 to 170 feet in length.

The loss from each work-stoppage becomes greater, as more factories are converted to war production and more and more men are trained to new jobs.

Newsprint Output Up

North American newsprint production in January was 425,154 tons, an increase of 11.2% over the 382,496 tons produced in January, 1941, according to figures issued by the News Print Service Bureau. Canadian mills operated at 84.4% of capacity to produce 311,904 tons of newsprint, compared with 261,298 tons a year ago. Shipments totaled 291,998 tons, a gain of 20%. United States production was off 5% at 84,628 tons and shipments from United States mills was lower by the same proportion, amounting to 80,787 tons. In Newfoundland, the newsprint mills turned out 28,622 tons, a decline of more than 10%, while shipments were also lower by the same amount. Stocks of all North American manufacturers at the end of January were over 25,000 tons higher than on Dec. 31, 1941.

"Key" Labor Men Deferred in Draft

State Directors of Selective Service were recently informed by Brig. Gen. Hershey, National Director, of the policy to be followed in the occupational deferment of registrants in labor relations. The order said that since "it is in the national interest and essential to the war production program that a harmonious relationship be maintained between labor and industry," registrants who are "key men" in the maintenance of such harmonious relations and who are employed for that activity by the government, by industrial organizations, or by local, national or international labor organizations, may be given serious consideration for deferment."

Between 16,000,000 and 17,000,000 women will ultimately have to be employed in the Nation's industrial plants to make America's war effort fully effective, it was indicated by Gen. Hershey in an interview at Philadelphia on Jan. 29, who at the same time stated that it was impossible to predict the number of men who may be needed for the Army by the end of next year. In the Philadelphia "Inquirer" of Jan. 30 he was also quoted as saying that by the first of 1943, the army expects to have 3,600,000 men under arms, or double the number it has now. As for industry he added:

We know we will have to triple the number of people we have in our so-called defense plants. There is no other possible way that we can obtain them than by hiring a far greater number of women."

NYSE Special Offering Plan Starts Well

The New York Stock Exchange's new "special offerings" system received its first test on Feb. 19 when Smith Barney & Co. offered 2,958 shares of Bon Ami B stock. The offering price was 37%, less commission of \$1 a share to members of the Exchange. The proposed sale was announced on the ticker tape at 1:48 p.m. and the first sales of the stock were recorded at 2:20 p.m. From that time until the close of the market at 3:00 p.m. there were 18 transactions involving 1,775 shares. Since a "special offering" must remain good for three consecutive trading hours the remaining 1,183 shares were sold the following morning (Feb. 20) within the time limit. Stock Exchange officials were said to be pleased with the results of the sale.

The Securities and Exchange Commission's approval of the plan was reported in our issue of Feb. 19, page 747.

FDR Warns Of Enemy Raids

President Roosevelt on Feb. 17 warned that it was possible for the enemy to shell and bomb New York City and Detroit. Asked at his press conference as to the possibility of an enemy attack on Alaska, the President said he could give no assurance and that such a thing was possible from the viewpoint of any plan of enemy operations. He added that under certain conditions enemy ships could shell New York and planes could bomb Detroit.

The President confirmed reports of a proposed new United States loan to Russia and said that deliveries of arms supplies to Moscow would be stepped up.

Mr. Roosevelt also took occasion at his press conference on Feb. 17 to denounce the City of Washington as a vicious rumor factory and the country's leading center for the source of lies.

Editorial—

The Shrinkage In Savings Bank Deposits

One of the most curious things about the current depression in the financial world—in such extraordinary contrast to the prosperity almost everywhere else—is the fact that it is so impartially distributed round through all the major financial fields. Security-trading has fallen to a trickle. Investment bankers have seen their margins shrink and their volume decline. Most of the commodity markets are either closed or severely restricted in trading. Foreign exchange is a thing of the past. The commercial bankers do a mounting volume of business but the quotations on their stocks tell a sad story about their earnings outlook.

Prominent among the financial institutions which have had hard sledding in recent years are the mutual savings banks. During the 1930's their deposits levelled off from their former normal rate of climb, and though commercial bank deposits ascended steadily to new and dizzy heights, savings bank deposits barely held their own. It was the fashion to disparage private thrift, and though the TNEC's barrage against it, in Monograph No. 37 of March, 1940 seemed chiefly aimed at the life insurance companies, that was only because the life companies continued to push the sale of thrift instruments while the savings banks, in traditional fashion, stayed at home and waited for the once reliable instincts of the American people to bring depositors through their doors. Further, the savings banks were hit by Postal Savings competition, and when that ceased to be considered an important menace, low interest rates came along and forced down the earnings they could divide among their depositors.

It might seem that the dramatic about-face in the official attitude toward thrift which came along between March and June, 1940, would have helped the savings banks, but so far it has not. They have chipped in patriotically and pushed the sale of defense bonds, which compete with their own deposit facilities, and in the last eight months of 1941 mutual savings institutions operating in 17 states sold \$173,577,069 of these bonds but suffered a net loss of \$116,544,205 of deposits. And if anything the pressure has increased since the turn of the year.

Four things have combined to cause the withdrawal of saving bank deposits; (1) people take their money out to buy defense bonds; (2) they take it out simply to hoard it in the form of bills; or (3) they take it out to hoard commodities, foodstuffs, or clothing or to rush for the remaining refrigerators, radios, and other durable goods which can be bought; or (4) they take it out because of silly fears that the Government is going to "confiscate savings," or start "forced savings" which they interpret to mean some danger to their existing savings accounts.

Naturally it is quite impossible for the savings banks to more than guess the relative pull of each of these things. Unless the depositors immediately goes downstairs to the vault and asks for his safe-deposit key they can only guess whether he wants to hoard cash. The substantial withdrawals at the beginning of the year, which have now declined, they could guess were for the purchase of defense bonds. Occasional depositors actually bring in clippings which have frightened them, but this happens seldom; more often the foolishly frightened depositor tries to disguise his real motive.

It would be unfortunate if at a time when personal thrift is acutely necessary the machinery of the savings banks should not be employed to the limit.

But the outlook is good, better than the above sounds. A number of corrective measures have already been taken.

In the first place the Treasury has made it clear that it wants defense bond purchases to be made out of current income, not out of past savings. The reasons for this, quite obvious to financial literates, cannot be too frequently explained to the public.

There appears little that can be done to prevent the hoarding of money, the reasons for which are obscure to everyone but which is going on in Britain, France, and Germany as well as here. A considerable impetus was given it by the freezing of foreign funds last Spring. Some of the increase in money in circulation is certainly due to increased payrolls, which are up something over 60% since the war started.

But it is also pretty certain that considerable of it arises out of scares lest the Treasury "confiscate savings," or do other things to endanger deposit accounts. A metropolitan paper recently ran a financial page story with a three-column head "Compulsory Savings Threaten," and people tore it out and took it in to savings banks to withdraw their money, completely misinterpreting the story.

Here also is a place where more explaining should be done by Washington in simple terms to the public.

Hoarding of goods is a purely temporary problem so far as savings-bank withdrawals are concerned. The current retail buying spree is already tapering off because (1) some hoarders have decided it is unpatriotic; (2) some are full up; (3) some retailers are doing a little rationing themselves, while (4) others have discontinued sales promotions. But the major reason is that the supply of hoardable goods is running out.

Another thing that might be publicised is that the comparison between the yield on defense bonds and on savings accounts is not so unfavorable to the latter as it appears. The average mutual savings deposit now yields about 1.90%. But defense bonds have to be held to nearly six years before the yield equals this. And further, unless the holder accrues his interest for income tax purposes on the series E and F bonds, he will be taxed on the entire gain in the tenth or twelfth year in which the bond matures. Maybe income tax rates then will be lower—maybe higher.

But the best solution of the problem so far has been found by the savings banks themselves in the form of such campaigns as the Drydock's recently organized "Victory Club." Already highly successful, it is an adaptation to war finance of the good old Christmas Club idea. "Members" of the "Club" pledge themselves to regular purchases of defense bonds. For this purpose they make regular savings bank deposits. Periodically they cash them and convert into defense bonds.

From all angles it appears like an excellent plan.

Frederick D. Underwood And His Times

(Continued from Page 851)

dent. Thus, he rose by the hard route, with the accumulation of experience, tact, and practical capacity not otherwise obtainable. In 1886, he went to the Minneapolis and Pacific Railway, as general superintendent, and he remained with that company, and with the Minneapolis, St. Paul, Sault Ste. Marie and Pacific, into which it was merged, becoming general manager, and its field-marshal in the struggles with James J. Hill which attended most of the steps of its location and construction and the contest for traffic that ensued. Every day of that thirteen years experience was a thrilling struggle of brawn and brains, and many of them were auspicious days of triumph for Mr. Underwood. All the results were highly creditable to the resourceful and tireless operating chief, even if not permanently profitable in the creation of an indestructible highway for important and continuing movements of traffic. After the disasters of the last Garrett regime, Baltimore and Ohio enlisted the interest of western financiers, including James J. Hill, Norman B. Ream, and Marshall Field, and they could think of no better man to whom to entrust its operation and their interests than the one who, over fierce operation, had made "the Soo Line." Mr. Underwood came East as general manager of that property in 1890 and was soon a vice-president. Remaining there and accomplishing a great deal in its rehabilitation, he served for ten years and until the railroad passed, temporarily, into the control of the Pennsylvania Railroad, in 1901. Then, he succeeded the late E. B. Thomas, as president of the Erie Railroad, which was extensively strengthened and improved in every physical sense and in every detail of its operations under his highly energetic management. Eventually, the brothers M. J. and O. P. Van Sweringen, the oldest of whom was more than thirty years his junior, in the process of consolidating their ephemeral railroad empire, preferred a very capable associate of their earliest adventure in that field as head of the Erie, and Mr. Underwood's service ended with the calendar year 1926, but, in hale and active old age, he survived by several years, not only both of these enterprising young men, but the successor whom they favored and the empire which they had thought they had founded. While it perhaps cannot be said that in everything he ranked among the small number of the very greatest of the railroad men of the last generation, he was always thoroughly at home in their company, he saw much of them in daily social and business contacts, he was admired and trusted by all of them, none ever looked upon him as in any degree an unworthy associate or one whose concepts and recommendations could or should be lightly considered. He served with, or he struggled with, in several cases he did both as to different matters and under different conditions, such giants of railroad management and finance as Alexander Mitchell, R. R. Cable, James J. Hill, Marvin Hughitt, Alexander J. Cassatt, the first J. P. Morgan, E. H. Harriman, and L. F. Loree, and there was not one of them who did not find him worthy of their steel in competition or of their entire confidence and trust in co-operative effort. He was probably the last to survive of the great race of railroad men who exercised managerial authority before there

was an Interstate Commerce Commission and who knew and regretted the days when transportation and its agencies were unshackled and competition was limited only by common sense and self-restraint while contracts and contracts between the railroads and their traveling and shipping patrons were controlled only by the sound standards of the common law and were free from the control and meddling of third parties without competent experience.

THE FINANCIAL SITUATION

(Continued from First Page)

asserting in effect that good strategy often demands that we give unstinted support to others fighting with us against these common enemies. For most of these peoples allied with us we are very nearly the only source to which they can look for material over and above that which they can provide themselves, which often is pitifully inadequate. We, too, are the main hope as regards ships in which to transport aid thus furnished. In most instances, these allies would have perished by now or would very soon be overrun were we to leave them in the lurch. Obviously it would be unwise to permit our allies one by one to be put out of the fighting if anything we can do would prevent it.

Encouraging Our Allies

Naturally, we can best keep or help keep, such armies as those of China, Russia, Britain, Australia, New Zealand and the Dutch Indies going by actual delivery of armament, and such delivery must not be neglected, but there are limits of time and quantity—some of them inevitable, some of them imposed by our own shortcomings. Our first duty and our first responsibility is action. Nothing, not even the magic of the Churchillian and the Rooseveltian oratory, can long take the place of deeds, but meanwhile it is of importance that the faith, the courage, the spirit of our allies from South America to China, from Canada to the Indies, be maintained. Not only that, but potential allies—they are hardly more than that at present—in India, particularly, and elsewhere in Asia—must be cultivated and, if possible, brought to the point of active and effective support of the cause. Japan in the presence of indifferent, often doubtless more or less friendly, natives has not found it difficult to overcome a weak British defense in the Far East. In substantially similar circumstances similar results may follow in further Japanese excursions into Asia. A thoroughly aroused Indian populace, unarmed and untrained though it largely is, would present Japan with a different and far more difficult problem. China, too, was once a pacifist nation.

Influencing Factors

All these and other similar circumstances the President without doubt had actively in mind when preparing his latest "fireside chat"—not only with his own countrymen but with as many others everywhere in the world as it was possible to reach. With all that has appeared in the public prints concerning the geography of this war it scarcely seems that many of the President's explanations of the obvious were necessary so far as his home audience was concerned. Certainly he could hardly have believed that there was sufficient demand from the American public for the kind of "last-ditch" defense he describes to render it needful for him to denounce such strategy at such length and in such emphatic terms. His delineation of the probable plans and alleged objectives of Japan and Germany was at a number of points in any event much more pertinent to the actualities facing some of our allies than to our situation.

It may be, although it is not certainly, true that such considerations are responsible for omissions which could not well have failed to disappoint those who had hoped against hope for a strong and definite stand in a number of domestic issues which obviously are in need of Presidential attention. His attitude toward those who have been demanding a fuller report on Pearl Harbor left a good deal to be desired. Different treatment probably would bring better results, but the matter is hardly of first rate importance in comparison with certain domestic difficulties which threaten very definitely to hamper defense production in particular and our war effort in general and which are in their very nature the President's responsibility. It may or may not have been wise to ignore them in this particular address, but there can be no valid reason or excuse for not dealing with them effectively and without delay.

One of these, probably the most pressing of them, has to do with labor. It is true, of course, that the President in his address on Monday evening, as on a number of previous occasions, strongly insisted that there be no interruption of work in any defense plant, but this obviously is not enough. Obviously, since interruptions are actually occurring upon an increasing scale; really because there are certain troublesome issues open in the current labor situation which the Administration has consistently evaded. One of these, as every one knows, is the old, old question of the so-

called closed shop. Another is the matter of rising wages. A third has to do with union discipline. There is a multiplicity of boards and agencies established to prevent work interruptions and settle disputes, but clearly none of these can reasonably be expected to formulate a labor policy for the Administration. Mr. Henderson has ventured what must be regarded as personal opinions—certainly there is no reason to suppose they represent Administration policy—concerning wage increases, as have some other individuals in government circles. Plainly, it is highly desirable, not to say essential that the President himself formulate and make public in positive terms a definite policy to guide his assistants and associates—and the public, for that matter—in dealing with individual cases involving such questions which are constantly arising. The numerous instances of "outlaw" strikes, now plainly on the increase, strongly suggest action such as President Wilson took during the first World War in dealing with headstrong workers. At all events, more potent action than any yet taken by the present Administration appears absolutely essential and urgent.

Right of Way For Defense

There is another and broader issue which has all along been a serious burden upon our defense program. It is no less so now, and the time has come when we can no longer afford such a handicap. It is the unwillingness of both the Administration and certain groups in Congress to sidetrack "reform" and subsidy politics in order to give defense full right of way. This attitude is troublesome enough when it is more or less openly assumed, as in the case of Congressional insistence upon making farm prices sui generis, and as in the various instances where large appropriations and other legislation have been asked to carry on the Utopian profligacies of the past eight years or more. It is possibly even worse when it clearly and slyly tinctures otherwise desirable and even essential measures. These predilections of the Administration and its adherents have resulted in a situation, indeed, in which nearly all its proposals are suspect in the minds of large sections of the people. Such a state of affairs may have been inevitable in the circumstances, but it is one which the President—but no one else—could quickly remedy if he would. Such action on his part would do more than is generally realized to smooth the way for maximum effectiveness in our war effort.

We think the President would be well advised, now that he has delivered his message to the world, to apply himself promptly and vigorously to these domestic issues, reach definite decisions and take vigorous and constructive action regarding them, which, if he thought wise, he could announce in a "fireside chat" for home consumption.

The State Of Trade

Business activity generally is more than holding at its recent high levels, with some major industries showing slight weekly setbacks. Merchandise loadings, electric production and petroleum-runs-to-stills were off a bit for the week, but other major industries show further expansion, especially steel operations.

Increasing pressure for war steel is evidenced by the preponderance of tonnage on mill books[♦] bearing the highest preferential ratings. Demand is so large, it was said, that deliveries below A priority ratings have virtually ceased and some producers are even unable to supply lower A ratings, according to the magazine "Steel."

Steel operations will be at the rate of 96.3% of capacity this week, equivalent to 1,635,800 tons production, the American Iron & Steel Institute estimated. The tonnage and operations, both the second highest in the history of the industry, compare with 96.2% of capacity and 1,635,100 tons produced last week.

Department store sales on a country-wide basis were up 19% for the week ended Feb. 14, compared with the same week a year ago, it was shown in the weekly figures made public by the Federal Reserve System. Store sales were up 25% in the four-week period ended Feb. 14, compared with a year ago.

Scare buying continues on the wane in most retail lines and store sales currently show the smallest margin of increase over last year since the Christmas shopping season. Dun & Bradstreet observe. Slackening of interest also appeared in wholesale markets, although buyers were extending efforts to stock ahead on merchandise for which shortages are anticipated.

The mild let-down in consumer purchasing was attributed partially to rationing systems im-

posed voluntarily by many stores and in some instances to direct advertising to discourage hoarding.

In view of the urgent need to speed war production, increased pressure must now be expected on industry and labor to increase the output of existing equipment and personnel. The military situation makes this acceleration imperative, and it is quite clear that an extra effort must be made over and above the expansion program now under way.

Labor productivity has tended to decline during recent months because of the constant influx of new workers who must be trained to new tasks, and because of the withdrawal of seasoned workers for teaching and supervisory posts. Employers must now concentrate on increasing output through accelerated operations. In this, they must have the cooperation of labor organizations who are traditionally opposed to the "speed-up," but who are likely, in the emergency, to cooperate fully.

However, the labor situation is again looming as a serious consideration. Increasing criticism of the Government's lack of a wartime labor policy, coupled with the crisis confronting the War Labor Board, indicate there is a growing possibility that Congress may take a hand in wartime labor regulation after all.

The most telling criticism has come from William M. Leiserson,

member of the National Labor Relations Board. He points out that the lack of a policy threatens the War Labor Board with disruption, because employer or labor representatives may resign because they are unwilling to accept the present set in any decision. He suggests that such a crisis within the Labor Board may force Congress to act.

The Bethlehem Corporation case provides the War Labor Board with its first crisis because of the lack of a labor policy. Bethlehem and other steel companies have indicated that they intend to resist any compromise on the closed shop.

The Association of American Railroads reported that 782,699 cars of revenue freight were loaded during the week ended Feb. 14. This was a decrease of 1,361 cars, or 0.2%, compared with the preceding week; an increase of 61,523 cars, or 8.5%, compared with a year ago, and an increase of 174,462 cars, or 28.7%, compared with 1940.

Production of electricity declined 1.5% in the week ended Feb. 14 to 3,421,639,000 kilowatt hours from 3,474,638,000 in the preceding week, the Edison Electric Institute reported. The latest total represents an increase of 15% over the 1941 comparative of 2,976,478,000.

Major engineering construction volume for the short week due to the Lincoln's Birthday holiday totals \$102,218,000, the fifth consecutive week in which the volume topped the \$100,000,000 mark, Engineering "News-Record" announced recently. The latest week's construction compares with \$104,893,000 for the preceding week, and \$114,981,000 for the 1941 week.

Private construction turned sharply upward, reaching \$26,690,000—the highest total reported since the week of Dec. 11, 1941. Public volume, \$75,528,000, compares with \$96,950,000 reported for last week, and \$81,615,000 for the week last year.

The latest week's total brings 1942 construction to \$996,981,000, an increase of 12% over the volume reported for the opening eight week period last year.

During a recent week some 950,000 claims for employment compensation were filed throughout the country, which gives some idea of the extent of the "conversion unemployment" which is now developing.

Latest estimates of the War Production Board's labor division are that between 3,000,000 and 4,000,000 workers will be temporarily unemployed at some time during 1942 as a direct or indirect result of the war effort.

Officials stick to their conclusion, however, that by the end of the year there will be 15,000,000 workers on war production, as compared with 5,000,000 at present.

More dollars no longer mean more consumer goods, Leon Henderson told Chicago's Better Business Bureau recently.

Asserting a struggle for America's limited supplies must be avoided at all costs, he said some great industries making civilian goods will be completely shut down because their use of raw materials is limiting the production of war materials.

Mr. Henderson further stated: "We will have \$9,000,000,000 less goods and services of all kinds in 1942. That means \$9,000,000,000 less refrigerators, automobiles, typewriters and copper spindles."

"We will have at least \$6,000,000,000 more of purchasing power with which to buy this limited amount of goods; that is, we will have \$6,000,000,000 made up of more farm income, more wage income and more consumer buying power of all kinds."

"You don't need to be an economist to know that there is a gap of \$15,000,000,000 between what this country of consumers can buy and the amount of goods that there will be on the shelves."

United Nations Will Soon Take Offensive Says President In Address To Nation

President Roosevelt told the American people in a radio address on the war on Feb. 23 that the United Nations and not our enemies will soon have the offensive and will win the final battles and make the final peace. While conceding that losses have been suffered from Hitler's U-boats in the Atlantic and from the Japanese in the Pacific and that more losses must be suffered before the "turn of the tide," the President asserted that "we Americans have been compelled to yield ground, but we will regain it." He stressed the need to build up production "so that the United Nations can maintain control of the seas and attain control of the air" by an overwhelming superiority and predicted that the production goals set for airplanes, tanks, guns and ships "will be attained." Saying that with few exceptions, labor, capital and farming are giving loyal service, the President declared that "we can lose this war only if we slow up our effort or if we waste our ammunition sniping at each other." He offered these "three high purposes" for every American to follow:

1. Not to stop work for a single day.
2. Not to demand special advantages for one group over another.
3. To give up conveniences and modify routine of lives if asked to do so.

After citing the "various evil ways" Axis propagandists have tried to destroy "our determination and morale," the President declared that "the United Nations are dedicated to a common cause," and added:

We share equally and with equal zeal the anguish and the awful sacrifices of war. In the partnership of our common enterprise, we must share in a unified plan in which all of us must play our several parts, each of us being equally indispensable and dependent one on the other.

We have unified command and cooperation and comradeship. We Americans will contribute unified production and unified acceptance of sacrifice and of effort.

The President praised the "conquering spirit" prevailing in the British, Russian, Dutch and Chinese people and said that the task facing the American people will test us to the uttermost, "since never before was such a prodigious effort" called for with so little time to do it.

Starting his address by paying tribute to Gen. Washington and his Continental Army of 1776, the President said that Washington's conduct in those hard times has provided a "model of moral stamina" for all Americans ever since. He said that the present great struggle is a new kind of war since it is different not only in its methods and weapons but also in its geography from all other past wars.

Asking his listeners to turn to the reference maps which he had asked them to have, the President said that the "broad oceans which have been heralded in the past as our protection from attack have become endless battlefields, on which we are constantly being challenged by our enemies." Pointing out that "our job now is to fight at distances which extend all the way around the globe," Mr. Roosevelt explained that this was necessary because that is where our enemies are and our supply lines and lines of communication with our allies must be protected.

With regard to those who still advise on the "fatuous policy" of isolation, the President presented a picture of what would happen to China, the vast areas of the southwest Pacific, the Near East and Africa, the British Isles and Russia if we did not "continue increasingly the policy of carrying the war to the enemy in distant lands and distant waters—as far as possible from our own home grounds."

Actually we are taking a heavy toll of the enemy every day that goes by. We must fight at these vast distances to protect our supply lines and our lines of communication with our allies—protect these lines from the enemies who are bending every ounce of their strength, striving against time, to cut them. The object of the Nazis and the Japanese is to separate the United States, Britain, China and Russia and to isolate them one from another, so that each will be surrounded and cut off from sources of supplies and re-enforcements. It is the old familiar Axis policy of "divide and conquer."

There are those who still think in terms of the days of sailing ships. They advise us to pull our warships and our planes and our merchant ships to our own home waters and concentrate solely on last-ditch defense. But let me illustrate what would happen if we followed such foolish advice.

Look at your map. Look at the vast area of China, with its millions of fighting men. Look at the vast area of Russia, with its powerful armies and proved military might. Look at the British Isles, Australia, New Zealand, the Dutch Indies, India, the Near East and the continent of Africa, with their resources or raw materials and of peoples determined to resist Axis domination. Look at North America, Central America and South America.

It is obvious what would happen if all these great reservoirs of power were cut off from each other either by enemy action or by self-imposed isolation:

1. We could no longer send aid of any kind to China—to the brave people who, for nearly five years, have withstood Japanese assault, destroyed hundreds of thousands of Japanese soldiers and vast quantities of Japanese war munitions. It is essential that we help China in her magnificent defense and in her inevitable counter-offensive—for that is one important element in the ultimate defeat of Japan.

2. If we lost communication with the southwest Pacific, all of that area, including Australia and New Zealand, would fall under Japanese domination. Japan could then release great numbers of ships and men to launch attacks on a large scale against the coasts of the Western Hemisphere, including Alaska. At the same time she could immediately extend her conquests to India and through the Indian Ocean, to Africa and the Near East.

3. If we were to stop sending munitions to the British and the Russians in the Mediterranean and Persian Gulf areas we would help the Nazis overrun Turkey, Syria, Iraq, Persia, Egypt and the Suez Canal, the whole coast of North Africa and the whole coast of West Africa—putting Germany within easy striking distance of South America.

4. If, by such a fatuous policy, we ceased to protect the North Atlantic supply line to Britain and to Russia, we would help to cripple the splendid counter-offensive by Russia against the Nazis, and we would help to deprive Britain of essential food supplies and munitions.

Those Americans who believed that we could live under the illusion of isolationism wanted the American eagle to imitate the tactics of the ostrich. Now, many of those same people, afraid that we may be sticking our necks out, want our national bird to be turned into a turtle. But we prefer to retain the eagle as it is—flying high and striking hard.

I know that I speak for the mass of the American people when I say that we reject the turtle policy and will continue

The President further disclosed that, in spite of transportation difficulties, a large number of bombers and pursuit planes, manned by American pilots, are engaged in daily contact with the enemy in the southwest Pacific, as well as thousands of American troops engaged in ground operations.

In his talk the President also took occasion to remark that "the consequences of the attack on Pearl Harbor—serious as they were—have been wildly exaggerated" with respect to deaths, ship losses and planes destroyed. He promised that the Government will tell the people "the general trend of how the war is going" withholding only that information which is of value to the enemy.

In full the President's address as reported by the Associated Press, follows:

Washington's Birthday is a most appropriate occasion for us to talk with each other about things as they are today and things as we know they shall be in the future.

For eight years, Gen. Washington and his Continental Army were faced continually with formidable odds and recurring defeats. Supplies and equipment were lacking. In a sense every winter was a Valley Forge. Throughout the 13 States there existed fifth columnists—selfish men, jealous men, fearful men, who proclaimed that Washington's cause was hopeless, that he should ask for a negotiated peace.

Washington's conduct in those hard times has provided the model for all Americans ever since—a model of moral stamina. He held to his course, as it had been charted in the Declaration of Independence. He and the brave men who served with him knew that no man's life or fortune was secure, without freedom and free institutions.

The present great struggle has taught us increasingly that freedom of person and security of property anywhere in the world depend upon the security of the rights and obligations of liberty and justice everywhere in the world.

This war is a new kind of war. It is different from all other wars of the past, not only in its methods and weapons but also in its geography. It is warfare in terms of every continent, every island, every sea, every air lane in the world.

That is the reason why I have asked you to take out and spread before you the map of the whole earth, and to follow with me the references which I shall make to the world-encircling battle lines of this war. Many questions will, I fear, remain unanswered, but I know you will realize I cannot cover everything in any one report to the people.

The broad oceans which have been heralded in the past as our protection from attack have become endless battlefields, on which we are constantly being challenged by our enemies.

We must all understand and face the hard fact that our job now is to fight at distances which extend all the way around the globe.

We fight at these vast distances because that is where our enemies are. Until our flow of supplies gives us clear superiority we must keep on striking our enemies wherever and whenever we can meet them, even if, for a while, we have to yield ground.

increasingly the policy of carrying the war to the enemy in distant lands and distant waters—as far as possible from our own home grounds.

There are four main lines of communication now being traveled by our ships: the North Atlantic, the South Atlantic, the Indian Ocean and the South Pacific. These routes are not one-way streets—for the ships which carry our troops and munitions outbound bring back essential raw materials which we require for our own use.

The maintenance of these vital lines is a very tough job. It is a job which requires tremendous daring, tremendous resourcefulness and, above all, tremendous production of planes and tanks and guns and of the ships to carry them. And I speak again for the American people when I say that we can and will do that job.

The defense of the worldwide lines of communication demands relatively safe use by us of the sea and of the air along the various routes; and this, in turn, depends upon control by the United Nations of the strategic bases along those routes.

Control of the air involves the simultaneous use of two types of planes—first, the long-range heavy bomber; and second, light bombers, dive-bombers, torpedo planes, and short-range pursuit planes which are essential to the protection of the bases and of the bombers themselves.

Heavy bombers can fly under their own power from here to the southwest Pacific; but the smaller planes cannot. Therefore, these lighter planes have to be packed in crates and sent on board cargo ships. Look at your map again, and you will see that the route is long—and, at many places, perilous—either across the South Atlantic around South Africa or from California to the East Indies direct. A vessel can make a round trip by either route in about four months, or only three round trips in a whole year.

In spite of the length and difficulties of this transportation, I can tell you that we already have a large number of bombers and pursuit planes, manned by American pilots, which are now in daily contact with the enemy in the southwest Pacific. And thousands of American troops are today in that area engaged in operations not only in the air but on the ground as well.

In this battle area Japan has had an obvious initial advantage. For she could fly even her short-range planes to the points of attack by using many stepping stones open to her—bases in a multitude of Pacific islands and also bases on the China Indo-China, Thailand and Malay coasts. Japanese troop transports could go south from Japan and China through the narrow China Sea, which can be protected by Japanese planes throughout its whole length.

I ask you to look at your maps again, particularly at that portion of the Pacific Ocean lying west of Hawaii. Before this war even started the Philippine Islands were already surrounded on three sides by Japanese power. On the west the Japanese were in possession of the coast of China and the coast of Indo-China, which had been yielded to them by the Vichy French. On the north are the islands of Japan themselves, reaching down almost to northern Luzon. On the east are the mandated islands—which Japan had occupied exclusively and had fortified in absolute violation of her written word.

These islands, hundreds of them, appear only as small dots on most maps. But they cover a large strategic area. Guam lies in the middle of them—a lone

outpost which we never fortified.

Under the Washington treaty of 1921 we had solemnly agreed not to add to the fortification of the Philippine Islands. We had no safe naval base there, so we could not use the islands for extensive naval operations.

Immediately after this war started the Japanese forces moved down on either side of the Philippines to numerous points south of them—thereby completely encircling the islands from north, south, east and west.

It is that complete encirclement, with control of the air by Japanese land-based aircraft, which has prevented us from sending substantial re-enforcements of men and material to the gallant defenders of the Philippines. For forty years it has always been our strategy—a strategy born of necessity—that in the event of a full-scale attack on the islands by Japan we should fight a delaying action, attempting to retire slowly into Bataan Peninsular and Corregidor.

We knew that the war as a whole would have to be fought and won by a process of attrition against Japan itself. We knew all along that, with our greater resources, we could outbuild Japan and ultimately overwhelm her on sea, on land and in the air. We knew that, to obtain our objective, many varieties of operation would be necessary in areas other than the Philippines.

Nothing that has occurred in the last two months has caused us to revise this basic strategy—except that the defense put up by Gen. MacArthur has magnificently exceeded the previous estimates; and he and his men are gaining eternal glory therefor.

MacArthur's army of Filipinos and Americans, and the forces of the United Nations in China, in Burma and the Netherlands East Indies are all together fulfilling the same essential task. They are making Japan pay an increasingly terrible price for her ambitious attempts to seize control of the whole Asiatic world. Every Japanese transport sunk off Java is one less transport that they can use to carry re-enforcements to their army opposing Gen. MacArthur in Luzon.

It has been said that Japanese gains in the Philippines were made possible only by the success of their surprise attack on Pearl Harbor. I tell you that this is not so.

Even if the attack had not been made, your map will show that it would have been a hopeless operation for us to send the fleet to the Philippines through thousands of miles of ocean, while all those island bases were under the sole control of the Japanese.

The consequences of the attack on Pearl Harbor—serious as they were—have been widely exaggerated in other ways. These exaggerations come originally from Axis propagandists; but they have been repeated, I regret to say, by Americans in and out of public life.

You and I have the utmost contempt for Americans who, since Pearl Harbor, have whispered or announced "off the record" that there was no longer any Pacific Fleet—that the fleet was all sunk or destroyed on Dec. 7—that more than one thousand of our planes were destroyed on the ground. They have suggested slyly that the Government has withheld the truth about casualties—that eleven or twelve thousand men were killed at Pearl Harbor instead of the figures as officially announced. They have even served the enemy propagandists by spreading the incredible story that shiploads of bodies of our honored American dead

were about to arrive in New York Harbor to be put in a common grave.

Almost every Axis broadcast directly quotes Americans, who, by speech or in the press, make damnable misstatements such as these.

The American people realize that in many cases details of military operations cannot be disclosed until we are absolutely certain that the announcement will not give to the enemy military information which he does not already possess.

Your Government has unmistakable confidence in your ability to hear the worst, without flinching or losing heart. You must, in turn, have complete confidence that your Government is keeping nothing from you except information that will help the enemy in his attempt to destroy us. In a democracy there is always a solemn pact of truth between the Government and the people, but there must also always be a full use of discretion—and that word "discretion" applies to the critics of Government as well.

This is war. The American people want to know, and will be told, the general trend of how the war is going. But they do not wish to help the enemy any more than our fighting forces do, and they will pay little attention to the rumor-mongers and poison peddlers in our midst.

To pass from the realm of rumor and poison to the field of facts: The number of our officers and men killed in the attack on Pearl Harbor on Dec. 7 was 2,340 and the number wounded was 946. Of all the combatant ships based on Pearl Harbor—battleships, heavy cruisers, light cruisers, aircraft carriers, destroyers and submarines only three were permanently put out of commission.

Very many of the ships of the Pacific fleet were not even in Pearl Harbor. Some of those that were there were hit very slightly and others that were damaged have either rejoined the fleet by now or are still undergoing repairs. When those repairs are completed, the ships will be more efficient fighting machines than they were before.

The report that we lost more than a thousand airplanes at Pearl Harbor is as baseless as the other weird rumors. The Japanese do not know just how many planes they destroyed that day, and I am not going to tell them. But I can say that to date—and including Pearl Harbor—we have destroyed considerably more Japanese planes than they have destroyed of ours.

We have most certainly suffered losses—from Hitler's U-boats in the Atlantic as well as from the Japanese in the Pacific—and we shall suffer more of them before the turn of the tide. But, speaking for the United States of America, let me say once and for all to the people of the world: We Americans have been compelled to yield ground, but we will regain it. We and the other United Nations are committed to the destruction of the militarism of Japan and Germany. We are daily increasing our strength. Soon, we and not our enemies will have the offensive; we, not they, will win the final battles; and we, not they, will make the final peace.

Conquered nations in Europe know what the yoke of the Nazis is like. And the people of Korea and of Manchuria know in their flesh the harsh despotism of Japan. All of the people of Asia know that if there is to be an honorable and decent future for any of them or for us, that future depends on victory by the United Nations over the forces of Axis enslavement.

If a just and durable peace is to be attained, or even if all of

us are merely to save our own skins, there is one thought for us here at home to keep uppermost—the fulfillment of our special task of production.

Germany, Italy and Japan are very close to their maximum output of planes, guns, tanks and ships. The United Nations are not—especially the United States of America.

Our first job then is to build up production so that the United Nations can maintain control of the seas and attain control of the air—not merely a slight superiority, but an overwhelming superiority.

On Jan. 6 of this year I set certain definite goals of production for airplanes, tanks, guns and ships. The Axis propagandists called them fantastic. Tonight, nearly two months later, and after a careful survey of progress by Donald Nelson and others charged with responsibility for our production, I can tell you that those goals will be attained.

In every part of the country experts in production and the men and women at work in the plants are giving loyal service. With few exceptions, labor, capital and farming realize that this is no time either to make undue profits or to gain special advantages, one over the other.

We are calling for new plants and additions to old plants and for plant conversion to war needs. We are seeking more men and more women to run them. We are working longer hours. We are coming to realize that one extra plane or extra tank or extra gun or extra ship completed tomorrow may, in a few months, turn the tide on some distant battlefield; it may make the difference between life and death for some of our fighting men. We know now that if we lose this war it will be generations or even centuries before our conception of democracy can live again. And we can lose this war only if we slow our effort or if we waste our ammunition sniping at each other.

Here are three high purposes for every American:

1. We shall not stop work for a single day. If any dispute arises we shall keep on working while the dispute is solved by mediation, conciliation or arbitration—until the war is won.

2. We shall not demand special gains or special privileges or advantages for any one group or occupation.

3. We shall give up conveniences and modify the routine of our lives if our country asks us to do so. We will do it cheerfully, remembering that the common enemy seeks to destroy every home and every freedom in every part of our land.

This generation of Americans has come to realize, with a present and personal realization, that there is something larger and more important than the life of any individual or of any individual group—something for which a man will sacrifice, and gladly sacrifice, not only his pleasures, not only his goods, not only his associations with those he loves, but his life itself. In time of crises, when the future is in the balance, we come to understand, with full recognition and devotion, what this nation is, and what we owe to it.

The Axis propagandists have tried in various evil ways to destroy our determination and our morale. Failing in that, they are now trying to destroy our confidence in our own Allies. They say that the British are finished—that the Russians and Chinese are about to quit. Patriotic and sensible Americans will reject these absurdities. And instead of listening to any of this crude propaganda, they will recall some of the things that Nazis

and Japanese have said and are still saying about us.

Ever since this nation became the arsenal of democracy—ever since enactment of lend-lease—there has been one persistent theme through all Axis propaganda.

This theme has been that Americans are admittedly rich, and that Americans have considerable industrial power—but that Americans are soft and decadent, that they can not and will not unite and work and fight.

From Berlin, Rome and Tokio we have been described as a nation of weaklings—"playboys"—who would hire British soldiers, or Russian soldiers, or Chinese soldiers to do our fighting for us.

Let them repeat that now! Let them tell that to Gen. MacArthur and his men.

Let them tell that to the sailors who today are hitting hard in the far waters of the Pacific. Let them tell that to the boys in the flying fortresses.

Let them tell that to the marines!

The United Nations constitute an association of independent peoples of equal dignity and importance. The United Nations are dedicated to a common cause. We share equally and with equal zeal the anguish and awful sacrifices of war. In the partnership of our common enterprise we must share in a unified plan, in which all of us must play our several parts, each of us, being equally indispensable and dependent one on the other.

We have unified command and cooperation and comradeship.

We Americans will contribute unified production and unified acceptance of sacrifice and of effort. That means a national unity that can know no limitations of race or creed or selfish politics. The American people expect that much from themselves. And the American people will find ways and means of expressing their determination to their enemies including the Japanese admiral who has said that he will dictate the terms of peace here in the White House.

We of the United Nations are agreed on certain broad principles in the kind of peace we seek. The Atlantic Charter applies not only to the parts of the world that border the Atlantic, but to the whole world; disarmament of aggressors, self-determination of nations and people, and the four freedoms—freedom of speech, freedom of religion, freedom from want and freedom from fear.

The British and the Russian people have known the full fury of Nazi onslaught. There have been times when the fate of London and Moscow was in serious doubt. But there was never the slightest question that either the British or the Russians would yield. And today all the United Nations salute the superb Russian Army as it celebrates the 24th anniversary of its first assembly.

Though their homeland was overrun, the Dutch people are still fighting stubbornly and powerfully overseas.

The great Chinese people have suffered grievous losses; Chungking has been almost wiped out of existence—yet it remains the capital of an unbeatable China.

That is the conquering spirit which prevails throughout the United Nations in this war.

The task that we Americans now face will test us to the uttermost.

Never before have we been called upon for such a prodigious effort. Never before have we had so little time in which to do so much.

"These are the times that try men's souls."

Tom Paine wrote those words on a drum-head by the light of a campfire. That was when

Washington's little army of ragged, rugged men was retreating across New Jersey, having tasted nothing but defeat.

And General Washington ordered that these great words written by Tom Paine be read to the men of every regiment in the Continental Army, and this was the assurance given to the first American armed forces:

"The summer soldier and the sunshine patriot will, in this crisis, shrink from the service of their country; but he that stands it now, deserves the love and thanks of man and woman. Tyranny, like hell, is not easily conquered; yet we have this consolation with us, that the harder the sacrifice, the more glorious the triumph."

So spoke Americans in the year 1776.

So speak Americans today!

Warn Of Seriousness Of Rubber Shortage

Donald M. Nelson, Chairman of the War Production Board, and Jesse H. Jones, Secretary of Commerce, declared in a joint statement issued on Feb. 14 that "unless we restrict all civilian use of rubber to the bare essentials, we shall not have enough for our military machine during the next two years."

Saying it is important that the citizens understand the country's rubber situation, the joint statement explained that rubber is now being rationed because "it is an absolute military necessity" and "our national safety" depends on it. The statement of Mr. Jones and Mr. Nelson follows:

It is extremely important that every citizen understand our situation in rubber.

We cannot win the war unless our military forces have an ample supply of rubber. If rubber is lacking our planes can't fly, our tanks can't move, our field guns can't operate, our warships can't function.

It is perfectly true that we have in the United States today a large stockpile of crude rubber. It is also true that more rubber is coming in. In addition, we have started a program to make synthetic rubber which eventually will give us a substantial supply.

Fighting with the Japs is now occurring in the area our rubber comes from. In fact, the Malayan Peninsula, from which a large part of our rubber supply is normally obtained, is wholly in Japanese possession today. We have to drive them out before we can get any more rubber from that area.

The rubber we have today plus the rubber that is on its way in and the rubber we shall eventually make in our new factories is all the new rubber we can count on at this time. There is about enough to enable us to complete our great armament program—but there is not going to be any to spare. We dare not waste any.

So we have made our choice. We go without any new rubber tires for civilian use this year so that we need not go without rubber for our tanks, planes, guns and warships next year. Unless we restrict all civilian use of rubber to the bare essentials, we shall not have enough for our military machine during the next two years.

We are rationing rubber now. We are doing so because it is an absolute military necessity. Every American must understand that the fact that we do have large supplies of rubber in this country does not in the least mean that we civilians may have all we want. It simply means that, because some foresight was exercised, our military needs during the next couple of years can be met—provided that civilian use is held to the absolute minimum.

We should not be rationing rubber today if our national safety did not depend on it. Every one of us who is used to riding on rubber without giving the supply a thought should look at his tires and say:

"That's all there is. There isn't any more"—and proceed accordingly until adequate supplies are once more assured.

Your government is aware of the seriousness of this rubber supply problem and is working on all fronts to alleviate this situation as much as possible.

We need rubber to "keep 'em rolling" for the United States and every one of our Allies.

January Life Insurance Sales Up

The sales of ordinary life insurance in the United States in January amounted to \$1,001,653,000 or 93% above the volume sold in January, 1941, according to the monthly survey issued by the Life Insurance Sales Research Bureau, Hartford, Conn.

The sales volume and the ratios for all sections are reported by the Bureau as follows:

	JANUARY 1942		Ratios 1942-1941 All Cos.
	Sales Volume in \$1,000		
U. S. total	\$1,001,653	193%	
New England	83,056	193%	
Middle Atlantic	309,292	205%	
East North Central	220,739	184%	
West North Central	87,332	186%	
South Atlantic	91,272	185%	
East South Central	38,273	202%	
West South Central	67,602	190%	
Mountain	21,694	173%	
Pacific	82,393	192%	

Total Subscriptions To Treasury Bond Offering

Secretary of the Treasury Morgenthau announced on Feb. 18 the subscription figures and the basis of allotment for the offering of \$1,500,000,000 of 2 1/2% Treasury bonds of 1952-55. The announcement also says:

Reports received from the Federal Reserve Banks show that subscriptions total approximately \$4,697,000,000. Subscriptions in amounts up to and including \$5,000, totaling about \$14,000,000, where the subscribers specified that delivery be made in registered bonds 90 days after the issue date, were allotted in full. All other subscriptions were allotted 32% on a straight percentage basis, with adjustments, where necessary, to the \$100 denomination.

Further details as to subscriptions and allotments will be announced when final reports are received from the Federal Reserve Banks.

The details of the offering were given in these columns Feb. 19, page 764.

Conway Named Director

Carle C. Conway, Chairman of the Board of the Continental Can Co., New York, has been nominated to be a Class B Director of Federal Reserve Bank of New York. Mr. Conway was named by member banks in Group 3 for the term of office ending Dec. 31, 1942, to succeed Robert T. Stevens, resigned. The polls are now open for balloting by the banks and will close on March 6.

Mr. Conway has been an officer of the Continental Can Co. since 1912, when he was made a Vice-President and a member of the Board of Directors and of the Executive Committee. He became President of the company in 1926 and Chairman of the Board in 1930. Mr. Conway is also a Director of the Reading Co. of Philadelphia and the Vulcan Detining Co. He is likewise a member of the Business Advisory Council of the United States Department of Commerce.

Petroleum And Its Products

The threatened shortage of fuel oils on the East Coast was strikingly highlighted in the week-end appeal by W. S. Farish, President of Standard Oil Co. (N. J.) to refiners of fuel oil as far as Texas, Kansas and Nebraska in telegrams asking help in securing kerosene, heating and heavy fuel oils as a means of avoiding rationing of these petroleum products on the Atlantic Coastline.

"We are in desperate need of kerosene, range oil, No. 2 heating oil and Bunker C or No. 6 fuel oil," Mr. Farish's wire stated. "Will appreciate any help that you can offer. Please immediately wire E. A. Holbein, Standard Oil Co. of New Jersey, 26 Broadway, New York City, collect what you can offer loaded in cars furnished by you, including price, quality and conditions. Specify deliveries, first over 30 days, and second over succeeding 30 days. Will also appreciate additional offers, we to furnish the cars."

East Coast inventories of gas oil and distillate fuels of the type needed in home and industrial heating have slumped more than 50% during the five-week period ending February 14. A drop of 2,428,000 barrels was recorded for the week ended February 14 by the American Petroleum Institute, latest figures available, while a decline of 5,414,000 barrels was shown in the preceding month. Tankers sunk or damaged by enemy submarines preying upon coastwise shipping and the transfer of other tankers to military service has cut down receipts of heating oils, with stocks far below last year's figure.

Reserves of the heating fuel oils had been slashed to 10,328,000 bbls. by February 14 as compared with holdings of 21,900,000 barrels on December 6, when the sustained drain upon inventories resulting from our entrance into World War No. 2 was initiated. The dramatic action taken by Mr. Farish was believed to have ended hopes of some oilmen that a "borrowing" system whereby one supplier holding sufficient stocks to meet his needs would help out other suppliers whose inventories were insufficient to cover their commitments since it now appears as though such a program could not operate successfully.

Regulations restricting fuel oil deliveries to home, industries and for commercial purposes in the East were announced in Washington on February 20 by Petroleum Coordinator Harold L. Ickes as the Government sought to hold down consumption of heating oils in the face of fast diminishing inventories as a result of torpedoed tanker losses and diversion of other tankers to military purposes. Planned to spread the available supplies so that consumers may share equitably, the program, to become effective immediately, provides:

(1) No marketer shall deliver fuel oil to any consumer for uses other than for domestic heating if that consumer's stock of fuel oil is in excess of the amount he would normally use during the ensuing 14 days.

(2) If, however, a consumer's stock drops to or below the amount he would normally use in the next 14 days, the marketer will be permitted to sell or deliver an amount of fuel up to but not exceeding the capacity of a single tank car or other transportation unit normally used in making deliveries to the consumer, or an approximate two week's supply, whichever quantity is the smaller. Similar provisions govern deliveries by marketers to resellers.

(3) In the case of consumers using fuel oil for domestic heating, no delivery may be made if the consumer's stock exceeds 20% of the capacity of his fuel tank. When or if the consumer's stock falls below 20%, then a marketer may deliver fuel oil up to the amount required to bring the total contents of the tank to 75% of capacity.

The new rules, which affect deliveries in the 17 Atlantic Sea-

board States, will hit the approximate 1,250,000 homes using oil for heating in the area. Certain exemptions were provided for such as for deliveries to hospitals and other essential services. Rail tank movements during the February 14 week, Mr. Ickes reported, hit a new high of 256,725 barrels daily, or the haul equivalent of approximately 50 ship tankers. The previous high of 222,975 barrels was recorded in the preceding week.

"The plan is not rationing and it should not be construed by anyone as rationing," the office of the Petroleum Coordinator pointed out. "Rationing comes into effect only when the consumption of a commodity is curtailed and controlled. This plan does not control consumption. It is the earnest hope of this office, however, that the public will use oil wisely, in order that we may accomplish the purpose of this plan: the most equitable possible spreading of available."

A few days prior to the delivery regulations, Petroleum Coordinator Ickes called for the pooling of tankers hauling oil from Gulf ports to the Atlantic Seaboard to counteract difficulties resulting from sinkings and transfer of vessels to military service. The oil industry was requested to prepare a program "for the most efficient utilization and operation of tank ships on a basis that will enable the equitable sharing of the available tonnage by all affected units of the industry."

Tankers now are being operated by the individual oil companies, several of which have been hit by tanker losses due to the enemy submarine campaign against coastwise shipping. Ralph K. Davies, Deputy Petroleum Coordinator, said it was "the particular desire of the Coordinator's office that no individual operator, and especially the small independent, be affected in degree greater than any other person or company engaged in meeting the needs of the East Coast for petroleum."

The March crude oil production rate was set this week by Petroleum Coordinator Ickes at 3,996,800 barrels compared with 4,101,800 barrels for the current month and 3,579,400 barrels for March last year. The March output figure, based upon the Bureau of Mines forecast of demand, is 105,000 barrels less than for February, despite the continued heavy demand for petroleum in Eastern consuming centers. Mr. Ickes said that the reduction reflected particularly the fact that crude oil and refined products stocks had been piled up on the Gulf Coast due to transportation difficulties.

A gain of 6,415 barrels in daily average production of crude oil in the United States for the week ended February 21 lifted the total to 4,077,473 barrels, the *Oil & Gas Journal* reported this week. Texas production was up 11,150 barrels to 1,513,000; Illinois up 6,610 barrels to 345,750; Oklahoma up 3,750 barrels to 396,750 barrels, and Eastern fields 1,450 to 112,750 barrels. Stocks of domestic and imported crude oil held in the United States during the February 14 week was up 2,097,000 barrels to 254,463,000 barrels, the Bureau of Mines reported this week. Holdings of domestic crude oil were up 2,374,000 barrels, with stocks of foreign crude oil dipping 277,000 barrels.

Shortage of tankers plus the hazards of coastwise shipping in running the submarine gauntlet have forced West Coast oil companies to resort to the use of railroad tank cars to carry California oil to the Pacific Northwest, de-

spite the extremely high cost of such transportation as contrasted to the regular tanker system. Several shipments by rail have been made from central California and further shipments are planned from the central and southern sections of the state. The companies involved have had to use their own tank cars since the railroads have no excess cars.

The curtailed coastwise tanker shipments of crude and refined products have revived interest in pipelines to replace the lost shipping space. A week or so, Petroleum Coordinator Ickes made it known that he was planning to recommend the plans for the pipeline from East Texas to the Atlantic coast, which was dropped last summer when the industry could not obtain adequate supplies of raw materials. This week brought news that the Office of Petroleum Coordinator would be asked to discuss a proposed 900-mile pipeline from West Texas and New Mexico to San Francisco and Los Angeles while in Washington the Trans-American Pipeline Corp. has asked a defense transportation coordinator's committee to recommend approval of a new pipeline from Wichita County, Texas, to Savannah, Ga.

Representative price changes follow:
Feb. 20 — The Arkansas Fuel Oil Co. posted a top price of \$1.20 a barrel for 40 gravity and above for crude produced in Haynesville field of Claiborne Parish, Louisiana, an initial posting.

Prices of Typical Crude per Barrel At Wells

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

Bradford, Pa.	\$2.75
Corning, Pa.	1.31
Eastern Illinois	1.22
Illinois Basin	1.37
Mid-Continent, Okla., 40 and above	1.25
Smackover, Heavy	0.83
Rodessa, Ark., 40 and above	1.20
East Texas, Texas, 40 and above	1.25
Kettleman Hills, 37.9 and over	1.29
Pecos County, Texas	0.95
Lance Creek, Wyo.	1.12
Signal Hill, 30.9 and over	1.23

Retail prices of gasoline, reflecting the advances in the East authorized by the Office of Price Administration during the month, moved to the highest level since late 1937 during January with consumers paying 2.01 cents a gallon more in February than a year ago. The survey, which covered 50 leading cities throughout the country, showed net dealer prices of 10.16 cents a gallon on February 1, against 9.98 cents a month earlier and 8.54 cents a gallon on the comparable date a year ago.

The service station price of gasoline, the survey showed, was 14.12 cents a gallon, before taxes, an increase of 18 points over the January 1 level and comparing with 12.18 cents a gallon a year earlier. Adding 5.97 cents a gallon for taxes, consumers paid 20.09 cents a gallon on February 1, the highest since November, 1937, and compared with 19.91 on January 1 and 18.08 cents on February 1, 1941.

Total demand for motor fuel in the United States during March was forecast Tuesday by the Bureau of Mines at 55,600,000 barrels, a gain of 10% over actual demand for the comparable 1941 month. Statistics of the American Petroleum Institute, the Bureau said, indicated that gasoline inventories gained 5,700,000 barrels during January, which would bring them to approximately 99,800,000 barrels on January 31, or better than 9,000,000 barrels over the motor fuel in stock a year earlier.

However, the distribution indicates there will be difficulties in supplying the needs in the Atlantic Coast and North Pacific Coast areas," the Bureau said, adding that the Indiana-Illinois district may be called upon to furnish a greater proportion to the

East Coast and the Appalachian districts than heretofore. The reference to the two coasts indicated that the Bureau apparently felt that enemy submarine attacks would continue to hamper coastwise tanker movements.

"The total demand for all oils in December, 1941, showed a gain of almost 17% over December, 1940, and partial data available for January indicated an estimated gain of about 14% over January, 1941," the Bureau stated. "These figures indicate a rate of total demand considerably higher than was anticipated. The sharp drop in demand for crude petroleum in January consequently was not due to a decline in the total demand for all oils but to a reduction in refinery runs, with the rise in crude stocks being offset by an unusually large seasonal reduction in refined stocks, particularly of fuel oils.

"This situation may be attributed to the disturbance of regional movements in the East Coast and West Coast districts, to uncertainty as to the future trend of gasoline due to tire rationing and to a consequent readjustment in refinery operations reflected in a reduction of total runs with abnormal seasonal yields of gasoline and low seasonal yields of distillate and residual fuel oil. While the demand for all oils may be reduced materially if rationing becomes necessary on the East Coast the current rate of crude runs seems lower than is warranted by the trends of total demand and further large decreases in

national stocks of refined products seem undesirable."

U. S. Gasoline (Above 65 Octane), Tank Car Lots, F. O. B. Refinery	
New York	.....
Secony-Vac	..... \$0.88
Tide Water Oil	..... .088
Texas	..... .088
Shell Eastern	..... .088
Other Cities—	
Chicago	..... .06-.06%
Gulf Coast	..... .06-.06
Oklahoma	..... .06-.06%
*Super.	
Kerosene, 41-43 Water White, Tank Car, F. O. B. Refinery	
New York (Bayonne)	..... \$0.53
Baltimore	..... .054
Philadelphia	..... .054
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	..... \$1.35
Diesel	..... 2.15
Savannah, Bunker C	..... 1.30
Philadelphia, Bunker C	..... 1.35
Gulf Coast	..... .85
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%

Moody's Daily Commodity Index

Tuesday, Feb. 17	229.0
Wednesday, Feb. 18	228.0
Thursday, Feb. 19	227.5
Friday, Feb. 20	228.2
Saturday, Feb. 21	228.1
Monday, Feb. 22	228.1
Tuesday, Feb. 23	228.1
Two weeks ago, Feb. 10	226.5
Month ago, Jan. 24	225.9
Year ago, Feb. 24	174.2
1941 High—Sept. 9	219.9
Low—Feb. 17	171.6
1942 High—Feb. 17	229.0
Low—Jan. 2	220.0
*Holiday.	

Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES†									
(Based on Average Yields)									
1942—	U. S. Govt. Bonds	Avg. Corporate	Corporate by Ratings *			Corporate by Groups *			
Daily Average			Aaa	Aa	A	Baa	R. R.	P. U.	Indus
Feb. 24	116.42	106.56	115.82	113.31	107.62	91.62	96.85	110.15	113.31
23			STOCK EXCHANGE CLOSED						
21	116.36	106.56	115.82	113.31	107.62	91.62	97.00	110.15	113.50
20	116.32	106.56	115.82	113.31	107.80	91.62	96.85	110.34	113.50
19	116.10	106.56	116.02	113.31	107.80	91.62	96.85	110.34	113.50
18	115.90	106.56	116.22	113.50	107.80	91.48	96.85	110.52	113.50
17	116.03	106.56	116.02	113.50	107.80	91.48	96.85	110.52	113.50
16	116.30	106.74	116.22	113.50	107.80	91.62	97.00	110.70	113.31
14	116.39	106.74	116.22	113.50	107.80	91.77	97.00	110.52	113.50
13	116.27	106.74	116.41	113.50	107.80	91.77	97.16	110.70	113.50
STOCK EXCHANGE CLOSED									
11	116.56	106.74	116.22	113.50	107.08	91.77	97.00	110.70	113.70
10	116.70	106.74	116.22	113.70	107.98	91.77	97.16	110.70	113.70
9	116.93	106.92	116.22	113.70	107.98	91.91	97.16	110.52	113.70
7	117.01	106.92	116.22	113.70	107.98	91.91	97.16	110.52	113.70
6	117.02	106.74	116.41	113.50	107.80	91.91	97.16	110.70	113.70
5	117.10	106.92	116.41	113.70	107.80	91.91	97.16	110.52	113.70
4	117.10	106.74	116.22	113.70	107.80	91.91	97.16	110.52	113.70
3	117.16	106.74	116.22	113.70	107.80	91.91	97.16	110.52	113.50
2	117.17	106.74	116.22	113.50	107.80	92.06	97.31	110.52	113.50
Jan. 30	117.08	106.92	116.22	113.70	107.80	92.06	97.31	110.52	113.70
23	117.51	106.92	116.22	114.08	107.62	91.91	97.31	110.70	113.70
16	117.60	106.92	116.41	113.89	107.62	91.91	97.31	110.52	113.70
9	118.00	106.92	116.61	114.08	107.62	91.77	97.16	110.70	113.89
2	117.61	106.04	115.82	113.50	107.09	90.63	95.92	110.34	113.31
High 1942	118.10	106.92	116.61	114.08	107.98	92.06	97.47	110.88	113.89
Low 1942	115.90	106.04	115.82	113.31	107.09	90.63	95.92	110.15	113.31
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
1 Year ago									
Feb. 24, 1941	116.25	105.69	117.00	112.75	106.21	89.64	95.62	109.60	112.75
2 Years ago									
Feb. 24, 1940	115.32	102.30	116.02	112.00	101.14	84.30	90.63	107.09	110.88

MOODY'S BOND YIELD AVERAGES†									
(Based on Individual Closing Prices)									
1942—	Daily Average	Avg. Corporate	Corporate by Ratings			Corporate by Groups			
Feb. 24		3.36	2.86	2.99	3.30	4.30	3.95	3.16	2.99
23			STOCK EXCHANGE CLOSED						
21		3.36	2.86	2.99	3.30	4.30	3.94	3.16	2.98
20		3.36	2.86	2.99	3.29	4.30	3.95	3.15	2.98
19		3.36	2.85	2.99	3.29	4.30	3.95	3.15	2.98
18		3.36	2.84	2.98	3.29	4.31	3.95	3.14	2.98
17		3.36	2.85	2.98	3.29	4.31	3.95	3.14	2.98
16		3.35	2.84	2.98	3.29	4.30	3.94	3.13	2.99
14		3.35	2.84	2.98	3.29	4.29	3.94	3.14	2.98
13		3.35	2.83	2.98	3.29	4.29	3.93	3.13	2.98
STOCK EXCHANGE CLOSED									
11		3.35	2.84	2.98	3.29	4.29	3.94	3.13	2.97
10		3.35	2.84	2.97	3.28	4.29	3.93	3.13	2.97
9		3.34	2.84	2.97	3.28	4.28	3.93	3.14	2.97
7		3.34	2.84	2.97	3.28	4.28	3.93	3.14	2.97
6		3.35	2.83	2.97	3.29	4.28	3.93	3.13	2.97
5		3.34	2.83	2.97	3.29	4.28	3.93	3.14	2.97
4		3.35	2.84	2.97	3.29	4.28	3.93	3.14	2.97
3		3.35	2.84	2.97	3.29	4.28	3.93	3.14	2.98
2		3.35	2.84	2.98	3.29	4.27	3.92	3.14	2.98
Jan. 30		3.34	2.84	2.97	3.29	4.27	3.92	3.14	2.97
23		3.34	2.84	2.95	3.30	4.29	3.92	3.13	2.97
16		3.34	2.83	2.96	3.30	4.28	3.92	3.14	2.97
9		3.34	2.82	2.95	3.30	4.29	3.93	3.13	2.96
2		3.39	2.86	2.98	3.33	4.37	4.01	3.15	2.99
High 1942		3.39	2.86	2.99	3.33	4.37	4.01	3.15	2.99
Low 1942		3.34	2.82	2.95	3.28	4.27	3.91	3.12	2.96
High 1941		3.42	2.86	3.06	3.39	4.47	4.03	3.20	3.08
Low 1941		3.25	2.72	2.85	3.19	4.24	3.89	3.03	2.83
1 Year ago									
Feb. 24, 1941		3.41	2.80	3.02	3.38	4.44	4.03	3.19	3.02
2 Years ago									
Feb. 24, 1940		3.61	2.85	3.06	3.68	4.84	4.37	3.33	3.12

* These prices are computed from average yields on the basis of one "typical" bond (3% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages. The latter being the true picture of the bond market.
† The latest complete list of bonds used in computing these indexes was published in the issue of Oct. 2, 1941, page 409.

Statutory Debt Limitation As Of Jan. 31, 1942

The Treasury Department made public on Feb. 4 its monthly report showing the face amount of public debt obligations issued under the Second Liberty Bond Act (as amended) outstanding Jan. 31, 1942, totaled \$61,085,295,257 thus leaving the face amount of obligations which may be issued subject to the \$65,000,000,000 statutory debt limitation at \$3,914,704,743. In another table in the report the Treasury indicates that from the total face amount of outstanding public debt obligations (\$61,085,295,257) should be deducted \$1,641,662,023 (the unearned discount on savings bonds), reducing the total to \$59,443,633,234, and to this figure should be added \$567,946,117, the other public debt obligations outstanding, which however, are not subject to the debt limitation. Thus, the total gross public debt outstanding on Jan. 31 is shown as \$60,011,579,351.

The following is the Treasury's report as of Jan. 31:

Statutory Debt Limitation as of Jan. 31, 1942

Section 21 of the Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act, "shall not exceed in the aggregate \$65,000,000,000 outstanding at any one time."

The following table shows the face amount of obligations outstanding and the face amount which can still be issued under this limitation:

Total face amount that may be outstanding at any one time	\$65,000,000,000
Outstanding as of Jan. 31, 1942:	
Interest-bearing:	
Bonds—	
Treasury	\$34,383,270,400
Savings (maturity value)*	8,839,980,075
Depository	88,611,000
Adjusted service	732,265,157
	\$44,024,126,632
Treasury notes	11,061,194,875
Certificates of indebtedness	2,789,800,000
Treasury bills (maturity value)	2,101,451,000
	16,952,445,875
	\$60,976,572,507
Matured obligations, on which interest has ceased	108,722,750
	61,085,295,257
Face amount of obligations issuable under above authority	\$3,914,704,743
Reconciliation with Daily Statement of the United States Treasury Jan. 31, 1942	
Total face amount of outstanding public debt obligations issued under authority of the Second Liberty Bond Act, as amended	\$61,085,295,257
Deduct, unearned discount on Savings bonds (difference between current redemption value and maturity value)	1,641,662,023
	\$59,443,633,234
Add other public debt obligations outstanding but not subject to the statutory limitation:	
Interest-bearing (Pre-War, etc.)	\$195,990,180
Matured obligations on which interest has ceased	11,563,415
Bearing no interest	360,392,522
	567,946,117
Total gross debt outstanding as of Jan. 31, 1942	\$60,011,579,351

*Approximate maturity value. Principal amount (current redemption value) according to preliminary public debt statement \$7,198,318,052.

January Chain Store Sales At \$358,519,862

According to a compilation made by Merrill Lynch, Pierce, Fenner & Beane, 30 chain store companies, including two mail order companies, reported an increase of 36.5% in sales for January, 1942.

Although all groups benefited substantially from the month's general buying wave, companies concentrating on apparel lines made the best showing. In the aggregate, sales of six such companies were 53.6% greater than those for the initial month of 1941, with Bond Stores, Inc. having made the extreme individual gain of 156.8%. During the month fears of future shortages stimulated consumer purchases, as governmental orders restricted new production of rubber goods and woolsens for civilian use. Combined sales of three shoe chains were 49.6% in excess of those for January, 1941. On the other hand, at 33.7%, the rate of sales improvement accomplished by the two mail order companies was less than that for the chain store group as a whole, as was that of the one auto supply chain. In 1941, these two groups had led the procession. The compilation follows:

Sales	—Month of January—		%
	1942	1941	
6 Grocery Chains	\$104,232,724	\$75,650,911	37.8
11 5 & 10c Chains	78,295,344	60,303,895	29.8
6 Apparel Chains	45,261,035	28,534,521	58.6
1 Drug Chain	7,501,954	6,497,637	15.8
3 Shoe Chains	6,801,470	4,545,789	49.6
1 Auto Supply	4,946,000	3,686,000	34.2
28 Chains	\$247,038,527	\$179,200,753	37.9
2 Mail Orders	111,481,355	83,366,214	33.7
30 Companies	\$358,519,862	\$262,566,967	36.5

Small Business Division In War Production Favored; Murray & Sabath Bills Introduced

A bill proposing an amendment to the Reconstruction Finance Corp. to permit loans to be made without delay to small business firms engaged in any phase of war production work, was introduced in the House on Feb. 17 by Representative Sabath (Democrat), of Illinois. On the same day the formation of a division of small business production within the War Production Board was urged on Feb. 17 by Thurman Arnold, Assistant Attorney General in charge of the Anti-Trust Division, following his declaration that small business must have help in presenting its case and also that it must have independent representation. This is learned from advices to the New York "Journal of Commerce" from its Washington bureau, which reported Mr. Arnold as making his suggestions in testifying at a hearing before the Senate Banking and Currency Committee on the small business bill introduced by Senator James E. Murray (Democrat), of Montana. In its account, the "Journal of Commerce" had the following to say:

Mr. Sabath's bill calls for creation of a small business loan corporation, with a capital of \$100,000,000, to be financed by the RFC, which would make loans direct or at discount, or guarantee loans made by banks to small business companies. The proposed division of small business production in the Murray bill would inventory resources, promote contracts for small business, and expand production of needed raw materials.

The bill also authorized the formation of a Small Defense Plants Corporation within Reconstruction Finance Corporation, which would be charged with financing the conversion and operation of small defense plants needed in the defense program.

Speaking in support of his measure, Senator Murray said that its purpose is to "protect small business from threatened destruction by mobilizing the productive facilities of small business in the interests of successful prosecution of war and the keeping alive of all consumer business which will fortify morale on the home front."

Mr. Arnold said that the principal function of the proposed WPB small business unit would be to act as "counsel" for small business companies, which he defined as any business unable to employ its own representatives in Washington.

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The Committee said that 56 of America's 184,230 manufacturing establishments had received more than 75% of Army and Navy contracts, while the "remaining fragment of the defense program is distributed among about 6,000 prime contractors."

"Of the concerns not included in the defense program directly," the report added, "about 4,000 hold subcontracts. Over 174,000 manufacturing establishments have not been touched by the Office of Production Management in its mobilization of the Nation's industrial resources."

On Feb. 5 Senator Murray, the Chairman of the Senate Committee, told the Senate that under the Committee's bill the proposed new division would make a comprehensive inventory of the small business capacity of the United States to determine how it could best be used in war production.

On Jan. 25 it was disclosed by Floyd Odum, special adviser to Donald Nelson, War Production Board Chairman, that recommendations that a separate non-war agency be set up to minister to the needs of small business and see that it gets enough civilian business to keep operating have been devised. At that time the Washington "Post" said that Mr. Odum, who was in charge of the Division of Contract Distribution of the now defunct OPM, outlined his proposal over the American Forum of the Air radio program broadcast from Hotel Shoreham. His proposals, it was stated, were presented to Mr. Nelson and to Lieut. Gen. William Knudsen.

Small business, according to De Witt Emery, is bigger than so-called big business in national income, men employed and wages paid. Mr. Emery, who is founder and Manager of the National Small Business Men's Association, commented thus on Feb. 14, in discussing "Small Business, Labor and War Production," over the Mutual Network. He declared that Washington has not yet recognized the full war production possibilities of small business, and stated that small business "is a giant of unsuspected and unbelievable capacity, not for the production of tanks, ships and airplanes, but for producing the bits and pieces without which tanks, airplanes and ships can not be built."

Mr. Emery stated that part of the fault behind the non-participation of small manufacturers is the reluctance of small business to convert to war work as long as they are not able to find out whether their regular output is to be classed as essential or non-essential.

Mr. Emery sounded a warning to businesses that are not essential and have made no effort to convert to war production. He pointed out that any essential machinery may be seized by the Government even though the removal of one machine might disrupt the operation of the entire plant.

A warning to labor was also sounded by Mr. Emery, who stated:

"Strikes, jurisdictional and otherwise have got to stop. Also slow-downs and any and all other interferences with production, including the practice of many unions refusing admittance to factories of men and women who have not paid their dues."

New Cotton Exch. Member

At a meeting of the Board of Managers of the New York Cotton Exchange on Feb. 17, David Ker, a partner of Wolford, Geer & Ker of New Orleans, was elected to membership in the Exchange. Mr. Ker is also a member of the New Orleans Cotton Exchange.

1941 Automobile Financing Higher

The dollar volume of retail automobile financing in December, 1941 was 35.2% less than in December, 1940, 12.9% less than in December, 1939, and 9.8% more than in November, 1941, according to an announcement released Feb. 14 by J. C. Capt, Director of the Census. Wholesale financing was 21.9% less than in December, 1940, 10.2% more than in December, 1939, and 2.1% more than in November, 1941. Retail automobile receivables outstanding on Dec. 31 for 214 firms was reduced by 5.1% since Nov. 30 of this year. These 214 organizations accounted for the 94.5% of the total volume of retail financing reported for December by 400 organizations.

The total number of new and used cars financed in 1941 was 9.4% higher than in 1940, and 31.6% higher than in 1939. The dollar volume of retail financing in 1941 was 16.4% higher than in 1940, and 48.6% higher than in 1939. The average paper for the financing of new cars increased by 7.5% over 1940, and 12.9% over 1939. The average paper for used cars increased by 10.3% and 15.0%, respectively.

The table below presents statistics on wholesale and retail financing for 400 firms with monthly figures for 1941, and total figures for the year of 1940 and 1939. Figures of automobile financing for the month of November, 1941, were published in the Jan. 22, 1942 issue of the "Chronicle," page 340.

Year and Month	Retail Financing (400 Organizations)						
	Wholesale Financing			New Cars			
	Volume in Thousand Dollars	Number of Cars	Volume in Thousand Dollars	Number of Cars	Volume in Thousand Dollars	Number of Cars	Volume in Thousand Dollars
1941—							
January	\$236,870	323,220	\$147,186	112,583	\$80,738	210,632	\$66,447
February	248,288	346,450	158,693	125,094	89,540	221,356	69,152
March	270,486	434,723	202,792	166,791	118,369	267,932	84,423
April	243,103	507,929	236,800	192,750	136,463	315,179	100,336
May	251,490	528,509	248,313	196,797	141,024	331,712	107,289
June	231,322	508,266	238,039	179,309	129,877	328,957	108,162
July	202,022	455,830	210,627	151,157	110,624	304,673	100,003
August	91,772	381,511	172,801	110,782	83,518	270,729	89,282
September	89,333	250,656	104,078	56,055	43,427	194,601	60,651
October	198,874	247,214	106,680	67,162	50,073	180,052	56,606
November	194,256	208,727	94,901	57,938	44,425	150,789	50,476
December	198,294	223,768	104,243	61,932	47,981	161,834	56,282
Total (1941)	2,456,117	4,416,803	2,025,159	1,478,355	1,076,064	2,938,448	949,095
Total (1940)	2,163,902	4,038,535	1,740,329	1,449,822	981,951	2,588,713	758,378
Total (1939)	1,507,707	3,355,645	1,363,025	1,154,184	744,742	2,201,461	618,282

*Of this number 27.7% were new cars, 71.8% were used cars, and 0.5% unclassified.

RETAIL AUTOMOBILE RECEIVABLES OUTSTANDING END OF MONTH AS REPORTED BY 214 IDENTICAL ORGANIZATIONS

	1941		1940	
	\$	%	\$	%
January	1,180,906,448	876,699,079	1,542,871,600	1,105,275,234
February	1,208,702,083	887,096,773	1,560,029,489	1,116,928,055
March	1,255,229,506	918,645,709	1,493,636,261	1,097,627,143
April	1,340,696,165	971,940,670	1,435,361,363	1,114,526,350
May	1,432,542,508	1,021,533,732	1,379,444,978	1,137,469,065
June	1,499,983,244	1,063,638,452	1,308,676,173	1,166,050,596

Factory Employment Lower In January Except In Defense Industries, Payrolls Higher

Number of persons employed in New York State factories dropped 1.5% between the middle of December and the middle of January, according to a statement issued Feb. 20 by Industrial Commissioner Frieda S. Miller. Total weekly payrolls rose 2.2% during the month. The Commissioner stated that "as in December, increases in both employment and payrolls were reported by most firms in defense industries while decreases, due partly to seasonal factors, were noted in most industries producing goods for civilian consumption. These statements are based on preliminary tabulations covering reports from 2,325 representative manufacturers who employed a total of 538,204 shop workers in January on a weekly payroll of \$19,466,800," said the Department's advices, which added:

Index numbers of factory employment and payrolls, compiled by the Division of Statistics and Information under the direction of Dr. E. B. Patton, are being published for the first time with the years 1935-39 instead of 1925-27 as 100. The industry classification used is that recently prepared by the Technical Committee on Industrial Classification of the U. S. Division of Statistical Standards. Factory office workers are no longer included. Index numbers for January, on the new basis, were 139.1 (preliminary) for employment and 198.5 (preliminary) for payrolls. These figures represent gains of 18.0% and 45.4%, respectively, over January a year ago.

Payrolls Higher In Most Industrial Areas

All of the larger industrial centers of the State except Binghamton-Endicott-Johnson City reported higher payrolls in January than in December, although only three, Utica, Albany-Schenectady-Troy, and Buffalo reported more employees. The employment gains were due, in each instance, to hirings at defense plants. Payroll gains were more widely distributed. In the Buffalo area nearly all industries reported some increase in total payrolls. In Utica gains were noted in both metals and textiles as well as in some of the smaller industries. In the Albany-Schenectady-Troy area there were few increases in payrolls except in the metal industries.

Shoe factories in the Binghamton-Endicott-Johnson City area reported a small increase in employment between December and January which was wiped out by decreases in most other industries. Somewhat lower payrolls were reported in nearly all industries. Seasonal losses at canneries in the Rochester area and reduced activity in the clothing factories tended to offset gains at most of the other large Rochester industries. Changes in employment in the Syracuse area were relatively slight, although the changes that did occur were, for the most part, downward. Payrolls, on the other hand, were higher in most industries with especially large gains at plants making automobile equipment and other metal products.

New York City factories reported a drop of 2.9% in employment and a rise of 0.9% in payrolls between December and January. Nearly all industries in the food, tobacco, clothing and textile groups reported fewer employees and lower payrolls. Losses were heaviest in the fur goods and women's and misses' outerwear industries and in those industries making holiday merchandise such as candy, tobacco products, men's furnishings, women's underwear and miscellaneous apparel and accessories. Gains in both employment and pay-

rolls were noted in the manufacture of children's and infants' outerwear, millinery and meat products. Fairly severe losses were recorded also in the manufacture of rubber products, stone, clay and glass products, leather products, and in printing and paper goods. Smaller decreases were reported by manufacturers of chemicals and wood products. The gains in employment and payrolls which occurred in the New York City area were concentrated almost entirely in the transportation equipment and machinery industries and in a few other industries making products wholly or partly of metal.

Locality—	Percentage Change Dec., 1941 to Jan., 1942 (Preliminary)	
	Employment	Payrolls
Total State	-1.5	+ 2.2
Utica	+1.4	+10.1
Albany-Schenectady-Troy	+1.2	+ 7.3
Buffalo	+0.7	+ 7.8
Rochester	-0.8	+ 4.7
Syracuse	-1.1	+ 2.5
Binghamton-Endicott-Johnson City	-1.3	- 1.4
New York City	-2.9	+ 0.9

'Dollar-A-Year' Policy

Donald M. Nelson, Chairman of the War Production Board, issued on Feb. 17 new regulations concerning the appointment of persons on a "dollar-a-year" basis and for those employed on a "without compensation" status. Mr. Nelson recently outlined his plans for such a program before the Senate Defense Investigating Committee, which had questioned the policy of employing such persons.

The following is the procedure which Mr. Nelson indicated on Feb. 17 would be observed:

Each appointee must be an American citizen of high integrity and good moral character, of outstanding experience and ability, qualified for a responsible administrative, technical, consulting or advisory position, and in receipt of earned income from his current non-governmental employment at a rate of at least \$5,600 a year.

The position to which the appointment is made must be one requiring special business or technical knowledge and experience.

No "dollar-a-year" appointee shall make determinations directly affecting the affairs of the firm or company in which he is employed.

No permanent appointment shall be made except after a thorough investigation of the proposed appointee by one of the investigatory agencies of the Government.

The procedure relating to appointment of persons on a "without compensation" basis stipulates that such appointees may serve in an advisory capacity as Government consultants working in the public interest and not as representatives of a private employer or industry. Any person serving on such a basis may not be permitted to assume any administrative responsibility or to exercise any authority over, or direction of the work of, executives or employees of the War Production Board.

Mr. Nelson designated Sidney J. Weinberg, one of his assistants, to administer the new regulations, and also instructed WPB division heads to examine the lists of all "dollar-a-year" men now serving and to "terminate the appointments of all who do not qualify" within 30 days.

U. S. Labor Department Reports On Factory Workers' Hours And Earnings In December

Average hourly earnings of factory workers advanced 0.8% from mid-November to mid-December, to reach a level of 78.7 cents, Secretary of Labor Frances Perkins reported on Feb. 11. "This rise resulted partly from increased overtime and partly from wage-rate increases," she said. "Working hours in many of the defense industries exceeded previous levels and the average for all manufacturing (41.2 hours) showed an increase of 2.3% from November to December. Average weekly earnings (\$33.69) increased 3.3% over the month. Over the preceding year hourly earnings rose 15.2%; average hours worked per week increased 3.6%, and weekly earnings advanced 20.3%," said Secretary Perkins, who added:

While a larger number of wage earners received wage increases in December than in the preceding month, the total number affected as reported to the Bureau of Labor Statistics was only about half the October total and one-fourth the total affected during April, the peak month of 1941. From Nov. 15 to Dec. 15 wage increases averaging 7.4% and affecting approximately 238,000 employees in 576 manufacturing establishments were reported. In the durable-goods industries about 122,000 workers were affected, while in the nondurable-goods industries approximately 116,000 secured advances. Industries in which substantial numbers of workers were granted wage increases were as follows: boots and shoes, 24,600; paper and pulp, 19,000; foundries and machine shops, 14,800; steam and hot-water heating apparatus and steam fittings, 12,100; chemicals, 10,000; machine tools, 9,300; electrical machinery, 8,800; rayon and allied products, 7,800; brass, bronze and copper products, 6,400; instruments—professional, scientific and commercial, 5,900; cotton goods, 5,500; and radios, 5,300. Inasmuch as some firms may have failed to report wage increases to the Bureau of Labor Statistics and as the survey does not cover all establishments in an industry, these figures should not be construed as representing the total number of wage changes occurring during the period.

Among the key defense industries, the machine-tool and machine-tool accessories industries reached new high levels in working hours, with averages in December of 53.8 hours and 54.1 hours, respectively. The firearms industry also was in excess of 50 hours per wage earner with an average of 52.5 hours. Average weekly hours in other strategic industries were as follows: engines, turbines, etc. (49.9); explosives (47.0); foundries and machine shops (46.3); aircraft (46.2); shipbuilding (46.0); electrical machinery (44.7); brass, bronze, and copper products (44.5); ammunition (44.1); and blast furnaces, steel works and rolling mills (40.0).

Average hours per week in durable goods in December (42.8) were 2.3% above the November level, and 3.8% higher than in December, 1940. Hours in nondurable goods (39.4) increased 2.2% over the month, and 2.8% over the year. Gains in hourly earnings over the month were 0.6 and 1.1%, respectively. The durable-goods industry showed an increase over the year of 16.2%, as compared with a rise of 12.4% for nondurable goods. Weekly earnings in the durable-goods industries (\$38.65) increased 3.2%, while those in the nondurable-goods industries (\$26.90) showed a rise of 3.4% over the month. Weekly earnings in durable goods were 21.4% higher than in December, 1940, as compared with a rise of 16.1% in nondurable goods.

Average hourly earnings in the various mining industries showed but little change be-

tween mid-November and mid-December. Weekly earnings fell 12% in anthracite mines as a result of an approximately equivalent decrease in average hours worked. Moderate increases in weekly earnings were reported by the other mining industries. The levels of weekly earnings in both wholesale and retail trade showed little change from mid-November to mid-December. Hours worked in both branches of trade were slightly below December, 1940, levels, but weekly earnings were higher as hourly earnings increased over the year.

Each of the three branches of public utilities surveyed showed increases in average hours worked and hourly earnings. In the remaining industries surveyed, the changes over the month were not significant, except in private building construction, where increases in both hours and hourly earnings resulted in a gain of 5.3% in weekly earnings between November and December.

Favors Full Time Work On Holidays For Duration

In accordance with the request of War Production Chief Nelson, practically all shops and factories producing essential war goods worked full time on Washington's birthday, observed this year on Monday 23. It is likely that this policy will also be observed on future national holidays.

Mr. Nelson made his request for no shutdown on the production line in a statement issued Feb. 18. He told management and labor that the country "is fighting for its life," adding that "if we lose the battle of production we lose the war."

Mr. Nelson's statement was as follows:

The United States is fighting for its life. I mean that. We're on the spot. We're paying heavily for our complacency, for our selfishness, for our failure to peel off our shirts and do a job.

A lot of good American boys right now are face to face with a grim, determined, well-equipped enemy. They're taking punishment—taking it with courage and in the spirit that has always animated American troops. But those boys can't stop planes and tanks with their bare hands. They can't get where they have got to go without what it takes to get there. Only we can give it to them.

You and I, every one of us here at home, must realize now, today, that we can give those boys the weapons they need only by going the limit in producing them. We cannot let any consideration whatsoever interfere with the job of production.

In this battle of production—on which the actual physical battle with the enemy depends—we can waste neither time, men nor machinery. We cannot win unless we make the most effective use possible of all three. And if we lose the battle of production we lose the war.

Monday, Feb. 23, will be celebrated as Washington's Birthday. The best way to celebrate this year will be to make that Monday a day of full production in every shop and factory producing essential goods for war.

This responsibility rests on both management and labor. We must not have a Washing-

ton's Birthday shutdown anywhere on the production line.

If in any plant a holiday is scheduled for next Monday—cancel it.

If in any plant there is disagreement as to the terms under which work will be done on Washington's birthday—do the job and settle later. We, in the War Production Board, will help you adjust it if you wish. The important thing is to get the work done.

The most effective way to honor George Washington's memory this year is to work full time so that the nation to which he gave independence can make that independence stick.

Urge Nat'l Garden Week

Secretary of Agriculture Claude R. Wickard and Paul V. McNutt, Director of the Office of Defense Health and Welfare Services, have sent a joint letter to all State Governors suggesting that they issue a proclamation setting aside one week before March 1 as National Garden Enrollment Week. They were requested to send the letter by the National Advisory Garden Committee appointed recently. Gov. Prentice Cooper of Tennessee is Chairman of the Committee. "Family Gardens and Home Food Supplies, particularly on farms, are significant elements in community war food production plans," Secretary Wickard and Director McNutt pointed out. "The Department of Agriculture is very anxious that there be a good garden on every farm. Gardens can contribute much to the objective of the National Nutrition Program." The Department's announcement said:

State Agricultural Extension Services in a number of States already have held Victory Garden Conferences of State agencies and groups interested in gardens. Victory garden programs are well underway in most States. The fullest cooperation of State Governors, and the proclamation setting aside a special garden week, should do much to help the various agencies in enrolling people who have available ground and garden facilities and who wish to plant an adequate garden for home food supply.

Mtg. Bankers To Meet

The principal speakers at the first 1942 Conference and Mortgage Clinic of the Mortgage Bankers Association of America, to be held at the Knickerbocker Hotel in Chicago, Feb. 27 and 28, are Sullivan Jones, Director of Housing Priorities of the War Production Board; Raymond T. Cahill, Assistant FHA Administrator; Claude L. Benner, Vice-President, Continental American Life Insurance Co., Wilmington, and James A. McLain, President, The Guardian Life Insurance Co. of America. Mr. Jones will speak on priorities as they affect housing and Mr. Cahill will talk on FHA Title VI loans for defense housing. Mr. Benner will speak on the outlook for mortgage banking in a wartime economy and Mr. McLain's address will be devoted to conventional-type mortgages.

Approximately 600 mortgage bankers, commercial bankers, real estate and title and trust company officials from 15 middle western and southern States are expected. Similar two-day clinics are scheduled for March, April and May in Seattle, San Francisco, Los Angeles, Dallas, New Orleans, Philadelphia, Atlanta, Nashville and Cleveland and one-day meetings in Salt Lake City and Denver.

FHLBS Housing Loans

Nearly \$700,000,000 was advanced by member savings and loan associations of the Federal Home Loan Bank System for construction and purchase of homes in defense areas during 1941, according to a survey published in the current issue of the Federal Home Loan Bank Review. The announcement by the Home Loan Bank Board Feb. 21 says:

These associations reported loans for all purposes in defense areas totaling \$900,000,000. New construction loans aggregated \$311,000,000, while an additional \$370,000,000 was advanced for home purchases.

For the second consecutive year, the Review said, new mortgage lending by all savings and loan associations in the United States exceeded a billion dollars, reaching a peak of \$1,378,000,000 for 1941. This was the highest volume in 12 years and represented an increase of 15% over 1940.

State-chartered members of the Federal Home Loan Bank System showed the largest gain in lending volume, 21% above 1940, while the Federal savings and loan associations recorded an increase of 14.6%. Savings and loan associations which are not members of the System reported an increase of 2%.

The Federal Home Loan Bank System provides a credit reserve for some 3,850 thrift and home-financing institutions, with assets of more than \$5,400,000,000.

F. D. Underwood Dies

Frederick Douglass Underwood, formerly for 25 years President of the Erie RR., and a leading figure in railroad circles, died on Feb. 18 at his home in New York. Becoming head of the Erie in 1901, when the road was in dire straits, Mr. Underwood in the effective administration of its affairs succeeded in raising it to a marked state of efficiency at the time he retired on Dec. 31, 1926. Mr. Underwood, who was born in Wauwatosa, Wis., and was the son of the Rev. Enoch D. Underwood, began his career as a clerk and brakeman on the old Chicago, Milwaukee & St. Paul Railroad, working his way up, said the New York "Times" of Feb. 20, to the general management of the Baltimore & Ohio before he was named President of the Erie by the late J. Pierpont Morgan and James J. Hill.

WPB Auto Branch Appoint

John E. Graham, of Pelham Manor, N. Y., has been appointed Assistant Chief of the Automotive Branch of the War Production Board, with headquarters in Washington, it was recently announced by Ernest Kanzler, head of the division. Before becoming associated with the Automotive Branch at the time it was originally established under the old Office of Production Management, he had been engaged in the coal business in Johnstown, Pa., Chicago and New York City.

Mr. Kanzler also announced the following appointments:

G. F. Dowling, of New York City, as Acting Chief of the Medium and Heavy Truck Section.

Fred B. Lautzenhiser, of Chicago, as Technical Consultant, particularly on all matters affecting trucks.

Charles S. Doerr, of Washington, as Chief of the Military and Export Requirements Section.

Gardner S. Platt, of Washington, as Acting Chief of the Passenger Car and Light Truck Section.

January Department Store Sales in New York Federal Reserve District 35% Above Year Ago

Sales of department stores in the Second (New York) Federal Reserve District increased 6% during January as compared with a year ago, according to an announcement issued Feb. 19 by the Federal Reserve Bank of New York. Stocks of merchandise on hand in department stores at the end of January were 34% more than at the end of January, 1941.

The apparel stores in the New York Reserve District reported a gain of 26% in net sales in January as compared with a year ago. Apparel stores' stock on hand at the end of the month was 33% above a year ago.

The following is the bank's tabulation:

DEPARTMENT STORE TRADE BY MAJOR LOCALITIES: JANUARY, 1942
Second Federal Reserve District

Department stores	Net Sales	Percentage changes from a year ago	Stock on hand e.o.m.
New York City	+31	+33	
Northern New Jersey	+38	+41	
Newark	+37	+41	
Westchester and Fairfield Counties	+39	+18	
Bridgeport	+42	+29	
Lower Hudson River Valley	+40	+28	
Poughkeepsie	+47		
Upper Hudson River Valley	+44	+27	
Albany	+41		
Central New York State	+51	+41	
Mohawk River Valley	+69	+49	
Syracuse	+46	+38	
Northern New York State	+34		
Southern New York State	+52	+28	
Binghamton	+52		
Elmira	+56		
Western New York State	+46	+33	
Buffalo	+51	+39	
Niagara Falls	+59	+26	
Rochester	+40	+27	
*All department stores	+35	+34	
*Apparel stores	+26	+33	

*Subject to possible revision. 26 shopping days in January, 1942 (5 Saturdays), 26 shopping days in January, 1941 (4 Saturdays).

INDEXES OF DEPARTMENT STORE SALES AND STOCKS, SECOND FEDERAL RESERVE DISTRICT
(1923-1925 average = 100)

	1941			1942
	Jan.	Nov.	Dec.	Jan.
Sales (average daily), unadjusted	178	130	194	104
Sales (average daily), seasonally adjusted	198	109	107	132
Stocks, unadjusted	174	132	105	99
Stocks, seasonally adjusted	182	111	107	110

†Revised

Commercial Paper Outstanding

The Federal Reserve Bank of New York announced on Feb. 11 that reports received by the bank from commercial paper dealers show a total of \$380,600,000 of open market paper outstanding on Jan. 31. This amount compares with \$374,500,000 of commercial paper outstanding on Dec. 31, 1941, and with \$232,400,000 on Jan. 31, 1941.

In the following table we give a compilation of the monthly figures for two years:

1942	\$	1941	\$
Jan. 31	380,600,000	Jan. 31	232,400,000
Dec. 31	374,500,000	Dec. 31	217,900,000
Nov. 29	387,100,000	Nov. 30	231,800,000
Oct. 31	377,700,000	Oct. 31	252,400,000
Sept. 30	370,500,000	Sept. 30	250,700,000
Aug. 30	353,900,000	Aug. 31	244,700,000
July 31	329,900,000	July 31	232,400,000
June 30	299,000,000	June 29	224,100,000
May 31	295,000,000	May 31	234,200,000
Apr. 30	274,600,000	Apr. 30	238,600,000
Mar. 31	263,300,000	Mar. 30	233,100,000
Feb. 28	240,700,000	Feb. 29	226,400,000
		Jan. 31	219,400,000

FDIC Income For 1941 Largest On Record

Income of the Federal Deposit Insurance Corporation for the year ended Dec. 31, 1941, was \$62,043,574, the largest for any such period in the corporation's history, it was announced on Feb. 12 by Leo T. Crowley, Chairman of the FDIC. In his report as of Dec. 31, 1941, Chairman Crowley says that the surplus of the corporation amounted to \$264,199,903, which exceeds the \$262,489,833 total assessments paid by insured banks since the beginning of Federal deposit insurance. Other features of the report are as follows:

1. To Dec. 31, 1941, the corporation disbursed a total of \$259,967,598.37 to depositors of closed insured banks in settlement of their claims. Of this amount the corporation expects to recover \$213,369,169.62, or about 82%.

2. During 1941 there were 15 insured banks that closed or received aid from the corporation, bringing to 370 the number of insured banks liquidated or merged with FDIC aid from the beginning of deposit insurance. Only 1,920 of the 1,205,000 depositors of those banks held accounts in excess of \$5,000.

3. There was a net reduction of 13 in the number of operating insured banks during 1941, 86 banks being eliminated during the year while 73 banks were admitted to insurance.

The FDIC's Board of Directors report relating to the activities of the corporation for the six months ended Dec. 31, 1941, with additional information pertaining to operations during the 12 months ended on that date and during the entire period of operation of the corporation is as follows:

Operations

The income of the corporation amounted to \$32,008,729 for the six months ended Dec. 31, 1941, including assessments of \$26,442,951 paid by insured banks and interest earned, after deducting provision for amortization of premiums, of \$5,565,778. Expenses and losses during the period amounted to \$2,748,905, of which \$929,725 represented deposit insurance losses and expenses, and \$1,819,180 represented administrative expenses and other charges.

Income for the year ended Dec. 31, 1941, amounted to \$62,043,574, including assessments paid by insured banks of \$51,396,520 and interest earned, less provision for amortization of premiums, of \$10,647,054. Total expenses and losses for the year amounted to \$5,840,478, represented by deposit insurance losses and expenses of \$2,145,262, and administrative expenses and other charges of \$3,695,217.

The surplus of the corporation, resulting from an excess of income over expenses and losses during the entire period of operations, was \$264,199,903 as of Dec. 31, 1941. From the beginning of deposit insurance on Jan. 1, 1934, total income has amounted to \$336,538,130, including assessments of \$262,489,833 paid by insured banks and \$74,048,298 derived from interest earned and profits from sales of securities after making provision for amortization of premiums. Charges to surplus have amounted to \$72,338,227. Net deposit insurance losses and expenses amounted to \$46,598,429, resulting from the difference between total disbursements of \$259,967,598 actually made or pending to depositors of closed insured banks in settlement of their claims and to merging banks or to receivers of closed banks for loans or purchases of assets, including expenses incident thereto, and estimated recoveries of \$213,369,170. Administrative expenses and other charges have amounted to \$25,739,798.

Closed Insured Banks

During the six months ended Dec. 31, 1941, seven insured banks suspended or received aid from the corporation. The 37,790 depositors in these banks, having total deposits of \$19,125,000 were protected to the extent of \$18,057,000, or about 94.4% of their claims, by insurance or otherwise. Of the 37,790 depositors in these banks, 37,588 were fully protected.

During the year ended Dec. 31, 1941, 15 insured banks, having 71,769 depositors, all but 240 of whom were fully protected, closed or received aid from the corporation. Total deposits in these 15 banks amounted to \$29,780,000, of which \$28,584,000, or 96%, were protected against loss.

During the eight years of deposit insurance ended Dec. 31, 1941, 373 insured banks were closed, of which three were subsequently reopened or taken over by other insured banks, and 370, having 1,205,154 depositors with total deposits of \$468,417,000, were liquidated or merged with the aid of loans from the corporation. Deposits amounting to \$467,640,000, or 97.7% of the total deposits in the 370 banks, were made available promptly without loss to the depositors. Only 1,920 of the 1,205,154 depositors, or less than 1/4 of 1%, held accounts in excess of \$5,000 and were not fully protected by insurance, offset, preference, pledge of security, or terms of the merger agreements.

Membership

On Dec. 31, 1941, there were 13,482 operating banks insured by Federal Deposit Insurance Corporation, 13 fewer than were insured on Dec. 31, 1940. There were 86 banks eliminated during the year: eight by suspension; seven by merger with financial aid from the corporation; 70 by voluntary merger, consolidation, or liquidation; and the insurance of one bank was discontinued after its deposits had been taken over by another insured bank. There were 73 banks admitted to insurance, of which 33 banks were in operation at the beginning of the year and 40 first opened for business in 1941.

Sixty-six new branch offices of banks were authorized during the year. In the case of established towns and cities that need banking facilities, the corporation believes the need should be met wherever possible by a new unit bank, rather than by a branch office.

The report also included the following statement of assets and liabilities of the corporation as of Dec. 31, 1941:

ASSETS			
Cash on hand, in transit and on deposit		\$19,964,141.20	
United States Government securities (cost less reserve for amortization of premiums) and accrued interest receivable		453,892,071.94	\$473,856,213.14
Assets acquired through bank suspensions and mergers (less collections):			
Subrogated claims of depositors against closed insured banks		\$33,207,002.95	
Net balances of depositors in closed insured banks, pending settlement or not claimed, to be subrogated when paid—contra		1,130,784.07	
Loans to merging insured banks, to avert deposit insurance losses, and recoverable liquidation expenses		48,829,768.23	
Assets purchased from merging insured banks, to avert deposit insurance losses under agreements to return any excess recovery to selling banks		41,105,409.16	
Assets purchased from merging insured banks and receivers of closed insured banks to avert deposit insurance losses		1,079,390.77	
Less: Reserve for losses		\$125,352,355.18	
		43,611,442.17	\$1,740,913.01
Furniture, fixtures and equipment			1.00
Deferred charges and miscellaneous receivables			65,089.26
Total assets			\$555,662,213.41
LIABILITIES			
Current liabilities:			
Accounts and assessment rebates payable		\$172,955.96	
Earned money deposits and collections in suspense, arising from subrogated claims of depositors, loans to merging insured banks, and assets purchased		727,677.90	
Net balances of depositors in closed insured banks, pending settlement or not claimed—contra		1,130,784.07	\$2,031,417.93
Deferred credits			13,510.84
Reserve for deposit insurance expenses			117,824.78
Total liabilities			\$2,162,753.55
CAPITAL			
Capital stock			\$289,299,556.99
Surplus:			
Balance June 30, 1941		\$234,072,503.76	
Add adjustments applicable to periods prior to July 1, 1942		867,574.77	
Balance as adjusted June 30, 1941		\$234,940,078.53	
Surplus for the six months ending Dec. 31, 1941:			
Additions:			
Deposit insurance assessments		\$26,442,951.13	
Interest earned on securities (less provision for amortization of premiums)		5,555,363.62	
Other interest received		10,414.26	
		\$32,008,729.01	
Deductions:			
Deposit insurance losses and expenses		\$929,724.44	
Administrative expenses		1,800,380.42	
Furniture, fixtures and equipment purchased and charged off		18,799.81	
		\$2,748,904.67	
Total capital			\$29,259,824.34
Total liabilities and capital			\$555,499,459.86

mid-December the largest advances occurred in Mobile where employment in the shipyards of the area rose by more than 40% and the average rental bill rose by 14%. Increases in rents in Norfolk, Savannah, and Birmingham all exceeded 5%. In all 4 of these cities rents were raised for more than two-fifths of the homes rented by white families with moderate incomes.

Fuel, Electricity And Ice

With little change in fuel prices in late November and early December, the increase in the cost of fuel, electricity and ice was relatively small in the quarter ending Dec. 15, 1941. Generally, coal and wood prices were a little higher in December than in September. Higher wood prices were largely responsible for the increase in fuel costs in Portland, Oregon (plus 5%), Atlanta and Mobile, where wood is extensively used for fuel. In Cincinnati, as usual at this time of year, the cost of gas to moderate-income domestic users was reduced, while in New York, the decline of 0.8% in the cost of fuel, electricity and ice reflected the reduction of the city's sales tax from 2 to 1%.

Miscellaneous

Between mid-September and mid-December, 1941, automobile prices increased, on the average, from 10 to 15%.

The new defense taxes contributed to the increase in the cost of the goods and services included in the miscellaneous group. Taxes on automobiles, tires and tubes and movies were increased as of Oct. 1, and new excise taxes were placed upon toilet preparations, telephone charges and railroad fares.

In most cities the cost of services such as barber-service, beauty shop service and domestic service rose considerably towards the end of 1941. Frequently, employment agencies reported that it was no longer possible to secure domestic help at wages customarily paid by moderate-income families.

TABLE 1

PERCENTAGE CHANGE FROM SEPT. 15, 1941, TO DEC. 15, 1941, IN THE COST OF GOODS PURCHASED BY WAGE EARNERS AND LOWER-SALARIED WORKERS IN 34 LARGE CITIES OF THE UNITED STATES BY GROUPS OF ITEMS

Area and City	All Items	Food	Clothing	Rent	Fuel, electricity and ice	House-furnishings	Miscellaneous
Average: Large Cities	+2.2	+2.2	+3.6	+1.3	+0.4	+4.3	+2.6
New England:							
Boston	+1.7	+1.6	+2.3	+2.1	+0.3	+2.8	+1.3
Manchester	+1.7	+0.4	+3.9	+1.9	+1.4	+3.8	+2.2
Portland, Maine	+2.4	+1.4	+3.7	+1.8	+1.1	+6.2	+3.2
Middle Atlantic:							
Buffalo	+2.2	+1.1	+3.8	+1.4	-0.8	+5.0	+3.1
New York	+1.8	+2.5	+1.5	+0.1	+0.8	+4.0	+2.4
Philadelphia	+2.0	+2.1	+3.2	+0.3	+0.2	+2.8	+2.6
Pittsburgh	+1.9	+1.6	+5.8	+0.1	-0.4	+3.4	+2.6
Scranton	+1.5	+1.4	+4.9	-0.1	†	+4.8	+1.0
East North Central:							
Chicago	+1.0	-0.7	+3.4	+1.3	+0.7	+4.4	+2.2
Cincinnati	+2.0	+2.5	+2.5	+1.0	-1.3	+4.3	+2.3
Cleveland	+2.2	+0.8	+3.9	+3.1	†	+4.1	+2.8
Detroit	+2.8	+2.3	+5.3	+2.5	+1.4	+4.6	+2.7
Indianapolis	+3.3	+3.5	+4.3	+2.0	+0.1	+4.6	+3.8
Milwaukee	+2.4	+1.2	+4.1	+1.6	+1.3	+6.6	+3.6
West North Central:							
Kansas City	+3.1	+2.2	+3.7	+2.8	+0.1	+5.0	+4.2
Minneapolis	+1.6	-0.1	+3.4	+0.4	+0.2	+3.9	+3.4
St. Louis	+2.6	+2.6	+5.6	+1.8	+0.4	+5.9	+1.9
South Atlantic:							
Atlanta	+2.8	+1.0	+4.8	+1.0	+2.5	+5.4	+4.3
Baltimore	+2.6	+2.7	+4.9	+1.3	+0.1	+6.4	+2.4
Jacksonville	+3.3	+2.4	+6.5	+2.6	+0.8	+7.5	+3.4
Norfolk	+3.8	+4.0	+1.9	+6.1	+2.0	+5.5	+3.1
Richmond	+2.5	+2.5	+5.2	+0.1	+1.1	+4.4	+2.6
Savannah	+3.1	+1.5	+4.8	+5.2	+1.2	+5.7	+3.4
Washington, D. C.	+2.8	+2.6	+5.9	+0.4	+0.5	+5.6	+3.3
East South Central:							
Birmingham	+3.6	+2.8	+5.4	+5.7	+2.1	+5.1	+2.7
Memphis	+2.6	+2.3	+6.0	+1.8	+0.1	+5.9	+1.7
Mobile	+5.1	+4.1	+5.5	+14.1	+2.4	+3.9	+2.7
West South Central:							
Houston	+3.2	+4.2	+5.3	+0.5	+0.4	+3.9	+3.3
New Orleans	+2.3	+2.1	+4.1	+0.8	+1.2	+4.9	+2.7
Mountain:							
Denver	+3.2	+4.3	+4.4	+1.2	+0.8	+5.5	+2.9
Pacific:							
Los Angeles	+3.9	+6.0	+4.5	+1.8	†	+4.3	+3.0
Portland, Oregon	+2.4	+1.2	+2.8	+1.9	+4.8	+5.7	+3.0
San Francisco	+3.2	+4.0	+5.0	+0.8	+1.2	+4.0	+3.2
Seattle	+2.9	+3.1	+3.5	+3.3	+1.8	+5.1	+2.0

*Based on 51 cities. †No change.

TABLE 2

PERCENTAGE CHANGE FROM NOV. 15, 1941, TO DEC. 15, 1941, IN THE COST OF GOODS PURCHASED BY WAGE EARNERS AND LOWER-SALARIED WORKERS IN LARGE CITIES OF THE UNITED STATES BY GROUPS OF ITEMS

Area and City	All Items	Food	Clothing	Rent	Fuel, electricity and ice	House-furnishings	Miscellaneous
Average: Large Cities	+0.3	†	+0.9	+0.4	+0.1	+1.0	+0.3
New England:							
Boston	-0.4	-1.3	+0.2	+0.2	‡	+0.7	+0.1
Manchester	‡	-1.9	‡	‡	+0.2	‡	‡
Portland, Maine	‡	-0.4	‡	‡	-0.1	‡	‡
Middle Atlantic:							
Buffalo	+0.4	+0.2	+0.4	+0.4	‡	+0.8	+0.4
New York	‡	-0.5	+0.5	+0.1	‡	+1.1	+0.4
Philadelphia	+0.5	+1.0	+0.3	‡	‡	+0.4	+0.2
Pittsburgh	+0.5	+0.7	+1.2	+0.1	-0.1	+1.0	+0.5
Scranton	‡	+2.1	‡	‡	‡	‡	‡
East North Central:							
Chicago	-0.4	-1.4	+1.1	+0.1	‡	+1.1	+0.2
Cincinnati	-0.3	-1.4	+0.9	+0.4	‡	+1.3	+0.2
Cleveland	+0.4	-1.2	+1.5	+2.5	‡	+1.8	+0.2
Detroit	+0.2	-0.5	+0.9	+0.6	+0.9	+0.7	+0.2
Indianapolis	‡	+0.3	‡	‡	+0.2	‡	‡
Milwaukee	‡	-0.7	‡	‡	‡	‡	‡
West North Central:							
Kansas City	+0.4	+0.1	+0.7	‡	+0.1	+0.5	+0.6
Minneapolis	‡	-0.9	+0.9	+0.1	‡	+1.6	+0.3
St. Louis	+0.7	+0.4	+2.4	+1.0	+0.1	+1.5	+0.2
South Atlantic:							
Atlanta	‡	‡	‡	‡	‡	‡	‡
Baltimore	+1.0	+1.6	+1.8	+0.1	‡	+1.3	+0.3
Jacksonville	‡	-1.7	‡	‡	+0.4	‡	‡
Norfolk	‡	+0.8	‡	‡	‡	‡	‡
Richmond	‡	+0.7	‡	‡	+1.1	‡	‡
Savannah	+0.4	-0.4	+1.3	+0.8	+0.6	+1.5	+0.6
Washington, D. C.	+1.0	+1.8	+2.0	‡	-0.1	+2.1	+0.7
East South Central:							
Birmingham	+0.4	-0.5	+1.4	+1.7	+0.1	+1.3	+0.2
Memphis	‡	+0.7	‡	‡	‡	‡	‡
Mobile	‡	+0.4	‡	‡	+0.4	‡	‡
West South Central:							
Houston	-0.2	-0.6	+1.3	+0.4	+0.2	+0.7	+0.3
New Orleans	‡	+1.0	‡	‡	+0.1	‡	‡
Mountain:							
Denver	-0.3	-1.1	+0.9	‡	‡	+0.6	+0.1
Pacific:							
Los Angeles	+1.1	+2.8	+1.0	‡	‡	+0.7	+0.3
Portland, Oregon	‡	-0.3	‡	‡	+2.1	‡	‡
San Francisco	+0.6	+0.9	+1.2	+0.3	+0.1	+0.7	+0.4
Seattle	+1.1	+1.4	+1.1	+2.5	+0.8	+0.6	+0.2

*Based on data for 51 cities. †Based on data for 34 cities. ‡No change. §Monthly data not available.

Retail Food Prices Advanced 2.7% Further Between Mid-December And Mid-January

Sharp advances at retail for many foods advanced the family food bill by 2.7% between mid-December and mid-January, Acting Commissioner Hinrichs of the Bureau of Labor Statistics reported on Feb. 12. Prices of almost all important foods were substantially higher in all of the cities covered by the Bureau's survey. Large increases for beef, pork, potatoes, bread, milk, and sugar followed the substantial earlier advances in wholesale markets, says the Bureau, which likewise reports:

Egg, orange, and carrot prices declined seasonally. At the mid-January level, the Bureau of Labor Statistics' index of retail food costs stood at 116.2% of the 1935-39 average, the highest level reached since December, 1930, 18.8% higher than a year ago, and nearly 25% above pre-war levels.

The Bureau's announcement further said: During the last half of January, preliminary reports indicated additional advances in food prices except for eggs, oranges, and pork chops, which declined seasonally.

The average price of sugar in retail stores advanced 3.6% between Dec. 16 and Jan. 13, largely because only small quantities, usually two pounds, were available in cities where purchases were limited voluntarily by retail grocers, and the charge per pound was higher.

Retail prices of milk advanced one cent per quart in six cities, continuing the widespread increases which have been taking place since last April. White bread rose 1.2% during the month, following advances of about one cent per loaf during the past six months in nearly all cities covered by this survey. Meat prices rose sharply (4.8%) throughout the country between mid-December and mid-January in spite of the fact that supplies of beef and pork were somewhat larger than a year ago. This advance in retail prices followed rapid advances in wholesale markets between Dec. 7 and early January. Retail prices of lamb and chickens advanced seasonally, and canned salmon prices rose to new high levels.

Lard prices continued their widespread advance between mid-December and mid-January. Other foodstuffs, such as canned peaches, canned tomatoes, navy beans, and cheese, which have been purchased in large quantities by the Government, also continued to advance in most cities, although evaporated milk remained steady. Butter prices rose in January, notwithstanding record high stocks, and potato prices again advanced, reflecting shorter than usual market supplies. Flour prices were up, following the rise for wheat in central markets, and the price of rice continued to go up.

Since last January, prices of fresh vegetables have shown the most rapid advance of any of the principal foodstuffs. They averaged 39% higher than a year ago, due largely to smaller supplies as a result of bad weather conditions during the growing season. Onions were selling at levels averaging 72% higher than in January, 1941, potatoes were up 61%, lettuce, 51%, and cabbage, 41%. Average costs of fats and oils rose 38% during the year, with retail prices of lard advancing 68%, and shortening packed in cartons, 61%. Prices of shortening in tins or similar containers and oleomargarine were also up more than 30%. Advances of 30 to 42% during the year were reported for canned red salmon, canned peaches, and navy beans. Large government purchases of these foods contributed to the sharp increases. Coffee prices rose 31% during the year, partly because of the higher minimum price levels for green coffee set by agreements with coffee producing countries. Increases of 20 to 30% were reported for pork, flour, rice, cheese, evaporated milk, sugar, canned tomatoes, and canned green beans.

Changes at retail from Dec. 16, 1941 to Jan. 13, 1942 and since January, 1941 for the more important foods were as follows:

Item	January, 1942 compared with		December, 1941, compared with	
	Dec. 1941	Jan. 1941	Dec. 1941	Jan. 1941
Potatoes	+17.5	+61.0	+1.4	+20.3
Roasting Chickens	+6.5	+10.0	+1.2	+11.5
Round Steak	+5.5	+9.6	+9	+28.9
Rib Roast	+4.4	+5.4	+7	+30.9
Sugar	+3.6	+24.3	+2	+11.6
Flour	+3.0	+22.5	+0	+23.9
Canned Tomatoes	+3.0	+22.6	-3.0	+6.6
Milk Fresh (avg.)	+1.4	+15.0	-5.2	+34.4
Pork Chops			+1.4	+20.3
White Bread			+1.2	+11.5
Cheese			+9	+28.9
Coffee			+7	+30.9
Butter			+2	+11.6
Evaporated Milk			+0	+23.9
Oranges			-3.0	+6.6
Eggs			-5.2	+34.4

Retail food costs advanced in all cities covered by this survey between Dec. 16 and Jan. 13. The largest increases were reported for San Francisco (4.6%) Denver (4.0%) and Seattle (3.9%), reflecting sharp advances for meats and fresh fruits and vegetables. The smallest increases were reported for Charleston (1.1%), Salt Lake City (1.3%), and Dallas and Portland, Me., each (1.5%), whereas increases for meats and fresh fruits and vegetables were comparatively small. Compared with a year ago, food costs on Jan. 13, 1942 were higher by 26.7% in Mobile, 26.4% in Norfolk, 24.5% in Springfield, and 24.1% in Seattle. The smallest advances in food costs during the year were 12.1% in Kansas City, 14.5% in Butte, 15.0% in St. Paul, and 15.5% in Omaha.

Index numbers of food costs by commodity groups for the current period and for Dec. 16, 1941, Nov. 18, 1941, Jan. 14, 1941, and Aug. 15, 1939, are shown below:

INDEX NUMBERS OF RETAIL COSTS OF FOOD BY COMMODITY GROUPS (Five-Year Average 1935-39 = 100)

Commodity Group	Jan. 13 1942	Dec. 16 1941	Nov. 18 1941	Jan. 14 1941	Aug. 15 1939
All Foods	116.2	113.1	113.1	97.8	93.5
Cereals and bakery products	103.2	102.5	102.2	94.9	93.4
Meats	116.4	111.1	110.4	101.1	95.7
Beef and veal	120.4	114.4	112.4	109.4	99.6
Pork	107.2	103.2	105.4	86.0	88.0
Lamb	111.8	108.1	107.4	98.7	98.8
Chickens	107.3	100.5	99.4	97.2	94.6
Fish, fresh and canned	144.8	138.9	135.9	118.7	99.6
Dairy products	121.7	120.5	120.9	105.1	93.1
Eggs	130.9	138.1	146.1	97.4	90.7
Fruits and vegetables	117.2	110.5	110.3	93.3	92.4
Fresh	119.1	111.0	111.2	93.4	92.8
Canned	108.6	106.3	105.2	91.4	91.6
Dried	121.9	118.3	116.2	99.6	90.3
Beverages	115.6	114.1	112.9	90.9	94.9
Fats and oils	110.6	108.5	106.7	80.3	84.5
Sugar	118.5	114.4	112.9	95.3	95.6

*Preliminary. †Revised.

Canada Bank Earnings Up

The Bank of Canada had net profits of \$5,813,386 from operations in 1941, after providing for contingencies and reserves, it was disclosed on Feb. 14 in the bank's annual report, issued by G. F. Towers, Governor of the institution. Payment of a dividend of \$225,000 on capital stock held by the Minister of Finance, Mr. Towers said, left \$5,588,386, as compared with \$3,819,460 in 1940. He added that the increase was mainly attributable to the higher average level of the bank's security holdings. Of the profits available for distribution, one-third, or \$1,862,795, was added to the bank's rest fund, and the remaining two-thirds, or \$3,725,591, was paid to the Dominion Government. The addition to the rest fund, it was explained, brings the fund to \$5,585,705, which is now in excess of the paid-up capital, \$5,000,000. In view of these circumstances, Governor Towers' report said, the distribution of profits in 1942 will be governed by the terms of section 31 (b) of the Bank of Canada Act, which provides that one-tenth of the surplus available from operations of the bank shall be allocated to the rest fund, and the residue shall be paid to the receiver general and placed to the credit of the consolidated revenue fund.

With regard to the bank's note circulation, the report stated:

The Bank of Canada note issue as of Dec. 31, last, was \$495,956,232, up \$136,007,111 from the preceding year. Of the total amount of our notes outstanding, \$116,300,000 were in the tills of the chartered banks, and \$397,700,000 in the hands of the public. Including chartered bank notes in public hands, total active note circulation on Dec. 31, 1941, was \$450,300,000. The increase on the year was approximately \$109,000,000, somewhat larger than the \$95,000,000 rise in active circulation during 1940.

The major changes which took place in the bank's various asset and liability accounts during the course of the year are indicated in the following table, presented in the report, showing the effect of these changes on the cash reserves of the chartered banks.

Motor Truck Freight Volume In January Drops 1.8% Under December

The volume of freight transported by motor truck in January represented a decrease of 1.8% under December, but an increase of 11.5% as compared with January, 1941, according to reports compiled and released on Feb. 22 by the American Trucking Associations.

Comparable reports were received by ATA from 195 motor carriers in 41 States. The reporting carriers transported an aggregate of 1,136,947 tons in January, as against 1,157,761 tons in December and 1,019,354 tons in January, 1941.

The ATA index figure, computed on the basis of the average monthly tonnage of the reporting carriers for the three-year period of 1938-1940 as representing 100, was 152.56. The index figure for December was 153.41.

A little more than 78% of all tonnage transported in the month was reported by carriers of general freight. The volume in this category decreased 1.6% under December, but held 13.8% over January of last year.

Transporters of petroleum products, accounting for 11% of the total tonnage reported, showed an increase of 7.8% over December, and an increase of 73.2% over January, 1941.

Movement of new automobiles and trucks, curtailed sharply by the war, constituted only 2% of the total tonnage reported. Tonnage in this class dropped 11.5% under December and 47.3% under January of last year.

Haulers of iron and steel products reported approximately 4% of the total tonnage. The volume of these commodities decreased 15.5% under December and 37.5% under January, 1941.

Almost 5% of the total tonnage reported was miscellaneous commodities, including tobacco, milk, textile products, bricks, building materials, cement and household goods. Tonnage in this class decreased 6.8% under December, but held 5.6% above January of last year.

Strict Loan Program Urged For Savs.-Loan Assns.

Vigorous lending programs realistically adjusted to today's conditions were urged upon the 3,600 member savings, building and loan associations of the United States Savings and Loan League by the executive council meeting in Chicago recently to draft a statement of suggested policies for 1942. Fernor S. Cannon, Indianapolis, presided at the meeting of some 50 savings and loan representatives from two-thirds of the States. The announcement from the Association, dated Chicago, Feb. 14, says:

Among the recommendations were the adjustment of standards so as to permit reasonable substitution of materials and innovations of method in home building, financing of more rental housing using Title VI of the National Housing Act to cover additional risk, and the continued financing of the building of additional small homes wherever materials are available and demand exists.

"In many areas creation of additional housing units is essential to military victory," the council pointed out. "Adequate housing bears a direct relation to the volume of war production." Suggesting the doubling of the amount of current earnings allocated to reserves over the formula presented for 1941, the savings and loan men said that this would pave the way for associations to assume higher risks than they would normally welcome. The assumption of such risks, it was pointed out, was part of their role in the Victory drive.

Bankers Dollar Acceptances Outstanding On January 31 Total \$197,278,000

The volume of bankers dollar acceptances outstanding increased \$3,058,000 during January to \$197,278,000 on Jan. 31, according to the monthly report of the Acceptance Analysis Unit of the Federal Reserve Bank of New York, issued Feb. 11. This compares with a total of \$194,220,000 outstanding on Dec. 31, 1941, and with \$212,777,000 on Jan. 31, 1941.

The increase in the month-to-month analysis is attributed to gains in credits drawn for exports and domestic warehouse credits, while in the year-to-year comparison credits for imports, exports and domestic warehouse credits were above last Jan. 31.

The Reserve Bank's report for Jan. 31 follows:

BANKERS' DOLLAR ACCEPTANCES OUTSTANDING—UNITED STATES BY FEDERAL RESERVE DISTRICTS			
Federal Reserve District—	Jan. 31, 1942	Dec. 31, 1941	Jan. 31, 1941
1 Boston	\$30,392,000	\$25,004,000	\$25,771,000
2 New York	117,552,000	122,496,000	145,211,000
3 Philadelphia	9,917,000	9,924,000	11,837,000
4 Cleveland	4,305,000	3,317,000	2,881,000
5 Richmond	1,486,000	1,362,000	1,421,000
6 Atlanta	3,247,000	2,379,000	2,131,000
7 Chicago	5,786,000	4,767,000	4,639,000
8 St. Louis	794,000	665,000	365,000
9 Minneapolis	114,000	115,000	910,000
10 Kansas City	—	—	—
11 Dallas	2,833,000	2,755,000	112,000
12 San Francisco	20,852,000	21,436,000	17,499,000
Grand Total	\$197,278,000	\$194,220,000	\$212,777,000

Increase for month \$3,058,000. Decrease for year \$15,499,000.

ACCORDING TO NATURE OF CREDIT			
	Jan. 31, 1942	Dec. 31, 1941	Jan. 31, 1941
Imports	\$115,889,000	\$116,496,000	\$115,262,000
Exports	16,662,000	14,639,000	16,392,000
Domestic shipments	11,676,000	11,708,000	10,000,000
Domestic warehouse credits	39,028,000	35,967,000	34,233,000
Dollar exchange	2,810,000	4,006,000	10,683,000
Based on goods stored in or shipped between foreign countries	11,213,000	11,404,000	26,207,000

BILLS HELD BY ACCEPTING BANKS		
Own bills	Bills of others	Total
\$102,711,000	\$51,694,000	\$154,405,000
Increase for month, \$8,686,000		

CURRENT MARKET RATES ON PRIME BANKERS' ACCEPTANCES, FEB. 11, 1942			
Days	Dealers' Buying Rates	Dealers' Selling Rates	
30	1/2	3/4	
60	1/2	3/4	
90	1/2	3/4	
120	3/8	1/2	
150	3/8	1/2	
180	3/8	1/2	

The following table, compiled by us, furnishes a record of the volume of bankers' acceptances outstanding at the close of each month since Feb. 28, 1939:

1939—		1940—		1941—	
Feb. 28	\$248,095,184	Feb. 29	\$233,015,000	Feb. 28	\$211,865,000
Mar. 31	245,016,075	Mar. 30	229,705,000	Mar. 31	217,312,000
Apr. 29	237,831,575	Apr. 30	223,305,000	Apr. 30	219,561,000
May 31	246,574,757	May 31	213,685,000	May 31	215,005,000
June 30	244,530,440	June 29	206,149,000	June 30	212,932,000
July 31	236,010,050	July 31	188,350,000	July 31	209,899,000
Aug. 31	235,034,177	Aug. 31	181,813,000	Aug. 30	197,472,000
Sept. 30	215,881,724	Sept. 30	178,614,000	Sept. 30	176,801,000
Oct. 31	221,115,945	Oct. 31	188,789,000	Oct. 31	184,806,000
Nov. 30	222,599,000	Nov. 30	196,683,000	Nov. 29	193,590,000
Dec. 30	232,644,000	Dec. 31	208,658,000	Dec. 31	194,220,000
1940—		1941—		1942—	
Jan. 31	229,230,000	Jan. 31	212,777,000	Jan. 31	197,278,000

Consumer Buying Rush Raises January "5 & 10" Sales To Abnormal Level

The normally stable "5 & 10" business experienced during January what is probably its largest month-to-month gain in history, if allowance is made for the usual seasonal trends. As measured by the Syndicate Store Merchandiser's seasonally adjusted sales index, issued on Feb. 12, average daily volume per store rose to 143.9% of the 1935-39 average from 126.9% in December. With consumers again stampeding the stores in anticipation of probable or fancied future shortages, the index was carried a full 10% higher than its previous peak reached last summer, during the first wave of advance buying by individuals. This former peak of 130.9% was reached in the month of August. In January, 1941, the index stood at 113.8%.

Actual sales of 12 leading 5c & 10c to \$1 variety syndicates for the month totaled \$78,821,764. This represents a gain of 29.9% over the initial month of 1941.

JANUARY, 1942 5c & 10c TO \$1.00 SYNDICATE STORE SALES			
	1942	1941	Pct. Chg.
F. W. Woolworth	\$28,344,905	\$22,007,207	+28.8
S. S. Kresge	12,655,233	10,009,397	+26.4
W. T. Grant	8,982,711	6,654,929	+34.9
S. H. Kress	7,273,747	5,920,528	+22.9
G. C. Murphy	4,803,747	3,479,057	+38.1
J. J. Newberry	4,492,306	3,486,170	+28.8
H. L. Green	3,859,235	2,890,355	+33.5
McCrary Stores	3,818,879	2,926,163	+30.5
McLellan Stores	1,919,471	1,460,824	+31.4
Neisner Bros.	1,820,884	1,223,330	+48.8
Rose's Stores	526,420	381,769	+37.9
M. H. Fishman	324,226	245,925	+31.8
Total, 12 syndicates	\$78,821,764	\$60,685,664	+29.9

Non-Agricultural Employment At All-Time High In December, Labor Department Reports

Total civil non-agricultural employment rose to a new all-time peak of 40,940,000 in December, Secretary of Labor Frances Perkins reports. "This," she said, "represented a gain of 2,800,000 non-agricultural workers over the preceding year and 5,000,000 since December, 1929, and agrees with figures accurately estimated by the U. S. Department of Labor as far back as Oct. 6, 1940." She added that "this increase, furthermore, does not include the growth of the armed forces. The gain in non-agricultural employment from mid-November to mid-December resulted largely from the seasonal rise in trade." Secretary Perkins further stated:

The gain of 357,000 in trade employment over the month represented about the usual seasonal change from the high November level and reflected the hiring of temporary personnel to

handle the holiday trade. Government employment rose by 73,000, in large part, due to temporary expansion of post office personnel.

Manufacturing employment in December showed a decline of less than the usual seasonal proportions for the third successive month. The decline of 53,000 factory workers was caused largely by a sharp reduction in employment in automobile plants as passenger car production was cut during the latter part of December, and by a greater than seasonal drop in the canning and preserving industry. These losses were partly offset by gains in war industries and by a sharp rise in employment in slaughtering and meat packing. Establishments in many industries continued to report employment reductions because of inability to secure raw materials. Employment in mining declined by 4,000 from November to December; while the transportation and public utilities group showed a decrease of 35,000. Non-Federal construction declined by 77,000 while Federal construction declined 64,000, resulting in a decrease of 141,000 for total construction. Finance and service employment declined 6,000.

The greater part of the gain of 2,800,000 in non-agricultural employment over the year occurred in manufacturing with an increase of 1,600,000 workers. Federal, State, and local government services increased 423,000; trade increased 256,000; transportation and public utilities, 248,000; finance and service, 124,000; construction, 100,000; and mining, 52,000.

The employment index for all manufacturing industries combined in December stood at 134.0% of the 1923-25 average, and the payroll index at 169.8. Compared with December, 1940, factory employment increased 15.3% and pay rolls 38.7%. The considerably greater increase in pay rolls reflects expansion in working hours, overtime payments, and wage-rate increases. The rise in employment in slaughtering and meat packing from mid-November to mid-December amounted to 10,700, and carried employment in that industry to a new all-time peak. Other industries not directly related to the defense effort showing substantial increases over the month were leather boots and shoes (7,000), newspapers and periodicals (4,800), and book and job printing (2,900). Substantial decreases over the month occurred in automobiles (55,600), canning and preserving (32,900), beet sugar (3,600), and furniture (3,100). Industries directly connected with defense, like airplanes, engines and shipbuilding, of course continued to increase in employment.

The decline in mining employment between November and December occurred in anthracite coal mines and in quarrying and non-metallic mines. Virtually no change took place in bituminous coal, metal mines, and crude petroleum. The largest employment gains over the year were shown in quarrying and non-metallic mining (12%) and in metal mines (10%). Bituminous coal mines showed an increase of 5.9%, while employment in anthracite mines fell 3.5% over the year. Wholesale trade employment showed only a slightly greater-than-seasonal increase from November to December but was 4.4% higher than December, 1940.

In retail trade, employment increased by about the usual seasonal amount (9.5%) from November to December to reach the highest December level on record, exceeding the 1929 yearly average by 12.8%. The largest gains over the month occurred in stores selling general merchandise and apparel, with moderate gains in furniture and food stores. The only types of retail establishments reporting decreased employment over the month were automotive (-0.3%), and lumber and building materials (-1.8%). Over the year interval all divisions of retail trade showed increase except furniture (-1.5%) and automobile dealers (-2.5%).

The sizeable gain in non-agricultural employment over December of last year was widely distributed throughout the States. Increases of from 10 to 20% occurred in 20 States and the District of Columbia. The largest percentage increases were shown in the District of Columbia (19.6), Alabama (18.5), Arkansas (17.1) and Oregon (16.2).

Decreased activity in residential and non-residential building construction was largely responsible for the decline in employment of 80,600 during the month ending Dec. 15 on construction projects financed from regular Federal appropriations. Partially offsetting the losses on building construction were increases in the construction of airports and of naval and other vessels. Construction projects of the USHA, PWA, and RFC employed 14,400 fewer persons in December, and road projects financed wholly by State and local funds dropped 30,000 employees during the month.

The estimated increase of 84,900 employees in the executive branch of the Federal Government during the month of December is accounted for to some extent by the seasonal employment of temporary workers by the Post Office Department.

Employment on work-relief projects was contracted during December, as follows: NYA, 27,700 persons, CCC, 19,100 persons, and WPA, 3,300 persons. The CCC decline occurred mainly in the enrollee group, and the NYA decline was chiefly in the out-of-school work program.

The Labor Department also made public the following tabulations concerning December changes:

Program	Employment—			Payrolls—		
	Dec. 1941*	Nov. 1941	Dec. 1940	Dec. 1941*	Nov. 1941	Dec. 1940
Financed by regular Federal Appropriations†	1,025.0	-80.6	+272.0	\$168,613	+ \$1,158	+ \$85,726
Defense	907.0	-50.5	+383.0	151,919	+ 3,112	+ 86,073
Other	118.0	-30.1	-111.0	16,694	- 1,954	- 347
U. S. Housing Authority‡	\$28.0	- 7.4	- 20.0	\$4,354	+ 372	- 533
Defense	\$7.0	- 2.6	+ 2.1	\$1,257	+ 108	+ 838
Other	\$21.0	- 4.8	- 22.1	\$3,097	+ 264	- 1,371
Financed by PWA†	2.6	- 1.1	- 18.5	480	+ 136	- 1,844
Financed by RFC‡	16.7	- 6.9	+ 13.1	2,878	- 713	+ 2,510
Defense	14.9	- 6.6	**	2,630	- 683	**
Other	1.8	- 3.3	**	248	- 30	**
State Roads§	142.0	-30.0	- .5	8,429	- 5,265	- 2,461

*Preliminary.

†Data are for the month ending the 15th except data for Federal-aid roads which are for calendar month. Data for Federal-aid roads for December, 1941, are estimated. Employment data represent the maximum number employed in any one week.

‡Data are for the month ending the 15th. Employment data represent the maximum number employed in any one week.

§Estimated.

**Defense and other categories not set up.

¶Data are for calendar month. Employment data represent the average number working during the month. Data for December, 1941, are estimated.

EMPLOYMENT AND PAYROLLS IN REGULAR FEDERAL SERVICES, DECEMBER, 1941
(In Thousands)

Service	Employment			Pay Rolls		
	Dec. 1941*	Nov. 1941	Dec. 1940	Dec. 1941*	Nov. 1941	Dec. 1940
Executive	1,630.0	+84.9	+446.0	\$252,463	+15,065	+68,756
Legislative	6.3	+1.1	+4.0	1,369	+9	+64
Judicial	2.6	+1.1	+1.1	657	+2	+4

*Preliminary. †Estimated. ‡Change less than 50.

EMPLOYMENT AND PAY ROLLS ON WORK RELIEF PROGRAMS, DECEMBER, 1941
(In Thousands)

Program	Employment			Payrolls		
	Dec. 1941*	Nov. 1941	Dec. 1940	Dec. 1941*	Nov. 1941	Dec. 1940
WPA Projects	1,053.0	-3.3	-822.0	\$69,500	+8,900	-33,792
Defense	322.0	-1.7	-	20,500	+2,400	-
Other	622.0	+1.6	-	49,000	+6,500	-
N. Y. A. Projects	731.0	-27.7	-160.0	9,223	-645	-407
Student work program	334.0	-7.0	-116.0	2,294	-73	-813
Out-of-school work progr.	288.0	-20.7	-44.0	6,929	-572	-406
Civilian Conservat. Corps	152.0	-19.1	-133.0	7,504	-739	-5,424

*Preliminary. †Data are for the calendar month. ‡Defense and other categories not set up. §Data on employment are for the last day of the month; pay rolls for the entire month.

ESTIMATES OF TOTAL NONAGRICULTURAL EMPLOYMENT
(In Thousands)

Total civil non-agricultural employment	Dec. 1941		Change		Dec. 1940	
	(preliminary)	Nov. 1941	Dec. 1941	Nov. 1941	Dec. 1940	Nov. 1940
Employees in non-agricul. establish.	34,797	34,606	+191	38,161	+2,779	32,018
Manufacturing	12,703	12,756	-53	11,127	+1,576	9,551
Mining	907	911	-4	855	+52	783
Contract construction	1,820	1,961	-141	1,720	+100	1,620
Transportation and public utilities	3,287	3,322	-35	3,039	+248	2,791
Trade	7,503	7,146	+357	7,247	+256	6,991
Finance, service and miscellaneous	4,223	4,229	-6	4,099	+124	3,975
Federal, State and local government	4,354	4,281	+73	3,931	+423	3,508

The estimates of "Total civil non-agricultural employment," given on the first line of the above table, represent the total number of persons engaged in gainful work in the United States in non-agricultural industries, excluding military and naval personnel, persons employed on WPA, or NYA projects, and enrollees in CCC camps. The series described as "Employees in non-agricultural establishments" excludes also proprietors and firm members, self-employed persons, casual workers and persons in domestic service. The estimates for "Employees in non-agricultural establishments" are shown separately for each of seven major industry groups. Data for the manufacturing and trade groups have been revised to include adjustments to preliminary 1939 Census data.

The figures represent the number of persons working at any time during the week ending nearest the middle of each month. The totals for the United States have been adjusted to conform to the figures shown by the 1930 Census of Occupations for the number of non-agricultural "gainful workers" less the number shown to have been unemployed for one week or more at the time of the Census.

Indexes of employment and pay rolls for all manufacturing industries combined, Class I steam railroads, and for those manufacturing industries for which information is available, are shown below for December, 1941, with percentage changes from November, 1941, and December, 1940. The 3-year average 1923-25 is used as a base in computing the indexes for the manufacturing industries and the 5-year average 1935-39 as a base for Class I steam railroads. For the other manufacturing industries information for years prior to 1929 is not available from the Bureau's records, and the 12-month average for 1929 is used as a base in computing the index numbers. These indexes are not adjusted for seasonal variation.

The data for manufacturing, mining, building construction, laundries, and dyeing and cleaning cover wage earners only; those for railroads cover all employees while the data for water transportation cover employees on vessels of 1,000 gross tons or over in deep-sea trades only. The data for other industries exclude proprietors and firm members, corporation officers, executives, and others whose work is mainly supervisory.

Industry	Employment		Percentage change from		Pay Roll		Percentage change from	
	Index	Dec. 1941	Nov. 1941	Dec. 1940	Index	Nov. 1941	Dec. 1940	
Manufacturing (1923-25=100)	134.0	+0.5	+15.3	+169.8	+2.8	+38.7		
Class I Steam Railroads (1935-39=100)	116.1	-1.5	+15.5					
Trade (1929=100)								
Wholesale	96.5	+2	+4.4	92.7	+1.2	+11.1		
Food products		+7			+1.6			
Groceries & food spec.		+4			+2.3			
Dry goods & apparel		+1.1			+1.9			
Mach., equip. & suppl.		+3			+5.9			
Farm products		+8.6						
Petrol. and petrol. prod. (incl. bulk tank sta.)		+4			+2.4			
Automotive		+1			+9			
Retail	112.8	+9.5	+4.3	107.9	+8.9	+10.9		
Food	114.0	+1.9	+7.1	115.4	+2.3	+16.8		
General merchandising	116.1	+27.9	+5.8	115.6	+27.8	+13.3		
Apparel	107.6	+8.7	+4.1	101.7	+7.6	+8.9		
Furniture	80.7	+2.4	+1.5	78.8	+5.5	+3.3		
Automotive	85.8	+3	+2.5	87.2	+1	+2.3		
Lumber & bldg. mater.	79.8	+2.8	+4.9	83.0	+0	+14.5		
Public Utilities:								
Tel. & Tel.	118.6	+5	+12.4	112.1	+4.9	+19.9		
Electric light & power	119.3	+1	+2.2	116.3	+1.0	+9.8		
Street rlys. & buses**	117.4	+2	+2.9	118.1	+2.4	+9.5		
Mining:								
Anthracite	49.1	-2.3	-3.5	35.9	-14.1	-16.0		
Bituminous-coal	95.4	+3	+5.9	119.6	+2.9	+30.8		
Metalliferous	79.5	+1	+10.1	90.9	+1.3	+24.9		
Quarrying & nonmetalliferous	50.8	+3.4	+12.0	56.0	-2.6	+31.8		
Crude-petrol. production	61.0	+2	+6	64.9	+1.1	+16.1		
Services:								
Hotels (year-round)	95.6	-5	+3.3	119.3	+3	+11.2		
Laundries	108.4	-5	+8.0	102.7	+8	+15.1		
Dyeing & cleaning	113.1	-3.5	+9.5	88.5	-4.9	+16.8		
Brokerage		+4	-9.5		+1.2	-5.7		
Insurance		+4	+2.4		+1.5	+5.2		
Building Construction		+5.6	+2.3		+3	+17.5		
Water Transportation	117.5	+1	+1.7					

*Preliminary. †Adjusted to preliminary 1939 Census figures. ‡Source: Interstate Commerce Commission. §Not available. ¶Less 1-10 of 1%. **Retail-trade indexes adjusted to 1935 Census, public utility indexes to 1937 Census. ††Covers street railways

and trolley and motorbus operations of subsidiary, affiliated and successor companies. ††Cash payments only; value of board, room, and tips cannot be computed. ‡Based on estimates prepared by the U. S. Maritime Commission.

INDEX NUMBERS OF EMPLOYMENT AND PAY ROLLS OF WAGE EARNERS IN MANUFACTURING INDUSTRIES ADJUSTED TO 1937 CENSUS OF MANUFACTURES, EXCEPT AS INDICATED IN NOTES † AND ‡
(Three-year average 1923-25=100.0)

Manufacturing Industries—	Employment			Pay Rolls		
	Dec. 1941	Nov. 1941	Dec. 1940	Dec. 1941	Nov. 1941	Dec. 1940
All Industries†	134.0	134.7	116.2	169.8	165.2	122.4
Durable Goods†	143.9	144.6	117.7	195.9	190.3	131.7
Non-durable Goods†	124.6	125.3	114.8	140.6	137.2	112.1
Durable Goods—						
Iron & steel & their products, not including machinery	138.6	138.8	121.6	175.7	172.0	133.0
Blast furnaces, steel works, and rolling mills	148.9	147.8	129.5	186.3	183.2	142.1
Bolts, nuts, washers, & rivets	171.2	168.7	134.7	263.7	253.4	178.0
Cast-iron pipe	98.0	98.3	87.4	121.9	117.9	97.1
Cutlery (not including silver & plated cutlery), & edge tools	134.3	132.5	109.8	164.7	160.7	113.7
Forgings, iron and steel	117.2	114.2	88.7	195.3	179.8	119.6
Hardware	115.2	113.4	112.5	152.8	148.2	128.4
Plumbers' supplies	96.5	98.1	96.6	108.7	106.7	95.1
Stamped & enameled ware	220.0	224.6	196.2	296.4	288.4	225.4
Steam & hot-water heating apparatus & steam fittings	123.7	125.1	102.6	160.5	150.1	105.0
Stoves	104.7	110.1	103.9	113.7	115.3	100.3
Struct. & ornamental metalwork	106.0	107.6	90.4	121.7	116.3	86.0
Tin cans & other tinware	131.2	135.0	98.9	171.7	165.9	113.1
Tools (not incl. edge tools, mach. tools, files & saws)	149.8	147.3	116.7	208.5	205.2	137.1
Wirework	198.1	203.8	206.8	260.7	280.4	242.0
Machinery, not incl. transportation equipment	183.3	181.4	136.1	270.3	255.3	163.0
Agricult'l Impl. (incl. tractors)	167.3	167.5	143.2	218.0	223.9	171.3
Cash registers, adding machines, & calculating machines	176.5	177.0	135.2	231.2	223.2	148.2
Elec. mach., apparatus, & suppl. Engines, turbines, water wheels, & windmills	150.2	148.8	114.1	201.1	191.4	126.6
Fly. & mach. shop products	109.6	109.0	86.1	149.8	141.1	90.6
Machine tools	161.8	161.8	132.2	235.0	236.3	147.3
Radio & phonographs	205.9	210.3	149.8	288.4	287.8	169.4
Textile machinery & parts	115.9	129.7	130.2	150.9	175.8	145.0
Typewriters & parts	99.4	97.2	66.0	119.2	111.7	62.3
Transportation equipment§	145.0	145.7	131.2	191.7	181.5	149.6
Aircraft	99.4	97.2	66.0	119.2	111.7	62.3
Automobiles	115.9	129.7	130.2	150.9	175.8	145.0
Cars, electric- & steam-rail'd	99.4	97.2	66.0	119.2	111.7	62.3
Locomotives						
Shipbuilding						
Non-ferrous metals & their prod.						
Aluminum manufactures						
Brass, bronze, & cop. products						
Clocks, watches and time-recording devices	112.1	116.1	106.2	149.7	155.0	119.6
Jewelry	116.4	119.8	104.2	123.2	115.5	96.9
Lighting equipment	114.6	119.6	110.0	125.5	124.4	102.2
Silverware & plated ware	85.7	86.5	78.9	100.5	102.2	86.5
Smelting and refining copper, lead, and zinc	100.5	100.3	96.7	122.0	120.8	102.7
Lumber and allied products	76.8	77.8	73.7	87.7	86.5	71.5
Furniture	106.6	108.4	97.4	120.0	118.8	92.6
Lumber:						
Millwork	74.4	75.5	71.6	71.6	71.0	59.7
Sawmills	65.7	66.3	64.7	71.7	70.3	60.4
Stone, clay, and glass products	99.8	101.5	88.7	107.1	106.1	85.7
Brick, tile, and terra cotta	74.0	76.2	65.2	72.1	72.9	56.8
Cement	80.8	82.5	71.7	89.8	91.5	72.4
Glass	131.9	133.3	116.8	172.8	169.3	137.6
Marble, granite, slate, and other products	44.5	45.5	45.1	34.8	34.5	33.4
Pottery	122.7	123.6	105.6	132.1	127.9	101.9
Non-Durable Goods—						
Textiles and their products	112.7	113.2	107.0	121.5	118.1	97.6
Fabrics	106.0	105.9	100.4	123.1	118.7	95.6
Carpets and rugs	89.7	90.0	82.4	94.6	93.8	76.2
Cotton goods	111.4	111.4	100.5	138.3	134.9	98.0
Cotton small wares	108.9	109.1	89.6	129.6	127.9	91.5
Dyeing & finishing textiles	135.8	133.1	134.3	142.3	132.4	121.0
Hats, fur-felt	75.0	76.4	83.9	82.2	75.9	81.5
Hosiery	135.2	135.0	146.0	163.5	159.5	160.1
Knitted outerwear	77.2	80.3	71.4	73.0	76.9	61.5
Knitted underwear	84.8	88.1	77.4	97.8	97.3	74.2
Knit cloth	146.5	145.8	147.5	146.7	139.7	129.8
Silk and rayon goods	60.9	61.3	65.3	61.7	60.9	54.4
Woolen and worsted goods	110.7	109.4	100.9	133.7	124.7	96.3
Wearing apparel	122.7	124.8	117.2	110.9	109.5	95.6
Clothing, Men's	119.9	120.1	108.1	110.7	109.0	86.4
Clothing, Women's	162.0	164.2	164.2	132.0	125.9	125.5
Corsets & allied garments	110.0	121.2	112.8	135.0	148.9	122.6
Men's furnishings	120.5	130.0	123.3	134.6	156.5	133.2
Millinery	60.7	61.3	60.8	40.1	40.3	41.5
Shirts and collars	135.4	137.0	122.1	152.7	155.5	115.0
Leather and its manufactures	99.5	96.7	90.6	106.8	96.9	78.5
Boots and shoes	95.6	92.3	88.0	99.7	88.3	73.2
Leather	98.4	97.7	85.8	121.5	117.8	89.5
Food and kindred products	140.8	145.7	130.5	156.5	157.6	132.5
Baking	151.8	153.7	144.1	156.8	159.7	137.7

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
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	88	—
December	743,637	760,775	530,459	93	—
1942—Month of—					
January	673,122	668,230	528,698	102	—
1941—Week Ended—					
Aug. 2	159,844	159,272	572,635	93	83
Aug. 9	174,815	159,894	587,498	91	83
Aug. 16	169,472	162,889	592,840	92	83
Aug. 23	158,403	162,964	584,484	94	83
Aug. 30	157,032	163,284	576,529	97	84
Sept. 6	147,086	133,031	591,414	80	84
Sept. 13	164,057	166,781	589,770	98	84
Sept. 20	176,263	166,797	583,716	99	84
Sept. 27	155,473	163,915	578,402	98	85
Oct. 4	176,619	168,256	582,287	100	85
Oct. 11	159,337	164,374	575,627	99	85
Oct. 18	167,440	165,795	574,991	98	86
Oct. 25	162,279	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	158,394	165,397	570,430	99	87
Nov. 22	148,098	160,889	550,383	96	87
Nov. 29	169,111	164,875	554,417	101	87
Dec. 6	181,185	166,080	567,373	102	87
Dec. 13	149,021	163,226	553,389	101	88
Dec. 20	149,874	166,948	535,556	101	88
Dec. 27	116,138	124,258	523,119	76	88
1942—Week Ended—					
Jan. 3	147,419	140,263	530,549	86	88
Jan. 10	162,493	166,095	527,514	101	—
Jan. 17	167,846	165,360	525,088	102	—
Jan. 24	161,713	169,735	514,622	101	—
Jan. 31	181,070	167,040	528,698	101	—
Feb. 7	162,894	168,424	522,320	101	—
Feb. 14	156,745	167,424	510,542	101	—

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 stock, and other items made necessary adjustments of unfilled orders.

Wholesale Commodity Prices Resumed Upward Trend In Week Ended Feb. 14

The Bureau of Labor Statistics, U. S. Department of Labor, announced on Feb. 19 that commodity prices in primary markets resumed their upward movement during the week ended Feb. 14 and rose to the highest level since August, 1929. Following the slight reaction of the preceding week, the Bureau's index of nearly 900 price series rose 0.5% to 96.2% of the 1926 average. In the past month the all-commodity index has risen 0.6% and it is now 19½% above a year ago.

The Bureau's announcement further said: The advance for the week was general, affecting almost all markets. The principal price increases were for agricultural commodities, particularly livestock, meats, and fats and oils. Quotations were also advanced for a number of manufactured goods and industrial materials, including carpets and other household furnishings, shoes, certain textiles, lumber and fertilizer materials.

Average prices for farm products in wholesale markets rose 0.6% during the week. Led by an increase of more than 2% for hogs, to the highest February level in 16 years, the livestock and poultry subgroup rose 1.7%. Quotations were also higher for cotton, barley, rye, oats and for hay, tobacco and wool. Seasonally lower prices were reported for eggs, apples, onions and potatoes, also for corn and wheat. Although agricultural commodity prices are slightly lower than they were for the corresponding week of January they are nearly 43% higher than a year ago.

A sharp increase in prices for meats, particularly pork, brought wholesale prices of foods to slightly below the mid-January peak when the index reached the highest level since the Spring of 1930. Fruits and vegetables, including prunes, bananas and oranges, rose 0.6% and quotations were slightly higher for rice, corn meal and lard. Lower prices were reported for flour and oatmeal, and for cured beef at New York, and lamb. Cattle feed declined 3%.

Prices for cotton textiles rose moderately during the week. An increase of approximately 5% was reported in prices for carpets.

Quotations for petroleum products from the Pennsylvania fields advanced while Oklahoma natural gasoline declined.

There was an increase of 0.4% in the average prices for building materials as higher prices were quoted for red cedar shingles, and for some types of yellow pine, oak and gum lumber. Lower prices were reported for maple flooring, for yellow pine boards and timbers, and for rosin and turpentine.

The industrial grades of fats and oils, particularly castor oil, sulfur olive oil and tallow, averaged 1.8% higher than a week ago. In the past year these materials have risen 133%.

The following tables show (1) index numbers for the principal groups of commodities for the past 3 weeks, for Jan. 17, 1942 and for Feb. 15, 1941 and the percentage changes from a week ago, a month ago, and a year ago (2) percentage changes in subgroup indexes from Feb. 7 to Feb. 14, 1942.

Commodity Groups—	(1926 = 100)					Percentage changes to		
	2-14	2-7	1-31	1-17	2-15	Feb. 14, 1942 from	1-17	2-15
All Commodities	96.2	95.7	95.9	95.5	80.5	+0.5	+0.6	+19.5
Farm products	100.7	100.1	101.3	100.8	70.5	+0.6	-0.1	+42.8
Food	94.0	93.7	93.9	94.1	73.3	+0.3	-0.1	+28.2
Hides and leather products	116.1	115.8	115.7	115.6	101.9	+0.3	+0.4	+13.9
Textile products	93.6	93.5	93.6	92.6	75.6	+0.1	+1.1	+23.8
Fuel and lighting materials	78.7	78.4	78.8	78.9	72.7	+0.4	-0.3	+8.3
Metals and metal products	103.6	103.6	103.6	103.5	97.9	0	+0.1	+5.8
Building materials	109.8	109.4	109.6	109.1	99.4	+0.4	+0.6	+10.5
Chemicals and allied products	96.9	96.6	96.7	95.6	78.7	+0.3	+1.4	+23.1
Housefurnishing goods	104.0	102.9	102.9	102.7	90.2	+1.1	+1.3	+15.2
Miscellaneous commodities	89.0	88.2	88.4	87.9	76.7	+0.9	+1.3	+16.0
Raw materials	96.4	95.9	96.4	95.6	73.8	+0.5	+0.8	+30.6
Semimanufactured articles	91.9	91.9	92.0	91.4	81.2	0	+0.5	+13.2
Manufactured products	86.9	86.3	86.4	86.5	83.8	+0.6	+0.4	+15.6
All commodities other than farm products	95.2	94.7	94.7	94.5	82.7	+0.5	+0.7	+15.1
All commodities other than farm products and foods	94.9	94.5	94.7	94.4	84.6	+0.4	+0.5	+12.2

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM FEB. 7, 1942 TO FEB. 14, 1942

Increases			
Meats	2.0	Cotton goods	0.4
Oils and fats	1.8	Agricultural implements	0.3
Livestock and poultry	1.7	Fertilizer materials	0.3
Furnishings	1.6	Other farm products	0.3
Lumber	1.1	Brick and tile	0.2
Petroleum products	0.9	Bituminous coal	0.1
Fruits and vegetables	0.6	Chemicals	0.1
Furniture	0.5	Drugs and pharmaceuticals	0.1
Shoes	0.5	Other building materials	0.1
Other textile products	0.1		
Decreases			
Cattle feed	3.0	Paper and pulp	0.3
Other foods	1.1	Cereal products	0.2
Grains	0.6	Paint and paint materials	0.2

Liquidation Of Insolvent National Banks

Comptroller of the Currency Preston Delano announced on Feb. 12 that during the month of January, 1942, the liquidation of eight insolvent National banks was completed and the affairs of such receiverships finally closed. His announcement further said:

Total disbursements, including offsets allowed, to depositors and other creditors of these eight receiverships, amounted to \$23,264,562, while dividends paid to unsecured creditors amounted to an average of 85.30% of their claims. Total costs of liquidation of these receiverships averaged 7.35% of total collections from all sources, including offsets allowed.

Dividend distributions to all creditors of all active receiverships during the month of January, amounted to \$659,027. Data as to results of liquidation of the receiverships finally closed during the month are as follows:

INSOLVENT NATIONAL BANKS LIQUIDATED AND FINALLY CLOSED DURING THE MONTH OF JANUARY, 1942

Name and Location of Bank—	Date of Failure	Total Disbursements to Creditors Including Offsets Allowed	Per Cent Dividends Declared to All Claimants	Capital Stock at Date of Failure
United States Nat'l Bank, Los Angeles, Calif.	8-18-31	\$7,459,948	82.66	\$1,000,000
*Presque Isle National Bank, Presque Isle, Me.	11-7-33	3,293,506	99.29†	100,000
*Broad Street National Bank, Red Bank, N.-J.	4-15-33	1,667,372	47.3	150,000
*First National Bank, Secaucus, New Jersey	6-18-34	1,231,286	86.46†	100,000
*First National Bank, Toledo, O.	4-3-34	6,287,257	94.25†	500,000
*First National Bank & Trust Co., Bedford, Penna.	10-26-34	1,460,242	102.08††	150,000
*First National Bank & Trust Co., Frackville, Penna.	4-23-34	1,471,182	84.37†	125,000
Nescopek National Bank, Nescopeck, Penna.	10-22-37	393,769	92.4	84,650

*Formerly in conservatorship. †Including dividends paid through or by purchasing bank. ††100% principal and partial interest paid to creditors.

Lumber Manufacturing Statistics During Four Weeks Ended Jan. 31, 1942

We give herewith data on identical mills for the four weeks ended Jan. 31, 1942, as reported by the National Lumber Manufacturers Association on Feb. 10:

An average of 472 mills report as follows to the National Lumber Trade Barometer for the four weeks ended Jan. 31, 1942:

(In 1,000 feet)	Production		Shipments		Orders Rec'd	
	1942	1941	1942	1941	1942	1941
Softwoods	814,224	868,775	926,208	955,549	1,162,931	1,023,362
Hardwoods	45,299	43,128	46,255	45,857	54,540	43,704
Total lumber	859,523	911,903	972,463	1,001,406	1,217,471	1,067,066

Production during the four weeks ended Jan. 31, 1942, as reported by these mills, was 6% below that of corresponding weeks a year ago. Softwood production in 1942 was 6% below that of the same weeks of 1941 and 14% above the records of comparable mills during the same period of 1940. Hardwood output was 5% above production of the 1941 period.

Shipments during the four weeks ended Jan. 31, 1942, were 3% below those of corresponding weeks of 1941, softwoods showing a loss of 3%, and hardwoods a gain of 1%.

Orders received during the four weeks ended Jan. 31, 1941, were 14% above those of corresponding weeks of 1941. Softwood orders in 1942 were 14% above those of similar period of 1941 and 40% above the same weeks of 1940. Hardwood orders showed a gain of 25% as compared with corresponding weeks of 1941.

On Jan. 31, 1942, gross stocks as reported by 393 softwood mills were 2,864,199,000 feet, the equivalent of 73 days' average production (three-year average 1939-40-41) as compared with 3,045,682,000 feet on Feb. 1, 1941, the equivalent of 78 days' average production.

On Jan. 31, 1942, unfilled orders as reported by 389 softwood mills were 1,370,093,000 feet, the equivalent of .36 days' average production, compared with 1,043,277,000 feet, on Feb. 1, 1941, the equivalent of 27 days' average production.

Agricultural Extension

Secretary of Agriculture Wickard has made public a memorandum placing on the Extension Service the responsibility for "carrying forward on every sector of the farm front the general educational work in agriculture and home economics essential to the success of our war-time effort." He stated that the educational program "must without exception include all that is necessary to an understanding by rural people of each program individually and of all programs as a unified whole." With respect thereto advices from the Department of Agriculture said:

The Extension Service is a cooperative agency of the Department and State land-grant colleges. It has a corps of trained extension subject-matter specialists in every State and county agricultural and home demonstration agents in every county of agricultural importance.

The Secretary charged the Extension Service with responsibility for all group or general educational work essential to understanding of the action programs and for spreading to all farm people scientific and economic information of the Department and State Experiment Stations.

He pointed out that Extension Service representatives are members of all State and county USDA War Boards, and that Extension Service's responsibility for educational work of the boards was the same as for other programs.

Administration of the action programs, such as the AAA and FSA programs, contacting individual farmers on participation in the programs, checking compliance, etc., remains the job of the action agencies.

Cuban Sugar Production

While the Government of Cuba has not yet issued the necessary decree establishing the amount of sugar to be produced during the present crop year, it has been privately estimated in Cuba that this year's output may be fixed at as high as 3,800,000 Spanish long tons against 2,400,000 tons during the preceding crop year, according to the U. S. Department of Commerce, which states that:

Unofficial estimates originating in Cuba show that exports of raw sugar from the Island during 1941 amounted to about 3,145,000 Spanish long tons compared with 1,989,192 tons exported during 1940.

68,070 Freight Cars On Order by Roads Feb. 1

Class I railroads on Feb. 1, 1942, had more new freight cars on order than on any corresponding date on record, the Association of American Railroads announced on Feb. 18. New freight cars on order on Feb. 1, totaled 68,070 compared with 41,600 on the same date last year. New freight cars on order on Feb. 1, 1942, included 41,959 box, 21,260 coal, 1,274 refrigerator, 2,244 flat, 300 stock and 1,033 miscellaneous.

The Class I railroads on Feb. 1, this year also had 543 new locomotives on order, of which 249 were steam and 294 electric and Diesel. On the same date last year, there were 238 new locomotives on order, which included 120 steam and 118 electric and Diesel.

The Class I railroads in January, put in service, 8,143 new freight cars compared with 6,525 in the same month last year.

New locomotives put in service in January totaled 71, of which 26 were steam and 45 electric and Diesel. In the same month last year 47 new locomotives were installed in service, which included 15 steam and 32 electric and Diesel.

January Living Costs Rise In 67 Cities

Living costs for wage earners and lower-salaried clerical workers increased from December to January in 67 cities, according to The Conference Board. The largest increase was 2.6% in Baltimore; the smallest 0.5% in Newark. In the United States as a whole, the cost of living rose 1.4% according to the Board, which says:

The cost of living was higher in January than in January, 1941, in all 59 cities for which comparable figures are available. The largest increase was 15.7% in Syracuse; the smallest 6.6% in Newark. In the United States the cost of living rose 9.9% from January, 1941, to January, 1942.

The following table furnished by the Board gives percentage changes in living costs from December, 1941, to January, 1942 in all 67 cities:

PERCENTAGE CHANGES IN LIVING COSTS IN 67 CITIES
DECEMBER, 1941 TO JANUARY, 1942

Source: The Conference Board

City	% Change	City	% Change	City	% Change
Baltimore	+2.6	Saginaw, Mich.	+1.6	Dallas	+1.3
Sacramento	+2.5	Syracuse	+1.6	Macon	+1.3
San Francisco	+2.5	Evansville, Ind.	+1.5	Omaha	+1.3
Wilmington, Del.	+2.5	Joliet, Ill.	+1.5	Kansas City, Mo.	+1.2
New Haven	+2.1	Los Angeles	+1.5	Lewistown, Pa.	+1.2
Des Moines	+2.1	Louisville	+1.5	Parkersburg, W. Va.	+1.2
Flint, Mich.	+2.1	Meadville, Pa.	+1.5	St. Louis	+1.2
Philadelphia	+2.1	Memphis	+1.5	Trenton, N. J.	+1.2
Portland, Ore.	+2.1	Oakland	+1.5	Duluth	+1.1
Seattle	+2.1	Spokane	+1.5	Front Royal, Va.	+1.1
Bridgeport	+2.0	Atlanta	+1.4	Indianapolis	+1.1
Erie, Pa.	+1.9	Denver	+1.4	New York	+1.1
Grand Rapids	+1.9	Detroit	+1.4	Birmingham	+1.0
Providence	+1.9	Houston	+1.4	Roanoke, Va.	+1.0
Lansing	+1.8	Minneapolis	+1.4	Toledo	+1.0
New Orleans	+1.8	Pittsburgh	+1.4	Muskegon	+0.9
Cincinnati	+1.7	Richmond	+1.4	Chicago	+0.9
Manchester, N. H.	+1.7	Rochester	+1.4	Rockford, Ill.	+0.9
Youngstown	+1.7	Wausau, Wis.	+1.4	St. Paul	+0.9
Boston	+1.6	Akron	+1.3	Anderson, Ind.	+0.8
Fall River	+1.6	Chattanooga	+1.3	Buffalo	+0.8
Lynn	+1.6	Cleveland	+1.3	Milwaukee	+0.8
		Newark	+0.5		

Slight Increase In Active Cotton Spindles In January

The Bureau of the Census announced on Feb. 20 that according to preliminary figures 24,136,306 cotton spinning spindles were in place in the United States on Jan. 31, 1942, of which 23,077,352 were operated at some time during the month, compared with 23,063,112 for December, 23,069,146 for November, 23,043,310 for October, 22,963,944 for September, 23,029,066 for August, and 22,829,220 for January, 1941. The aggregate number of active spindle hours reported for the month was 11,363,805,962. Based on an activity of 80 hours per week, the cotton spindles in the United States were operated during January 1942 at 136.9% capacity. This percentage compares, on the same basis, with 124.0 for December, 129.4 for November, 125.8 for October, 123.7 for September, 125.3 for August, and 112.3 for January, 1941. The average number of active spindle hours per spindle in place for the month was 471. The total number of cotton spinning spindles in place, the number active, the number of active spindle hours, and the average hours per spindle in place by States, are shown in the following statement:

State	Spinning Spindles		Total	Active Spindle Hrs. for Jan. Average per spindle in place
	In place Jan. 31	Active during January		
United States	24,136,306	23,077,352	11,363,805,962	471
Cotton Growing States	17,935,028	17,450,286	9,035,432,299	504
New England States	5,491,938	4,977,056	2,085,073,612	380
All other States	709,340	650,010	243,300,051	343
Alabama	1,822,308	1,802,044	949,727,853	521
Connecticut	522,088	491,730	170,325,070	326
Georgia	3,155,634	3,034,700	1,555,421,515	493
Maine	647,340	594,084	266,491,746	412
Massachusetts	3,096,578	2,757,368	1,144,960,316	370
Mississippi	157,896	133,840	71,175,490	451
New Hampshire	281,964	265,040	133,539,916	474
New York	323,100	295,168	116,323,104	360
North Carolina	5,781,888	5,661,604	2,971,709,499	483
Rhode Island	909,408	834,562	347,137,044	382
South Carolina	5,390,674	5,279,594	2,900,855,542	538
Tennessee	551,080	542,648	295,736,765	537
Texas	242,342	230,054	110,635,565	457
Virginia	636,596	600,124	288,537,712	453
All other States	617,410	554,792	221,228,825	358

Trading On New York Exchanges

The Securities and Exchange Commission made public on Feb. 24 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 Feb. 7, 1942, 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 Feb. 7 (in round-lot transactions) totaled 679,480 shares, which amount was 14.05% of total transactions on the Exchange of 2,418,260 shares. This compares with member trading during the previous week ended Jan. 31 of 808,765 shares, or 14.63% of total trading of 2,762,890 shares. On the New York Curb Exchange, member trading during the week ended Feb. 7 amounted to 124,385 shares, or 15.32% of the total volume on that Exchange of 405,935 shares; during the preceding week trading for the account of Curb members of 148,205 shares was 16.55% of total trading of 447,675 shares.

The Commission made available the following data for the week ended Feb. 7:

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	1,042	749
1. Reports showing transactions as specialists	182	87
2. Reports showing other transactions initiated on the floor	159	27
3. Reports showing other transactions initiated off the floor	172	62
4. Reports showing no transactions	615	575

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

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)
Week Ended Feb. 7, 1942

	Total For Week	Per Cent a
A. Total Round-Lot Sales:		
Short sales	78,160	
Other sales b	2,340,100	
Total sales	2,418,260	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	195,400	
Short sales	36,970	
Other sales b	143,110	
Total sales	180,080	7.76
2. Other transactions initiated on the floor—		
Total purchases	93,100	
Short sales	13,100	
Other sales b	71,690	
Total sales	84,790	3.68
3. Other transactions initiated off the floor—		
Total purchases	59,670	
Short sales	8,200	
Other sales b	58,240	
Total sales	66,440	2.61
4. Total—		
Total purchases	348,170	
Short sales	58,270	
Other sales b	273,040	
Total sales	331,310	14.05

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)
Week Ended Feb. 7, 1942

	Total For Week	Per Cent a
A. Total Round-Lot Sales:		
Short sales	3,335	
Other sales b	402,600	
Total sales	405,935	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	32,570	
Short sales	1,995	
Other sales b	54,845	
Total sales	56,840	11.01
2. Other transactions initiated on the floor—		
Total purchases	5,550	
Short sales	100	
Other sales b	6,235	
Total sales	6,335	1.46
3. Other transactions initiated off the floor—		
Total purchases	10,435	
Short sales	930	
Other sales b	11,665	
Total sales	12,595	2.85
4. Total—		
Total purchases	48,615	
Short sales	3,025	
Other sales b	72,745	
Total sales	75,770	15.32
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	0	
Customers' other sales c	24,689	
Total purchases	24,689	
Total sales	16,765	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.
a Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.
b Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."
c Sales marked "short exempt" are included with "other sales."

Shift Of Personnel To War Agencies Speeded

President Roosevelt issued an executive order on Feb. 21 designed to expedite the transfer of personnel to war agencies. The order supplements the President's recent letter to governmental agency heads directing them to survey surplus personnel. The President on Feb. 21 asked the Budget Bureau to establish priority classifications of the executive departments and agencies in respect to their relative importance to the war program and authorized the Civil Service Commission to effect the transfer of any employee deemed competent to perform essential war work. In giving the text of the executive order, special advices Feb. 21 from Washington to the New York "Times" said:

Employees transferred to agencies with a higher war priority rating will be moved only after they have consented. They will have re-employment benefits similar to those afforded to employees who are drafted into military service.

In issuing the order, the

President indicated that he had requested the Bureau of the Budget to conduct immediately a special investigation of appropriations for personal services and other items of expenditure throughout the agencies of Government. Any amounts found not essential to the conduct of Government and its war efforts may be placed in reserve.

Text of the Order

The text of the executive order is as follows:

"By virtue of the authority vested in me by the Civil Service Act (22 Stat. 403), and by Section 1753 of the Revised Statutes of the United States (U. S. O., Title 5, Sec. 631), and in order to expedite the transfer of personnel to war agencies, it is hereby ordered as follows:

"1. For the purpose of facilitating transfers of employees under the provisions of this order the Director of the Bureau of the Budget shall from time to time establish priority classifications of the several executive departments and agencies, or of parts of activities thereof, in respect to their relative im-

portance to the war program, and such classifications shall be controlling as to transfers under the provisions of this order.

"2. The Civil Service Commission is authorized to secure information as to employees of executive departments and agencies who are deemed competent to perform essential war work in departments or agencies having a higher priority classification, and, with the consent of the employee concerned, to effect the transfer of any such employee to meet the personnel needs of a department or agency having a higher priority classification.

"3. Whenever a transfer is proposed under the provisions of Section 2, it shall become effective not later than 10 days after notification to the department or agency in which the employee is serving. If, within that period, the employing department or agency presents to the Civil Service Commission evidence that its work will be jeopardized by the loss of the employee's services, the Civil Service Commission shall consider such evidence and make a final decision. Transfers to departments and agencies having the same or lower classifications shall not be effected without the consent of the department or agency in which the employee is serving.

"4. Any employee transferred pursuant to this order shall be entitled to all the re-employment benefits provided by Executive Order No. 8973 of Dec. 12, 1941.

"5. The Civil Service Commission is authorized to adopt such rules and regulations and to establish such procedures as may be necessary to carry out its responsibilities under this order. Each executive department and agency shall promptly furnish the Civil Service Commission such information regarding its employees as the Commission may require for the effectuation of this order.

"6. This order shall supersede any provisions of Executive Order No. 8973 of Dec. 12, 1941, or of any other executive order or rule of the Civil Service Commission which is in conflict therewith."

The previous references to the President's action in instructing heads of Federal Agencies to release surplus workers for defense work appeared in our Feb. 19 issue, page 768.

26½ Million on Draft List

An estimated 9,000,000 men between the ages of 20 and 45 years were registered throughout the country on Feb. 14, 15 and 16 for possible military service in the first registration since war began but the third under the Selective Training and Service Act of 1940. With over 17,600,000 men from 21 through 35 signed up in the first two registrations, Oct. 16, 1940, and July 1, 1941, the nation's registered manpower pool is now above 26,500,000. When those men of non-military age—18-19 and 45-64—are registered in the Spring, this total is expected to rise to around 40,000,000.

The new registrants subject to military service will be added to the previous lists and not be integrated with the others. Another lottery in Washington will determine their order numbers.

Selective Service headquarters in Washington disclosed on Feb. 15 that a detailed questionnaire will soon be sent to those registrants not already in military service to make available an "all-over picture of the vocational experience of the nation's manpower."

Brig. Gen. Lewis B. Hershey, Director of Selective Service, also recently announced an easing of the restrictions regarding men with defective eyes and teeth.

Midland Bank (London) Profits For Year 1941

The directors of the Midland Bank, Ltd. (head office London), report that, full provision having been made for all bad and doubtful debts and for contingencies, the net profits for the year ended Dec. 31, 1941, amounted to £1,969,287 17s. 6d., to which had to be added the balance of £620,082 16s. 8d. brought forward from the last account, making together a total sum of £2,589,370 14s. 2d., out of which the following appropriations have been made: To interim dividend paid July 15, last, for the half-year ended June 30, 1941, at the rate of 8% actual less income tax at 10s. 0d., £606,344 16s. 9d., to contingent account for war damage to bank premises, £250,000, and to reserve for future contingencies, £500,000, leaving the sum of £1,233,625 17s. 5d., from which the directors recommend a dividend, payable Feb. 1, 1942, for the half-year ended Dec. 31, last, at the rate of 8% actual, less income tax, calling for £606,344 16s. 9d., leaving balance of £626,681 8d. to be carried forward to the next account.

A summary of the consolidated statement of the liabilities and assets of the Midland Bank Ltd. and its four affiliated companies—the Belfast, Clydesdale and North of Scotland Banks and the Midland Bank Executor and Trustee Company—made up on Dec. 31, 1941, comparing the position as at the end of the two previous years, shows total assets of £830,454,998 at the end of December, 1941, as compared with £701,838,282 on Dec. 31, 1940, and £621,339,724 on Dec. 31, 1939. Current, deposit and other accounts on the latest date are shown as £775,862,987, as compared with £650,734,470 and £567,894,005 on the earlier dates. The bank's paid-up capital is listed at the latest date as £15,158,621, the same as in the two previous year-end statements, and the reserve fund is also the same, £12,410,609.

In a statement presented at the annual stockholders' meeting in January (in lieu of the speech usually delivered), the Chairman, R. McKenna, said in part:

The net profit for the year, at £1,969,000, is slightly higher than for 1940, the large increase in the amount payable for income tax and national defense contribution having been more than counterbalanced by the expansion of our business and the smaller provision required for bad and doubtful debts. We recommend a final dividend again at the rate of 8% actual less income tax, making 16% for the year. It has been felt prudent in view of the inevitable difficulties to be faced in the post-war period, to strengthen the reserve for future contingencies by an appropriation of £500,000. We have, moreover, placed a further £250,000 to contingent account for war damage to bank premises, as we cannot be sure that the Government's contributory scheme of compensation will cover total replacement of the damage already sustained or possibly still to be suffered before the end of the war. These appropriations, together with the £1,213,000 for dividends, will absorb practically the whole of the year's profit, leaving the slightly larger amount of £627,000 to be carried forward. Our affiliations, the Belfast Banking Company, The Clydesdale Bank, the North of Scotland Bank and the Midland Bank Executor and Trustee Company, have made their full contribution to these results, and we are glad to know that they, too, despite the difficulties common to all of us, are maintaining their highly efficient services.

Fertilizer Ass'n. Price Index Still Rises

The weekly wholesale commodity price index compiled by The National Fertilizer Association which was made public Feb. 23, continued the upward swing last week. This index, in the week ended Feb. 21, 1942, advanced to 123.7% of the 1935-1939 average, compared with 122.5 in the preceding week. This brings the index 1.5% above the corresponding week a month ago when the index was 121.8, and it is 23.0% higher than a year ago.

The gains in cotton, grains, foodstuffs, and textiles were chiefly responsible for the advance in the all-commodity index. The indexes of farm products and food groups reached new high levels. Higher prices in cotton and cotton materials resulted in a substantial rise in the textiles group index. Slight changes were registered in other industrial commodities. Miscellaneous commodities, fertilizers, and farm machinery groups advanced, while the building materials and fertilizer materials groups declined slightly.

During the week 29 price series included in the index advanced and 14 declined; in the preceding week 22 items advanced and 23 declined; in the second preceding week there were 25 advances and 22 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Table with columns: Group, Latest Week (Feb. 21, 1942), Preceding Week (Feb. 14, 1942), Month Ago (Jan. 17, 1942), Year Ago (Feb. 22, 1941). Rows include Foods, Farm Products, Fuels, Textiles, Metals, Building materials, Chemicals and drugs, Fertilizer materials, Fertilizers, Farm machinery, and All groups combined.

*Indexes on 1926-1928 base were: Feb. 21, 1942, 96.4; Feb. 14, 1942, 95.4; Feb. 22, 1941, 78.4.

Engineering Construction Down 2 1/2% In Week

Major engineering construction volume for the short week due to the Lincoln's Birthday holiday totals \$102,218,000, the fifth consecutive week in which the volume topped the \$100,000,000-mark according to a release dated Feb. 19 by "Engineering News-Record." The current week's construction compares with \$104,893,000 for the preceding week, and \$114,981,000 for the 1941 week.

Private construction turned sharply upward, reaching \$26,690,000, the highest total reported since the week of Dec. 11, 1941. Public volume, \$75,528,000, compares with \$96,950,000 reported for last week, and \$81,615,000 for the week last year.

The current week's total brings 1942 construction to \$996,981,000, an increase of 12% over the volume reported for the opening eight-week period last year. Private work, \$107,401,000, is 61% below a year ago, but public is 45% higher as a result of the 86% gain in Federal work.

Construction volumes for the 1941 week, last week, and the current week are:

Table with columns: Feb. 20, 1941 (five days), Feb. 12, 1942 (five days), Feb. 19, 1942 (four days). Rows include Total Construction, Private Construction, Public Construction, State and Municipal, and Federal.

In the classified construction groups, gains over the preceding week are in commercial building and large-scale private housing, industrial buildings, public buildings, streets and roads, and unclassified construction. Public building is the only class of work to report an increase over a year ago. Subtotals for the week in each class of construction are: waterworks, \$511,000; sewerage, \$1,272,000; bridges, \$881,000; industrial buildings, \$14,811,000; commercial building and large-scale private housing, \$10,641,000; public buildings, \$53,478,000; earthwork and drainage, \$318,000; streets and roads, \$5,775,000; and unclassified construction, \$14,531,000.

New capital for construction purposes for the week totals \$264,802,000. This compares with \$37,018,000 for the corresponding week last year. The week's new financing total is made up of \$710,000 in state and municipal bond sales, \$642,000 in corporate security issues, and \$263,250,000 in Federal appropriations for Government plant construction.

New construction financing for the year to date totals \$1,369,231,000, an increase of 110% over the \$653,833,000 for the eight-week period last year.

Weekly Coal and Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest coal report stated that the production of soft coal showed little change in the week ended Feb. 14. The total output for the country is estimated at 10,830,000 net tons, an increase of 70,000 tons, or less than 1%. Production in the corresponding week last year amounted to 10,416,000 tons.

The U. S. Bureau of Mines reported that the production of Pennsylvania anthracite for the week ended Feb. 14 was estimated at 1,168,000 tons, an increase of 18,000 tons (about 2%) over the preceding week. When compared with the output in the corresponding week of 1941, there was a decrease of 4.0%.

ESTIMATED UNITED STATES PRODUCTION OF SOFT COAL, IN THOUSANDS OF NET TONS, WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM (Data for Pennsylvania anthracite from Weekly Anthracite and Beehive Coke Report of the Bureau of Mines; data for crude petroleum computed from weekly statistics of American Petroleum Institute.)

Table with columns: Week Ended (Feb. 14, 1942, Feb. 7, 1942, Feb. 15, 1941), Jan. 1 to date (Feb. 14, 1942c, Feb. 15, 1941, Feb. 13, 1937). Rows include Bituminous coal a, Total, including mine fuel, Daily average, Crude petroleum b, Coal equivalent of weekly output.

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 Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND BEEHIVE COKE (IN NET TONS). Table with columns: Week Ended (Feb. 14, 1942, Feb. 7, 1942, Feb. 15, 1941), Calendar year to date (Feb. 14, 1942, Feb. 15, 1941, Feb. 16, 1929). Rows include Penn. anthracite, Total, including colliery fuel, Comm'l production b, Beehive coke, United States total, Daily average.

a Includes washery and dredge coal, and coal shipped by truck from authorized operations. b Excludes colliery fuel.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

(The current weekly estimates are based on railroad loadings 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.)

Table with columns: State, Week Ended (Feb. 7, 1942, Jan. 31, 1942, Feb. 8, 1941, Feb. 10, 1940, Feb. 6, 1937, Feb. average 1923). Rows include Alaska, Alabama, Arkansas and Oklahoma, Colorado, Georgia & North Carolina, Illinois, Indiana, Iowa, Kansas and Missouri, Kentucky—East, Kentucky—West, Maryland, Michigan, Montana, New Mexico, North & South Dakota, Ohio, Pennsylvania bituminous, Tennessee, Texas, Utah, Virginia, West Virginia—Southern a, West Virginia—Northern b, Wyoming, Other Western States c, Total bituminous coal, Pennsylvania anthracite d, Total, all coal.

a Includes operations on 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." g Less than 1,000 tons.

Changes In Holdings Of Recquired Stock Of N. Y. Stock & Curb Listed Firms

The monthly compilation of companies listed on the New York Stock Exchange reporting changes in their holdings of reacquired stock was made available on Feb. 17. Following is the tabulation issued by the Stock Exchange:

Table with columns: Company and Class of Stock, Shares Previously Reported, Shares Per Latest Report. Rows include Allegheny Ludlum Steel Corp., Allied Stores Corp., American Chicle Co., American-Hawaiian Steamship Co., American Hide & Leather Co., American Ice Co., Armour & Co., Associates Investment Co., Atlas Corp., Barker Bros., Belding Hemmway Co., Borden Co., Bucyrus-Erie Co., Century Ribbon Mills, Chicago Yellow Cab Co., Coca-Cola Co., Copperhead Steel Co., Coly, Inc., Cuban-American Sugar Co., Davega Stores Corp., Detroit Edison Co., Food Machinery Corp., Firestone Tire & Rubber Co., Fruehauf Trailer Co., Gaylord Container Corp., General Motors Corp., General Realty & Utilities Corp., General Shoe Corp., Gillette Safety Razor Co., Glidden Co., Goodyear Tire & Rubber Co., Gotham Silk Hosiery Co., Greyhound Corp., Hat Corp., Household Finance Corp., Insurance Shares Certificates Inc., Jewel Tea Co., Jones & Laughlin Steel Corp., Macy (R. H.) & Co., Madison Square Garden Corp., Maytag Co., National Department Stores Corp., National Steel Corp., Norfolk & Western Railway Co., Pacific Finance Corp., Plymouth Oil Co., Real Silk Hosiery Mills, Inc., Reo Motors, Inc., Savel, Inc., Sheaffer (W. A.) Pen Co., Socony-Vacuum Oil Co., Swift & Co., Transamerica Corp., United States Leather Co., Viek Chemical Co., White (J. S.) Dental Manufacturing Co.

NOTES

(1) 11,912 shares retired; 1,008 shares acquired. (2) Retired.

- (3) 1,300 shares acquired and retired.
- (4) 76 additional shares acquired as result of request for tenders.
- (5) 1,118 shares acquired and retired.
- (6) 15,100 shares acquired; 21,900 shares cancelled.
- (7) 2,869 shares acquired as result of request for tenders.
- (8) Results from 1 for 4 split-down of underlying stock.

The New York Curb Exchange issued on Feb. 16 the following list of issuers of fully listed securities which have reported changes in their holdings of reacquired stock:

Name	Shares Previously Reported	Shares Per Latest Report
American General Corp., \$2.00 div. ser. pfd.	8,206	8,406
Common	353,913	355,326
Crown Central Petroleum Corp., common	565	566
Dejay Stores, Inc., common	7,786	7,986
Dennison Manufacturing Co., prior preferred	5,272	5,326
"A" common	10,539	10,584
Detroit Gasket & Mfg. Co., 6% preferred	12,816	13,116
Equity Corp., \$3.00 convertible preferred	46,873	48,073
Gellman Manufacturing Co., common	4,450	5,350
Kleinert (I. B.) Rubber Co., common	26,835	27,078
Lane Bryant, Inc., 7% preferred	552	562
Louisiana Land & Exploration Co., capital	35,048	37,248
Merritt-Chapman & Scott Corp., 6 1/2% "A" preferred	1,993	2,368
Navarro Oil Co., common	14,786	14,746
New Process Co., common	192	292
New York Merchandise Co., Inc., common	51,847	52,647
Niagara Share Corp. of Maryland "A" preferred	3,971	4,220
Niagara Share Corp. of Maryland "B" common	127,981	128,481
North Central Texas Oil Co., Inc., common	31,000	32,000
Pacific Can Co., common	73,189	None
Roosevelt Field, Inc., capital	61,300	60,400
Selected Industries, Inc., \$5.50 div. prior stock	None	800
Sterchi Bros. Stores, Inc., 6% 1st preferred	305	474
5% 2nd preferred	337	437
Sunray Oil Corp., 6 1/2% convertible preferred	2,090	2,740
United Chemicals, Inc., \$3.00 participating preferred	922	942
United Cigar-Whelan Stores Corp., common	12,114	12,119
Utility Equities Corp., \$5.50 div. prior stock	7,815	8,190

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 Feb. 23 as follows:

1941—	(August, 1939=100)									
	Argentina	Australia	Canada	England	India	Mexico	New Zealand	Sweden	Switzerland	United States
January	114	127	126	150	1120	111	119	144	1172	120
February	114	126	127	150	121	113	119	147	171	120
March	119	122	129	150	123	114	119	154	176	122
April	121	121	131	150	125	115	119	156	180	125
May	126	120	134	152	129	117	120	156	189	129
June	133	121	137	155	131	119	121	155	193	132
July	135	121	141	156	136	125	122	155	194	136
August	138	121	142	157	138	127	123	156	196	138
September	140	122	145	157	138	130	123	156	203	143
October	140	123	143	158	139	132	126	156	207	140
November	142	124	143	158	141	133	124	157	209	141
December	143	122	144	159	139	123	157	157	211	145
1942—										
January	144	123	146	160	140	123	157	157	211	151
1941—										
Weeks end:										
Dec. 6	141	122	143	159	141	137	124	157	209	142
Dec. 13	137	122	143	160	139	123	157	157	209	144
Dec. 20	142	122	143	159	139	123	157	157	209	148
Dec. 27	142	123	144	160	139	123	157	157	209	147
1942—										
Jan. 3	142	123	144	160	140	123	157	157	209	148
Jan. 10	143	123	145	159	141	123	157	157	209	150
Jan. 17	144	123	145	160	140	124	157	157	209	151
Jan. 24	145	123	147	161	139	123	157	157	209	151
Jan. 31	145	124	145	161	139	124	157	157	209	151
Feb. 7	146	125	151	159	139	124	157	157	209	150
Feb. 14	146	125	151	159	139	123	157	157	209	151

* Preliminary. † Revised.

Bank Debits Up 5.7% From Last Year

Bank debits as reported by banks in leading centers for the week ended Feb. 18 aggregated \$10,615,000,000. Total debits during the 13 weeks ended Feb. 18 amounted to \$146,917,000,000, or 18% above the total reported for the corresponding period a year ago. At banks in New York City there was an increase of 11% compared with the corresponding period a year ago, and at the other reporting centers there was an increase of 22%.

SUMMARY BY FEDERAL RESERVE DISTRICTS

(In millions of dollars)

Federal Reserve District—	Week Ended		13 Weeks Ended	
	Feb. 18, 1942	Feb. 19, 1941	Feb. 18, 1942	Feb. 19, 1941
Boston	643	539	8,599	7,275
New York	3,974	3,996	57,576	51,503
Philadelphia	564	525	8,065	6,680
Cleveland	803	712	10,876	8,956
Richmond	466	384	5,920	4,845
Atlanta	396	330	5,057	4,037
Chicago	1,577	1,546	22,175	18,213
St. Louis	369	304	4,865	3,821
Minneapolis	197	171	2,756	2,112
Kansas City	360	315	4,677	3,691
Dallas	325	296	4,073	3,167
San Francisco	942	929	12,281	10,004
Total, 274 reporting centers	10,615	10,045	146,917	124,305
New York City	3,607	3,804	52,473	47,141
140 other centers	6,024	5,574	81,484	66,796
133 other reporting centers	984	867	12,960	10,368

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

Federal Reserve January Business Indexes

The Board of Governors of the Federal Reserve System on Feb. 21 issued its monthly indexes of industrial production, factory employment and payrolls, etc. At the same time the Board issues its customary summary of business conditions. The indexes for January, together with comparisons for a month and a year ago, are as follows:

BUSINESS INDEXES	1935-39 average = 100 for industrial production and freight-car loadings					
	Adjusted for Seasonal Variation—			Without Seasonal Adjustment—		
	Jan. 1942	Dec. 1941	Jan. 1941	Jan. 1942	Dec. 1941	Jan. 1941
Industrial production—						
Total	1170	167	140	1165	163	135
Manufactures—						
Total	1177	174	144	1172	170	139
Durable	1220	214	171	1214	211	166
Nondurable	1143	141	123	1138	137	118
Minerals	1132	131	119	1126	125	113
Construction contracts, value—						
Total	1106	123	103	1186	98	84
Residential	168	69	84	156	59	70
All other	1137	167	117	1111	130	95
Factory employment—						
Total	*	134.9	118.3	*	134.3	115.5
Durable goods	*	144.4	121.1	*	144.3	118.3
Nondurable goods	*	125.9	115.6	*	124.7	112.7
Factory payrolls—						
Total	*	*	*	*	170.2	120.7
Durable goods	*	*	*	*	195.9	132.0
Nondurable goods	*	*	*	*	141.3	108.1
Freight-car loadings	140	137	122	129	128	113
Department store sales, value	138	111	101	108	197	79
Department store stocks, value	*	92	71	*	86	64

* Preliminary or estimated. *Data not yet available.
Note—Production, carloadings, and department store sales indexes based on daily averages. To convert durable manufactures, non-durable manufactures and minerals indexes to points in total index, shown in Federal Reserve Chart Book, multiply durable by .379, non-durable by .469, and minerals by .152.

Construction contract indexes based on 3-month moving averages, centered at second month, of F. W. Dodge data for 37 Eastern States. To convert indexes to value figures, shown in the Federal Reserve Chart Book, multiply total by \$410,269,000, residential by \$184,137,000, and all other by \$226,132,000.

Employment index, without seasonal adjustment, and payrolls index compiled by Bureau of Labor Statistics.

INDUSTRIAL PRODUCTION	1935-39 average = 100					
	Adjusted for Seasonal Variation—			Without Seasonal Adjustment—		
	Jan. 1942	Dec. 1941	Jan. 1941	Jan. 1942	Dec. 1941	Jan. 1941
Manufactures—						
Iron and steel	191	196	179	191	196	179
Pig iron	189	190	177	189	190	177
Steel	208	212	186	208	212	186
Open hearth & Bessemer	174	181	172	174	181	172
Electric	445	432	291	445	432	291
Machinery	254	241	168	254	241	168
Transportation equipment	2295	275	190	2295	275	193
Automobile factory sales	187	85	144	187	85	151
Non-ferrous metals & products	1195	192	167	1194	192	166
Copper smelting	141	141	133	141	141	133
Zinc smelting	184	182	153	184	182	153
Copper deliveries	235	230	201	235	230	200
Zinc shipments	152	146	149	152	146	149
Tin consumption	*	171	119	*	165	114
Lumber and products	1144	138	137	1122	128	116
Lumber	1140	132	139	1112	113	113
Furniture	1151	149	132	1140	155	123
Stone, clay, & glass products	1166	166	154	1117	145	110
Polished plate glass	65	67	137	68	80	144
Textiles and products	1160	154	138	1160	154	138
Cotton consumption	169	155	144	169	155	144
Rayon deliveries	1180	178	156	1180	178	154
Wool textiles	*	176	136	*	176	136
Leather and products	1124	127	107	1121	115	104
Tanning	*	122	102	*	124	103
Cattle hide leathers	*	134	115	*	137	116
Calf and kip leathers	*	89	88	*	91	87
Goat and kid leathers	*	116	79	*	118	79
Shoes	1125	130	110	1120	109	106
Manufactured food products	1138	136	117	1123	129	104
Wheat flour	108	109	98	109	104	99
Meat packing	1147	142	114	1172	165	133
Other manufactured foods	1139	137	117	1122	131	103
Paper and products	*	155	129	*	146	126
Paperboard	175	186	138	168	166	132
Newsprint production	*	106	113	*	107	113
Printing and publishing	*	130	111	*	131	109
Newsprint consumption	104	115	103	99	117	98
Petroleum and coal products	*	138	122	*	137	120
Petroleum refining	*	135	117	*	134	115
Gasoline	*	139	117	*	136	113
Fuel oil	*	130	120	*	132	123
Lubricating oil	*	132	112	*	131	108
Kerosene	*	126	120	*	127	126
Beehive coke	1454	404	367	1454	404	367
Chemicals	1160	152	123	1159	153	122
Minerals						
Fuels	1128	127	114	1131	129	117
Bituminous coal	1129	124	117	1144	138	130
Anthracite	789	89	98	1104	94	114
Crude petroleum	1132	132	114	1129	129	111
Metals	1152	152	148	1166	101	95
Iron ore	1200	199	187	*	*	*
Copper	1159	155	148	1156	156	145
Lead	*	122	116	*	124	116

* Preliminary or estimated. *Data not yet available.

FREIGHT-CAR LOADINGS	1935-39 average = 100					
	Jan. 1942	Dec. 1941	Jan. 1941	Jan. 1942	Dec. 1941	Jan. 1941
Coal	119	111	109	136	125	124
Coke	153	167	145	184	182	174
Grain	142	124	102	125	113	90
Livestock	99	101	88	95	97	84
Forest products	156	145	138	140	129	124
One	186	246	180	46	69	45
Miscellaneous	152	149	130	134	138	115
Merchandise, l.c.l.	97	100	99	93	96	94

Note—To convert coal and miscellaneous indexes to points in total index, multiply coal by .213 and miscellaneous by .548.

Auction Sales

Transacted at R. L. Day & Co., Boston on Wednesday, Feb. 11:		
Shares		\$ per Share
3 Atlantic Ice Manufacturing Co., common		25c lot
20 Springfield Mortgage Co. (par \$100)		55c
\$13,500 Eastern States Exposition 4s, 1963		\$15 lot
Transacted at R. L. Day & Co., Boston on Wednesday Feb. 18:		
Shares		\$ per Share

War Demand In Steel Trade In Great Volume— Further Expansion Being Considered

War requirements for steel are now estimated at more than 43 million tons of ingots for the current year—a figure showing the extraordinary effort U. S. industry is putting forth in the war against the Axis nations, states "The Iron Age" in its issue today (Feb. 26), further adding:

This great volume of steel will be earmarked for such direct war needs as the shipbuilding and railroads industries, the shell steel and tank manufacturers and for lend-lease. Indirect war needs will take additional large tonnages but it is the big tonnage required for the foregoing five major groups that will brush aside much other demand for this metal.

Regardless of how successfully Government control of steel distribution is applied through the priority system, it appears likely that certain "indirect" war requirements must suffer along with some "essential" civilian requirements to provide the steel needed for the maximum war effort. Already many steel mills are scheduled months ahead on steel orders carrying ratings of A-1-j or better with some units unable to promise delivery on anything less than A-1-a for weeks to come.

With such great pressure for steel, no step can be overlooked which will add to supplies. Automobile and automobile body manufacturers have been advised by telegram by the War Production Board Director of Industry Operations not to make shipments from their steel stocks except on orders bearing specified high preference ratings.

In a similar order, accompanying a general tightening up of the entire priority system as applied to metals, steel manufacturers supplying the petroleum industry have been ordered by the WPB not to ship oil country casing, tubing or drill pipe on or after March 14, or to ship line pipe on or after March 7 except on orders bearing a rating of A-9 or higher. The purpose of the order is to prevent shipments of steel on unrated orders, and insure that the limitations applying to the petroleum industry are observed.

Steel production continues at the record level of a week ago with the rate at 95.5% of capacity. The Pittsburgh rate is unchanged this week at 97%, while Chicago declined to 101%. Youngstown rose a point to 96%, while Cleveland dropped to 94% from last week's revised rate of 96%. Philadelphia remained unchanged at 91% and Buffalo at 90%. Wheeling is down three points to 91%, while Birmingham is unchanged at 99%. Detroit dropped seven points to 94% while Southern Ohio River is up a point to 99%.

Whether these high rates of ingot production can be maintained indefinitely without losses due to strikes is a question that is bound to reoccur to industrial observers despite President Roosevelt's emphasized warning in his Feb. 23 address to the nation that no "interruptions" must stop the flow of industrial production for defense. Again the National War Labor Board is face to face with the demand for the closed shop and dues checkoff. Should the War Labor Board grant the demand of the SWOC for a steel wage increase and for the closed shop it would set a precedent to cover not only the steel industry but industry generally. For the time being interest in what the board's decision will be on the closed shop is great enough to overshadow the important question of higher steel wages and their effect on inflation.

While the production drive must necessarily be concentrated on existing plants, since the U. S. is faced with a definite shortage of time, important new plants still are being considered. Plans are being studied, for example, for a large new bomber plant in Ohio to have some 2,000,000 square feet of floor space and employ more than 20,000 persons. A toluene plant producing as much as the entire U. S. output in the First World War is to be built in Indiana. It will be completed well within the period in which the nation still "has time" to defend itself.

Structural steel awards last week are estimated at 25,810 tons, compared with 22,900 tons a week earlier while pending projects are at 32,360 tons, against 18,100 tons. Reinforcing steel awards of 15,000 tons were less than half last week's total of 36,000 tons, while new jobs dropped to 3,515 tons from 10,000 tons last week.

THE "IRON AGE" COMPOSITE PRICES

Finished Steel		High		Low	
Feb. 24, 1942, 2.30467c. a Lb.					
One week ago	2.30467c.				
One month ago	2.30467c.				
One year ago	2.30467c.				
A weighted index based on steel bars, beams, tank plates, wire, rails, black pipe, hot and cold-rolled sheets and strip. These products represent 78% of the United States output.					
High		Low			
1941	2.30467c.	2.30467c.			
1940	2.30467c.	2.24107c.	Apr. 16		
1939	2.35367c.	2.26689c.	May 16		
1938	2.58414c.	2.27207c.	Oct. 18		
1937	2.58414c.	2.32263c.	Jan. 4		
1936	2.32263c.	2.05200c.	Mar. 10		
1935	2.07642c.	2.06492c.	Jan. 8		
1934	2.15367c.	1.95757c.	Jan. 2		
1933	1.95757c.	1.75836c.	May 2		
1932	1.89196c.	1.83901c.	Mar. 1		
1931	1.99629c.	1.86586c.	Dec. 29		
1930	2.25489c.	1.97319c.	Dec. 9		
1929	2.31773c.	2.26498c.	Oct. 29		
Pig Iron					
Feb. 24, 1942, \$23.61 a Gross Ton					
One week ago	\$23.61				
One month ago	\$23.61				
One year ago	\$23.45				
Based on averages for basic iron at Valley furnaces and foundry iron at Chicago, Philadelphia, Buffalo, Valley and Southern iron at Cincinnati.					
High		Low			
1941	\$23.61	\$23.45	Jan. 2		

The American Iron and Steel Institute on Feb. 23 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 96.3% of capacity for the week beginning Feb. 23, compared with 96.2% one week ago, 94.6% one month ago and 96.3% one year ago. This represents an increase of 0.1 point or 0.1% from the preceding week. The operating rate for the week beginning Feb. 23 is equivalent to 1,635,800 tons of steel ingots and castings, compared to 1,634,100 tons one week ago, 1,607,600 tons one month ago, and 1,554,200 tons one year ago. Weekly indicated rates of steel operations since Feb. 3, 1941, follow:

1941—	May 12—	99.2%	Aug 25—	96.5%	Dec 8—	97.5%
Feb 3—	May 19—	99.9%	Sep 2—	96.3%	Dec 15—	97.9%
Feb 10—	May 26—	98.6%	Sep 8—	96.9%	Dec 22—	98.4%
Feb 17—	Jun 2—	99.2%	Sep 15—	96.1%	Dec 29—	96.1%
Feb 24—	Jun 9—	98.6%	Sep 22—	96.8%		
Mar 3—	Jun 16—	99.0%	Sep 29—	96.9%	1942—	
Mar 10—	Jun 23—	99.9%	Oct 6—	98.1%	Jan 5—	93.8%
Mar 17—	Jun 30—	91.8%	Oct 13—	98.4%	Jan 12—	95.1%
Mar 24—	Jul 7—	94.9%	Oct 20—	97.3%	Jan 19—	95.0%
Mar 31—	Jul 14—	95.2%	Oct 27—	99.9%	Jan 26—	94.6%
Apr 7—	Jul 21—	96.0%	Nov 3—	98.2%	Feb 2—	95.0%
Apr 14—	Jul 28—	97.6%	Nov 10—	96.6%	Feb 9—	95.5%
Apr 21—	Aug 4—	96.3%	Nov 17—	97.0%	Feb 16—	96.2%
Apr 28—	Aug 11—	95.6%	Nov 24—	95.9%	Feb 23—	96.3%
May 5—	Aug 18—	96.2%	Dec 1—	97.6%		

"Steel" of Cleveland, in its summary of the iron and steel markets, on Feb. 23 stated:

Increasing pressure for war steel is evidenced in the preponderance of tonnage on mill books bearing highest preference numbers. So great is proportion of this demand that deliveries below A priority have practically ceased and some producers are unable to provide tonnage for lower A ratings. In some instances delivery on A-1 classifications are much extended.

This situation results in tighter regulation on products subject to broad allocation, such as has been placed on plates, and increased allocations of various products involved in particular projects and programs. As the picture develops and more manufacturers are engaged in war production necessity arises for closer control, involving more forms of steel, to avoid delays arising from lack of material to complete assemblies well under way. It is believed the War Production Board will proceed with complete allocation programs for other forms of steel after the plate situation has been clarified.

Pig iron distribution has been worked out satisfactorily to most interests but choke point is feared when some large users, who have been working entirely on inventory, exhaust their supplies and begin to request allocation. These melters have not been a factor in distribution since allocations started but their reserves are nearing exhaustion and they will need monthly supplies.

Unprecedented demand for steel plates caused the War Production Board to take its action to tighten regulation of production and shipments to assure filling of all military requirements, including the Navy and Maritime Commission. Only orders bearing A-10 priority or better, or specifically allocated, may be scheduled or delivered. Both producers and consumers must file forms covering requirements, consumption and other factors for the following month.

Production of steel ingots last week was 96% of capacity, 1 point lower than the preceding week, based on revised capacity figures of the American Iron and Steel Institute, as of Dec. 31, 1941. Chicago gained 1½ points to 104%, only ½-point under its all-time record. Cleveland rose 3 points to 94, Birmingham 5 points to 95, Cincinnati 4 points to 88 and Detroit 1 point to 92. Pittsburgh declined 1½ points to 95%, Wheeling 2½ points to 88, St. Louis 5½ points to 72½ and Youngstown 2 points to 87. Rates were unchanged in Eastern Pennsylvania, at 90; Buffalo, 79½ and New England, 100.

Railroads in February have bought about 7,000 freight cars, with another week to go, which will give the largest number for any month since June, 1921. As of Feb. 1 railroads had more freight cars on order than ever before at the corresponding date. Orders totaled 68,070, compared with 41,600 on the same date last year. Locomotives on order Feb. 1 totaled 543 and since that time the New York Central has placed 57, in addition to a number of small lots by other carriers.

More determined efforts are under way to loosen scrap tonnage from automobile wrecking yards. Initiative is placed in hands of scrap dealers, who are charged with the duty of making bids on the accumulations. If the bid is accepted the wrecker has the option of reserving such parts as may be used for repairs, the remainder being prepared and moved by the dealer. If the bid is refused a government agent may make an inspection to determine the justice of the bid. In case the wrecker refuses to sell the material may be commandeered and placed in the hands of dealers, the owner being paid according to the price for which it is sold to the consumer. This plan already is bearing fruit and a large tonnage is expected to follow soon.

War Production Board is exploring the possibility of placing all scrap supplies on a broad allocation basis, similar to that in force for several months on pig iron and now being applied on plates. Difficulties inherent in controlling flow of scrap through the yards of several thousand dealers are recognized and a formula is being sought to bring them under control.

A revision of price regulations on steel warehouse sales has been announced, releasing small dealers from compliance. Sales by retail dealers of 25 kegs or less of nails or 2,500 pounds or less of wire products need not be priced under the ceiling rules. Former requirement that sellers doing \$50,000 annual business must file prices with OPA has been liberalized by making the volume \$100,000 annually.

Lake Superior iron ore consumption in January totaled 7,158,423 gross tons, compared with 7,061,981 tons in December, with 178 blast furnaces in production Feb. 1, compared with 176 a month earlier. Ore on hand at furnaces and Lake Erie docks Feb. 1 was 33,919,063 tons, against 29,794,047 tons at the same date a year ago.

Composite prices, based on ceilings imposed by OPA, continue at the recent level, finished steel \$56.73, semi-finished steel \$36.00, steelmaking pig iron \$23.05 and steelmaking scrap \$19.17.

London Economist Advocates Inflation Here

Avers Alternative Deflation Or Reduction Of Public Expenditures Greater Than In Great Britain

We reprint the following from Carlton A. Shively's column in the N. Y. Sun last week:

Inflation Necessary
An article in the London "Economist" discusses the American outlook for financing the war. Noting that our war expenditures of about eighteen billions were to be stepped up to fifty-six billions, the "Economist" raises the question as to how the additional thirty-eight billions is to be secured. Allowing for a slight rise in prices, as contained in the President's estimate, the article suggests a national income ceiling of one hundred and ten billions. Increased production then would account for fifteen billions of the extra amount needed. A maximum draft on capital

might yield ten billions, the article continues, although five billions seems more likely as a maximum. In that case the balance of eighteen billions would have to be obtained through a reduction in the public's expenditures—that is, deflation—"a somewhat stiffer dose than has in fact been imposed in Great Britain."

"Without in the least impugning the patriotic resolution of the American people," the article continues, "it may be doubted whether they will, in fact, impose on themselves an even sharper restriction of consumption than the British people have. One reason for this is the greater difficulty, within the constitutional and geographical framework of the United States, of setting up really effective controls of consumption. A much more important reason is that the British people were compelled to make an economic virtue of physical necessity."

Must Have Higher Prices

"If it had not been for the shortage of shipping, which made it necessary to begin restriction with the common necessities of life, it is doubtful indeed whether the political resolution would ever have been found to restrict these basic commodities, which absorb so large a part of the community's expenditure. The argument, therefore, concludes with alternative explanations of the President's figures."

"Either they will not, in fact, be obtained, or else they will be reached only with the assistance of a considerably larger rise in prices than has been allowed for in these estimates. If, for example, there is, say a 15% rise in the general price-level between now and the average of the fiscal year 1942-43, then national income might well rise to 125 billions and war expenditure of fifty-six billions could be accommodated with only a comparatively slight reduction of consumption."

Jap Banks In Hawaii Are Ordered Liquidated

Under date of Feb. 18 a wireless message from Honolulu to the New York "Times" said:

Three large Japanese banks in Honolulu, with assets of \$12,000,000 have been ordered liquidated by the United States Treasury Department, in instructions to Gov. Joseph B. Poindexter.

Roger E. Brooks is expected to arrive soon to supervise their liquidation, as representative of the Controller General.

The depositors, mostly Japanese, may file claims and their funds will be transferred to American-owned banks.

The three institutions are the branch of the Yokohama Specie Bank, owned entirely by interests in Japan, and the Sumitomo and Pacific banks, owned locally but with stockholders predominantly alien Japanese.

Chains Continue Expansion

Chain store sales in January showed continued seasonal expansion, according to "Chain Store Age."

As measured by the index published monthly by that publication, business in January advanced to a level of 164 relative to 1929-1931 average as 100, from 157 in December. The January 1941 index was 124.

The index figures by trade groups were as follows:

	Jan., 1942	Dec., 1941	Jan., 1941
Variety	164	160	126
Apparel	188	178	133
Shoe	223	185	155
Drug	177	177	154
Grocery	160	147	116

Revenue Freight Car Loadings During Week Ended Feb. 14, 1942 Amounted To 782,699 Cars

Loading of revenue freight for the week ended Feb. 14, totaled 782,699 cars, the Association of American Railroads announced on Feb. 19. The increase above the corresponding week in 1941 was 61,523 cars or 8.5% and above the same week in 1940 was 174,462 cars or 28.7%.

Loading of revenue freight for the week of Feb. 14 decreased 1,361 cars or 0.2% below the preceding week.

Miscellaneous freight loading totaled 351,892 cars, a decrease of 1,055 cars below the preceding week, but an increase of 43,735 cars above the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 151,515 cars, a decrease of 203 cars below the preceding week, and a decrease of 1,534 cars below the corresponding week in 1941.

Coal loading amounted to 154,718 cars, an increase of 1,671 cars above the preceding week, and an increase of 1,810 cars above the corresponding week in 1941.

Grain and grain products loading totaled 38,745 cars, a decrease of 2,570 cars below the preceding week, but an increase of 9,448 cars above the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of Feb. 14 totaled 25,252 cars, a decrease of 2,614 cars below the preceding week, but an increase of 7,320 cars above the corresponding week in 1941.

Live stock loading amounted to 11,197 cars, an increase of 783 cars above the preceding week, and an increase of 477 cars above the corresponding week in 1941. In the Western Districts alone, loading of live stock for the week of Feb. 14 totaled 8,099 cars, an increase of 495 cars above the preceding week, and an increase of 445 cars above the corresponding week in 1941.

Forest products loading totaled 47,603 cars, an increase of 457 cars above the preceding week, and an increase of 8,275 cars above the corresponding week in 1941.

Ore loading amounted to 12,920 cars, a decrease of 485 cars below the preceding week, and a decrease of 558 cars below the corresponding week in 1941.

Coke loading amounted to 14,109 cars, an increase of 41 cars above the preceding week, but a decrease of 130 cars below the corresponding week in 1941.

All districts reported increases compared with the corresponding week in 1941 except the Pocahontas and all districts reported increases over 1940.

	1942	1941	1940
5 Weeks of January	3,858,273	3,454,409	3,215,565
Week of Feb. 7	784,060	710,196	627,429
Week of Feb. 14	782,699	721,176	608,237
Total	5,425,032	4,885,781	4,451,231

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Feb. 14, 1942. During this period 98 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED FEB. 14

Railroads	Total Revenue Freight Loaded		Total Loads Received from Connections	
	1942	1941	1942	1941
Eastern District—				
Ann Arbor	661	525	595	1,630
Bangor & Aroostook	1,959	1,939	1,539	220
Boston & Maine	8,229	7,838	6,368	13,768
Chicago, Indianapolis & Louisville	1,393	1,201	1,475	2,300
Central Indiana	25	16	22	66
Central Vermont	1,342	1,200	1,113	2,085
Delaware & Hudson	6,609	6,608	4,207	11,102
Delaware, Lackawanna & Western	8,923	9,740	7,391	9,329
Detroit & Mackinac	277	223	218	152
Detroit, Toledo & Ironton	2,293	3,283	2,530	1,875
Detroit & Toledo Shore Line	307	389	249	3,786
Erie	14,222	13,441	10,448	16,050
Grand Trunk Western	4,508	5,650	4,470	8,418
Lehigh & Hudson River	208	135	153	4,108
Lehigh & New England	1,702	1,747	1,238	1,670
Lehigh Valley	8,737	8,898	6,862	9,762
Maine Central	3,496	3,573	3,048	3,602
Monongahela	6,079	5,033	4,109	425
Montour	1,799	2,095	1,498	33
New York Central Lines	45,518	45,050	36,795	51,078
N. Y., N. H. & Hartford	12,592	10,892	7,864	17,579
New York, Ontario & Western	1,075	1,121	782	2,175
N. Y., Chicago & St. Louis	7,132	5,499	5,171	14,369
N. Y., Susquehanna & Western	530	407	336	1,330
Pittsburgh & Lake Erie	7,816	7,732	5,474	7,175
Pere Marquette	5,345	6,275	5,772	6,378
Pittsburgh & Shawmut	550	603	488	38
Pittsburgh, Shawmut & North	391	441	420	281
Pittsburgh & West Virginia	662	929	872	2,091
Rutland	491	536	542	1,120
Wabash	5,722	5,778	5,271	11,306
Wheeling & Lake Erie	4,543	4,473	3,301	4,180
Total	165,136	163,270	130,621	209,481
Allegheny District—				
Akron, Canton & Youngstown	734	541	419	1,081
Baltimore & Ohio	39,253	34,701	27,437	22,864
Bessemer & Lake Erie	3,153	3,220	2,295	1,440
Buffalo Creek & Gauley	303	279	329	5
Cambria & Indiana	1,964	1,972	1,442	15
Central R.R. of New Jersey	7,583	7,263	5,379	17,705
Cornwall	619	622	554	89
Cumberland & Pennsylvania	321	327	300	11
Ligonier Valley	119	184	177	50
Long Island	873	718	488	3,469
Penn-Reading Seashore Lines	1,769	1,345	945	2,016
Pennsylvania System	77,762	70,734	54,521	57,932
Reading Co.	16,141	16,005	11,628	25,803
Union (Pittsburgh)	20,126	20,098	14,626	3,559
Western Maryland	3,987	3,871	3,180	10,615
Total	174,707	161,880	123,700	146,654
Pocahontas District—				
Chesapeake & Ohio	23,566	23,673	22,502	10,190
Norfolk & Western	20,920	22,203	18,843	6,180
Virginian	3,953	4,602	4,456	1,987
Total	48,439	50,478	45,801	18,357

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1942	1941	1940	1942	1941
Southern District—					
Alabama, Tennessee & Northern	395	239	219	318	166
Atl. & W. P.—W. R.R. of Ala.	921	780	726	2,142	1,761
Atlanta, Birmingham & Coast	830	692	541	1,123	1,109
Atlantic Coast Line	13,072	10,846	9,366	8,538	6,839
Central of Georgia	4,499	4,438	3,779	3,906	3,825
Charleston & Western Carolina	423	432	401	1,684	1,797
Clinchfield	1,605	1,603	1,261	2,846	2,898
Columbus & Greenville	262	271	268	279	369
Durham & Southern	189	165	152	544	597
Florida East Coast	1,467	918	798	1,214	1,104
Gainsville Midland	37	35	29	105	99
Georgia	1,514	1,172	836	2,294	1,839
Georgia & Florida	406	341	259	662	590
Gulf, Mobile & Ohio	4,448	3,684	3,172	3,713	2,999
Illinois Central System	28,913	22,415	20,603	14,720	13,023
Louisville & Nashville	24,711	23,543	21,828	8,542	7,103
Macon, Dublin & Savannah	204	175	142	744	1,117
Mississippi Central	138	163	138	482	395
Nashville, Chattanooga & St. L.	3,364	3,137	2,466	3,613	3,273
Norfolk Southern	1,201	1,127	1,043	1,408	1,129
Piedmont Northern	526	420	381	1,598	1,516
Richmond Fred. & Potomac	445	403	304	8,983	5,677
Seaboard Air Line	10,745	10,395	8,756	7,572	6,285
Southern System	24,695	23,980	19,958	21,986	18,085
Tennessee Central	558	496	369	728	779
Winston-Salem Southbound	147	143	142	850	846
Total	125,715	112,013	97,937	100,594	85,220
Northwestern District—					
Chicago & North Western	18,152	15,410	14,073	13,560	11,406
Chicago Great Western	2,819	2,337	2,271	3,069	2,897
Chicago, Milw., St. P. & Pac.	21,686	20,146	17,916	9,497	8,650
Chicago, St. Paul, Minn. & Omaha	4,512	3,963	3,394	3,894	3,581
Duluth, Missabe & Iron Range	1,157	910	836	469	192
Duluth, South Shore & Atlantic	774	624	488	572	404
Elgin, Joliet & Eastern	10,027	8,444	6,921	10,655	9,284
Ft. Dodge, Des Moines & South	492	412	377	149	142
Great Northern	11,308	9,482	8,545	4,578	3,143
Green Bay & Western	540	501	495	786	665
Lake Superior & Ishpeming	371	248	254	62	73
Minneapolis & St. Louis	2,189	1,604	1,546	2,328	2,195
Minn., St. Paul & S. S. M.	5,693	4,955	4,629	3,340	2,745
Northern Pacific	10,391	9,205	8,532	4,444	3,642
Spokane International	93	66	91	293	242
Spokane, Portland & Seattle	2,693	2,011	1,601	2,469	1,659
Total	92,897	80,318	71,968	60,165	50,920
Central Western District—					
Atch. Top. & Santa Fe System	20,877	17,945	16,436	8,680	7,175
Alton	3,300	3,202	2,490	3,239	2,465
Bingham & Garfield	529	367	410	105	107
Chicago, Burlington & Quincy	17,058	15,408	14,484	11,068	8,608
Chicago & Illinois Midland	3,055	2,543	1,779	799	813
Chicago, Rock Island & Pacific	11,784	10,886	9,761	11,324	10,053
Chicago & Eastern Illinois	3,006	2,644	2,767	3,003	2,925
Colorado & Southern	747	723	659	1,566	1,411
Denver & Rio Grande Western	2,651	2,534	2,547	4,411	2,813
Denver & Salt Lake	532	504	692	13	18
Fort Worth & Denver City	1,170	948	1,010	997	1,005
Illinois Terminal	2,068	1,759	1,942	1,552	1,617
Missouri-Illinois	1,159	753	761	708	468
Nevada Northern	1,988	1,921	1,815	143	120
North Western Pacific	957	576	505	480	423
Peoria & Pekin Union	10	25	9	0	0
Southern Pacific (Pacific)	27,252	22,997	20,119	8,678	5,958
Toledo, Peoria & Western	275	341	405	876	1,329
Union Pacific System	14,838	13,380	12,671	10,464	8,113
Utah	368	383	393	6	9
Western Pacific	2,119	1,484	1,146	3,673	1,841
Total	115,743	101,323	92,801	71,785	57,271
Southwestern District—					
Burlington-Rock Island	124	153	128	309	196
Gulf Coast Lines	4,466	3,152	3,299	2,825	1,431
International-Great Northern	2,388	1,920	1,478	2,670	2,254
Kansas, Oklahoma & Gulf	357	171	193	1,066	1,015
Kansas City Southern	3,464	2,319	1,912	2,522	2,230
Louisiana & Arkansas	2,621	2,075	1,891	2,295	1,734
Litchfield & Madison	325	377	367	1,138	1,091
Midland Valley	498	620	495	256	221
Missouri & Arkansas	229	139	129	512	335
Missouri-Kansas-Texas Lines	4,995	4,127	3,684	4,072	3,074
Missouri Pacific	16,618	15,233	12,640	13,916	10,099
Quannan Aune & Pacific	109	114	131	211	147
St. Louis-San Francisco	8,753	7,753	6,833	7,025	5,482
St. Louis Southwestern	3,407	2,614	2,251	4,440	3,245
Texas & New Orleans	7,514	7,481	6,473	4,714	3,580
Texas & Pacific	4,026	3,906	3,358	6,914	4,690
Wichita Falls & Southern	139	119	122	42	65
Weatherford M. W. & N. W.	29	21	25	36	212
Total	60,062	51,894	45,409	54,963	41,101

Note—Previous year's figures revised.

Advertising Coordinates For War Effort; Council Representing Industry Set Up

The facilities of national advertising have been coordinated and placed at the disposal of the government to help in the total war effort, according to a statement released by an organization comprised of representatives of major factors in the advertising industry. These sponsoring groups include:

- The American Association of Advertising Agencies.
- The Association of National Advertisers.
- The American Newspaper Publishers Association.
- The National (Magazine) Publishers Association.
- The National Association of Broadcasters.
- The Outdoor Advertising Association of America, and many other affiliated groups.

This organization, named The Advertising Council, will undertake to help the government utilize, for purposes of inspiring and instructing the public concerning various phases of the war effort, the talents, techniques and channels of advertising, which in normal times have proved they can help shape the thinking and ac-

tion of the public. The advices from the Advertising Council state:

The Council has been in process of formation since last November, under the direction of a special committee presided over by Chester J. La Roche, Chairman of the Board of Young & Rubicam, Inc., and Chairman of the Council. Frederic Gamble, Managing Director of the American Association of Advertising Agencies, is assistant to the Chairman, and Paul B. West, President of the Association of National Advertisers, is Secretary.

In the Council are representatives of advertising agencies, advertisers, retail advertising, industrial advertising, and

media (newspapers, magazines, radio and outdoor advertising).

Foreign Front

(Continued from First Page)
people is for some specific information on military matters, President Roosevelt added nothing to the generally known circumstances relating to our part in the war. He promised to divulge the general trend of the conflict and to withhold only information that will help the enemy. And he asked for a full use of "discretion" by both supporters and critics of the Administration.

Much of the address was devoted to a simple geographical presentation of the vast scope of the war and the immense distances involved in the supply of other members of the United Nations. A brief lesson on types of aircraft also was included.

Mr. Roosevelt explained broadly the reason for the situation in which General Douglas MacArthur and his men find themselves on Bataan Peninsula in the Philippines. The strategy there always called for a defensive and delaying action, he said, in view of the ability of Japan to envelop the islands with her forces. This basic strategy remains unchanged, except that the defense by our forces has exceeded the preliminary estimates, he indicated. Together with the United Nations forces in China, Burma and the Netherlands East Indies, General MacArthur is making the Japanese pay an increasingly terrible price for their ambitious attempts to seize control of the whole Asiatic world, said Mr. Roosevelt.

Dealing with some of the war rumors afloat in the United States, Mr. Roosevelt denied specifically that all of our Pacific Fleet was sunk or destroyed on Dec. 7, and that more than 1,000 of our airplanes were destroyed on the ground. Scoring the exaggerated casualty accounts sometimes passed from mouth to mouth, the President insisted that officers and men killed in the Pearl Harbor attack numbered 2,340, and that the wounded numbered 946. He reiterated the official report that three of our combat ships were put permanently out of commission, and added that very many of our ships were not even in Pearl Harbor, and that others have rejoined the Fleet or are undergoing repairs.

Without revealing the number of our aircraft damaged or destroyed at Pearl Harbor, the President asserted that to date we have destroyed "considerably more" Japanese planes than they have destroyed of ours. We have suffered losses not only from the Japanese in the Pacific, but also from German submarines in the Atlantic, and we shall suffer more of them before the turn of the tide, Mr. Roosevelt remarked. We have been compelled to yield ground, the President added, but we will regain it.

The high production goals set in his address of Jan. 6 will be attained, said Mr. Roosevelt, who stipulated three high purposes for every American. These he listed as unstinting and ceaseless work, avoidance of special gains, privileges or advantages for any one group or occupation, and the sacrifice of conveniences and the modification of routine if the request is made.

"The United Nations," said the President, "constitute an association of independent peoples of equal dignity and importance. The United Nations are dedicated to a common cause. We share equally and with equal zeal the anguish and awful sacrifices of the war. In the partnership of our common enterprise we must share in a unified plan in which all of us must play our several parts, each of us being equally indispensable and dependent one on the other."

"We of the United Nations are agreed on certain broad princi-

ples in the kind of peace we seek. The Atlantic Charter applies not only to the parts of the world that border the Atlantic, but to the whole world; disarmament of aggressors, self-determination of nations and peoples, and the four freedoms—freedom of speech, freedom of religion, freedom from want and freedom from fear."

Ocean Warfare

There were numerous sidelights this week upon that struggle over communications and distant supply routes which President Roosevelt emphasized in his report to the nation last Monday. The shipping problem promises to be the bottleneck of all activities of the United Nations in coming months. Although shipyards in the United States are speeding production in many ways, the sinkings of naval and merchant vessels of the United Nations are deepening the immediate danger. British authorities, with their tradition of candor, are making the situation clear.

Prime Minister Winston Churchill informed the House of Commons, Tuesday, that British shipping losses not only have been heavy since the start of the war, but have increased seriously in the last two months. British naval forces detailed to the defense against enemy submarines have been strained to the utmost limits, Mr. Churchill remarked. In accordance with British practice, precise figures regarding shipping losses were withheld.

Apart from enemy sinkings of naval and merchant shipping, problems of naval control of the seas now are emerging in various theatres of warfare. In London the question is debated anxiously whether German and Japanese Fleets would be able to establish contact in the Indian Ocean, in the event of Axis victories in Egypt and the Far East. A foray by German naval units into the Atlantic also is foreseen as a possibility, owing to the unification of the Nazi Fleet as a consequence of "escape" from Brest of the battleships Scharnhorst and Gneisenau, and the cruiser Prince Eugen. Transfer of a number of major French Fleet units from Africa to Toulon is increasing the uncertainties, since such vessels might conceivably be added to the Axis forces.

In our own waters the first actual attack upon American soil must be recorded. An enemy submarine, presumably Japanese, sent a score or so of projectiles against a Pacific Coast refinery, Monday, just north of Santa Barbara, Calif. No casualties were reported and damage to the oil refinery was minor. American naval and aircraft redoubled their efforts to locate enemy vessels of the West Coast.

Developments on our Atlantic Coast suggested increasing boldness of the Nazis and the Italian Fascists, who presumably are operating the numerous submarines in Atlantic waters. The new American tanker, E. H. Blum, 11,615 tons, was wrecked by a series of explosions a week ago, with definite knowledge lacking as to whether the blasts were due to torpedoes or enemy mines. Two ships anchored off Port of Spain, Trinidad, were torpedoed at the same time, but apparently did not sink. The Brazilian steamship Olinda, 4,080 tons, was the next reported victim, with the enemy in this case reported to be an unidentifiable submarine whose crew spoke English, Spanish and Portuguese. The American tanker Pan-Massachusetts, 8,202 tons, and the Norwegian tanker Kon-sagaard, 9,467 tons, were reported sunk over the last week-end, and the armed U. S. freighter Del-plata, 5,127 tons, went down early this week. The tanker Republic, 5,287 tons, was reported lost on

Tuesday, when the Thalia, 8,329 tons, also was lost.

Nor were these the only losses recorded in a dismal week of world shipping activities. The Navy Department announced Tuesday the loss in a gale off Newfoundland of the U. S. destroyer Truxton, and the Navy cargo ship Pollux, the loss of life running to 189 in these disastrous wrecks. Both ships grounded and broke up rapidly under the pounding of heavy seas. The U. S. Coast Guard Cutter Alexander Hamilton, 2,216 tons, was reported Monday as torpedoed near Iceland with a "moderate" loss of life in the attack, but the ship sank afterward and no information was made available as to losses of personnel in the capsizing and sinking of the ship.

German radio reporters from time to time adverted to the sinkings off our Atlantic Coast, and invariably declared the losses of United Nations vessels to be two and three times the actual acknowledged sinkings. This, of course, is quite in line with the performance in the general Battle of the Atlantic, which occasioned claims of British and Allied ship losses far in excess of the actual. The situation, nevertheless, is not one that can be viewed with equanimity, especially when every ton of shipping is vital for our war effort. Some of the enemy submarines were reported definitely sunk in the Caribbean area, but in general the Navy policy of secrecy as to this phase of the operations remained in effect.

Asian Continent

Vast changes apparently impending on the Continent of Asia, as a consequence both of military developments and of the social ferment which is an inevitable accompaniment of wars. Japanese forces are continuing their advances in Burma, where the terminus of the supply line to China is endangered. But even greater significance may attach, in the long run, to an insistent renewal of Indian demands for freedom within the British Commonwealth of Nations. The British Government obviously is deeply preoccupied with the Indian problem.

The Chinese Generalissimo, Chiang Kai-shek, essayed a journey to India, last week, which is sensational to anyone acquainted with the form and customs of the Far East. Defying the traditions that keep a monarch or ruler at home, Chiang conferred at great length with leaders of the various Indian sects. He issued a statement, last Saturday, urging the Indians to exert themselves in the cause of freedom, and advising Britain to grant India without delay a measure of "real political power," so that Indian war preparations might be hastened. London reports made it clear that British leaders were far from pleased by this turn in the affairs of the Far East, for every effort had been made to delay consideration of the Indian question until after the war which currently is absorbing all British energies.

The series of recent Cabinet changes in London was studied carefully, as a possible guide to British policy in India. The appointment of Sir Stafford Cripps, leader of a faction that favors greater concessions to India, seemed to promise a change. But retention in the Cabinet of L. S. Amery, who embodies the British Imperialist viewpoint, argued otherwise. Lord Cranborne, Colonial Secretary, presented the latest conclusions in the House of Lords, Tuesday, when he proposed greater freedom for India on the basis of whatever scheme the Indian leaders might themselves be able to formulate.

The British defense of Burma, meanwhile, proceeded from bad to worse, and the serious tidings

from that front bode ill for the Burma Road supply route into China. Closing of the Burma Road was one of the main objectives of the Japanese southward drive, and nothing is to be gained by denying the obvious fact that the enemy has succeeded in this particular aim. This was recognized early in the week by Indian and Chinese leaders, who emphasized the construction of an alternative route some 400 miles north of the Burma Road, over the high passes of the Himalayas. The new road is not likely to be ready before the end of this year, however, and it is bitterly evident that China faces new trials in her long defense against Japan.

Inadequate British defense forces contested heroically, in recent action, the advance of Japanese troops from Moulmein and other points in Burma. With the fall of Singapore, however, great Japanese strength was liberated for fresh adventures in the campaign of aggression, and much of the manpower obviously was sent against Burma. Crossings of the Billin River defenses were forced, and even the Sittang River now is said to have been breached as a defense line. Only a few miles west of the Sittang the railway runs northward to the southern terminus of the Burma Road, and Japanese artillery already have put the route out of action. Japanese warships, moreover, are in the Indian Ocean, and also have nullified the supply route for China.

Rangoon is the next great objective of the Japanese, and apparently is to fall to the invaders before long. British reports concede the evacuation of the great port, the fall of which will seal the fate of Burma for the time being. There is quite possibly in progress, on the other hand, a great concentration of British and American naval strength in the Indian Ocean, and if a major naval battle develops there the problem may depend upon the outcome.

Indonesia

Losing no time after the thundering fall of the British bastion of Singapore on Feb. 15, the Japanese forces rapidly have extended southward their area of attempted military conquest and domination. Although it is more than possible that the Japanese are extending themselves unduly, there is no definite sign, as yet, of exhaustion of manpower or even of the shipping facilities which are vital to the effort of the Far Eastern aggressors. In London and Washington, meanwhile, it is conceded that still more set-backs must be faced before the tide of battle turns.

The Japanese this week endeavored to pinch the principal Netherlands East Indian island of Java between forces advancing from Sumatra and from the relatively small island of Bali. All important posts on Sumatra admittedly fell to the enemy, in a series of violent and costly attacks. The Japanese speedily made their way through the jungle and early this week were reported on the Strait of Sunda, which separates the western tip of Java from the larger but more sparsely inhabited island of Sumatra by some 25 miles. The vast oil installations at Palembang, Sumatra, are said to have been destroyed by the retreating Netherlands, but the rubber plantations presumably fell into the hands of the enemy intact.

When the Japanese attempted to occupy Bali, at the eastern end of Java, one of the great battles of the Pacific struggle developed. Against the invading Japanese much of the aerial and sea strength of the United Nations was marshaled, and

heavy damage was reported over the last week-end to a fleet of nine Japanese warships and transports. Only one of the Japanese ships is believed to have escaped unscathed, but accounts differed as to the harm inflicted upon the others. The Japanese landing force, in any event, was reported cut off from its supply line, although it may be able to subsist on the available food resources. The principal airdrome on Bali was in Japanese hands, and probably will play a major part in the fate of that island.

Notwithstanding the defeat administered to the invaders at Bali, it was conceded at the Netherlands East Indian capital of Batavia, on Java, that the "zero hour" is at hand for the last great Dutch possession in the Western Pacific. Heavy reinforcements are said to have been poured into Java in recent days by the United Nations, and these include not only ground forces but also the vitally necessary aerial defense units. There is every indication, accordingly, of a protracted and bitter contest for the control of Java.

The ultimate threat to Australia was emphasized by repeated Japanese aerial bombings of the base at Port Darwin, which is just beginning to assume military importance. This base at the Northern tip of Australia is of much importance as a control point for the passage through Timor Strait, and doubtless will be defended to the utmost. Martial law was proclaimed at Port Darwin, to further the defense effort. Australian authorities admitted that considerable damage was caused by the Japanese bombings.

The Japanese also continued their attempts to gain control over the vast island chain eastward of the Great Sunda islands, as the Netherlands East Indies are known to the geographers. The smaller islands under Australian mandate were attacked again and again. Japanese troops likewise effected a landing on the island of Timor, which is under Dutch and Portuguese sovereignty. The Portuguese half of Timor was occupied some weeks ago by Netherlands and Australian troops, and Lisbon protested the action. A similar protest was made at Tokio by Portuguese authorities when Japanese units effected a landing.

Bataan Peninsula

American and Filipino defenders of the small portion of Luzon Island in the Philippines which still remains in our hands gave heroic accounts of themselves as the conflict with the Japanese aggressors dragged on, this week. Epic though it may be, the defense of the Bataan Peninsula seems doomed. President Roosevelt made this clear last Monday, when he pointed to the Japanese control of the area around the Philippines as the reason for our inability to send reinforcements to the men under General MacArthur.

Military experts now regard the Bataan action as a "side-show," and as a mere delaying action. Mr. Roosevelt so described it in his radio address. But reports from the front state clearly that hope of a relieving convoy is still maintained, and it is earnestly to be hoped that some assistance can be dispatched through the Japanese lines to MacArthur.

Little action on the Bataan Peninsula has developed in the last few days, possibly because the Japanese are now content to await the capitulation of our forces. There is, indeed, some apprehension to be entertained on this score, for recent accounts tell of a growing shortage of food-stuffs. It is also held possible that the Japanese are withdrawing

men from the Philippines to augment their attack on the Netherlands East Indies and Burma.

Great Britain

Drastic reorganization of the British Cabinet has followed the fall of Singapore and current debates in the House of Commons presumably will answer the question whether the changes effected have allayed the uncertainty occasioned in Great Britain by the further military defeats. That sentiment in the British Isles is anything but bright and cheerful is obvious, for the losses in the Far East strike at the heart of the Empire. But there is no doubt that the average tough Briton can be depended upon to come through the ordeal.

Bowing to public demands, Prime Minister Winston Churchill began his Cabinet reconstruction last Thursday, and continued the changes early this week. He cut his War Cabinet down by dropping Lord Beaverbrook, who is to come to the United States as a special representative. As Dominions Secretary and Deputy Prime Minister he appointed Clement R. Attlee, and Sir Stafford Cripps was taken into the Government as Lord Privy Seal and leader of the House of Commons. Captain Oliver Lyttleton was named Minister of State, while Ernest Bevin remained as Minister of Labor. Captain Anthony Eden held his post of Foreign Secretary. Together with Sir John Anderson, as Lord President of the Council, this group comprises the new War Cabinet. Mr. Churchill held tenaciously to the post of Defense Minister, which provides him with powers that are indispensable as the opposite number to President Roosevelt.

In further reorganization of the Cabinet, last Monday, Mr. Churchill dropped Captain David Margesson, Secretary for War; Colonel J. T. C. Moore-Brabazon, Minister of Aircraft Production; Lord Moyne, Secretary for Colonies, and Lord Reith, Minister of Works and Public Buildings. Arthur Greenwood, Minister without portfolio, also was dismissed. Most of the changes were made in response to the clamor for removal of remaining Government heads who had a share in the appeasement period of the Chamberlain regime.

Although Prime Minister Churchill declared stoutly only a few weeks ago that he would not sacrifice any of his colleagues and would bear all blame for recent developments, he went before the House of Commons, Tuesday, and asserted that it was "right and necessary that a Government called into being in the crash of the battle of France should undergo both change and reinvigoration." He pointed to some resemblances of the new Cabinet with the 1918 regime in England, and appeared to draw hope of an unexpected victory over the Axis from the collapse which granted the Allied Powers victory in the first World War. Mr. Churchill also reviewed recent developments.

Immediate combat with Nazi forces was continued, meanwhile, through bombing of German ports and industrial centers. The weather apparently interfered with these operations, but whenever conditions permitted the British fliers dropped their deadly loads upon the Nazis. German bombing of British coastal towns also was reported, on occasion.

Likewise of significance was an understanding on lend-lease assistance, announced at the White House in Washington, Tuesday. Under this arrangement account is to be taken of reciprocal aid, but the final terms of settlement are to be such as shall not burden commerce between the two countries. An Anglo-American post-war economic arrangement was

postulated which would be open to all countries of like mind and intentions. Among the specific objectives set forth in this agreement were expansion of trade, reduction of tariffs, elimination of discriminatory treatment in international commerce, and the attainment of the economic objectives set forth in the Atlantic Charter.

Red Army Anniversary

Fresh advances were claimed by Russian authorities this week, in the battle against the Nazi invaders, with the 24th anniversary of the establishment of the Red Army especially marked, Monday, by a speech in which Premier Joseph Stalin pledged the liberation of White Russia, the Ukraine and the Crimea from enemy domination. Wherever the Red Banner was flown before, it will fly again, Mr. Stalin said. He admitted, however, that the Axis enemy is not yet beaten and that a stern struggle faces the Russian people.

President Roosevelt mentioned the Russian defense in admiring terms, Monday, and Prime Minister Churchill congratulated the Russian leaders on the same day. The Russians, however, reported dryly that they are fighting "alone" on their vast lines. They took no apparent notice of repeated Chinese warnings that Japan may attack Siberia if the Far Eastern defense lines against the Axis aggressors collapse.

The veil of censorship and silence was lifted only modestly, with respect to the fighting on the long battlefront in Eastern Europe this week. The vagueness of Russian claims was replaced by a specific announcement, Tuesday, that towns not far from Smolensk have been recaptured, and that some towns north of the main highway from Smolensk to Moscow also have been regained. In the course of the fierce fighting scores of thousands of Nazi troops were killed, according to the Russian official communiques, and much war material captured.

But German claims also became more specific, and the announcements in Berlin were not corroborative of the Moscow statements. German spokesmen asserted that Russian moves resulted, in the period from Jan. 1 to Feb. 20, in the capture of 56,806 prisoners and the destruction or capture of much Russian war material. The impression was given that the Russians have been permitted on repeated occasions to advance into pockets, where the German "annihilated" the opposing forces.

Main defense points of the German winter line undoubtedly have been reached by the Russians, but there are no indications that such lines have been broken. Leningrad in the north remains under siege, and the pockets driven into the German lines on the central front have not dislodged the Nazis from redoubts near Moscow which the enemy obviously is determined to hold. Nor is Khar'kov restored to Russian rule, or the siege of Sevastopol relieved.

The Russian winter, moreover, is now beginning to wane, and soon a large part of the front will be turned into a muddy quagmire in which neither the Russian cavalry nor the German mechanized units can operate effectively. Beyond the muddy Spring looms the pleasant Summer, in which the German forces may well regain the upper hand, if their reserves of men and equipment still are adequate. The Russian front possibly approaches a fresh crisis.

Libyan Front

Only modest activity was reported this week in the Libyan desert, where British Empire and Axis forces face each other in a region about 100 miles west of

the Egyptian frontier, on ground that is indicated on the maps as Italian territory. Neither side seems anxious to extend its supply lines, since the supply problem invariably has caused the defeat of any units stretching unduly into enemy territory over the vast and empty desert. Both the British and the Axis forces unquestionably are preparing, however, for fresh moves in this vast war game.

One of the uncertainties of the conflict was emphasized, last Saturday, when Vichy reports indicated that important units of the French Fleet had been removed to Toulon, from northern African ports, for repair in the main French Mediterranean base. The battleship *Dunkerque*, badly damaged by British gunfire at Oran, Algeria, was the principal French ship transferred, but others also have been sent to Toulon. British and American observers are said to be watching closely the use to which the French Navy may be put. If French warships are put at the disposal of the Axis the situation admittedly will become grave.

The able German General Erwin Rommel, appears to hold the initiative in the Libyan theatre, but showed no signs this week of moving against the British lines. The impression was bolstered that Rommel has to wait upon developments in Russia, before he can move. The Germans and Italians, meanwhile, continued to pour reinforcements across the narrow Middle Sea to Tripoli and Libya, and British Empire units were supplied both from Britain and the United States. Malta was bombed incessantly by the Axis.

From Washington

(Continued from First Page)

from the OCD, makes it plain that she feels that her resignation was forced by those who are "against the working man," those who are trying to "destroy our social gains."

Now, why should she say those things even if she believed they were true? The country is at war. A lot of people are going to get hurt. Men facing the enemy are being killed. Some of it is due to the inefficiency, let's not say of the high command at Washington, but simply an erring second lieutenant in the field. War is never an efficient, well organized business. Well, these men aren't asking any questions. They are giving their lives.

It so happens that back home, Mrs. Roosevelt is controversial. Maybe wrongly so. Maybe she is greatly misunderstood. Maybe the only people criticizing her are old, backward, reactionary men who just can't see the light of progress and social gains to the working man, even when they lead to war. The point is that there are innumerable American citizens whom Mrs. Roosevelt infuriates. This being the case, why shouldn't she realize this and say to herself:

"I realize I am greatly misunderstood, I realize the attacks on me are unfair. But nevertheless they come from a large segment of the American people. Therefore, I will make a sacrifice. If the boys facing the enemy can make the sacrifice of dying, I can at least make the sacrifice of refraining from saying anything that would have the tendency to make for disunity for the duration of the war."

Why can't there be a sacrifice in high places?

Mr. Roosevelt in his speech of Monday night apparently intended to attribute all the criticism to Axis agents. He made the statement that the word was being spread that 1,000 planes had been destroyed at Honolulu. This writer has never heard any figure that high, nothing like it. Neither has

this writer ever gotten any information from an Axis agent, unless the fellow is carefully disguised in high military, naval or governmental circles. One might well ask where is the FBI in ferreting these agents out of our midst.

The only people we have seen "trying to destroy the social gains" are those managers of industry who are: (1) insisting that where-as they haven't got a closed shop now, they don't under the pressure of war, want to sign up for one. (2) Those who are contending that they can't pay double time for Sundays or night work.

This writer knows personally every one of the pre-war isolationists in public life or of any place of influence in Washington. He knows of no one of them who has made a single detrimental statement against the carrying on of the war since Pearl Harbor. Mrs. Evalyn Walsh McLean, the hostess at "Friendship," the headquarters of the Cliveden set as mentioned in the Communist weekly, has never had a serious thought, if I may say so, on anything. Her guests have included everybody who has attained any prominence in National affairs, and a lot who have not. They have included, incidentally, all of the high officials of the government back to the Harding days. She gives parties, which along with those given by the Soviets, are the most eagerly sought after, because everybody in the "swim" in Washington has to "make" them to continue in the "swim."

You wonder, under the circumstances, why a publication avowedly antagonistic to the capitalist system, admittedly just going along now as long as Russia and this country are engaged in the "common front" against Hitler, should pursue this line of stuff, and why the President of the United States should have given it a currency which it would not otherwise have had. You wonder, too, why he continually talks of appeasers, when this writer with his wide acquaintance of people of all faiths, doesn't know of a single person who today would permit of a peace with either Japan or Germany—now that the war has started.

It's funny business.

When it comes to creating confusion, I should like to call attention to a broadcast, a few days ago, by Drew Pearson, a close friend of Harold Ickes, and close to the New Deal generally—he is largely considered to be a spokesman of at least an influential group in the New Deal crowd—demanding that we seize Martinique. Pearson in his syndicated column of which he is the co-author with Robert S. Allen (the Washington Merry-Go-Round) has long been also a friend of Under-Secretary of State Sumner Welles. The belief among his colleagues is that he went so far in playing Welles against Cordell Hull that he must have been tremendously embarrassing. Welles, on an occasion several months ago, had to repudiate one of his stories in two very definite statements. Nevertheless, he has continued to be quite friendly with Pearson since and the conclusion must be that Pearson's playing him against Hull was not as embarrassing to Welles as he professed it was.

With the background of Welles and Ickes, then, it is now interesting that a Pearson demand is for the seizure of Martinique. This writer claims no such minute workings of international affairs as either Ickes, Welles or Pearson. But he has met Georges Roberts, the high commissioner of Martinique. And that gentleman, very gracious and serving a delightful rum cocktail of which he was very proud, never left any doubt that if an attack was ever made on his island there would be a fight. Presumably an attack on Martinique, not an easy walk-over, incidentally, but involving a several months' blockade, would throw

V. chy definitely towards the Hitler side. Maybe Vichy will go that way eventually. But every month delayed is a month in our favor.

This reminds me of the fact that Churchill did not want to precipitate any action in the Far East. Or war at a time was his thought, and you can recall that Britain went so far as to close the Burma Road on one occasion to "appease" Japan.

It is unmistakably a fact that Cordell Hull didn't want war with Japan while we were doing everything within our power to help Britain to beat Hitler. But Ickes in the cabinet meetings and subsequently planting his stuff with Pearson, for several months carried on an agitation for action against Japan. Pearson, along with others, dubbed Hull an "appeaser" because of his trying to stave off this war. Manifestly, it was something that should have been deferred. The word "appeaser" was frequently hurled at Hull over a period of several months. Well, here we are. Now, let's do whatever we can to bring the French in against us.

What constitutes the Cliveden set in this country? Who?

There are more constantly recurring rumors these days that there is to be a cabinet shake-up. This writer can't dope out yet whether it is a propaganda against Frances Perkins and Jesse Jones, or whether there is really a shake-up impending. There is this thought: Mr. Roosevelt is getting to feel like a "strong" man which so many forces have been demanding. The first evidence of this was when, in the controversy between Leon Henderson and Wickard over the division of authority between them, he said succinctly that he was the boss and could fire either one of them. This rather shocked the bureaucrats. It made a profound impression on Wickard and the chances of a conflict between him and Henderson have been very slim ever since.

A few days after the momentous announcement—and it was really momentous because Mr. Roosevelt had never spoken that strongly about his subordinates before—Wickard and Henderson came to the National Press Club, in the presence of the several hundred newspapermen, for lunch.

A study in evolution of man is to watch Donald Nelson being "strong." That was never his reputation in the past. His reputation for accomplishment was that he stated his proposition, kept quiet thereafter, and let everybody sweat about it. He had a reputation for getting what he wanted but not as a "strong, forceful" man. Now he is getting to be "strong and forceful" because that is what is being written about him. It will be interesting to see how he comes out in his new role.

Discuss Chemical Research

A meeting of the American Section of the Society of Chemical Industry was held on Feb. 20 at The Chemists' Club, New York City. This was a joint meeting with the American Institute of Chemical Engineers. The Chairman, Dr. Lincoln T. Work, presided. The topic of the evening "What Is Research" was discussed from various aspects. The first speaker, Dr. Lincoln T. Work, Director of Research of the Metal and Thermit Corp., asked the question "What is Research," citing the broad definition of the term "research" as it is used today and pointing out the need for considering the many-sided activities now called research. Frank G. Breyer, of Singmaster and Breyer, discussed the question from the consultant's viewpoint, while Dr. George O. Curme, Jr., Vice President of Carbide & Carbon Chemicals Corp. dealt with the question from the industrial viewpoint, and Dr. L. W. Bass, Assistant Director of Research at Mellon Institute, discussed it from an institutional viewpoint.

Items About Banks, Trust Companies

Edwin A. Lee, President of the Maplewood Bank and Trust Co., Maplewood, N. J., and a former Vice-President of the Chase National Bank of New York, died on Feb. 15 at his home in Maplewood after a long illness. He was 72 years old. A native of Woodbridge, N. J., Mr. Lee began his banking career as a messenger with the Chase National Bank in 1889, when the bank's employees totaled about 50. He remained with the bank for the next 46 years and saw it become the largest in the world. He was appointed Assistant Cashier in 1907, Second Vice-President in 1920 and Vice-President in 1929. Mr. Lee retired from the bank in 1935 and the following year was elected President of the Maplewood Bank and Trust Co., which he helped found in 1920 and of which he had been Vice-President and a Director in the intervening years.

At the regular meeting of the Board of Directors of the National City Bank of New York, held on Feb. 17, Harry F. Bauer was appointed Assistant Cashier. Mr. Bauer, who resides in West Orange, N. J., has been associated with the bank's far eastern division since 1910.

At a meeting on Feb. 20 of the Board of Trustees of the Dime Savings Bank of Brooklyn, N. Y., Austin C. Cheshire was elected a Trustee of the Bank. Mr. Cheshire has been associated with the Dime Savings Bank for the past 25 years, and was elected Secretary in 1941. He is also a member of the Brooklyn Bankers' Club.

The Directors and officers of Sterling National Bank & Trust Company of New York announce the opening of their new bank building at 95-38 Queens Boulevard, Queens, Long Island, New York, on March 3, from 9 a. m. to 9 p. m.

The Lincoln-Alliance Bank & Trust Co., Rochester, N. Y., announced on Feb. 6 a stock dividend of \$200,000 to holders of common stock. The Rochester "Times Union" reports that according to Raymond N. Ball, President of the bank, the \$200,000 total stock dividend will be transferred to the capital account from the undivided profit account. He added that the bank will mail to each of the holders of the 140,000 shares issued on Feb. 11 one share of new stock for each 14 shares of common stock held as of Feb. 6. Mr. Ball further said:

Total capital funds of the company were reported as \$8,765,000 as of Dec. 31, 1941. The stock dividend, just declared, will not change this total in that the increase in common capital account from \$2,800,000 to \$3,000,000 was effected by a transfer of \$200,000 from the undivided profits account.

The trust company has shown steady progress in building up its capital fund account since 1934, when common capital, surplus and undivided profits totaled \$2,517,417, in comparison with \$5,800,000 for these same items as of Dec. 31, 1941.

In addition, on Dec. 31, 1941, the capital funds of the company included \$2,000,000 in preferred stock and \$965,000 reserve for contingencies, making up a total of \$8,765,000 in capital fund account.

Abram Mosler, President of the Half Dime Savings Bank of Orange, N. J., announces that the Board of Managers of the bank have appointed George H. McBride as Treasurer to succeed Frederick G. Burkardt, who is

about to retire after having served 42 years. While Mr. Burkardt's retirement will terminate his active participation in the affairs of the bank he will continue as a member of the Board of Managers, to which he was elected in March, 1938. Mr. McBride has recently been engaged in the investment banking business, and is at present with Kidder, Peabody & Co., 17 Wall St., New York City.

Parker S. Williams, Chairman of the Board and former President of Provident Trust Company of Philadelphia, died on Feb. 21; he was 68 years of age. Mr. Williams, who was born in Philadelphia, was admitted to the Philadelphia bar in 1898, and the following year became junior partner in the law firm of Innes & Williams. The senior member, Reginald H. Innes, died in 1908, and Mr. Williams, two years later joined Charles Sinkler, Judge of the Orphans Court of Philadelphia, forming the firm of Williams & Sinkler.

The Philadelphia "Inquirer" also states:

Mr. Williams' banking career began in 1915, when he became a Director of the Provident Life and Trust Co. In 1928 he was elected to succeed the late J. Barton Townsend as President. He served until 1938, when he was elected Chairman of the Board.

Mr. Williams also was a Director of the Provident Mutual Life Insurance Co., the Philadelphia Saving Fund Society, the Central-Penn National Bank, the Westmoreland Coal Co. and the Lehigh Coal and Navigation Co., among other concerns.

He was a member of the Pennsylvania Banking Association, the Pennsylvania State and American Bar Associations, etc.

John D. Ames, editor and publisher of the "Chicago Journal of Commerce," has been elected President of the Industrial National Bank of Chicago, according to an announcement made by the bank on Feb. 18. Mr. Ames succeeds Calvin Fentress, who becomes Chairman of the Executive Committee of the bank. The announcement states:

John Ames, who has been a director of the bank for a number of years, will assume the Presidency of the Industrial National Bank and, at the same time, will continue his active management of the "Chicago Journal of Commerce." Mr. Ames, a graduate of Princeton and a resident of Winnetka, is Director of The Murray Corporation of Detroit and is prominent in many civic and community organizations. He is a member of the Executive Council of the Boy Scouts of America and serves on the Budget Committee of the Community Fund of Chicago.

Mr. Fentress, who is President and Chairman of Baker, Fentress & Co., served as President of the Personal Loan & Savings Bank and was instrumental in effecting its conversion into the Industrial National Bank in December, 1940. Joseph E. Otis, Chairman of the Board, and the other officers of the bank were re-elected.

The O'Bannon Banking Company, Buffalo, Mo., became a member of the Federal Reserve Bank of St. Louis on Feb. 16, it was announced by the Reserve Bank. The new member was started by J. P. O'Bannon as a private bank in 1899, and became a State chartered institution on Nov. 20, 1905. It has a capital of \$32,500, surplus of \$27,500 and

total resources of \$827,641. Its officers are: W. C. Hawkins, President; W. H. Nelson and Fred Myers, Vice-Presidents; Phill H. Hawkins, Cashier, and W. C. Hawkins, Jr., and Helen M. Johnson, Assistant Cashiers. The addition of the O'Bannon Banking Company brings the total membership of the Federal Reserve Bank of St. Louis to 439. These member banks hold 75% of the deposits of all commercial banks in the St. Louis district.

At the recent annual meeting of stockholders of the Barnett National Bank of Jacksonville, Jacksonville, Fla., all directors and officers were re-elected. In addition, Henry W. Rose and Olin E. Watts were made directors and B. V. Hanes was made an Assistant Cashier. During the year 1941 the bank declared total dividends of \$8 per share. The bank's total capital account on Dec. 31, 1941, was \$3,515,991, consisting of \$1,500,000 common stock, \$1,500,000 surplus, \$284,544 undivided profits and \$231,447 surplus reserves. Total resources of the bank on that date were \$40,497,274 and total deposits \$36,722,663.

John N. Edlefsen, one of the senior Vice-Presidents of the United States National Bank of Portland, Ore., died suddenly on Feb. 13. Born in Germany on Sept. 1, 1882, Mr. Edlefsen came to this country at the age of 23, where he engaged in the exporting and importing business in New York for a year before he came to Portland in 1906. As to his activities there the Portland, Oregon "Journal" of Feb. 13 said:

Here Mr. Edlefsen was employed by the old Peninsula State Bank at St. Johns which was later nationalized as the Peninsula National. He became, in turn, Assistant Cashier, Cashier and President. He was head of the bank when it was purchased by the West Coast National. Mr. Edlefsen became a Vice-President of the United States National when the West Coast was merged with the larger bank in 1930. Mr. Edlefsen was an organizer and senior Vice-President of the West Coast institution.

Mr. Edlefsen was President of the Community Chest drive last year, an unusually successful one, and in the recent Red Cross war fund drive. He was one of the first presidents of the Portland Junior Symphony Orchestra. He had served as President of the Oregon Bankers Association and of the Portland Clearing House Association.

He was a member of the Executive Council of the American Bankers Association, was on the Community Chest Board for several years, a Director of the Chamber of Commerce and Treasurer of the Pacific International Livestock Exposition.

The Real Estate Trust Co. of Philadelphia had net earnings from operations in 1941 of \$34,597, it was reported to stockholders by Samuel F. Houston, President, at the recent annual meeting. These earnings, before charge-offs but after deducting all expenses, and not including profits on sales of securities or recoveries, amounted to \$1.15 on a share basis, which compared with \$1.90 for the preceding year. The net changes in the undivided profits account during the year are summarized as follows: undivided profits on Jan. 1, 1941, totaled \$365,965, to which should be added \$253,096—the earnings for 1941—giving a total of \$619,061, and from this amount should be deducted \$84,458—net transfer to reserves—leaving undivided profits on Dec. 31, 1941, at \$534,602. The capital and surplus are given as \$1,500,000 each. Mr. Houston says in his report that the inherent sound-

Demand For Closed Shop In War Industries Threatens Production, National Safety Says NAM

Continued demand for the "closed shop" in war industries is a definite threat to maximum production and national safety, the National Association of Manufacturers warned in a statement issued on Feb. 23. The warning came on the eve of the War Labor Board's hearings beginning in Washington, D. C., on Feb. 24 in the case of the CIO against the "Little Steel" companies. The Association emphasized that 34 of the 65 cases pending before the Board on Feb. 16 involved the "closed shop" or one of its variants—"union shop," "maintenance of membership," "union security" and others. "In any event, what in the name of Victory has the 'closed shop' to do with production?" the Association asked. The Association went on to say:

"It has nothing to do with production—but it is a way to non-production. The best assurance of maximum production for victory is an open shop where any competent patriotic citizen can work for his country regardless of whether he or she holds a union card. Common sense dictates a moratorium for the duration on this 'closed shop' issue.

"War has imposed on industry major responsibility for producing the weapons so sorely needed on fronts around the world. It is no time to erect new artificial restrictions to impede that production. Neither is it any time for manufacturers to sit supinely in their offices and see such restrictions being raised. Any blame for failure to produce in this crisis will be laid squarely and solely at the door of management. The public will support management in its refusal to accept restrictions from any source on wartime production.

"The managers of industry have an obligation to their country and they owe it to themselves to tell the Congress and the War Labor Board in no uncertain terms that the 'closed shop' may well throttle this country's only hope for victory—all-out production. France thought to fight two wars at once—one among themselves and one with the enemy. France fell. The closed shop can be the downfall of America!"

The Association's statement, released in its Weekly "News Letter" to its members said in part:

Nearly 80% of the American people as a whole, and even a majority of the workers themselves including union members, are opposed to the closed shop. The President of the United States has said that this now-embattled government will not borrow the tactics of a Hitler to clamp the closed shop on workers.

And yet, 34 out of the 65 cases pending before the War Labor Board (through Feb. 16) are being fought by the unions over this very issue or one of its variant forms. . . .

If the closed shop is forced upon the steel industry, the way will be opened for the use of the same strategy to impose it on all basic war industries.

The trouble began when the Steel Workers Organizing Committee (CIO) demanded of Bethlehem, Republic, Inland and Youngstown Sheet and Tube companies a dollar-a-day increase and a union shop with checkoff of union dues. The companies could not agree to these demands and as a result the controversy has been referred to the WLB. The Board must decide whether the closed shop will be imposed on the steel industry and whether new wage demands will be granted.

While opposition to the CIO wage demands has been voiced by some top Administration officials, other official sources have indicated support for the closed shop.

ness of the trust company was improved during the past year.

Labor sources in Washington said this week that William H. Davis, Chairman of the WLB, will himself offer a "maintenance of membership" clause as a compromise. This clause, around which the fight may come ultimately, was approved by the War Labor Board after its acceptance by Marshall Field & Co. and the CIO. Textile Workers Union.

The proposed compromise clause reads as follows:

"All employees who are now members of the union or who may in the future become members will be required as a condition of employment with the company to maintain their membership in good standing during the life of this contract: provided, that this provision shall apply only to employees, who, after the consummation of this agreement, individually and voluntarily certify in writing that they authorize union dues deductions, and will, as a condition of employment, maintain their membership in the union in good standing during the life of the contract. Upon receipt of the above authorization, the Mill agrees to deduct from the weekly earnings union due in the amount of 25c per week, to be paid to the union."

Labor's announcement of the Davis proposal brought an immediate response from three of the steel companies involved in the current dispute. They characterized the "maintenance of union membership shop" as just one more confusing name for the same old idea of a closed shop.

Thus, the WLB faces the same crisis which brought an end to the National Defense Mediation Board.

If the WLB should attempt to force the steel companies to accept this modified closed shop, all Washington is asking whether another Federal Shipbuilding incident is in the making—that is—will the government take over and operate private enterprise.

Two-Thirds Of Curb Stock Paid Dividends In 1941

Approximately two-thirds of the stock issues traded on the New York Curb Exchange paid dividends in 1941. As a result of a count just completed by the Exchange's Department of Securities, it was announced on Feb. 17 that dividends were paid on 307 or 64.49% of the fully listed stock issues, and on 370 of those admitted to unlisted trading, or 67.64% of that group. At the end of the year there were 1,023 issues which were admitted to dealings. The 677 dividend-payers therefore made up 66.17% of the total. The announcement further said:

These figures show an increase over the same count for 1940, when dividends were paid by 299 or 59.32% of the fully listed issues and by 361 or 63.78% of those admitted to unlisted trading privileges. Since there were 1,070 issues in all as of Dec. 31, 1940, the 660 dividend-payers for that year constituted 61.68% of the total.

In making this count a stock is considered a dividend-payer if it has paid some dividend during the year provided the most recent regular dividend has not been passed.