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Procedure On Renegotiation Of War Contracts Called Superior To Other Proposed Methods

The War Department is making every effort to insure fair and impartial application of the statute providing for the renegotiation of war contracts and sub-contracts, in order to keep to a minimum the disadvantages of this procedure, according to Col. Albert J. Browning, Director of the Purchases Division, Service of Supply, War Department.

In an address before the Illinois Manufacturers Association at Chicago on Nov. 10, Col. Browning, who was formerly President of United Wall Paper Factories, Inc., and has been connected with the Government in various capacities for the last two years, gave a detailed explanation of the amendments recently adopted by Congress in the Revenue Act of 1942 with respect to renegotiation procedure, and in part said:

"In March and April of this year, while the Sixth Supplemental National Defense Appropriation Act of 1942 was before Congress, public attention was focused on the large profits being made under some of the early war contracts and an amendment was proposed to that act limiting profits under war contracts to a percentage of sales varying from 2% to 10%. It was never definitely stated whether this was 'before or after taxes.' As many of you know, the question of be-

fore or after taxes sometimes is quite important. Two per cent might be a satisfactory profit for some simple operations, such as stamping out blanks where the total dollar volume of material handled is very large but the amount of work done on it very small. Ten per cent might be a small profit for a company doing a very complex operation for the amount of investment both in facilities and labor is large and the turnover of production small.

"One suggestion was made that a profit of 6% after taxes be allowed as a ceiling. Because of the excessive profits tax each contractor would consider his last contract as coming under the excess profits tax and, therefore, nearly every contract we signed would probably be considered as coming under the excess profits tax bracket. Therefore, we would have to allow 30% net profit be-

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FROM WASHINGTON AHEAD OF THE NEWS

By CARLISLE BARGERON

One outstanding result of the recent elections is likely to be a progression of the secret hostility which high American Federation of Labor officials have long felt for the New Deal. These gentlemen have long known that the Administration is no friend of theirs; they have long known that the CIO was conceived inside the Administration and advanced by it, that it is a political adjunct of the New Deal.

Even greater emphasis was given to the political nature of the CIO at its recent annual convention. Running throughout the proceedings is a high note of cooperating with the New Deal in its post-war wide world aims. The convention made it quite clear that the CIO wanted to be and hoped to be one of the main political vehicles of these New Deal ambitions. What the convention did was to make firmer its hitch to the New Deal star, for better or for worse. With labor working conditions and wages fairly stabilized it rather behooved the organization to dig up something new to emphasize its association with the reigning Government.

Heretofore, AFL leaders, fully understanding the score, were nevertheless powerless to do anything about it, to do anything like showing their hostility to the Administration. Mr. Roosevelt was frankly too strong for them. It would have been suicide on their

part to try to turn their followers from him. He could appeal over their heads.

The elections showed, however, that he has nothing like the hold over labor which he once had. There could be no question in anyone's mind that his leadership on domestic problems and on post-war problems was definitely at stake. Labor registered its unconcern, to say the least. The changed situation will undoubtedly embolden those AFL leaders who realize the Administration doesn't like their organization, because it is not political enough.

Just now they are outraged by what seems to be one of the worst examples of bureaucratic bungling in a long time. They insist, however, that it was deliberate.

The story goes back to early 1941 when the Pacific Coast shipbuilding industry was rampant with strikes and Communism. Sid-

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Notice To Our Readers

Due to the constantly expanding volume of current news of paramount importance to business and industry, we are obliged, owing to space limitations, to divert to Section 1 a considerable amount of material which, under ordinary conditions, is usually contained in this section of the "Chronicle." In bringing this matter to the attention of our readers, we are mindful of our pledge to make every effort to increase the value of the "Chronicle" by reporting, without delay, all of the information essential to a thorough knowledge of the manifold changes in tax and other legislative matters originating in Washington, together with the activities of the many Government agencies whose functions are of increasing importance to the conduct of business in the present

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THE FINANCIAL SITUATION

Some of the difficulties which our crusade for the "four freedoms" "everywhere in the world" must inevitably encounter, and some of the hazards to which it must as inexorably expose us in due course are now beginning to appear plainly writ across the face of events. The evangelistic fervor of Mr. Willkie; the intemperate insistence of some groups in this country, and some elements of the press, upon a program which would apply in embarrassing parts of the earth; the apparent support afforded such propaganda by the President himself; and the significant suggestion the other day by Under-Secretary of State Sumner Welles that the task of reaching agreements in these matters be undertaken while the fighting continues have evidently not been missed in Great Britain.

Mr. Churchill Speaks Out

Mr. Churchill some time ago dashed cold water upon the enthusiasm of world reformers, much to the dismay of Mr. Willkie. It was not long after that the British Prime Minister made his now familiar denial of any intention of presiding at the liquidation of the British Empire. Then came the transfer to a post of lesser political responsibility of Sir Stafford Cripps, who has "advanced" leanings in several directions. Now Mr. Churchill quite pointedly warns a listening world that the United Nations can not afford to fall to quarreling among themselves about what they want to do after the war is over before the war is won.

Precisely what Great Britain will be willing to do after this war is over, no one, quite possibly not even Great Britain itself, knows at the present time. It is, however, apparent that Mr. Churchill is not overly impressed with our crusading proposals and has no intention of permitting himself to be cajoled, bludgeoned or maneuvered into merely taking his cue from Washington. The dispassionate observer finds it difficult to doubt that he already feels more than a little nettled as a result of the tactics of this country as regard post-war dispositions of parts of the British Empire.

Vital To Britain

These are matters that reach the very roots of the British Empire and traditional British world policy. It (Continued on page 1979)

Factionalism vs Surrender?

Up until now all discussions concerning post-war plans were opened on a note of apology. "But now that at least a way to victory has been shown to us, the post-war planner may be expected to speak more freely. . . .

However, no one in our Administration has said that post-war planning cannot proceed simultaneously with the waging of the production battle. Management may be sure that labor unions and the Government itself have their post-war aims well defined and are laying plans to fashion the shape of things to come. The danger is that the nation is thinking factionally about the post-war world.—Alvin E. Dodd, President of the American Management Association.

It seems to us that the real danger may be of a rather different order.

To be sure we are not helped by factionalism, but neither is good to be expected of a policy of leaving the planning to one faction—the Administration and its Allies.

Nor will it do to be mealy-mouthed in this situation. Someone must save us from official post-war planners!

To permit ourselves to be delivered into their hands would be to court disaster.

Editorial—

The After-The-War World

Contriving plans for a revolutionized after-the-war world seems to be the current obsession of all the collectivists who have been dismissed from the war-effort because it was speedily discovered that they had nothing whatever to contribute. While, upon all the continents and throughout the seven oceans, America is fighting to repel an attack upon its way of life, sacrificing painfully at home and cruelly upon remote fields of combat, these busy planners are industriously scheming to replace that way of life wherever it exists, to exclude it forever where it might sometime be adopted, and substitute something nearer to their hearts' desire. Perhaps it is a harmless parlor diversion for the otherwise mentally unemployed, sufficing to restrain them from meddling beyond their shallow depths in problems of civilian defense, co-operative resettlements for the unsuccessful, restriction of earned incomes, and other matters beyond their experience or competence. As such, perhaps it might be indulged without criticism.

But peace is coming. Whether it comes early or late in 1943, or not until egregious folly and unnecessary suffering have extended themselves well into 1944 or 1945, the end must come and with it must come huge problems of reorganization and reconstruction. When these problems arrive and must be dealt with it will not be the time to discard the lessons of experience, attempting to build a new society organized in accordance with the dream-philosophies of altruistic men and women wholly without experience in practical control of enterprise and radically antagonistic to everything having the sanction of past success in the field of economic production.

"Swiftly the charlatan goes: is it dark—he borrows a lantern;

Slowly the statesman, and sure; guiding his steps by the stars."

The stars represent the deathless illumination of universal experience. It has no meaning for the collectivist charlatans who happily are most unlikely to control anything, even the consequences of their own scheming, when the ultimate task confronts the world's statesmen. Their present ideal, apparently, is a world so organized that no individual anywhere need feel any obligation for his own maintenance or that of any whom society now regards as his natural dependents: wife, children, and kindred; but may be agreeably assured that any improvidence or neglect upon his part will be compensated by an appropriation out of an inexhaustible store which he vaguely supposes to be held somewhere by a remote but omnipotent entity that he calls government. The charlatans know a very little more about government than that, they are familiar now with the interior of the palace, but they know almost nothing of practical economics, nothing of the effects upon mankind of elimination of the incentives of material rewards for industry and frugal and orderly living or of complete relief from the penalties of idleness, waste, and evil conduct. Their concept is that government, however unrestrained its extravagance, has only to proclaim taxes and its coffers will immediately be filled to overflowing. Government, they suppose, has only to say, "Let there be funds," and as the sun rising in the east flooded the newly-created firmament, just so abundant funds, mysteriously produced by taxation, will pour into the public treasury, funds sufficient to relieve all distress and to provide ease and comfort everywhere, even after liberal deductions to satisfy the needs of the vast and hungry bureaucracy required for their administration and distribution. They do not even perceive that, as they "tax and tax, spend and spend, elect and elect," as they feed into the maw of the greedy bureaucrats one after another the staple industries of the country, to possess, to regulate, and to direct, some profit-making industries will have to be left somewhere, to earn and pay the taxes which an insatiable treasury, conducted as a huge eleemosynary institution will require to finance its almost boundless beneficences. Perhaps it required everything which has happened in the last ten years, even the great war in its vast expansion since American participation became unavoidable, to make this situation and the social and political doctrines out of which it arises completely clear to those who would have to bear the cost and weight of its continuance and extension.

There is an American Way of life. It is neither the way of the collectivists nor that of Moscow. It is the way of the Declaration of Independence. It begins with the inalienable rights of manhood, rights so essential to individuality and freedom that even their possessor is incompetent to part with them when fatuously yielding before tyranny or foolishly beguiled by the mendacious pretensions of usurping dictatorships. It rests upon the splendid independence of the individual who is a sovereign in his own right, fully entitled to the free enjoyment of his life, his liberty

and to the pursuit of happiness, without involuntary servitude of any sort, without intrusion upon his human rights to possess and control the products of his labor and the usufruct of the capital which he has accumulated by abstinence from wasteful consumption, without forced labor of any sort at any time or upon any alleged justification. It is the historic way of life that has persisted since the 13 colonies revolted against British tyranny and established themselves upon a narrow strip of land confronting the Atlantic Ocean in 1776. Without deviating from it in any of its essentials the scanty population of 166 years ago grew to the 135,000,000 of 1942, the area of national jurisdiction expanded to the Pacific Coast and from the Saint Croix, the Saint Lawrence, and the Great Lakes, to Oregon, the Gulf of Mexico, and the Rio Grande. National resources were developed until annual production exceeded that of every other nation; prosperity and wealth came largely to surpass anything which the world had seen in any other region or under any regime of government other than the government of individualism, liberty, and order which had been here established in pursuance of the splendid Constitution of 1787.

Under no other system of government, nowhere else upon the earth, has there been, either during the same period or any other period of time, equivalent progress, equivalent high standards of living and well-being, equivalent diffusion of comfort and security among the masses of citizenship. It should be and it will be idle and fruitless for the proponents of any radically different way of life directly to attempt to substitute any alien system for one so weighed in the processes of time and so marvelously justified by its results. Equally it should be impossible to beguile Americans into acquiescence in after-the-war policies so reckless and wasteful that they would inevitably endanger the integrity of the sound system of liberty and individualism under which the greatness of their country has been achieved. When they are asked to continue the vast budgeting deficits of the war to provide for experimental manipulations of the economics of peace, to sacrifice for the reconstruction of other lands as they have sacrificed to protect their own, to interfere in the internal affairs of other peoples even as benevolently as they have interfered to guard them against external aggression, they will, it is confidently to be hoped, remember Washington and Jefferson and refuse to be victimized by entangling alliances luring them into fruitless participation in matters and very probably into quarrels not their own. The post-war world which the American people desire and deserve, and intend to have, will be a continuation, with orderly progress, of our way of life, according with the Declaration of Independence, the Constitution of 1787 and its Bill of Rights, under which their greatness was achieved, by which they attained the power and prestige they now possess, and under which, with the return of sanity and restraint in their government, they can hope speedily to restore the losses of recent years and mount to new heights of prosperity and stability.

The State Of Trade

The heavy industries continue to operate at high levels, with new peaks being reached in a number of quarters. Production of electricity was at an all-time high for the second successive time in the week ended Nov. 21st, when the industry distributed 3,795,361,000 kilowatt hours, compared with the previous peak of 3,775,878,000 in the period ended Nov. 14th, according to the Edison Electric Institute. This was 16.9% above the year-ago total of 3,247,938,000 kilowatt hours.

Loading of revenue freight for the week ended Nov. 21st, totaled 836,427 cars, according to the Association of American Railroads. This was an increase of 9,826 cars over the preceding week this year, 37,041 cars more than the corresponding week in 1941 and 102,936 cars above the same period two years ago. This total was 132.92% of average loadings for the corresponding week of the ten preceding years.

Engineering construction volume for the short week due to the Thanksgiving holiday, totals \$65,929,000, reports "Engineering News-Record." It compares with \$100,060,000 for the preceding week and \$110,331,000 for the full week last year. Federal work accounts for \$53,507,000, or 81%; \$8,689,000 is for private work and \$3,733,000 is for State and municipal.

The current total brings 1942 construction to \$8,932,207,000, or 60% above the 48-week period last year, and already 52% above

the household drive for scrap cannot be expected, the industry is intensifying its efforts to obtain dormant scrap from every possible source. Government agencies are pushing salvage of structures, equipment and other material, largely those where the cost of reclaiming is not greater than scrap value. Additional pig iron production from new furnaces may serve to close the gap of late winter shortage.

In the retail trade early Christmas shopping proved a strong stimulant last week, although an exceptional demand for winter apparel continued to be the mainstay of the retail spending boom, according to Dun & Bradstreet, Inc.

Department store sales on a country-wide basis were up 30% for the week ended Nov. 21st, compared with the same week a year ago, according to the Federal Reserve System. Store sales were up 19% for the four-week period ended Nov. 21st, compared with last year.

Department store sales in New York City in the week ended Nov. 21st, were 26% larger than in the like week last year, and in the four weeks ended Nov. 21st, were up 13% from the comparable period in 1941, according to the New York Federal Reserve Bank.

Department store sales in New York City in the week ended Nov. 28th, were 15% smaller than in the like period last year, according to a preliminary estimate issued by the New York Federal Reserve Bank. The bank pointed out that there were only five shopping days last week because of Thanksgiving, compared to six shopping days in the comparable 1941 week.

The good business being enjoyed by stores currently is being stimulated by the widespread campaign urging early Christmas shopping. In contrast with the situation prevailing a few months back, dollar sales today, as compared with a year ago, exceed the rise in prices. Prices in department stores are estimated at around 6% above comparative 1941 quotations, while dollar sales this month are averaging close to 20% above a year ago.

This means that the physical volume of goods now being moved off store shelves is high; that the bulge in sales is having the effect of reducing inventories. Latest figures by the New York Federal Reserve Bank bear out this trend. At the end of July the bank reported the dollar value of department store inventories at 88% higher than a year ago. Since then the decrease in inventories has been rapid. At the end of August they were 63% above last year; at the end of September, 44% higher, and at the close of October, 26% larger.

The Department of Commerce, in reviewing third-quarter inventory developments a few days ago, observed that the heavy buying generated by war-time expansion is cutting into existing stocks to supplement the restricted volume of goods being produced for consumers. The Commerce Department notes that retailers' stocks in the third quarter of 1942 had declined approximately \$200,000,000 and that wholesalers' stocks had dropped about \$400,000,000.

Kelley Joins Law Firm

John H. Kelley, Assistant General Counsel of the Securities and Exchange Commission in charge of the enforcement staff in the New York office, is resigning, effective Dec. 1, to resume the private practice of law. He will join the law firm of Ignatius & Stone. He had been with the Commission since its organization, being first employed in the office of general counsel in Washington, and has been Assistant General Counsel since 1937.

Convinced that a repetition of

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would be a sad blunder on our part to suppose that they can be disposed of by impassioned oratory, political intrigue, or by the purchase of friends in various parts of the globe, particularly, perhaps, in Great Britain itself. All these techniques are familiar to British statesmen, who in one form or another have been making use of them for centuries. Moreover it is their ox that is in danger of being gored. To many Britishers it must appear that we have undertaken to save the Empire only to demand that it voluntarily commit hara-kiri once its traditional enemies are laid. Some of us are fond of calling the British Empire a "Commonwealth of Nations," and in part that is what it is. We seem, however, to forget that of the 505,000,000 souls in this vast domain, some 359,000,000 live in Asia, upwards of 50,000,000 in Africa, and millions more in other parts of the world in a status that bars the use of the word "nation" in reference to them.

In short, it is still an empire, and much the larger part of the peoples comprising it are of bloods, traditions, and in most other respects quite foreign to those of the British. It is, moreover, a fact that a "liquidation" of this vast empire on terms which would appear to be implied in much that is being said in this country might well leave Great Britain a second- or even a third-rate power. This may be a "new era." These may be "modern" times. "Nineteenth century imperialism" may be "outmoded"—and all the rest—but we should be foolish to expect the British to be ready at our bidding to leave all this territory, all these peoples and all the riches in these lands to their own devices when the war is over. We should be on much safer ground to assume that the British will have ideas of their own about what they regard as their own.

Disappointment Ahead

Danger of disappointment and disillusionment lurk in any assumption that we shall "this time" be able to re-order the world to our liking, with the full support and applause of Great Britain and the other members of the United Nations, when the fighting is over. Even more serious consequences could easily follow an attempt at this time to exact agreements from the British and the others as a price of our part in this war. As a matter of fact we have made the welkin ring with assertions that we are in point of fact merely defending our own shores in attacking Germany and Japan before they got around to attacking us. It now scarcely lies in our mouths to argue that we are expending our treasure and shedding our blood to "save" or to "liberate" any one else, and hence have the right to demand sweeping concessions to our notions of a perfect world. But whatever the strength of our argument, the fact remains that these other peoples, who have been playing world politics for centuries, are not likely to accept our idealism at face value, and any attempt to bring pressure upon them at this time can cost many lives and much treasure as a result of lack of perfect understanding and coordination of military forces and plans. We have gone about as far as we had better go in this business for the present—if, indeed, we must go farther after the war is won.

If We Had Our Way?

An about equally disquieting prospect would confront us were we able to have our way. One would suppose, from listening to many of the "four freedom" enthusiasts, that about all that would be necessary on the political side would be to have alien powers withdraw from these various regions of the earth where they are now dominant over native peoples. Such withdrawal, however, guarantees exactly nothing. Many of them are patently not in a position even to keep order, to say nothing of developing and exploiting their rich natural resources. Even if they were able to do these things it is clear enough that they could not defend themselves against the larger nations, which would always be eyeing them enviously. Nor is encroachment, as some naive commentators appear to suppose, merely a matter of military attack from without. On the contrary it is often for long periods peaceful economic penetration—not infrequently with the consent if not upon the invitation of native groups. Defense of these outlying regions from alien exploitation is a difficult and virtually endless task.

And, of course, under plans such as we appear to be laying for the future we—and, so we hope, our friends—must defend them in perpetuity. We should have learned some lessons in this field from our experience with the Philippines. We have long promised to give them their "freedom," but it has as long been obvious that to give them their freedom would in no way assure them of retaining it. The break with Japan came before matters had fully developed in these islands, but had we set the Philip-

pinos wholly free, it might easily have happened that within a quarter of a century they would have found themselves virtually a part of the Japanese Empire without a gun having been fired—merely by infiltration, colonization, and finally domination at the polls. There are many other regions of the world where precisely this process could easily take place in time.

Unsolved Problems

Are we so foolish as to suppose that we can undertake to guarantee the possession and control of all areas in the world by the people that now occupy and are preponderant in them? It would appear that the United States Government and that of Great Britain are fully agreed upon one thing—that Germany, Italy and Japan are to be so reduced in military strength that they shall not be able to breach the peace of the world in the future. How long we shall keep that resolve after peace has returned remains to be seen, but suppose we did so indefinitely? So long as German, Italian and Japanese populations continue to increase at the rate customary in those countries, they would probably remain a world problem. If we insist upon believing that we have solutions of all problems "everywhere in the world" we are doomed to sad disappointment to say the least.

IBA Urges Government To Suspend Needless Hampering Of Utility Operations For Duration

Declaring that the public utilities are indispensable as a war agency and that their treatment at this time is of the utmost social and economic importance, the Public Service Securities Committee of the Investment Bankers' Association of America, in a special report made public on Nov. 24, recommended that "needless hampering of utility operations by governmental agencies be suspended for the duration." Among hampering acts which the Committee is "convinced" are "seriously retarding the war effort," greatest emphasis was placed on the forced dissolution of holding companies during the war period under the "Death Sentence."

Holding companies are, with certain exceptions, "on the way out," the report stated. Their protection and support, their supplying of capital needs and credit were helpful during the period of expansion, experimentation and standardization of the industry, it added, but are no longer necessary, "at any rate for those companies whose subsidiaries are now self-sufficient." Progress in eliminating holding companies should nevertheless be gradual, it was felt, so as not to destroy values and unsettle markets.

Pressed now, compulsory disruption of holding companies has, according to the Committee, seriously hampered the necessary all-out war effort of the industry by, (1) taking the time of important men in litigation and contention, (2) causing undue and unnecessary expense to both the operating and holding companies, (3) instigating sales on unprepared and unreceptive markets, (4) disturbing the very foundation of the productive machinery of the industry.

As another consequence, forced dissolution of companies and systems in thin and unstable markets has "greatly stimulated new financing by revenue districts" and the municipal buying of properties through the issuance of revenue bonds," the report said. This was said to lead to the "municipalization" of the business. The exemption from Federal taxation thus afforded, it added, makes the financing of municipal ownership and support of the resulting debt comparatively easy. "We also hear," the report continued, "of the suggested formation by 'public power groups' of non-profit corporations which are to be free of taxation." The Committee considered such moves of "highly disputable value both from an economic and social standpoint."

The report pointed to a "paradox" of having Government agencies stressing the need of equity financing and at the same time insisting on the writing off or freezing of surplus accounts or the writing down of property values of operating companies after these values had been long ac-

cepted by local commissions, thus making the sale of equity securities difficult and speculative.

Multiple taxation is a further blight on the utilities and their stockholders, the report stated, citing many instances of gross receipts taxes by city, county and state piled on top of income and excess profits taxes, leaving little or nothing for corporate surplus of stockholders.

The Securities and Exchange Commission's public bidding rule on the initial sale of public utilities securities would better have been left untried during the war period also, the Committee contended. Its over-all recommendation was that all regulations that do not relate to current fraud prevention should be postponed "in this time of great emergency" and that Government bureaus should refrain from unnecessary rulings, cease disrupting the normal operations of the utilities, avoid disturbance of markets, subordinating everything to the war effort. The report was prepared by a Committee of which Albert T. Armitage of Coffin & Burr, Inc., Boston, is chairman.

Derenberg Joins OPA

Dr. Walter J. Derenberg, Director of Legal Research of the American Arbitration Association, and an authority on patent law, has resigned to accept the position of Chief Counsel of the Opinions and Research Bureau of the Office of Price Administration, Lucius R. Eastman, Chairman of the Board of the Association, announced on Nov. 19. Mr. Derenberg is assuming his governmental position immediately and will make his headquarters in Washington. The announcement from the Association says:

"Dr. Derenberg has headed the legal research division of the American Arbitration Association since 1935, and has acted as legal research director of the Motion Picture Arbitration System since its inception under the Motion Picture Consent Decree in 1940. In addition to having conducted classes at New York University on arbitration and trade marks for a period of years, he is the author of several legal publications on these subjects."

Supreme Court Agrees To Wage-Hour Review

The U. S. Supreme Court agreed on Oct. 19 to review a ruling that the Wage-Hour Act does not apply to employees of a wholesaler handling products obtained from other States but which "come to rest in the hands of the importer" before distribution in the State in which he conducts his business.

Regarding the case, the Associated Press on Oct. 20 reported: "Appealing from a ruling by the Fifth Federal Circuit Court involving the Jacksonville (Fla.) Paper Co., the Federal Wage-Hour Administrator contended that the decision 'would exclude from the coverage of the Act many thousands of employes who are entitled to its benefits.' The High Court yesterday granted his petition for a review.

The only function of such a distributor 'is to serve as a medium through which large scale sources of supply meet a nation-wide demand,' the Administrator added. "The fortuitous circumstance that the final delivery of goods by the intermediate wholesaler sometimes takes place wholly within the confines of a single State cannot deprive the last step in the distribution process of its interstate character."

Counsel for the company replied that if the construction of the Act sought by the Government official were adopted "there can hardly be a business of any kind, no matter how limited in extent, carried on within the boundaries of a particular State which would not be subject to Federal regulation."

WPB Rules On Vacation Pay In General Motors Case

A supplementary order, including eligibility rules for vacation allowances for employees on military leaves of absence, was issued Nov. 17 by the National War Labor Board in the General Motors Corp.-United Automobile Workers, CIO, case. The announcement adds:

"A wage increase schedule for apprentices, starting with a 60-cent-an-hour hiring rate, also was provided in the ruling. A 5-cent increase will be granted apprentices at the end of each period of 910 hours of work, for eight such periods.

"The order also extended provisions of previous Board orders for General Motors to the Oldsmobile plant of General Motors in Kansas City, Mo., where the UAW-CIO was certified as bargaining agent Nov. 6.

"The supplementary order was issued after conferences with corporation and union representatives, to clarify provisions of the Board's order of Sept. 26, covering approximately 225,000 employes."

WAAC Force Of 150,000 Approved By President

President Roosevelt announced on Nov. 20 that he had issued an executive order authorizing an increase in the ultimate strength of the Women's Army Auxiliary Corps from 25,000 to 150,000.

In announcing his authorization for the expansion, the President told his press conference that the total of 150,000 would not be reached for a long time but that the government is looking far ahead in view of the training required. He added that it is expected the corps will reach 56,000 by July, 1943. The WAAC's now number about 10,000, of which 7,000 have completed their training.

President Believes War At Turning Point But Warns Of Uphill Fight To Victory

President Roosevelt asserted on Nov. 17 that the "great deal of good news" of the last two weeks would seem to indicate that the "turning point of this war has at last been reached" but warned that this is no time for exultation or anything but "fighting and working to win."

The President made these remarks in a radio address from Washington to the final session of the Forum on Current Problems of the New York "Herald Tribune."

Declaring that there is "a gigantic job to do," Mr. Roosevelt said the fight "will continue to be uphill, all the way" and "there can be no coasting to victory." He took occasion to commend the Navy for its action in the Solomon Islands, describing it as "one of the greatest battles of our history."

In defending the Government's policy regarding the giving out of war news, the President explained that facts that would be of advantage to the enemy cannot be disclosed for a reasonable length of time and added that "loose talk delays victory." He also stated that "those who are not in possession of all the news must almost inevitably speak from guesswork based on information of doubtful accuracy."

While saying he has made a constant effort to keep politics out of the fighting of this war the President confessed that "my foot slipped once." He went on to relate how ten days before Election Day he had yielded to the clamor as to the suppression of news and had disclosed the sinking of an aircraft carrier in the Southwest Pacific. Mr. Roosevelt further said that the admirals in command in that area protested against the release of the news on the ground that the Japanese Navy had no information of the sinking—since none of their ships were near enough to see the carrier go down—and that "handing them the information on a silver platter" gave them a military advantage which they would not have had. He added that this illustrates to the people the fact "that in time of war the conduct of that war, with the aim of victory, comes absolutely first."

The text of the President's address as given in the "Herald Tribune" follows:

"Ladies and gentlemen, I have always welcomed the opportunity to participate in the 'Herald Tribune' Forum because I have always been interested in the public presentation of all kinds of national problems.

"In time of peace every variety of problem and issue is an interesting subject for public discussion.

"But in time of war the American people know that the one all-important job before them is fighting and working to win. Therefore, of necessity, while long-range social and economic problems are by no means forgotten, they are a little like books which for the moment we have laid aside in order that we might get out the old atlas to learn the geography of the battle areas.

"In time of war your Government cannot always give spot news to the people. Nearly everybody understands that—and the reason for it.

"This means that those relatively few people who do have the facts from all over the world, not only every day but every hour of every day, are somewhat precluded from discussing these facts publicly, except in the most general of terms. If they did, they would almost inevitably say things which would help the people who are trying to destroy us.

"In reverse, those who are not in possession of all the news must almost inevitably speak from guesswork based on information of doubtful accuracy. They do not know the facts, and therefore the value of their statements becomes greatly reduced. Nor must we, in

exaggerate. Loose talk delays victory. Loose talk is the damp that gets into powder. We prefer to keep our powder dry.

"We have a gigantic job to do—all of us, together. Our battle lines today stretch from Kiska to Murmansk, from Tunisia to Guadalcanal. These lines will grow longer, as our forces advance.

"Yes, we have had an uphill fight, and it will continue to be uphill, all the way. There can be no coasting to victory.

"During the last two weeks we have had a great deal of good news and it would seem that the turning point of this war has at last been reached. But this is no time for exultation. There is no time now for anything but fighting and working to win.

"A few days ago, as our Army advanced through North Africa, on the other side of the world our Navy was fighting what was one of the greatest battles of our history.

"A very powerful Japanese force was moving at night toward our positions in the Solomon Islands. The spearhead of the force that we sent to intercept the enemy was under the command of Rear Admiral Daniel J. Callaghan. He was aboard the leading ship, the cruiser San Francisco.

"The San Francisco sailed right into the enemy fleet—right through the whole enemy fleet—her guns blazing. She engaged and hit three enemy vessels, sinking one of them. At point-blank range she engaged an enemy battleship—heavily her superior in size and firepower. She silenced this battleship's big guns and so disabled her that she could be sunk by torpedoes from our destroyers and aircraft.

"The San Francisco herself was hit many times. Admiral Callaghan, my close personal friend, and many of his gallant officers and men gave their lives in this battle. But the San Francisco was brought safely back to port by a Lieutenant Commander, and she will fight again for her country.

"The Commander of the task force of which the San Francisco was a part has recommended that she be the first of our Navy's vessels to be decorated for outstanding service.

"But there are no citations, no medals, which carry with them such high honor as that accorded to fighting men by the respect of their comrades-in-arms.

"The Commanding General of the Marines in Guadalcanal, General Vandegrift, yesterday sent a message to the Commander of the Fleet, Admiral Halsey, saying, 'We lift our battered helmets in admiration for those who fought magnificently against overwhelming odds and drove the enemy back to crushing defeat.'

"Let us thank God for such men as these. May our nation continue to be worthy of them, throughout this war, and forever."

Revise Regulation On Security Valuation

A six-year-old bank examining rule has been revised by the Comptroller of the Currency's Office with respect to the appraisal of group 2 securities in national banks, according to Washington advices appearing in the "Wall Street Journal" of Oct. 23, which went on to say:

"The Comptroller's Office, it is understood, has eliminated the requirement that securities in group 2 be valued at the average market price for 18 months just preceding examination.

"Group 2 securities are those in which the investment characteristics are distinctly or predominantly speculative. This group includes general market obliga-

War Production Fund Organized By Business In Intensified Campaign Against Accidents

Unified action designed to curb the sabotage of manpower by accident, has been taken by representative leaders of business and industry, who have organized the War Production Fund to Conserve Manpower in order to finance the National Safety Council's "concerted and intensified campaign against accidents" as called for by President Roosevelt. A brochure has been issued by the National Safety Council, Inc., indicating

the scope and development of the War Production Fund, which latter, it is pointed out, has two parallel objectives: first, "to enlist the support of the nation's responsible leadership in financing and activating an expounded program for the Council," and second, "to awaken and inform the general public on the accident situation, and its deep meaning to national welfare."

At the same time information has been made available dealing with the growth of the accident-prevention movement in this country, resulting from the proclamation by President Roosevelt, who, it is stated, becoming alarmed by the inroads of accidents on productive manpower, called on the National Safety Council for a vast expansion of its program.

William A. Irvin, former President of the United States Steel Corporation, has accepted the national Chairmanship of the War Production Fund, and Thomas W. Lamont of J. P. Morgan and Company, has become Treasurer. A goal of \$5,000,000 was agreed on, this sum to be raised from business and industry throughout the country. The announcement in the matter also says in part:

"A National Committee of more than 600 members was formed, with an Executive Committee of 74—both made up of senior executives in nationally prominent firms. A preliminary canvass through the national connections of major companies has yielded above \$1,000,000 in cash and nearly another in oral commitments. At present regional campaigns are getting under way in major industrial centers from coast to coast.

"Regional committees for obtaining support of companies not accessible through national channels have either been set up or are planned in these areas:

"Seattle, Los Angeles, San Francisco, Denver, Minneapolis, Des Moines, Kansas City, Oklahoma City, Ft. Worth, Houston,

tions in grades below the four highest and unrat securities of equivalent value.

"One reason given for eliminating this requirement is to conserve manpower. The banking supervisory agencies have been losing men to the armed forces like every other private and public concern. There is no service which compiles the 18-month average market price of securities and the bank examiners were required to take considerable time working out these averages for each bank.

"In lieu of troublesome 18-month average valuation, bank examiners now are instructed to take the bank's valuation provided it is not in excess of the current market value of the securities in question.

"The rule for figuring the valuation of group 2 securities on the basis of the 18-month average market price was established under an agreement in June, 1938, between the Federal Reserve, the Federal Deposit Insurance Corp., the Comptroller of the Currency and the Secretary of the Treasury.

"It is understood that Chairman Eccles of the Board of Governors of the Reserve System supported the 18-month average price rule. Its elimination by the Comptroller's Office insofar as national banks are concerned was opposed by Eccles."

New Orleans, Birmingham, Atlanta, Winston-Salem, Norfolk, Louisville, Chicago, Milwaukee, St. Louis, Indianapolis, Detroit, Cincinnati, Cleveland, Pittsburgh, Buffalo, Baltimore, State of Delaware, Philadelphia, Northern New Jersey, New York City, State of Connecticut and Boston.

"The War Production Fund movement has received the blanket endorsement of President Roosevelt and of Donald M. Nelson, Chairman of the WPB. The Fund has been expressly approved by the National Association of Manufacturers, by the directors of the American and Steel Institute, by the Western Association of Railway Executives, the Eastern Railroads Presidents Conference and many other important national organizations.

"The National Safety Council has worked out a very careful plan for putting the \$5,000,000 to work. No radical departures from previous practice are contemplated. The general strategy will be to speed up the existing program, to get more coverage, more technical assistance in the field, and above all, more public cooperation in accident-prevention.

"The national aspect of the accident problem is underscored in council planning, the over-all need as contrasted with an aggregate of scattered needs."

The following, regarding the mounting casualties on the home front which are "already exceeding those on the fighting front," was issued by the Fund:

"Since Pearl Harbor 85,000 persons in all have been killed by accident in the United States, 7,700,000 injured. Destruction of human material on this grand scale means something more than personal tragedy endlessly repeated. It means that 410,000,000 man-days of work have been lost. These man-days might better have been spent turning out tanks, planes, guns, ships and the thousand and one complementary materials of war.

"Of these fatalities 42,000 were workers—at a time when manpower is the nation's major non-military concern. Only one out of eight industrial establishments—there are 196,000 in all—is fully covered by a safety program. Even more alarming, three out of five workers injured were struck down not in line of duty at furnace, press or lathe, but off the job."

In a recent address before the National Safety Congress in Chicago, William A. Irvin, the Fund's National Chairman, had this to say:

"In terms of its importance to the war effort, and in terms of its day-by-day social and economic significance to the nation, the safety movement is ten times as important as many other movements that get ten times its public recognition and support."

The National Safety Council has just entered into its 31st year. It is a private organization of 5,483 members, some of these corporations, others private individuals. The Council's finances are controlled by a non-paid Board of Trustees recruited from the management of leading corporations. President of the Council is Col. John Stilwell, who is Vice-President of the Consolidated Edison Co. of New York, and Ned A. Dearborn is Executive Vice-President and Managing Director, heading a staff of 144 members. Home offices are in Chicago.

Procedure On Renegotiation Of War Contracts Called Superior To Other Proposed Methods

(Continued from first page)

fore taxes in order to come out with a net of 6% after taxes.

"Believing that this type of restriction would impede the procurement program, a substitute was suggested under which the contractor could be required to furnish adequate data as to his actual costs and profits and to bargain in good faith in the light of such data for the purpose of adjusting the contract price. Congress adopted this substitute in place of the flat limitation but made the procedure compulsory and placed greater emphasis on the recapture of profits.

"Briefly, Section 403, as adopted, requires the War and Navy Departments and the Maritime Commission to eliminate excessive profits by renegotiating the contract price whenever, in the opinion of the Secretary of the Department concerned, excessive profits have been or are likely to be realized under a contract or subcontract. To implement the procedure the statute requires a provision for such renegotiation to be inserted in every contract or subcontract in an amount in excess of \$100,000; defines 'renegotiation' to include a refixing of the contract price by the Secretary of a department, and provides for the recapture of excessive profits from contractors and subcontractors.

"As you know, the statute has been seriously criticized and in some cases violently attacked. Much of this criticism is apparently based on misinformation and will, I am sure, be cleared up by Mr. Oates in his talk on the actual practice upon renegotiation. Various other fears on the part of contractors arose from uncertainties and omissions in the original statute itself. From the beginning, however, the boards have tried to overcome these difficulties by reasonable construction and fair procedures. As I will explain later, basis for criticism of this type has now been removed by the recent amendments to the statute which clarify its earlier ambiguities and omissions.

"Still other objections, however, go to the heart of the act and raise more fundamental questions. The statute, it is said, allows the Government to revise its bargains at the expense of the contractor; provides no standards for fixing excessive profits; leaves contractors uncertain about their profits and financial position; and penalizes efficient producers. These are serious criticisms, but in evaluating their merit it is essential to bear in mind the situation which the statute is designed to meet and the alternative methods available. Undoubtedly the act confers on the departments concerned a sweeping power, but it must be judged as an emergency measure to meet war conditions. What are these unusual conditions?

"As you all know, the war program has created problems of procurement and production unprecedented in scale and complexity. War materials of all kinds are required in enormous quantities with the least possible delay; and many companies must undertake production of articles with which they have had no experience. Many of these articles are new and subject to frequent change; and the quantities needed and the rate of delivery must often be revised in the light of experience and the demands of war. Finally, shortages of material, priorities, and allocation increase the uncertainty of production and interfere with its regular flow. Under these circumstances, experience, and information are frequently insuffi-

cient to permit accurate estimates of probable costs of production. The contract prices negotiated in many cases were estimates which proved far too high when tested by actual experience. The resulting profits often greatly exceed those contemplated by the parties when the contract was made and would be exorbitant if retained by the contractor. But the fact that such large profits accrue should not reflect on the contractor or indicate any default or neglect of his duties by the contracting officer. They are merely an index of the uncertainty regarding costs and methods of production when the contract was made.

"Most reputable contractors do not wish to keep these swollen profits and have voluntarily reduced contract prices to the levels which would have been agreed on originally if the full facts about costs and production had been known at that time. Very few business men have any desire to make excessive profits out of war production. Moreover, Congress and the country are clearly determined that no one will be allowed unjustified, excessive or inordinate profits from this war. It is certain that such profits will be prevented or curtailed in some manner. Accordingly the only real question is how it shall be done. Enlightened business men recognize this fact and many agree with the objective, but they frequently ask why the job cannot be done by taxation or by a flat profit limitation instead of renegotiation. Why inject the added difficulties of renegotiation, they ask, when a high profits tax will prevent excessive profits? One of the answers is that profit control is only a part of the job. Taxes and profit limitations leave untouched two other factors in the situation which are equally vital.

"In the first place the control of costs is just as important in the war program as the control of profits. Increasing shortages in materials and manpower clearly require the most efficient use of our resources if maximum production of war materials is to be maintained. This means that all producers must be encouraged to operate at their highest efficiency, with the minimum waste of materials and labor. A high excess profits tax does not encourage such efficiency and may even tend to discourage it. When a large proportion of profits will be taken in taxes, the incentive to keep costs down may be reduced. Consequently some other method is needed for this purpose.

"The only practical method is through careful price control. When current prices are kept close to costs, producers must exercise careful management and ingenuity to earn a reasonable profit. In normal times this function is performed by keen competition among producers, but in war time when all production facilities must be utilized and competition is inoperative, other means must be used to keep prices close to costs, in order to maintain efficiency.

"In the second place excess profits taxes do not prevent inflation. With almost half of the national income and production devoted to war purposes, control of inflation necessarily requires some control of the prices of war materials. Nevertheless, ordinary methods of price control become extremely complex and difficult to administer for many types of military commodities. For this reason the War and Navy Departments have requested the Office of Price Administration to refrain from extending their control further into this field. An agreement has been reached to carry out this request, but the Army and Navy have thereby undertaken the responsi-

bility to maintain control of prices in the area exempted by the Office of Price Administration. Obviously excess profits taxes will not meet this problem. They operate too late and reach only what is left after all payments, costs, and expenses by a producer are met. Accordingly, they do not restrain the tendency toward inflation through increased costs and expenses."

Col. Browning further stated:

"While it is far from ideal, the renegotiation procedure is the best one so far proposed to attain these objectives in the military field. Properly administered it does provide for current control of prices, and for indirectly keeping costs down through pressure on price. By renegotiation to reduce prices in the light of experience, the incentive of producers to keep down their costs can be maintained. Of course, renegotiation is not a touchstone; much depends on how it is administered. If used merely as a means to recapture past profits, renegotiation will not tend to control costs any more than an excess profits tax; but if renegotiation is used primarily to readjust prices for the future for specified periods, it can serve to maintain incentives. Consequently the War Department is now seeking to put the emphasis on renegotiation of prices for prospective periods rather than primarily on the recapture of past profits."

With reference to a group of amendments dealing with limitations on the time for renegotiation, Col. Browning had the following to say:

"Under the original statute the fear was general that contractors might be subject to repeated renegotiations until three years after the war. This possibility is clearly eliminated in the revised statute. Under it renegotiation of any contract or subcontract must be commenced within one year after the close of the fiscal year in which the contract was completed or terminated. Furthermore, the contractor has certain optional privileges to limit the period for renegotiation by filing statements of costs of production and other financial statements at any time for a past fiscal period. The Secretary of the Department concerned may then initiate renegotiation within one year thereafter, but if he fails to do so the power to renegotiate ceases. Moreover, in practice, renegotiations will be conducted with most companies during their fiscal year or immediately after its close."

Pay On Land Bank Bonds

S. L. Cantley, Receiver for the St. Louis Joint Stock Land Bank, announces that a further dividend, designated as dividend Number 5, in the amount equal to 18% of the face amount of farm loan bonds issued by the St. Louis Joint Stock Land Bank of St. Louis, or by the Central Illinois Joint Stock Land Bank of Greenville, and the unamortized interest accrued thereon up to but not including June 1, 1932, and 50% of the face amount of farm loan bonds issued by the Southeast Missouri Joint Stock Land Bank of Cape Girardeau, and unamortized interest accrued thereon up to but not including June 1, 1932, and 18% of unpaid interest matured on the St. Louis Bank and Greenville Bank bonds and 50% of unpaid interest matured on the Cape Girardeau Bank bonds on or before June 1, 1932, has been declared as of the close of business Dec. 5, 1942. The announcement added:

"This dividend is being distributed out of the proceeds derived from the liquidation of the pledged assets of the respective banks, in compliance with the decree entered by the United States District Court at St. Louis on Sept. 23, 1942, in the case of Andrews et al vs. St. Louis Joint Stock Land Bank et al."

Industrial Output Expanded Further In October Reserve Board Reports

In its summary of general business and financial conditions, the Board of Governors of the Federal Reserve System reported on Nov. 23 that "industrial output expanded further in October and the first half of November. Retail food prices continued to advance while prices of other commodities generally showed little change. Distribution of commodities to consumers was maintained in large volume."

The Board's summary continued:◆

Production

"Industrial production continued to advance in October and the Board's seasonally adjusted index rose 3 points to 188% of the 1935-1939 average. Gains in armament production accounted for most of the increase, and it is estimated that currently well over 50% of total industrial output is for war purposes. In lines producing durable manufactures, approximately 80% of output now consists of products essential to the war effort.

"Steel output reached a new high level in October as production expanded to 100% of rated capacity. In the first half of November output declined slightly to around 99%, reflecting some shutdowns for furnace repairs, according to trade reports. Activity in industries producing non-durable goods declined less than seasonally in October. Production of foods, especially canning, was unusually large for this time of year and output of textiles continued at a high level. Mineral production, which usually increases in October, declined slightly this year owing chiefly to a decrease in coal production which had been maintained in large volume throughout the summer.

"Value of construction contracts awarded in October increased somewhat over that of September, according to reports of the F. W. Dodge Corp. Publicly-financed projects continued to account for over 90% of total awards.

"The Department of Commerce estimates that, in the third quarter of 1942, expenditures for new construction amounted to \$4,200,000,000, of which \$3,500,000,000 came from public funds. For the first nine months of this year the corresponding figures were \$10,200,000,000 and \$7,700,000,000. Construction of military and naval facilities and of industrial buildings accounted for the bulk of the expenditures.

Distribution

"Department store sales increased in October and the Board's seasonally adjusted index rose to 129% of the 1923-1925 average as compared with 123% in September and 130% in August. In the first half of November sales increased further and were 17% larger than in the corresponding period last year, reflecting in part price advances of about 10%.

"Railroad shipments of freight were maintained in large volume during October and declined seasonally in the first half of November.

Commodity Prices

"Retail food prices continued to advance sharply from the middle of September to the middle of October and further increases are indicated in November. Prices of most other goods and services increased slightly in this period. In the early part of October maximum price controls were established for a number of additional foods. Maximum price levels for many other food products have been raised, however, and the Office of Price Administration reports on the basis of a recent survey that in numerous instances sellers are not complying fully with the regulations now in effect.

Bank Credit

"Excess reserves of member banks were \$2,500,000,000 in the middle of November, a somewhat higher level than generally prevailed in the preceding four months. At New York City banks

excess reserves amounted to about \$500,000,000.

"Additions to member bank reserve balances during the four weeks ending Nov. 18 were the net result of an increase of \$500,000,000 in Reserve Bank holdings of Government obligations, which approximately covered the continued heavy currency drain, and a decrease of \$200,000,000 in Treasury balances at the Reserve Banks.

"Holdings of Government securities by reporting banks in 101 cities increased by \$1,900,000,000 to \$24,000,000,000 during the four weeks ending Nov. 11. Almost half of the increase occurred at New York City banks. There were substantial increases in holdings of Treasury notes, bonds, and certificates, and a smaller increase in Treasury bills, while holdings of guaranteed obligations declined. These changes reflected new offerings and retirements by the Treasury during the period.

"Commercial and industrial loans at reporting member banks in leading cities increased somewhat during the first two weeks of November. Brokers' loans in New York City increased around Government financing dates, but subsequently declined.

U. S. Government Security Prices

"Prices of United States Government securities were steady in the four weeks ending Nov. 18. Long-term taxable bonds yielded 2.32%, and three-month Treasury bills sold at a yield of 0.37%.

More Freight Cars And Locomotives In Service

Class I railroads put 58,346 new freight cars in service in the first 10 months of 1942, the Association of American Railroads announced Nov. 19. Of the total number installed there were 33,848 box, 20,832 coal, 1,814 flat, 619 refrigerator, 100 stock, and 1,133 miscellaneous freight cars.

New freight cars on order on Nov. 1, 1942, included 9,721 box, 16,608 coal, 2,167 flat, 800 refrigerator, 200 stock, and 508 miscellaneous freight cars, or a total of 30,004 compared with 80,504 on Nov. 1, 1941.

Class I railroads in the first 10 months of 1942 installed 638 locomotives of which 258 were steam and 380 were electric and Diesel. In the same period last year they put 493 new locomotives in service of which 117 were steam and 376 were electric and Diesel.

New locomotives on order on Nov. 1, 1942, totaled 779 which included 289 steam and 490 electric and Diesel. On Nov. 1, last year, they had 611 new locomotives on order including 284 steam and 327 new electric and Diesel.

Heads N. Y. Labor Board

The appointment of Paul M. Herzog of New York City to succeed the Rev. John P. Boland as Chairman of the New York State Labor Relations Board is announced by Governor Lehman. Father Boland requested the Governor to relieve him of the chairmanship because of his pastoral duties at Buffalo. However he will remain a member of the Board until the close of the year. Mr. Herzog, who has been a member of the board since its formation on June 24, 1937, was designated Chairman by Mr. Lehman at the joint recommendation of Father Boland and George L. Cassidy, third member of the board.

McNutt Favors Drafting Of Work Absentees

Paul V. McNutt, Chairman of the War Manpower Commission, declared on Nov. 16 that he favored revocation of draft-deferment of workers chronically absent from their jobs.

Mr. McNutt told a press conference he had "urged" such revocation as a means of keeping workers on their jobs, but he did not say whether any such revocation actually had been made by Selective Service.

From Associated Press accounts, the following is taken:

"At the same time Mr. McNutt said the first 'serious labor shortages' had been developed in October, as he had forecast, but contended action taken by the War Manpower Commission had averted any curtailment of war production and resulted in 'virtually no crops being lost.'

"Mr. McNutt said that providing manpower as needed for the war effort had been 'a rather stupendous job' and that the number of persons employed in war production had been increased from 7,000,000 'at Pearl Harbor' to 15,000,000 today.

"Asked by reporters if he agreed with a charge by Senator Harry F. Byrd (D., Va.) that Government agencies are wasting manpower by hoarding workers, Mr. McNutt replied that in hunting manpower hoarders, the Government 'is certainly one place you can look.'

"He said he had witnessed instances where one Government agency had pirated workers from another by offering them positions with higher pay.

"The agencies accused of keeping unneeded workers often answered, he said, that they might in a short time be given work which would not only require those employees but others too.

"Mr. McNutt, however, credited Government agencies with co-operating more and more in eliminating hoarding and pirating."

Mrs. Roosevelt's Recent Visit To Britain

Mrs. Franklin D. Roosevelt returned to Washington on Nov. 17 from a three weeks' visit to Britain. The President's wife, who left New York on Oct. 21, and reached London Oct. 23, arrived at an airport near Washington on Nov. 17 and was met by Mr. Roosevelt. Her trip to Great Britain was marked by visits with the King and Queen, Prime Minister Churchill and to American troops in England and Northern Ireland.

At her press conference on Nov. 18, Mrs. Roosevelt said that her trip to England had convinced her that if American citizens could only realize that the length of the war will depend largely on what they do we might put a great deal more into our war effort.

In summing up what she got out of her trip, she said:

"I am glad I went because I learned a tremendous amount. I came back with an enormous pride in the ability of human nature to rise above the things that bother us the most—the little inconveniences. I came back with a tremendous feeling that when you have to face things you can do it."

In England, Mrs. Roosevelt was the guest of King George VI and Queen Elizabeth at Buckingham Palace and carried out an extensive inspection tour of military and civilian activities.

Mrs. Roosevelt on Oct. 31 called upon Queen Wilhelmina at the Dutch Embassy in London and her engagements also included visits from Dr. Eduard Benes, President of the Czecho-Slovak Government in Exile; Mrs. Benes and the

Czech Foreign Minister, Jan G. Masaryk.

It is also stated that she received the heads of several Allied Governments in Exile in London, viz. King Haakon of Norway, King George of Greece, and King Peter of Yugoslavia. Mrs. Roosevelt had her first look at German-occupied France—through a Navy officer's binoculars—on Oct. 30 from the white cliffs of Dover, and according to London Associated Press accounts that day found it "very exciting to be so near the enemy."

In her first public address since returning from England, Mrs. Roosevelt said on Nov. 22 that the United States is still far from realizing the needs and privations that go with a total war effort. Speaking at a rally in Philadelphia, which officially opened the "Women-at-War Week," Mrs. Roosevelt said:

"Some people in this country will continue to spend money on themselves no matter what you do."

She contrasted this with the present situation in England, "where you simply can't buy things because they are not available."

She told her audience of 3,200 persons, that the campaign was "to focus the eyes of every woman on her duty of buying war bonds and stamps and of encouraging others to do likewise.

"This campaign involves the whole public, of course. But we hope that every individual woman will come to know that she has a job to do—a job that won't be finished until peace is signed."

Nelson Urges War Plants To Observe Christmas

Donald M. Nelson, Chairman of the War Production Board, on Nov. 27 expressed the hope that all war plants observe Christmas Day as a full holiday, and that after the holiday workers "drive ahead with increased energy for the increased production job of 1943." Mr. Nelson's statement follows:

"During this year of war there have been no full holidays in war production. With patriotic zeal, management and workers in our mines and factories have made even such traditional holidays as Independence Day and Labor Day days of steady unbroken production. It has been necessary to do this, because of the overwhelming need to turn out munitions and essential equipment in the greatest possible volume without delays or interruption, and the country has recognized this need and has met it.

"Now we come to the Christmas holiday. I believe that this day should be the one exception to the rule which has been observed thus far.

"More than ever before in our lives, I suppose, we need this year to pause from our labors on Christmas Day and think deeply and humbly about the faith by which we live, in order that from the profound promise of this day we may draw the hope and the vision which we must have. On the birthday of the Prince of Peace we can and should rest from the production of the weapons of war.

"Therefore, except for such maintenance and stand-by operations as are necessary for best productive efficiency, I hope that in all war plants where it can possibly be done Christmas Day this year will be observed as a full holiday. After the holiday, we must drive ahead with renewed energy for the increased production job of 1943—a bigger job than we have ever faced before."

On Nov. 17 Mr. Nelson called for a full day's production on Thanksgiving Day in all factories producing war goods or goods essential to the war economy, and

in all mines and plants producing essential raw materials.

In a formal statement, Mr. Nelson said:

"No holiday has deeper roots in the American tradition than Thanksgiving Day. Year after year, it has been our custom to cease from work on that day and thank God for the blessings He has given us.

"We have been brought through many trials and perils during the past year; more than ever before, we can make this Thanksgiving Day a day of devout and humble thanks to God. But we can best show our gratitude by demonstrating that we deserve the mercies that have been shown us, and the way to do that is to work with all our might at the job which is before us.

"Therefore, in every factory which is producing war goods or goods essential to our war economy, and in every mine or plant where war-essential raw materials are being produced, we must have a full day's production on this Thanksgiving Day.

"Our enemies are not going to stop their production on Nov. 26; we dare not do so either. Men and women of management and labor alike can easily rearrange their personal schedules so that the traditional Thanksgiving dinner can be enjoyed after work has been finished. And the deepest religious devotion we have will find its truest expression in an unflinching attention to duty by all of us."

F. L. Carlisle Dies

Floyd L. Carlisle, Chairman of the Board of Consolidated Edison Co. of New York, Inc., and of Niagara Hudson Power Corp., died on Nov. 9 at the North Shore Hospital, Glen Cove, L. I., of an embolism. Mr. Carlisle was born in Watertown, N. Y., on March 5, 1881. His preliminary education was received in the public schools of Watertown and Dayton, Ohio. In 1903 he graduated from Cornell University, where he studied law. Mr. Carlisle was admitted to the New York State Bar in 1905, after studying law in the office of Brown, Carlisle & Hugo at Watertown, of which his brother, John N. Carlisle, was a partner. For several years thereafter he practiced as a member of that firm which later became Carlisle & Carlisle.

His first business venture was the organization of the Northern New York Trust Co. at Watertown, formed by the merger of two banks into one of the first trust companies in northern New York. Mr. Carlisle served as President of this bank from the time of its organization in 1910 until 1922. In 1916 Mr. Carlisle headed a group of business men who purchased control of the St. Regis Paper Co. He served first as Assistant Treasurer of this company and later as President. Mr. Carlisle had retained his interest in the St. Regis Paper Co. throughout the years and at his death was Chairman of the Board.

Entering the public utility field in 1920, Mr. Carlisle played a prominent part in the organization in 1926 of the Northeastern Power Corp. and in the formation in 1929 of the Niagara-Hudson Power Corp.

Mr. Carlisle came to New York in 1921 to establish the investment banking firm of F. L. Carlisle & Co., which operated up to 1934. He was also formerly a director of the National City Bank of New York.

From the Consolidated Edison Co. it is learned:

"His first connection with the Consolidated Edison group came with his election as a Director of the New York Edison Co. in May, 1930. In February, 1931, he was made Chairman of the Board of Directors of New York Edison. In May, 1930, he was elected a Trustee and in February, 1932,

Chairman of the Board of Consolidated Gas Co. of New York, which later became the present Consolidated Edison Co. of New York. Mr. Carlisle was the guiding figure in the series of mergers of subsidiary companies into Consolidated Edison, which resulted in a greatly simplified corporate structure."

New Business Forum Inaugurated On Radio

A series of weekly broadcasts over Station WMCA, under the title of "Business Forum," were inaugurated by the Commerce and Industry Association of New York on Friday evening, Nov. 13, and are scheduled to continue for 13 weeks. The Forum begins at 8:04 p.m., immediately following the New York "Times" news summary, and will last until 8:30 o'clock. Subjects for the Forum discussion will be chosen on the basis of timeliness, relation to war and business—"To Foster the Trade and Welfare of New York," the Association's slogan.

The subject of the opening program on Nov. 13 was "New York's Wartime Transportation." The speakers were John L. Rogers, Assistant Director of the Office of Defense Transportation; F. E. Williamson, President, New York Central System; L. O. Head, President, Railway Express Agency, Inc., and Ted V. Rodgers, President, American Trucking Associations, Inc. Neal Dow Becker, President of the Commerce and Industry Association, was the moderator.

The subject of the second program on Friday, Nov. 20, was "New York's Wartime Food Front." The speakers were Daniel P. Woolley, Commissioner Department of Markets, New York City; Francis L. Whitmarsh, President Francis H. Leggett & Co. and Association Director, and Frank L. Andrews, President Hotel Association of New York and member Association's Convention Committee. President Becker acted as Moderator.

Chilean Support Hailed

President Roosevelt on Nov. 14 expressed deep appreciation of the assurances of Chilean support in regard to the North African offensive.

The President sent a message to President Juan Antonio Rios of Chile thanking him for his recent message approving the North African operations. The text of the message follows:

The White House,
Nov. 14, 1942.

His Excellency,
Juan Antonio Rios,
President of Chile, Santiago.

I am deeply appreciative of Your Excellency's message of wholehearted understanding of the military operations now in progress in North Africa. I was confident that the significance of this offensive not only in relation to the liberation of France from the domination of the Nazis but also to the security of the American republics as a whole would be enthusiastically appreciated by you and by the people of Chile.

The vast operations in which we have now engaged and the even more difficult offensives of the future make the assurances of Chilean support profoundly welcome. In this moment, in which the full support of free peoples everywhere is most urgently needed, the news of increased and more effective co-operation by Chile for the security of this hemisphere is most heartening.

I take advantage of this opportunity of renewing to you my sincere assurances of profound esteem and friendship.

FRANKLIN D. ROOSEVELT.

Alaska Highway Dedicated

The 1,600-mile Alcan highway, linking Alaska and Canada, was dedicated on Nov. 20 at a ceremony held at Soldier's Summit, overlooking isolated Klauene Lake in the St. Elias Mountain country. The road, built by Army engineers, will facilitate movement of troops and supplies to Alaska. Completion of the permanent road is expected within a year. The road construction, begun in March, was completed weeks ahead of schedule.

At the dedicatory ceremony, Brig. Gen. James A. O'Connor, commanding the Army's Northwest Service Command, made a speech praising the Canadian people and Government for their co-operation in helping to build the highway.

Messages from Prime Minister W. L. Mackenzie King of Canada, Vice-President Henry A. Wallace and Lieut. Gen. John L. DeWitt, commanding the United States Western Defense Command, also sent messages hailing the new highway.

Secretary of War Stimson announced on Oct. 29 that the 1,671-mile military road, extending from Dawson Creek, north-west of Edmonton, Alberta, Canada, to Fairbanks, Alaska, had been opened to traffic. It is stated that the actual opening was advanced from Dec. 1, the date set earlier this fall, when it was determined that the pioneer road could be used several months earlier than originally anticipated.

Secretary Stimson said that 10,000 soldiers and 2,000 civilians, under the direction of the Public Roads Administration, completed the Alaskan highway job in six months.

Approval of plans for construction of the road was reported in these columns of March 19, page 1158.

Secretary of the Interior Ickes has indicated his approval of a second highway linking the United States and Alaska, although the War and Navy Departments and the Director of the Budget have reported adversely on the proposal.

Under date of Nov. 4 advices from Yukon Territory, Canada, to the New York "Times" said in part:

"Although the new Alaskan highway linking the United States with Alaska has been in use some time, the final link was not completed until the North and South crews met head-on in the spruce forests of the Yukon Territory yesterday.

The meeting occurred just 20 miles east of the Alaska-Yukon international boundary at Beaver Creek. Formal dedication ceremonies will take place Nov. 20, with high ranking military and civil officials of the United States and Canada in attendance.

Postmaster Urges Use Of Lightweight Stationery For Air Mail

Postmaster Albert Goldman of New York announced on Nov. 18 that the volume of air mail is constantly increasing, while at the same time, facilities for transporting it have been curtailed in order to move essential war material and personnel. Therefore, in order that space available for air mail may be utilized for the fullest advantage of the greatest number of persons, it is necessary that all cooperate by reducing the weight of air-mail letters and packages as much as possible. The announcement adds:

"By using light-weight envelopes and stationery (procured generally through dealers) approximately twice the number of letters to the pound can be sent as when ordinary stationery is used. The limited space available for air mail in planes will thus be conserved for maximum use."

President Leads Thanksgiving Services

President Roosevelt on Nov. 26 led the nation-wide observance of Thanksgiving Day in an unprecedented White House service of song and prayer. The President opened the brief ceremony by reading the proclamation in which he asked that Thanksgiving and New Year's Day be observed in prayer. The Rev. Howard Wilkinson, rector of St. Thomas Episcopal Church, Washington, then led the President and governmental leaders in the responsive reading of the 103rd Psalm.

Attending the ceremony, which was broadcast nationally, were about 200 guests, including Supreme Court Justices, Congressional leaders, Cabinet members and leaders of the armed forces.

President Roosevelt on Nov. 11 proclaimed both Thanksgiving Day, Nov. 26, and New Year's Day, Jan. 1, as days to be observed in prayer.

The President began his proclamation with a quotation from the 92nd Psalm: "It is a good thing to give thanks unto the Lord," and also included in it the 23rd Psalm.

Mr. Roosevelt called on farmers to give thanks "for the greatest harvest in the history of our country" and to resolve to do all possible to pass that record next year. At the conclusion of his proclamation, the President urged all to "turn again to the work that confronts us in this time of national emergency."

The text of the President's proclamation follows:

DAYS OF PRAYER: THANKSGIVING DAY AND NEW YEAR'S DAY

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A Proclamation

"It is a good thing to give thanks unto the Lord." Across the uncertain ways of space and time, our hearts echo those words, for the days are with us again when, at the gathering of the harvest, we solemnly express our dependence upon Almighty God.

The final months of this year, now almost spent, find our Republic and the nations joined with it waging a battle on many fronts for the preservation of liberty.

In giving thanks for the greatest harvest in the history our nation, we who plant and reap can well resolve that in the year to come we will do all in our power to pass that milestone; for by our labors in the fields we can share some part of the sacrifice with our brothers and sons who wear the uniform of the United States.

It is fitting that we recall now the reverent words of George Washington:

"Almighty God, we make our earnest prayer that Thou wilt keep the United States in Thy holy protection," and that every American in his own way lift his voice to Heaven.

I recommend that all of us bear in mind this great Psalm:

"The Lord is my shepherd; I shall not want.

"He maketh me to lie down in green pastures; He leadeth me beside the still waters.

"He restoreth my soul; He leadeth me in the paths of righteousness for His name's sake.

"Yea, though I walk through the valley of the shadow of death, I will fear no evil; for Thou art with me; Thy rod and Thy staff, they comfort me.

"Thou preparest a table before me in the presence of mine enemies; Thou anointest my head with oil; my cup runneth over.

"Surely goodness and mercy shall follow me all the days of my life: and I will dwell in the house of the Lord forever."

Inspired with faith and courage by these words, let us turn again

to the work that confronts us in this time of national emergency; in the armed services and the Merchant Marine; in factories and offices; on farms and in the mines; on highways, railways and airways; in other places of public service to the nation; and in our homes.

Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, do hereby invite the attention of the people to the joint resolution of Congress approved Dec. 26, 1941, which designates the fourth Thursday in November of each year as Thanksgiving Day; and I request that both Thanksgiving Day, Nov. 26, 1942, and New Year's Day, Jan. 1, 1943, be observed in prayer, publicly and privately.

In witness whereof, I have hereto set my hand and caused the seal of the United States of America to be affixed.

Done at the City of Washington this eleventh day of November in the year of our Lord nineteen hundred and forty-two, and of the independence of the United States of America the one hundred and sixty-seventh.

FRANKLIN D. ROOSEVELT.

By the President:
Cordell Hull, Secretary of State.

Calls On CIO For Aid To Prevent Inflation

President Roosevelt, in a message read to the annual convention of the Congress of Industrial Organizations at Boston on Nov. 9, called on the members for continued cooperation in carrying out the programs necessary for the national effort, particularly those having to do with preventing inflation.

The President's letter, addressed to CIO President Philip Murray, follows:

"My Dear Mr. Murray:
"Let me thank you sincerely for your invitation to speak at the Congress of Industrial Organizations in its annual convention, and let me assure you of my very deep regret that the responsibilities and duties which I have at this time of emergency are such that I cannot accept and be with you. Will you convey to your membership this regret and express my interest in all that you will do at your convention?"

"My recent visit to industrial areas throughout the country has given me new insight into what labor is doing to fulfill its part in winning the war. The picture is most encouraging. The extraordinary skill and speed of the American workman, the intelligence and capacity for cooperation with management, with each other and with the Government, shown by the wage earners of America is bound to be astonishing and satisfactory, even to one who, like myself, always expected that every working man and every labor union would do full duty in the production program.

"Through you I should like to thank all the members of the organizations affiliated with the Congress of Industrial Organizations for what they personally are doing and to invite their further cooperation and effort in the days ahead. We have built a vital and tremendous industrial production structure and program. It is working. Now we have to show the endurance, the tenacity and the persistence necessary to continue this program and extend it, even if faced with fatigue and discouragement. I count on the members of your organization to help in carrying out all the programs that are necessary for our national effort, and particularly those programs that have to do with preventing inflation, with sharing our customary good living with others, in order that the world may be safe for liberty and human betterment. In particular, I expect your members to help in carrying out

the spirit of the executive order that deals with wage stabilization, with rationing, with price controls, and with other economic measures for the domestic security, as well as the pursuit of the war. I am sure that this cooperation will be forthcoming generously.

"With many thanks for your invitation, I am sincerely yours;
"FRANKLIN D. ROOSEVELT."

NWLB Allows Bonus Payments On Salaries

The National War Labor Board announced on Nov. 6 that a bonus, fee, gift, commission or other form of compensation customarily paid employees can be continued in the future without approval by the Board with two provisos:

(1) If it is a fixed amount, the total amount paid during the current bonus year must not exceed the total paid an employee for like work during the preceding bonus year.

(2) If it is computed on a percentage, incentive or similar basis, the rate and method of computation may not be changed during the current bonus year unless they yield no more than they did during the preceding year. The employee may receive a greater amount during the current bonus year only if the rate and method of computation are not changed in the current bonus year.

For instance, suppose an employee last year received a bonus of 5% on a salary of \$2,500. This year his salary is \$3,000. His employer can continue to pay him a 5% bonus on this year's salary without approval by the Board even though the amount of the bonus increased from \$125 to \$150. The Board's announcement adds:

"This action came in the form of General Order No. 10, which was unanimously approved by the Board. This general order covers only the compensations for those whose wages or salaries are under the jurisdiction of the Board. The Board has jurisdiction over all wages and over salaries under \$5,000, except for supervisory or professional employees.

"At the same time the Board issued amendments to General Orders Nos. 1 and 6, which have the effect of applying those orders to salaries over which the Board has jurisdiction. Originally these orders applied only to wage rates.

"General Order No. 1 directs that all increases approved by the Board prior to Oct. 3 should be put into effect. General Order No. 6 prohibits employers from paying employees more than the rate existing in the plant for that type of work without Board approval. If there are no established rates, as in the case of new plants, the rate fixed shall not be in excess of that which prevails for similar classifications within the areas."

OPA Price Ceiling On Building And Repair Jobs

Specialized price control for the nation's construction industry, establishing ceilings for work on the smallest household repair job to the biggest construction project, went into effect on Nov. 5 in accordance with a regulation issued by the Office of Price Administration.

According to the Associated Press the new regulation covers all construction and maintenance services and sales in which contractors, builders, installers and erectors furnish building or industrial equipment or materials together with labor required for actual construction, installation or service. From the same advices we quote:

"Ceilings established by the ruling OPA said, are the equivalent of those generally in effect during March, 1942, adjusted for increase in labor costs between March 31, 1942, and July 1, 1942.

"The new regulations are designed to maintain the March, 1942, price level, except to allow for increased labor costs, to provide a workable means for determining maximum prices at this level and to maintain a constant observation of prices of construction not already under the control of other Governmental agencies OPA said.

"Included in the regulation are such jobs as the stringing of new telephone and power lines, and the construction of sewers and streets. Ceilings are established also on ordinary household service jobs by plumbers, carpenters and electricians.

"The regulation covers all construction and repair work done by the job, but does not apply to the wages of persons performing these jobs. Thus, a roofing contractor who named a price for the entire job is covered by the regulation, but if the householder bought the roofing material and employed a roofer to lay it, the roofer would not be subject to the regulation.

"Every contract entered into, except those of \$500 or less, must be filed with OPA within ten days after the award of the contract."

American Army Lands In French Africa

President Roosevelt announced on Nov. 7 that a powerful American force had landed on the Mediterranean and Atlantic coasts of the French colonies in Africa, designed to forestall an invasion of Africa by Germany and Italy and to provide an effective second front assistance to Russia.

The President's statement was released at 9 p.m. (EWT), simultaneously with the actual landings and the War Department's communique telling of the invasion. Also, at the same time, a recording of an address by President Roosevelt to the French people was broadcast by short-wave from stations in the United States and Great Britain.

In his statement, the President explained that the landing of the American Army was being assisted by the British Navy and air forces and would soon be reinforced by a "considerable number of divisions of the British Army." The combined Allied force is under the command of Lieut. Gen. Dwight D. Eisenhower, who last June was placed in charge of the European theater of operations for United States forces.

President Roosevelt further pointed out that the landings are designed "to deny the aggressor nations a starting point from which to launch an attack against the Atlantic coast of the Americas."

He called on the French Government and people to assist the American expedition "in its effort to repel the German and Italian international criminals, and by so doing, to liberate France and the French Empire from the Axis yoke."

The text of the President's announcement follows:

"In order to forestall an invasion of Africa by Germany and Italy, which, if successful, would constitute a direct threat to America across the comparatively narrow sea from western Africa, a powerful American force equipped with adequate weapons of modern warfare and under American command is today landing on the Mediterranean and Atlantic coasts of the French colonies in Africa.

"The landing of this American army is being assisted by the British Navy and air forces and it will, in the immediate future, be reinforced by a considerable number of divisions of the British Army.

"This combined Allied force, under American command, in conjunction with the British campaign in Egypt, is designed to prevent an occupation by the Axis

armies of any part of northern and western Africa, and to deny the aggressor nations a starting point from which to launch an attack against the Atlantic Coast of the Americas.

"In addition, it provides an effective second-front assistance to our heroic allies in Russia.

"The French government and the French people have been informed of the purpose of this expedition, and have been assured that the Allies seek no territory and have no intention of interfering with the friendly French authorities in Africa.

"The Government of France and the people of France and the French possessions have been requested to cooperate with and assist the American expedition in its effort to repel the German and Italian international criminals and by so doing to liberate France and the French Empire from the Axis yoke.

"This expedition will develop into a major effort by the Allied Nations and there is every expectation that it will be successful in repelling the planned German and Italian invasion of Africa and prove the first historic step to the liberation and restoration of France."

Lend-Lease Aid In Egypt Told By FDR

President Roosevelt reported on Nov. 7 that lend-lease equipment contributed importantly to the British victory in Egypt. While the President had pointed out on Nov. 6 that less than half of the British Army's equipment was American, he issued a report showing that since the beginning of lend-lease total shipments to the Egyptian fighting zone amounted to \$636,952,000.

The report, made to President Roosevelt by Edward R. Stettinius Jr., Lend-Lease Administrator, covered exports from March, 1941, through September, 1942, and included lend-lease munitions and other products and direct purchases. The \$636,952,000 total was broken down as follows: Ordnance, \$130,058,000; aircraft, excluding flyaways, \$164,149,000; tanks, \$88,239,000; motor vehicles, \$73,113,000; miscellaneous manufactures, \$74,606,000; agricultural products, \$33,687,000, and industrial materials, \$73,100,000.

The bulk of these shipments, it was pointed out, took place in the last nine months, during which the United States shipped to Egypt more than 1,000 planes, "many hundreds of tanks," of which more than 500 were of the medium type, 20,000 trucks and hundreds of pieces of artillery.

In releasing the report, Mr. Roosevelt made this formal statement:

"While we must not overlook the fact that the larger part of the equipment used in Egypt is of British origin, we have a right to be proud that so much and such excellent equipment from American factories and shipyards contributed to the victory. In particular we should be gratified by the performance of American-made tanks.

"From the enactment of the Lend-Lease Act this country has proceeded on the policy that in giving the tools of war to the nations fighting the Axis we are aiding ourselves just as surely as if those tools were in the hands of American soldiers. Since we ourselves became involved in the war we have known that our own armed forces must also take part in the fight, but we have not swerved from our policy of the maximum possible aid to our allies.

"In the Egyptian campaign we can see the vindication of the lend-lease idea. We propose to continue to expand our lend-lease aid to all of our allies until complete victory is achieved."

Nothing In Anti-Trust Legislation Warrants Postponing Associated Press Suit Says Biddle

The stand that there is nothing in the recent anti-trust legislation which would warrant the deferring of the Government's suit against the Associated Press is taken by Attorney General Biddle. The latter's advices in the matter are contained in a letter addressed to Representative Cole (Republican) of New York, who, in a communication to the Attorney General in October, stated that the announce-

ment of the prosecution of the Associated Press "has caused a great deal of grave concern to those who are most serious about the prosecution of this war," in part, Representative Cole added: "I feel it can safely be said that when the Congress passed the Act suspending the statute of limitations it was intended that these prosecutions would actually be held in abeyance. I cannot urge upon you too strongly that your department view this case from the standpoint of its effect on the war and the nation generally, rather than the particulars of the case itself."

In advices from Washington Nov. 9 the Associated Press had the following to say as to messages which have since passed between Mr. Biddle and Representative Cole: "Representative Cole originally had suggested that the suit be dropped for the duration in the interests of economic unity. In reply Mr. Biddle mentioned public law 603 authorizing suspension of anti-trust cases if such action is certified by the War Production Board to be needed in the prosecution of the war. The A. P. case, said Mr. Biddle, does not come into this category. "But, Representative Cole replied to this argument, the statute under which he advocated suspension of the suit was public law 740, which permits suspending of time limitations on trying anti-trust cases.

"The government's position cannot possibly be prejudiced' by delaying the suit under provisions of this law, the New York Representative wrote. "Mr. Biddle referred to the suit as 'one which, in our judgment, should be instituted.' "Mr. Biddle's letter read as follows: "I was interested in your letter of Oct. 22, relating to the civil suit which the government recently instituted against the Associated Press and its members.

"You state that you do not wish to discuss the merits; therefore, I shall not go into them, but shall assume, which I believe to be the case, that there is a violation of law. "The matter, therefore, comes down to one of policy. For that we must look first to the Congress; no statute has been passed which forbids the Department of Justice to enforce the anti-trust laws. "It is true that under Section 12 of the Act of June 11, 1942 (Public Law No. 603, 77th Congress, second session), conduct which would otherwise be violative of the anti-trust laws, cannot be made the basis of prosecution under those acts if such conduct is certified by the Chairman of the War Production Board to be requisite to the prosecution of the war. This is not such a case, but one which in our judgment should be instituted."

Acknowledging the Attorney General's letter, Mr. Cole cited another recent law, Public 740, approved by the President Oct. 10, 1942, which permits suspension of time limitations on trying anti-trust cases. The text of Mr. Cole's letter in replying to Mr. Biddle, was as follows: "I appreciate your early response to my letter questioning the advisability of prosecuting the anti-trust suit against the Associated Press. At that time I suggested that since the Congress had recently passed legislation suspending the operation of the statute of limitations in cases of this nature it was inferentially

intended that these cases should be suspended where prosecution of them might interfere with the war effort. "In your reply you mentioned the Act of June 11, 1942, relating to anti-trust suits, and asserted that this law does not govern the Associated Press litigation. The statute to which I made reference was approved by the President, Oct. 10, 1942, Public 740, adopted by the Congress unanimously and providing as follows: "Be it enacted, etc., that the running of any existing statute of limitations applicable to violation of the anti-trust laws of the United States, now indictable or subject to civil proceedings under any existing statutes, shall be suspended until June 30, 1945, or until such earlier time as the Congress by concurrent resolution or the President may designate. This Act shall apply to acts, offenses or transactions where the existing statute of limitations has not yet fully run, but it shall not apply to acts, offenses or transactions which are already barred by the provisions of existing laws.

"Sec. 2. That this Act shall be in force and effect from and after the date of its passage. "I reiterate my intention to not question the merits of the litigation, but reassert that I entertain serious doubts of the advisability of pressing the suit at this time when complete harmony and cooperation from all phases of our economic life are so essential to victory. Certainly the government's position cannot possibly be prejudiced by suspension of the suit under the provisions of Public 740."

A reference to the contention by Representative Michener that the Associated Press is not a monopoly, appeared in our Nov. 5 issue, page 1643.

Spain And Portugal Reassured By FDR

The White House revealed on Nov. 8 that President Roosevelt had sent messages to the leaders of Spain and Portugal reassuring them that the presence of American troops in French North Africa did not in any manner constitute a threat to either country. In a letter to Gen. Francisco Franco, Spanish Chief of State, the President said that these moves are not directed against the Government or the people of Spain and expressed the belief that both the Spanish Government and people "wish to maintain neutrality and to remain outside the war." He added: "Spain has nothing to fear from the United States."

The President in his letter to the President of Portugal, Gen. Antonio de Fragoso Carmona, stated that "your country should have no fear of the motives of the United Nations." The letter to General Franco was as follows: "Dear General Franco: "It is because your nation and mine are friends in the best sense of the word, and because you and I are sincerely desirous of the continuation of that friendship for our mutual good, that I want very simply to tell you of the compelling reasons that have forced me to send a powerful American military force to the assistance of the French possessions in North Africa.

"We have accurate information to the effect that Germany and Italy intend at an early date to

occupy with military force French North Africa.

"With your wide military experience you will understand clearly that in the interest of the defense of both North America and South America it is essential that action be taken to prevent an Axis occupation of French Africa without delay.

"To provide for America's defense I am sending a powerful army to the French possessions and protectorates in North Africa with the sole purpose of preventing occupation by Germany and Italy, and with the hope that these areas will not be devastated by the horrors of war.

"I hope you will accept my full assurance that these moves are in no shape, manner or form directed against the Government or people of Spain or Spanish territory, metropolitan or overseas. I believe that the Spanish Government and the Spanish people wish to maintain neutrality and to remain outside the war. Spain has nothing to fear from the United Nations.

"I am, my dear General, "Your sincere friend, "FRANKLIN D. ROOSEVELT."

Following is the letter to President Carmona of Portugal: "My dear Mr. President:

"The Republic of Portugal and the United States of America have long enjoyed the full and complete friendship of each other. Because of this great friendship, and our mutual desire to insure its continuation, I desire to relate to you the urgent reasons that have compelled me to despatch to the assistance of the friendly French possessions in North Africa a strong army of the United States.

"I have been advised by very reliable sources of information that in the near future it is the intention of Germany and Italy to occupy the French North African colonies with a large military force.

"I know that it will be quite clear to you that prompt and effective action should be taken to deter such an attempt by the Axis nations, with its inherent danger to the defenses of the Western Hemisphere.

"To forestall occupation by the Axis nations of the French North African possessions and protectorates, and thus to insure the defense of American nations, is the only reason which prompts the despatch of powerful United States forces to the area. It is hoped that French North Africa will not suffer in any way from the destruction of war on its own soil.

"I desire to reassure you fully that the presence of American military forces in French North Africa presages in no manner whatsoever a move against the people or government of Portugal or against any of Portugal's continental or island possessions. Since I realize that Portugal really desires above all else to avoid the horrors and devastation of war, I hope that you will accept my solemn assurance that your country should have no fear of the motives of the United Nations.

"I am, my dear Mr. President, "Your sincere friend, "FRANKLIN D. ROOSEVELT."

Cordial replies to the President's assurances have been received by Mr. Roosevelt from General Franco of Spain and General Carmona of Portugal. The White House made public the Portuguese reply on Nov. 12 and the Spanish response on Nov. 14. The text of General Franco's letter to President Roosevelt reads: "My dear Mr. President:

"I have received from the hands of your Ambassador the letter in which, actuated by the relations of friendship which unite our people, and which in their benefit should be preserved, you explain to me the reasons which induced

Your Excellency to send troops of the American Army to occupy the territories of the French possessions and protectorates in North Africa.

"I accept with pleasure and I thank you for the assurances which Your Excellency offers the Government and the people of Spain to the effect that the measures adopted are not in any manner directed against their interests, or against their territories, metropolitan or overseas, or against the protectorate in Morocco, and I confidently hope that the relations among the Moroccan people of both zones likewise will in the future be maintained in the same spirit of peace and reciprocal confidence which have characterized them up to now.

"I can assure you that Spain knows the value of peace and sincerely desires peace for itself and for all other peoples.

"On this occasion I am pleased to reciprocate the same friendly sentiments you expressed to me and to express my intention of avoiding anything which might disturb our relations in any of their aspects, and I reiterate with a salutation the expression of my personal esteem and sincere friendship."

The text of the Portuguese President's letter follows: "Nov. 12, 1942.

"Mr. President:

"I received from the hands of His Excellency the United States Minister the message with which Your Excellency honored me, conveying to me the motives for the military operations undertaken in French North Africa.

"In the same message it was Your Excellency's wish in view of that new fact again to assure me categorically that the presence of military American forces in the north of Africa does not forebode any attempt against the people and Government of Portugal or against continental or insular Portugal.

"I do not wish to lose any time in thanking Your Excellency for the friendly tenor and spirit of your communication and further for the solemn assurances that my country has nothing to fear from the intentions of the United States, which is another proof of the unalterable and confident friendship existing between our two nations.

"The Government and the people of Portugal learned with sincere appreciation of the contents of the message and join me in conveying to Your Excellency the thanks and the wishes I hereby express for Your Excellency's personal prosperities and those of your people.

"GENERAL CARMONA, "President of the Republic of Portugal."

Elected Directors Of N. Y. Reserve Bank

Beardsley Ruml, Chairman of the Board of the Federal Reserve Bank of New York announced on Nov. 17 that Warren W. Clute, Jr., President of the Glen National Bank of Watkins Glen, Watkins Glen, N. Y., was elected by member banks in Group 3 as a Class A Director of the bank, and that Carle C. Conway, Chairman of the Board of the Continental Can Co., Inc., New York, N. Y., was re-elected by member banks in Group 3 as a Class B Director. Each was chosen for a term of three years beginning Jan. 1, 1943. Mr. Clute succeeds Neil H. Dorrance, President of the First National Bank and Trust Co., Camden, N. Y.

The banks in Group 3 consist of those with capital and surplus of \$300,000 and less. Nomination of these directors was referred to in our issue of Nov. 12, page 1728.

Pan-American Jurists Propose World Order

A Western Hemisphere pattern for the post-war world has been drawn by the Inter-American Juridical Committee, made up of experts representing the 21 American Republics, by which regional organizations would be constituted as an integral part of a new League of Nations, to recognize special needs of nations joined by natural bonds of solidarity and common interests. The Pan American Union at Washington, under date of Nov. 4, indicated that the proposal was embodied in a 22-page report submitted to the Governing Board of the Pan American Union at its meeting on Nov. 4 in Washington, in conformity with Resolution XXV of the Rio de Janeiro Meeting of Foreign Ministers. The proposal will be transmitted to the American Governments for observation and comment. The announcement issued in the matter said:

"The report recommends the organization of an international community on the basis of the cooperation of all nations, with no nation privileged to remain aloof from the organization. Such an international community of nations, the experts agreed, 'must be so constituted as to reconcile the principle of universality of membership with the existence of regional groups formed by natural bonds of solidarity and common interests.'

"Other salient points of the report stipulated that 'nations have a common and joint obligation to watch over the observance of the fundamental principles of international law, and they must assume a collective responsibility for the maintenance of peace and order.' It called, also, for the repudiation of force for the settlement of disputes, and the unqualified obligation to settle differences by peaceful methods.

"The proposal further recommended that the period of transition between the close of the war and the establishment of the international organization 'must not be prolonged beyond the time that is strictly necessary' and must be governed by the same principles upon which the organization itself is to be based.

"Abandonment of the system of a balance of power was also projected by the Juridical Committee, together with a limitation of armaments. 'The manufacture of munitions of war should be an exclusive function of the State,' they stated, 'the private manufacture of arms being opposed to the general security.'

"Political and economic imperialism, in the form of control over weak nations and undeveloped countries, must be abandoned, while political and economic nationalism must likewise be eliminated, the report added.

"The report concluded with the proposal that through raising the standard of living by means of the organization of national industries to meet the needs of all people and not merely those of privileged groups, the social factors of war could be eliminated." The report was transmitted to the Pan American Union from the Committee's headquarters at Rio de Janeiro and was signed by the members: Afranio de Mello Franco, F. Nieto del Rio, Charles G. Fenwick, Carlos E. Stolk and P. Campos Ortiz.

At the meeting of the Governing Board on Nov. 4, Secretary of State Cordell Hull was re-elected Chairman of the Board for the 10th consecutive year, the longest period the post has been held by an individual. The Ambassador of Bolivia, Dr. Luis Fernando Guachalla, was named Vice-Chairman, succeeding the Ambassador of Venezuela, Dr. Diogenes Escalante.

Nelson Foresees Long War But Declares Our Economy Vital & Flexible Enough To Survive

Warning against over-optimism on war developments, Donald M. Nelson, Chairman of the War Production Board, said on Nov. 12 that "there is no present reason to suppose that this is going to be a short war," but he asserted that the American economy was sufficiently vital and flexible to crush the enemy without itself breaking down in the process.

In an address before the Association of National Advertisers Conference in New York, Mr. Nelson said:

"It has a greater adaptability than our enemies dreamed; greater, I suppose, than we ourselves suspected."

His further remarks were reported by the Associated Press as follows:

He said the peace-time distributive and marketing machinery had found a vital, although vastly different, role in the war economy and could help cushion the conversion to an all-out war effort.

Through it, he added, "our basic structure can be preserved and kept sound for the years of peace and prosperity which lie ahead."

Mr. Nelson declared that advertising was an essential part of our communications system, adding:

"We dare not destroy or cripple that communications system in war-time, and we have no remotest desire to do so."

He said he saw "no reason why any man should assume, now, that no scope is going to be left for the free exercise of his talents; I see no reason to assume that the field is going to tighten up so much that advertising will not still have an important job to do in the distribution of goods."

"While in ordinary times it is advertising which provides the urge for mass production," he said, "today it is the war itself which provides that urge. Advertising has nothing to do with it, and the vital role which it ordinarily fills, is denied to it for the duration of the emergency."

The civilian economy, he continued, must be kept sound since a wobbly economy could not carry a huge war program "any more than a half-starved man can do a heavy day's labor."

He declared that some of the things that must be done to win the war would give businessmen "some severe headaches," adding that one of them came in connection with concentration of industry.

Revealing that the WPB was "preparing a complete program for the production of civilian goods in America during the coming year," he declared that industry would be "consulted in the formation of this program. Every effort will be made to get a well-rounded opinion before we act."

At the Nov. 12 dinner session of the conference, William M. Jeffers, Rubber Administrator, appealed to the advertising and publishing profession to help give the public a complete picture of the rubber situation. Mr. Jeffers stated:

"If you will think of the public reaction in its national sense each time you write or talk about rubber, there will be no confusion and if there is no confusion the American people will go along with the rubber conservation program 100%."

The findings of a nation-wide survey on the public's attitude toward advertising was presented by Dr. Henry C. Link, Vice-President of the Psychological Corp. He summarized them in the following eight points:

1. A growing confidence in the part that advertising is playing and can play in the war effort.
2. While the public is appreciative, it is also critical, as shown by its discrimination between different types of advertisement.
3. The public approves of scrap and war-bond campaigns.
4. It believes that the Army-

Navy "E" award advertisements contribute to morale and the war effort.

5. The public's belief that industry is doing a good job to help win the war is higher than ever.

6. People want advertising to tell them about regular products, but above all about how to conserve what they have.

7. They want companies to tell them about their war production, but without too much boasting.

8. The public continues to expect from advertisers inspiration and a vision of the future for which we are fighting.

Paul B. West, President of the Association, said that the country has reached a point in the war effort at which "recognition must be given to the distribution, marketing and advertising side" of economy.

Heretofore, Mr. West said, "all emphasis, in Washington and in business, has been on production."

"Conversion of industry to the manufacture of war materials, limitations, concentration, rationing, all these and many other necessary war measures have displaced the production and flow of civilian goods."

"This is now beginning to cut deeply and may dangerously impair the machinery of distribution, marketing and advertising on which our civilian economy and therefore our whole war effort is dependent."

Hails Anniversary Of Jewish Seminary

In congratulating the Jewish Theological Seminary of America on its 55th anniversary, President Roosevelt declared, in a letter made public Nov. 12, that an enduring peace and freedom for the world, after a United Nations' victory "must be founded on renewed loyalty to the spiritual values inherent in the great religious traditions."

The President's letter, addressed to Rabbi Louis Finkelstein, President of the Seminary, was read at a dinner at the Waldorf-Astoria Hotel in New York City. The President's letter follows:

THE WHITE HOUSE,
Washington,
Oct. 27, 1942.

Dear Dr. Finkelstein:

The 55th anniversary of the Jewish Theological Seminary of America is an occasion for congratulation not only to the members of your faculty, board of directors, alumni and others associated with the institution, but the community. Of special importance today is the emphasis which your teachers and graduates place on the intimate relationship between religious traditions deriving from the prophets of Scripture and the democratic ideals for which we are struggling in the present world conflict.

If the world to emerge from the war after a victory of the United Nations is to be a world of enduring peace and of freedom, that peace and that freedom must be founded on renewed loyalty to the spiritual values inherent in the great religious traditions which have saved mankind from degradation in the past and which offer the greatest promise for civilization in the future.

The enemies of mankind who are arrayed in battle against us realized this, and therefore began their effort to subdue the world with an assault on religious

institutions. It has become an attack upon all monotheistic religions and the principles which they have taught mankind—the dignity and worth of human personality, the value of reason and truth, the blessedness of mercy and justice.

The seminary has made impressive efforts to study the problems of relationships among men of different faiths. Never has it been more important for the lovers of freedom to work harmoniously together in mutual understanding.

The Institute for Religious Studies, established at the seminary and conducted in cooperation with Catholic, Jewish and Protestant scholars, is an important symbol of national solidarity. It will in time, I trust, become an increasingly powerful instrument for enlightening men of all faiths regarding the basic values of each other's doctrine and practice and their common responsibility for the development of democratic civilization.

In the difficult days before us all, I hope that the seminary and those within the wide circle of its influence will continue to carry on their work for our country and for religious faith.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Rabbi Louis Finkelstein,
Jewish Theological Seminary of America,
New York, N. Y.

Albig To Retire From ABA

W. Espey Albig, Deputy Manager of the American Bankers Association in charge of its Savings Division, will retire at the end of this year, it was made known on Nov. 10 by W. Linn Hemingway, President of the A. B. A., who is President of the Mercantile-Commerce Bank and Trust Co., St. Louis. Mr. Albig has been associated with the American Bankers Association for the past 18 years, having joined it as Deputy Manager and Secretary of its Savings Division in 1924. He has now reached the age for retirement prescribed by the Association's retirement system. Mr. Albig is a native of Pennsylvania, was educated in its school system, and is a graduate of Pennsylvania Teachers College and West Virginia University. In addition, he did graduate work at the University of Pittsburgh and at Harvard University. He taught in the schools of western Pennsylvania for a number of years. As a result of his activities in organizing liberty loan campaigns in western Pennsylvania during World War No. 1, he became associated with the United States Chamber of Commerce, from which organization he came to the A. B. A.

In addition to serving as Secretary of the Savings Division, Mr. Albig has been Secretary of the Association's Commerce and Marine Commission, and the A. B. A. Foundation for Education in Economics, for which he helped to raise the funds established in 1925 in celebration of the 50th anniversary of the American Bankers Association. Since January 1934 he has been Secretary of the A. B. A. Membership Committee, during which period the membership has risen from 64% of all the banks in the country to more than 87%. Mr. Albig has been a close student of the savings business and is author of a number of articles and brochures on savings banking subjects. He was co-author of a book on the railroad situation published in 1932 called, "Stop, Look and Listen." Mr. Albig's friends are planning to tender him a dinner at the Waldorf-Astoria Hotel in New York City on Dec. 11 as a token of their esteem and in recognition of his long service to the savings banking business.

ABA Supports Treasury Program For Distribution Of Government Securities

Support of the American Bankers Association for the Treasury Department's plans for distribution of government securities has been announced by W. L. Hemingway, President of the Association, in a letter to the ABA membership. Mr. Hemingway is President of the Mercantile-Commerce Bank & Trust Co. in St. Louis.

In his letter, made public Nov. 20, the ABA President urged upon the banks "all-out aid" for the work of the Victory Fund Committees in their respective communities. Mr. Hemingway stated in part:

"As we all know, the money required to win the war must and will be raised, but it should be raised in a way which will put the least strain on the nation's economic structure and have the least inflationary effect. This means that as much as possible of the necessary revenue should be secured through taxation and through the sale of Government securities outside of the banking system. If such a program is to be successful, it must have the active support of the banks.

"We have received many compliments on our splendid job in the selling of War Savings Bonds to the public. But it is not expected that War Savings Bonds alone will finance this war. A still larger volume of these and other Government obligations must be taken by non-bank investors.

"This has seemed so important to the officers of the Association that we offered our services to the Secretary of the Treasury and appointed a special committee to consider what we might do as an Association to cooperate with him to bring about the necessary distribution of Government securities. This committee met in Washington last week at the invitation of the Secretary and held a series of conferences. Upon the recommendation of this committee the officers of your Association have stated to the Secretary that we will undertake to give all-out aid and we urge our members to go the limit in supporting the work of the Victory Fund Committees in the sale of Government securities to the public.

"But after all when the public has taken all the bonds that it will take, then the Treasury must

look to the banks. Therefore, we strongly recommend that you employ your surplus funds by investing in Government securities and that you take your full share of future issues in some general relationship to your size.

"In order to discuss with you in more detail the ways and means of accomplishing these objectives and to answer the numerous questions that will undoubtedly occur to many of you regarding this program, a booklet is being prepared on the subject. A copy will be mailed to every member of the Association shortly. When you receive it I earnestly urge you to read it carefully and give the subject the consideration that it deserves."

The special committee appointed by Mr. Hemingway includes:

Mr. Hemingway, Chairman;
Edward E. Brown, President, the First National Bank of Chicago;

W. Randolph Burgess, Vice-Chairman of the Board, the National City Bank of New York;

Robert V. Fleming, President, Riggs National Bank, Washington, D. C.;

William C. Potter, Chairman of the Executive Committee, Guaranty Trust Co. of New York;

Thomas M. Steele, President, First National Bank & Trust Co. of New Haven, New Haven, Conn.;

Robert Strickland, President, Trust Company of Georgia, Atlanta, Ga.;

W. H. Wood, President, American Trust Co. of Charlotte, N. C.;

A. L. M. Wiggins, President, Bank of Hartsville, Hartsville, S. C., Vice-President, American Bankers Association;

Harold Stonier, Executive Manager, American Bankers Association, Secretary.

Willkie Defends Right To Criticize War Conduct—Urges Laying Basis Now For Economic Freedom

Wendell Willkie on Nov. 17 called for frank discussion as to the desires and needs of the Allied peoples "so that we may all come into substantial agreement concerning what we are fighting for" and appealed for more working together with all the Allies in order to win both the war and the peace.

As to the goals to the accomplishment of real freedom, the 1940 Republican Presidential candidate

who spoke before the New York "Herald Tribune" Forum, stated:

"We should work today to make available presently to all the United Nations and, when the war is over, to all the world, access to the materials indispensable to economic self-development. This cannot be accomplished by mere declarations of our leaders, as in an Atlantic Charter, particularly when one of the two principals to that instrument has in the last few days seemingly defended the old imperialistic order and declared to a shocked world, 'We mean to hold our own.' Its accomplishment depends primarily upon acceptance by the peoples of the world. For if the failure to reach international understanding after the last war taught us anything it taught us this: Even if war leaders apparently agree upon principles, when they come to the peace item—they make their own interpretations of their previous declarations. So unless today, while the war is being fought, the people of the United States and of Great Britain, of Russia and of China and of all the other United Nations, fundamentally agree on their purposes, fine and idealistic expressions of hope such as those

of the Atlantic Charter will live merely to mock us as have Mr. Wilson's Fourteen Points. The four freedoms will not be accomplished by the declarations of those momentarily in power. They will become real only if the people of the world forge them into actuality. And political internationalism alone will not accomplish them. Real freedom must rest on economic internationalism.

"There is another economic condition about which we must be thinking, for it is the most necessary of all goals to the accomplishment of real freedom. Not only must people have access to what other peoples produce, but their own products must in turn reach men all over the world. There will be no peace, there will be no real development, there will be no economic stability unless we find the method by which the trade barriers hampering the flow of goods are removed. I know there are many men, particularly in America, where our standard of living exceeds the standard of living in the rest of the world, who shudder at such a project, who believe that any such process will only lessen our own standard of living. The reverse of this is true."

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)

Table with columns: 1942-Daily Averages, U.S. Govt. Bonds, Avge. Corporate rate, Corporate by Ratings (Aaa, Aa, A, Baa), Corporate by Groups (R. R., P. U., Indus.). Rows include dates from Dec 1 to Nov 30, 1940, and 1 and 2 years ago.

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

Table with columns: 1942-Daily Averages, U.S. Govt. Bonds, Avge. Corporate rate, Corporate by Ratings (Aaa, Aa, A, Baa), Corporate by Groups (R. R., P. U., Indus.). Rows include dates from Dec 1 to Nov 30, 1940, and 1 and 2 years ago.

*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 Sept. 17, 1942, page 995.

Steel Operations Unchanged—War Contracts Being Readjusted—Better Balance Attained

"Readjustment of war contracts is confusing many companies," according to "The Iron Age" in its issue of today (Dec. 3). "While they know the war is far from being won, they are receiving stop orders on war material items of which it once seemed the nation could never get enough," adds the "Age," which further goes on to say in part:

"The machine tool industry reports an increase in cancellations which are partly due to the switch in emphasis to fighting planes and ships. Structural and reinforcing fabricators report many cancellations—a result of the WPB decision to curtail construction programs drastically in order to make materials available for direct military use.

"Already slashes in tank production schedules have been reflected in lessening pressure on some steel mills which have been rolling tank plates.

"As reported two weeks ago, the WPB will not permit any piling of ingots but will see that any steel production in excess of that required for direct war requirements will find its way into essential civilian needs.

"As to the extent of raw steel stocks in various steel plants, the 'Iron Age' has learned that at some plants in the Chicago, Pittsburgh and Eastern districts, the inventory of ingots is slightly higher than it had been before Lend-Lease requirements. The condition at these mills by no means indicates a 'piling of ingots.'

"At one of these plants in the East, the situation was in a class by itself since almost the entire output of steel ingots has been allocated for Lend-Lease requirements. Since this plant has no finishing facilities, these ingots must be shipped elsewhere.

"In another case a company which had built up a slightly heavier ingot inventory did so because of a breakdown in blooming mill equipment. The inventory will be dissipated rapidly now that repairs have been made. In the other cases investigated WPB revisions in the December steel quota will correct this temporary situation.

"Most of the current reports of ingot stocking refer to carbon steels. The situation in alloy steel production is not only tight but seems to be nearing some sort of climax. Last week the WPB put pressure on various steel companies which are not now making alloy steel in their openhearth, or are making small amounts, to explore the possibility of stepping up alloy steel production."

The American Iron and Steel Institute on Nov. 30 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 98.3% of capacity for the week beginning Nov. 30, compared with 98.3% one week ago, 99.6% one month ago and 97.6% one year ago. This week's operating rate, according to the Institute, is equivalent to 1,681,600 tons of steel ingots and castings, compared to 1,681,600 tons one week ago, 1,703,800 tons one month ago, and 1,612,500 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Nov. 30 stated in part:

"Signs of the better balancing of war production continue to accumulate and less talk is heard about shortages of critical material.

"Ingots and billets actually are piling up here and there, due to cancellation of certain lend-lease shipments and to reduction of tonnage being converted into structural shapes, tin plate, pipe and reinforcing bars. Also production of certain military items has been eliminated or reduced as a result of lessons learned at the fighting fronts. Of all metals zinc is most critical and new ways continue to be devised to reduce

consumption, as by painting instead of galvanizing sheets.

"A notable trend is the rising demand for alloy steels for aircraft construction. To assure that the supply of alloying elements will go round further efforts are being made to conserve them, as, for example, eliminating certain applications of stainless steel.

"Civilian goods manufacturers who have regarded the news about the easier steel supply as paving the way for early resumption of their normal activities do not yet have justification for this belief, other than that the War Production Board is considering revisions in some of its limitation orders. The board feels that these orders, unless liberalized, will result in stripping the civilian economy to an unwarranted degree after present inventories are exhausted. While some easing is expected no definite decisions yet have been reached. Meanwhile, steel producers are sharply restricted as to customers to whom they may sell.

"Reductions in PRP quotas continue to cause cancellations by consumers who find their allowances too small to match commitments at mills. Some curtailment in new orders by PRP users has resulted from delay in receiving quotas until too late to place orders for delivery this year. This includes some contractors on war work.

"War Production Board has formulated a program for steel, steel rails, cars and locomotives to be allowed railroads for various portions of 1943, to allow orders to be placed promptly to obtain delivery. Allowances are considerably below quantities desired by the carriers and are determined in accordance with needs of other steel consumers. Rail tonnage for first quarter is 480,000 tons, with 288,000 tons of accessories and 330,000 tons of steel for equipment repairs. For first six months 20,000 freight cars will be allowed.

"Delivery situation is steady in nearly all products.

"Efforts to obtain dormant scrap from every possible source are being intensified and the fact is kept in mind that a repetition of the household drive can not be expected. Other sources are being explored and government agencies are pushing salvage of structures, equipment and other material, largely those where cost of reclaiming is greater than scrap value. Additional pig iron production from new furnaces may serve to close the gap of late winter shortage.

"Blast furnaces in the United States in October consumed 7,370,595 gross tons of Lake Superior iron ore, compared with 6,421,959 tons in the same month last year. In ten months this year consumption was 68,946,113 tons, against 61,393,488 tons in the like period last year. Furnaces Nov. 1 had on hand 45,883,243 tons, compared with 38,852,223 tons a year earlier. In the United States 174 blast furnace stacks were in service Nov. 1 compared with 172 a month earlier and 169 on Nov. 1, 1941. Early on Nov. 23 loading of 90,000,000 tons of ore at the head of the lake was completed, topping by nearly 10,000,000 tons the full season shipments of 1941."

Lend-Lease To Allies Set Record In October

President Roosevelt revealed on Nov. 15 that during October a new monthly record of more than \$915,000,000 worth of lend-lease goods and services had been furnished to the Allies, topping any previous comparable period by more than one-third.

In commenting on the results, submitted to him by Edward R. Stettinius, Jr., Lend-Lease Administrator, the President said that "these figures show how wrong the Axis was in assuming that our aid to our Allies would sharply decline once we had been brought into the war." He added: "During the last four months we have had the imposing task of arming, equipping and transporting our strong expeditionary force now in North Africa. Nevertheless, during those same four months we were able to transfer \$2,713,000,000 worth of goods and services to our Allies. Two-thirds of the goods were military items, including large numbers of planes and tanks that helped to turn the tide in Egypt and to hold the lines in Russia."

The President stated that in September and October, "when our preparations for the African campaign were at their height," more than \$198,000,000 worth of military items alone were transferred to our Allies, and contrasted this with \$169,000,000 worth of military items transferred at the outset of the war in the months of December, 1941, and January, 1942.

Pointing out that there are always peaks and valleys in production and transfers, the President warned against assuming that the record levels could be maintained every month, although he thought the "steady increase in our production is likely to mean a growing increase in the aid supplied to our Allies for the next year."

The President's statement further said "figures alone do not begin to reflect the importance of the help the Allies have given each other.

"Figures do not show how the aircraft carrier Wasp carried two priceless loads of Spitfires to Malta, or how American engineers and soldiers are expanding the capacity of the railroads carrying supplies into Russia from the Persian Gulf. Nor do figures indicate the value of the assistance being furnished to our own troops abroad under the reciprocal aid agreements recently concluded with Great Britain, Australia, New Zealand and Fighting France.

"We have never intended and do not intend to diminish our lend-lease aid in the slightest. The record for the last four months shows that we are seeking to strike a careful balance between supplying our own army and supplying the other armies fighting in the common cause."

The President further announced that the Lend-Lease Administration has just completed discussions with representatives of the lend-lease countries regarding their requirements for 1943.

Moody's Daily Commodity Index

Table with columns: Date, Index Value. Rows include dates from Tuesday, Nov. 24 to Low, Jan. 2, 1943.

*Holiday.

Bankers' Dollar Acceptances Outstanding On Oct. 31 Decline To \$118,581,000

The volume of bankers' dollar acceptances outstanding on Oct. 31 totaled \$118,581,000, a decrease of \$4,913,000 from the Sept. 30 figure and a new low for the last 25 years, according to the monthly report issued Nov. 17 by the Acceptance Analysis Unit of the Federal Reserve Bank of New York. The total amount of acceptances outstanding on Oct. 31 was \$66,225,000 below a year ago.

Only credits based on goods stored in or shipped between foreign countries were higher than both a month and a year ago. All other comparisons, with the exception of exports, which was above a month ago, and domestic shipments, which advanced over a year ago, were lower.

The Reserve Bank's report follows:

BANKERS' DOLLAR ACCEPTANCES OUTSTANDING—UNITED STATES BY FEDERAL RESERVE DISTRICTS

Federal Reserve District—	Oct. 31, 1942	Sept. 30, 1942	Oct. 31, 1941
1 Boston	\$19,885,000	\$21,569,000	\$20,892,000
2 New York	71,430,000	74,548,000	115,200,000
3 Philadelphia	7,233,000	7,543,000	10,939,000
4 Cleveland	2,853,000	3,490,000	2,919,000
5 Richmond	1,413,000	1,014,000	1,152,000
6 Atlanta	1,264,000	1,191,000	1,091,000
7 Chicago	4,864,000	4,707,000	5,869,000
8 St. Louis	261,000	190,000	654,000
9 Minneapolis	67,000	26,000	142,000
10 Kansas City			
11 Dallas	143,000	162,000	2,431,000
12 San Francisco	9,168,000	9,054,000	23,780,000
Grand Total	\$118,581,000	\$123,494,000	\$184,806,000
Decrease for month	\$4,913,000		
Decrease for year		\$66,225,000	

ACCORDING TO NATURE OF CREDIT

	Oct. 31, 1942	Sept. 30, 1942	Oct. 31, 1941
Imports	\$60,266,000	\$65,757,000	\$108,867,000
Exports	5,903,000	5,755,000	12,472,000
Domestic shipments	12,553,000	12,995,000	10,939,000
Domestic warehouse credits	27,737,000	28,491,000	37,169,000
Dollar exchange	263,000	323,000	4,116,000
Based on goods stored in or shipped between foreign countries	11,859,000	10,173,000	11,243,000

BILLS HELD BY ACCEPTING BANKS

Own Bills	\$62,971,000	Bills of others	\$30,863,000	Total	\$93,834,000
Decrease for month		\$3,250,000			

CURRENT MARKET RATES ON PRIME BANKERS ACCEPTANCES NOV. 17, 1942

Days	Dealers' Buying Rates		Dealers' Selling Rates	
	30	90	30	90
30	1/2	1/2	1/2	1/2
60	1/2	1/2	1/2	1/2
90	1/2	1/2	1/2	1/2
120	1/2	1/2	1/2	1/2
150	1/2	1/2	1/2	1/2
180	1/2	1/2	1/2	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 Nov. 30, 1939:

1939—		1940—		1941—	
Nov. 30	Dec. 31	Nov. 30	Dec. 31	Nov. 29	Dec. 31
\$222,599,000	232,644,000	\$196,683,000	208,659,000	\$193,590,000	194,220,000
1940—		1941—		1942—	
Jan. 31	229,230,000	Jan. 31	212,777,000	Jan. 31	197,278,000
Feb. 29	233,015,000	Feb. 28	211,865,000	Feb. 28	190,010,000
Mar. 31	229,705,000	Mar. 31	217,312,000	Mar. 31	182,675,000
Apr. 30	223,305,000	Apr. 30	219,561,000	Apr. 30	177,293,000
May 31	213,685,000	May 31	215,005,000	May 29	173,906,000
June 29	206,149,000	June 30	212,932,000	June 30	162,849,000
July 31	188,350,000	July 31	209,899,000	July 31	156,302,000
Aug. 31	181,813,000	Aug. 30	197,472,000	Aug. 31	139,304,000
Sept. 30	176,614,000	Sept. 30	176,801,000	Sept. 30	123,494,000
Oct. 31	186,786,000	Oct. 31	184,806,000	Oct. 31	118,581,000

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
1942—Week Ended—					
July 4	94,257	100,337	223,809	59	91
July 11	92,481	77,996	236,536	52	90
July 18	103,559	114,917	226,341	71	90
July 25	112,513	120,982	219,700	74	89
Aug. 1	119,023	125,653	213,443	76	89
Aug. 8	114,969	121,035	208,769	75	88
Aug. 15	120,262	122,735	208,206	73	88
Aug. 22	124,763	119,299	213,890	74	87
Aug. 29	122,236	124,440	212,953	77	87
Sept. 5	129,486	124,580	218,539	78	87
Sept. 12	106,933	101,891	222,636	65	86
Sept. 19	138,477	132,212	228,355	81	86
Sept. 26	129,503	131,173	224,926	78	86
Oct. 3	144,506	133,513	236,208	80	86
Oct. 10	147,437	131,961	248,026	80	86
Oct. 17	152,644	134,197	261,871	79	85
Oct. 24	150,133	136,249	275,139	81	85
Oct. 31	138,423	138,262	272,006	84	85
Nov. 7	157,919	138,492	291,780	84	85
Nov. 14	147,815	137,355	301,088	83	85
Nov. 21	146,335	133,188	310,439	83	85

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

N. Y. Reserve Bank Index At Record In October

During October the monthly index of production and trade computed at the Federal Reserve Bank of New York rose one point to a record high of 121% of estimated long-term trend, 11 points above the level of October, 1941, the Reserve Bank announced on Nov. 24. Industrial production moved into new high ground in October, while retail trade in general remained at approximately the September level, seasonal factors considered.

The bank further stated:

"A further advance of seven points in the component index of output of producers' durable goods from September to October evidenced the continued progress in the production of war goods which are largely concentrated in this group. Output of producers' non-durable goods, and of consumers' goods, both durable and non-durable, was maintained at approximately the September level during October.

"After allowance for seasonal factors, somewhat divergent tendencies were shown among the various available retail trade series during October. Sales by department stores, mail order houses, and variety chain stores were higher than in September, whereas grocery chain store sales appear to have declined somewhat."

INDEXES OF PRODUCTION AND TRADE

100—estimated long term trend

	1941		1942	
	Oct.	Aug.	*Sept.	*Oct.
Index of Production and Trade	110	120	120	121
Production	116	128	129	130
Producers' goods—total	128	160	163	166
Producers' durable goods	138	191	194	201
Producers' nondurable goods	118	126	127	128
Consumers' goods—total	103	88	87	87
Consumers' durable goods	95	39	36	37
Consumers' nondurable goods	105	104	104	103
Durable goods—total	125	146	148	153
Nondurable goods—total	111	113	113	113
Primary distribution	116	135	135	138
Distribution to consumer	94	91	89	89
Miscellaneous services	103	129	128	127

*Indexes are preliminary.
Series are adjusted individually for estimated long term trend and seasonal variation; those reported in dollars are also adjusted for price changes.

Electric Output For Week Ended Nov. 28, 1942 Shows 12.8% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Nov. 28, 1942, was 3,766,381,000 kwh., which compares with 3,339,364,000 kwh. in the corresponding week last year, an increase of 12.8%. The output for the week ended Nov. 21, 1942, was 16.9% in excess of the similar period in 1941.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended			
	Nov. 28	Nov. 21	Nov. 14	Nov. 7
New England	0.8	10.6	6.0	2.4
Middle Atlantic	5.6	9.8	6.4	4.7
Central Industrial	7.5	14.2	7.7	6.9
West Central	13.9	12.9	11.5	10.4
Southern States	29.0	25.8	23.6	20.0
Rocky Mountain	9.9	11.8	11.4	9.7
Pacific Coast	20.0	27.8	26.0	28.8
Total United States	12.8	16.9	12.8	11.7

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	% Change over 1941				
	1942	1941	1942	1940	1932
Aug. 1	3,649,146	3,263,082	+11.8	2,762,240	1,426,986
Aug. 8	3,637,070	3,233,242	+12.5	2,743,284	1,415,122
Aug. 15	3,654,795	3,238,160	+12.9	2,745,697	1,431,910
Aug. 22	3,673,717	3,230,750	+13.7	2,714,193	1,436,440
Aug. 29	3,639,961	3,261,149	+11.6	2,736,224	1,464,700
Sep. 5	3,672,921	3,132,954	+12.4	2,591,957	1,423,977
Sep. 12	3,583,408	3,223,346	+11.2	2,773,177	1,476,442
Sep. 19	3,756,922	3,273,375	+14.8	2,769,346	1,490,863
Sep. 26	3,720,254	3,273,376	+13.7	2,816,358	1,499,459
Oct. 3	3,682,794	3,330,582	+10.6	2,792,067	1,506,219
Oct. 10	3,702,299	3,355,440	+10.3	2,817,465	1,507,503
Oct. 17	3,717,360	3,313,596	+12.2	2,837,730	1,528,145
Oct. 24	3,752,571	3,340,768	+12.3	2,866,827	1,533,028
Oct. 31	3,774,891	3,380,493	+11.7	2,882,137	1,525,410
Nov. 7	3,761,961	3,368,690	+11.7	2,858,054	1,520,730
Nov. 14	3,775,878	3,347,893	+12.8	2,889,937	1,531,584
Nov. 21	3,795,361	3,247,938	+16.9	2,839,421	1,475,268
Nov. 28	3,766,381	3,339,364	+12.8	2,931,877	1,510,337

L. C. L. Averaged 10 1/4 Tons In September

The Office of Defense Transportation on Nov. 18 announced that the nation's major railroads reached a new peak of efficiency in less-than-carload freight movement during September when the 116 reporting lines loaded an average of 10 1/4 tons per car. The merchandise increase for September over August was 383,429,000 pounds for which 7,700 less cars were required. The Class I carriers, under the provision of General Order ODT No. 1, prescribing certain limits for merchandise loading, handled during September a total of 8,042,677,763 pounds in 391,064 cars for an average weight of 20,596 pounds per car. The announcement further went on to say:

The September Class I record, as compared with May, when General Order ODT No. 1 first took effect, shows 580,717,000 pounds more of merchandise handled in 26,800 less cars. The average load per car jumped from 17,858 pounds to the September high of 20,566, a figure just over the 10-ton minimum set by the order.

The Class II and Class III railroads—the short lines and terminal switching companies—showed an increase in September over August of 10,837,000 pounds of 1-c-1 freight for which these roads used only 73 more cars than they used in August. The average load per car increased from 15,411 pounds in August to 16,395 pounds in September.

In comparing the short line figures for September against those of May, 11,467,000 more pounds of merchandise were handled in 369 less cars, and the average load increased from 14,638 pounds in May to 16,395.

In all cases, it was pointed out, where either Class I roads or short lines failed to reach the load minimum set by the general order, the cars were loaded and operated under one of the eight exceptions to the order.

The freight forwarding companies during September loaded 11,249 cars with 424,115,767 pounds of merchandise for a new high average of 37,703 pounds per car. The forwarders showed an increase in September 1-c-1 over August of 27,070,000 pounds.

See also Oct. 29 issue of "The Commercial and Financial Chronicle," page 1556.—Ed.)

Lumber Movement—Week Ended Nov. 21, 1942

Lumber shipments of 461 mills reporting to the National Lumber Trade Barometer exceeded production by 4.4% for the week ended Nov. 21, 1942. In the same week new orders of these mills were 10.9% greater than production. Unfilled order files in the reporting mills amounted to 71% of stocks. For reporting softwood

mills, unfilled orders are equivalent to 40 days' production at the current rate, and gross stocks are equivalent to 52 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 11%; orders by 17%.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 46% greater; shipments were 60% greater and orders were 56% greater.

[Pending a revision in lumber statistics, the National Lumber Manufacturers' Association has discontinued publication of the weekly figures on national lumber production, shipments and other data of the industry, which were previously given each week in our columns.—Ed.]

More Pledged to Buy War Bonds On Payroll Plans

Nearly 2,000,000 more workers in October pledged part of their earnings for the purchase of War Savings Bonds, bringing the total number of participants in payroll savings plans up to 23,300,000, the War Savings Staff of the Treasury Department announces.

Included in this total are nearly 19,000,000 employees in private firms; 2,400,000 workers in Government agencies, and 2,000,000 people in the armed forces of the United States, the announcement said, adding:

"During the month, \$287,000,000, representing 7.7% of total earnings, was set aside for war bond buying through payroll savings plans. The increasing number of participants in this period is, of course, not yet entirely reflected in total deductions, or in the percentage of earnings which the deductions represent.

"Payroll savings plans have now been introduced in firms and government agencies which employ 28,100,000 people, and more than 75% of this number have already agreed to buy war bonds by this method of systematic saving. These figures do not include payroll savings of members of the armed forces.

"A payroll savings drive, initiated on Nov. 16 by the Treasury Department in cooperation with leaders of management and labor, with the slogan, 'Top That 10% By New Year's,' has as its object raising the number of participants in payroll savings plans to 30,000,000 and, as the slogan indicates, to increase deductions authorized for bond paying to better than 10% by the end of the year."

Labor Department Lowers Job Age Limit For Girls

L. Metcalfe Walling, Administrator of the Public Contracts and Wage and Hour Divisions of the Nov. 13 that Secretary of Labor Perkins had lowered to 16 years the minimum age for women employed by concerns working on Government contracts. The minimum age formerly was 18 years, except in fifteen industries specifically exempt. Reporting this, the New York "Herald Tribune" of Nov. 14 said:

"Hiring of 16-year-old girls by manufacturers engaged in producing war goods, it is explained, will

Federal Reserve October Business Indexes

The Board of Governors of the Federal Reserve System issued on Nov. 23 its monthly indexes of industrial production, factory employment and payrolls, etc. At the same time the Board made available its customary summary of business conditions. The indexes for October, 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;
1923-25 average=100 for all other series
Adjusted for Seasonal Variation Without Seasonal Adjustment
Industrial production--
Total
Manufactures--
Total
Durable
Nondurable
Minerals
Construction contracts, value--
Total
Residential
All other
Factory employment--
Total
Durable goods
Nondurable goods
Factory payrolls--
Total
Durable goods
Nondurable goods
Freight-car loadings
Department store sales, value
Department store stocks, value

†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 three-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
Manufactures--
Steel
Open hearth and Bessemer
Electric
Machinery
Transportation equipment
Non-ferrous metals & products
Lumber and products
Furniture
Stone, clay, & glass products
Cement
Polished plate glass
Textiles and products
Cotton consumption
Rayon deliveries
Wool textiles
Leather products
Tanning
Cattle hide leathers
Calf and kip leathers
Goat and kid leathers
Shoes
Manufactured food products
Wheat flour
Meat packing
Other manufactured foods
Tobacco products
Cigars
Cigarettes
Manufactured tobacco & snuff
Paper and products
Paperboard
Newsprint production
Printing and publishing
Newsprint consumption
Petroleum and coal products
Petroleum refining
Gasoline
Fuel oil
Lubricating oil
Kerosene
Coke
Byproduct
Beehive
Chemicals
Minerals
Fuels
Bituminous coal
Anthracite
Crude petroleum
Metals
Iron ore

FREIGHT-CAR LOADINGS (1935-39 average=100)
Coal
Coke
Grain
Livestock
Forest products
Ore
Miscellaneous
Merchandise, l.c.l.

*Data not yet available. †Preliminary or estimated. ‡Revised. Note—To convert coal and miscellaneous indexes to points in total index, shown in the Federal Reserve Chart Book, multiply coal by .213 and miscellaneous by .548.

Engineering Construction \$65,929,000 For Holiday Week

Engineering construction volume for the short week due to the Thanksgiving Day holiday totals \$65,929,000 as reported by "Engineering News-Record" on Nov. 26. This total compares with \$100,060,000 for the preceding week, and \$110,331,000 for the full week last year. Federal work accounts for \$53,507,000, or 81% of the volume; \$8,689,000 is for private construction, and \$3,733,000 is for State and municipal work. The report went on to say:

The week's total brings 1942 construction to \$8,932,207,000, an increase of 60% over the volume for the 48-week period last year, and already 52% above the \$5,868,699,000 reported for the entire year 1941. Private construction, \$542,544,000, is 52% below the period last year, but public work, \$8,389,663,000, is 88% higher. The 137% increase in Federal work is responsible for the public gain over last

year, inasmuch as State and municipal work is 57% lower.

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

Nov. 27, '41 (five days) Nov. 19, '42 (five days) Nov. 26, '42 (four days)
Total Construction \$110,331,000 \$100,060,000 \$65,929,000
Private Construction 25,584,000 5,971,000 8,689,000
Public Construction 84,747,000 94,089,000 57,240,000
State and Municipal 21,099,000 3,192,000 3,733,000
Federal 63,648,000 90,897,000 53,507,000

In the classified construction groups, commercial building and large-scale private housing exceeds its volume of a week ago. This is the only gain reported, either over last week, or the 1941 week. Subtotals for the week in each class of construction are: Waterworks, \$432,000; sewerage, \$1,162,000; bridges, \$159,000; industrial buildings, \$627,000; commercial building and large-scale private housing, \$7,753,000; public buildings, \$35,865,000; earthwork and drainage, \$100,000; streets and roads, \$3,984,000; and unclassified construction, \$15,847,000.

New capital for construction purposes for the week totals \$2,830,000. This compares with \$23,928,000 for the week last year. The current week's new financing is made up of \$440,000 in State and municipal bond sales, and \$2,390,000 in corporate security issues.

New construction financing for the year to date, \$10,204,255,000, tops the \$6,282,297,000 reported for the corresponding 48-week period in 1941 by 63%.

Selected Income And Balance Sheet Items Class I Railways For September

The Bureau of Statistics of the Interstate Commerce Commission has issued a statement showing the aggregate totals of selected income and balance sheet items for class I steam railways in the United States for the month of September and the nine months ending with September, 1942 and 1941.

These figures are subject to revision and were compiled from 132 reports representing 136 steam railways. The present statement excludes returns for Class A switching and terminal companies. The report is as follows:

All Class I Railways
For the Month of September 1942 1941 For the Nine Months of 1942 1941
Income Items--
Net ry. operat. income
Other income
Total income
Miscellaneous deductions
Income available for fixed charges
Fixed charges:
Rent for leased roads and equipment
Interest deductions
Other deductions
Total fixed charges
Inc. after fixed charges
Contingent charges
†Net income
Depreciation (way and structures and equip.)
Amortization of defense projects
Federal income taxes
Dividend appropriations:
On common stock
On preferred stock
[Ratio of income to fixed charges

All Class I Railways
Balance at End of September 1942 1941
Class I Railways Not in Receivership or Trusteeship
Balance at End of September 1942 1941
Selected Asset Items--
Investments in stocks, bonds, etc., other than those of affiliated companies
Cash
Temporary cash investments
Special deposits
Loans and bills receivable
Traffic and car-service balances (Dr.)
Net balance receivable from agents and conductors
Miscellaneous accounts receivable
Materials and supplies
Interest and dividends receivable
Rents receivable
Other current assets
Total current assets

Selected Liability Items--
†Funded debt maturing within six months
Loans and bills payable
Traffic and car-service balances (Cr.)
Audited accounts and wages payable
Miscellaneous accounts payable
Interest matured unpaid
Dividends matured unpaid
Unmatured interest accrued
Unmatured dividends declared
Unmatured rents accrued
Accrued tax liability
Other current liabilities
Total current liabilities
Analysis of accrued tax liability:
U. S. Government taxes
Other than U. S. Government taxes

*Represents accruals, including the amount in default. †For railways not in receivership or trusteeship the net income was as follows: September, 1942, \$84,457,996; September, 1941, \$52,478,609; for the nine months ended September, 1942, \$462,959,980; nine months ended September, 1941, \$348,328,607. ‡Includes payments of principal of long-term debt (other than long-term debt in default) which will become due within six months after close of month of report. †Includes obligations which mature not more than two years after date of issue. †For railways in receivership and trusteeship the ratio was as follows: September, 1942, 2.67; September, 1941, 1.60; nine months, 1942, 2.02; nine months, 1941, 1.19.

Steel Plate Shipments 2nd Largest On Record

October steel plate shipments of 1,101,382 net tons were the second largest on record, H. G. Batcheller, Chief of the Iron and Steel Branch of the War Production Board, reported on Nov. 6. Approximately 80% of this tonnage was for direct use by the Army, Navy and Maritime Commission, with the remainder being for export and essential civilian needs.

The tonnage shipped last month was the largest since July, when a record of 1,124,118 net tons was established. Of October shipments, 536,981 net tons were produced on converted strip mills, 449,895 net tons on sheared plate mills and 114,506 net tons on universal plate mills.

Total shipments of plates during the first ten months of the year have reached 9,736,000 net tons, which compares with shipments of approximately 6,000,000 net tons during the entire 12 months of 1941.

Mr. Batcheller said that plate production is being scheduled for November and December at approximately the same level as October, but that increased production is anticipated for January.

Shipments of steel plates by months during the current year have been as follows:

Month-- Net Tons
January 754,522
February 758,723
March 878,726
April 895,971
May 1,012,194
June 1,050,962
July 1,124,118
August 1,097,866
September 1,061,836
October 1,101,382
Total 9,736,300

Mtg. Financing Down

Transactions in home mortgage financing during the first nine months of 1942 amounted to \$3,041,000,000, a 13% decline from the same period in 1941, the Federal Home Loan Bank Administration reported on Nov. 7. The total is still above the \$2,988,000,000 figure for the first three quarters of 1940, although mortgage financing in recent months has receded below the comparable figures of two years ago. The report said:

"During September, mortgage recordings amounted to \$346,000,000, a rise of 3% from the August total, but a sharp decrease from the aggregate of \$425,000,000 reported for September, 1941. Leader in the August to September increase was the insurance company group, which expanded its lending by 11% for the month."

The compilations are based on mortgages of \$20,000 or less recorded throughout the country, says the announcement which added:

"In spite of the practical stoppage of all home construction in the higher priced brackets, the average mortgage recorded remained at about \$2,900 over the past year, largely because of rising costs of building and higher real estate prices, the report pointed out.

"The number and dollar amount of new mortgages made in the first nine months of 1942, by type of lender, are as follows:

Number Amount Per Cent
Savings and loan associations 331,033 \$910,912,000 30
Insurance companies 58,424 279,913,000 9
Banks and trust companies 210,803 690,917,000 23
Mutual savings banks 34,023 128,621,000 4
Individuals 271,836 555,037,000 18
Other mortgagees 140,506 476,403,000 16
Totals 1,046,425 \$3,041,803,000 100%

Daily Average Crude Oil Production For Week Ended Nov. 21, 1942, Up 32,650 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Nov. 21, 1942, was 3,912,400 barrels, a gain of 32,650 barrels over the preceding week.

Reports received from refining companies owning 85.9% of the 4,800,000-barrel estimated daily potential refining capacity of the United States, indicate that the industry as a whole ran to stills, on a Bureau of Mines' basis, 3,722,000 barrels of crude oil daily during the week ended Nov. 21, 1942, and that all companies had in storage at refineries, bulk terminals, in transit and in pipe lines as of the end of that week, 78,583,000 barrels of finished and unfinished gasoline.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

Table with columns: District, O.P.C. Recommendations, State Allowables, Actual Production, Change, 4 Weeks, Week Ended. Includes rows for Oklahoma, Kansas, Nebraska, Panhandle Texas, North Texas, West Texas, etc.

*O.P.C. recommendations and state allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline prorations.

†This is the net basic allowable as of Nov. 1, calculated on a 30-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 4 to 15 days, the entire state was ordered shut down for 9 days, no definite dates during the month being specified; operators only being required to shut down, as best suits their operating schedules or labor needed to operate leases, a total equivalent to 9 days shut-down time during the calendar month.

CRUDE RUNS TO STILL: PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE AND GAS AND FUEL OIL, WEEK ENDED NOV. 21, 1942

Table with columns: District, Daily Refining Capacity, Crude Runs, Gasoline Production, Stocks of Gas, Stocks of Fuel Oil. Includes rows for Combind' East Coast, Texas Gulf, Louisiana Gulf, etc.

Weekly Coal and Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report, states that following a week interrupted by a partial holiday observance of Armistice Day, production of soft coal rose sharply in the week ended Nov. 21, 1942, the total output in that period being estimated at 11,550,000 net tons, an increase of 210,000 tons.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended Nov. 21 was estimated at 1,153,000 tons, a decrease of 16,000 tons (1.4%) from the preceding week.

of 1941, however, there was an increase of 251,000 tons, or 27.7%. The calendar year to date shows a gain of 5.3%.

The U. S. Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended Nov. 21 showed an increase of 2,700 tons when compared with the output for the week ended Nov. 14. The quantity of coke from beehive ovens increased 20,300 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF SOFT COAL

Table with columns: Bituminous and lignite coal, Total, incl. mine fuel, Daily average. Rows for Nov. 21, Nov. 14, Nov. 22, Nov. 21, Nov. 22, Nov. 20.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

Table with columns: Penn. anthracite, Total, incl. colliery fuel, Commercial production, Beehive coke, United States total, By-product coke, United States total.

*Includes washery and dredge coal, and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Comparable data not available. §Subject to revision.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

Table with columns: State, Week Ended, Nov. 14, Nov. 7, Nov. 15, Nov. 16, Nov. 13, Nov. 1923. Includes rows for Alaska, Alabama, Arkansas and Oklahoma, Colorado, etc.

Total bituminous and lignite 11,340; Pennsylvania anthracite 1,174; Total all coal 12,514.

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

From Washington

(Continued from first page) ney Hillman, then a Government official, succeeded with the aid of John P. Frey, head of the AFL Metal Trades Department, in stabilizing the labor set-up for the duration. Hillman, although a high CIO influence, recognized a condition on the Coast and dealt solely with the AFL.

Into this stabilized situation, the quiescent National Labor Relations Board recently threw a bombshell by challenging AFL contracts in three Kaiser plants. Kaiser has been cited to show why elections should not be held, thus permitting the CIO to enter the plants.

One can readily imagine what the attendant agitation, confusion and possible disorder will do to ship production. Furthermore, the expectation of AFL officials that every plant erected since the national emergency will be thrown into jurisdictional labor turmoil, seems to be justified.

There seems to be but little question that the NLRB is technically right under the Wagner Act. There is not the slightest doubt, however, that it has acted with unaccustomed stupidity.

AFL officials have long been charging that the board was CIO minded. As the result of the recent clash some of the things which Frey has been saying about the board are more denunciatory than anything any industrialist has ever said.

The fact is, however, that a Leftist political agitation runs throughout the whole CIO movement. They are seldom for an employer even after he has given them everything they want.

I would not be surprised at all to see within the next year a gradual drawing together of the Federations and organizations representing industry and business such as the National Association of Manufacturers and the United States Chamber of Commerce.

The very definite fact is that they are faced with a common enemy, an enemy which is on the run but one which will become more dangerous because it is on the run. The New Deal minds are working overtime these days trying to think up something with which to arouse the masses again.

National Fertilizer Association Price Index Advances Fractionally

A slight rise in the general level of wholesale commodity prices was registered last week by the price index compiled by the National Fertilizer Association and made public on Nov. 30. In the week ended Nov. 28, 1942, this index rose to 130.6 from 130.5 in the preceding week.

Advances in the food and farm product price indexes were responsible for the slight advance in the all commodity index last week. The farm product price index moved upward as advances in grains, cattle, and sheep more than offset declines in hogs and raw cotton.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Table with columns: Group, Latest Week, Preceding Week, Month Ago, Year Ago. Includes rows for Foods, Fats and Oils, Cottonseed Oil, Farm Products, Cotton, Grains, Livestock, Fuels, etc.

*Indexes on 1926-1928 base were: Nov. 28 1942, 101.7; Nov. 21, 101.7; Nov. 29, 1941, 90.8.

Wholesale Commodity Prices Steady In November 21 Week, Labor Bureau Reports

The Bureau of Labor Statistics, U. S. Department of Labor, announced on Nov. 26 that commodity markets were comparatively steady during the week ended Nov. 21. There were some increases in quotations for cattle, sheep, live poultry, and certain fruits and vegetables and reductions for cotton, peanuts, potatoes and most grains. The Bureau's comprehensive index of nearly 900 price series remained unchanged at 100.1% of the 1926 average.

"Farm Products and Foods—Average prices for farm products in primary markets moved up 0.2%, led by a sharp seasonal increase in prices for oranges, and certain vegetables, particularly dried beans, onions, and potatoes in the Chicago and New York markets. Advancing prices for cows, lambs, and for live poultry at Chicago caused average prices for livestock and poultry as a group to rise 0.2%. Hogs, on the contrary, declined, and most grains, except barley, were lower. Rye and oats dropped nearly 3% and corn over 1%. Markets were also lower for cotton, lemons, peanuts, and for potatoes at Portland, Oregon and Boston.

"Food prices rose 0.3% during the week. In addition to higher prices for most fruits and vegetables, flour, cornmeal, mutton and dressed poultry also advanced. Average prices of foods at wholesale are now at the relatively high level reached in the Autumn of 1929.

"Industrial Commodities—There were few changes in prices for industrial commodities. Raw jute advanced about 5%. Quick-silver, which has been selling under the ceiling, advanced slightly. Lower prices were reported for linseed oil, rosin and turpentine."

During the period of rapid changes caused by price controls, materials allocation, and rationing the Bureau of Labor Statistics will attempt promptly to report changing prices. The indexes marked (*), however, must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports.

The following table shows index numbers for the principal groups of commodities for the past 3 weeks, for Oct. 24, 1942 and Nov. 22, 1941 and the percentage changes from a week ago, a month ago, and a year ago:

Commodity groups	(1926=100)			Percentage changes to Nov. 21, 1942 from—				
	11-21	11-14	11-7	10-24	11-22	11-14	10-24	11-22
	1942	1942	1942	1941	1942	1942	1942	1941
All commodities.....	*100.1	*100.1	*99.7	*99.7	92.2	0	+0.4	+8.6
Farm products.....	110.9	110.7	109.8	108.7	90.3	+0.2	+2.0	+22.8
Foods.....	103.3	103.0	102.9	103.1	89.5	+0.3	+0.2	+15.4
Hides and leather products.....	118.4	118.4	118.4	118.4	114.9	0	0	+3.0
Textile products.....	96.6	96.6	96.6	96.5	90.4	0	+0.1	+6.9
Fuel and lighting materials.....	79.7	79.7	79.6	79.6	79.4	0	+0.1	+0.4
Metals and metal products.....	*103.9	*103.9	*103.9	*103.9	103.4	0	0	+0.5
Building materials.....	110.2	110.2	110.2	110.2	107.4	0	0	+2.6
Chemicals and allied products.....	99.5	99.5	96.2	96.1	89.5	0	+3.5	+11.2
Housefurnishing goods.....	104.1	104.1	104.1	104.1	101.7	0	0	+2.4
Miscellaneous commodities.....	89.9	90.0	88.7	88.3	87.1	-0.1	+1.8	+3.2
Raw materials.....	103.8	103.7	102.2	102.5	89.7	+0.1	+1.3	+15.7
Semimanufactured articles.....	92.5	92.5	92.5	92.5	89.5	0	0	+3.4
Manufactured products.....	*99.7	*99.7	*99.3	*99.6	94.0	0	+0.1	+6.1
All commodities other than farm products.....	*97.8	*97.8	*97.5	*97.7	92.6	0	+0.1	+5.6
All commodities other than farm products and foods.....	*96.1	*96.1	*95.7	*95.6	93.6	0	+0.5	+2.7

*Preliminary.

Cotton Ginned From Crop Of '42 Prior To Nov. 14

The Census report issued on Nov. 21, compiled from the individual returns of the ginners is shown below:

Number of bales of cotton ginned from the growth of 1942 prior to Nov. 14, 1942, and comparative statistics to the corresponding date in 1941 and 1940 (running bales, counting round as half bales and excluding linters):

State	1942	1941	1940
United States.....	*10,686,879	*8,808,276	*10,069,167
Alabama.....	864,489	754,875	641,236
Arizona.....	57,228	89,722	82,942
Arkansas.....	1,248,727	1,252,824	1,130,483
California.....	133,317	169,818	387,777
Florida.....	14,415	14,394	17,593
Georgia.....	815,003	609,415	906,896
Illinois.....	3,338	4,932	2,349
Kentucky.....	13,027	15,382	7,605
Louisiana.....	563,338	304,822	428,517
Mississippi.....	1,805,188	1,345,325	990,643
Missouri.....	349,865	427,849	287,235
New Mexico.....	62,127	46,585	72,648
North Carolina.....	602,016	528,115	626,322
Oklahoma.....	536,374	459,742	569,250
South Carolina.....	658,906	384,023	867,642
Tennessee.....	521,433	537,377	328,713
Texas.....	2,418,908	1,842,343	2,727,051
Virginia.....	19,180	20,733	16,265

*Includes 48,626 bales of the crop of 1942 ginned prior to Aug. 1 which was counted in the supply for the season of 1941-42, compared with 1,969 and 32,187 bales of the crops of 1941 and 1940.

The statistics in this report include no round bales for 1942; 783 for 1941 and 3,274 for 1940. Included in the above are 26,598 bales of American-Egyptian for 1942; 27,188 for 1941 and 17,559 for 1940; also 550 bales Sea-Island for 1942; 2,741 for 1941 and 3,811 for 1940.

The statistics for 1942 in this report are subject to revision when checked against the individual returns of the ginners being transmitted by mail. The revised total of cotton ginned this season prior to Nov. 1 is 9,723,140 bales.

Consumption, Stocks, Imports, and Exports—United States

Cotton consumed during the month of October, 1942, amounted to 972,490 bales. Cotton on hand in consuming establishments on Oct. 31, was 2,117,902 bales, and in public storages and at compresses 12,674,414 bales. The number of active consuming cotton spindles for the month was 23,012,046.

In the interest of national defense, the Department of Commerce has decided to discontinue until further notice the publication of statistics concerning imports and exports.

World Statistics

Because of war conditions and the difficulties in obtaining dependable world statistics such data are being omitted from this report for the time being.

Trading On New York Exchanges

The Securities and Exchange Commission made public on Nov. 27, figures showing the daily volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Nov. 14, 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 Nov. 14 (in round-lot transactions) totaled 1,200,548 shares, which amount was 15.34% of total transactions on the Exchange of 3,914,350 shares. This compares with member trading during the previous week ended Nov. 7 of 1,247,017 shares, or 16.75% of total trading of 3,802,760 shares. On the New York Curb Exchange, member trading during the week ended Nov. 14 amounted to 194,165 shares, or 17.02% of the total volume of that Exchange of 570,350 shares; during the preceding week trading for the account of Curb members of 174,000 shares was 15.33% of total trading of 567,450 shares.

The Commission made available the following data for the week ended Nov. 14:

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.....	958	652
1. Reports showing transactions as specialists.....	175	91
2. Reports showing other transactions initiated on the floor.....	174	28
3. Reports showing other transactions initiated off the floor.....	205	78
4. Reports showing no transactions.....	511	526

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

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

WEEK ENDED NOV. 14, 1942		
	Total for Week	†Per Cent
A. Total Round-Lot Sales:		
Short sales.....	76,650	
‡Other sales.....	3,837,700	
Total sales.....	3,914,350	
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.....	270,630	
Short sales.....	43,310	
‡Other sales.....	253,620	
Total sales.....	296,930	7.25
2. Other transactions initiated on the floor—		
Total purchases.....	199,410	
Short sales.....	11,600	
‡Other sales.....	197,290	
Total sales.....	208,890	5.22
3. Other transactions initiated off the floor—		
Total purchases.....	103,350	
Short sales.....	5,800	
‡Other sales.....	115,538	
Total sales.....	121,338	2.87
4. Total—		
Total purchases.....	573,390	
Short sales.....	60,710	
‡Other sales.....	566,448	
Total sales.....	627,158	15.34

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

WEEK ENDED NOV. 14, 1942		
	Total for Week	†Per Cent
A. Total Round-Lot Sales:		
Short sales.....	5,360	
‡Other sales.....	564,990	
Total sales.....	570,350	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases.....	72,325	
Short sales.....	4,960	
‡Other sales.....	56,570	
Total sales.....	61,530	11.73
2. Other transactions initiated on the floor—		
Total purchases.....	11,505	
Short sales.....	0	
‡Other sales.....	10,145	
Total sales.....	10,145	1.90
3. Other transactions initiated off the floor—		
Total purchases.....	16,585	
Short sales.....	0	
‡Other sales.....	22,075	
Total sales.....	22,075	3.39
4. Total—		
Total purchases.....	100,415	
Short sales.....	4,960	
‡Other sales.....	88,790	
Total sales.....	93,750	17.02
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales.....	0	
‡Customers' other sales.....	31,066	
Total purchases.....	31,066	
Total sales.....	17,756	

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

†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.

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

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

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Nov. 27 a summary for the week ended Nov. 21, 1942, of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures, which are based upon reports filed with the Commission by the odd-lot dealers and specialists, are given below:

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE

Week Ended Nov. 21, 1942		
Odd-lot Sales by Dealers— (Customers' Purchases)		Total for Week
Number of Orders.....	12,426	
Number of Shares.....	342,113	
Dollar Value.....	11,912,150	
Odd-lot Purchases by Dealers— (Customers' Sales)		
Number of Orders.....	124	
Customers' short sales.....	13,922	
Customers' other sales.....	14,046	
Customers' total sales.....	14,046	
Number of Shares:		
Customers' short sales.....	3,977	
Customers' other sales.....	365,074	
Customers' total sales.....	369,051	
Dollar Value.....	10,387,441	
Round-lot Sales by Dealers—		
Number of Shares:		
Short sales.....	200	
‡Other sales.....	115,260	
Total sales.....	115,460	
Round-lot Purchases by Dealers—		
Number of Shares.....	97,770	

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

FDR Says Food Need Is "Almost Without Limit"

President Roosevelt told the National Grange on Nov. 14, in a special message to their national convention at Wenatchee, Wash., that "in this war, the need for American food and other farm products is almost without limit."

"This year American farmers made a magnificent response to the demands upon them," the President said in a message to Grange Master Albert S. Goss. "Those demands are increasing; so are the obstacles in meeting them."

The President's message follows:

"In all its long history, the National Grange never has met at a time when the nation depended more upon its farmers, and farmers faced so many grave decisions. I say this in the knowledge that the Grange was born in the very shadow of our Civil War, and since has seen the Reconstruction period, two other wars and many great changes in our national life.

"Today our country is deep in a world struggle to preserve our democratic way of life, to build a better world for our children. The farm families of the nation have a great stake in that better world; they also have a great responsibility in the fight to achieve it.

"In this war, the need for American food and other farm products is almost without limit. This year American farmers made a magnificent response to the demands made upon them. Those demands are increasing; so are the obstacles to meeting them.

"The rural families of the United States face many sacrifices, many difficulties. The nation looks to them to produce the food we need to win this war and to fulfill all their other wartime obligations as citizens. As in the past, the great farm organizations have a large place in helping farmers work together for victory.

"The National Grange, the oldest of our national farm organizations, faces heavy responsibility and great opportunity for service to the nation as it meets in its annual conference. I send my greetings and best wishes."

Revenue Freight Car Loadings During Week Ended Nov. 21, 1942 Totaled 836,427 Cars

Loading of revenue freight for the week ended Nov. 21, totaled 836,427 cars; the Association of American Railroads announced on Nov. 27. This was an increase above the corresponding week of 1941, of 37,041 cars or 4.6%, and an increase above the same week in 1940, of 102,939 cars or 14.0%. Both 1941 and 1940 include holiday.

Loading of revenue freight for the week of Nov. 21 increased 9,926 cars or 1.2% above the preceding week.

Miscellaneous freight loading totaled 396,989 cars, an increase of 5,211 cars above the preceding week, and an increase of 29,716 cars above the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 91,541 cars, an increase of 476 cars above the preceding week, but a decrease of 49,716 cars below the corresponding week in 1941.

Coal loading amounted to 167,404 cars, an increase of 2,163 cars above the preceding week, and an increase of 37,196 cars above the corresponding week in 1941.

Grain and grain products loading totaled 45,690 cars, an increase of 4,350 cars above the preceding week, and an increase of 4,668 cars above the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of Nov. 21 totaled 30,701 cars, an increase of 3,448 cars above the preceding week, and an increase of 5,554 cars above the corresponding week in 1941.

Livestock loading amounted to 19,707 cars, a decrease of 536 cars below the preceding week, but an increase of 6,506 cars above the corresponding week in 1941. In the Western Districts alone, loading of livestock for the week of Nov. 21 totaled 15,570 cars, a decrease of 389 cars below the preceding week, but an increase of 5,586 cars above the corresponding week in 1941.

Forest products loading totaled 42,233 cars, a decrease of 414 cars below the preceding week, but an increase of 2,508 cars above the corresponding week in 1941.

Ore loading amounted to 58,376 cars, a decrease of 1,776 cars below the preceding week, but an increase of 3,349 cars above the corresponding week in 1941.

Coke loading amounted to 14,487 cars, an increase of 352 cars above the preceding week, and an increase of 2,814 cars above the corresponding week in 1941.

All districts reported increases compared with the corresponding weeks in 1941 and 1940 except the Eastern.

	1942	1941	1940
Four weeks of January	3,858,273	3,454,409	3,215,565
Five weeks of February	3,124,773	2,866,565	2,465,685
Four weeks of March	3,171,439	3,066,011	2,489,280
Four weeks of April	3,351,038	2,793,630	2,495,212
Five weeks of May	4,170,713	4,160,050	3,351,840
Four weeks of June	3,385,769	3,510,057	2,896,953
Four weeks of July	3,321,568	3,415,435	2,822,450
Five weeks of August	4,350,948	4,463,372	3,717,933
Four weeks of September	4,512,046	3,540,210	3,135,122
Five weeks of October	4,292,490	4,553,007	4,064,273
Week of Nov. 7	826,501	873,582	778,318
Week of Nov. 14	836,427	883,890	745,295
Week of Nov. 21	836,427	799,386	793,488
Total	39,240,743	38,377,614	32,911,414

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Nov. 21, 1942. During this period 63 roads showed increases when compared with the corresponding week last year.

Railroads	Total Revenue Freight Loaded		Total Loads Received from Connections	
	1942	1941	1942	1941
Eastern District—				
Ann Arbor	469	583	582	1,167
Bangor & Aroostock	1,658	1,433	1,122	191
Boston & Maine	6,020	7,653	7,862	13,557
Chicago, Indianapolis & Louisville	1,431	1,726	1,386	1,920
Central Indiana	23	17	16	44
Central Vermont	958	1,411	1,365	2,157
Delaware & Hudson	6,104	4,991	4,879	11,107
Delaware, Lackawanna & Western	7,003	8,035	8,406	11,013
Detroit & Mackinac	433	364	477	139
Detroit, Toledo & Ironton	1,574	2,387	2,594	1,279
Detroit & Toledo Shore Line	253	327	328	2,762
Erie	11,822	13,292	12,609	15,954
Grand Trunk Western	4,160	5,323	5,318	6,881
Lehigh & Hudson River	254	215	148	2,932
Lehigh & New England	2,058	1,961	1,805	1,798
Lehigh Valley	8,267	8,689	8,365	12,949
Maine Central	2,230	2,941	2,913	3,160
Monongahela	5,917	2,406	4,475	456
Montour	2,306	1,664	1,719	29
New York Central Lines	45,755	47,927	43,344	54,888
N. Y., N. H. & Hartford	9,119	10,682	10,918	18,282
New York Ontario & Western	973	1,000	1,060	2,476
New York, Chicago & St. Louis	7,338	6,678	5,561	15,691
N. Y., Susquehanna & Western	456	451	355	1,955
Pittsburgh & Lake Erie	7,088	7,588	7,685	8,514
Pere Marquette	5,908	6,442	5,941	6,656
Pittsburgh & Shawmut	760	877	586	14
Pittsburgh, Shawmut & North	355	380	486	261
Pittsburgh & West Virginia	869	982	751	2,692
Rutland	291	571	530	814
Wabash	5,673	6,073	5,109	13,305
Wheeling & Lake Erie	4,572	4,810	3,604	4,267
Total	152,099	159,879	152,349	219,910
Allegheny District—				
Akron, Canton & Youngstown	728	615	544	1,162
Baltimore & Ohio	38,176	36,135	32,780	28,108
Bessemer & Lake Erie	5,731	5,036	5,495	2,271
Buffalo Creek & Gauley	309	284	251	3
Cambria & Indiana	1,817	848	1,685	5
Central R. R. of New Jersey	7,017	7,179	6,645	20,449
Cornwall	746	657	673	41
Cumberland & Pennsylvania	217	123	259	15
Ligonier Valley	123	134	143	38
Long Island	1,060	730	882	3,330
Penn.-Reading Seashore Lines	1,767	1,704	1,424	2,124
Pennsylvania System	78,344	79,675	68,108	68,884
Reading Co.	15,047	16,041	15,602	27,806
Union (Pittsburgh)	20,807	19,746	19,416	7,172
Western Maryland	3,669	3,800	3,478	12,098
Total	175,548	172,767	157,385	171,506
Pocahontas District—				
Chesapeake & Ohio	27,373	18,734	22,364	13,087
Norfolk & Western	21,857	18,368	19,796	6,617
Virginian	4,796	2,896	4,226	2,153
Total	54,026	39,998	46,386	21,857

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1942	1941	1940	1942	1941
Southern District—					
Alabama, Tennessee & Northern	305	337	273	253	252
Atl. & W. P.—W. R. of Ala.	768	868	725	2,680	2,240
Atlanta, Birmingham & Coast	728	761	674	1,375	1,156
Atlantic Coast Line	13,507	11,468	10,196	11,203	7,025
Central of Georgia	3,759	4,661	4,108	4,906	4,240
Chatham & Western Carolina	413	443	407	1,452	1,620
Clintfield	1,852	1,829	1,293	2,875	2,665
Columbus & Greenville	445	330	326	401	428
Durham & Southern	119	161	159	529	424
Florida East Coast	1,270	793	939	1,400	1,034
Gainesville Midland	40	40	30	100	91
Georgia	1,441	1,439	1,156	2,372	2,545
Georgia & Florida	310	512	378	473	787
Gulf, Mobile & Ohio	4,077	4,242	3,469	4,539	3,539
Illinois Central System	28,975	27,630	22,050	16,509	14,424
Louisville & Nashville	25,260	23,178	22,288	11,922	8,597
Macon, Dublin & Savannah	227	229	115	820	649
Mississippi Central	165	154	153	588	468
Nashville, Chattanooga & St. L.	4,354	3,829	3,549	4,470	3,726
Norfolk Southern	1,243	1,009	1,098	1,807	1,481
Piedmont Northern	320	470	453	1,269	1,660
Richmond, Fred. & Potomac	480	414	384	10,260	6,587
Seaboard Air Line	11,162	10,676	10,099	8,922	7,382
Southern System	23,508	23,617	22,243	24,727	20,338
Tennessee Central	523	551	481	941	801
Winston-Salem Southbound	119	138	146	927	912
Total	125,370	119,779	107,192	117,726	95,081
Northwestern District—					
Chicago & North Western	17,952	18,308	16,377	12,696	13,214
Chicago Great Western	2,173	2,625	2,412	3,285	3,402
Chicago, Milw., St. P. & Pac.	19,854	20,748	19,831	10,666	8,871
Illinois Central System	3,237	3,786	4,339	3,616	4,289
Duluth, Missabe & Iron Range	22,321	21,249	12,686	377	610
Duluth, South Shore & Atlantic	695	780	518	546	308
Elgin, Joliet & Eastern	9,539	9,929	9,452	9,839	9,605
Flt. Dodge, Des Moines & South	405	598	342	122	147
Great Northern	18,703	17,227	14,423	5,268	4,002
Green Bay & Western	480	542	588	742	648
Lake Superior & Ishpeming	2,424	2,819	2,244	41	76
Minneapolis & St. Louis	2,240	1,743	1,669	2,214	2,351
Minn., St. Paul & S. S. M.	5,875	6,041	5,569	2,873	2,896
Northern Pacific	12,282	11,197	11,231	5,276	4,158
Spokane International	148	86	122	732	344
Spokane, Portland & Seattle	1,981	2,056	1,806	3,002	2,003
Total	120,309	119,734	103,612	60,685	56,924
Central Western District—					
Atch., Top. & Santa Fe System	23,918	22,624	19,301	12,869	8,055
Alton	3,371	3,396	2,655	5,452	3,078
Bingham & Garfield	493	670	574	121	99
Chicago, Burlington & Quincy	21,558	19,312	16,775	12,001	11,028
Chicago & Illinois Midland	2,614	2,622	2,641	713	879
Chicago, Rock Island & Pacific	12,716	12,333	10,857	12,173	10,033
Chicago & Eastern Illinois	2,550	3,050	2,560	3,903	3,270
Colorado & Southern	1,268	1,385	1,067	1,991	1,560
Denver & Rio Grande Western	4,551	4,183	3,859	5,219	4,540
Denver & Salt Lake	847	758	946	9	33
Fort Worth & Denver City	1,502	1,468	976	1,464	1,079
Illinois Terminal	1,684	1,947	1,613	1,396	1,708
Missouri-Illinois	1,228	1,071	902	582	459
Nevada Northern	2,150	1,856	1,856	83	114
North Western Pacific	867	898	750	574	425
Peoria & Pekin Union	22	39	22	0	0
Southern Pacific (Pacific)	26,933	25,982	24,246	12,259	7,419
Toledo, Peoria & Western	339	416	293	1,712	1,450
Union Pacific System	19,772	18,433	17,899	15,519	11,785
Utah	575	460	578	4	2
Western Pacific	1,690	2,314	1,739	2,644	2,812
Total	130,648	125,217	112,129	90,688	69,717
Southwestern District—					
Burlington-Rock Island	204	182	151	285	246
Gulf Coast Lines	5,364	3,798	3,419	2,591	2,075
International-Great Northern	3,712	1,849	1,814	2,869	2,695
Kansas, Oklahoma & Gulf	434	248	202	1,345	1,288
Kansas City Southern	5,138	2,710	2,205	2,625	2,956
Louisiana & Arkansas	3,765	2,637	2,041	2,671	1,941
Litchfield & Madison	260	335	304	1,068	974
Midland Valley	689	767	732	338	245
Missouri & Arkansas	203	177	179	419	444
Missouri-Kansas-Texas Lines	6,655	4,780	4,201	5,551	3,555
Missouri Pacific	18,807	17,705	15,099	19,729	12,586
Quanh Acme & Pacific	100	162	140	336	163
St. Louis-San Francisco	9,489	9,434	8,439	9,000	6,272
St. Louis Southwestern	3,308	3,056	2,888	5,520	3,621
Texas & New Orleans	14,225	8,368	7,390	4,711	4,017
Texas & Pacific	5,941	5,639	5,079	8,450	5,660
Wichita Falls & Southern	107	134	139	39	75
Weatherford M. W. & N. W.	26	31	13	33	39
Total	78,427	62,012	54,435	67,580	48,852

*Previous week's figure.

Note.—Previous year's figures revised.

Non-Ferrous Metals—Ceiling Prices Not To Be Disturbed By Transportation Tax

Editor's Note.—At the direction of the Office of Censorship certain production and shipment figures and other data have been omitted for the duration of the war.

"E. & M. J. Metal and Mineral Markets," in its issue of Nov. 26, stated: "The 3% property transportation tax, imposed under the Revenue Act of 1942, effective Dec. 1, must be considered as a freight rate increase which cannot be passed on to disturb ceiling prices, OPA ruled last week. This means that the seller will absorb the tax where non-ferrous metals and other commodities are sold on a delivered basis, and the buyer will absorb the higher cost on sales f.o.b. producer's establishment. Other developments of the week included an upward revision of the premium payment by Metals Reserve on Tri-State concentrates; a higher price on tungsten ore for small producers, and higher prices for fluorspar." The publication further went on to say in part:

Copper

December copper allocations were released during the current

week, and brass mills were favored with substantial tonnages. New munition plants are getting into full production, with the result that deliveries of copper are of record proportions. The price situation in both domestic and foreign metal was unchanged last week.

Volume production of certain products of brass mills has resulted in a downward revision in the price of those materials. Items involved in the price change, covering plates one-half inch or

thicker, are manganese bronze, muntz metal, naval brass, tobin bronze, hot-rolled Everdur, and 20 and 30% cupro-nickel. The revised schedule of the American Brass Co., effective Nov. 16, calls for a deduction of 5¢ per pound from the base price on those alloys sold in the dimensions specified.

Lead

Inquiry for lead remains good and actual consumption has improved during the last month. Consumers have been buying lead for forward shipment more freely under the liberalized inventory program of the lead division of WPB.

Quotations continued on the basis of 6.50¢, New York, and 6.35¢, St. Louis.

Zinc

Effective Dec. 1, Metals Reserve will grant premiums on over-quota production of zinc concentrate in the Tri-State area on the basis of \$29.70 per ton, instead of the prevailing rate of \$28.05. Lead concentrate produced in excess of quotas will be paid for on the basis of \$41.80 per ton, instead of \$39.60. Some in the industry hold that this was done to simplify procedure and equalize the settling basis with recent changes made elsewhere. The advance, zinc authorities contend, is insufficient to increase output substantially in the Tri-State district.

The trade believes that zinc allocations for December will begin to move late this week. Prime Western continued at 8.25¢, St. Louis.

Items About Banks, Trust Companies

At the regular weekly meeting of the Board of Directors of the National City Bank of New York held Nov. 24, John F. Young was appointed Vice-President; Charles W. Buford, Assistant Vice-President, and E. C. Southwick and M. A. Moosbrugger, Assistant Cashiers. Mr. Young became associated with the National City Bank in 1916, beginning his connection there in the credit department at Head Office. From there he was transferred to the Comptrollers Department, where in 1923 he was made head of the Domestic Loan Supervision Section. Shortly after the merger of the Peoples Trust Company with the National City Bank, Mr. Young was assigned to Brooklyn to supervise credits. Mr. Young returned to Head Office Oct. 1, 1934, where he is now located. On Nov. 9, 1926, he was appointed an Assistant Cashier of the bank; on June 18, 1929, he was promoted to the office of Assistant Vice-President.

Mr. Buford entered the National City Bank in 1916 as a member of the College Training Class. After spending some time in training at Head Office, he was sent to Russia, and worked in the Petrograd and Moscow branches of the bank until their closing. After another period spent in Head Office, Mr. Buford departed for Belgium. He had been associated with the Belgium branches of the bank ever since their establishment, and had been Manager of the Brussels Branch for some time. During a part of this period he acted as President of the American Chamber of Commerce in Belgium. On Aug. 1, 1933, Mr. Buford was appointed an Assistant Cashier and assigned to the Overseas Division, Head Office.

Harry Elmer Humphreys, Jr., Chairman of the Finance Committee, Vice-President, Vice-Chairman of the Executive Committee, and Director of the United States Rubber Co., was elected a Director of the Chemical Bank & Trust Company of New York at a meeting of the Board of Directors on Nov. 25. Mr. Humphreys is Director of Arkwright Mutual Fire Insurance Co., Boston; Dominion Rubber Co., Ltd., Montreal; Latex Fiber Industries, Inc.; Terminal Warehouses, Ltd., Toronto; United States Rubber Export Co., Ltd., and Westside Branch, Young Men's Christian Association, N. Y. C. Mr. Humphreys is a native of Philadelphia, attended the public schools of that city and was graduated from the Wharton School of Finance, University of Pennsylvania. Following graduation he became identified with Price, Waterhouse & Co., Philadelphia and from 1927 to 1938 was associated with the Christiana Securities Co., Wilmington, Del., joining the United States Rubber Co. on June 1, 1938.

Eugene W. Stetson, President of the Guaranty Trust Company of New York, announced on Nov. 24 the appointment of Harold M. Sherman, Jr., as a Second Vice-President of the company. Mr. Sherman was formerly an Assistant Treasurer, and with his new appointment continues to be identified with the company's banking relationships in the Middle West district, comprising the States of Illinois, Michigan, Indiana, Minnesota, Wisconsin and Iowa.

The directors of the Public National Bank and Trust Company of New York have appointed Maurice F. Harnett and Joseph M. Murray, Assistant Cashiers. Both Messrs. Harnett and Murray are located at the Main Office

and associated with the new Business Department.

The New York agency of the Standard Bank of South Africa, Ltd., at 67 Wall Street, announced on Nov. 28 the following advices received by telegram from the Head Office in London regarding the operations of this bank for the half-year ended Sept. 30, 1942:

"The directors of the Standard Bank of South Africa, Ltd., have resolved to pay to the shareholders an interim dividend, payable in British currency, of five shillings per share, being at the rate 10% per annum, subject to British income tax. Dividend warrants will be posted on 29th January next. The bank's investments stand in the books at less than market value as at 30th September last and all usual and necessary provisions have been made."

Final dividend payments of \$562,392 and \$273,706 have been authorized to depositors of the closed Exchange Trust Co., Boston, and the Lawrence Trust Co., Lawrence, Mass. The final dividend to depositors of the savings department of the Exchange Trust Co. will be 7.6% of the original amounts of their claims. These depositors had previously received 70% of their claims in dividends, amounting to \$5,620,790. The final dividend to Savings Department depositors of the Lawrence Trust Co. will be 2.44%, amounting to \$175,256, and will bring total claims to 70.94%, totaling \$5,181,326. Commercial depositors will receive a first and final dividend of 7.5%, or \$98,450.

Payment of the fifteenth 4% dividend to depositors in the Savings Department of the defunct City Bank & Trust Co., Hartford, Conn., began on Nov. 16 and will be completed on Dec. 11. The Superior Court for Hartford County recently entered an order authorizing the receiver of the bank, Walter Perry, Bank Commissioner, to make the payment.

Holman D. Pettibone, President of the Chicago Title and Trust Company of Chicago, announced on Nov. 23 appointment of Harold C. Bull, Gertrude H. Hellenthal and Harold A. Shircliffe as Assistant Trust Officers of the company.

O. P. Decker, Vice-President of the American National Bank and Trust Co. of Chicago, on leave, has been commissioned a Major in the Army. He is stationed in the Headquarters Services of Supply, Washington, where he has been serving in a civilian capacity since August.

Xmas Club Members To Get \$410,000,000

About \$410,000,000 will be distributed to more than 8,000,000 Christmas Club members by approximately 5,000 banking and savings institutions and other organizations during National Prosperity Week starting Nov. 30, according to an estimate given out Nov. 11 by Herbert F. Rawll, founder and President of Christmas Club, A Corporation, sponsors of National Prosperity Week. It is announced that the total distribution for 1942 is about 2% in excess of 1941, and that the average distribution per member amounts to \$49—slightly more than in 1941. Pearl Harbor is responsible for the very small increase over last year, it was explained, since on Dec. 7, 1941, millions of people throughout the country stopped doing many

things until Dec. 20. This period is the peak time for enrollment and many thousands that were members in 1941 failed to join for 1942.

According to the announcement issued by Mr. Rawll's office, based upon reports from individual Christmas Club members received in January of this year as to the use of funds last December, and applying these reports to the entire distribution for 1942, the estimated fund of \$410,000,000 will be used by the recipients approximately as follows:

Christmas Purchases	30%	\$123,000,000
Permanent Savings	22	90,200,000
Taxes	13	53,300,000
War Bonds	12	49,200,000
Insurance Premiums	11	45,100,000
Year-end Bills	8	32,800,000
Education and Charity	3	12,300,000
Unclassified	1	4,100,000

100% \$410,000,000

Plans for distribution indicate that a larger percentage of the total fund will be voluntarily used this December in the purchase of War Savings Bonds. A total of \$75,000,000 is anticipated. To encourage a better understanding of the need for every form of savings during the war, Mr. Rawll stated that Christmas Club is announcing a Victory Through Thrift Slogan Contest for the 8,000,000 members enrolling for 1943. Slogans are to be submitted that best express an incentive for people to save more in permanent savings for post-war security, save more in War Savings Bonds and to save more in Tax Savings Notes, all from current income in the banks and savings and loan associations of the country. The contest provides awards totalling \$5,000 all in War Bonds and Stamps at purchase value. The announcement also says:

"In the distribution of Christmas Club funds this year, New York State leads the other States with about \$110,000,000; the estimates for Pennsylvania are \$43,000,000; for Massachusetts \$38,000,000; for New Jersey \$29,000,000. New York's Metropolitan district will receive about \$68,000,000. The Bank of America N.T. and S.A. in California will distribute \$18,000,000 to 400,000 members. The Bank of the Manhattan Co. has \$5,000,000 for 100,000 members enrolled at 49 offices in Greater New York. The Seamen's Bank for Savings in New York City has an approximate total of \$2,500,000; the Dime Savings Bank of Brooklyn \$1,500,000. The Howard Savings Institution of Newark, N. J., the Trust Co. of New Jersey, the Hudson County National Bank and the Commercial Trust Co., all in Jersey City, each have a sum in excess of \$1,000,000 for a combined total of 90,000 members."

Gains For Year Reported by Dominion Bank, Toronto

The 72nd annual statement of The Dominion Bank, Toronto, Canada, showing results of the bank's operations for the year ended Oct. 31, 1942, indicates a strong liquid position, substantially higher deposits and another large increase in the bank's investment in Dominion Government securities. It is indicated that after allowing for all taxation, net profits were \$920,990 for the year under review, as compared with \$939,322 for the previous year and after making a contribution of \$105,000 to the Officers Pension Fund, writing \$150,000 off Bank Premises account, \$665,000 was provided for dividends. Total deposits amounting to \$184,639,000, increased over \$41,000,000 and investment securities, largely Dominion and Provincial Government Bonds, totaled \$81,168,000, an increase of over \$44,000,000. Commercial loans and discounts in Canada now aggregate \$70,495,000, representing a decrease of slightly over \$8,000,000 for the year. Cash assets now exceed \$39,791,000, with immediately available assets of \$130,460,000 equal to over 67% of

Banks Urged To Use War Loan Deposit Accounts To Facilitate War Financing

In view of the prospective increased amount of war financing and in order to minimize the effect of purchases of Government securities upon the reserve position of banks and trust companies, Allan Sproul, President of the Federal Reserve Bank of New York, urged that any incorporated bank or trust company in the New York Reserve District not presently qualified, apply for designation as a special depository of public moneys, and that all depositories now qualified make effective use of their War Loan Deposit Accounts.

A similar notice to this effect was sent on Nov. 19 to all member and non-member banks in the Seventh (Chicago) Federal Reserve District by C. S. Young, President of the Federal Reserve Bank of Chicago, and presumably by the other Reserve Banks.

Mr. Sproul's circular to banks in the New York District had the following to say in part:

"The Secretary of the Treasury has announced a war financing campaign of unprecedented size starting Nov. 30, 1942. Primary emphasis is placed upon sales of Government securities to the general public and the Victory Fund Committee has organized a large staff of volunteer salesmen to solicit subscriptions from individuals and non-banking institutions of all types. However, securities appropriate for subscriptions by banks, for their own account, are also included in the offerings.

"The current financing will cover war expenditures for two months, and Secretary Morgenthau, in his preliminary announcement of this program, indicated that it may lead to bi-monthly instead of monthly financing operations hereafter. Such financing operations must of necessity be on a substantially larger scale than heretofore and make it important that the banks give further consideration to the best method of making payments for the large amounts of securities that will be purchased by them and their depositors.

"During the first World War there was developed the so-called War Loan Deposit Account procedure by means of which banks are permitted to make payment for Government securities purchased, not only for themselves but for their customers as well, by a deposit to the credit of the Government on their own books. These deposits are subsequently withdrawn by the Treasury, in instalments, as needed to meet Government expenditures. As the withdrawals are closely synchronized with the actual disbursement of the money, this method is designed to prevent, so far as possible, the dislocation of funds which would otherwise occur. If all banks were to make immediate remittances in full payment for their own and their customers' subscriptions to Government securities on the date of issue, a very large volume of funds would be withdrawn from use, and a considerable time would elapse before all of these funds would

total liabilities to the public. Total assets have reached \$212,443,000, the highest ever published in the history of the bank. Capital \$7,000,000 and reserve fund \$7,000,000, or 100% of paid-up capital, remain unchanged with undivided profits \$866,000.

The bank's annual meeting will be held in Toronto on Dec. 9.

Calif. Business At Record

California business during October continued its record-breaking expansion, according to the current "Business Outlook" of The Wells Fargo Bank & Union Trust Co. of San Francisco. The bank's index rose to a preliminary level of 214.9% of the 1935-39 average, from a revised September level of 212.8%. A year ago in October it stood at 172%.

be returned to the banks through Government disbursements.

"During recent years when most banks have had large excess reserves there has been less occasion to use the War Loan Deposit method of making payment for Government securities, and as a result there are now considerably fewer banks maintaining War Loan Deposit Accounts than was formerly the case. Now that war expenditures and the volume of Government financing are attaining such magnitude, it becomes important for all banks to consider carefully whether it would not be to their interest to qualify as Government depositories, and thus to be in a position to make payment (either in full or in part) for Government securities, for which they and their customers subscribe, by means of credits to War Loan Deposit Accounts, rather than by immediate remittance.

"Government funds in these accounts are left in the banks until they are needed, and then withdrawn by the Treasury in instalments. They are almost immediately returned to the banking system in the form of private deposits through Government disbursements, so that there is little change in aggregate deposits as a result of these transactions. There is, of course, bound to be some shifting in the distribution of funds, since the disbursement of Government funds does not penetrate to all communities and banks in exact proportion to the purchase of Government securities, nor with equal promptness, but effects on the reserve positions of the banks are reduced to a minimum by the use of this method.

"Any incorporated bank or trust company in this district not presently qualified as a special depository of public moneys may apply for qualification as such depository by submitting to us an application on Form H-5 accompanied by a certified copy of a resolution of its board of directors on Form J-5. In fixing the maximum amount of deposits for which it will apply, the applicant should be guided by the amount of the payments which it expects to make, for itself and others, in respect of Government securities which may be paid for by credit to the War Loan Deposit Account, and should also be guided by any statutory limitations upon the amount of deposits which it is permitted to receive from any one depositor. Upon approval of the application, the depository will open and maintain a separate account for such deposits, in our name as fiscal agent of the United States, known as the War Loan Deposit Account and will pledge with us, as collateral for such deposits, securities of the character and in the amount required by Treasury Circular No. 92.

"Any special depository now or hereafter qualified which wishes to increase its maximum qualification in order to make greater use of its account, may submit its application for such increase on Form H-5 accompanied by a certified copy of resolution on Form J-5. The Treasury has recently authorized increases in the maximum qualification of a depository, in appropriate cases, to more than 100% of its capital and surplus and has provided that any of the securities referred to in Treasury Circular No. 92 are eligible as collateral for the full amount of deposits including any amount in excess of 100% of the capital and surplus of the depository."