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Roosevelt Gives McNutt Full Control Over Manpower–Voluntary Enlistments Ended

President Roosevelt, in an Executive Order issued Dec. 5, transferred the Selective Service System to the War Manpower Commission, under Chairman Paul V. McNutt, terminated voluntary enlistments in the armed services of men between 18 and 38 years of age and gave the WMC virtually unlimited power to hire and transfer workers into the most essential jobs.

In its advices from Washington Dec. 5 the Associated Press said:

"Shortly before the White House issued the manpower order, the War Department announced that henceforth it would not induct men 38 or older except to get needed skilled personnel not otherwise obtainable. The Army's minimum age is 18, but the Navy may still accept enlistments by men 17 or over 37.

"The Selective Service System, meanwhile, telegraphed all State directors to suspend at once induction of registrants over 38. All men 38 through 44, henceforth, will be placed in a new class—4-H."

The same advices likewise stated that the order made Mr. McNutt subordinate only to the President himself. It was added:

"It made both the War and Navy Departments completely dependent upon Mr. McNutt in meeting their manpower commitments and placed every agency of the Government at Mr. McNutt's disposal in all matters involving manpower."

The President stated in his order that it was issued "in order to promote the most effective mobilization and utilization of the national manpower and to eliminate so far as possible waste of manpower due to disruptive recruitment and undue migration of workers."

In giving Mr. McNutt power over the Selective Service System, the President directed that the Army and Navy will now be required to determine the number of men needed each month and the WMC chairman will furnish them. Mr. McNutt, however, is expected to retain Maj. Gen. Lewis B. Hershey as Director of Selective Service, thus keeping this administrative set-up unchanged.

Under the order, the United States Employment Service becomes the central agency through which all of the hiring, rehiring, solicitation and recruitment of workers will be made in critical defense areas as designated by Mr. McNutt.

The following is the text of President Roosevelt's Executive Order on manpower:

Executive Order

Providing for the most effective mobilization and utilization of the national manpower and transferring the Selective Service System to the War Manpower Commission.

"In order to promote the most effective mobilization and utiliza-

(Continued on page 2072)

FROM WASHINGTON AHEAD OF THE NEWS

By CARLISLE BARGERON

We may be wrong, but our recollection is that it was predicted in this column a few weeks ago that one of the first things the new revitalized Congress intended to do was to look into, and possibly curb, the activities of the BEW, more fully known as the Board of Economic Warfare. It so happens that the old Congress, sensing the times, has made overtures to this end, whereupon Jesse Jones and his great rival, Eugene Meyer, publisher of the Washington Post, are back in the picture.

The story is this, and we think it is important, because personalities are ruling the world and making what will later come to be looked upon as history. Well, it so happens that there is a great rubber shortage in this country. As Mark Sullivan would say with his usual understatement, this is a helluva important thing. If we are taken off of rubber we have lost the war. Ever since this rubber shortage came up, there has apparently been not so much effort to relieve it, as there has been to make somebody the goat. Of course, making somebody the goat won't relieve the rubber shortage in the slightest, unless it is a matter of pouring all of the controversialists into a boiling pan and using them for blubber, out of which we imagine, rubber could come.

How has the controversy gone? A few months ago, the New Dealers thought they had a perfect set-up. Jesse Jones was responsible. The reason they thought he was responsible, was because he had been a stumbling block in

(Continued on page 2075)

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 emergency.

GENERAL CONTENTS

Editorials

	Page
Another Investigation Coming?	2066
Should Congress First Axe Re-Negotiation?	2067
How Did We Get This Way?	†

†Fifth of a series of articles, appears on first page of Section 1.

Regular Features

Financial Situation	2065
From Washington Ahead of the News	2065
Moody's Bond Prices and Yields	2073
Moody's Common Stock Yields	2073
Items About Banks and Trust Cos.	2080
Trading On New York Exchanges	2078
NYSE Odd-Lot Trading	2078
NYSE Share Values	2076

State of Trade

General Review	2068
Commodity Prices—Domestic Index	2077
Weekly Carloadings	2079
Weekly Engineering Construction	2076
November Index	2075
Paperboard Industry Statistics	2074
Weekly Lumber Movement	2078
Fertilizer Price Index	2075
Weekly Coal and Coke Output	2075
Weekly Steel Review	2073
Moody's Daily Commodity Index	2073
Weekly Crude Oil Production	2077
Non-Ferrous Metals Market	2077
Weekly Electric Output	2073
October Home Mtge. Loans	2074
October Bldg. Permit Valuations	2074
November Dept. Store Sales	2074
Wholesalers' Sales, Inventories for September	2074
Consumer Instalment Lending Declines	2075
Condition of Active Banks on June 30, 1942	2076
Automobile and Other Financing in October	2078
Large City Living Costs Up	2079
American Zinc Institute Summary	*
Copper Institute Summary	*
Pig Iron Production	*
Daily and Weekly Copper, Lead and Zinc Sales	*

*These statistics omitted from "Chronicle" at direction of the War Censorship Board. (See notice on first page of Section 2 in Aug. 27, 1942, "Chronicle.")

Miscellaneous

McNutt Granted Manpower Control	2065
Army Suspends Draft of Men 38 and Over	2066
Committee to Study N. Y. C. Job Problem	2066
Paralysis Fund Drive Announced	2067
Rationing of Used Cars Not Imminent	2067
Taxes and "Excess Purchasing Power"	2068
Lehman Named Foreign Relief Director	2068
Agreement Reached for Loans on Federal Securities	2068
Wickard Food Czar	2070
Procedure on Wage Adjustments	2070
Praises Russian Resistance	2070
Signs 18-19 Draft Age Bill	2070
National Real Estate Board Appointments	2070
Asks WLB to Broaden Policies	2070
Darlan Negotiations "Temporary Expedient"	2071
Established Program for Basic Living Essentials	2071
Newsprint Production Lower	2071
Treasury Rules on $5,000 Salary Controls	2071
Advisory Service for Armed Forces	2071
Henderson Predicts Rationing Extension	2069
WLB Outlines Wage Increases Policy	2069
New England Council War Conference	2072
Urges Support for Tax Integration Commission	2072
Rules on Victory Tax Deductions in Job Terminations	2072
Signs Bill Creating Coast Guard "SPARS"	2074
Life Insurance in Force Sets Record	2076
Named to WPB Posts	2076
Reappointed to ICC	2077
Resigns From N. Y. Insurance Post	2078
Bank of The Manhattan Co. 1942 Report	2080
Canadian Banks May Close Branches	2080
Canadian Bank of Commerce Assets Set Record	2080
Extends Time on Cotton Exports Shipments	2080
Named to N. Y. Banking Board	2080
Mutual Savings Bank Christmas Accounts at Record	2080

THE FINANCIAL SITUATION

"There ought to be a law" was once supposedly the standard response of the average American to any situation which displeased him. In Washington these days the response apparently is: "There ought to be another Czar." There the accepted cure for faulty administration or management is additional administrators or managers with more sweeping and more ill-defined powers. There soon follow more regulations and more confusion and more forms, questionnaires and reports to add to the burdens of the already harassed business man and citizen. Within the past few days a manpower Czar and a food Czar have been added to the list, and to the disorder in Washington which appears to the ordinary man to be the chief cause of the difficulties these new dictators are called upon to relieve.

The Scandal Stage

The food situation has reached the scandal stage, and the trouble appears, so far as any one can learn the facts in the welter of reports and counter-reports emanating from the Government, to be not with any underlying shortage of most items of food but with the snarl into which regulation piled upon regulation has thrown our system of distribution. What with quotas, arbitrarily fixed price ceilings, and all the troublesome and confusing regulations that accompany them, foodstuffs simply do not flow normally through the usual channels to the consumer. Unprecedentedly high wages have greatly increased the consumption of many kinds of food by large groups of the population—when they can get it—and the Lord knows how much is being bought for lend-lease purposes, or always what those purposes are. All this along with the large demands from the Army and Navy without question puts our supplies under somewhat of a strain, but it appears to be evident that our over-all supply of many items is not by any means so limited as to explain their downright scarcity in the retail stores at many points. These same items are not infrequently found to be relatively abundant in a fairly nearby town, and, indeed, sometimes, in another section of a large city.

Rationing, which was invoked avowedly to make certain that all would be treated alike; price ceilings established for the professed purpose of protecting the less well off sections of the population and various other interferences of public officials with our system of distribution appear to be having an effect very nearly opposite to that for which they were invoked. It certainly can not be said that individuals throughout the land are faring anywhere nearly

(Continued on page 2069)

Hear! Hear!

Personally, I am not interested in any other form of government or form of economy than our own. I admire beyond expression the stand the Russians have made. They are fighting nobly for Russia and Soviet ideals. We're fighting for America and American ideals. I am not making guns or tanks to win a "people's revolution." I am making armament to help our boys save America. I don't want any "modified" free enterprise or Bill-of-Rightless democracy. Immediately after the war, government aid to war-torn countries is a foregone conclusion. But not the rehabilitation of their economy or the reforming of their lives. I am not fighting for a quart of milk for every Hottentot, or for a TVA on the Danube, or for governmental handouts of free Utopia.—W. P. Witherow, retiring President of the National Association of Manufacturers.

Here is a forthright utterance of plain common sense.

It comes as a breath of fresh air in an intellectually smoke-filled room.

May it prove to be an effective rallying cry!

Army Suspends Draft Of Men 38 and Over

The War Department announced on Dec. 5 that effective at once and until further notice the acceptance for induction for the Army of men who are 38 years of age and over is suspended. It may be necessary to waive this suspension from time to time in order for the Army to obtain skilled men not otherwise available, but if this becomes necessary every effort will be made to secure the required men from other than essential war industries or occupations, the War Department explained.

At the same time, the Department announced that certain enlisted men now in the Army who, by reason of age (38 years and over), are unable to satisfactorily perform military service but who are qualified to assist the national war effort, may be honorably discharged from the Army in accordance with the following provisions:

(A) The soldier has voluntarily requested discharge in writing to his immediate commanding officer.

(B) The soldier is handicapped by advanced age, 38 years and over, to such an extent that his usefulness to the Army is secondary to that of industry.

(C) The soldier has presented satisfactory evidence that he will be employed in an essential war industry, including agriculture, if he is discharged from the Army.

Each application for discharge under the above conditions, it is said, will be considered on its individual merits and no soldier will be discharged unless a suitable trained replacement is present and available.

The War Department's announcement further said:

"The War Department stressed the fact that the provisions for discharge of men 38 years of age and over are subject to revision or revocation at any time and that acceptance of an application for discharge under the above cited conditions will not be considered as a promise to release any individual. Acceptance of an application means merely that the soldier's request will receive consideration. It was emphasized that any discharges from the Army under this plan will be granted in furtherance of the war effort and not as a right of the individual.

"The action of the War Department in suspending induction, as well as authorizing the discharge of certain men in the age group 38 and above, was taken as a result of experience gained during the past three years, which indicates that men 38 years of age and over are, in general, physically less able to withstand the rigors of present-day combat activities and that many of these men can make a more effective contribution to the war effort in industry rather than in the Army."

To Study NYC Job Problem

A three-man committee to conduct a study of the problems of unemployment, idle factory and idle machine tool equipment, and smaller businesses in New York City, has been appointed by New York Governor-elect Thomas E. Dewey. The group, named to report the facts, and a program of action, consists of John W. Hanes, former Under-Secretary of the Treasury and Chairman of the Executive Committee of the United States Lines: David Dubinsky, President of the International Ladies' Garment Workers Union, and Delos Walker, Vice-President and Secretary of R. H. Macy & Co., Inc. Elliott V. Bell, member of the editorial board of the New York "Times," will act as consulting economist to the committee. Mr. Hanes will serve as chairman of the group.

Editorial—

Another Investigation Coming?

By W. C. BETTS

Verily, these are days that stir our souls, or spoil our sleep, as our thoughts roam from the Home Front to the Water Front, and thence to the Second Front. In Washington, even the men who came from the far hills and the prairies to place their feet on sturdy desks, the better to fashion new laws and amendments, are possessed by aching thoughts, that they dare not "frank" to the farms and homesteads. A war is on, and though too many of them, too often seem not to know this, they are now faced with a reminding void: the big brass spittoons, without which no legislative inspiration seemingly could arise, have gone—some seven hundred of them — to be turned into bullet-casings. Thus transmogrified, the cuspidors will be shot, and no longer shot at. So it goes; and when the clarion sounds, nothing is left to each of us but to do his bit.

In this year 1942, on Nov. 20 to wit, some men of the law, away from their haunts in the nation's capital, and 'way down South in Georgia, showed us that they, too, could do their bit, a wicked bit. There, they induced a Federal grand jury, acting with the stealth of a tortoise, to hand down an indictment which charged the South-Eastern Underwriters Association with conspiracy and monopoly. One hundred and ninety-eight fire insurance companies, members of the Association, and 27 of their officers, were accused of violating the laws of five States in which the Association is active.

From the Aetna Insurance Company, of Hartford, alphabetically down to the Yorkshire Insurance Company, Ltd., of England, the roster includes, with few exceptions, all capital stock fire insurance companies operating in this country. And as the companies are still licking their wounds, and smarting from a fight of several years with the Insurance Department of Missouri—where they got the worst of it—it is no wonder that the newest indictments are causing varied degrees of apprehension, from major care to minor concern. For it looks as though the law would again a-spanking go!

No policyholder need be the least bit perturbed; but vexation and annoyance may lie in wait for the stockholders in the fire companies, and, by analogy, in their casualty satellites. The gist of the accusations is that the fire companies conspired to commit the following misdeeds: (a) sold fire insurance at rates established by the association; (b) paid commissions to their agents at rates which it established; (c) adopted classifications of types of risks; (d) adhered to standard terms, conditions, and clauses relative to the coverage of various types of risks; (e) withheld reinsurance facilities from non-association companies; (f) withdrew from agencies representing non-members; (g) threatened to boycott persons buying fire insurance from non-members; (h) disparaged the service of non-members; (i) established inspection and rating bureaus to implement the agreement. The scene of these barbarities was six States: Alabama, Florida, North Carolina, South Carolina, and Virginia. There, during the years 1931-40, the members of the Association received 90% of the premiums paid, and made commensurate profits.

* * *

Considering the seriousness of the situation which faces the nation on five continents, one asks immediately why these legal bludgeons had to be twirled at this very time, and what was the pressing necessity which did not even permit a test case to be stated and tried, so that 198 company representatives had to assemble from all ends of the country, wherever and whenever the gentlemen of the law performed their ponderous and tortuous tasks? And in answer, one jumps to the conclusion that the fomenters of all this pother must be men who wear size three-and-a-half in hats, and that their prosecution of the companies must be vindictive. If not that, the next thought must be that, beneath the untimely action, there lies a topsy-turvy conception of patriotism, like unto that which proclaims that "We can take it" when "We" shave with cold water instead of hot, or festoon a dancehall for the soldiery, to build up "morale."

Perhaps the wholesale indictments spring from the mistaken idea that it is useful to divert the attention of the timorous public from harrowing headlines and hysterical exaggerations of reversals. Or, mayhap, more charitably, the explanation lies in a genuine desire to gang up with the votaries of all usual pursuits (as long as they are "good for the country") including arc-light baseball, torch singing, and teaching ducks how to shed water from their backs.

Yet another thought occurs to one: perhaps the forensic tamperers with the time-sanctioned liberties of the companies merely claim the privilege of preparing for the peace which must follow the war, a peace which, we have heard, must lift the face of the world and uplift the thoughts of its inhabitants.

Whatever one ponders, the weight of the evidence seems to be against that particular view. So that in sheer desperation of seeing the light, one would like to say that someone, wholeheartedly lacking in a sense of proportion and as frisky as a carnival Pantaloon, indulged in a merry whim and thereby plunged the fire insurance industry into a disquieting mood, at a time when it prefers to devote its spare moments to helping rid this earth of Mr. Adolf Schickelgruber and his pestilential band. No matter what may be the motive, it looks like a bad technical blunder. Unless . . . . could it be?

* * *

It is scarcely credible that 198 insurance companies were dragged into court for the purpose of fining each of them $5,000, for its asserted villainies: the total of fines collectible would be negligible, and mostly eaten up in cost. Nor do we find any strange bid for popular acclaim: as was to be foreseen, the public reaction to the histrionics in Atlanta is complete indifference—at least, for the present —to any depositions about such things as fire insurance premium rates, reinsurance facilities, or the rule of non-intercourse with flagitious agencies.

However, there is one motive, coldly cynical perhaps, but strictly consonant with Real-Politik. We see it in the fact that, as we are credibly informed, the law visited the offices of the South-Eastern Underwriters' Association and helped itself to some eight truck-loads of archives and documents. And this must have been done for one purpose: not to counter any sweeping assertion that the counts in the indictment are a tissue of lies; nor to show that these counts are documentarily sustained. No one in the insurance business, with two ears and one eye, will deny, under oath, that most of the details of the accusation are substantially true, and self-evident.

The steps taken by the law, so far, are but the prelude to the action to be taken when, as they have done, the companies move to quash all subpoenas on the ground that the business of insurance is not "commerce." That contention, it seems to us, once again is going to be disputed before nine gentlemen in black robes: in 1868, in 1890, and again in 1913, the Supreme Court upheld it. But of late years, many of its rulings have indicated that as times change so do the Justices, and so do their "interpretations."

Since the relatively soft words spoken in Atlanta merely pave the way for further steps, we venture to outline them, of course without claiming any gifts of uncanny vaticination. The insurance companies have been indicted, in spectacular fashion, as part of a plan to make them amenable to Federal control and supervision. To this end, the immediate proceedings should result in a "victory" for the companies. But before this happens and before an appeal to a higher court is taken, the car-loads of documentary information seized by virtue of the indictment will have been screened and sifted for horrendous examples of depravity and malfeasance, and the next step will hinge on the rate of pay-dirt to the ton. If it runs high, it will furnish the justification for a lively investigation, judicial or Congressional, in which every effort will be made to bring out "illuminating" facts. These will be embodied in a report which will tend to show that insurance is commerce, or at any rate that for the purpose of giving effect to the Sherman Act, a good milch cow such as the insurance business, is and should be a sumpter mule.

Whereupon, the Supreme Court will be furnished with an opportunity to intervene in the matter. Since, for obvious reasons, it is hard to find the legal fraternity all of one mind, there will be many opportunities to spend money on both sides of the controversy. And if we were asked for the probable outcome of the polemic, we would say, without hem or haw, that the insurance companies would be found, at long last, to be in commerce, not only when they sell cottages, or motor cars, or Persian rugs, acquired by them as salvage in a fire or casualty loss, but whenever they sign a contract allowing them to do these and other things, in compromise or otherwise.

And then, what? If you take a telescopic look from the roof of the Federal Building in Atlanta, in a northerly direction, you may see on any clear day, several big signs. These are not clearly readable, but you will make out enough letters to let you piece together the words "Federal Supervision Coming."

* * *

Whether the future will establish the fact that these tentative prognostications were right, or partly so, or not at all, is of little moment. Of importance, and perhaps urgency, is the need, on the part of Fire, and Casualty insurance com-

Editorial—

Should Congress First Axe Re-Negotiation?

Of all the various measures that the new Congress should consider for immediate repeal few will rank higher on the list of those impeding the war effort than the statute requiring the re-negotiation of war contracts. True, some of this law's more grievous flaws were removed by the recent amendments to the revenue law, but any doubt that in general the measure is a mischievous hindrance to war production should have been removed by developments at last week's Congress of American Industry.

In the first place, the jammed room of worried industrialists at the panel discussion of the law attests to the fact that it is still absorbing much of the manufacturers' time, time that could better have been spent devising new and better methods of production. In the second place, the chief speaker at this session, one of the major administrators of re-negotiation, Mr. Maurice Karker, Chairman of the War Department Price Adjustment Board, by his very defense of the law most strikingly, if unintentionally, drove home the statute's evils.

Mr. Karker, of course, is no bureaucrat but is the successful president of the Jewel Tea Co., who sincerely believes in re-negotiation and defends the law and its administration in the language of the rugged individualist. But being honest, and no bureaucrat, he does sometimes reveal the injustices of the measure.

In response to a question, Mr. Karker admitted that there was absolutely no coordination of policy between the various agencies that actually re-negotiate war contracts and attempt to recapture excess profits. The War Department's Board may establish one policy, the Navy another, and the Maritime Commission a third. It was brought out at the meeting that the Navy has sometimes rather arbitrarily hailed a contracting manufacturer before it for re-negotiation without advance warning of any kind, while the War Department's Board always gave reasonable advance notice of its intentions. Other speakers brought out that the three agencies likewise might differ considerably as to what were considered excess profits, or what were unreasonable costs that could not be charged against war production contracts.

In other words, to a great extent the treatment a corporation may receive and the profits it may be allowed under re-negotiation may depend to a great degree upon whether the major portion of its sales are to the War, or to the Navy Department.

Chairman Karker freely admits that the absence of any coordination between the three chief contracting agencies is absurd and when asked why coordination had not been achieved he snapped, "It's too sensible."

Mr. Karker also pointed out another ridiculous condition now existing which many industrialists thought had been corrected by the recent amendments. The amendments clearly give the Price Adjustment Boards of the three departments the right to engage in overall re-negotiation of all of a firm's contracts and provide that regional contracting offices, such as Ordnance or Navy procurement offices, shall not re-negotiate contracts after the Boards have assumed jurisdiction over a company's contracts.

The chairman pointed out, however, that the Boards can only give clearance for the current fiscal year. He went on to assert that shortly after Jan. 1 all of the regional contracting offices—25,000 in number—would rush in on war contractors and demand that contracts in their locality be re-negotiated. Then, presumably after busy manufacturers have argued and worried with these regional representatives for some weeks, the Price Adjustment Boards will again step in and make an overall review of all a manufacturers' contracts for the new year, once again stopping the activities of the regional officials.

Isn't this whirling circle ridiculous? Stop for a moment and consider what is going on. A manufacturer has after appropriate negotiations completed a contract with one of the regional War or Navy Department offices. Then the regional representative and the Price Adjustment Board are taking turns trying to shave down the price of a contract to which both contracting parties had agreed after due deliberation!

What does it accomplish? Well it keeps a bureaucracy busy. Chairman Karker himself freely admits the danger that bureaucracy will grow, and pleads with industry to lend him its best executives so that the law will be fairly and efficiently administered. One might paraphrase his request by saying that good men are wanted to keep a bad law from becoming worse.

Just one other admission from the frank, hard-hitting chairman who warns businessmen that re-negotiation is no "panty-waist" affair. In answer to a technical question he replied, "Don't worry, that question, just like so many aspects of this law, is going to be bruited about in the courts for years to come."

One must pause here to interject—is it worth while to keep on the books a law that will provide aggravation and expense for years to come?

There can be no doubt but that Mr. Karker did not exaggerate the probable legal difficulties under the statute. The very heart of the law, its basic definition, is of the blanket blank check variety that might well have come from Gilbert and Sullivan, or Alice in Wonderland. Here it is:

"The term excess profits means any amount of a contract or subcontract price which is found as a result of re-negotiation to represent an excessive profit."

This sentence is not a joke, it actually exists! Moreover, it is the only definition—and of course it is no definition at all—in the law of the excess profits the price adjustment boards are trying to recover. In passing this definition—and it is to be found in the recent amendments, not in the original law—Congress might better have said, "The Price Adjustment Boards can take back from a war contractor any sum they please, proceeding in any fashion they please, without any limit or restriction whatsoever, and God help industry if the Boards are not fair and reasonable."

Certainly a law so loosely phrased, permitting of so capricious and arbitrary administration must indeed spend many years in the courts.

To what avail? What can re-negotiation accomplish? Let us briefly glance at the justifications for this law which supposedly offset the new flaws cited above which are admitted even by Chairman Karker.

Its supporters claim the law is necessary to hold down excessive profits. Well, the financial reports show that profits of the war industries are a third or so less than in 1941, and 1941 profits generally were well below the peaks of the 1920's.

The supporters also say that re-negotiation is necessary to reduce contract prices on new items of equipment for which the costs could not be estimated before the item went into mass production. Actually, this is no problem at all. When and if such a situation should occur and unreasonable profits result, does anyone imagine that the contracting service, be it the War or the Navy Department, would have any difficulty in forcing the contractor to reduce prices? Even if it be contended that a law should exist to direct re-negotiation in such cases why not frame the statute to apply to such cases, instead of enacting the present statute which applies to items of ordinary commercial manufacture, subject to a price ceiling, as well as to all ordnance equipment of all types.

Finally, it is contended that ne-negotiation already has saved the nation one billion dollars. Let us look at that for one moment. This saving represents the amounts by which the gross sales (not profits) of contractors have been reduced as a result of re-negotiation. But, if there had been no re-negotiation much of the resulting profit on those sales would have been drawn into the Treasury in any event. At the most the actual savings to the Treasury from the one billion of refunds hardly would exceed $100,000,000 if that much.

In exchange for savings of that sum, every war contractor in the country has been forced to hire extra accountants and engage in elaborate and costly studies to defend the profits that they are earning—profits which are subject to a tax that may take up to 80% of corporate net income! One executive told a Congressional investigator that his auditing department had tripled in two years. Another executive, the president of one of the 10 largest war contractors, reported that the top officials of the enterprise spent more than half of their time on re-negotiation for a period of many weeks.

This law so loosely-phrased as to invite constant litigation, certain to foster a bureaucracy, administered by three agencies which make no attempt at unifying or coordinating policies, but which harry all war contractors in time-consuming statistical and accounting surveys, and which at best will save only trifling sums for the Treasury—sums which the Treasury itself could save under its revenue law procedures—this law should be one of the first considered for repeal by the new Congress.

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panies, to scrutinize the woof and warp of their organization, in all its aspects, from the standpoint of the public, the shareholders, and, generally, of the new era which will come when the guns have ceased to roar.

However, we have no time to go further into that, today.

Paralysis Fund Drive To Use FDR's Birthday

Saying that the work of the National Foundation for Infantile Paralysis must be continued, President Roosevelt has authorized the use of his birthday, Jan. 30, 1943, in its fund-raising drive.

This was revealed on Nov. 16 by Basil O'Connor, President of the Foundation, who made public the President's reply to his letter asking for the authorization of the birthday celebrations.

The President said that in these times the question whether his birthday should be publicly celebrated as heretofore in the fight against infantile paralysis "must be judged in relation to other activities that we know are necessary to accomplish the one thing we all seek—victory in this war."

Disease, the President said, was always a "powerful enemy of man" and in wartime, particularly, in epidemic form, "a factor which continuously gives us great concern."

The President further said:

"The intensive fight we have been carrying on against infantile paralysis over these ten years—a short time in the history of any disease—has shown remarkable results, as you say, but more than that, it has followed a course which indicates that we will succeed in this struggle. Through intelligent planning and wise coordination, we are prepared, if necessary for a long-time fight against this disease.

"I feel as you do, that any interruption in this work would be extremely inadvisable unless obsolutely necessary. More than that, I also think that such a fight as that being waged against infantile paralysis or any other as yet uncontrolled disease is an essential part of the main struggle in which we all are engaged—a struggle to make tomorrow's world a better world in which to live.

"While we fight this global war, we must see to it that the health of our children is preserved and protected so that they enjoy that better world — for tomorrow's America will be as strong as today's children. We must help them win their victory over disease today.

"As I have said in the past and repeat now—nothing is closer to my heart than the health of our boys and girls and young men and young women. To me it is one of the front lines of our national defense.

"I feel strongly, therefore, that the work of the national foundation must be continued and I am happy to have it use my birthday in its 1943 fund-raising drive."

Used-Car Rationing Not Planned By OPA

The Office of Price Administration recently denied that it intended to ration used automobiles at present.

Paul M. O'Leary, Deputy Administrator of the OPA in charge of rationing, said the statement was made in response to many inquiries.

"Rumors that we are at the point of putting a used-car rationing program into effect are false," Mr. O'Leary said.

"Naturally, we have studied the subject, but our preliminary conclusions are that most of the used cars being sold are already going to persons who would be eligible to buy them under any rationing program we might devise."

Mr. O'Leary estimated the present stock of used cars in the country at about 300,000, which he called adequate for present needs. If a supply continues to be available for essential workers at fair prices, Mr. O'Leary added, there would be no need for rationing.

Taxes and "Excess Purchasing Power"

The comment made by Carlton A. Shively in his column in the New York "Sun" last week with respect to the proposals being repeatedly advanced to tax away so-called excess purchasing power bears repeating. He said:

"Of all the misleading catch-phrases in common use among the pseudo economists that of 'excess purchasing power' is likely to do the most harm. We are told that the public now has excess purchasing power, figured as the difference between the national income and the portion of the national income taken by the Treasury, used for debt repayment and other routine exchanges. If, for example, the statisticians figure that the national income has risen from $80,000,000,000 to $120,000,000,000, then the additional $40,000,000,000 ought to be added to the tax bill, or the compulsory savings bill, so that it be not spent in a manner to encourage inflation. It is absurd to suppose that the general run of Americans have larger incomes now than they had before the war. On the contrary, many have smaller incomes, and all have smaller sums to put away after meeting higher taxes and living expenses. Only the new wage-earning class, and a comparatively few business men have expanded earnings. Corporations have made more, but excess profits has meant a lowering of dividends. Individual income taxes certainly should not be raised on a percentage basis to correspond with the percentage rise in the estimated national income."

The State Of Trade

A number of the heavy industries showed declines for the week, though figures generally were substantially above last year. Retail trade shows quite an upsurge, bringing Christmas shopping strongly to the fore, while colder weather acted as a further spur to trade.

Electric power production in the week ended Nov. 28th declined from the previous week's record high, but still was 12.8% greater than the like period of 1941, the Edison Electric Institute revealed.

Output this week stood at 3,766,381,000 kilowatt hours, compared with last week's record figure of 3,795,361,000. In the comparable week a year ago the total was 3,339,364,000.

The Southern States led the major geographic divisions in percentage advances over 1941, with a 29% increase. The Pacific Coast was next in line with a gain of 20%.

Car loadings of revenue freight for the week ended Nov. 28, totaled 743,533 cars, according to the Association of American Railroads. This was a decrease of 92,894 cars below the preceding week this year, 122,647 cars fewer than the corresponding week in 1941, and 15,008 cars above the same period two years ago.

This total was 116.15% of average loadings for the corresponding week of the 10 preceding years.

Operations in the steel industry this week are expected to be at 98.6% of capacity, an indicated output of 1,686,700 tons, the American Iron & Steel Institute reports. This compares with an operating rate of 98.3% last week, or indicated output of 1,681,000 tons.

A month ago operations were at 99.6% of capacity, or output of 1,703,800 tons a week, while a year ago the rate was 97.5%, or 1,610,900 tons.

The Institute reports that November production of 7,184,560 tons of steel ingots and castings set a new high in steel production for any 30-day month on record.

The average of 1,674,723 tons of ingots was produced a week during November, compared with 1,712,159 tons a week in October and 1,622,584 tons a week in November, 1941.

A billion-dollar net income for the railroads this year was forecast by the Interstate Commerce Commission.

Estimating the income at $707,000,000 during the first 10 months, the Commission said, the total for 12 months would exceed a billion if the November and December increase over 1941 approximated that of October, which was 152%. Net income is the sum left after interest, rentals and all taxes.

Operating revenues of Class I steam railroads for October, 1942, amounted to $745,584,165, a gain of 44% over the October, 1941, total. The corresponding percentage gain for September was 42.7, for August 38.5 and for July 37.0.

"This continued acceleration in the total revenues is the effect of a nearly stable level for freight revenue relative to 1941 and a very rapid increase in passenger revenue," the Commission stated.

The usual upsurge in retail trade, following the Thanksgiving holiday, reflected a strong Christmas shopping demand, while colder weather also played its part in increased buying, according to the weekly review of Dun & Bradstreet, Inc. Although buying in total was at record levels, the holiday sales picture was reported as "spottiest in some years," with the curtailed supplies of durable goods popular as gifts shifting buying more than usual to soft good lines.

Record buying was fast reducing retail stocks, which on an average, were well above a year ago at the start of the holiday season. Inventories were irregular and growing more so; consumers found broken assortments in very popular lines.

Department store sales on a country-wide basis were down two per cent for the week ended Nov. 28, compared with the corresponding week a year ago, it was shown in the weekly figures made public by the Federal Reserve System.

The year ago comparisons for the United States total and for some districts reflect differences in the date of Thanksgiving Day this year and last.

Department stores sales in New York City in the week ended Nov. 28, were 16% smaller than in the like 1941 week, and in the four weeks ended Nov. 28, were 3% larger than in the corresponding period a year ago, the New York Federal Reserve Bank reported.

Department store sales in New York City in the week ended Dec. 5, were 2% larger than in the corresponding week last year, according to a preliminary estimate issued by the New York Federal Reserve Bank. The decline shown in the previous week was due to the fact that there were only five shopping days, against six in the comparable week a year earlier, caused by the different date for Thanksgiving this year.

The Department of Agriculture reported that farmers received 36% more income from sales of agricultural commodities and government benefit payments in the first ten months of this year than in the corresponding period last year.

The income was estimated at $12,681,000,000, compared with $9,340,000,000 a year ago. The Department said prospective marketings in the last two months indicate that the total 1942 income will equal the $15,000,000,000 forecast earlier.

Looking ahead, the department said it is probable that farm income in the early months of 1943 will be somewhat higher than in the corresponding months of this year, because of record quantities of crops and livestock expected to be moving to market at prices about the present level.

The people today have more money and more purchasing power than at any time in the nation's history. Income payments to individuals this year are expected to exceed $116,000,000,000, an all-time high. This compares with a national income of $82,000,000,000 in 1929 and of $70,000,000,000 in 1939, the year in which war began in Europe.

Lehman Named Director Of Foreign Relief

Herbert H. Lehman, former Governor of New York, was sworn in on Dec. 4 as Director of Foreign Relief and Rehabilitation Operations of the Department of State. Mr. Lehman took the oath in President Roosevelt's office in the presence of high Government officials and members of his family.

The President handed Mr. Lehman two commissions, one of which was the formal notice to direct foreign relief and rehabilitation and the other being the actual appointment from Secretary of State Hull at a salary of $10,000 a year. Mr. Lehman said in a statement: "In inaugurating the program as Director of Foreign Relief and Rehabilitation I intend to give due attention to the problems of the many millions among our Allies who have suffered severely from the horrors of war, not in one continent or region alone, but wherever they are found in need, and to such extent as capacity to be of assistance exists."

The President gave Mr. Lehman a letter expressing gratification over his acceptance of the appointment. The letter follows:

"Reposing special confidence in your ability to discharge the many-fold duties which lie before you, I am gratified by your acceptance of the appointment to the post of Director of Foreign Relief and Rehabilitation Operations.

"Your untiring services to the State of New York are a sure witness to the success of the great task which lies before you.

"Your new associates, and your old, in the Federal Government welcome you to Washington, and hold themselves ready to work with you to the end that the four freedoms may spread through all the earth."

Mr. Lehman resigned as Governor of New York on Dec. 2 after ten years in that post, although his term of office would not expire until Dec. 31.

The White House's formal announcement of Mr. Lehman's appointment by the President on Nov. 21 said that Mr. Lehman "will undertake the work of organizing American participation in the activities of the United Nations in furnishing relief and other assistance to the victims of war in areas reoccupied by the forces of the United Nations."

The statement further said:

"This is a step in the President's program of mobilizing the available resources of this country in food, clothing, medical supplies and other necessities, so that it may make an immediate and effective contribution to joint efforts of the United Nations in the field of relief and rehabilitation.

"'Governor Lehman's appointment assures that this country will play its part in such efforts."

Mr. Lehman conferred in New York City on Dec. 3 with former President Herbert Hoover, Relief Administrator during the last war, as to the problems faced. Mr. Hoover said he had "urged very strongly that our government take up immediately the problem of food for the occupied democracies of Europe—Belgium, Holland, Norway and Poland and an extension of aid to Greece."

Mr. Lehman previously (Nov. 25) discussed plans for his new job with President Roosevelt at a White House luncheon. He also conferred with Dean Acheson, Assistant Secretary of State, and with Senator Connally (Dem., of Tex), Chairman of the Senate Committee on Foreign Relations; Representative Bloom (Dem., of N. Y.), Chairman of the House Committee on Foreign Affairs, and other Congressional leaders on Nov. 25.

At the Executive Mansion at Albany on Nov. 29 the Governor bade farewell to officials and the public and on Dec. 1 made a report to the people over a Statewide radio hookup.

Government Agencies - Supervisors Committee Agree On Loans Upon Government Securities

The Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, and the Executive Committee of the National Association of Supervisors of State Banks agreed on Nov. 24 upon the following joint statement of their examination and supervisory policy with special reference to investments in and loans upon Government securities.

"1. There will be no deterrents in examination or supervisory policy to investments by banks in Government securities of all types, except those securities made specifically ineligible for bank investment by the terms of their issue.

"2. In connection with Government financing, individual subscribers relying upon anticipated income may wish to augment their subscriptions by temporary borrowings from banks. Such loans will not be subject to criticism but should be on a short term or amortization basis fully repayable within periods not exceeding six months.

"3. Banks wil not be criticized for utilizing their idle funds as far as posible in making such investments and loans and availing themselves of the privilege of temporarily bororwing from or selling Treasury bills to the Federal Reesrve Banks when necessary to restore their required reserve positions."

The "Wall Street Journal" in its issue of Nov. 24 had the following to say in part in advices from its Washington bureau:

"The policy statement was agreed upon at a three-hour conference on Sunday in the offices of Chairman Marriner S. Eccles of the Reserve Board.

"The statement is understood to have been prompted by the open-market committee of the Reserve System, composed in large part of the members of the Reserve Board.

"In working out the policy it was decided to eliminate references in an original draft which dealt with bank capital ratio to resources. It had been planned originally to declare the old ratio of 10 to 1 as an antiquated measure of liquidity and safety for banks during the wartime period.

"The references to capital also had included suggestions that banks set aside part of their current earnings to build up reserves against future losses in assets other than governments. This, however, was considered as entering into the earnings and dividend-payment field, which some officials felt was not properly before the group.

"Mention was made at the meeting also of the need for some special type of security for the small country bank. These small institutions, swelling with excess reserves, as a result of Treasury payments to war contractors in the outlying areas with funds drawn from metropolitan banks, are understood to be anxious to buy government securities. However, they are suffering an acute manpower shortage which prevents taking time and men to submit bids to the Treasury in the usual three-day period allowed. Some of the group are understood to favor a "tap" issue with a maturity and interest coupon especially inviting to these small banks.

Chairman Eccles reportedly told the Sunday conference that banks would be called upon to participate in increasing volume in future Treasury offerings. Banks have been taking about 53% of Treasury offerings during the past year. Estimates mentioned at the meeting call for banks furnishing as much as 66⅔% of the funds to be borrowed by the Treasury next year.

"These estimates give the banks a much bigger part in financing the war than has been the case up to this time. And from this standpoint the policy statement by the bank supervisory agencies becomes increasingly important to the banks.

"The question also arose at the meeting as to whether the Reserve System would be ready at any time in the future to lend on or buy bank holdings of government securities to meet cash needs. No commitment was made on this by the Reserve System because it would, of course, tie its hands and make it difficult to shift to a tight money policy at some future date.

"However, Point No. 3 in the joint statement declares banks would not be criticized for availing themselves of the privilege of temporarily borrowing from or selling Treasury bills to the Federal Reserve when necessary to restore their reserve positions."

In an address on Nov. 17 in Philadelphia, to which we referred in our Nov. 26 issue, page 1889, Comptroller of the Currency Preston Delano, took occasion to speak on "the questions of the character of the credit which should be extended by the banks to the Government, and also that old bogey of capital ratio," which he said is "bound to be distorted now that we are of necessity greatly increasing deposit liabilities without a commensurate building up of capital accounts." He likewise stated that "a report has recently reached the Treasury to the effect that some bank examiners are criticising bond portfolios which include maturities longer than five years," and in part, he added:

"This criticism is reported to extend even to government securities. So far as the Comptroller's office and its examining staff are concerned, no such opinions are held. We believe strongly in the validity of all government paper, and while the Treasury, as you know, has of late been limiting its offerings of securities eligible for commercial bank investment to a 10-year maturity, national bank examiners are not critical of any government securities in banks' portfolios, whatever their maturity. I feel certain you gentlemen agree with us."

Comptroller Delano's address was delivered before the National Association of Supervisors of State Banks.

THE FINANCIAL SITUATION

(Continued from first page)

equally under these schemes. In these circumstances is it reasonable to expect great improvement from procedures which merely place a new dictator in the field to add to the confusion and difficulties already existing as a result of too much meddling? Trouble always follows efforts to replace the natural forces at work in the business world with governmental fiats, and the more extended the program of control and restriction the greater the difficulties are likely to be.

Manpower, Likewise

The manpower story is broadly similar. High wages were for years encouraged to the limit. Punitive rates of pay are required by law for work done after a very short work week. High costs inevitably follow. But disregarding such elements as these, price ceilings are established which leave little profit in many instances. Many enterprises have all they can do to make both ends meet without overtime payments to their employees. One result is that by and large wage earners and other lower paid employees are, except for certain war industries where the government pays the bill, working not much if any more than 40 hours a week. This fact alone reduces our effective manpower by perhaps as much as 20%. In these circumstances there are in some instances simply not enough workers. Employers begin to bid against one another for help, and at the same time delays and stoppages arising from shortages of materials encourage employees to shift from plant to plant.

What do our all-wise managers in Washington find to be the answer? First, a "wage freezing" order followed by regulations which would puzzle the traditional Philadelphia lawyer. Now comes the appointment of a manpower "Czar" with authority wholly unprecedented to take men ruthlessly, if somewhat indirectly, away from their present work and direct them to some other employer and some other type of work quite possibly at some other place in some other part of the country. Certainly drastic medicine for employer and employee alike! If it be asserted in defense of this type of dictatorship that we are at war and must do whatever is necessary to get along with defeating the enemy, it is obviously both fair and pertinent to ask what evidence there is that such an arrangement will provide a cure for the difficulties encountered. Plainly there is no virtue in meddling and upsetting the lives of thousands of men and women merely for the sake of ordering them around.

An Impossible Administrative Task

There are some 50-odd million men and women at work in American industry, trade and agriculture. Imagine the task facing any agency undertaking to direct the employment of this vast army of workers! If it be replied that a great many of these men and women are already in war work, and do not constitute a problem, it need only be pointed out that what the Washington authorities are pleased to designate as labor pirating among war producers has been one of their most frequent complaints. It may also be said that many millions are not now in war work, and it is apparently one of the objects of recent steps to draw many of these into war work. How will the manpower Czar proceed with this task without becoming enmeshed in his own network of red tape which must be another grievous burden to many types of business which are as essential to winning the war as the making of tanks or planes, and certainly as essential to our post-war welfare?

Unless the United States employment service proves to be utterly sui generis among government agencies, an employer may just as well reconcile himself to endless delay and difficulty in obtaining needed workers, whether they be manufacturing guns or making cheese! The almost incredible productive achievements of the past year about which the nation has been rejoicing greatly and warrantably during the past few days have been the work of American industry, which knows how to get things done, not that of Government whose meddling and mismanagement has been one of the difficulties private enterprise has been obliged to overcome as best it could during the months that have passed. If we wish to be able to indulge in similar self-gratulation 12 months from now, it would be well to insist that government confine itself to an irreducible minimum of regulation and inter-meddling.

If We Only Learn!

Doubtless we shall muddle through successfully with the management of the production problems of this war. The difficulties needlessly encountered and the failures which must strew our path will be worth what they cost if they teach the American public thoroughly that production after all is the function of private enterprise, its function not only but its specialty. Once that lesson is thoroughly learned we shall, when this war is over, be in a position to begin the long and toilsome march back to sound sense in the management of our economic affairs. Once it becomes clear to the great rank and file that the best way for government to encourage and stimulate the more abundant life is to withdraw within its own bailiwick and leave the management of business to business men, a victory whose importance is no whit less important than the defeat of Hitler will have been wrought.

Henderson Sees Extension Of Rationing And Increased Standardization In 1943

Leon Henderson, Federal Price Administrator, said on Nov. 19 that from the standpoint of civilian wartime living in 1943, the country can look for an extension of rationing, not only as regards an increasing number of articles, and new rationing techniques, but, also, to increased simplification and standardization.

In an address before a joint meeting sponsored by the New England Council and the Boston Advertising Club, in Boston, Mr. Henderson expressed his views in part as follows:

"I have been asked what the big news of 1943 would be from the standpoint of civilian wartime living.

"First, it is safe to say that we can look for an extension of rationing in 1943. I do not mean merely an extension of our present methods to an increasing number of articles. I mean new rationing techniques. One new technique, of course, is a system of point rationing for related groups of commodities. That system, as you know, will be applied to meat rationing when it starts this winter.

"Second, increased simplification and standardization will go hand in hand with price and rationing controls in 1943. That policy was laid down clearly and distinctly by Mr. Byrnes last week. There can be no mistaking the task he has set before us.

"There are three basic reasons for standardizing and simplifying. First, these techniques allow our civilian population to get the absolute maximum amount out of a limited and allocated supply of materials and labor. Second, they reduce actual costs, and third, they aid in the determination, simplification and enforcement of wartime price and rationing controls."

Excerpts from Mr. Henderson's address follow:

"Since our interest in OPA lies in maintaining our civilian living in order to get maximum war production, we believe we should be getting the most out of the limited supplies available to us. Since we are striving to hold down the cost of living, we are interested in holding down costs of production as well, for increased costs exert pressures on our price structure. Since we are charged with administering price control and making it an effective wartime program we are interested in any device which aids in the determination, simplification and enforcement of price ceilings. . . .

"Let me say right here that in the field of administering wartime prices, OPA itself is heading in the direction of greater simplification. During the months to come, we can expect to see an increasing number of so-called 'dollars and cents' ceiling prices, setting by grade and zone top prices at the manufacturing and processing level. In many cases ceiling prices at subsequent levels will probably be based on a fixed margin over net cost for the various types and classes of retail stores.

"To make the job of simplification easier OPA is now working with industry, particularly at the retail level where the major impact of price and rationing regulations are being felt. That work will increase during the months to come. Its objective, of course, is to cut out the frills and pare off the fat from our industrial structure for the duration. All of us know that our peacetime merchandizing and service structure was magnificent. Perhaps 'lush' is the proper word. But there is no time and no man-power for frills today. Each and everyone of you must face the problem of reducing costs during the coming months.

"And despite your efforts to reduce costs, they are going to rise in many instances, despite the fact that both materials and labor have been stabilized. In the first place there will be less labor available, and, in the long run, it will be greener and less efficient. There will be increasing machinery obsolescence. In some cases even normal repairs cannot be made.

"And who will absorb these costs? Wherever it is humanly possible, they must be absorbed by industry. At the moment, industry is making sufficient profits to permit that absorption in a great many cases. In those cases, where the 'squeeze' of increased costs is so great as to hinder production of essential civilian goods, the government must do one of three things:

"It can raise ceiling prices and allow those increased costs to spiral upward throughout our industrial structure; it can simply turn its back and allow the industry to go out of business for the duration; it can assist industry—as we are now doing—to hold down costs by standardization and simplification; or it can subsidize. Experience has proved over and over again that subsidy, carefully administered and sparefully used—is the cheapest, and best way to solve the problem of increased costs under a system of rigid controls."

NWLB Policy Outlined For Wage Increases

"Increases in wages and salaries will be approved only in exceptional cases, the National War Labor Board announced on Nov. 6 in issuing the policy under which it will administer that part of the economic stabilization program over which it has jurisdiction. The policy was adopted unanimously by the public, labor and industry members of the Board. The policy states:

"The policy directive given the National War Labor Board by Congress and by the President is clear. Under that directive, the Board will act on the presumption that wage rates prevailing on Sept. 15, 1942 are proper. The Board will grant wage increases over the level prevailing on Sept. 15, 1942 only in exceptional cases and in accordance with the following paragraph of Executive Order No. 9250 of Oct. 3, 1942:

"The National War Labor Board shall not approve any increases in the wage rates prevailing on Sept. 15, 1942, unless such increase is necessary to correct maladjustments or inequalities, to eliminate substandards of living, to correct gross inequities, or to aid in the effective prosecution of the war!"

The Board in its announcement further said:

The policy further states that the Board will "examine carefully each claim for such exceptional treatment before approving any increase." In considering specific cases the Board will be guided by the general principles outlined in the policy which briefly are as follows:

1. Maladjustments

"If a group of employees," the policy states, "has received increases amounting to 15% in their average straight-time rates over the level prevailing on Jan. 1, 1942, the Board will not grant further increases as a correction for maladjustments. . . .

"To correct these maladjustments, the Board will consider requests for general increases in straight-time rates up to 15% above the level prevailing on Jan. 1, 1941. This policy sets a terminal point for general wage increases. It is not applicable to individual workers or to employees in particular job classifications. It will be applied only to groups composed of all the employees in a bargaining unit, in a plant, a company, or an industry, depending upon the circumstances of each case."

The WLB Regional Directors may adjust rates to correct such maladjustments only in cases arising in industries specifically designated by the Board. This list of industries will be announced by the Board in the next few days. Proposed wage adjustments in industries not so listed must be referred to the Board in Washington for action.

2. Inequalities and Gross Inequities

"The wage rate inequalities," the policy states, "and the gross inequities which may require adjustment under the stabilization program are those which represent manifest injustices that arise from unusual and unreasonable differences in wage rates.

"Wage differentials which are established and stabilized are normal to American industry and will not be disturbed by the Board."

The Board itself will review all cases where increases are requested under this section. Such cases must go to the Regional Director for his approval first.

3. Substandards of Living

"The Board is not," the policy states, "in a position at this time to enunciate a general policy to govern the adjustment of wages to eliminate substandards of living. The Board will not undertake to measure substandards of living by any fixed wage rate.

"Such cases involving substandards of living as may arise will be considered by the Board on their individual merits until sufficient experience has accumulated to permit the statement of a more general policy."

4. Effective Prosecution of the War

"The National War Labor Board," the policy states, "will not approve wage increases for the purpose of influencing or directing the flow of manpower.

"When in a particular case management and labor, in cooperation with the War Manpower Commission and other Government agencies, have taken concerted action to solve a manpower need, the Board will consider a request in that case to correct whatever inequalities or gross inequities may then need correction."

This policy applies not only to wages but to the salaries over which the Board has jurisdiction. The Board has jurisdiction over all salaries under $5,000, except for those supervisory or professional employees who are not represented by labor unions.

Wickard Given Full Control Over Nation's Food; Agriculture Department Units Reorganized

President Roosevelt on Dec. 6 authorized Secretary of Agriculture Claude R. Wickard "to assume full responsibility for and control over the nation's food program."

In an executive order, designed "to assure an adequate supply and efficient distribution of food to meet war and essential civilian needs," the President ordered Mr. Wickard to exercise complete powers over production and distribution; to determine direct and indirect military, other governmental, civilian and foreign requirements for food, both for human and animal consumption and for industrial uses; to assign food priorities and allocate supplies and also to supervise rationing.

To facilitate the effective discharge of the Secretary's responsibility under the order, the President reorganized the Department of Agriculture, consolidating the agencies primarily concerned with the production and distribution of food into a Food Production Administration, and a Food Distribution Administration.

In the Food Production Administration were grouped the Agricultural Conservation and Adjustment Administration, except its sugar agency; the Farm Credit Administration, the Farm Security Administration; and certain functions of the Division of Farm Management and Costs of the Bureau of Agricultural Economics, the Office of Agricultural War Relations, and any WPB groups concerned primarily with food production.

The Food Distribution Administration includes the Agricultural Marketing Administration, the Sugar Agency of the Agricultural Conservation and Adjustment Administration, and functions of other bureaus concerned with food distribution, notably the Bureau of Animal Industry of the Agricultural Research Administration and the Office of Agricultural War Relations.

Other details regarding the order were reported by the Associated Press as follows:

The Food Requirements Committee of the WPB, of which Mr. Wickard was Chairman, was abolished, to be replaced by a new advisory group which Mr. Wickard is to appoint. Where the old committee advised Donald M. Nelson, Chairman of the WPB, the new group will counsel Mr. Wickard. The new one, like the old, will be composed of representatives of various government departments, and its personnel probably will be the same.

As chairman of the WPB Food Requirements Committee, Mr. Wickard practically had dictated WPB policy in this field, but Mr. Nelson technically held control. The new order put Mr. Nelson and Mr. Wickard on an equal footing in case of conflict between them providing that any difference of view should be submitted to the President.

Such a conflict might arise, for example, in the case of farm machinery, if Mr. Wickard sought additional production of it and Mr. Nelson believed the steel could not be spared from the arms program.

The order provided, on this point, that Mr. Wickard "shall recommend" to Mr. Nelson "the amounts and types of non-food materials, supplies and equipment necessary for carrying out the food program." Mr. Nelson, "following consideration of these recommendations . . . shall allocate stated amounts of non-food materials, supplies and equipment to the Secretary for carrying out the food program." The Agricultural Department then would ration the machinery to farmers as at present. This provision also would apply to chemicals needed for fertilizer or insecticide, or to lumber for barns.

In giving Mr. Wickard "full responsibility for and control over the nation's food program," the President's order designated as food, not only edible commodities, but, also, "all starches, sugars, vegetable and animal fats and oils, cotton, tobacco, wool, hemp, flax fiber, and such other agricultural commodities and productions as the President may designate."

Outlines Procedure On Wage Adjustments

The National War Labor Board announced on Nov. 6 the detailed procedure that it will follow in the cases of voluntary applications for wage adjustments by private employers. The procedure has been unanimously approved by the Board. According to the announcement the procedure provides in detail for the functions which will be performed by the 10 regional offices of the Board and by the 100-odd field offices of the Wage and Hour and Public Contracts Divisions of the Department of Labor. It is further announced that Regional Directors will have a tripartite Advisory Board composed of representatives of the public, labor and employers. This Board will advise the Regional Director on the setting up of the administrative machinery in each region. The members of this Board will be picked by the War Labor Board from among prominent citizens in the area, and will serve without compensation.

The Board states that briefly the steps which will be followed in the handling of voluntary requests for approval of wage adjustments are as follows:

1. Employers or unions or workers not represented by a union can obtain from the nearest office of the Wage and Hour Division an informal ruling if they are uncertain as to whether a proposed adjustment needs Board approval under the Executive Order and the regulations. This office may issue a written ruling as an agent of the Board.

2. If the office of the Wage and Hour Division rules that the proposed wage adjustment can be made without approval of the Board it will be deemed an authoritative act of the Board unless it is later overruled by the Regional Director of the War Labor Board.

3. If the ruling is overruled by the War Labor Board Regional Director, the employer may file an application for approval of the adjustment within 10 days. The adjustment can then be continued in effect unless and until it is finally disapproved under the Board's procedures. Such disapproval is to take effect only from the date of the order of disapproval.

4. If the office of the Wage and Hour Division rules that the increase must be approved by the Board this office will aid the employer in filling out an application form and submit it to the Regional Director of the War Labor Board for action.

5. If the Regional Director approves the application his ruling shall be final subject to the Board's ultimate power of review. If he disapproves the application, the applicant may file a petition for review within 10 days, in which case it will be referred to a tripartite panel. Any approval by the panel will be final subject to the Board's ultimate power of review.

6. If the panel disapproves the application or approves a lesser increase than requested, its ruling shall be final subject to the Board's power to review on its own initiative and to the right of any member of the panel to refer the matter to the Board in Washington for review.

7. Any ruling by a WLB Regional Director, or by a panel shall be deemed to be the act of the Board unless and until it is reversed by the Board and such disapproval by the Board shall take effect only from the date of its issuance.

8. Any employer applying for approval of an increase will be required to state whether he intends to make the proposed increase the basis for an application to the Office of Price Administration for an adjustment of his maximum prices.

9. If he states that he intends to seek price relief, he must fill out a form showing the relationship between the proposed increase and his price situation and what effect such an increase would have on his business if it were granted without price relief. A copy of this form will be sent to the Office of Price Administration.

10. A copy of all rulings of Regional Directors, panels, or the Board in such cases will also be sent to the Office of Price Administration. In these cases any approval of an increase will become effective only on final approval by the Board and, when required by the provisions of Executive Order No. 9250, by the Economic Stabilization Director.

President Praises The Russian Resistance

President Roosevelt told his press conference on Nov. 24 that he was delighted that the Russian offensive at Stalingrad was going so well.

Simultaneously, the State Department made public a message to Secretary of State Hull from Foreign Commissar Vyacheslaff M. Molotoff of Russia hailing the Allied success in North Africa as further assurance of "a full triumph over the common enemy."

The message, in reply to one from Mr. Hull extending congratulations on the 25th anniversary of the Soviet Republic, as given in Washington advices Nov. 24 to the New York "Times" follows:

"I sincerely thank you, Mr. Secretary of State, for your friendly greetings on the occasion of the 25th anniversary of the founding of the Soviet Republic. The success of the Allied arms in Africa, presaging a new destructive blow to the Italian and German usurpers, strengthens still more the assurance that the military alliance of our countries and all liberty-loving peoples will bring about a full triumph over the common enemy, Hitlerian tyranny."

Mr. Hull's message to Mr. Molotoff was noted in these columns Nov. 26, page 1892.

New NAREB Unit Heads

The heads of the Institutes and Councils of the National Association of Real Estate Boards elected at St. Louis who will take office in January, 1943, under President-elect Cyrus Crane Willmore, of St. Louis, are:

National Association of Home Builders of the United States: President, Fritz B. Burns, Los Angeles. Institute of Real Estate Management: President, George R. Morrison, Denver. American Institute of Real Estate Appraisers: President, William MacRossie, New York and Greenwich, Conn. National Institute of Real Estate Brokers: President, Samuel T. Hall, Philadelphia. Society of Industrial Realtors: President, Bethel T. Hunt, Memphis. Secretaries Council: Chairman, Leonard Downie, Chicago. States Council: Chairman, Glenn D. Willaman, Los Angeles. Women's Council: Chairman, Carol Laux (Mrs. Vernon Laux), St. Louis.

President Signs 18-19 Draft Bill—Congress Rejects Clause Restricting Training To Year

The legislation lowering the draft age of youths from 20 to 18 years was signed on Nov. 13 by President Roosevelt, who announced at the same time that he had ordered a study to be made to enable the young men called to service to resume their schooling and training after the war.

The President also promised to announce in the near future a plan to utilize during the war the facilities of certain colleges and universities for the training of a limited number of men for "highly specialized duties" in the armed forces.

In approving the bill, Mr. Roosevelt issued this statement:

"The time has now come when the successful prosecution of the war requires that we call to the colors the men of 18 and 19. Many have already volunteered. Others have been eagerly awaiting the call. All are ready and anxious to serve.

"The civilian careers of these men will be interrupted, as have the careers of most of their seniors. Large numbers about to enter the armed services will come from schools and colleges. The vocational and technical training which the armed services now offer to many will stand them in good stead.

"I am causing a study to be made by a committee of educators, under the auspices of the War and Navy Departments, for the taking of steps to enable the young men whose education has been interrupted to resume their schooling and afford equal opportunity for the training and education of other young men of ability after their service in the armed services has come to an end.

"Some useful action along this line was improvised at the end of the last war. This time we are planning in advance.

"Finally, we are announcing in the near future a plan providing for the utilization during the war of the facilities of certain colleges and universities for the training of a limited number of men of the armed forces for highly specialized duties. These men will be selected solely on the basis of their ability and without regard to whether or not they are now in college or whether they could otherwise afford to go to college."

Final Congressional action on the measure came on Nov. 12 when the Senate adopted a conference report, which had eliminated the controversial clause requiring a full year's training for selectees under 20 years before they could be sent into foreign combat. The House had approved the report on a voice vote on Nov. 10, after refusing by a vote of 189 to 40 to recommit the measure to committee with instructions that an "adequate" training clause be inserted.

The final bill, enacted after a deadlock of three weeks, retains most of the provisions of the Senate bill, with the exception of the one-year training requirement, which was passed on Oct. 24.

The compromise worked out by the joint Senate-House conference committee left in the legislation provisions for the deferment of persons "necessary to and regularly engaged in an agricultural occupation or endeavor essential to the war effort." The local Selective Service Board will determine an individual's status in agriculture under this provision and the deferment will last as long as he is so engaged or until a satisfactory replacement can be obtained.

As to the educational provisions, the bill states that 18 and 19-year-old students in high school or similar institutions, who are called for service during the last half of the academic year, may be deferred on their own request until the end of the school year. No such deferment, however, is provided for college students.

The measure, which amends the Selective Training and Service Act of 1940, also provides for the exemption from the draft of men who have passed their 45th birthday, unless they desire to be drafted.

A proposal, included in the House bill passed on Oct. 17, which would have required that no more married men be taken in the draft until all unmarried men were inducted and to place drafting on a State-wide rather than on a local board basis was killed by the conference group.

The year's training provision had been inserted in the Senate bill but was opposed by President Roosevelt and Gen. George C. Marshall, Army Chief of Staff, who requested that no "crippling limitations" be included in the bill; this was referred to in our issue of Oct. 29, page 1547.

CIO Urges WLB To Broaden Policies

At its recent convention in Boston, the Congress of Industrial Organizations called upon the National War Labor Board, in view of its expanded role, to gear its industrial relations machinery to operate on an industry-wide basis instead of the case or company method. Besides industry-wide bargaining, the resolution, which the convention adopted, urged that the WLB require insertion of an arbitration clause in all collective bargaining agreements to prevent overloading of the Board's machinery with unsettled grievances. A statement of policy on wage retroactivity also was asked.

Another resolution adopted by the CIO urged President Roosevelt to use his influence to have negotiations resumed between the British government and representatives of the Indian people concerning a national government in India.

The resolution said of the Indian people "the Atlantic Charter must be made a living reality for them."

A resolution was also adopted by the CIO criticizing John L. Lewis and invited the United Mine Workers to return to the CIO. Mr. Lewis, who was founder and first President of the CIO, recently led the United Mine Workers, of which he is still President, out of the CIO.

Philip Murray was reelected to a third term as President of the CIO and James B. Carey was renamed Secretary-Treasurer. These Vice Presidents were also reelected: Joe Curran, National Maritime Union; S. H. Dalrymple, United Rubber Workers; Emil Rieve, Textile Workers; Reid Robinson, Mine, Mill and Smelter Workers; Frank Rosenblum, Amalgamated Clothing Workers; and R. J. Thomas, United Auto Workers.

The new Vice President are: Albert J. Fitzgerald, United Electrical Workers; John Green, Marine and Shipbuilding Workers; Allan S. Haywood, Utility Workers Organizing Committee.

At its convention the CIO also demanded a full share in the war of production and adopted a resolution calling for participation "in all the administrative agencies which make and execute our war policies—and at every level."

Mr. Murray made the charge that "the delay in winning the war is directly the result of the fact that labor has not been allowed a fair share of the administration of the war effort."

President Says Negotiations With Darlan Are Only 'Temporary Expedient' In Stress Of Battle

President Roosevelt stated on Nov. 17 that the United States Army's political arrangements with Admiral Jean Darlan in French North African territory "is only a temporary expedient, justified solely by the stress of battle."

In formal statement, the President said that the political arrangements made by Lieut. Gen. Dwight D. Eisenhower, Allied Commander-in-Chief in North Africa, with Admiral Darlan has accomplished two military objectives: the saving of lives and time.

Mr. Roosevelt also disclosed that he has requested the liberation of all persons in North Africa imprisoned because of their opposition to the Nazis; the President also indicated that he had asked for the abrogation of all Nazi-inspired laws and decrees.

The President's statement follows:

"I have accepted General Eisenhower's political arrangements made for the time being in Northern and Western Africa.

"I thoroughly understand and approve the feeling in the United States and Great Britain and among all the other United Nations that, in view of the history of the past two years, no permanent arrangement should be made with Admiral Darlan. People in the United Nations likewise would never understand the recognition of a reconstituting of the Vichy Government in France or in any French territory.

"We are opposed to Frenchmen who support Hitler and the Axis. No one in our army has any authority to discuss the future Government of France and the French Empire.

"The future French Government will be established—not by any individual in metropolitan France or overseas—but by the French people themselves after they have been set free by the victory of the United Nations.

"The present temporary arrangement in North and West Africa is only a temporary expediment justified solely by the stress of battle.

"The present temporary arrangement has accomplished two military objectives. The first was to save American and British lives, on the one hand, and French lives on the other hand.

"The second was the vital factor of time. The temporary arrangement has made it possible to avoid a 'mopping-up' period in Algeria and Morocco which might have taken a month or two to consummate. Such a period would have delayed the concentration for the attack from the west on Tunis and, we hope, on Tripoli.

"Every day of delay in the current operation would have enabled the Germans and Italians to build up a strong resistance, to dig in and make a huge operation on our part essential before we could win. Here again many more lives will be saved under the present speedy offensive than if we had had to delay it for a month or more.

"It will also be noted that French troops, under the command of General Giraud, have already been in action against the enemy in Tunisia, fighting by the side of American and British soldiers for the liberation of their country.

"Admiral Darlan's proclamation assisted in making a 'mopping-up' period unnecessary. Temporary arrangements made with Admiral Darlan apply, without exception, to the current local situation only.

"I have requested the liberation of all persons in Northern Africa who had been imprisoned because they opposed the efforts of the Nazis to dominate the world and I have asked for the abrogation of all laws and decrees inspired by Nazi Governments or Nazi ideologists. Reports indicate that the French of North Africa are subordinating all political questions to the formation of a common front against the common enemy."

Program To Guarantee Minimum Essentials

James F. Byrnes, Economic Stabilization Director, announced on Nov. 13 several steps he has taken designed to bring about "a positive program that will guarantee our people the basic living essentials that they must have at prices that they can pay."

Mr. Byrnes asked the War Production Board to outline a "vigorous program for the simplification and standardization of production and distribution"; requested the Budget Bureau to review all subsidies related to economic stabilization, and called on the Office of Civilian Supply to determine "bed-rock minimum civilian needs consistent with the fullest war production." He also revealed that the ceiling on farm wages was being lifted for the time being in order to keep much-needed farm labor on the land.

The text of Mr. Byrnes's statement was as follows:

1. I have asked the Chairman of the War Production Board to undertake a vigorous program of simplification and standardization of production and distribution not merely to eliminate frills and wasteful practices but, wherever necessary and advantageous, to concentrate on the production of relatively few types of goods of standardized quality, design and price.

Effectively carried through, such a program can combat the rising costs that threaten price ceilings, maintain at maximum the output of civilian goods that is possible and bring the prices of some essentials down.

Such a program, too, would yield considerable savings in manpower, materials, machine capacity, transportation, fuel and other acute war needs.

2. I have asked the Budget Bureau for a review of all subsidies related to economic stabilization that now are in force with a view to determining whether those subsidies can be discontinued or reduced or what alternatives are possible. As alternatives, I have in mind, particularly, the possibilities of lowering profit margins and of effecting economies and reducing costs by simplifying and standardizing production and distribution.

3. I have asked that the Office of Civilian Supply undertake a study to determine what are our bed-rock minimum civilian needs consistent with the fullest war production.

It is not, of course, our intention to try to reduce civilians to this bed-rock minimum. However, while a rough estimate at best, such a study should be of value in planning such matters as rationing, subsidies, the extent to which simplification and standardization can be pushed and manpower.

Both the determination of these minimum civilian needs and simplification and standardization of production and distribution are parts of what is intended to be a positive program that will guarantee our people the basic living essentials that they must have at prices that they can pay.

By reducing the number of varieties, styles and models, eliminating unnecessary costs, decoration, fancy packaging and the like we can clear the way for a fuller production of basic essentials.

The more far-reaching the measures taken to reduce excess spending, as in the new tax bill, the tighter our manpower situation and the more our civilian economy is contracted in favor of war production, the greater will be the need for such a positive program to guarantee our people at least their minimum essentials.

That has now become a fundamental feature of our policy of economic stabilization.

The most immediate task of the Office of Economic Stabilization was the implementing of certain provisions of the President's executive order. This can now be said to be fairly well completed.

In addition to developments which already have been announced, these actions have been taken:

A. The ceiling is being lifted from agricultural wages for the time being, until the Secretary of Agriculture can determine:

(1) The effect of farm wages on farm production in the more critical farm labor shortage areas, and

(2) Where increases in farm wages may threaten to cause an increase in the price ceilings on farm products.

This was done because agricultural wages in general are substandard, because we face a serious problem in holding, and if possible increasing, the supply of farm labor, and because most agricultural employers employ fewer than eight workers — employers with not more than that number of workers already have been exempted by the War Labor Board.

B. Machinery has been worked out for handling wage increases which may affect price ceilings.

In dispute cases it is the practice of the War Labor Board to have a fact-finding investigation by a panel which submits its recommendations. It has been agreed that in such cases the War Labor Board will notify the Office of Price Administration when the panel reports its recommendations and that OPA will be given an opportunity to make its representations before a decision is made.

In non-dispute cases, which would be chiefly where employers request the right to grant wage increases at the time of filing for such permission, the employer must state whether he believes the wage adjustment will necessitate a price increase. If it will, he must file an application for such an increase simultaneously with the Office of Price Administration. OPA can then determine whether a price increase would be required, notifying the War Labor Board.

However, in both dispute and non-dispute cases where a possible price rise becomes involved, the decision of the War Labor Board must be approved by the Office of Economic Stabilization.

Newsprint Product'n Down

North American newsprint production in October amounted to 377,594 tons, a decline of 13.4% from a year ago, when the output was 435,987 tons, according to the News Print Service Bureau.

The Canadian newsprint industry, operating at 70.6% of capacity, produced 271,555 tons, a decline of 14.8% from a year ago, while shipments amounted to 295,625 tons.

United States' production totaled 84,217 tons and shipments 85,458 tons, while Newfoundland's output was 21,822 tons and shipments 26,561, the figures for both countries being below last year.

For the first ten months of 1942, newsprint production for the three countries amounted to 3,722,154 tons, compared with 3,967,929 tons a year ago, a decline of 6.2%, while shipments of 3,745,102 tons was 5.2% below last year's total of 3,948,494 tons.

Treasury Issues Rules For Controlling Salaries Over $5,000 With $67,200 Limit

The Bureau of Internal Revenue of the Treasury Department issued on Dec. 2 regulations under which its new Salary Stabilization Unit will operate. The Unit, set up in conformity wtih the regulations issued Oct. 27 by James F. Byrnes, Director of Economic Stabilization, will administer the provisions of the order relating to the stabilization and limitation of certain salaries. These are all salaries over $5,000 per annum and all salaries of $5,000 or less paid to employes (1) who are in executive, administrative or professional capacities, (2) who are not represented by recognized labor organizations and (3) who are not agricultural workers.

The regulations provide for restricting 1943 salaries to a "basic allowance" of $67,200, which, after reduction by the Federal income taxes, would yield a net not in excess of $25,000.

In reporting the regulations, the Washington "Post" of Dec. 3 said:

Dealing with the higher salaries, the regulations say that no salary may be paid which after deduction of Federal income taxes would exceed $25,000. But for the purpose of the regulations, the phrase, "income taxes," is defined in such a way that the "basic salary" allowable is $67,200.

In addition, higher salaries may be paid under certain circumstances. Allowances over and above the $67,200 will be permitted to enable the employe to "maintain his customary contributions to charitable, educational or other organizations." However, the employe must establish "to the satisfaction" of the Government that he cannot maintain these contributions from his other income, without "undue hardship."

Similarly allowances may be made for insurance premiums provided the employe cannot pay them from other income "without disposing of assets at a substantial financial loss resulting in undue hardship." The same kind of allowances are permissible for some fixed obligations.

Also, if the employe cannot meet his income taxes due on past income without sacrificing assets and suffering undue hardship, he may be allowed sufficient additional salary to take care of the taxes. Thus, it was apparent that in many cases the gross salary allowed would be far above $67,200.

Concerning other salaries, raises and decreases will be possible, but most of them must first be approved by the Bureau of Internal Revenue.

The regulations made clear that bonuses, gifts, loans, commissions, fees, additional compensation and any other remuneration in any form would be considered as falling within the concept of salary or salary payment.

However, the Bureau left a loophole for payment of customary Christmas bonuses provided they do not exceed those paid last year.

The regulations stated that the burden of justifying an increase in salary rate "shall in every instance be upon the employer."

"Increases in salary rates will not be approved," the regulations continued, "unless necessary to correct maladjustments or inequalities or to aid in the effective prosecution of the war."

A promise made by an employer to his employes prior to Oct. 3, 1942, that salaries would be increased in the future, the regulations added, "is generally to be ignored in determining whether an increase after that date should be approved."

An increase in salaries below $5,000 may be approved, however, "if to deny such increase would be to force the continuation of a salary which is below the general level existing for the same or comparable work in the local area on Sept. 15, 1942."

In cases of salaries of less than $5,000 existing on Oct. 3 or established in accordance with the regulations, the general rule is that no decrease can be made by the employer below the highest salary rate paid for such work in the local area between Jan. 1 and Sept. 15.

"A decrease is permitted, however," the regulations stated, "with the approval of the commissioner in order to correct a gross inequity in any case or to aid in the effective prosecution of the war."

The text of the Stabilization Director's regulations on wages and salaries appeared in our issue of Nov. 12, page 1713. The National War Labor Board has jurisdiction over salaries not in excess of $5,000.

MBA Advisory Service For Armed Forces

Because the Association believes that there has been a fairly widespread misinterpretation by men in the armed forces of the exact provisions of the Soldiers' and Sailors' Civil Relief Act and that they may further misinterpret the new liberalized amended law signed by President Roosevelt on Oct. 6, the Mortgage Bankers Association of America will set up a free nation-wide advisory and counselling service for their benefit, Charles A. Mullenix, President, announced on Nov. 8. The Association points out that "everything that can be done to protect the man in the service with a mortgage loan outstanding has been done in the new Act and mortgage bankers are in agreement with the principles embodied in it." It is noted, however, that "it is a serious mistake for the men to believe that they can forget their loans entirely for the duration. Actually that is the worst thing they can do because it means that they will return to civilian life faced with large obligations. This country does not want the men who are risking their lives to return faced with heavy debts. It is to avoid any such post-war development that the Association is acting now to help prevent it." Mr. Mullenix explained that his plan calls for all MBA members to act as advisors to men now in the armed forces and those likely to be called. Members will be fully instructed on all provisions of the legislation and will be prepared to work out individual plans to assist men in keeping up their loans.

Observing that "many men entering the service have apparently been told that they can forget their mortgages entirely for the duration without also being told that obligations not met now will be obligations after the war," Mr. Mullenix says that "for that reason it is in the best interest of the borrower to keep up his payments to the best of his ability. Many men have sources of income that will continue while they are in the service and it is to their advantage to have it applied on their loans while they are away. In other cases their houses will be rented or partially rented, making possible full or part payments. In any event, it is distinctly to the advantage of the borrower to keep up his loan as best he can regardless of the relief afforded him through the Act," he said.

The amended bill, signed on Oct. 6, was referred in these columns Oct. 29, page 1552.

Roosevelt Gives McNutt Full Control Over Manpower—Voluntary Enlistments Ended

(Continued from first page)

tion of the national manpower and to eliminate so far as possible waste of manpower due to disruptive recruitment and undue migration of workers, and by virtue of the authority vested in me by the Constitution and statutes, including the first War Powers Act, 1941, and the Selective Training and Service Act of 1940, as amended, as President of the United States and as Commander in Chief of the Army and the Navy, it is hereby ordered as follows:

"1. The War Manpower Commission (established by Section 1 of Executive Order No. 9139, dated April 18, 1942) shall consist of a chairman appointed by the President and one representative, designated subject to the approval of the chairman, of each of the following departments and agencies: The Department of War, the Department of the Navy, the Department of Agriculture, the Department of Labor, The Federal Security Agency, the War Production Board, the United States Civil Service Commission, the National Housing Agency, and such other executive departments and agencies as the President shall determine; and a joint representative of the War Shipping Administration and the Office of Defense Transportation, designated by the chairman of the War Manpower Commission (hereinafter referred to as the chairman).

"2. (a) The Selective Service System created and established for the purpose of carrying out the provisions of the Selective Training and Service Act of 1940, as amended, and all of its functions, powers, duties, personnel (including the Director of Selective Service), records, property and funds (including all unexpended balances of appropriations, allocations or other funds available for the administration of said act, as amended) are transferred to the War Manpower Commission in the Office for Emergency Management of the Executive Office of the President, and shall be administered under the supervision and direction of the chairman. The local boards and appeal boards of the Selective Service System shall, subject to the supervision and direction of the chairman, continue to exercise the functions, powers and duties vested in them by the Selective Training and Service Act of 1940, as amended.

"(b) The functions, powers and duties of the Director of Selective Service, including authority delegated to him by the President under the provisions of the Selective Training and Service Act of 1940, as amended, are transferred to the chairman and may be exercised through the Director of Selective Service and such other officers, agents and persons and in such manner as the chairman may determine.

"(c) The Chief of Finance, United States Army, shall act as the fiscal, distributing and accounting agent of the chairman in carrying out the provisions of the Selective Training and Service Act of 1940, as amended.

"3. The Secretary of War and the Secretary of the Navy shall, after consultation with the chairman, determine the number of men required to be selected each month in order to fulfill the total respective requirements of the Army and Navy as approved by the President. The chairman shall furnish the required number of men through the Selective Service System.

"4. After the effective date of this order no male person who has attained the 18th anniversary and has not attained the 38th anniversary of the day of his birth shall be inducted into the enlisted personnel of the armed forces (including Reserve components), except, under provisions of the Selective Training and Service Act of 1940, as amended; but any such person who has, on or before the effective date of this order, submitted a bona fide application for voluntary enlistment may be enlisted within ten days after said date.

"5. In so far as the effective prosecution of the war requires it, the chairman shall take all lawful and appropriate steps to assure that (a) all hiring, rehiring, solicitation and recruitment of workers in or for work, in any establishment, plant, facility, occupation or area designated by the chairman as subject to the provisions of this section shall be conducted solely through the United States Employment Service or in accordance with such arrangements as the chairman may approve; and (b) no employer shall retain in his employ any worker whose services are more urgently needed in any establishment, plant, facility, occupation or area designated as more essential by the chairman pursuant to this section.

"6. The Secretary of War and the Secretary of the Navy shall take such steps as may be necessary to assure that all training programs for the armed forces (including their Reserve components) and the Women s Army Auxiliary Corps, which are carried on in non-Federal educational institutions, conform with such policies or regulations as the chairman, after consultation with the Secretary of War and the Secretary of the Navy, prescribes as necessary to insure the efficient utilization of the nation's educational facilities and personnel for the effective prosecution of the war.

"7. The chairman shall (a) issue such policies, rules, regulations, and general or special orders as he deems necessary to carry out the provisions of this order, (b) take steps to prevent and relieve gross inequities or undue hardships arising from the exercise of the provisions of Section 5 of this order in so far as he finds so doing will not interfere with the effective prosecution of the war, and (c) establish such procedures (including appeals) as are necessary to assure a hearing to any person claiming that any action taken by any local or regional agent or agency of the War Manpower Commission pursuant to Section 5 of this order and said Executive Order No. 9139 is unfair or unreasonable as applied to him.

"8. (A) The chairman may perform the functions and duties and exercise the powers, authority and discretion conferred upon him by this order or any other order of the President through such officers, agents and persons and in such manner as he shall determine.

"(B) The chairman may avail himself of the services and facilities of such executive departments and agencies as he determines may be of assistance in carrying out the provisions of this order. He may accept the services and facilities of State and local agencies.

"9. Subject to appeal to the President or to such agent or agency as the President may designate, each executive department and agency shall so utilize its facilities, services and personnel and take such action, under authority vested in it by law, as the chairman, after consultation with such department or agency, determines necessary to promote compliance with the provisions of this order or of policies, directives or regulations prescribed under said Executive Order No. 9139.

"10. The chairman shall appoint a management-labor policy committee to be selected from the fields of labor, agriculture and industrial management and shall consult with the members thereof in carrying out his responsibilities. The chairman may appoint such other advisory committees composed of representatives of governmental or private groups or both as he deems appropriate.

"11. The chairman shall be ex officio an additional member of the Economic Stabilization Board established by Executive Order No. 9250, dated Oct. 3, 1942.

"12. All prior executive orders, insofar as they are in conflict herewith, are amended accordingly. All prior regulations, ruling and other directives relating to the Selective Service System shall remain in effect, except insofar as they are in conflict with this order or are hereafter amended by regulations, rulings or other directives issued by or under the direction of the chairman.

"13. This order shall take effect immediately and shall continue in force and effect until the termination of Title I of the First War Powers Act, 1941.

"FRANKLIN D. ROOSEVELT,

"The White House.

"Dec. 5, 1942."

Interchange of Ideas Aids Conduct of War

President Roosevelt, in a message to the New England War Conference, said on Nov. 19 that "free exchange of ideas through regional discussion" throughout the nation could aid in the conduct of the war and preparation for a better post-war world.

The War Conference took the place of the annual meeting of the New England Council. The text of the President's message follows:

"It is with real pleasure that I send my greetings to the first New England war conference.

"New England's war record has been magnificent. Your community was among the first to understand the full implications for America of the tragic events of 1940. The citizens of New England knew then that we must prepare ourselves swiftly and thoroughly against the day when our own country might have to withstand aggression.

"They were quick to convert their factories to the production of weapons of war and quick to organize civilian defense measures which became a model for the nation. Each New England State undertook to develop these productive and defensive capacities to the fullest extent. The result should be a source of pride to the whole region.

"It has not been achieved without change and sacrifice. Wartime living has inevitably raised new issues affecting every area of life in the community. In an attempt to define those problems and develop solutions for them New England has again taken the initiative. It has chosen to discuss these matters in open, democratic forum to which all elements of the wartime community —government, armed services, private enterprise, and the people —can contribute.

"The free exchange of ideas through regional discussion can be of first value to the conduct of our war. It can also pave the way for that community co-operation which must lie at the foundation for the better world we are resolved to create out of this war. I should like to see this war conference so successful that New England again will have offered a model to the nation.

"Please extend my warmest greetings to the six New England Governors with whom it was my privilege recently to discuss important aspects of the war effort and whose wise counsels will, I am confident, make a constructive contribution to the first New England war conference."

Urges Support For Proposed Bill To Set Up National Tax Integration Commission

Urging real estate owners and taxpayers to win the support of their Mayors, Governors, and Congressmen for House Joint Resolution 326, now before Congress, Lawrence G. Holmes, Secretary of the National Council of Real Estate Taxpayers, outlined the conflicts and competition in taxation between the three levels of government as indicative of the necessity for a change, before the annual meeting of the National Council at St. Louis on Nov. 16. The current proposal, H J. R. 326, Mr. Holmes pointed out, would establish a national commission to study the problem of tax integration and chart a course which can be presented to the legislative bodies of States, cities, and the Federal Government. It was proposed by Representative John M. Coffee of Washington, and is one of several such measures which have been urged to Congress. At present the bill is in the House Rules Committee and has not been scheduled for action. Mr. Holmes presented four examples of the conflict between State and Federal Governments in taxation. He said:

"Some 30 years ago the State of Wisconsin enacted the first income tax. It proved to be so 'profitable' that it was taken up by the Federal Government and subsequently by 33 other States in some form. Thus we have the Federal Government and 34 States competing for the net income dollar.

"Second, in 1924 the State of North Carolina enacted a retail sales tax. This tax proved so profitable that 25 other States have enacted some form of a sales tax and the Federal Government has stepped into this same field with such various excise taxes as the gasoline tax. The Federal Government is currently discussing seriously a general Federal retail sales tax. Thus we have the picture of the Federal Government and 26 States competing for the retail sales tax revenues with imminent possibility of further extension.

"Third, throughout the United States history real property has been subject to the ad valorem tax. Originally it was the most equitable tax because originally we were entirely an agrarian and land-owning people. It still remains as the principal support of the local Government and the major support of State Government. Here again the Federal Government has looked with envy on this field and has made some sorties into it—for instance, the Federal inheritance tax which is actually an ad valorem tax on that part of an estate which consists of real property; the Federal stamp tax on real estate transfers is a Federal ad valorem tax on real property. Here then we have all three levels of Government competing for revenues from the property tax.

"Fourth, we have established or allowed to be established 175,000 taxing authorities. We have in this country 3,000 counties, 48 States, about 2,000 cities, yet we have found it necessary to delegate to 175,000 different groups the power to levy taxes on us—patently an inefficient, uneconomical and illogical setup."

H. J. R. 326, Mr. Holmes concluded, has the support of the National Council of Real Estate Taxpayers and various State and local constituent groups such as Savings and Loan Associations, Real Estate Boards, etc., and he urged all interested groups actively to seek to break down the Congressional inertia which continues to prevent the proposal from coming up for consideration and action.

Treasury Ruling Extends Time On Statements Of Victory Tax Deductions In Job Terminations

Secretary of the Treasury Morgenthau announced on Nov. 30 a ruling by the Bureau of Internal Revenue, granting employers an extension of the time in which they must furnish employees, whose services have been terminated, with a statement of the amount of Victory Tax withheld from wages.

The ruling, which was made in response to hundreds of inquiries from employers, applies in cases where the employment is terminated before the close of the calendar year.

The text of the ruling, based on Section 469 of the Internal Revenue Code, as added by the Revenue Act of 1942, is as follows:

"An extension of time, not exceeding 30 days, within which to furnish the statement required by section 469(a), is granted any employer with respect to any employee whose employment is terminated during the calendar year. In the case of intermittent or interrupted employment, where there is reasonable expectation on the part of both employer and employee of further employment, there is no requirement that a statement be immediately furnished the employee; but when such expectation ceases to exist, the statement must be furnished within thirty days from that time."

The Treasury Department's advices state:

"The section referred to requires that, in cases where the employment is terminated before the close of the calendar year, the statement of Victory Tax withheld be furnished the employee with the last payment of his wages, but an extension of time not exceeding 30 days may be granted under appropriate regulations. As the statements must contain pay roll and other data for the period of employment, it is frequently difficult to prepare such statements in time to furnish them with the last wage payment. This is especially true where employment is seasonal, as well as in large establishments where pay roll records are maintained elsewhere than at the place of employment. The ruling is designed to alleviate the burden imposed upon employers, by granting a general extension of time in accordance with the authority conferred in the Act.

"It was further pointed out that in intermittent employment—as in seasonal occupations—it is not necessary to furnish the statement with each cessation or interruption of work, if no termination of employment has occurred. Termination of employment is a fact governed by the intentions of the parties, and for the purpose of compliance with section 469, in cases where work is intermittent, if there is reasonable expectation on the part of both the employer and the employee of further employment, the statement may be furnished at the time of actual termination, or within 30 days thereafter. If, however, such expectation does not exist on the part of either party, then employment has terminated and a statement must be furnished within 30 days from the last wage payment.

Moody's Bond Prices And Bond Yield Averages

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

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

1942— Daily Averages	U. S. Govt. Bonds	Avge. Corpo- rate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Dec 8	116.78	107.09	116.80	113.70	108.88	91.77	96.54	111.81	114.27
7	116.78	107.27	116.80	113.89	108.88	91.77	96.54	111.81	114.27
5	116.78	107.27	116.80	113.89	108.88	91.91	96.69	111.81	114.27
4	116.78	107.27	116.80	113.70	108.88	92.06	96.69	111.81	114.27
3	116.78	107.27	116.80	113.89	108.88	91.77	96.69	111.81	114.27
2	116.78	107.27	116.80	113.89	108.88	91.77	96.54	111.81	114.27
1	116.78	107.27	116.80	113.89	108.88	91.77	96.54	111.81	114.27
Nov 27	116.85	107.27	117.00	113.89	108.88	91.91	96.54	112.00	114.66
20	117.30	107.44	117.00	114.27	108.70	92.50	97.00	112.00	114.66
13	117.36	107.62	117.20	114.27	108.70	92.50	97.16	112.19	114.46
6	117.36	107.62	117.20	114.27	108.70	92.64	97.47	112.00	114.46
Oct 30	117.38	107.44	117.00	114.08	108.70	92.50	97.31	112.00	114.27
23	117.38	107.44	117.00	114.08	108.70	92.50	97.31	111.81	114.27
16	117.37	107.44	117.00	114.08	108.70	92.50	97.31	111.81	114.46
9	117.38	107.44	117.20	114.08	108.70	92.50	97.31	111.81	114.46
2	117.39	107.27	117.00	113.89	108.52	92.35	97.16	111.81	114.27
Sep 25	117.51	107.27	117.00	113.89	108.70	92.06	97.00	111.62	114.08
18	117.62	107.27	117.00	113.70	108.52	92.06	96.85	111.81	114.08
11	117.75	107.09	116.80	113.50	108.34	92.06	96.69	111.81	113.89
4	117.80	107.09	117.00	113.31	108.34	92.06	96.54	111.62	114.08
Aug. 28	117.85	106.92	116.80	113.31	108.16	92.06	96.54	111.62	114.08
21	117.93	106.92	116.80	113.31	108.16	92.06	96.38	111.44	114.08
14	117.92	106.92	116.80	113.31	108.16	91.91	96.23	111.44	114.08
7	117.97	106.92	116.61	113.12	108.16	91.91	96.23	111.44	114.27
July 31	118.11	106.92	116.41	113.50	108.16	91.77	96.07	111.44	114.27
June 26	118.14	106.39	116.22	112.93	107.80	91.05	95.47	110.88	113.89
May 29	118.35	106.39	116.02	112.93	107.44	91.77	96.07	110.70	113.70
Apr. 24	117.80	106.74	116.22	113.12	107.62	92.06	96.69	110.70	113.70
Mar. 27	118.20	106.74	116.22	113.50	107.62	91.91	97.00	110.34	113.50
Feb. 27	116.34	106.39	115.63	113.31	107.62	91.62	96.85	110.15	113.31
Jan. 30	117.08	106.92	116.22	113.70	107.80	92.06	97.31	110.52	113.70
High 1942	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
High 1941	120.05	108.52	118.60	116.02	109.60	92.50	97.78	112.56	116.41
Low 1941	115.89	105.52	116.22	112.00	106.04	89.23	95.62	109.42	111.62
1 Year ago									
Dec. 8, 1941	118.69	107.27	117.60	114.66	109.06	90.91	96.69	111.81	114.66
2 Years ago									
Dec. 7, 1940	119.08	106.56	118.80	114.85	106.56	89.37	95.62	110.88	114.46

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

1942— Daily Averages	U. S. Govt. Bonds	Avge. Corpo- rate	Corporate by Ratings Aaa	Aa	A	Baa	Corporate by Groups R. R.	P. U.	Indus.
Dec 8	2.09	3.33	2.81	2.97	3.23	4.29	3.97	3.07	2.94
7	2.09	3.32	2.81	2.96	3.23	4.29	3.97	3.07	2.94
5	2.09	3.32	2.81	2.96	3.23	4.28	3.96	3.07	2.94
4	2.09	3.32	2.81	2.97	3.23	4.27	3.96	3.07	2.94
3	2.09	3.32	2.81	2.96	3.23	4.29	3.96	3.07	2.94
2	2.09	3.32	2.81	2.96	3.23	4.29	3.97	3.07	2.94
1	2.09	3.32	2.81	2.96	3.23	4.29	3.97	3.07	2.94
Nov 27	2.09	3.32	2.80	2.96	3.23	4.28	3.97	3.06	2.92
29	2.06	3.31	2.80	2.94	3.24	4.24	3.94	3.06	2.92
13	2.05	3.30	2.79	2.94	3.24	4.24	3.93	3.05	2.93
6	2.05	3.30	2.79	2.94	3.24	4.23	3.91	3.06	2.93
Oct 30	2.05	3.31	2.80	2.95	3.24	4.24	3.92	3.06	2.94
23	2.05	3.31	2.80	2.95	3.24	4.24	3.92	3.07	2.94
16	2.05	3.31	2.80	2.95	3.24	4.24	3.92	3.07	2.93
9	2.05	3.31	2.79	2.95	3.24	4.24	3.92	3.07	2.93
2	2.05	3.32	2.80	2.96	3.25	4.25	3.93	3.07	2.94
Sep 25	2.04	3.32	2.80	2.96	3.24	4.27	3.94	3.08	2.95
18	2.03	3.32	2.80	2.97	3.25	4.27	3.95	3.07	2.95
11	2.03	3.33	2.81	2.98	3.26	4.27	3.96	3.07	2.96
4	2.03	3.33	2.80	2.99	3.26	4.27	3.97	3.08	2.95
Aug 28	2.03	3.34	2.81	2.99	3.27	4.27	3.97	3.08	2.95
21	2.02	3.34	2.81	2.99	3.27	4.27	3.98	3.09	2.95
14	2.02	3.34	2.81	2.99	3.27	4.28	3.99	3.09	2.95
7	2.02	3.34	2.82	3.00	3.27	4.28	3.99	3.09	2.94
July 31	2.01	3.34	2.83	2.98	3.27	4.29	4.00	3.09	2.94
June 26	1.96	3.37	2.84	3.01	3.29	4.34	4.04	3.12	2.96
May 29	1.95	3.37	2.85	3.01	3.31	4.29	4.00	3.13	2.97
Apr. 24	1.99	3.35	2.84	3.00	3.30	4.27	3.96	3.13	2.97
Mar 27	1.96	3.35	2.84	2.98	3.30	4.28	3.94	3.15	2.98
Feb 27	2.11	3.37	2.87	2.99	3.30	4.30	3.95	3.16	2.99
Jan. 30	2.05	3.34	2.84	2.97	3.29	4.27	3.92	3.14	2.97
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	1.93	3.30	2.79	2.94	3.23	4.23	3.91	3.05	2.92
High 1941	2.13	3.42	2.86	3.06	3.39	4.47	4.03	3.20	3.08
Low 1941	1.84	3.25	2.72	2.85	3.19	4.24	3.89	3.03	2.83
1 Year ago									
Dec. 8, 1941	1.94	3.32	2.77	2.92	3.22	4.35	3.96	3.07	2.92
2 Years ago									
Dec. 7, 1940	1.92	3.36	2.71	2.91	3.36	4.46	4.03	3.12	2.93

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

†The latest complete list of bonds used in computing these indexes was published in the issue of Sept. 17, 1942, page 995.

Moody's Common Stock Yields

Yearly average yields in the years 1929 to 1941 inclusive and monthly average yields for 1941 will be found on page 2218 of the June 11, 1942 issue of the "Chronicle."

MOODY'S WEIGHTED AVERAGE YIELD ON 200 COMMON STOCKS

Month—	Industrials (125)	Railroads (25)	Utilities (25)	Banks (15)	Insurance (10)	Average Yield (200)
January, 1942	7.4%	7.2%	7.6%	5.3%	4.5%	7.2%
February, 1942	7.2	7.4	7.7	5.6	4.6	7.1
March, 1942	7.7	8.2	8.5	6.0	5.0	7.7
April, 1942	7.7	8.3	8.9	6.1	5.3	7.8
May, 1942	6.7	7.8	8.2	5.7	4.9	6.9
June, 1942	6.4	7.8	8.4	5.6	4.3	6.6
July, 1942	6.1	7.7	8.2	5.5	4.7	6.4
August, 1942	6.0	7.5	8.0	5.1	4.7	6.3
September, 1942	5.8	7.3	7.9	4.9	4.5	6.1
October, 1942	5.5	7.0	7.2	5.0	4.4	5.8
November, 1942	5.5	8.0	7.1	5.2	4.5	5.9

Electric Output For Week Ended Dec. 5, 1942 Shows 13.7% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Dec. 5, 1942, was 3,883,534,000 kwh., which compares with 3,414,844,000 kwh. in the corresponding week last year, an increase of 13.7%. The output for the week ended Nov. 28, 1942, was 12.8% in excess of the similar period in 1941.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended Dec. 5	Nov. 28	Nov. 21	Nov. 14
New England	0.4	0.8	10.6	6.0
Middle Atlantic	7.4	5.6	9.8	6.4
Central Industrial	8.5	7.5	14.2	7.7
West Central	12.1	13.9	12.9	11.5
Southern States	28.7	29.0	25.8	22.6
Rocky Mountain	9.7	9.9	11.8	11.4
Pacific Coast	24.0	20.0	27.8	26.0
Total United States	13.7	12.8	16.9	12.8

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1942	1941	% Change 1942 over 1941	1940	1932	1929
Sep 5	3,672,921	3,132,954	+12.4	2,591,957	1,423,977	1,674,588
Sep 12	3,583,408	3,222,346		2,773,177	1,476,442	1,806,259
Sep 19	3,756,922	3,273,375	+14.8	2,769,346	1,490,863	1,792,131
Sep 26	3,720,254	3,273,376	+13.7	2,816,358	1,499,459	1,777,854
Oct 3	3,682,794	3,330,582	+10.6	2,792,067	1,506,219	1,819,276
Oct 10	3,702,299	3,355,440	+10.3	2,817,465	1,507,503	1,806,403
Oct 17	3,717,360	3,313,596	+12.2	2,837,730	1,528,145	1,798,633
Oct 24	3,752,571	3,340,768	+12.3	2,866,827	1,533,028	1,824,160
Oct 31	3,774,891	3,380,488	+11.7	2,882,137	1,525,410	1,815,749
Nov 7	3,761,961	3,368,690	+11.7	2,858,054	1,520,730	1,798,164
Nov 14	3,775,878	3,347,893	+12.8	2,889,937	1,531,584	1,793,584
Nov 21	3,795,361	3,247,938	+16.9	2,839,421	1,475,268	1,818,169
Nov 28	3,766,381	3,339,364	+12.8	2,931,877	1,510,337	1,718,002
Dec 5	3,883,534	3,414,844	+13.7	2,975,704	1,518,922	1,806,225
Dec 12	------	3,475,919		3,003,543	1,563,384	1,840,863
Dec 19	------	3,495,140		3,052,419	1,554,473	1,860,021
Dec 26	------	3,234,128		2,757,259	1,414,710	1,637,683

Steel Operations Increased—Mill Backlogs 15 to 20% Less Than On Oct 1—Output Rising

"Embarking this week on a second year of all-out war production, the metals and metal-working industries are moving with more assurance than at any time since the war transformation began," states "The Iron Age" in its issue of today (Dec. 10), further going on to say: "Statistics issued this week showing unprecedented United States production in 1942 have lent confidence toward the accomplishment of new goals. Furthermore, much of the confusion which existed a few months ago has been dispelled. The war machine seems better integrated and better directed.

"Machine tool output in 1942 will be 1300% above the 1929-1938 yearly average. Steel ingot production of around 86,000,000 net tons in 1942, including a sharp rise in electric furnace output, is another impressive feature of the nation's tremendous production record. New capacity is being added steadily. The industry will start the new year comfortably supplied with iron ore and with the prospect of scrap stockpiles well above the 4,400,000 tons on hand last Jan. 1. Shipments of steel in 1942 are believed to include all-time record exports.

"Contrary to some reports, mill backlogs have not been reduced as much as generally supposed. Backlogs on Dec. 1 were about 15 to 20% less than at the start of October. Practically all this reduction was due to WPB's effort to strike a balance between supply and demand by drastic curtailment in PRP and further limitations on the use of steel. Meanwhile, steel orders so far in December have been equal to or in excess of actual production.

"Steel backlogs will be whittled down slowly between now and July 1, 1943, when the new Controlled Materials Plan becomes effective, but so far the so-called suspension of orders for various ordnance and other projects has not effected to any great extent present steel backlogs. Rapid recoveries have been made from the temporary unbalances in raw steel inventories.

"Tin plate production will be stepped up substantially in 1943 over preliminary estimates made a few months ago. By the first of the year, many of the economical electrolytic lines will be in operation.

"The alloy steel situation continues to remain tight and supplies of certain alloy steels are far from meeting demand. The hot top bottleneck still exists. An increase in alloy steel production brings the possibility of an overall reduction in total steel ingot output. Alloy steels take much longer to melt than ordinary carbon steels, and require more processing. Alloy steel production this year will be about 13% of the total steel produced. Next year the percent will gain again.

"Reports from the Midwest indicate that several additional phases of the war program have been trimmed back recently, but so far the reductions have not been reflected in large scale cancellations of steel orders. Apparently, airplanes are now the key to all planning. The aircraft building program for the coming year is double the goal of 1942. Instead of the 60,000-plane schedule for this year, the 1943 program calls for 100,000 ships, a large proportion to be heavily armored bombers, many of them to come from the Willow Run plant now in operation.

"The 3% freight tax which went into effect last week has caused confusion temporarily. On sales of steel made into arbitrary basing points, the tax will be absorbed by producers. On sales made by the customary basing point method, the customer will pay the additional amount from the established basing point to destination, with producers absorbing only to the extent that they have in the past for competitive purposes."

The American Iron and Steel Institute on Dec. 7 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 98.6% of capacity for the week beginning Dec. 7, compared with 98.3% one week ago, 99.6% one month ago and 97.5% one year ago. This represents an increase of 0.3 point or 0.3% from the preceding week. The operating rate for the week beginning Dec. 7 is equivalent to 1,686,700 tons of steel ingots and castings, compared to 1,681,600 tons one week ago, 1,703,800 tons one month ago, and 1,610,900 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Dec. 7 stated in part: "A significant feature in Government orders now being placed is inclusion of a cancellation clause, providing for remuneration and damages if the Government terminates a contract before completion. This provision can be extended from prime to subcontractors and material suppliers.

"Despite the easier situation implied by the reduction in backlogs, war requirements continue to take practically all available steel and Washington officials warn against expectation that material will be available for civilian use in larger measure than at present. When the present shift in character of war equipment is completed demand will be found to absorb output, they say, with the Controlled Materials Plan functioning to match demand to supply and eliminate need to place orders for deferred delivery.

"Steel warehouses are in better position under the new directive plan and shipments have been sufficient that some distributors have received full fourth quarter quotas. Demand is somewhat lighter, attributed to Government contract cancellations and uncertainties under the changing picture of armament requirements. Cold-finished and alloy steel receipts are still scarce but better supplies of hot-rolled NE steels are being received. Under the Controlled Materials Plan warehouses will not be given allotment numbers but will be supplied by directives based on quantities normally supplied to the districts they serve.

"Steel bars continue difficult to obtain on new orders, although some easing is noted in carbon rounds under 1½ inches. Larger rounds and flats and all sizes of alloy and cold-finished steel bars show no improvement and demand is heavy, with large backlogs. Cold-drawn producers find the allocation plan for hot-rolled bars is aiding their production and has improved the situation materially. Changes in specifications and substitutions in alloy steels is the cause of some delay in deliveries.

"Scrap supply in general is easier than for several months and efforts of various agencies to bring out dormant supplies from industrial and other sources are being pushed successfully, resulting in considerable additions to tonnage. While the current situation is satisfactory a shortage might recur late in the winter if vigorous campaigning for further supply were allowed to lag. Considerable reserves have been accumulated and melters are becoming more particular as to grades, some rejections being made. OPA is seeking to minimize these as the lower grade scrap will be needed later. In a few instances steelmakers are holding back shipments. On the other hand direct allocations are in force for districts where supply is less satisfactory.

"Effect of Government restrictions on construction is shown in the report on October bookings, which were 46,811 tons, against 68,520 in September. However, for ten months the loss was only 16.5% from the same period in 1941 and both bookings and shipments to Nov. 1 were larger than in 1940."

Moody's Daily Commodity Index

Tuesday, Dec. 1	230.8
Wednesday, Dec. 2	231.3
Thursday, Dec. 3	232.2
Friday, Dec. 4	232.3
Saturday, Dec. 5	232.7
Monday, Dec. 7	233.2
Tuesday, Dec. 8	232.5
Two weeks ago, Nov. 24	230.4
Month ago, Nov. 7	233.1
Year ago, Nov. 8	210.0
1941 High, Sept. 9	219.9
Low, Feb. 17	171.6
1942 High, Oct. 3	236.4
Low, Jan. 2	220.0

Weekly Statistics Of Paperboard Industry

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

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

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Percent of Activity Cumulative
1942—Week Ended—					
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
Nov. 28	136,655	124,461	321,885	77	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.

November Department Store Sales

The Board of Governors of the Federal Reserve System announced on Dec. 3 that department store sales increased more than seasonally from October to November and the Board's adjusted index rose 7 points further to an estimated 135% of the 1923-25 average.

INDEX OF DEPARTMENT STORE SALES‡ (1923-25 AVERAGE=100)

	Nov., 1942	Oct., 1942	Sept., 1942	Nov., 1941
Adjusted for seasonal variation	135	128	123	116
Without seasonal adjustment	154	137	133	133

Change from corresponding period a year ago (per cent)

Federal Reserve District—	One week ending *Nov. 28	One week ending *Nov. 21	One week ending Nov. 14	One week ending Nov. 7	Four-weeks ending Nov. 28	Four-weeks ending Oct. 31	Four-weeks ending Sept. 26	Four-weeks ending Aug. 29	Year to Nov. 28
Boston	—11	+35	+14	+18	+12	+14	+ 8	— 9	+11
New York	—15	+28	+ 4	+11	+ 5	+13	— 2	—10	+ 6
Philadelphia	+ 2	+ 7	+ 8	+16	+ 8	+17	+ 9	0	+12
Cleveland	0	+24	+15	+18	+14	+18	+ 8	—12	+10
Richmond	+ 1	§+32	+14	+33	+19	+16	+14	+ 5	+19
Atlanta	+ 7	+16	+13	+13	+12	+16	+ 9	— 4	+ 8
Chicago	— 3	§+32	+ 8	+15	+12	+21	+ 6	— 5	+10
St. Louis	0	§+29	+16	+16	+14	+11	+ 5	0	+11
Minneapolis	†	†	†	†	+13	+ 7	+ 3	—15	+ 4
Kansas City	+22	+50	+37	+34	+35	+36	+21	+ 3	+16
Dallas	+ 9	+30	+22	+18	+19	+22	+13	— 8	+ 9
San Francisco	+ 8	+47	+31	+49	+32	+27	+19	— 2	+17
U. S. total	— 2	+30	+13	+20	+14	+19	+ 8	— 6	+11

WEEKLY INDEX, WITHOUT SEASONAL ADJUSTMENT (1935-39 AVERAGE=100)

1942—		1941—	
Oct. 31	158	Nov. 1	138
Nov. 7	166	Nov. 8	139
Nov. 14	166	Nov. 15	148
Nov. 21	§166	Nov. 22	128
Nov. 28	165	Nov. 29	169

*Year ago comparisons for the United States total and for some districts reflect differences in the date of Thanksgiving this year and last. †Not shown separately but included in United States total. ‡Monthly indexes refer to daily average sales in calendar month; November, 1942, figures estimated from weekly sales. §Revised.

October Home Mortgage Recordings Higher

Despite the lessened demand for construction loans caused by the stoppage of non-war housing, the volume of home mortgages recorded in October throughout the country was slightly higher than in September and August, the Federal Home Loan Bank Administration, a unit of the National Housing Agency, reported on Dec. 5.

"During October non-farm mortgages of $20,000 or less recorded by all mortgagees are estimated at $357,000,000, a 3% rise over September but a drop of 20% from October of 1941," the report said. It is also stated that mortgages amounting to approximately $3,400,000,000 have been recorded over the January-October period, 14% less than in the same period last year.

The number and amount of new mortgages made in October, by type of lender, are as follows:

	Number	Amount	Percent
Savings and loan association	37,404	$103,170,000	28.9%
Insurance companies	6,904	32,577,000	9.1
Banks and trust companies	23,227	79,224,000	22.2
Mutual savings banks	3,930	14,817,000	4.2
Individuals	32,844	67,623,000	18.9
Other mortgages	16,605	59,672,000	16.7
Totals	120,914	$357,083,000	100%

From the announcement we also quote:

"After 3 months of slight gains, construction of privately-financed urban dwelling units declined nearly 20% from September to October, contrary to the usual seasonal trend. The number of new one and two family houses was off only 12%, whereas apartment house construction in October was only about one-half that of the previous month.

"Only 172,827 urban dwelling units were built by private funds in the first 10 months of 1942, in comparison with 328,030 during the same period in 1941. These figures are based on building permit data from the U. S. Department of Labor."

October Building Permit Valuations Down 11%; Ten Months' Total Decreased 39% From 1941

October building permit valuations were 11% less than during September, Secretary of Labor Frances Perkins reported on Nov. 28. "The decline was caused by a falling off of 34% in indicated expenditures for new non-residential buildings, and a decline of 20% for additions, alterations, and repairs to existing structures," she said. "Permit valuations for new residential buildings showed a gain of 9% between September and October. The gain resulted wholly from an increase in Federally financed dwellings. A decline of 17% was shown in the value of privately financed construction."

Secretary Perkins added:

"Building permit valuations during the current month were 58% lower than during October, 1941. All types of building shared in the decrease. The decline for new residential buildings amounted to 50%; for new non-residential buildings, 71%; for additions, alterations, and repairs, 55%.

"During the first ten months of 1942, permits were issued in reporting cities for buildings valued at $1,588,918,000, a decrease of 39% as compared with the corresponding period of 1941. Permit valuations for new residential buildings for the first 10 months of the current year amounted to $713,430,000, a decline of 45% as compared with the same period of the preceding year. Over the corresponding period, new non-residential valuations showed a decline of 35% while additions, alterations and repairs fell off by 30%."

The Labor Department's announcement further said:

"Tabulations which were compiled by the Bureau of Labor Statistics include contracts awarded by Federal and State Governments in addition to private and municipal building construction. For October, 1942, Federal and State construction in the 2,263 reporting cities totaled $38,362,000; for September, 1942, $36,494,000; and for October, 1941, $51,344,000.

"Changes in the permit valuations in the 2,263 reporting cities between October, 1942, September, 1942, and October, 1941, are summarized below:

Class of Construction—	Change from Sept. 1942 to Oct. 1942 All Cities
New residential	+ 8.8%
New non-residential	—33.6%
Additions, alters. & repairs	—20.1%
All construction	—11.2%

Class of Construction—	Change from Oct. 1941 to Oct. 1942 All Cities
New residential	—49.7%
New non-residential	—70.5%
Additions, alters. & repairs	—55.3%
All construction	—58.2%

"Comparisons of permit valuations for the cities reporting for the first ten months of 1941 and 1942 are shown in the following table:

Class of Construction—	Change from first 10 months of 1941 to first 10 months of 1942 All Cities
New residential	—44.9%
New non-residential	—34.7%
Additions, alters. & repairs	—30.1%
All construction	—39.2%

"In the 2,263 reporting cities, permits were issued in October, 1942, for new housekeeping dwellings which will provide 16,115 dwelling units, or 13% more than 14,278 dwelling units provided in the previous month, and 44% less than the number provided in October, 1941. Dwelling units in publicly financed projects included in these totals number 5,971 in October, 1942; 2,036 in September, 1942; and 3,087 in October, 1941. In addition the Federal Government awarded contracts in October, 1942, for dormitories to accommodate 1,988 single persons.

"Principal centers of various types of building construction for which permits were issued or contracts were awarded in October, 1942, except those awarded by the War and Navy Departments, Maritime Commission, and the Defense Plant Corporation which have been excluded because of their confidential nature, were: Bristol, Conn., 1-family dwellings to cost $766,000; South Portland, Me., 1-family dwellings to cost $483,000; Philadelphia, Pa., 1-family dwellings to cost $1,057,000; Chicago, Ill., 2-family dwellings to cost $989,000; Detroit, Mich., 1-family dwellings to cost $2,485,000; Lincoln Park, Mich., 1-family dwellings to cost $522,000; Cleveland, Ohio, 1-family dwellings to cost $502,000; Milwaukee, Wis., factories to cost $503,000; Washington, D. C., multi-family dwellings to cost $1,134,000; Alexandria, Va., multi-family dwellings to cost $418,000; Arlington County, Va., boiler houses to cost $562,000; El Paso, Tex., sewage plant to cost $452,000; Los Angeles, Calif., 1-family dwellings to cost $792,000 and industrial buildings to cost $5,924,000; Oakland, Calif., 1-family dwellings to cost $767,000; San Diego, Calif., factories to cost $300,000; San Leandro, Calif., 1-family dwellings to cost $522,000; South Gate, Calif., 1-family dwellings to cost $364,000; Portland, Oreg., 1-family dwellings to cost $348,000; and Seattle, Wash., 1-family dwellings to cost $345,000.

"Contracts were awarded during October for the following publicly financed housing projects containing the indicated number of units: Bridgeport, Conn., $1,957,000 for 500 units; South Portland, Me., $1,272,000 for 750 dormitory apartments; Erie, Pa., $761,000 for 200 demountable units; Corapolis, Pa., $467,000 for 100 units; Marion, Ill., $814,000 for 200 demountable units; Lorain, Ohio, $899,000 for 200 units; Manitowoc, Wis., $875,000 for 250 demountable units; Sturgeon Bay, Wis., $1,750,000 for 500 demountable units; Panama City, Fla., $1,839,000 for 500 demountable units; Baltimore, Md., $1,600,000 for 420 units; Prichard, Ala., $1,595,000 for 400 demountable units; Glendale, Ariz., $175,000 for 51 units; Chula Vista, Calif., $1,165,000 for 300 demountable units, Tacoma, Wash., $1,686,000 for 400 units and $4,484,000 for 1,200 demountable units. In addition, contracts were awarded for dormitory accommodations for 500 persons at Sturgeon Bay, Wis. to cost $510,000; and for 1,488 persons at Fort Worth, Tex., to cost $428,000."

Wholesalers' Sales, Inventories, And Credits In September

September sales of wholesalers, amounting to $335,358,000, was an advance of only 3% over the same month a year ago, according to an announcement released by J. C. Capt, Director of the Census. The gain reported in August of this year as compared with August, 1941 was 2%. An increase of 5% occurred between August and September of 1942, in line with the usual seasonal trend. Sales for the first nine months of 1942 of $3,295,245,000 were 16% above those for the corresponding period of 1941. The advices from the Department state:

"Twenty of the 35 trades for which separate data are presented in this report showed increases in sales for September of this year, compared with September 1941, 12 showed decreases, and three (clothing and furnishings except shoes, optical goods, and lumber and building materials) remained at approximately the same levels. With one exception (industrial supplies) the sales increases were confined to the nondurable goods lines. Wholesalers of meats and meat products recorded an increase of 31%; shoes and other footwear, 14%; groceries and foods, except farm products, 12%; tobacco and its products, 12%; and drugs and sundries (liquor excluded), 11%. Decreases in sales, however, were shown for wholesalers of paper and its products, industrial chemicals, and petroleum. Decreases in the durable goods lines ranged from 2% to 28%, on the basis of a comparison of sales for September, 1942 with those of the same month last year. Sales of wholesalers of furniture and house furnishings ~~was~~ off 28%; electrical goods, 19%; automotive supplies, 13%, and general hardware, 9.

"Inventories, in terms of dollars based on cost values, at the close of September dropped 3%, compared with August, the sixth consecutive month when inventories at the end of the month were lower than those at the beginning. Inventories at the close of September, 1942 were 7% below those for the same date last year, continuing the decline in evidence at the beginning of this year.

"The stock-sales ratio for wholesalers at the close of September, 1942 was 118, as against 127 for September, 1941, and 129 for August, 1942. Of the 32 trades for which stock-sales ratios are shown, 15 registered decreases in their ratios for September, 1942, compared with those for September, 1941, 15 showed increases, and two (shoes and other footwear, and fresh fruits and vegetables) were the same. Full-line wholesalers of groceries and foods, with a 13% increase in sales and an 8% decrease in inventories, registered a stock-sales ratio of 132 for September, 1942, as compared with 158 for September a year ago. General hardware wholesalers, with a sales loss of 9% and a 21% decrease in inventories, recorded a stock-sales ratio of 189 for September of this year, as against a ratio of 210 for September, 1941. Wholesalers of drugs and sundries, dairy and poultry products, and industrial supplies also showed decreases in stock-sales ratios at the close of September, compared with a year ago. Substantial increases in stock-sales ratios, however, were shown for wholesalers of paper and its products, paints and varnishes, clothing and furnishings, and dry goods, on the basis of a comparison with September, 1941.

"Collections on accounts receivable were up more than 17% for September, 1942, compared with September, 1941, and up slightly, compared with August, 1942. The collection ratio for September of this year was 88; for September of last year, 75; and for August, 1942, 87. Accounts receivable were 9% less on Sept. 1, 1942 than on Sept. 1, 1941. Accounts receivable on Sept. 1, 1942 were slightly above those recorded for the beginning of August, 1942."

This monthly study is conducted jointly by the National Association of Credit Men and the Bureau of the Census.

President Signs Bill Creating "SPARS"

President Roosevelt signed on Nov. 23 the bill establishing a women's reserve in the Coast Guard.

The new organization is to be called the "SPARS," formed from the Coast Guard motto, "Semper Paratus" — "Always Prepared." The name was suggested by the new head of the reserves, Lieut. Comdr. Dorothy C. Stratton, who was formerly connected with the Women's Naval Reserve, and prior to that time was dean of women at Purdue University.

The SPARS, expected to number about 8,000 by 1944, will take over the duties of men now stationed on shore, releasing them for combat duty. The new organization, formed from Women's Auxiliary Reserve of the Coast Guard, had unofficially been termed "Warcogs."

The legislation passed the House on Oct. 14 and the Senate, in amended form, on Nov. 12. House agreement on Nov. 16 to Senate amendments sent the bill to the President for signing.

Weekly Coal and Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report, states that production of soft coal declined sharply in the week ended Nov. 28 because of the observance of the Thanksgiving holiday at the mines, and amounted to an estimated total of 10,675,000 net tons, a decrease of 875,000 tons, or 7.6%, from the preceding week. Part of the time lost on the holiday was compensated for on Saturday, Nov. 28. Production in the week ended Nov. 29, 1941 (which did not include a holiday) amounted to 11,632,000 tons. The output of soft coal to date shows an increase of 13.6% over the same period last year.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended Nov. 28 was estimated at 1,156,000 tons, a decrease of 2,000 tons (0.2%) from the preceding week. When compared with the output in the corresponding week of 1941, however, there was an increase of 318,000 tons, or 37.9%. The calendar year to date shows a gain of 5.8%.

The U. S. Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended Nov. 28 showed a decrease of 2,600 tons when compared with the output in the week ended Nov. 21. The quantity of coke from beehive ovens decreased 15,700 tons during the same period.

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

In Net Tons (000 omitted)

	Week Ended			January 1 to Date		
Bituminous and lignite coal—	Nov. 28, 1942	Nov. 21, 1942	Nov. 29, 1941	Nov. 28, 1942	Nov. 29, 1941	Nov. 27, 1937
Total, incl. mine fuel	10,675	11,550	11,632	525,536	462,596	405,145
Daily average	†2,135	1,925	2,006	1,888	1,668	1,458
*Crude petroleum—						
Coal equivalent of weekly output	6,212	6,267	6,546	293,899	290,915	264,893

*Total barrels produced during the week converted into equivalent coal assuming 6,000,000 B.t.u. per barrel of oil and 13,100 B.t.u per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal (Minerals Yearbook, Review of 1940, p. 775). †Average based on five days.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE
(In Net Tons)

	Week Ended			Calendar Year to Date		
Penn. anthracite—	§Nov. 28, 1942	Nov. 21, 1942	Nov. 29, 1941	Nov. 28, 1942	Nov. 29, 1941	Nov. 30, 1929
*Total, incl. colliery fuel	1,156,000	1,158,000	838,000	55,127,000	52,097,000	66,448,000
†Commercial production	1,110,000	1,112,000	796,000	52,463,000	49,492,000	61,664,000
Beehive coke—						
United States total	147,000	162,700	143,300	7,229,300	6,018,200	6,011,700
By-product coke—						
United States total	1,206,800	1,209,400	‡	56,369,900	‡	‡

*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
(In Thousands of Net Tons)

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

	Week Ended					Nov. avge.
State—	Nov. 21, 1942	Nov. 14, 1942	Nov. 22, 1941	Nov. 23, 1940	Nov. 20, 1937	‖1923
Alaska	5	5	6	3	2	**
Alabama	376	352	222	297	246	409
Arkansas and Oklahoma	93	91	95	97	82	100
Colorado	172	159	162	193	178	236
Georgia and North Carolina	1	1	1	1	††	**
Illinois	1,372	1,243	1,194	1,139	1,138	1,571
Indiana	528	510	568	421	395	536
Iowa	62	55	78	78	97	128
Kansas and Missouri	168	175	161	163	168	175
Kentucky—Eastern	960	980	594	730	686	724
Kentucky—Western	296	315	230	191	193	218
Maryland	31	34	21	31	33	35
Michigan	7	7	8	8	14	26
Montana (bituminous and lignite)	110	109	92	77	79	83
New Mexico	36	34	30	22	30	62
North and South Dakota (lignite)	92	101	95	76	72	**35
Ohio	701	690	634	454	492	764
Pennsylvania (bituminous)	2,565	2,385	1,812	2,512	1,815	2,993
Tennessee	140	145	145	122	101	117
Texas (bituminous and lignite)	7	8	8	9	19	29
Utah	110	114	99	99	82	112
Virginia	397	412	338	290	258	217
Washington	51	52	43	40	42	72
*West Virginia—Southern	2,180	2,250	1,526	1,786	1,408	1,271
†West Virginia—Northern	888	913	525	608	476	776
Wyoming	200	200	156	149	124	184
‡Other Western States	2	††	††	1	1	**5
Total bituminous and lignite	11,550	11,340	8,843	9,597	8,231	10,878
§Pennsylvania anthracite	1,158	1,174	907	905	1,029	1,896
Total all coal	12,708	12,514	9,750	10,502	9,260	12,774

*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, California, 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.

National Fertilizer Association Commodity Price Index Unchanged

The weekly wholesale commodity price index compiled by the National Fertilizer Association and made public on Dec. 7, remained unchanged last week at a record level. In the week ended Dec. 5, 1942, this index stood at 130.6% of the 1935-39 average, the same as in the preceding week. A month ago it registered 130.0 and a year ago 117.2. The Association's report also added:

Although there were fractional advances in the foods, miscellaneous commodities, and textiles indexes, these price changes were insufficient to raise the general index above the level of the preceding week. The farm product price index remained unchanged, the net result of advances in cotton and grains, which offset declines in livestock. Advancing prices for corn meal, dried beans, chickens, and cottonseed oil were responsible for the slight rise in the food price index, which advanced for the seventh consecutive week. The index of miscellaneous commodities registered a fractional advance as a result of higher prices for linseed meal, middlings, and bran. The only other group to change during the week was the textile index, which was also fractionally higher.

During the week 17 commodities advanced and four declined; in the preceding week there were 13 advances and two declines; in the second preceding week there were 13 declines and eight advances.

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

% Each Group Bears to the Total Index	Group	Latest Week Dec. 5, 1942	Preceding Week Nov. 28, 1942	Month Ago Oct. 31, 1942	Year Ago Dec. 6, 1941
25.3	Foods	134.2	134.1	132.9	113.1
	Fats and Oils	148.8	147.0	146.2	124.4
	Cottonseed Oil	164.7	160.0	156.1	149.3
23.0	Farm Products	142.1	142.1	142.2	119.2
	Cotton	184.8	182.5	180.2	163.4
	Grains	120.7	117.7	112.3	109.2
	Livestock	139.9	141.2	143.6	112.5
17.3	Fuels	119.3	119.3	119.3	113.3
10.8	Miscellaneous commodities	128.6	128.4	127.2	126.2
8.2	Textiles	148.7	148.4	148.0	140.7
7.1	Metals	104.4	104.4	104.4	104.0
6.1	Building materials	151.3	151.3	151.4	131.2
1.3	Chemicals and drugs	127.6	127.6	120.7	112.0
.3	Fertilizer materials	117.5	117.5	117.4	114.8
.3	Fertilizers	115.3	115.3	115.3	109.8
.3	Farm machinery	104.1	104.1	104.1	100.7
100.0	All groups combined	130.6	130.6	130.0	117.2

*Indexes on 1926-1928 base were: December 5, 1942, 101.7; Nov. 28, 101.7; Dec. 6, 1941, 91.3.

Consumer Instalment Cash Lending Down In Oct.

The Board of Governors of the Federal Reserve System announced on Nov. 28 that consumer instalment loans held by industrial banks, personal finance companies, and credit unions declined by 4% in October to an estimated total of $808,000,000. This represents a decline of 23% since the end of 1941, says the announcement, which adds:

"Loans aggregating $104,000,000 were made by these three types of cash lending institutions in October. The decline in loan volume was 3.2% from September, and 28.1% from October, 1941.

"October repayments were about the same as in September amounting to $137,000,000, and were 9% below estimated collections during the same month a year ago."

INSTALMENT LOANS TO CONSUMERS—OCTOBER, 1942
Estimated Totals for United States

	Amounts in millions of dollars		Percentage changes from—		
	Oct. 1942	Sept. 1942	Sept. '42 to Oct. '42	Oct. '41 to Oct. '42	Jan.-Oct. '41 to Jan.-Oct. '42
Volume of loans made:					
Personal finance companies	58.9	*60.0	— 1.9	—22.8	—17.7
Industrial banking companies	29.8	*31.2	— 3.9	—30.5	—25.5
Credit unions—total	14.8	*15.7	— 6.2	—40.1	—37.6
State-chartered	9.6	*10.3	— 7.0	—40.4	—36.9
Federal-chartered	5.2	5.4	— 4.6	—39.5	—39.0
Repayments:					
Personal finance companies	73.3	73.6	— 0.3	— 7.6	— 3.3
Industrial banking companies	41.8	*40.5	— 3.1	— 5.9	— 6.9
Credit unions—total	22.2	*22.2	— 0.1	—18.9	— 6.3
State-chartered	14.8	*14.8	+ 0.1	—18.2	— 6.5
Federal-chartered	7.4	*7.4	— 0.3	—21.3	— 6.2
Outstanding at end of month:					
Personal finance companies	437.5	452.0	— 3.2	—17.0	----
Industrial banking companies	224.3	*236.2	— 5.0	—26.1	----
Credit unions—total	146.3	*153.9	— 4.9	—32.7	----
State-chartered	104.9	110.2	— 4.8	—31.4	----
Federal-chartered	41.4	*43.7	— 5.2	—35.8	----

*Revised.

November Engineering Construction Up 74%—Federal Work 92% Of Volume

November engineering construction volume totaled $607,622,000, the highest November value ever reported by "Engineering News-Record," on Dec. 1. The total averaged $151,906,000 for each of the four weeks of the month, an increase of 74% over November last year, and 10% above the average for the five weeks of October, 1942. The report continued as follows:

Federal construction accounted for 92% of the November figure, and was up 153% compared with a year ago, and climbed 13% over the average for a month ago. Public work, feeling the effect of the Federal gains, rose 106% above the 1941 month and 10% over the preceding month, despite the respective 72 and 44% declines in State and municipal volume. Private construction was 55% below November, 1941, but was up 4% compared with October, 1942.

Construction volumes for the 1941 month, last month, and this month are:

	Nov., 1941 (four weeks)	Oct., 1942 (five weeks)	Nov., 1942 (four weeks)
Total Construction	$348,800,000	$691,979,000	$607,622,000
Private Construction	68,432,000	37,041,000	30,763,000
Public Construction	280,368,000	654,938,000	576,859,000
State and Municipal	58,977,000	37,234,000	16,647,000
Federal	221,391,000	617,704,000	560,212,000

The November total brought engineering construction for 1942 to date to $8,932,207,000, a gain of 60% over the volume for the corresponding period last year, and already 52% higher than the $5,868,699,000 reported for the entire year 1941. Private construction, $542,544,000, was 52% below the 11-month period a year ago, but public work, $8,389,663,000, was 88% higher, due to the 137% gain in Federal work.

New Capital

New capital for construction purposes for November reached $648,257,000, a peak 236% above the month last year. Federal appropriations for construction made up the major portion of the new financing volume, $612,288,000. The balance was divided as follows: State and municipal bond sales, $3,079,000; corporate security issues, $6,890,000; and RFC loans for industrial expansion, $26,000,000.

The month's financing carried the 1942 11-month new capital volume to $10,204,255,000, a new all-time high, 63% above the period in 1941. Federal construction appropriations, $9,579,186,000, were 93% above last year, and accounted for 94% of the total. Private investment, $385,914,000, was 49% below a year ago; and Federal funds for financing non-Federal work, $239,155,000, were down 59%.

From Washington

(Continued from first page)

their path. Jesse was a terrible fellow. He had the "banker mind." He was, as a matter-of-fact, so damned foolish in these progressive times that he wanted to know where the money was going. Such a mind as that could not win the war, because, to win the war, we had to be daring. Jesse had no sense of that daring, which our up-and-coming New Dealers had. Well, you can't have a man like that on the firing line.

The result of this campaign against Jesse was that a lot of his authority was taken from him, and given over to more daring men, particularly, that daring young man, Henry Wallace. It so happens that a lot of the tremendous authority, which the executive branch had, had been gotten by Jesse from Congress, because Congress considered him to be "banker minded." The executive branch now having gotten this authority, the move was to strip Jesse of it and turn it over to men whom Congress would not have given it to in the first place.

The move was accomplished. One of the authorities taken from Jesse was that of saying where the money of the BEW was going.

Now Congress, revitalized, and with a view to looking into the expenditure of this money which it has appropriated, has a move afoot to turn the BEW's money authority back to Jesse. An awful howl has gone up. Among the leading howlers is Eugene Meyer, the owner of the Washington Post. Eugene has hired a columnist, because of the job he is willing to do on Jesse, not only in Eugene's paper, but on the radio, once a week. Jesse must go!

The height of this latest scream is that here is Henry Wallace's BEW trying to win the war, and it can't talk about how it is trying to win it, because it is a military secret, but that damned Jesse Jones, if he has the purse strings, won't let it.

Wanting to know what we are doing about this money, and, also, not wanting to talk about military secrets, we are reminded of the Latin-American consul, who, a few weeks ago, was caught going with another man's wife out in California. And when the aggrieved husband filed suit for a divorce and named the Latin-American as a co-respondent, the latter exclaimed: "It is giving comfort to Hitler."

Frankly, we don't think the question of giving comfort to Hitler should turn upon Eugene Meyer's inspired campaign against Jesse Jones, or of supporting Henry Wallace's BEW. Eugene Meyer, a multimillionare, doesn't like Jesse, because he, Eugene, considers himself to have been the father of the RFC, and it irks him to have Jesse identified with it all the time. Henry's BEW may well bear investigation, and make no mistake of that. It has thrown money around like nobody's business, and all of it in the guise of "Don't you want to win the war?"

We make this prediction: If a Congressional committee does get into it, it will be such a scandal of waste and crazy ambitions as we have never known. In the meantime, there is this to be said: Of all the bureaucracy in Washington, Jesse Jones' is the only orderly set-up of which this correspondent knows.

* * *

Last week we predicted a pulling away of the American Federation of Labor from the New Deal. We are now prepared to predict that, unless the Administration stops the raiding activities which the CIO is pursuing against the AFL in the Kaiser shipyard plants on the Pacific Coast, that the Federation is prepared to withdraw all of its men from the many joint agencies which are at present set up in Washington, the WPB, the WLB, etc.

Market Value Of Stocks On New York Stock Exchange Lower On Nov. 30

The New York Stock Exchange announced on Dec. 4 that as of the close of business Nov. 30, there were 1,242 stock issues aggregating 1,470,976,125 shares listed on the New York Stock Exchange, with a total market value of $37,374,462,460. This compares with 1,243 stock issues aggregating 1,470,960,448 shares, with a total market value of $37,727,599,526 on Oct. 31 and with 1,234 stock issues aggregating 1,464,476,868 shares, with a total market value of $37,882,316,239 on Nov. 29, 1941.

In making public the figures for Nov. 30, the Exchange also reported:

"As of the close of business Nov. 30, New York Stock Exchange member total net borrowings amounted to $341,873,208. The ratio of these member borrowings to the market value of all listed stocks on that date, was therefore, 0.91%. As the above figure includes all types of member borrowings, these ratios will ordinarily exceed the precise relationship between borrowings on listed shares and their total market value."

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

Group	Nov. 30, 1942 Market Value $	Nov. 30, 1942 Average Price $	Oct. 31, 1942 Market Value $	Oct. 31, 1942 Average Price $
Amusement	310,364,750	14.72	317,184,964	15.05
Automobile	3,028,070,536	25.27	3,082,741,525	25.73
Aviation	532,248,148	15.40	601,827,771	17.41
Building	441,265,189	20.25	427,683,292	19,62
Business & office equipment	300,106,875	25.55	293,457,383	24.98
Chemical	5,271,540,236	55.32	5,258,305,871	55.20
Electrical equipment	1,254,632,528	31.25	1,270,912,926	31.65
Farm machinery	595,258,304	45.43	587,149,685	44.81
Financial	757,109,749	14.92	730,832,882	14.40
Food	2,434,287,558	26.07	2,352,756,167	25.19
Garment	37,544,472	22.44	36,369,310	21.73
Land & realty	18,408,221	3.79	16,305,768	3.36
Leather	178,510,350	21.23	182,860,466	21.75
Machinery & metals	1,291,962,859	18.87	1,302,771,130	19.03
Mining (excluding iron)	1,220,930,876	20.66	1,333,882,119	22,57
Paper & publishing	337,538,708	15.17	349,468,297	15.73
Petroleum	4,196,674,076	21.87	4,209,129,575	21.93
Railroad	2,815,164,220	24.71	3,000,614,313	26.34
Retail merchandising	1,916,483,384	26.30	1,824,225,032	25.03
Rubber	377,835,105	35.76	377,515,713	35.69
Ship building & operating	92,996,045	19.51	101,937,172	21.39
Shipping services	10,917,097	5.90	12,351,777	6.67
Steel, iron & coke	1,866,725,139	37.27	1,986,388,036	39.66
Textiles	355,694,532	25.28	355,621,039	25.27
Tobacco	1,000,163,397	37.34	1,014,013,227	37.86
Utilities:				
Gas & electric (operating)	1,624,405,244	17.55	1,639,527,912	17.72
Gas & electric (holding)	684,919,788	7.15	715,011,719	7.46
Communications	2,930,175,485	70.07	2,847,519,295	68.10
Miscellaneous	79,183,807	10.80	78,526,921	10.71
U. S. companies oper. abroad	547,862,352	16.17	526,403,555	15.54
Foreign companies	759,795,992	18.77	786,137,548	19.42
Miscellaneous businesses	105,687,375	18.00	108,167,136	18.43
All Listed Stocks	37,374,462,460	25.41	37,727,599,526	25.65

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

	Market Value $	Average Price $		Market Value $	Average Price $
1940—			1941—		
Aug. 31	40,706,241,811	28.00	Oct. 31	39,057,023,174	26.66
Sept. 30	41,491,698,705	28.56	Nov. 29	37,882,316,239	25.87
Oct. 31	42,673,890,518	29.38	Dec. 31	35,785,946,533	24.46
Nov. 30	41,848,246,961	28.72	1942—		
Dec. 31	41,890,646,959	28.80	Jan. 31	36,228,397,999	24.70
1941—			Feb. 28	35,234,173,432	24.02
Jan. 31	40,279,504,457	27.68	Mar. 31	32,844,183,750	22.36
Feb. 28	39,398,228,749	27.08	Apr. 30	31,449,206,904	21.41
Mar. 31	39,696,269,155	27.24	May 29	32,913,725,225	22.40
Apr. 30	37,710,958,708	25.78	June 30	33,419,047,743	22.73
May 31	37,815,306,034	25.84	July 31	34,443,805,860	23.42
June 30	39,607,836,569	27.07	Aug. 31	34,871,607,323	23.70
July 31	41,654,256,215	28.46	Sept. 30	35,604,809,453	24.20
Aug. 30	41,472,032,904	28.32	Oct. 31	37,727,599,526	25.65
Sept. 30	40,984,419,434	28.02	Nov. 30	37,374,462,460	25.41

Engineering Construction Up 10% As Federal Volume Gains Over 1941 Week

Engineering construction volume for the week, $103,143,000, tops the total for the corresponding 1941 week by 10%, and is well in excess of the $65,929,000 reported for the holiday-shortened preceding week by "Engineering News-Record" on Dec. 3. The report added:

Federal construction accounts for 93% of the week's volume and is 35% higher than in the week last year. As a result of the Federal gain, public construction is 18% above a year ago, despite a 71% drop in State and municipal work. Private volume is 60% below the 1941 week's total.

The current week's volume brings 1942 construction to $9,035,-350,000, an increase of 59% over the total for the 49-week period last year. Private construction for the period, $546,182,000, is 52% below a year ago, but public work, $8,489,168,000, is 86% higher, due to the 134% gain in Federal.

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

	Dec. 4, 1941 (five days)	Nov. 26, 1942 (four days)	Dec. 3, 1942 (five days)
Total Construction	$93,488,000	$65,929,000	$103,143,000
Private Construction	9,105,000	8,689,000	3,638,000
Public Construction	84,383,000	57,240,000	99,505,000
State and Municipal	13,488,000	3,733,000	3,853,000
Federal	70,895,000	53,507,000	95,652,000

In the classified construction groups, gains over the 1941 week are in waterworks, public buildings, and unclassified construction. Increases over the short preceding week are in waterworks, industrial buildings, public buildings, earthwork and drainage, and streets and roads. Subtotals for the week in each class of construction are: waterworks, $3,768,000; sewerage, $795,000; bridges, $135,000; industrial buildings, $910,000; commercial buildings, $2,410,000; public buildings, $76,844,000; earthwork and drainage, $424,000; streets and roads, $5,246,000; and unclassified construction, $12,611,000.

New capital for construction purposes for the week totals $3,008,-000. This compares with $14,297,000 for the corresponding week last year. The current week's new financing is made up of $1,508,000 in State and municipal bond sales, $500,000 in corporate security issues, and $1,000,000 in RFC loans for public improvements.

New construction financing for the year to date, $10,207,263,000, is up 62% compared with the $6,296,594,000 reported for the 49-week period in 1941.

Condition Of All Active Banks On June 30, 1942

In a compilation issued Nov. 19, Comptroller of the Currency Preston Delano lists the assets and liabilities of all active banks in the United States and possessions on June 30, 1942, and comparisons of such figures with the assets and liabilities of all active banks on Dec. 31, 1941, and June 30, 1941.

Assets of the 14,815 active banks (excluding banks in Guam and the Philippines on account of the war) on June 30, 1942, the Comptroller reports, amounted to $92,259,991,000, as against $91,453,694,000 on Dec. 31, 1941, for 14,885 banks, and $87,828,719,000 on June 30, 1941, for 14,919 banks. Of the total assets for June 30, 1942, the 5,107 National banks held $44,718,965,000, the 9,119 State (commercial) banks had $35,690,064,000, the 538 mutual savings banks had $11,-655,913,000, and the 51 private banks had $195,049,000.

Total deposits of the 14,815 active banks on the latest date amounted to $83,029,575,000, with the National banks holding $40,-659,117,000; the State banks, $31,834,195,000; the mutual savings banks, $10,371,431,000, and the private banks, $164,832,000.

The principal assets of all banks on the latest date were: Loans on real estate, $9,617,560,000; other loans, including overdrafts, $15,-560,745,000; United States Government securities, direct and guaranteed, $30,363,023,000; obligations of States and political subdivisions, $3,974,821,000; other bonds, notes and debentures, $4,027,470,000, and balances with other banks, including reserve balances, $24,236,259,000.

Total capital accounts of the banks amounted to $8,522,218,000, consisting principally of $2,603,601,000 common stock, $3,746,111,000 surplus and $1,270,261,000 undivided profits.

The Comptroller's tabulation follows:

(In thousands of dollars)

	June 30, '42	Dec. 31, '41	June 30, '41
Number of banks	14,815*	14,885	14,919
Assets—			
Loans on real estate	$9,617,560	$9,718,071	$9,633,305
Other loans, including overdrafts	15,560,745	17,120,294	15,910,133
Total loans	$25,178,305	$26,838,365	$25,543,438
U. S. Government securities:			
Direct obligations	27,287,165	21,070,177	18,892,790
Guaranteed obligations	3,075,858	4,483,632	4,684,271
Obligations of States and political subdivisions	3,974,821	4,196,861	4,206,526
Other bonds, notes and debentures	4,027,470	4,165,115	4,242,115
Corporate stocks, including stock of Federal Reserve banks	650,798	673,561	704,030
Total investments	$39,016,112	$34,589,346	$32,729,732
Currency and coin	1,446,780	1,545,018	1,408,306
Balances with other banks, including reserve balances	24,236,259†	25,942,377	25,471,008
Bank premises owned, furniture and fixtures	1,204,320	1,209,480	1,222,200
Real estate owned other than bank premises	614,523	706,486	834,353
Investments and other assets indirectly representing bank premises or other real estate	127,781	133,125	144,408
Customers' liability on acceptances outstanding	67,961	84,461	90,360
Interest, commissions, rent, and other income earned or accrued but not collected	367,950	162,893	157,961
Other assets		242,143	226,953
Total assets	$92,259,991†	$91,453,694	$87,828,719
Liabilities—			
Deposits of individuals, partnerships and corporations:			
Demand	$39,983,386	$37,805,431	$35,571,528
Time	25,613,382	26,063,374	26,247,184
U. S. Government and postal savings deposits	1,902,191	1,947,950	800,326
Deposits of States and political subdivisions	4,454,371	4,303,416	4,140,029
Deposits of banks	10,295,050†	11,015,110	10,982,431
Other deposits (certified and cashiers' checks, &c.)	781,195	1,097,979	807,831
Total deposits	$83,029,575†	$82,233,260	$78,549,329
Bills payable, rediscounts and other liabilities for borrowed money	20,736	22,593	22,559
Acceptances executed by or for account of reporting banks	78,641	100,521	106,594
Interest, discount, rent and other income collected but not earned		97,811	101,181
Interest, taxes and other expenses accrued and unpaid	608,821	124,227	114,899
Other liabilities		380,145	409,638
Total liabilities	$83,737,773†	$82,958,557	$79,304,200
Capital Accounts—			
Capital notes and debentures	104,171	108,194	114,683
Preferred stock	290,914	312,085	331,945
Common stock	2,603,601	2,614,082	2,608,377
Surplus	3,746,111	3,704,368	3,616,763
Undivided profits	1,270,261	1,248,461	1,247,041
Reserves for retirement account for preferred stock and capital notes and debentures	507,160	507,947	605,710
Total capital accounts	$8,522,218	$8,495,137	$8,524,519
Total liabilities and capital accounts	$92,259,991†	$91,453,694	$87,828,719

*Excludes banks in Guam and the Philippines on account of the war. †Amounts as of June 30, 1942, are not comparable with amounts reported for prior dates because of the exclusion on that date of $643,728,000 of reciprocal interbank demand balances with banks in the United States, reported by commercial banks. Such balances were previous reported gross.

Life Ins. In Force At Highest Level On Record Totals $130 Billions And Covers 67 Million

Reaching the highest level on record, life insurance in force in all United States legal reserve companies at the end of 1942 will approximate $130,000,000,000, a 4% increase during the year, and will cover about 67,000,000 policyholders—half the population, it was announced on Dec. 3 by Vincent P. Whitsitt, Manager and General Counsel of The Association of Life Insurance Presidents, at a business meeting of the Association in New York City. The Association's annual two-day convention, at which the year's figures were to have been presented, was cancelled in view of wartime transportation needs. The announcement contrasted the 1942 total with the $27,000,000,000 in force at the end of 1917 when the nation was deep in the first World War. Then the lives of about 25,-000,000 persons were insured, for an average of $1,080 per policyholder. Now the average per policyholder is $1,940. Funds flowing from the companies to policyholders, beneficiaries and annuitants averaged $2,600,000,000 in annual volume over the last 10 years, Mr. Whittsitt stated, and for the year 1942 wil approximate $2,400,000,000. This, it is indicated, will include $1,000,000,000 paid as death benefits to beneficiaries of deceased policyholders, and $1,-400,000,000 paid to living contract holders in the form of matured endowments, annuities, surrender values, dividends and disability benefits.

The Association's Manager praised the American agency system, stating that trained and experienced fieldmen are rendering personal and individualized services which have brought the benefits of life insurance into the vast majority of American homes. Americans, he said, have achieved a total life insurance coverage surpassing that of all other peoples of the world combined. For 1942, he reported, the amount of life insurance—not including revivals, increases and dividend additions — purchased from all United States legal reserve life insurance companies is estimated at $12,100,000,000. This is 7% less than the 1941 total—$12,980,-000,000—which was the highest annual amount since 1931, and approximates the average annual volume for the last 10 years. In addition to their regular activities, Mr. Whitsitt added, life insurance fieldmen have voluntarily undertaken an extensive campaign to promote the sale of War Bonds and, up to Nov. 1, 1942, had been responsible for total sales and pledges of $2,035,000,000.

While life insurance, in America, has reached its highest development in promoting human welfare, a more realistic appreciation of its value in American life has come from the world crisis and the war emergency, Mr. Whitsitt said. He continued:

"This is not alone because we recognize that victory depends upon the strength and quality of our economic and moral resources and that life insurance helps our people to develop and conserve these resources. It is also because we know that the survival of democracy among any people requires their independence—economically and spiritually. The unhappy experiences of other peoples, who have been trampled under the heels of dictators, have demonstrated how effectively the prevalence of economic dependency on the State, and the weakening of the family as a moral influence, can be utilized by unscrupulous leaders to undermine popular resistance to the usurpation of individual rights. To the extent that life insurance has helped to combat these dangers in America, and to foster a spirit of self-respect and independence, it has contributed toward the preservation and reinforcement, in our land, of those principles of freedom and justice which are basic not only to American life but to the whole of our civilization."

In presenting the report, Mr. Whitsitt announced that the Association's annual survey of life insurance investments will be issued in the near future.

Two Labor Officials Placed In WPB Posts

The appointment of two labor experts to important posts on the War Production Board was announced on Nov. 24 by Chairman Donald M. Nelson. Harold J. Ruttenberg, research director of the United Steel Workers (CIO), was named as special assistant to H. G. Batcheller, Director of the Steel Division, and Matthew J. Burns, former President of the International Union of Paper Makers (AFL) and more recently on the staff of the WPB Labor Production Division, has been designated as special assistant to A. G. Wakeman, Director of the Pulp and Paper Division.

The appointments, it was stated, were made "in accordance with the program for more effective cooperation between labor and WPB which has been developed by WPB Vice Chairman Ferdinand Eberstadt and Ernest Kanzler, Director General for Operations, with Wendell Lund, Director of the Labor Production Division."

Daily Average Crude Oil Production For Week Ended Nov. 28, 1942, Declined 34,400 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Nov. 28, 1942, was 3,878,000 barrels, a decline of 34,400 barrels from the preceding week, and 208,600 barrels per day less than during the corresponding period last year. The current figure was also 153,400 barrels below the daily average figure for the month of November, 1942, as recommended by the Office of Petroleum Coordinator. Daily production for the four weeks ended Nov. 28, 1942, averaged 3,877,150 barrels. Further details as reported by the Institute follow:

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, 3,736,000 barrels of crude oil daily during the week ended Nov. 28, 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, 78,854,000 barrels of finished and unfinished gasoline. The total amount of gasoline produced by all companies is estimated to have been 11,269,000 barrels during the week ended Nov. 28, 1942.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*O.P.C. Recommendations November	*State Allowables Beginning Nov. 1	—Actual Production— Week Ended Nov. 28 1942	Change From Previous Week	4 Weeks Ended Nov. 28 1942	Week Ended Nov. 29 1941
Oklahoma	407,500	407,500	†365,700	+ 2,400	363,800	425,100
Kansas	300,700	300,700	†299,100	—12,450	296,250	249,200
Nebraska	3,400	------	†2,950	— 300	3,150	5,800
Panhandle Texas			89,800	------	89,800	85,100
North Texas			137,600	------	137,600	138,000
West Texas			212,750	+ 250	212,200	286,500
East Central Texas			95,800	+ 200	95,200	86,100
East Texas			354,800	------	354,800	369,500
Southwest Texas			176,550	+ 3,300	173,300	216,250
Coastal Texas			313,400	+ 500	312,800	291,200
Total Texas	1,381,000	‡1,447,368	1,380,700	+ 4,250	1,375,700	1,472,650
North Louisiana			96,550	— 150	96,150	81,600
Coastal Louisiana			228,700	------	228,200	266,850
Total Louisiana	333,800	345,800	325,250	— 150	324,350	348,450
Arkansas	77,200	73,461	73,600	— 400	73,950	74,050
Mississippi	50,000		†60,950	— 3,550	64,600	74,450
Illinois	280,900		255,650	— 8,450	256,350	400,300
Indiana	18,400		†16,200	— 650	16,600	18,400
Eastern (not incl. Ill. & Ind.)	105,200		90,350	— 3,800	91,950	96,250
Michigan	64,500		58,400	— 2,650	61,900	56,950
Wyoming	94,400		90,700	— 1,750	90,800	82,050
Montana	24,800		22,550	— 100	22,200	21,400
Colorado	7,000		7,000	+ 800	6,500	5,350
New Mexico	100,600	100,600	95,800	------	97,900	117,800
Total East of Calif.	3,249,400		3,144,900	—26,800	3,146,000	3,448,200
California	782,000	§782,000	733,100	— 7,600	731,150	638,400
Total United States	4,031,400		3,878,000	—34,400	3,877,150	4,086,600

*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 proration. Actual state production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline and allied products in August, 1942, as follows: Oklahoma, 29,000; Kansas, 4,500; Texas, 102,400; Louisiana, 19,700; Arkansas, 2,800; Illinois, 8,800; Eastern (not including Illinois and Indiana), 8,400; Michigan, 200; Wyoming, 2,400; Montana, 200; New Mexico, 6,200; California, 42,100.

†Oklahoma, Kansas, Nebraska, Mississippi, Indiana figures are for week ended 7 a.m. Nov. 25.

‡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.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE AND GAS AND FUEL OIL, WEEK ENDED NOV. 28, 1942
(Figures in Thousands of barrels of 42 Gallons Each)

Figures in this section include reported totals plus an estimate of unreported amounts and are —therefore on a Bureau of Mines basis—

District—	Daily Refining Capacity Potential Rate	% Reporting	Crude Runs to Stills Daily Average	% Operated	Gasoline Production at Refineries Includ. Natural Blended	Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuels	‡Stocks of Residual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,440	88.2	1,639	67.2	4,808	37,785	27,224	17,271
Appalachian	176	84.8	162	92.0	498	2,549	761	387
Ind., Ill., Ky.	804	84.9	747	92.9	2,546	13,467	6,330	2,449
Okla., Kansas, Mo.	416	80.1	372	89.4	1,281	5,996	2,043	1,438
Rocky Mountain	147	48.0	89	60.5	337	1,481	423	600
California	817	89.9	727	89.0	1,799	17,576	12,958	55,651
Tot. U. S. B. of M. basis, Nov. 28, 1942	4,800	85.9	3,736	77.8	11,269	†78,854	49,739	77,796
Tot. U. S. B. of M. basis, Nov. 28, 1942	4,800	85.9	3,722	77.5	11,431	78,586	49,541	§77,012
U. S. Bur. of Mines basis, Nov. 29, 1941			4,145		14,329	86,889	55,251	94,817

*At the request of the Office of Petroleum Coordinator. Finished 69,842,000 bbls.; unfinished 9,012,000 bbls. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Revised downward by 767,000 bbls. in combined area due to the exclusion beginning with Nov. 21 of government-owned supplies previously included without explanation for the period from Oct. 3 to Nov. 21, but which in no wise enter or affect the domestic inventory position.

Wholesale Commodity Prices Again Stable In Nov. 28 Week, Labor Bureau Reports

The Bureau of Labor Statistics, U. S. Department of Labor, announced on Dec. 3 that prices for certain farm commodities and their products, particularly grains, cereal products, and fruits and vegetables continued to rise during the last week of November. However, markets for other commodities have become fairly well stabilized under Government regulation and the Bureau's comprehensive index of nearly 900 price series has remained unchanged for three consecutive weeks at 100.1% of the 1926 average.

The Bureau's announcement further states:

"**Farm Products and Foods:** A decline of nearly 3% in hog prices and lower quotations for steers, cotton and peanuts brought the level for farm products down 0.1% during the week. All grains and most fruits and vegetables advanced sharply, however. Corn, oats, and rye rose more than 2%; wheat, about 1.5%, and barley, 0.5%. Higher prices were also reported for apples, lemons, onions, sweet potatoes, and for sheep.

"Average prices for foods in primary markets rose 0.3% during the week to the highest level since the autumn of 1928. In addition to an increase of nearly 2% for fruits and vegetables, higher prices were also reported for wheat flour, oatmeal, corn meal and cottonseed oil. Prices were lower for dressed poultry in the Chicago market, for rye flour and for oranges.

"Notwithstanding the decline in farm product prices during the last week of November, they are 1.6% higher than for the corresponding week of October, while food prices are up 0.6% over the level of a month ago.

"An increase of approximately 2.5% in prices for cottonseed meal caused the index of cattle feed prices to rise 0.3%.

"**Industrial Commodities:** Except for lower quotations for rosin, neutral oil, and maple flooring, markets for industrial commodities continued steady."

The Bureau makes the following notation:

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 three weeks, for Oct. 31, 1942 and Nov. 29, 1941:

(1926=100)

Commodity groups	11-28 1942	11-21 1942	11-14 1942	10-31 1942	11-29 1941	Percentage changes to Nov. 28, 1942 from— 11-21 1942	10-31 1942	11-29 1941
All commodities	*100.1	*100.1	*100.1	*99.7	92.3	0	+0.4	+ 8.5
Farm products	110.8	110.9	110.7	109.1	91.1	—0.1	+1.6	+21.6
Foods	103.6	103.3	103.0	103.0	89.2	+0.3	+0.6	+16.1
Hides and leather products	118.4	118.4	118.4	118.4	115.4	0	0	+ 2.6
Textile products	96.6	96.6	96.6	96.6	90.6	0	0	+ 6.6
Fuel and lighting materials	79.7	79.7	79.7	79.6	79.4	0	+0.1	+ 0.4
Metals and metal products	*103.9	*103.9	*103.9	*103.9	103.3	0	0	+ 0.6
Building materials	110.2	110.2	110.2	110.2	107.4	0	0	+ 2.6
Chemicals and allied products	99.5	99.5	99.5	96.1	89.7	0	+3.5	+10.9
Housefurnishing goods	104.1	104.1	104.1	104.1	101.9	0	0	+ 2.2
Miscellaneous commodities	89.9	89.9	90.0	88.5	87.1	0	+1.6	+ 3.2
Raw materials	103.8	103.8	103.7	102.7	90.2	0	+1.1	+15.1
Semimanufactured articles	92.5	92.5	92.5	92.5	89.6	0	0	+ 3.2
Manufactured products	*99.7	*99.7	*99.7	*99.5	93.9	0	+0.2	+ 6.2
All commodities other than farm products	*97.8	*97.8	*97.8	*97.7	92.6	0	+0.1	+ 5.6
All commodities other than farm products and foods	*96.1	*96.1	*96.1	*95.7	93.7	0	+0.4	+ 2.6

*Preliminary.

Non-Ferrous Metals—Zinc Conservation Order Further Restricts Non-Essential Uses

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 Dec. 3, stated: "The trend in consumption of critical non-ferrous metals in what the War Production Board regards as non-essential uses in a war economy continues downward. During the last week the conservation order for zinc was revised 'to make more of the metal available for ammunition.' Wire mills are having no easy time getting copper. Makers of refrigerators were given no encouragement whatever in reply to a question as to whether larger tonnages of copper would be allocated for use in the industry during 1943. Price ceilings on fluorspar ore and 40% manganese ore were eliminated last week by OPA to encourage production." The publication further went on to say in part:

Copper

Wire mills were held down to a minimum in obtaining December copper, indicating that the brass mills again received prior consideration because of enlarged war needs. Refrigerator makers met in New York during the last week and questioned WPB officials about the outlook for copper for next year so far as their industry is concerned. They were informed that new types of ammunition would take most of the available supply of the metal and this would probably prevent the industry from obtaining larger quantities of copper in 1943.

The price situation has not changed. Domestic copper is selling on the basis of 12¢, Valley, and foreign copper is coming into the country on the basis of 11.75¢, f.a.s. United States ports.

Lead

The regular monthly meeting on allocation of foreign lead was held in Washington on Dec. 1. Virtually all of the lead that will be imported during December will be turned over to consumers, the trade believes, so that by the end of the year the supply in the hands of Metals Reserve Co. will remain just about at the same level as a month previous. Though the Government's stocks are known to be large, WPB is not inclined at present to release lead from the stockpile. Imports from Mexico during December will be smaller than in recent months, owing to temporary transportation difficulties.

Demand for lead continues fairly active and sales are expected to pick up appreciably as soon as buyers and sellers get together on January business. Sales of common lead for the last week exceed those in the week previous. Quotations continued at 6.50¢, New York, and 6.35¢, St. Louis.

Zinc

In amending Conservation Order M-11-b on Nov. 26, WPB further restricted the use of zinc in non-essential civilian applications and eased the regulations in a few instances. The net result will be larger supplies of zinc available for ammunition and other war products. The revised order clarifies the language of the original document on the status of protective coatings and galvanizing. Paint, however, is not classified in the order as a protective coating.

So far as producers of zinc are concerned, the revised order will not influence operations one way or the other. Zinc has been under full allocation for some time, and any metal not distributed monthly to the consuming trades moves promptly into the Government's emergency stockpile. Lend-lease demands for zinc have increased this year, making it impossible for producers to properly appraise the demand-supply factor.

The price continued last week on the basis of 8.25¢ a pound for Prime Western, St. Louis. The average price for November was 8.25¢ for the 13th consecutive month.

Manganese Ore

Metallurgical manganese ore with a Mn content of 40% or less has been exempted from price control by OPA. This action raises the limit on exempt manganese ore from 35% to 40%. Ore of the grade named is being used in the production of ferromanganese when blended with ore containing a higher percentage of Mn. The effective date of the amendment is Dec. 1, 1942.

Fluorspar Ores

To facilitate expansion in production, OPA on Nov. 29 freed fluorspar ores from price control. Effective Nov. 23, ceiling prices, previously fixed at the highest level charged during the month of March, 1942, were removed in Amendment 42 to Supplementary Regulation 1 to the General Maximum Price Regulation.

Tin

The tin conservation order has been amended to limit the use of the metal in coating for foundry chaplets to 5% or less. At the same time, manufacture and use of tin oxide has been forbidden. Satisfactory substitutes for tin oxide are available, WPB reports.

The price situation in tin was unchanged last week. Straits quality tin for forward shipment was nominally as follows:

	Dec.	Jan.	Feb.
Nov. 26	—Holiday—		
Nov. 27	52.000	52.000	52.000
Nov. 28	52.000	52.000	52.000
Nov. 30	52.000	52.000	52.000
Dec. 1	52.000	52.000	52.000
Dec. 2	52.000	52.000	52.000

Chinese tin, 99% grade, spot or nearby delivery, 51.125c all week.

Quicksilver

Though the market appears to be inactive, sellers report a fair volume of business almost daily. With nearby production of quicksilver well sold up, the undertone remains firm. Producers are not willing sellers of forward metal at a discount, believing that war needs will remain high for some time to come. Quotations in New York continued at $196 @ $198 per flask.

Silver

Makers of gold plate and gold-filled stock may adjust their prices upward to the extent that their costs have been increased by the use of newly mined domestic silver, OPA ruled last week. Imported silver, it is stated by OPA, has been channeled into war goods and makers of the items named have substituted domestic silver.

The silver market in London was unchanged last week at 23½d. The New York Official remained at 44¾¢, and the Treasury's price held at 35¢.

Daily Prices

The daily prices of electrolytic copper (domestic and export, refinery), lead, zinc and Straits tin were unchanged from those appearing in the "Commercial and Financial Chronicle" as of July 31, 1942, page 380.

Renamed Members Of ICC

President Roosevelt sent to the Senate on Nov. 16 nominations reappointing Clyde B. Aitchison and Claude R. Porter as members of the Interstate Commerce Commission. Mr. Aitchison has been serving as Acting Chairman of the ICC since January, 1942, when Joseph B. Eastman took a leave of absence to become Director of the Office of Defense Transportation.

Trading On New York Exchanges

The Securities and Exchange Commission made public on Dec. 4, 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. 21, 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. 21 (in round-lot transactions) totaled 1,048,380 shares, which amount was 15.42% of total transactions on the Exchange of 3,399,250 shares. This compares with member trading during the previous week ended Nov. 14 of 1,200,548 shares, or 15.34% of total trading of 3,914,350 shares. On the New York Curb Exchange, member trading during the week ended Nov. 21 amounted to 166,540 shares, or 14.26% of the total volume of that Exchange of 584,090 shares; during the preceding week trading for the account of Curb members of 194,165 shares was 17.02% of total trading of 570,350 shares.

The Commission made available the following data for the week ended Nov. 21:

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	657
1. Reports showing transactions as specialists	171	92
2. Reports showing other transactions initiated on the floor	157	29
3. Reports showing other transactions initiated off the floor	194	75
4. Reports showing no transactions	526	529

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. 21, 1942

	Total for Week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	62,180	
‡Other sales	3,337,070	
Total sales	3,399,250	
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	258,620	
Short sales	36,310	
‡Other sales	217,880	
Total sales	254,190	7.54
2. Other transactions initiated on the floor—		
Total purchases	178,200	
Short sales	10,000	
‡Other sales	152,140	
Total sales	162,140	5.01
3. Other transactions initiated off the floor—		
Total purchases	97,560	
Short sales	4,500	
‡Other sales	93,170	
Total sales	97,670	2.87
4. Total—		
Total purchases	534,380	
Short sales	50,810	
‡Other sales	463,190	
Total sales	514,000	15.42

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

WEEK ENDED NOV. 21, 1942

	Total for Week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	3,070	
‡Other sales	581,020	
Total sales	584,090	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	45,840	
Short sales	2,220	
‡Other sales	54,330	
Total sales	56,550	8.76
2. Other transactions initiated on the floor—		
Total purchases	12,025	
Short sales	300	
‡Other sales	11,000	
Total sales	11,300	2.00
3. Other transactions initiated off the floor—		
Total purchases	28,460	
Short sales	0	
‡Other sales	12,365	
Total sales	12,365	3.50
4. Total—		
Total purchases	86,325	
Short sales	2,520	
‡Other sales	77,695	
Total sales	80,215	14.26
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	34,457	
Total purchases	34,457	
Total sales	18,288	

*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."

Automobile Financing And Diversified Financing For Month Of October

The number of new passenger cars financed by sales finance companies decreased 42% in October, 1942, compared with September of this year, according to an announcement released on Nov. 30 by J. C. Capt, Director of the Census. The dollar volume of paper acquired in new passenger car financing was also off 42%. In used passenger car financing, the number of cars decreased 22%, while the dollar volume of paper acquired decreased only 20%. Compared with the preceding month, the number of new commercial cars financed was 24% less in October and the dollar volume of paper acquired, 17%. The number of used commercial cars financed decreased 24%, while the dollar volume of paper acquired was off only 19%.

The volume of retail automotive outstandings held by sales finance companies was 13% less as of Oct. 31, than as of Sept. 30, 1942, bringing the index down to 51. The index which stood at 164 at the end of October, 1941, indicates the continuing steady reduction of outstanding balances.

Wholesale automotive paper acquired during October, 1942, by sales finance companies declined 14% in volume from September of this year for new passenger and new commercial cars, but increased 5% for used passenger and used commercial cars. The volume of outstanding balances for this type of paper decreased 9% from Sept. 30, 1942, to Oct. 31, 1942.

A comparison of the retail diversified financing by sales finance companies during October, 1942, with their respective volumes recorded in September of this year showed an increase of 49% for industrial, commercial, and farm equipment; 20% for refrigerators; 17% for radios and other musical instruments; 10% for furniture; and 9% for residential building repair and modernization. The financing of other household appliances, however, fell off 21%. In October the volume of wholesale diversified paper acquired was 8% above that reported for September.

As of Oct. 31, 1942, compared with Sept. 30, 1942, the volume of diversified outstanding balances held by sales finance companies decreased 7% for the retail financing of other consumers' goods; 11% for industrial, commercial, and farm equipment; and 13% for wholesale diversified financing (other than automotive).

The ratios of the paper acquired during October, 1942, to the outstanding balances as of Oct. 31, 1942, were 4% for retail automotive; 5% for wholesale automotive; 16% for wholesale—other than automotive; 4% for retail—other consumers' goods; and 4% for industrial, commercial, and farm equipment.

These data on the current trends of sales financing during October, 1942, were based on reports from 268 sales finance companies, and the dollar volumes should not be used to indicate the total amount of financing by all sales finance companies in the United States. The data are published as reported without adjustment for seasonal or price fluctuations. The figures presented in tables below are not comparable to those published for previous months since monthly reports have not been received each month from identical sales finance companies. All indexes for October were obtained by calculating the percent changes from September to October, as shown by data on reports for both months from the same sales finance companies, and by linking these percentages to the indexes previously derived for September, 1942.

Sales—Finance Companies

AUTOMOTIVE AND DIVERSIFIED FINANCING

Volume of Paper Acquired During October, 1942, and Balance Outstanding October 31, 1942

Class of Paper—	Dollar volume of paper acquired during October, 1942: By all companies	By all companies reporting outstanding balances†	Outstanding balances Oct. 31, 1942†	Ratio of paper acquired to outstand'g balances‡
Total retail automotive	$16,727,109	$16,353,869	$427,592,052	4
Total wholesale automotive	9,940,744	9,870,262	201,518,935	5
Total wholesale—other than automotive	586,785	535,448	3,266,606	16
Total retail—other consum. goods	7,570,729	7,364,068	174,684,018	4
Industrial, commercial and farm equipment	533,221	517,190	13,010,910	4
Total sales financings	$35,358,588	$34,640,837	$820,072,521	4

†Data are based on figures from sales finance companies able to report both their paper acquired and their outstanding balances.

‡Ratios obtained by dividing paper acquired (column 2) by outstanding balances (column 3).

AUTOMOTIVE FINANCING *

Number of Cars Financed and Volume of Paper Acquired During October, 1942

Class of Paper—	Number of cars: Number	% of total	Paper acquired: Dollar Volume	% of total
Total retail automotive	37,944	100	$16,002,289†	100
New passenger cars	2,729	7	2,253,513	14
New commercial cars	181	1	223,320	2
Used passenger cars	33,683	89	12,848,856	80
Used commercial cars	1,351	3	676,600	4
Total wholesale automotive	----	--	$9,361,949†	100
New cars (passenger and commercial)	----	--	5,633,190	60
Used cars (passenger and commercial)	----	--	3,728,759	40

*Data are based on reports from sales finance companies providing a breakdown of their retail and wholesale automotive financing. †These amounts are less than those reported in above table due to the exclusion of some data for which breakdowns were not available.

DIVERSIFIED FINANCING *

Volume of Paper Acquired During October, 1942

Class of Paper	Dollar Volume	% of total
Retail—other consumers' goods:		
Furniture	$405,841	8
Radios, pianos & other musical instruments	79,358	2
Refrigerators (gas and electric)	194,747	4
Other household appliances	104,370	2
Residential building repair and modernization	2,326,462	47
Miscellaneous retail	690,844	14
Total retail—other consumers' goods	$3,801,622†	77
Total wholesale—other than automotive	586,785	12
Industrial, commercial, and farm equipment	533,221	11
Total diversified financing	$4,921,628	100

*Data are based on reports from sales finance companies providing a breakdown of their retail financing of other consumers' goods. †This amount is less than that reported in first table due to the exclusion of some data for which breakdowns were not available.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Dec. 4 a summary for the week ended Nov. 28, 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. 28, 1942

	Total for Week
Odd-lot Sales by Dealers: (Customers' Purchases)	
Number of Orders	10,733
Number of Shares	300.824
Dollar Value	10,505,908
Odd-lot Purchases by Dealers— (Customers' Sales)	
Number of Orders:	
Customers' short sales	102
*Customers' other sales	12,176
Customers' total sales	12,278
Number of Shares:	
Customers' short sales	2,790
*Customers' other sales	327,942
Customers' total sales	330,732
Dollar Value	8,966,748
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	170
†Other sales	112,760
Total sales	112,930
Round-lot Purchases by Dealers—	
Number of Shares	75,600

*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."

Lumber Movement—Week Ended Nov. 28, 1942

According to the National Lumber Manufacturers Association, lumber shipments of 437 mills reporting to the "National Lumber Trade Barometer" exceed production by 12.7% for the holiday week ended Nov. 28, 1942. In the same week new orders of these mills were 17.2% greater than production. Unfilled order files in the reporting mills amounted to 73% of stocks. For reporting softwood mills, unfilled orders are equivalent to 40 days' production at the current rate, and gross stocks are equivalent to 51 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 1935-39, production of reporting mills was 18% greater; shipments were 30% greater, and orders were 26% 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.]

To Leave State Ins. Post

Edward McLoughlin, New York State Deputy Superintendent of Insurance, will resign from the Department at the end of his term in order to become General Counsel for the North British and Mercantile Insurance Co., of which Cecil F. Shallcross is United States Manager. Announcement of Mr. McLoughlin's resignation was made on Dec. 8 by State Superintendent Louis H. Pink. Mr. McLoughlin is the Deputy in charge of the New York office and has been with the Department for 12 years. During that time he has served in various capacities under three Superintendents.

Mr. Pink referred to Mr. McLoughlin's resignation as a "real loss" to the Department.

Revenue Freight Car Loadings During Week Ended Nov. 28, 1942, Totaled 743,533 Cars

Loading of revenue freight for the week ended Nov. 28, which includes holiday, totaled 743,533 cars, the Association of American Railroads announced on Dec. 3. This was a decrease below the corresponding week of 1941, of 122,647 cars, or 14.2%, but an increase above the same week in 1940, of 15,008 cars, or 2.1%. Both 1941 and 1940 do not include holiday.

Loading of revenue freight for the week of Nov. 28 decreased 92,894 cars, or 11.1% below the preceding week.

Miscellaneous freight loading totaled 357,293 cars, a decrease of 39,696 cars below the preceding week, and a decrease of 31,312 cars below the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 81,807 cars, a decrease of 9,734 cars below the preceding week, and a decrease of 70,696 cars below the corresponding week in 1941.

Coal loading amounted to 153,563 cars, a decrease of 13,841 cars below the preceding week, and a decrease of 10,747 cars below the corresponding week in 1941.

Grain and grain products loading totaled 39,078 cars, a decrease of 6,612 cars below the preceding week, and a decrease of 1,824 cars below the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of Nov. 28 totaled 26,213 cars, a decrease of 4,488 cars below the preceding week, but an increase of 991 cars above the corresponding week in 1941.

Live stock loading amounted to 17,133 cars, a decrease of 2,574 cars below the preceding week, but an increase of 2,486 cars above the corresponding week in 1941. In the Western Districts alone, loading of live stock for the week of Nov. 28 totaled 13,445 cars, a decrease of 2,125 cars below the preceding week, but an increase of 2,529 cars above the corresponding week in 1941.

Forest products loading totaled 36,421 cars, a decrease of 5,812 cars below the preceding week, and a decrease of 8,026 cars below the corresponding week in 1941.

Ore loading amounted to 44,453 cars, a decrease of 13,923 cars below the preceding week, and a decrease of 2,943 cars below the corresponding week in 1941.

Coke loading amounted to 13,785 cars, a decrease of 702 cars below the preceding week, but an increase of 415 cars above the corresponding week in 1941.

All districts reported decreases compared with the corresponding week in 1941, except the Southwestern, but all districts reported increases above the corresponding week in 1940, except the Eastern.

	1942	1941	1940
Five weeks of January	3,858,273	3,454,409	3,215,565
Four weeks of February	3,122,773	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	4,160,060	3,351,840
Four weeks of June	3,385,769	3,510,057	2,896,953
Four weeks of July	3,321,568	3,413,435	2,822,450
Five weeks of August	4,350,948	4,463,372	3,717,933
Four weeks of September	3,503,658	3,540,210	3,135,122
Five weeks of October	4,512,046	4,553,007	4,064,273
Week of Nov. 7	829,490	873,582	778,318
Week of Nov. 14	826,601	883,890	745,295
Week of Nov. 21	836,427	799,386	733,488
Week of Nov. 28	743,533	866,180	728,525
Total	39,984,276	39,243,794	33,639,939

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Nov. 28, 1942. During this period only 26 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS

(NUMBER OF CARS—WEEK ENDED NOV. 28)

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1942	1941	1940	1942	1941
Eastern District—					
Ann Arbor	256	624	619	1,274	1,421
Bangor & Aroostock	1,509	1,636	1,034	154	252
Boston & Maine	4,951	8,957	7,092	13,153	12,849
Chicago, Indianapolis & Louisville	1,225	1,839	1,508	2,034	2,416
Central Indiana	19	27	7	41	47
Central Vermont	829	1,471	1,254	2,225	2,407
Delaware & Hudson	5,937	5,340	5,160	10,614	10,433
Delaware, Lackawanna & Western	6,733	9,108	8,881	9,512	8,281
Detroit & Mackinac	385	466	492	132	175
Detroit, Toledo & Ironton	1,403	2,745	2,872	1,156	1,301
Detroit & Toledo Shore Line	276	364	442	2,895	4,294
Erie	10,551	15,271	14,035	15,716	14,486
Grand Trunk Western	3,792	6,006	5,956	6,958	8,817
Lehigh & Hudson River	189	207	159	2,507	2,601
Lehigh & New England	1,682	1,627	1,657	1,817	1,308
Lehigh Valley	7,264	9,519	9,433	13,191	9,777
Maine Central	1,949	3,097	2,502	2,770	3,003
Monongahela	5,233	5,721	4,220	353	377
Montour	2,217	2,406	1,665	19	27
New York Central Lines	41,303	52,726	45,621	50,210	46,124
N. Y., N. H. & Hartford	7,299	13,150	9,520	16,800	15,600
New York, Ontario & Western	666	991	1,109	2,134	2,256
New York, Chicago & St. Louis	6,272	7,157	6,129	14,315	13,278
N. Y., Susquehanna & Western	449	591	367	1,588	1,403
Pittsburgh & Lake Erie	7,094	8,479	7,538	7,221	7,587
Pere Marquette	5,041	7,535	6,780	6,254	6,054
Pittsburg & Shawmut	618	739	460	14	37
Pittsburg, Shawmut & North	375	428	488	233	320
Pittsburgh & West Virginia	840	828	653	2,472	2,475
Rutland	243	510	493	839	1,090
Wabash	4,775	6,165	5,434	12,694	10,764
Wheeling & Lake Erie	4,304	5,267	4,215	4,527	4,265
Total	135,679	181,047	157,795	205,822	195,525
Allegheny District—					
Akron, Canton & Youngstown	703	676	630	1,124	1,011
Baltimore & Ohio	33,984	41,310	34,173	26,650	21,245
Bessemer & Lake Erie	4,747	5,123	3,631	2,187	1,667
Buffalo Creek & Gauley	348	295	280	4	5
Cambria & Indiana	1,821	1,937	1,845	7	20
Central R. R. of New Jersey	6,476	7,422	6,885	19,192	15,114
Cornwall	539	656	624	53	68
Cumberland & Pennsylvania	215	296	274	17	26
Ligonier Valley	140	121	150	47	52
Long Island	988	794	929	3,475	2,585
Penn-Reading Seashore Lines	1,573	1,971	1,504	1,950	1,903
Pennsylvania System	69,947	83,885	66,499	60,300	52,181
Reading Co.	13,274	15,081	14,450	26,072	23,443
Union (Pittsburgh)	20,578	20,172	19,083	6,230	5,054
Western Maryland	3,425	4,507	3,710	11,755	9,446
Total	158,758	184,246	154,667	159,063	133,820
Pocahontas District—					
Chesapeake & Ohio	25,783	28,799	22,298	11,507	12,432
Norfolk & Western	19,814	24,156	21,518	6,002	5,846
Virginian	4,454	4,633	4,457	2,073	1,922
Total	50,051	57,588	48,273	19,582	20,200
Southern District—					
Alabama, Tennessee & Northern	293	387	257	270	290
Atl. & W. P.—W. R. R. of Ala.	626	863	745	2,600	1,969
Atlanta, Birmingham & Coast	719	785	709	1,553	1,218
Atlantic Coast Line	13,093	11,443	10,856	10,524	7,023
Central of Georgia	3,488	4,668	4,100	4,576	3,945
Charleston & Western Carolina	390	438	420	1,400	1,662
Clinchfield	1,604	1,848	1,337	2,719	3,096
Columbus & Greenville	412	240	245	482	381
Durham & Southern	90	183	170	412	480
Florida East Coast	1,558	859	821	1,581	1,008
Gainesville Midland	36	38	37	97	80
Georgia	1,150	1,375	1,007	2,457	2,339
Georgia & Florida	*310	426	337	*473	804
Gulf, Mobile & Ohio	4,002	4,463	3,602	4,679	3,574
Illinois Central System	25,848	28,962	22,263	15,528	15,781
Louisville & Nashville	22,703	25,673	22,715	11,035	7,924
Macon, Dublin & Savannah	230	215	128	909	653
Mississippi Central	161	207	134	484	526
Nashville, Chattanooga & St. L.	3,235	3,181	3,123	4,355	3,488
Norfolk Southern	1,088	1,135	1,068	1,691	1,426
Piedmont Northern	314	521	461	1,211	1,472
Richmond, Fred. & Potomac	407	498	422	9,998	6,702
Seaboard Air Line	10,024	10,758	10,300	9,408	6,221
Southern System	20,918	24,095	22,032	22,653	20,107
Tennessee Central	362	513	499	910	765
Winston-Salem Southbound	100	166	118	864	1,006
Total	113,251	123,940	107,915	112,869	93,940
Northwestern District—					
Chicago & North Western	14,952	18,654	15,894	13,321	13,000
Chicago Great Western	2,021	2,609	2,572	3,129	3,405
Chicago, Milw., St. P. & Pac.	16,892	23,496	21,341	9,119	9,247
Chicago, St. Paul, Minn. & Omaha	3,020	4,675	4,519	3,451	4,215
Duluth, Missabe & Iron Range	16,209	19,353	1,792	222	279
Duluth, South Shore & Atlantic	555	677	594	618	551
Elgin, Joliet & Eastern	8,442	10,579	9,046	10,378	9,199
Ft. Dodge, Des Moines & South	359	479	417	87	121
Great Northern	13,847	19,217	12,539	5,029	4,044
Green Bay & Western	429	633	538	621	744
Lake Superior & Ishpeming	1,707	2,658	580	32	67
Minneapolis & St. Louis	1,861	1,947	1,731	2,046	2,197
Minn., St. Paul & S. S. M.	4,622	6,134	5,309	2,718	2,878
Northern Pacific	10,466	12,643	11,844	4,972	4,253
Spokane International	158	122	126	583	344
Spokane, Portland & Seattle	1,380	2,740	2,232	2,801	2,305
Total	96,920	126,616	91,074	59,127	56,849
Central Western District—					
Atch., Top. & Santa Fe System	20,649	22,435	17,416	12,408	8,026
Alton	3,009	3,612	3,235	4,618	2,933
Bingham & Garfield	506	639	471	100	100
Chicago, Burlington & Quincy	18,145	19,001	17,789	11,351	10,420
Chicago & Illinois Midland	2,513	2,611	2,762	686	946
Chicago, Rock Island & Pacific	10,929	12,351	10,696	11,773	11,175
Chicago & Eastern Illinois	2,131	3,092	2,826	4,001	3,398
Colorado & Southern	1,404	1,330	1,504	1,947	1,577
Denver & Rio Grande Western	*4,551	4,378	4,220	*5,219	3,975
Denver & Salt Lake	683	908	916	7	19
Fort Worth & Denver City	1,128	1,572	1,334	1,234	1,200
Illinois Terminal	1,662	2,015	1,734	1,400	1,858
Missouri-Illinois	1,082	1,094	915	492	455
Nevada Northern	2,252	2,020	1,787	120	141
North Western Pacific	818	1,152	853	567	511
Peoria & Pekin Union	4	27	20	0	0
Southern Pacific (Pacific)	25,143	30,543	27,556	12,205	7,718
Toledo, Peoria & Western	342	413	328	1,610	1,544
Union Pacific System	18,034	19,226	18,350	14,932	11,324
Utah	576	606	611	1	5
Western Pacific	2,115	2,890	2,263	2,703	2,945
Total	117,676	131,915	117,586	87,374	70,270
Southwestern District—					
Burlington-Rock Island	123	128	132	214	228
Gulf Coast Lines	5,070	3,858	3,183	2,480	1,958
International-Great Northern	3,212	1,546	1,505	3,164	2,242
Kansas, Oklahoma & Gulf	348	242	172	1,121	1,057
Kansas City Southern	4,310	2,667	2,141	2,635	2,720
Louisiana & Arkansas	3,639	2,702	2,158	2,329	1,809
Litchfield & Madison	266	424	362	1,019	1,092
Midland Valley	655	633	546	259	270
Missouri & Arkansas	164	162	133	327	383
Missouri-Kansas-Texas Lines	6,527	4,498	3,900	4,766	3,454
Missouri Pacific	15,538	17,074	14,108	18,722	11,527
Quanah Acme & Pacific	106	155	105	245	168
St. Louis-San Francisco	8,538	9,901	8,039	8,091	6,540
St. Louis Southwestern	3,151	3,291	2,474	4,968	3,569
Texas & New Orleans	13,687	7,912	7,397	4,609	4,103
Texas & Pacific	5,736	5,458	4,692	7,888	5,228
Wichita Falls & Southern	107	149	153	33	59
Weatherford M. W. & N. W.	21	28	15	26	40
Total	71,198	60,828	51,215	62,896	46,447

*Previous week's figure.

Note—Previous year's figures revised.

Living Costs In Large Cities Advanced 1% Between Sept. 15-Oct. 15, Labor Bureau Reports

The living cost of families of city workers rose 1% between Sept. 15 and Oct. 15, 1942, Secretary of Labor Perkins reported on Nov. 18. Most of the rise, says the announcement, was due to the increase in food costs which occurred during the latter part of September and early October, prior to the action of the Office of Price Administration, which brought an additional 30% of the family food bill under price control as of Oct. 5. There were further increases during the month in prices of some foods controlled by OPA, and in bituminous coal prices, for which the OPA had authorized an increase on Oct. 1 to meet increased mine prices. Charges for medical and personal services also advanced quite generally, the Department's advices state, and it is added:

"Since mid-May, food costs have moved up by 6.6% and costs of all other goods and services by 0.2%. Costs of all goods and services under the control of the Office of Price Administration were 0.6% above the May 15 level, just before general retail price controls were established. Commodities and services not subject to control, largely foods and professional services, however, had risen 6.4% since May 15. The following table shows principal changes in the cost of living from mid-September and from mid-May to Oct. 15:

	—Percentage Change— Sept. 15, '42 to Oct. 15, '42	May 15, '42 to Oct. 15, '42
All Items	+1.0	+ 2.6
Controlled by OPA	+0.9	+ 0.6
Control'd by other Govt. agencies	+0.1	--
Uncontrolled	+1.6	+ 6.4
Food	+2.4	+ 6.6
Controlled by OPA prior to Sept. 15	+0.2	+ 0.4
Placed under OPA contr'l on Oct. 5	+5.6	+16.8
Uncontrol. by OPA	+5.9	+16.7
Clothing	+0.1	— 0.2
Rent	--	— 1.7
Fuel, elec. & ice	--	+ 1.2
Housefurnishings	--	+ 1.1
Miscellaneous	+0.3	+ 0.7

"The rise in living costs between Sept. 15 and Oct. 15 brought the Bureau of Labor Statistics' index for city wage earners and lower-salaried workers to 119% of the 1935-39 average. The October level was 20.7% above costs in August, 1939, before the war broke out in Europe."

The Labor Department's announcement further explained:

"**Food Costs**—With the rise of 2.4% in food prices in retail grocery stores, the family food bill in mid-October was 16% higher than last October. The food-cost index of the Bureau of Labor Statistics was at 129.6% of the 1935-39 average, the highest point since May 1930.

"The increase during the month was nationwide, affecting all of the 51 cities surveyed. The greatest advances occurred in prices of butter and other dairy products, eggs, oranges, potatoes, and onions. There was also a substantial advance in prices of fresh fruits and vegetables, which are still not under OPA control. Prices of meats and certain other foods which have been under OPA control since May 18 continued to edge up, and prices of canned fruits and vegetables advanced as the effect of OPA's order permitting higher prices on the new pack reached retail markets.

"**Clothing and Housefurnishings**—Clothing costs in general showed little change between mid-September and mid-October. In several cities clothing costs decreased because of sales. Detroit was the only city in which a large increase was reported and this was due to the return to ceiling prices after September sales.

"There were only scattered changes in prices of housefurnishings this month, primarily affecting bed sheets and blankets, in a few cities.

"Reports from the Bureau's field staff all over the country indicate a definite decrease in the quantity of merchandise available in lower-priced lines, and that on many articles, workmanship is now poorer.

"**Rent**—There were relatively few changes in rents in the 21 large cities surveyed by the Bureau during this period. In Kansas City there was a drop of 0.6% in the rental bill of moderate-income families between Sept. 15 and Oct. 15, reflecting further the effect of Federal control established in that city on Sept. 1. In Cincinnati and Minneapolis, the average rental bill rose slightly by 0.3%. In both of these cities, Federal control will not be established until Nov. 1.

"**Other Goods and Services**—Bituminous coal prices rose in 8 of the 34 cities surveyed. As of Oct. 1, the OPA had authorized an upward adjustment in bituminous coal prices at retail where necessary to take account of increased mine prices. Much higher prices for wood were also reported in a number of cities, and in Baltimore the price of fuel oil showed a further increase.

"Advances in the cost of miscellaneous goods and services were due in large part to increased costs for doctors', dentists', and hospital charges; barber and beauty shop service rates; admissions to motion pictures; and newspapers in two cities. None of these services are under the control of the Office of Price Administration. In addition, railroad rates in the Southeast were increased on the authority of the Interstate Commerce Commission.

"As of the first of November, the new excise taxes resulted in increases in prices of cigars, cigarettes, and smoking tobacco, telephone calls, and railroad fares."

Items About Banks, Trust Companies

Jackson S. Hutto, New York State Superintendent of Banks, announces that a final 3% payment, amounting to $61,892, is being made to depositors and creditors of the Mercantile Bank and Trust Co., New York City, which closed in April, 1933. This will bring total repayments, since the first distribution in August, 1933, to $1,966,772, equivalent to 97% of claims. When the bank closed it owed about 23,000 depositors and creditors.

The New York State Banking Department recently announced the filing of a notice of the intention to organize the Hempstead Trust Co. of Hempstead, Long Island, with a capital of $100,000, and surplus of $25,000. The incorporators are B. Elliot Burston, Thomas F. Hartnett, Frederic C. Shipman, Harry Green, George B. Serenbetz and Herman Neuschaefer.

The Auburn Trust Co., Auburn, N. Y., has received authorization from the State Superintendent of Banks to open a branch office at Port Byron, N. Y., after the first of the year. This authorization, it was explained, was issued in connection with the purchase of assets of the National Bank of Port Byron by the Auburn Trust Co.

Dr. Alan Valentine, President of the University of Rochester, has been elected a Director of the Security Trust Co., Rochester, N. Y.

The Federal Reserve Bank of St. Louis announces that the French Lick State Bank, French Lick, Ind., and the Citizens Loan and Trust Co., Washington, Ind., have become members of the Federal Reserve System. The French Lick State Bank, organized in 1903, has a capital of $50,000, surplus of $20,000 and total resources of $589,850. It is headed by W. W. Cave.

The Citizens Loan and Trust Co., headed by Logan H. Peek, has a capital of $100,000, surplus of $80,000, and total resources of $1,286,371. The institution was founded in 1902.

Announcement has also been made of the admission to membership in the Reserve System of the Farmers & Citizens Bank, Tiro, Ohio. The bank, incorporated on May 6, 1914, has total deposits at the present time of approximately $220,000. Dr. W. H. Guiss is the officer actively in charge.

Huntly R. Drummond, heretofore President of the Bank of Montreal, was elected Chairman of the Board of Directors at the annual meeting held at Montreal on Dec. 7, and G. W. Spinney, formerly General Manager, was elected President. B. C. Gardner, for the past seven years Assistant General Manager and prior to that time First-Agent in New York City, was appointed General Manager at a meeting of the Board of Directors following the annual meeting.

Mr. Spinney and Mr. Gardner have been actively associated with the Bank for many years. The former is a Director of Sun Life Assurance Co., and the Consolidated Mining & Smelting Co. of Canada. Maj.-Gen. the Hon. S. C. Mewburn, C.M.G. and W. A. Bog, were re-elected Vice-Presidents.

At a meeting of the board of directors of The Dominion Bank, Toronto, Canada, Charles B. Shields was elected a Director. Mr. Shields is Vice-President and General Manager of Loblaw Groceterias Co., Ltd., and a Director of Canada Bread Co., Ltd., and Great Lakes Paper Co., Ltd. Robert Rae was also elected a Director and a Vice-President of the bank. Mr. Rae has been associated with the bank for 36 years, and for the past five years, he has been General Manager, which position he will continue to hold. He is Vice-Chairman of the Executive Committee of the Canadian Chamber of Commerce and President of the St. Andrews Society of Toronto.

Mutual Savings Bank Xmas Clubs At Record

New record figures for mutual savings bank Christmas Clubs were announced on Nov. 12 by the National Association of Mutual Savings Banks. The total of such funds in the 17 States where mutual savings banks operate amounted to $76,720,302, distributed among 1,528,555 accounts, an average of $50.19 per account. Roughly, this total was about $750,000 above the figure for last year. In view of war conditions, savings bank officials thought that this very substantial accumulation of Christmas funds was convincing evidence of the public will to save.

"Every member of a Christmas Club, or any one receiving a Christmas Club check, will do well to invest a part of these funds in War Savings Bonds," said Levi P. Smith, President of the National Association of Mutual Savings Banks, and President of the Burlington Savings Bank, Burlington, Vt. "A large part of Christmas Club money is intended for gifts. What gift could be more appropriate in these times than a War Savings Bond? As we begin new Christmas Clubs for next year it will be wise to add something more for war bonds and war needs." In its announcement the Association said:

"This year Christmas savers in the five boroughs of the City of New York will be well supplied with funds to 'send the boys a package,' or otherwise give expression to the Christmas spirit. The mutual savings banks of Brooklyn had the largest share of such funds amounting to $11,505,082, in 255,855 accounts. Manhatton ranked second with $7,032,602, owned by 125,067 depositors. In Queens deposits aggregated $2,640,675, held by 58,037; in the Bronx deposits were $1,125,000, and depositors numbered 24,161; in Richmond deposits were $740,000, and depositors, 15,270.

"Upstate New York cities showed these results in Christmas funds and number of depositors: Rochester, $1,490,000 deposits, 30,165 depositors; Albany, $1,247,127 deposits, 22,216 depositors; Schenectady, $700,000 deposits, 11,000 depositors; Utica, $650,000 deposits, 11,550 depositors; Syracuse, $650,000 deposits, 11,500 depositors; Yonkers, $546,989 deposits, 10,862 depositors; Poughkeepsie, $265,000 deposits, 5,936 depositors."

On N. Y. Banking Board

Governor Herbert H. Lehman before retiring named Philip A. Benson of Brooklyn as a member of the Banking Board of the State of New York. Mr. Benson, who is President of the Dime Savings Bank of Brooklyn, was named to fill the vacancy due to the death of Henry R. Kinsey. The Governor also announced that Lawrence S. Greenbaum, a member of the State Board of Social Welfare since 1936, had been named Chairman of the Banking Board, succeeding the late Albert H. Schoellkopf. The death of Mr. Kinsey, who was President and Trustee of the Williamsburgh Savings Bank, Brooklyn, was referred to in these columns Oct. 22, page 1456.

Bank Of The Manhattan Co. Operating Net Income For 1942 At $3,550,000

J. Stewart Baker, Chairman of the Board of the Bank of the Manhattan Co., New York, reported to stockholders on Dec. 1, at their 144th annual meeting, that the estimated net based on actual figures for the first nine months and estimated figures for the last three months, the operating income of the bank for this year "will be approximately $12,900,000, and operating expenses including taxes $9,350,000; leaving net operating income of $3,550,000, not including profits or losses realized on the sale of securities." For 1941 the net operating income was $2,753,213. In his report this week to the stockholders Mr. Baker says "you will recall that since 1938 it has been our policy to set up each quarter, as reserves against our Government bond portfolio, an amount equal to the net profits realized on the sale of Government securities." He adds:

"We estimate that for this year the net loss on the sale of Government securities will amount to $390,000 which will have been charged against these reserves. In addition, there will be a net loss of approximately $860,000 on the sale of other securities, which will have been charged against reserves. A large part of the loss on the latter securities was realized on securities we purchased many years ago and against which we had set up these reserves to provide for the depreciation in their market value."

Mr. Baker also states that "for the first ten months of this year the average return on our loans and investments was at the annual rate of 1.83% as compared with 1.84% for the same period last year while our funds invested in these items averaged $72,000,000 more."

It is also disclosed in the report that, in addition to the regular fourth quarter dividend (of 20c a share), the directors plan to declare a special year-end dividend of 10c per share, the same amount which has been paid for several years. This will bring total dividends declared during the year to $1,800,000 and will represent approximately 50% of the net operating earnings for the year.

Regarding the bank's loans, the chairman has the following to say:

"There has been a great change in our loan portfolio. As normal business has been more and more restricted those customers who were not engaged in war work have had less and less need to borrow from us. Consequently, our loans have shown a constant decline since the first of the year in number and in total amount. On the other hand, many of our customers have asked for substantial credits in order to finance work they are doing for the Government. A number of credits have been established and many more are in the process of being arranged. So far, loans under these credits have not been great, due to the fact that the companies have been able largely to finance themselves, but we believe that these loans will increase as the volume of war production increases and may reach substantial amounts when the companies make their tax payments."

From Mr. Baker's report we also quote:

"While there has been some increase in our deposits during the year, it has been less than that experienced by banks in sections of the Country where more war work has been carried on. New York City has not received its proportionate share of war contracts, and, consequently, the increase in the aggregate wages paid has been less than in other cities. On the other hand, New York City has been considered the principal point for the sale of Government securities."

Mr. Baker further reports:

"On Nov. 15 we owned $357,335,000 par value of United States Government securities with an average maturity of 6¼ years. However, based on the earliest call dates of the bonds and definite maturities of the notes and certificates, the average life of these securities was 4¼ years. During the year the Treasury Department has issued its bills and certificates in increasing amounts in order to make available Government securities that are particularly suited for a bank's excess funds. We have purchased a substantial amount of these offerings, which has enabled us to place at the disposal of the Treasury Department funds which otherwise might have remained idle."

He likewise says: "On Nov. 15 we held 1,202 mortgages, which were carried on our books after reserves at $7,267,000. The yield on our mortgage investments for the first ten months this year," he says, "was at the rate of 4¼% per annum."

Canadian Banks May Have To Shut Branches

Canadian banks will have to share in restriction of wartime civilian activity by closing more branches and curtailing or suspending certain services over the next few months, Charles St. Pierre, President of the Canadian Bankers' Association, predicted on Nov. 12.

Speaking before the Association's 51st annual meeting at Montreal, Mr. St. Pierre, who is General Manager of the Banque Canadienne Nationale, declared that despite the tremendously increasing demand for banking services to serve the armed forces, industry, and the public, the elimination of branches would be extended "in keeping with the greater concentration necessary for victory."

"This step reflects the views of the authorities at Ottawa and must be taken by the banks as part of their share in the curtailment of normal activities being experienced by business generally," he said in his presidential address, according to the Montreal "Gazette," he added:

"The nation is moving toward the channelling of its man and woman power more and more to the armed forces and war industry. It is inevitable that during the next few months we shall be impelled by national war requirements to diminish quite sharply, and in some cases to eliminate, certain services which have been for many years a part of the banking business.

"It is not possible to forecast just what services will be eliminated, but the public can be sure that whatever is done will result only from pressure of war. We shall look forward to the day when, with this world conflict happily ended, our full services to the public may be restored."

Mr. St. Pierre and other officers of the Association were re-elected for another year. The Vice-Presidents are G. W. Spinney, joint General Manager of the Bank of Montreal, now serving at Ottawa as chairman of the National War Finance Committee; A. E. Arscott, Canadian Bank of Commerce; S. G. Dobson, Royal Bank of Canada; and Robert Rae, Dominion Bank.

Mr. St. Pierre reported that the number of banking offices in Canada has already been reduced by a net of 143 since the end of 1939, a decline of more than 4% in the total of branches, sub-agencies, and also revealed that since the start of the war the number of men employed by Canadian chartered banks had been decreased by nearly 5,600 and the proportion of women employed had risen from less than 22% to more than 52%.

In the year ended Sept. 30, he said, bank holdings of Dominion and provincial securities maturing within two years had increased by $441,000,000 to $1,272,000,000 and had been accentuated in the last month because of bank borrowings by the government on six-month deposit receipts developed specially as security for such short-term bank loans.

"It is to be hoped that this means of borrowing will be limited to absolute necessity," Mr. St. Pierre commented.

He said bank deposits had risen from $3,099,000,000 to the record level of $4,074,000,000 since the start of the war, but the advance of $975,000,000 had been accompanied by a net increase of only $175,000,000 in current loans from which banks derive much of their revenue.

Mr. St. Pierre said he saw in the lag in current loans a natural result of anti-inflationary controls of civilian business and industry and heavier taxes as reflecting the "pay as you go" basis of Canada's war financing.

Heavily increased war taxation, he said, had forced a reduction in the rates of bank dividends.

Canadian Bk. Of Commerce Assets At New Record

The annual statement of the Canadian Bank of Commerce, Toronto, for the financial year ending Oct. 31 shows total assets of $886,660,544, which was $125,252,566 more than a year ago and the highest total in the bank's history. The net profit for the year is reported as $2,936,053 (as compared with $3,013,152 in 1941), from which is deducted dividends of $2,250,000, transfers to staff pension fund of $258,705 and writing $350,000 off bank premises, leaving a balance carried forward in profit and loss account of $871,510. The net profits are after provision for Dominion Government taxes amounting to $1,830,858, of which $46,707 is refundable under the provisions of the Excess Profits Tax Act.

The bank's total quick assets, comprising cash and items readily convertible into cash, amounted to $591,303,300, compared with $427,432,070 in 1941. Current quick assets represent 70.79% of total liabilities to the public, compared with 60.20% a year ago.

Cash and bank balances at $147,966,233 were up $28,759,605; total holdings of securities at $416,952,558 were up $129,501,692. It is also noted that current loans in Canada declined during the year from $249,126,821 to $212,516,854, while those outside of Canada increased by $2,369,363 to a total of $20,713,827. On the liabilities side of the balance sheet total deposits at $792,559,584 were up $124,344,333, or 18% over a year ago.

Time Extended To Complete Cotton Exports

The U. S. Department of Agriculture announced Nov. 21 that exporters who have registered sales under the Cotton Sales for Export Program of Commodity Credit Corporation will be given until Jan. 31 next to complete shipments. The previous requirement was that cotton be exported prior to Nov. 30, 1942. The Department explained that this extension does not permit registration of new sales or purchases from the CCC under the Cotton Sales for Export Program. It added:

"The sale of cotton under the Cotton Sales for Export Program was terminated July 21, 1942, and purchase orders covering sales registered prior to that date were accepted by the CCC until July 31, 1942. The shipping period has been extended because of a shortage of storage space in Canada."