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Over 25% Of Life Insurance Assets Invested In U. S. Government Bonds

Life insurance investments in United States Government bonds will reach approximately \$9,300,000,000 at the end of this year, or more than one-quarter of the total admitted assets of all United States legal reserve companies, according to a survey by the Association of Life Insurance Presidents. The results of the survey are contained in a report submitted, Dec. 11 to member companies by Vincent P. Whitsitt, Manager and General Counsel of the Association.

It is also disclosed that the amount of Federal securities held by all such life insurance companies at the end of 1942 will be 26.7% of their total admitted assets of \$34,750,000,000. The estimated increase in their Federal security holdings will be nearly \$2,300,000,000 during 1942, or more than the entire increase in total assets for the year, according to the report, which described the increase as "a direct aid by life insurance in the prosecution of the war."

Corporate bonds and real estate mortgages also were cited as types of investments having a significant bearing on the war effort. At the end of 1942, nearly one-third of life insurance company assets, or an estimated total of \$11,000,000,000, will be invested

in corporate securities "representing investments in industries supplying transportation, communication, power, light, water, gas, electricity, and many other vital public services, and in industries supplying such essential necessities as steel, iron, lead, aluminum, copper, brass, chemicals, rubber, fibers, textiles, automotive products, drugs, meats, groceries and grains." Nearly one-fifth of total admitted assets, at the end of 1942, or approximately \$6,500,000,000, will be in real estate mortgages "representing investments in such vital facilities as farms, small homes, apartment houses, hotels, office buildings and factories."

The foregoing figures, for all companies, were estimated from actual data of 49 companies having 91% of the total admitted assets. (Continued on page 2165)

FROM WASHINGTON AHEAD OF THE NEWS

By CARLISLE BARGERON

One of our dignitaries to whom the war has given the great thrill of meeting Stalin tells this story:

He became convinced that Stalin is a hard-boiled, realistic, able man, and that Stalina has a tremendous admiration for Winston Churchill as an able and realistic man. But what burns him up about Churchill is the latter's ability to get more out of Roosevelt than he, Stalin, can. Because of this, Stalin is forever indignant against the British Prime Minister. It is, in fact, according to our dignitary, largely responsible for Stalin's feeling against his rival big shot.

It seems a shame that our traditional sappiness should be the cause of friction between two of the United Nations. It brings up the serious question of whether our sappiness should not be revised and brought up to date. As long as it affected no one but the 130 million saps within our own borders, there was no reason to tamper with it, except that so much of our national life has been tampered with in recent years, it is amazing that this one phase was left untouched. Manifestly now, however, in the light of the discord being caused among our allies, something must be done.

It might be, too, that a thorough exploration of our sappiness by a committee composed of representatives of the public, the Government, management and la-

bor, might lead to helpful results in still another field. It might, indeed, help us out of the dilemma being enthusiastically imposed by those well-known controversialists, Dorothy Thompson and Wendell Willkie, together with their agitating cohorts. What they are doing, of course, is taking advantage of our national hypocrisy every time we go into war in Europe. Instead of explaining our action in realistic blunt terms we have to wrap it up in a lot of high idealism, such as applying democracy to the world, or the four freedoms, or of guaranteeing every inhabitant on the face of the globe a quart of milk a day. This always throws us into a state of confusion and brings us no end of trouble.

For example, any observer of reasonable ability knows that a Pandora's box of domestic trouble is now being stirred up by groups which are demanding: "If this is

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Notice To Our Readers

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

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THE FINANCIAL SITUATION

Late last week the President made another of the required quarterly reports on the operations of Lend-Lease. The facts and figures presented are impressive. Without question this arrangement is proving to be an effective instrument in the necessary pooling of the resources of the United Nations in the prosecution of the war. It is for that reason the more unfortunate that it is impossible to let the matter rest there. Of course, no one who has cut his eye teeth has ever supposed that a device had been discovered or invented which would spare us the cost of the aid we furnish our allies, in part, of course, before they were our allies. The lending, leasing and possible returning of materials furnished has always been recognized by thoughtful observers as mostly hocus-pocus. The cost of the aid we are furnishing, as now reported—at the rate of some \$10,000,000,000 three months ago—is naturally a reminder of the cost of the scheme, but the cause of complaint lies elsewhere.

Lend-Lease and the Peace

What is increasingly disturbing about this Lend-Lease arrangement and the operations under it is the plain, even the avowed purpose of employing it for ends which have nothing to do with winning the war. The Lend-Lease Act was urged upon Congress and finally enacted by it for the purpose of "promoting the defense of the United States." The President, without any authorization from Congress, is deliberately and carefully laying plans to employ it to "win the peace" as he is fond of terming it. The end result may well be anything but to the liking of the people of the United States. The sums involved are huge. Three months ago appropriations to the President under this Act amounted to the sum of \$18,410,000,000, and the transfers for Lend-Lease purposes from various other appropriations are much greater, amounting in all at that time to more than \$44,500,000,000. The total of the two comes to just under \$63,000,000,000. How much of these huge sums will actually be employed no one can say at this time, but with some \$7,500,000,000 in aid already furnished, with the current rate of furnishing it running at \$10,000,000,000 per annum, and with that rate increasing about \$2,000,000,000 each quarter, the sums actually involved at the close of the war can scarcely fail to be of a large order of magnitude.

The suggestion by the Lend-Lease Administrator some months ago that we employ our claims on other countries arising from this arrangement to obtain a following for our

(Continued on page 2162)

Public Welfare?

I hope that in addition to expanding unemployment insurance and old age annuities, we will provide a comprehensive system of medical care so that every person in this country may have medical and hospital care when he or she requires it, regardless of whether they can afford it or not.

The time will come when medical care will be as free as the air. It will be one of our greatest public utilities. The principles of the Beveridge report are just as applicable here in the United States as they are in Great Britain or any other country.

Let us not kid ourselves into thinking that a proper and suitable scheme of social insurance is only the dream of starry-eyed reformers. The hard-headed business man will recognize the necessity for maintaining the purchasing power of the people in periods of depression. If that purchasing power is not sustained in some way and people do not have the money to purchase the necessities of life there is set in motion a deflationary spiral which drops the whole country into idleness and destitution.—William Hodson, New York City Commissioner of Public Welfare.

What a different world this would be if the good things of life could be so easily provided!

What a better world it would be if shoemakers could be persuaded to stick to their lasts—at least until they learned another trade!

THE FINANCIAL SITUATION

(Continued from first page)

ideas of remaking the world would have been shocking indeed had the proposal not been little other than an unusually forthright phrasing of what was already plainly "in the wind." As long ago as last March the President said of the benefits accruing to us under the Act:

"The third direct benefit received in return for our aid is an understanding with Britain (and prospectively with other of our allies) as to the shape of future commercial and financial policy. Article VII of the Agreement of Feb. 23, 1942, pledges the signatories to work collectively, with all other countries of like mind for 'the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples'."

He then goes on to speak of this agreement as a "pledge of vigorous and cooperative attack against the threat of future depression by the fullest utilization of the resources of both countries."

A World Crusade?

By June the President was able to announce that "the program of lend-lease agreements is * * * emerging as a factor in the combined effort of the United Nations to weave a pattern for peace. Those agreements are taking shape as key instruments of national policy, the first of our concrete steps in the direction of affirmative post-war reconstruction." He then adds significantly that "the agreements postpone final determination of the lend-lease account until 'the extent of the defense aid is known and until the progress of events makes clearer the final terms and conditions and benefits which will be in the mutual interests' of the signatory nations, and which 'will promote the establishment and maintenance of world peace.'" At a later point he added that "if the promise of the peace is to be fulfilled, a large volume of production and trade among the nations must be restored and sustained. This trade must be solidly founded on stable exchange relationships and liberal principles of commerce. The lend-lease settlement will rest on a specific and detailed program for achieving these ends * * *. Co-operative action among the United Nations is contemplated to fulfill this program for economic progress, in the many spheres where action is needed. It is hoped that plans will soon develop for a series of agreements and recommendations for legislation, in the fields of commercial policy, of money and finance, international investment and reconstruction."

Then follows this remarkable analysis:

"The financial costs of the war can and should be met in a way which will serve the needs of lasting peace and mutual economic well-being. All the United Nations are seeking maximum conversion to war production, in the light of their special resources. If each country devotes roughly the same fraction of its national production to the war, then the financial burden of war is distributed equally among the United Nations in accordance with their ability to pay. And although the nations richest in resources are able to make larger contributions, the claim of war against each is relatively the same. Such a distribution of the financial costs of the war means that no nation will grow rich from the war effort of its allies. The money costs of the war will fall according to the rule of equality in sacrifice, as in effort."

What Is The Meaning?

Precisely what is the President trying to say? This extract is taken from Chapter 3 of the Fifth Report to Congress on Lend-Lease Operations by the President. The chapter appears under the title "Lend-Lease and the Peace." It would appear that carried to its logical extreme, this doctrine would find us at the end of the war in debt to Great Britain on account of Lend-Lease, since that country has been devoting and probably will continue to devote a larger portion of its production to the war than we, although, of course, our Lend-Lease supplies of food has helped make it possible, doubtless, for Great Britain to make this superior showing. The President, in any event, appears to be setting forth principles for the final settlement of Lend-Lease accounts which leave him relatively little bargaining power over the British regarding post war settlements of Lend-Lease. Yet the President has always been a shrewd bargainer.

But however all these things may be, the fact remains that it has been very explicitly asserted that Lend-Lease, an instrument approved by Congress for the purpose of winning the war, is being and will be further employed by the President to gain his way with the most extraordinary schemes for post-war world affairs. Vice President Wallace has let it be known on many occasions that the Board of Economic Warfare of which he is the head is being employed extensively for precisely the same purpose, and the record shows

The State Of Trade

Favorable reports were received from most industrial areas the past week, with some quarters showing new peak levels. This was the case in electric production which scored a new record high when the output as reported by the Edison Electric Institute reached 3,883,534,000 kilowatt hours for the week ended Dec. 5.

This compared with a previous peak of 3,795,361,000 kilowatt hours produced in the week ended Nov. 21, and is 13.7% above a year ago.

The electric industry expects its heaviest load of the year between now and Christmas, a seasonal factor augmented by war industry demand. For several months the industry has been meeting more demand than the peak of the 1941 season of 3,495,140,000 in the week ended Dec. 2.

Carloadings of revenue freight for the week ended Dec. 5, totaled 759,621 cars, according to the Association of American Railroads. This was an increase of 16,088 cars over the preceding week this year, 73,754 cars fewer than the corresponding week in 1941 and 21,108 cars above the same period two years ago.

This total was 117.12% of average loadings for the corresponding week of the ten preceding years.

Engineering construction volume for the week, \$85,268,000, is 44% higher than the total for the corresponding week last year, but declines 17% from last week, as reported by "Engineering News-Record."

Public construction tops the 1941 week by 154% as a result of the 337% climb in Federal work, but private volume is 89% below a year ago. Both public and private construction are below a week ago, declining 17 and 16%, in that order. Federal work is 17% lower than in the preceding week.

Retail trade figures are running closer to 1941 levels than for many weeks despite the fact that consumer buying continues at a record-breaking pace for the holiday period, Dun & Bradstreet, Inc. state in their review.

Major factors in the seeming contradiction are the absence of high-priced durable goods and the shift in gift-buying habits, the latter manifesting itself in considerable volume in this division during October and November, apparently as a result of fear of shortages.

Despite normal seasonal easiness in wholesale volume, many lines reported a trading tone unusually buoyant for the season. Reports from several cities emphasized that the month to date was not proving dull for those with merchandise to sell. Mail order business was off somewhat, but more buyers made personal trips to markets in an effort to expedite deliveries and place last minute fill-in orders on holiday goods. Retailers also were placing orders for early spring now, seeking to avoid delivery delays.

Department store sales on a country-wide basis were up 9% for the week ended Dec. 5, compared with the same week a year ago, according to the Federal Reserve System. Store sales were up 12% for the four week period ended Dec. 5, compared with last year. The increase for the year was 11%.

Department store sales in New York City in the week ended Dec. 5, were 2% larger than in the like 1941 week, and in the four weeks ended Dec. 5, were also 2% above those of the corresponding period a year ago, the New York Federal Reserve Bank states.

An item of interest was the statement issued by the National Industrial Conference Board to

the effect that total employment rose to a new record high of 59.5 million, a gain of fully 300,000 over September, with the continued expansion of the armed forces and the mounting demand for factory personnel.

This represents a gain of 5 1/4 million persons at work or in uniform during the year, and fully 10 millions above 1940. The number of persons employed stands at 4 millions over the estimated peace time labor force. During October, fully 22.5 million men and women were directly engaged in war work or in uniform, or about three of every eight employed persons.

In regard to the current situation, the board says, "Labor shortages have already been encountered in 102 of the nation's largest population centers, including virtually all major war production areas. Similar shortages are anticipated shortly in an additional 77 cities."

Official forecasts indicate that almost 6,000,000 more persons must join the labor force by the middle of 1943. About half of these will be required to offset inductions into military service, while the remainder must be added to the personnel of war and essential civilian industries.

"Almost 60 out of every 100 persons above 14 years of age are currently employed or in uniform. By midsummer of next year nearly two out of every three persons in these age groups will be actively engaged in the war effort, or about as high a proportion as that prevailing in Great Britain currently. In contrast only about half of the productive portion of the population of the United States was at work two years ago."

NY Bk. Directors In Armed Forces Exempt From Filing

The New York State Banking Board recently advised banks that it has adopted a resolution designed to aid directors and trustees of banks who have been excused from attendance of meetings because of service with the armed forces or with governmental agencies or other organizations contributing directly to the war effort. The announcement from the Department Dec. 2 states:

"Pursuant to the resolution, directors and trustees who have been excused from attendance at meetings by reason of service with the armed forces, or with a government agency or other organization contributing directly to the war effort, are no longer required, during the period for which they have been excused, to make or file any oath of office or declaration as provided in the Banking Law, if written notice has been given to the Banking Department that such directors or trustees have been so excused."

In accordance with this action, the Banking Department requested the banks to advise its Albany office of any directors or trustees, who, prior to Dec. 1, 1942, have been excused from attendance at board meetings because of such service.

that many, many millions of dollars are being expended under the leadership of that organization in ways which can scarcely fail to bring "grief and pain for promised joy." This latter organization and, doubtless, many of its operations, like Lend-Lease and its operations, are paying dividends in helping to win the war. It is most unfortunate that either of these organizations should be dabbling amateurishly into world politics with the hope of a new heaven and a new earth after the war.

For Streamlining Cost-Accounting Principles

A standard of procedure of cost accounting, streamlined for efficiency and applicable generally to all types of business, is a reform which industry should undertake in the public interest, according to T. C. McCobb, President of the Controllers Institute of America and Controller of the Standard Oil Co. (New Jersey). Re-negotiation and price ceilings, he pointed out on Dec. 5 have demonstrated the almost universal dissimilarity of cost accounting methods employed by various firms, and prove conclusively that some standard method should be adopted which is generally acceptable to the public and to the Government.

"All of us have had our own systems of cost accounting for years," Mr. McCobb declared. "They were worked out for the purpose of private budgeting, for pricing and to implement financial control. But now these systems are meeting the test of whether they really serve the public interest."

Mr. McCobb further stated: "I believe that as the responsible accounting officers of established business, we controllers owe it to ourselves and to the business system to spend a great deal more thought and energy on streamlining cost-accounting principles and making them applicable generally to all types of business activity—principles which are fair and workable, and generally acceptable to the public and the Government."

"The results will be beneficial to the entire business structure. Widely-adopted costing will help to steady all business operations and it will help to improve relations between business organizations and the general public. While many people realized that adequate cost systems were not universally employed, it has remained for re-negotiation procedures and price ceilings to reveal the extent of the deficiency. In some cases where cost records do not exist, the suspicion has arisen that this lack of data is deliberately invoked to obscure actual costs and profits. This suspicion should be dissipated promptly by the insistence of business itself that cost principles be universally employed."

"Such an accomplishment is very difficult in the light of the infinite variety of business facts and business problems. However, it can be done, and the experiences of the immediate future will greatly assist in reaching the goal. Public insistence on the use of adequate cost systems will increase, not die down. Controllers are faced with the challenge of establishing general cost principles and then of seeing that business at large puts them into effect."

Mr. McCobb referred also to a controllership problem presented by the new Federal Revenue Act, namely the budgeting of tax payments of a business concern without seriously impairing the working funds of the enterprise.

Ingold Heads San Francisco Chamber of Commerce

Ernest Ingold, one of the largest individual automobile dealers in the country, was elected President of the San Francisco Chamber of Commerce by the Board of Directors on Dec. 3 and will take office Jan. 1. Mr. Ingold succeeds Dwight L. Merriman, who has been inactive since he entered army service a few months ago. Russell G. Smith has been acting President during that period. In accepting the Presidency, Mr. Ingold said, "it is my earnest desire and firm resolution to serve San Francisco, its enterprises and its people, whether their interests be large or small."

Morgenthau Warns Of Heavier Taxes And Hints That Compulsory Savings May Be Necessary

Secretary of the Treasury Morgenthau, in a finance statement on the first anniversary of war, warned on Dec. 5 that the people must prepare themselves for heavier taxes. Introducing the possibility of compulsory savings Mr. Morgenthau said: "Ways are being devised to induce consumers to refrain from spending some \$40 billion in 1943. This huge sum represents the difference between disposable incomes remaining after payment of all personal taxes and the available supply of goods at current prices." He further said "since Pearl Harbor more than 50 million individuals have invested in War Bonds, and close to 24 million workers are now investing regularly every pay day through Payroll Savings Plans. More than \$8,500,000,000 of the Series E, F, and G issues were sold from December, 1941, through November, 1942."

In part Mr. Morgenthau also said:

"The sale of War Savings Bonds is being intensified, especially through the payroll savings plan, but in addition we are now offering securities that should meet the needs of every type of investor. In particular, we are placing great emphasis upon the so-called 'Victory two-and-one-halves'—a long-term bond that is an ideal investment for those able to lend \$500 or more to their Government. In this drive we are not only seeking money out of current earnings, which is the best of all kinds of money from the anti-inflationary point of view, but we are also seeking the money that is lying idle in the form of accumulated balances."

At the outset of his statement Secretary Morgenthau said that "in total war we can be satisfied with nothing less than total victory." From his statement we also quote:

"Total victory also demands that we keep an eye to the future as well as the present. For today, a year after Pearl Harbor, the nation is engaged in two wars—the war against the Axis and the war against post-war chaos. Experience has taught us that a military victory alone may turn to ashes."

"While we take pride, therefore, in what our arms have accomplished in the first year of war, pride, too, in the magnificent demonstration of our capacity to convert our peaceful industries to the grim business of war, let us assess realistically and soberly the grave problems we still face."

"We who fight the war have also the duty of paying for the war. These costs are inescapable. No financial sleight-of-hand can transfer goods and services from the future to the present. And no debt that we might pile up for the future can reduce the sacrifices in goods and services we must make today."

"The attainment of these strategic objectives requires, however, the use of different tactics for different situations. Wise financial policies in one set of circumstances may be disastrous in another."

"In attaining our strategic financial objectives we must remember that the diversion of goods and services from peacetime to wartime use must be accompanied by a corresponding diversion of spending power from peacetime to wartime use. The civilian economy cannot be permitted to compete with the war economy."

"We will not achieve this objective without the enactment of measures more fundamental than any yet adopted."

Polish Premier, FDR Talk

President Roosevelt gave a luncheon at the White House on Dec. 3 in honor of General Wladislaw Sikorski, Premier of Poland, who is in the United States on an official visit. Various problems dealing with the European military situation were said to have been discussed at

the luncheon but no details were announced.

The Polish Premier arrived in Washington from his refugee Government in London on Dec. 1 by military plane. At a press conference on Dec. 1, General Sikorski said that the primary purpose of his visit to this country was to discuss problems involved in the conduct of the war and the problems of the future.

Before leaving the United States, he plans to inspect war industries in Detroit and Baltimore. He will also go to Mexico City to confer with President Manuel Avila Camacho on plans for Polish refugees in that country.

Gov't Questionnaires To Be Investigated

A resolution calling for a formal investigation of the issuance of Government questionnaires was unanimously approved on Dec. 3 by the U. S. Senate.

The action came after the Joint Committee on Reduction of Non-Essential Federal Expenditures had received testimony from representatives of several business organizations seeking a reduction in the number of Government questionnaires. The resolution, sponsored by Senators Vandenberg (Rep., Mich.) and Byrd (Dem., Va.), authorizes the Joint Committee to make a complete investigation of all Government questionnaires with a view to elimination of their overlapping and duplication. The Joint Committee is made up of Senators and Representatives as well as Secretary of the Treasury Morgenthau and Budget Director Harold D. Smith. In anticipation of House approval of the resolution, the Joint Committee has addressed communications to 81 Federal departments and agencies requesting them to submit copies of the forms sent out during the past year to business firms and individuals seeking information and to show what was done with the information obtained.

New AAA Rule To Help Meet War Crop Goals

In a move designed to place "strong emphasis on meeting war crop goals," the Department of Agriculture announced on Dec. 1 that farmers will have to plant within 10% of their 1943 Agricultural Adjustment Administration's crop allotment program in order to obtain maximum benefit payments. The total amount of payments to be distributed under the 1943 program has not been determined. It has been averaging about \$750,000,000 a year. The Department's announcement said: "Payments are designed to help get full production of the kinds and in the amounts needed, and all crop payments are to be contingent on the degree to which the farmer meets his goals. Deductions will be made from the farm's maximum production adjustment payments, or allowance, for failure to meet specified goals for both allotment crops and special war crops."

Associated Press Washington advices had the following to say: "The Department will report later the rates which it will pay farmers for complying with AAA allotments for corn, cotton, peanuts, rice, tobacco and wheat. The rates usually are set at a certain number of cents per bushel, depending upon the commodity."

"Failure to plant at least 90% of these crop allotments will result in payment deductions at a rate five times the compliance rate. This means that a farmer's crop payment would be wiped out entirely if he should plant only 70% of his allotment."

"Since 1943 crop allotments for cotton, tobacco and wheat are the maximum deemed necessary, farmers who overplant these crops will receive deductions at a rate of 10 times the compliance rate. The deduction for excess corn acreage will be the same as the compliance rate."

"Farmers will have to reach 90% of their production goals for the so-called war crops, which include soy beans, flaxseed, peanuts, potatoes, dry beans and peas, hemp, and tomatoes and peas for canning. Failure to achieve 90% of war crop goals would make a farmer subject to crop payment deductions at a rate of \$15 per acre for each acre short of the 90%."

Panama Concessions Voted By U. S. Senate

The Senate passed on Dec. 4 by a 40 to 29 vote a joint resolution transferring to Panama certain United States properties and facilities in the Canal Zone under agreements negotiated by the State Department. This action came after two days' debate in which opponents of the legislation contended that the international agreement should be drafted in treaty form, which would require a two-thirds vote of the Senate, rather than submitted by executive authority in the form of a resolution, requiring only a majority vote of both branches of Congress. Prior to approving the resolution, the Senate refused, 43 to 26, a motion by Senator Gerald P. Nye (Rep., N. D.) to send the bill back to the Foreign Relations Committee with instructions for the State Department to resubmit the question in treaty form.

According to Associated Press accounts from Washington Dec. 4 the resolution would authorize:

"1. Surrender to Panama of the American-owned water and sewage systems in Panama City and Colon, which otherwise would not revert to Panama until 1957."

"2. Transfer to Panama of building lots of the American-owned Panama Railway Co. in the two cities."

"3. Cancellation of a \$2,700,000 debt to the Export-Import Bank to cover Panama's share in construction of the strategic Rio Hato Highway."

President Roosevelt recommended passage of the measure in August in order to "correct certain factors in the relations between the two countries which do not make for confidence and friendship." The President explained at that time that the Panamanian Government's attitude in the international crisis was "thoroughly cooperative" with the United States and that this Government should make certain concessions which have long been desired by Panama. This was noted in our issue of Aug. 27, page 717.

Will Buy Panama City 6 1/2%

Holders of City of Panama 6 1/2% bonds of 1927, due June 1, 1952, are being advised by La Caja de Ahorros of the Republic of Panama, that it will purchase at the rate of \$1240 net flat per \$1000 principal amount of any or all of the outstanding bonds, bearing the Dec. 1, 1936 coupon stamped part paid \$22.06 and all subsequent coupons attached. The bonds should be presented or forwarded to the office of Gloré, Forgan & Co., 40 Wall Street, New York, N. Y. or 135 So. La Salle Street, Chicago, Ill., for payment. The offer will expire March 1, 1943.

Patents Seized From Enemy Countries Will Be Made Available To Industry

President Roosevelt announced on Dec. 8 that the patents seized from nationals of enemy countries and those taken over from nationals of enemy-occupied countries will not be sold but will, however, be made available to American industry for the war effort and for general use.

The President released a comprehensive report from Leo T. Crowley, Alien Property Custodian, which said that his office will have taken control of 50,000 patents by the end of the year. Mr. Roosevelt said the report gave quite a clear picture regarding foreign patents and seem to provide a good pattern for handling enemy patents now and in the future.

In a letter to the President, Mr. Crowley said that the patents represent "some of the finest research achievements of modern science, particularly in the production of dyestuffs, plastics, pharmaceuticals and electrical goods."

Mr. Crowley also said: "We are publishing the patent applications at once so that interested parties may apply for licenses under them. Publication of the knowledge contained in the applications will also assist and encourage research along similar lines in this country."

Mr. Crowley stated that this was in line with the President's policy "to make these patents readily and freely available forever to American industry and to encourage the research necessary to develop these patents."

Mr. Crowley further indicated: "Licenses under enemy patents and patent applications not already exclusively licensed will be issued on application to any legitimate business concern on a royalty-free, non-exclusive basis for the life of the patent. The licensee's only cost is a \$50 fee for a license under a single patent or patent application, plus \$5 for each additional patent covered by the same license."

No exclusive licenses would be issued, Mr. Crowley said, and where bona fide non-exclusive licenses were outstanding under the seized patents these would be cancelled on request of the licensee and standard Alien Property Custodian licenses issued in their place.

"We will respect American rights in existing exclusive licenses under vested patents, pending further thorough study of the whole exclusive license situation under vested patents," Mr. Crowley continued. He added:

"Existing royalty arrangements in connection with exclusive licenses will ordinarily be continued and royalties paid to the Alien Property Custodian, unless the licensee elects to give up his exclusive rights and accept a non-exclusive license on our standard terms."

"To the fullest extent of our authority we will eliminate restrictive provisions governing production, use, price or market area of any outstanding exclusive license. If it appears that a broader use of the invention is essential to the war effort, we reserve the right to issue additional licenses under any vested patent."

Coffee Rationing Begins With Supplies Ample

The rationing program for coffee went into effect on Nov. 29, under the rules permitting one pound of coffee for each person over 15 years old every five weeks. The first stamp to be used for coffee from war ration book No. 1—the sugar ration book—is No. 27, which is good for one pound of coffee between Nov. 29 and Jan. 3, 1943. In the week before rationing began—Nov. 21—28—the Office of Price Administration did not permit any retail sales of coffee, in order to enable dealers to restock their shelves.

Paul M. O'Leary, OPA Deputy

Administrator in charge of rationing, declared on Nov. 28 that supplies of coffee in retail stores are now ample to insure the successful beginning of the formal rationing program provided housewives confine their first purchases to the amounts they actually need.

Mr. O'Leary further said: "Unnecessarily heavy buying at the beginning of coffee rationing will overtax the coffee distribution system and disrupt the even flow from roaster to wholesaler to retailer. It is to the advantage of the shopper to buy coffee in the smallest amount needed, and not to buy at all if she has any coffee on hand. Fresh coffee tastes better, lasts longer."

Restaurants, hotels, hospitals and similar institutions will be entitled to as much coffee during the first two months of rationing as they used in September and October. These institutional users were required to register at their rationing boards Nov. 23, 24 and 25, with their first allotment periods starting from the dates of registration and extending to Jan. 31, 1943.

The OPA recently issued regulations requiring consumers, who have stocked up on coffee, to report all above one pound which they had on hand on Nov. 28 as part of their ration. Deduction of stamps to cover excessive coffee supplies held by individuals will be made when they apply for war ration book No. 2, about the first of the year.

Previous reference to coffee rationing was made in these columns Nov. 12, page 1711.

"Wildcat" Oil Bill Passed

The Senate unanimously passed on Nov. 23, and sent to the House, a bill to encourage "wildcatting," or independent oil prospecting, on the public domain. Sponsored by Senator O'Mahoney (Dem. Wyo.), the measure provides that a flat royalty of 12 1/2% would be paid the government for ten years by prospectors for new oil reserves anywhere on the public domain. Under existing law the royalty ranges from 12 1/2% to 32%, and must be paid under 20 year leases.

Senator O'Mahoney offered from the floor, and saw adopted, according to the Associated Press, an amendment authorizing the Secretary of the Interior to provide by regulation for a royalty not to exceed 7 1/2% for forty acres in cases where wells are discovered on the public domain. This was a special inducement in view of the standard lease, size of 640 acres.

Mr. O'Mahoney said the amendment would be applicable only to new discoveries.

To Supply Wheat To Iran

Wireless advices from London Dec. 5 to the New York "Times" stated that an agreement has been reached by the United States, British and Iranian Governments under which the United States and Britain will supply Iran with wheat and other cereals to bring up her stocks to minimum requirements. The "Times" advices added:

"The agreement states that, as United States and British policy is to safeguard the economic existence of the peoples of the Middle East against distress, they will take all possible steps to insure the supply of wheat, barley, rice and other commodities until the 1943 harvest is reaped. The Iranian Government will take charge of the distribution of the cereals."

Byrnes Lifts Ceiling On Farm Wages

James F. Byrnes, Economic Stabilization Director, on Nov. 30 removed all restrictions from increasing farm labor pay up to \$2,400 a year, and prohibited farm wage cuts below the highest rate between Jan. 1, 1942 and Sept. 15, 1942, except upon consent of Secretary of Agriculture Wickard. In issuing Presidential approved regulations carrying out this policy, Mr. Byrnes transferred from the War Labor Board to Secretary Wickard all control over farm wages under \$2,400, explaining that this was preferable because the WLB, which handles other wage and salary problems below \$5,000, had no representation from agriculture employers or employees. Mr. Byrnes' order said in part:

"Considering that the general level of salaries and wages for agricultural labor is sub-standard; that a wide disparity now exists between salaries and wages paid labor in agriculture and salaries and wages paid labor in other essential war industries, and that the retention and recruitment of agricultural labor is of prime necessity in supplying the United States with needed foods and fibers, and in order to correct and adjust these gross inequities and to aid in the effective prosecution of the war; . . . no increases in wages and salaries of agricultural labor shall . . . be deemed in violation of the act (Emergency Price Control Act of 1942) or of any rules, orders, or regulations thereunder, unless and until the Secretary of Agriculture determines and gives public notice of his determination that, with respect to areas, crops, classes or employers, or otherwise, increases in salaries or wages for agricultural labor may no longer be made without the approval of the Secretary of Agriculture."

From Washington

(Continued from first page)

a war for democracy all over the world you've got to give us this and that here at home." A group of professional agitators, seeking a commodity to sell to the Negro organizations made a seething controversy of the poll tax; on the ground that certainly this "undemocratic" thing at home had to be removed before we could apply democracy to the rest of the world. If there is anything of lesser importance than the poll tax in the lives of men, it is utterly impossible for me to think of it. Yet it was made a tremendous national issue, and all because we are hypocritical about our war aims.

Moving along in the same excited and misguided spirit as the poll tax repealists is the Administration's insistence that there be no discrimination in industry because of race or creed. In administering this, the so-called Fair Labor Practices Board, with Anna Rosenberg as the guiding genius, has pitched any number of communities to just about the boiling point, as anyone getting around over the country can see. (And this writer is just now in the act of going to the Pacific Coast and back.) All of this is being done in the name of applying democracy, a much abused word, at home, as well as abroad. The high-mark of taking Democracy's name in vain, I believe, was a few weeks ago when a prominent industrialist caught his wife in an affair with a Latin-American diplomat. He sued for divorce and named the diplomat as correspondent. The diplomat countered indignantly with the statement that this was the most severe blow to the cause of Democracy that he could conceive.

We didn't start out towards the war in this way. In the pre-Pearl Harbor days the interventionists and so-called friends of Britain

had a very realistic argument. It was simply that Germany had gotten too big and was getting bigger and that we couldn't live with her in this inflated and bombastic state. She had to be whittled down and put back in a place from which she couldn't arise to be a nuisance again. This at least made sense, and the business of keeping Germany in her so-called place, as any student knows, has been Britain's foreign policy over the years, a policy which we have now twice gone to war to help her enforce. The same argument, of course, applies to Japan.

Rightly or wrongly, we are afraid to let either Germany or Japan become too big. My belief is that the Administration may find it much easier to enforce the gas and fuel rationing out in the Middle West if it states its war aims more honestly and realistically. In this light they would be far more understandable to the common man. I say frankly there is reason for alarm about the Middle West's attitude to the rationing. You hear all too often the statement: "I'm not going to do without gas or fuel to give democracy or a quart of milk a day to the Egyptians, the Malaysians or any of the rest of them."

And, of course, if we got back to the realistic treatment of our war aims, the ground would be taken from under those pre-Pearl Harbor friends of Britain but who now want to use our expressions of high idealism to break up the British Empire. For that matter, the Administration would have a much better chance with its own post-war ambitions if it based them on a blunt, hard-boiled ground. There will be mighty few Americans, aside from the professional controversialists who will be interested after the war in any plan of spreading democracy or of giving away a quart of milk a day. The brutal fact, too, is that when Sumner Welles, Adolph Berle and Henry Wallace utter their lofty words they don't mean a thing in the world except FREE TRADE.

Mme. Chiang In U. S. For Medical Treatment

Mme. Chiang Kai-shek, wife of the Chinese generalissimo, arrived in the United States for medical treatment, the White House announced on Nov. 27. The official announcement said that after completion of her treatment, necessitated by the after-effects of injuries suffered five years ago in an auto accident, Mme. Chiang will be the guest of the President and Mrs. Roosevelt at the White House.

The announcement read as follows: "It was announced at the White House this afternoon that Mme. Chiang Kai-shek has arrived in the United States. She has entered a hospital for medical treatment necessitated by the after-effects of a serious injury sustained five years ago.

"During the critical period when the Chinese armies were braced against the full force of the Japanese attack in the Shanghai area she was visiting the front. While her car was being driven at a high speed through a sector which was under heavy Japanese fire a tire blew out. The car turned over and she was thrown heavily to the ground.

"Throughout the five and one-half years of the war Mme. Chiang has refused to allow her impaired health to interfere with her important responsibilities. Generalissimo Chiang Kai-shek has for some time been much concerned over the way in which her heavy responsibilities were affecting Mme. Chiang's health, but it was only at the beginning of this month that she was persuaded by her attending physician to come to the United States for medical treatment.

"Upon the completion of her course of treatment, Mme. Chiang

Kai-shek will be a guest of the President and Mrs. Roosevelt at the White House."

A bulletin issued by the Chinese Embassy on Dec. 6 announced that Mme. Chiang "is making satisfactory progress."

Chiang Kaishek Hails U. S. On First Year Of War

Sending a message of greeting to President Roosevelt on the eve of the anniversary of Pearl Harbor, Generalissimo Chiang Kai-shek said on Dec. 6 that American victories in the war had been "heartening to all freedom-loving peoples."

The Generalissimo according to Associated Press advices from Chungking, said:

"On this anniversary of your entry into the war, brought about by the treacherous attack of our common enemy on American territory in the Pacific, I tender you my warm greetings and good wishes.

"We have watched with deep admiration America's stupendous achievements in her war efforts under your inspiring leadership. The victories which have crowned your arms are indeed heartening to all freedom-loving peoples.

"China has fought this enemy for five years and now the pride is hers to fight shoulder to shoulder with America and the other United Nations for the cause of democracy.

"This comradeship in arms cannot but spur us on to greater efforts and strengthen our resolve to prosecute this war to its successful conclusion. And when victory is won, the sincere friendship and mutual understanding fostered by this comradeship in arms will greatly aid us in our common task of shaping a new world based on justice and freedom."

Weiner WPB Supply Chief

Leon Henderson, head of the Office of Price Administration, resigned on Dec. 10 from his additional job as director of the Office of Civilian Supply of the War Production Board.

Joseph L. Weiner, Deputy Director of the Office, was named as Mr. Henderson's successor by WPB Chairman Donald M. Nelson.

Mr. Henderson explained in a letter to Mr. Nelson that he was withdrawing because of his increased OPA duties. In reply, Mr. Nelson said he accepted Mr. Henderson's resignation with "greater regret than I can express, because I understand fully all of the reasons which prompt this action." He added:

"I realize that the increased burden in the Office of Price Administration and the increased importance of the Office of Civilian Supply together constitute a job of such magnitude, with its many problems, that no one man should be asked to handle."

FIC Banks Place Debs.

The Federal Intermediate Credit Banks on Nov. 18, made a successful placement of \$62,645,000 debentures through Charles R. Dunn, New York, fiscal agent for the banks. Of the total, \$24,130,000 dated Dec. 1, 1942, due June 1, 1942, bearing a coupon rate of 0.70% and \$31,215,000, dated Dec. 1, 1942, due Sept. 1, 1943, and carrying a coupon rate of 0.80%, were sold at par. Of the balance, made up of three special issues, all dated Dec. 1, 1942, with coupons of 0.50%, \$500,000 maturing Jan. 2, 1943 and \$3,800,000, due Feb. 1, 1943, were sold on a 45% basis and \$3,000,000, due March 1, 1943, was disposed of at par. Of the total proceeds, \$45,520,000 was used to pay off a like amount of outstanding debentures due Dec. 1, and \$17,125,000 is new money. At the close of business Dec. 1, 1942, the banks had outstanding \$280,720,000 debentures.

Youth Registration Set For Three Periods

President Roosevelt, in a proclamation issued Nov. 18, fixed the last three weeks of December as the registration periods for those youths who have become 18 years old since last July and also provided for the continuous registration on their birthdays of youths who reach draft age after Jan. 1.

The following schedule of registration was called for by the President's proclamation:

1. Youths born between July 1 and Aug. 31, 1924, inclusive; to register between Dec. 11 and 17, inclusive.

2. Those born between Sept. 1 and Oct. 31, 1924, inclusive; to register between Dec. 26 and 31, inclusive.

3. Those born between Nov. 1 and Dec. 31, 1924, inclusive; to register between Dec. 26 and 31, inclusive.

This will be the sixth registration under the amended Selective Service and Training Act of 1940. In the five previous registrations there were about 43,000,000 men between the ages of 18 and 64 registered, of which about 27,000,000 in the 20-45 age group were subject to military service. It is believed that the new registrants will number about 600,000. The bill lowering the draft age from 20 to 18 was signed by the President on Nov. 13. Major General Lewis B. Hershey, National Director of Selective Service, in accordance with the amended bill, instructed local draft boards on Nov. 18 to provide for deferment of essential farm workers, certain high school students on request and men who have passed their 45th birthday since registering.

Gen. Hershey directed that the order of call for induction for the 18 and 19-year-olds will be determined by age, the oldest going first, instead of by lottery number drawings.

Roosevelt Welcomes President Of Ecuador

President Carlos Arroyo del Rio of Ecuador, following an official visit to the United States, left New York by plane on Dec. 4 and arrived in Havana, Cuba, on Dec. 5 for a brief visit on his homeward journey. President Arroyo was welcomed by President Roosevelt on Nov. 23 on his arrival at an airport near Washington. In a formal message of greeting, President Arroyo hailed President Roosevelt as "the champion of a cause that has won the sympathy of all those who worship at the sacred and immutable altar of right." He also declared that his visit was not "merely a superficial and diplomatic mission" but rather one which "signifies that America is more closely knit together."

President Arroyo was honored in the evening at a state dinner at the White House, where he was an overnight guest.

On Nov. 24 the Ecuadorian President addressed the members of the House of Representatives, attended a luncheon given by the Pan-American Union and a dinner given by Secretary of State Hull. On the following day (Nov. 25), he assured the Senator there was and would be a "forthright effort to cooperate with the United States in the struggle for victory for democracy.

Saying it was a great honor to address the Senate, President Arroyo declared:

"This act has for me a special significance because it affords the opportunity to a nation of South America to have its voice heard in this hall. It is highly necessary that the voices of all the people in the hemisphere be heard as one.

"It is necessary that America should have on its lips a single song.

"It is necessary that America

should have in its heart a single feeling.

"It is necessary that America should carry forth the hope—the hope to obtain absolute and definitive victory for democracy."

Later the same day (Nov. 25) he attended a luncheon given in his honor by Nelson Rockefeller, Coordinator of Inter-American Affairs, and met numerous officials at a reception given at the Pan American Building by Captain Colon Eloy Alfaro, Ecuadorian Ambassador.

After several days' touring of war production centers in the Detroit and Buffalo areas, the Ecuadorian Chief Executive on Nov. 30 arrived for a three-day visit in New York City, where he was welcomed by Mayor LaGuardia. He received an honorary degree of Doctor of Laws from Columbia University on Nov. 30 and was presented with the gold medal of the Pan-American Society on Dec. 2 at a dinner in New York, sponsored jointly by the Society and the Ecuadorian-American Chamber of Commerce.

Work Safeguards Praised

President Roosevelt told the National Conference on Labor Legislation at Indianapolis on Nov. 18 that its work in setting up standards for protecting industrial workers is of "great importance in conserving the manpower of the war effort" and "is essential to the winning of the war."

The President's message to the conference follows:

"The standards which have been built up over the years to protect our industrial workers against accidents, disease and fatigue have great importance in conserving the manpower of the war effort today. For if the industrial army is crippled by these enemies on the home front, the supplies going to our fighting forces will be curtailed.

"In this you are confronted with a challenge: How to carry out the intent of the laws that you in the State Labor Department administer and that organized labor has struggled to secure, while making necessary adaptations to wartime conditions? How to arrange working hours so that the machine can operate round the clock while the human beings secure adequate rest?

"I want you to know that your difficulties in carrying out these programs are understood and appreciated. The hard work that still lies ahead of you is work that is essential to the winning of the war and is also essential to the peace that we hope to make—a peace in which good living and working standards will be established for all peoples."

Lend-Lease Buying For North Africa Started

More than \$5,000,000 of civilian goods have been purchased under the Lend-Lease program for early shipment to the civilians of French North Africa, it was announced on Nov. 30 by Edward R. Stettinius, Jr., Lend-Lease Administrator. The Associated Press reported:

"Sugar, powdered and evaporated milk, green tea and cheese are being purchased to meet the most urgent food needs of the people of North Africa. Other purchases include cotton textiles, piece goods, ready-made new and used clothing and shoes.

"Another item to be sent to North Africa is copper sulphate, insecticide needed by fruit and vegetable growers. Copper sulphate is being sent to assist North African production of food for its own people, as well as United States, British and French troops there.

"Limited quantities of vegetable oils will be shipped to North Africa to tide the area over until the next harvest season. The Office of War Information said the Nazis had stripped North Africa of its own agricultural products."

McNutt Drafting Manpower Regulations— Hershey Retained As Selective Service Head

Paul V. McNutt, Chairman of the War Manpower Commission, expressed the belief on Dec. 7 that the centralization of manpower control accomplished by the President's Executive Order is a prerequisite to an adequate attack upon the tremendous task of allocating men to the armed forces and to war industry.

At his first press conference since President Roosevelt on Dec. 5 gave him complete control over manpower, Mr. McNutt said that the transfer of the Selective Service System to the WMC and the restrictions on voluntary enlistments will make possible a unified plan for the orderly withdrawal of men from civilian life with the least possible disturbance of essential war production.

Mr. McNutt also had the following additional comment regarding the order:

"The authorization for the regulation of hiring is clearly a necessary control in areas of critical labor shortages. Although I am determined to exercise this authority, where necessary, to prevent labor hoarding and allocate essential workers to war plants, action will be taken only in those areas and with respect to those occupations where it is essential to meeting labor requirements. Until further clarification, it should be understood that presently approved methods of recruiting and hiring may continue. The provision for a uniform policy for the utilization of educational institutions will enable the Commission and the armed services to complete plans which will eliminate the confusion and misunderstanding on the part of these institutions as to the Government's desires in this respect."

Chairman McNutt issued an or-

der on Dec. 7 creating a Bureau of Selective Service, with Major Gen. Lewis B. Hershey continuing to administer the program as heretofore, until further integration plans are perfected. With respect to this new draft set-up, the Chairman said:

"This organization arrangement will assure close coordination of the twin wings of the Commission charged with meeting the needs of war manpower—Selective Service for filling military requirements and the United States Employment Service for handling civilian production requirements.

"It also permits the Selective Service organization to continue its present functions and duties without change, subject to the direction and supervision of the executive director."

Arthur J. Altmeyer, Chairman of the Social Security Board, who has been serving as Executive Director of the WMC has returned to his Social Security post in view of the transfer of the U. S. Employment Service from the SSB to the WMC, and Arthur Fleming, a member of the WMC, has become acting Executive Director of the WMC.

The President's manpower order was given in these columns Dec. 10, page 2065.

High Court To Review Stock Dividend Tax

The United States Supreme Court on Nov. 23 granted the Justice Department a review of a decision holding that a stock dividend of common shares upon common shares, when there was no other class of stock outstanding, did not constitute taxable income.

The Supreme Court ordered the case argued on Dec. 7 when it reconvened after a two-week recess, which began Nov. 23.

With respect to the case, the Associated Press reported:

Charles Fahy, Solicitor General, said the litigation was intended as a test case to challenge a 1920 Supreme Court decision holding that stock dividends could not be taxed. Two similar cases were recently argued before the Supreme Court.

Specifically involved was a \$9.60 tax assessed for 1939 against Mrs. Sylvie R. Griffiths, of New York, on two and one-half shares of common stock of Standard Oil Co. (New Jersey) received as a dividend on 100 shares of common stock.

A deficiency tax was imposed by the Commissioner of Internal Revenue, but he was reversed by the Board of Tax Appeals. The Circuit Court upheld the Board in the light of the 1920 Supreme Court ruling.

In advices from its Washington bureau Nov. 23 the New York "Journal of Commerce" had the following to say in part:

"Under the 1920 decision, the Supreme Court ruled that income taxation levied against such dividends is not permitted by the Constitution. The Revenue Bureau and Treasury Department have taken the position that Eisner v. McComb was wrong in this holding, and are backed by the Justice Department which brings the case before the Supreme Court.

"The Supreme Court decision in Eisner v. McComb for a long time operated to prevent any taxation of stock dividends. However, a 1936 amendment to the law permitted taxation in certain cases where not prevented by the Sixteenth Amendment of the Constitution.

"Other cases involving the taxation of stock dividends have already been argued before the tribunal and await decision. One of these involves non-voting common on common.

"But the Griffiths case, involving straight common on common, is believed to present the issue more clearly than the others; hence its decision will be awaited with considerable interest here.

"The other cases also involve the question of whether the dividend is income, the Circuit Court in one case having held that it was and the Circuit Court in the other that it was not. The Bureau is seeking, in these cases, to get a clean-cut decision on the matter."

Amend N. Y. State Unemployment Ins.

In accordance with an amendment to the New York State Unemployment Insurance Law, effective Nov. 30, unemployment will be measured in days instead of complete weeks of seven consecutive days, as in the past. Milton O. Loysen, Executive Director of the Division of Placement and Unemployment Insurance, has announced amended regulations covering this change in the law. The amended regulations require employers to respond promptly to queries from the Division as to why an employee was separated from the payroll, the date he was separated, and whether or not the employer has work available for him.

Labor Shortages Continued Acute In October With Employment At New Peak: Conference Bd.

Labor shortages continued to grow more acute in October despite the seasonal slackening in the labor requirements of both agriculture and construction, according to the National Industrial Conference Board. Total employment rose to a new record high of 59,500,000, a gain of fully 300,000 over September, with the continued expansion of the armed forces and the mounting demand for factory personnel.

This represents a gain of 5,250,000 persons at work or in uniform during the year, and fully 10,000,000 above 1940. The number of persons employed stands at 4,000,000 over the estimated peacetime labor force. During October, fully 22,500,000 men and women were directly engaged in war work or in uniform, or about three of every eight employed persons.

In regard to the current situation, the Board says:

"Labor shortages have already been encountered in 102 of the nation's largest population centers, including virtually all major war production areas. Similar shortages are anticipated shortly in an additional 77 cities. Official forecasts indicate that almost 6,000,000 more persons must join the labor force by the middle of 1943. About half of these will be required to offset inductions into military service, while the remainder must be added to the personnel of war and essential civilian industries.

"Almost 60 out of every 100 persons above 14 years of age are currently employed or in uniform. By mid-summer of next year nearly two out of every three persons in these age groups will be actively engaged in the war effort, or about as high a proportion as that prevailing in Great Britain currently. In contrast, only about half of the productive portion of the population of the United States was at work two years ago."

The Board states that employment gains were most pronounced during the month in the service industries (including the armed forces). Well over half a million were taken on in this group. Sub-

stantial gains during the month were also recorded in manufacturing and distribution. The total number engaged in trade and distribution, however, remained fully 400,000 below the record levels of last October. The Board also reports:

"Farm employment was cut by about 250,000 as fall harvesting was completed. The number of hired workers at the end of October was less than in either of the two preceding years. Losses of hired workers were most pronounced in the northeastern areas. Farm-family workers, however, numbered only 0.8% less than in the preceding month, comparing favorably with peacetime levels.

"With the exception of services, manufacturing and trade, the level of employment was reduced in all major forms of non-agricultural activity. More than 100,000 workers were released from construction projects during the month, and small but significant decreases were also apparent in mining, transportation and public utilities.

"Government employment, particularly outside the District of Columbia, was further expanded. The total number engaged on regular Federal services advanced to 2,750,000 or about three times the total at the start of the defense program.

"During the month, 165,000 new Federal employees were reported, of whom only 7,000 were placed within the District of Columbia. Public emergency employment dropped to 468,000. The addition of 18,000 to NYA rolls was offset by further curtailment of WPA activities."

Over 25% Of Life Insurance Assets Invested In U. S. Government Bonds

(Continued from first page)

sets of all United States legal reserve life insurance companies. An abstract of the report also has the following to say:

"The report also traced life insurance investment trends of the past 20 years as revealed by the data of the 49 companies. The most outstanding trend thus revealed is the increase in holdings of Federal securities which, in 1931, reversed a long-term downward trend and, after the end of 1932, mounted from 2.2% of assets to 21.4% at the end of 1941, and by the end of the current year, will have advanced, probably as high as 26.7%.

"Another notable trend shown by the survey is the marked decline, in recent years, in policy loans. Experiencing abnormal increases during the early depression years, policy loans rose from 13.3% of assets at the end of 1929 to a peak of 17.9% at the end of 1932 and, subsequently, declined to 12.6% at the end of 1937, in line with their pre-depression level. Such loans have since shown a further marked decline to 7.5% of assets at the end of 1942—a low point unprecedented in any year covered by the survey. The amount of the 49 companies' outstanding policy loans at the end of 1942 will be about \$2,391,000,000, as compared with \$2,582,000,000 at the end of 1941 and with \$3,044,000,000 at the end of 1937."

Pointing out that one of the most unfortunate effects of the falling interest rate levels of recent years has been the burden placed on life insurance policyholders, "a group representing a great cross-section of our people and including a vast majority of persons of small and moderate means," the report described the extent to which investment incomes of life insurance companies have been reduced since 1930 as a result "of the limited outlet of investment funds in private enterprises and of governmental influence on money rates." The

rate of net investment earnings of the 49 companies on mean ledger assets was reduced from 5.03% in 1930 to 3.39% in 1941, indicating that, for all United States legal reserve life insurance companies, net investment earnings, for the years 1931-1941, were over \$3,000,000,000 less than they would have been had the 1930 rate continued throughout the period.

1943 Corn Allotment Up 5% Over 1942

Secretary of Agriculture Wickard announced on Nov. 29 that the 1943 corn acreage allotment for the commercial corn area will be 43,423,000 acres, an increase of 5% over the 1942 figure of 41,338,000 acres.

The increase in the 1943 allotment, Mr. Wickard said, is made on the basis of long-range plans to insure sufficient feed for 1944 and beyond, and to provide adequate stocks in the ever-normal granary as protection against crop failure.

The 1942 production of corn is more than adequate for the increased feed demands of 1943. With the 1942 production the largest on record and a near-record carryover, corn supplies for the coming year are the largest in history, according to Mr. Wickard. He is also quoted as saying:

"The current corn situation illustrates how corn allotments are helping farmers produce an abundance of feed while at the same time producing other crops vitally needed in the war effort. Many of those crops, such as soy beans, must come out of the corn belt and the allotment program is giving the necessary direction to our production efforts.

"Next year's increased corn allotment is aimed at 1944 when the stepped-up production of live stock, poultry and dairy products is going to require an increasing amount of feed."

Logan Of Canadian Bank Of Commerce Urges Ruml "Pay-As-You-Go" Tax Plan

The Ruml income tax plan, now being proposed in the United States, was endorsed by S. H. Logan, President of the Canadian Bank of Commerce, Toronto, in addressing the stockholders of the bank at the annual meeting on Dec. 8. Mr. Logan said it would overcome in Canada, if it were adopted there, the eventual hardship which must be faced by every individual Canadian taxpayer under the present procedure. "As things are,"

he observed, these taxpayers will not liquidate their taxes on 1942 income until July or August, 1943. By that time they will be in debt to the Government for taxes due on the incomes received in the first eight months of 1943. These tax liabilities have been turned into a formidable sum by the war increases in income tax rates.

It has become necessary for the morale and encouragement of the Canadian people, Mr. Logan believes, to put these taxes on a current basis. That is easy to do in Canada, he said, because the pay-as-you-go plan principle has already been recognized in payment of the 1942 income tax, although the payments will come largely out of 1943 income. He added that the matter could be adjusted at once without any change in taxation machinery and taxpayers could be shifted to a fully current basis were the Government to cancel the tax covering the income period from Jan. 1, 1942, to Aug. 31, 1942. Mr. Logan continued:

"Payments that have been made from September, 1942, on would then be considered to cover the current income period. The taxpayer would be out of debt to the Government with every payment and would remain so. Later changes in income tax rates would take effect at once. That would stop the undesirable practice of making a change in rates retroactive. Under the present

system individuals for a period as long as six months have been in ignorance of the amounts they would have to provide for taxes."

A. E. Arscott, Vice-President and General Manager, reminded the shareholders that their bank opened its doors in May, 1867, a few weeks before Confederation. It had been said without exaggeration that, since that time, the history of the Canadian Bank of Commerce has been part of the history of the Dominion. He stated that according to the bank's analysis, about 55% of all industrial machinery is now on war work and higher percentages in certain industrial units. Despite its decline, the total supply of civilian goods is greater per capita than that of any other active participant in the war, except the United States.

Mr. Arscott said that the bank's estimate of national income is that it has steadily increased until now it is about \$8,000,000,000 per annum. This is a considerable rise but its distribution has changed remarkably. More than half of the income is in the form of wages, about 15% is farm income (not including products used on the farms), and the remainder is made up of salaries, sundry items and returns on investments, the last mentioned being not more than 10% of the total.

Nation-Wide Ration Banking Plan To Start In January - ABA To Assist In Plans

Ration banking, the system by which the nation's 14,000 commercial banks will handle ration coupons in checking accounts similar to those used in the handling of money, will be put into operation throughout the United States in January, Price Administrator Leon Henderson announced on Nov. 24. The announcement from the OPA said:

"Decision to use this method for simplifying ration transactions for business concerns and for relieving local War Price and Rationing Boards of an increasing clerical burden was made on the basis of a successful test of the plan in the Albany-Schenectady-Troy area of New York. Thirty-three banking offices are cooperating in the test, which began Oct. 28 and which will continue until it is merged with the national program before the end of January. Ration banking does not affect consumers.

"When ration banking is in effect nationally it is expected to employ the services of every commercial bank in the country that carries checking accounts. There are about 14,000 of these with a total of 18,000 banking offices. The banks will act as agents for the OPA and will be paid on a cost basis by the OPA. OPA officials and representative bankers are now working out plans for informing the banks of the details of the system and for seeking their cooperation."

In announcing success of the Albany operation on Nov. 24, Mr. Henderson said:

"The banks have confirmed our judgment that they would be able to handle the millions of ration documents that are exchanged each month better than the heavily loaded local War Price and Ration Boards. They also have been better able to safeguard the ration paper they handle and to keep strict account of its use. This is because of the employment of trained personnel and proper equipment available only in the banks.

"Minor changes will be made in the system now in operation in the 18 cities and towns in the Albany area. They are being worked out in cooperation with local bankers and representatives of the American Bankers' Association and others. But in the main the system has proved its practicability, and will be extended as soon as possible to the entire country. We hope this will be accomplished within the first three weeks of January."

A preliminary report of the A. B. A. Committee which has been assisting OPA in working out a plan, which would achieve the objectives of the Government and at the same time be practical from the bank point of view, revealed that while the routine handling of the ration accounts in the trial area has not offered any serious operating problems, there are, however, four major problems which must be solved before the nation-wide banking program will be generally acceptable to bankers.

These problems, now under discussion between A. B. A. representatives and OPA officials, include the question to what extent retailers will participate in the plan, the development of a practical method for clearing ration checks, an arrangement whereby the banks will be reimbursed for their handling costs, and the nature of the contractual relationships between OPA and the banks under the plan.

The A. B. A. announcement also had the following to say:

"The members on the A. B. A. Committee believe that practical answers to these problems are being found. The OPA officials in charge of the experiment have welcomed the assistance of experienced bankers and have invited members of the A. B. A. Committee to advise with them with a view to making the na-

tional plan practical from a banking point of view.

"The American Bankers Association has had a subcommittee consisting of six qualified operating officers on the ground in the test area during the experiment, three of whom were drawn from banks in the test area. This group of operating bank officers has worked throughout the entire test area, paying particular attention to the banks in small communities in order to make sure that there would be full appreciation of the operating problems that will be encountered by the small banks when the plan is extended to a national scale.

"They kept constantly in mind the fact that the experiment must not only work successfully in the banks of the trial area, but that in its final form the plan must also be practical for use by all banks regardless of size, location, or local characteristics. In addition, the committee has kept in mind the tremendous manpower and machine-use problems that now confront virtually every bank in the country. Suggestions made to the OPA regarding the plan were therefore designed to streamline the procedure and to eliminate unnecessary operating detail."

Reference to the A. B. A. ration coupon study was mentioned in these columns of Oct. 22, page 1448.

Reaffirm Race Policy In Defense Industries

Radio broadcasting companies and stations, telephone and telegraph companies, and the Washington, D. C., trolley and bus system are "defense industries," within the meaning of Executive Order 8802, according to an opinion rendered by the President's Committee on Fair Employment Practice by the Office of the General Counsel of the War Manpower Commission. This opinion was made public on Nov. 23 by the committee which is the unit of the War Manpower Commission authorized under Executive Order 8802 to redress grievances growing out of discrimination against war workers because of their race, creed, color, or national origin.

"The opinion was sought," Dr. Malcolm S. MacLean, Chairman of the committee explained, "because of the complaints which we have received from Negroes, Jews and aliens that they have been refused employment in the communication and transportation industries solely because of their race, religion or foreign background."

In an earlier opinion, last January, the general counsel of the War Production Board held that the railroads of the country constitute a defense industry, within the meaning of Executive Order 8802.

In the opinion just handed down, the WMC general counsel holds that:

"Executive Order 8802 reaffirms the policy of the United States that there shall be no discrimination in the employment of workers in defense industries . . . because of race, creed, color, or national origin." The President's intent as to the scope of the term 'defense industries' can best be appreciated by reference to the surrounding language. The entire context supports a broad interpretation of the term."

The opinion continues:

"The first 'Whereas' clause of the Order declares it to be 'the

policy of the United States to encourage full participation in the national defense program by all citizens of the United States. The policy is reaffirmed 'as a prerequisite to the successful conduct of our national defense production effort.' These words are broad enough to include any industry the activities of which further the defense program."

The opinion refers to a number of Congressional Acts, departmental orders and agreements, all of which have interpreted the radio, telegraph, telephone, and street railways as defense industries. It observes that these industries are included by the U. S. Employment Service in its "List of Essential Activities;" that they are defined as "war utilities" in the Act of April 20, 1918, as amended by the Act of Nov. 30, 1940; and that in the rationing of scarce material and equipment several defense agencies of the government have considered the Washington transportation system as necessary for national defense.

N Y Factory Gains Continue In October

Employment in New York State factories rose 1.5% from the middle of September to the middle of October and payrolls advanced 3.2%, according to a statement issued Nov. 14 by Industrial Commissioner Frieda S. Miller. Increased activity at consumers' goods plants during the month was indicated more by gains in payrolls and hours than by gains in forces. War plants, on the other hand, hired many additional workers, but average earnings declined as the amount of overtime work was reduced. From the Commissioner's advices we also quote:

"The New York State Department of Labor's index of factory employment, based on the 1935-39 average as 100, was 151.4, 6.2% above the October 1941 level. The corresponding payroll index, at 247.6, was 30.3% above last year's level. The average employed factory wage earner in the State earned \$40.21 per week in October, compared to \$39.72 in September and \$33.03 in October 1941.

"Preliminary tabulations covering the reports from 2,838 representative factories throughout the State form the basis for the statements made in this analysis. The Division of Statistics and Information, under the direction of Dr. E. B. Patton, is responsible for the collection, tabulation and analysis of these reports.

Most War Plants Continue to Hire Additional Workers

"Individual plants making aircraft, ships, tanks, electrical goods and non-ferrous metal products hired large numbers of additional workers this month. In most cases, these gains in forces were accompanied by much smaller gains in payrolls as the amount of overtime was reduced. Some manufacturers of machined shell and firearms reduced their operations. Hundreds of workers were laid off by steel mills and tin can plants. For the metals and machinery group of industries, as a whole, a gain of 4.0% in forces was accompanied by an increase of 1.8% in payrolls."

Cuban Stamp Tax Required

The Consul General of Cuba, in New York, advises that beginning Dec. 1, a ten cent tax stamp, which may be purchased from the cashier at the Cuban Consulate, must be affixed to the original of every document legalized by the Consulate.

This provisional tax will be in effect for about three months, the revenue to be used for the construction of the new Cuban National Archive, according to the Commerce and Industry Association of New York, Inc.

Real Estate Tax Called Far Reaching In Effect; Attack On Property Assault On American Way

"Not less than would an open attack on property by those seeking its nationalization, a system of taxation which would lead to the same result, directly or indirectly, constitutes an assault on the American system of government."

Myers Y. Cooper, former Governor of Ohio and President of the National Council of Real Estate Taxpayers, brought out this point in an address on the effect of modern

taxation on real estate ownership before the annual meeting of the Council in St. Louis on Nov. 16. "There was a feeling that the growing interest in real estate taxation throughout the country would diminish when we became involved in the war, but instead, the interest is even greater now than ever before," Mr. Cooper stated.

Pointing out that there is a fixed charge of from 2% to 3% on real estate which must be paid, year in and year out, regardless of income, business, or the financial status of the property owner, Mr. Cooper continued:

"The demoralization in our tax system today finds its genesis in the fact that in an industrial age we are still clinging to an archaic system of the property tax as the principal, maintenance source of municipal and local government despite the fact that the greater wealth is now in other forms of investments.

"For this reason, home ownership has been falling behind population, increase until today only 40% of our citizens are in the property owning class.

"Under normal conditions real estate yields but one-fourth of all governmental income, and this one-fourth is paid by 35% of the taxpayers who own real estate, and who foot anywhere from 65 to 80% of the cost of local government.

"The growth of cities has resulted in an expanding framework of municipal needs. These relate to education, hospitalization, sanitation, safety and welfare, and other essential requirements. Such needs must be met, and we want to see these needs met and maintained on a basis of efficiency and economy. There is no thought of property ownership demanding escape from a just and fair proportionate share of the burden of government."

Mr. Cooper pointed out that realtors should be and are highly co-operative in rent control, a purely wartime requirement as an anti-inflationary measure, but that after the war when private construction is opened up again, they should be ready to help in providing over 1,000,000 units that will be needed to house the people.

The national program of the National Council of Real Estate Taxpayers to bring about an equitable tax system to preserve the home base against undue encroachments of taxations, he said includes support of legislation authorizing a federal survey to determine sources of revenue and expenditures on the three levels of government, federal, state and local (Coffee Bill); a recommendation to put government income property on the same tax basis as privately owned property; an over-all tax limitation to prevent unbridled spending of public money; encouragement of home ownership by the government; full consideration given to the value of tax revision based on earning power of property; and every possible encouragement to increase the number of home and farm owners as a practical contribution to the national welfare.

Mr. Cooper concluded: "Real estate taxation goes far and beyond its effect on the ownership of property. It has to do with the progress of education, social requirements, stimulation of new enterprises and the general welfare of the people."

Guarding Education National Obligation

Charles Seymour, President of Yale University, in his annual report to the alumni, issued a warning on Dec. 6 that although it is our primary and immediate duty to win the war, it is also a national obligation to keep intact the educational institutions which are the guardians of the culture and traditions upon which the nation is founded.

The New York "Times," in its Dec. 6 advices from New Haven, Conn., from which we quote further, indicated President Seymour's remarks as follows:

"The dangers to our national welfare inherent in this world war, are obvious enough," he said. "Even though we defeat the Germans and the Japanese, we may nevertheless in the process lose many of the values in the traditional heritage for which we are fighting. The universities and their alumni carry a heavy responsibility for seeing that this does not happen.

"They are guardians of our culture and especially of those aspects of our culture which do not serve an immediate material utilitarian purpose. The danger comes from within the country. As our resources and our capacities are more and more concentrated upon a task involving material instruments of destruction, other purposes of life are pushed into the background."

President Seymour held that if universities allowed themselves to be overwhelmed by such a materialistic philosophy activated by "unthinking public opinion," the country would be faced with a regime of intellectual mediocrity and spiritual stagnation akin to the Dark Ages.

Outlining the steps taken by the university for the past three years in preparation for the possibility of war and the more recent concessions made toward the national effort since the advent of Pearl Harbor, Mr. Seymour called attention to the steady drain on the student body and the faculty.

"It is obvious that the danger to the teaching effectiveness in this situation is real," he said. "This should not be regarded so much as a university peril as one that touches the national effort directly in war, as well as thereafter."

Standards Ass'n Meeting Hears J. L. Weiner

Joseph L. Weiner, Deputy Director of the Office of Civilian Supply of the War Production Board, said on Dec. 11 that "concentration of production where it will increase our war potential has been adopted as a policy by the War Production Board." He added, however, that "industries will be concentrated only when the war situation calls for it." Mr. Weiner spoke at the annual meeting of the American Standards Association at the Hotel Astor, New York. Mr. Weiner is also head of the Government's Committee on Concentration of Production in Industry.

The meeting also included a report by R. E. Zimmerman, Vice-President of U. S. Steel Corporation, and President of the American Standards Association. There was a report by H. S. Osborne, Chairman of the Standards Council, on technical accomplishments during the year; and announcement of officers for the year 1943.

Labor Department Reports On Factory Workers' Hours And Earnings In September

Wage earners in manufacturing industries averaged 88.5 cents an hour in September, a gain of 2.4% since August and 16.9% since September of last year, Secretary of Labor Frances Perkins reported on Nov. 22. "Overtime premiums, shift differentials, increases in the basic wage rates of individual industries, and employment gains in industries producing war goods where relatively high wage scales prevail, accounted for the large increase over the year," she said.

Secretary Perkins further stated:

"Workers in the durable-goods group, where factories are geared primarily to war production, averaged 99.4 cents an hour, while in the nondurable-goods industries, where civilian production predominates, they averaged 24.4 cents less (75.0 cents). The gains over the month and year intervals were 2.9 and 18.2%, respectively, for the former and 1.7 and 12.5%, respectively, for the latter.

"General wage-rate increases between mid-August and mid-September were specifically reported by 1,468 manufacturing plants out of a sample of about 35,000. These increases averaged 7.4% and affected 710,000 of the 9,000,000 workers covered. About half of the workers receiving increases were in the following industries: Blast furnaces, steel works and rolling mills (181,449) electrical machinery apparatus and supplies (83,483), engines (including aero engines), turbines, water wheels (64,813), and machinery and machine-shop products (24,911). Cotton mills reported the granting of increases to 119,251 workers.

"The average hours actually worked by workers on the payroll for any part of the week in all manufacturing industries combined (42.4) fell 1.1% between August and September, reflecting the observance of Labor Day by some workers. Material shortages also tended, no doubt, to reduce the length of the work week. Compared with a year ago there was an increase of 3.9%. Durable-goods workers averaged 44.6 hours per week, a decrease of 1.4% over the month, but a gain of 5.6% over the year. The work week of nondurable-goods wage earners averaged only 39.6 hours, 0.7% shorter than in August and 0.9% longer than a year ago. Hours actually worked are necessarily always less than scheduled hours because for a variety of reasons some of the workers are employed for only part of the scheduled week.

"Of the 49 durable-goods industries, only 5 averaged less than 40 hours of actual time worked per worker per week, while 26 worked more than 44, indicating the continued high tempo of war production. The machine tool industry averaged 50.9 hours per week; firearms, 49.0; aircraft engines, 47.9; and machinery and machine-shop products, 47.7.

"The average weekly earnings in all manufacturing industries were \$37.88, an increase of 1.3% since August and 25.0% since September a year ago. For the durable-goods group the earnings were \$44.47 with gains of 1.4 and 27.9%, respectively, over the month and year intervals. Nondurable-goods workers averaged \$29.71 a week, the gains over the month and year intervals being 1% and 15%, respectively. (These average weekly earnings are not comparable with previously published figures because of a change in the method of computing. Formerly they were obtained by dividing the total reported weekly payroll by the total number of wage earners reported without any attempt to weight the various industries according to their importance. The present figures have been obtained by multiplying the weighted average hourly earnings by the corresponding weighted average weekly hours.)

"Of the 14 nonmanufacturing industries for which man-hour information is available, all but 2 (anthracite and metal mining)

showed higher average hourly earnings in September than in August and all showed higher earnings than a year ago. Building construction workers averaged the highest hourly earnings (120.1 cents) and bituminous coal miners, the next highest (107.0 cents). Workers engaged in crude oil production averaged 104.7 cents an hour and electric light and power workers, 100.5 cents.

"Gains in average weekly hours between August and September were reported by 9 of the 14 nonmanufacturing industries surveyed. In anthracite and bituminous-coal mining the increases were 5.3 and 4.1%, respectively, indicating a stepping-up of production. Oil well employees averaged 2.6% more hours per week than last month; telephone and telegraph employees, 1.6% more, and private building construction workers, 1.3% more. The average work week for retail stores was reduced by 2.5%, reflecting Labor Day closings, and for street railways and buses by 2.4%, indicating less demand for public transportation during the holiday. Average weekly earnings showed increases over the month interval in 12 of the 16 nonmanufacturing industries surveyed, and gains over the year interval in all of the covered industries."

It is pointed out in the Labor Department's advices that manufacturing plants converted to war production are continued under their peace-time industry classifications.

Seek To Raise So. American Living Standard

President Roosevelt told his press conference on Nov. 24 that raising the living standards and increasing the purchasing power of the smaller and poorer South American countries was part of this nation's good neighbor policy.

The President said he had had an interesting discussion with President Carlos Arroyo Del Rio of Ecuador, during his recent visit to Washington and, according to the Associated Press, this had turned upon two problems:

(1) The immediate problem of the war, and the general solidarity of the nations of North and South America.

(2) The future question of trying to get an economy for North and South America which will raise the standards and wealth of the smaller and poorer nations, without hurting the economy of the United States.

The advices added:

"The President regarded the latter question in terms of increasing purchasing power and compared it with what had been done in the southern part of the United States since he became President.

"At that time, he said, there was little money in the deep South for store purchases. The storekeepers' turnover was negligible. Purchasing power, he continued, was increased to the benefit of all—the Southern purchaser, the Southern storekeeper and the Northern factory which produced the things sold.

"There would be a hue and cry against helping the smaller South American countries in this fashion, he said; but actually, as in the case of the South, such a program would be of benefit to everybody.

"The same thing was true, he added, of his plans for rehabilitating countries occupied by American troops. The whole should be

regarded not only from the point of view of humanitarianism, but from that of the American pocket-book.

"He plans to make a radio address on the general question soon, he said."

Commodity Year Book 'Master Edition' Out

Despite rationing and the diversion of many commodities from normal consuming channels, the United States is adequately equipped with raw material supplies for full military demands and the maintenance of the civilian economy, according to the Editorial Board of Commodity Research Bureau, Inc., New York, which on Nov. 18 released the 432-page "Master Edition" of its Commodity Year Book Series.

This comprehensive volume, selling at \$7.50, presents separate articles on 836 different commodities which are the basis for military and civilian maintenance, with such detailed information as physical analysis source of production, principal uses and finished products; actual and possible substitutes, importance in the war effort, etc.

The book does not minimize the fact that the war has curtailed our supply of many materials produced in lands now under enemy domination such as hemp from the Philippines, rubber, tin, spices and "essential" oils from the Far East. However it does point out the tremendous advance in the various synthetics and how substitute materials have been used to excellent advantage. In its discussion of synthetic rubber, the Commodity Year Book "Master Edition" takes a very optimistic view of the future as regards supplies. It states that "despite the impression which might be gained by the public, synthetic rubber is a material that is well known to industry." The analysis discusses the "Buna and Butyl" rubbers and "Neoprene" at some length. The latter synthetic rubber, which is produced from acetylene gas, has been produced in the United States for over ten years with production before the war exceeding 5,000,000 lbs. annually despite the availability of lower-priced raw rubber.

Commodity Research Bureau Inc. also announces simultaneous publication of an additional volume, entitled "Commodity Statistics," which is in reality the 1942 Commodity Year Book—the fourth annual edition of this standard reference work. This latter volume is priced at \$5.00. The publishers offer a set of the two above described volumes at the combination price of \$10.00.

Cotton Spinning Industry For October, 1942

The Bureau of the Census announced on Nov. 20 that according to preliminary figures, 23,899,156 cotton spinning spindles were in place in the United States on Oct. 31, 1942, of which 23,012,046 were operated at some time during the month, compared with 22,956,224 for September, 22,793,572 for August, 23,109,576 for July, 23,094,560 for June, 23,117,204 for May, and 23,054,236 for October, 1941. The aggregate number of active spindle hours reported for the month was 11,429,157,806. Based on an activity of 80 hours per week, the cotton spindles in the United States were operated during October, 1942, at 136.9% capacity. This percentage compares, on the same basis, with 134.9 for September, 136.4 for August, 130.2 for July, 133.7 for June, 138.5 for May, and 125.9 for October, 1941. The average number of active spindle hours per spindle in place for the month was 478.

Corporate Earnings Down In First Nine Months Despite Enlarged Operations, Confer. Bd. Says

Despite successive peaks in business activity, corporate earnings during the first three quarters of 1942 were substantially below those of last year, according to the National Industrial Conference Board.

The Board's announcement, issued Dec. 2, says: "Net income of 352 industrial enterprises included in the Board's compilations declined from \$1,277,000,000 during the first nine months of 1941 to \$926,000,000 in the corresponding period this year, a decline of 28%. Two hundred and ninety manufacturing corporations reported a decline in net from \$1,160,000,000 to \$813,000,000, while 33 mining companies reported a decline from \$82,000,000 to \$80,000,000, or 2%. Fifteen corporations engaged in retail trade reported net earnings at \$10,000,000 for the first three quarters of this year, against \$13,000,000 last year, a decline of 24%, while seven printing and publishing companies showed a drop in net from \$5,900,000 to \$3,300,000, or 45%. The net income of 29 public utilities companies is reported at \$254,000,000 this year, against \$269,000,000 last year.

"The railroad companies continued to be the outstanding exceptions to the general rule, 50 of the rails showing a gain in net from \$227,000,000 to \$363,000,000, or 60%. Eleven coal mining companies also showed a gain, the figures being \$9,600,000 and \$8,300,000, or an increase of 16%.

"The grand total of 431 corporations included in the Board's list reported net income during the first three quarters this year of \$1,542,000,000, against \$1,772,000,000 last year, or a loss of 13%.

"A tabulation of the returns of 205 industrial corporations for which tax reserves are reported reveals that taxes were the principal factor in the reduction of net income, although higher operating expense and conversion costs are important contributing causes. This group of corporations reported net income before taxes in the amount of \$2,223,000,000 for the first nine months of this year, against \$2,053,000,000 last year, an increase of 8%, but their tax reserves rose from \$1,060,000,000 to \$1,516,000,000, or 43%. Tax reserves rose to 68.2% of income before taxes, against 51.6% last year. Net income after taxes, accordingly, fell from \$993,000,000 last year to \$707,000,000 this year, or 29%.

"Analysis of income statements of 118 durable goods companies revealed that income before taxes increased 7% over nine months of 1941 but that tax reserves rose 42%. Seventy-four cents per dollar of income before taxes was set aside for taxes, compared with 56 cents in 1941; net income after taxes declined 37%. With the exception of automobile manufacturers who showed both lower earnings and lower tax reserves, substantially increased earnings were reported before taxes by each of the component durable goods industries. Twelve machinery companies earned 77% greater income before taxes, but a tax reserve two and one-half times the 1941 reserve was set aside, and net income after taxes fell 22%. A drop of 39% in after-tax income of steel corporations resulted from reserves representing 78% of before-tax earnings, compared with 54% last year. Twelve electrical equipment producers reserved 83 cents out of every dollar of before-tax earnings, and the increase of 52% in the latter became a 34% decrease after taxes.

"The 71 non-durable goods companies were in a relatively better position, with before-tax income up 10% and after-tax income down 19%. Textile manufacturers had the largest increase in earnings before taxes, but tax reserves were more than doubled in 1942 and net income after taxes

declined along with all other non-durable goods groups. Fourteen chemical manufacturers earned 27% less, after reserving for taxes 67 cents of each dollar of their slightly increased taxable earnings.

"Net income after taxes of 290 manufacturing corporations increased to \$299,000,000 in the third quarter of 1942 from \$246,000,000 in the preceding three months. Non-durable manufacturers accounted for a larger share of this gain than did the durable goods producers, the former rising 32%, the latter, 13%. All industry groups, however, earned less than their 1941 third-quarter income with the single exception of textile manufacturers. Income statements of durable goods manufacturers varied from a reported increase of 56% for ten electrical equipment companies to a decrease of 34% for railroad equipment concerns in the third quarter, compared with the second. Office equipment and steel groups also reported declines. Improvement was general throughout the non-durable goods industries except for paper products. Public utilities continued their decline, with electricity and gas companies experiencing much greater decrease than telephone and telegraph companies. The railroads again greatly improved their position, gaining 49% over the second quarter, which was 76% above the first. The result of these changes was a three months' gain of 22% for the 431 companies, their net income rising to \$592,000,000 from \$486,000,000.

"A tabulation of results for 40 manufacturing concerns reveals that dividend payments in the first nine months of the year fell off at about the same rate as income after taxes. The proportion of net income, after taxes, paid to stockholders remained the same, 55% in each year. Federal tax reserves this year, however, exceeded dividend payments by 224%, as compared with 66% last year. The gain in tax reserves for these companies, it should be noted, was less sharp than that for the larger group of 205 corporations. Dividends paid by the 40 companies aggregated \$86,000,000 in the first nine months of this year, as compared with \$122,000,000 last year, a decrease of 30%."

St. Louis Reserve Bank Appoints New Directors

In the recent election of directors of the Federal Reserve Bank of St. Louis, A. Wessel Shapleigh, President of the Shapleigh Hardware Co., St. Louis, was elected by member banks in Group 1 as a Class B director, and Max B. Nahm, Vice-President of the Citizens National Bank, Bowling Green, Ky., was reelected by member banks in Group 2 as a Class A director, according to announcement of Wm. T. Nardin, Chairman of the Board. Each was chosen for a term of three years beginning Jan. 1, 1943. Mr. Shapleigh succeeds James W. Harris, Chairman of the Board of the Harris-Langenberg Hat Co., St. Louis, who declined to be a candidate for reelection, having served as a Class B director and as a member of the Executive Committee of the bank since March, 1929.

Fundamental Definition Of Taxable Corporate Income Changed Again In New Law

The 1942 Internal Revenue Act contains an entirely new definition of net income on which the corporate normal and surtax and excess profits tax are based, according to Maxwell E. McDowell, head of the tax department of the Standard Oil Company (New Jersey). Mr. McDowell, together with Walter A. Cooper, in charge of tax work for the accounting firm of Peat, Marwick, Mitchell & Co., spoke Nov. 23 at the November meeting of the New York City Control of the Controlling Institute of America, held in the Hotel New Yorker. Mr. McDowell said:

"The fundamental definition of net taxable income has been changed three times in the last three years. In 1940 the normal tax was first computed on the total net income. This tax was then deducted, and the balance was the net income subject to excess profits tax. In the 1941 law this method was reversed. The total net income was first subjected to the normal and surtaxes. In each case the total net incomes was the base for both taxes.

"In the present law the total net income is divided into mutually exclusive parts. The part which is subjected to the normal and surtax rates is not subject to the excess tax rates — and, vice versa, that part which bears the 90% rate is not subject to the 40% rate. This division of the net income is quite accidental as between different taxpayers. It depends upon the amount of excess profits tax credit which each company has.

"Since this credit depends in nearly all cases on historical and accidental facts entirely beyond the corporation's control, the result is that the fortunate companies with large excess profits tax credits pay the 40% rate on the bulk of their income, while the unfortunate companies with small credit have the larger part of their earnings taxed at the 90% rate. In other words, the income subject to the excess profits tax is not in fact excess profits. When a tax rate has reached 90%, it can only be applied with fairness to that part of income which truly constitutes excess profits, or which represents excessive earnings due to wartime operations."

In his address, Mr. Cooper explained some of the major corporate amendments in the new tax law, giving particular attention to the changes in the General Relief Provision (Section 722) which broaden the circumstances which will be considered in reconstructing the average base period earnings for the purpose of determining the excess profits tax credit. In his remarks Mr. Cooper stated:

"The law now recognizes cases in which the taxpayer's business or the industry of which it was a part was depressed because of unusual, temporary economic circumstances. For instance, if a company which formerly sold all, or substantially all, of its output to one customer lost that customer and had to seek new outlets, its earnings were very much less during that period than either before or after. An example affecting a whole industry would be a price war temporarily depressing the earnings of all its members.

"Relief is also provided for cases in which the profit cycle prevailing in the industry in which the taxpayer is a member differs materially in length and amplitude from the general business cycle. Certain heavy industries, such as the machine tool industry, have shorter cycles of prosperity than do others. Another beneficiary of the new law is the business—such as canning—which can normally expect to earn very large profits in certain years and sustain losses or earn little or no profit in other years. If an examination of the past history of any taxpayer indicates that the firm should have, on the average, two good years out of four, but that in the base period it had only one good year out of

four, it would be entitled to relief."

Mr. Cooper pointed out other important changes in the relief provisions. Under the new amendments, for instance, a change in the operation or management constitutes a change in character, and hence entitles the taxpayer to relief. The taxpayer may be granted relief if it began business immediately prior to the base period. If the taxpayer was committed to a course of action, such as building additional plant facilities, before Jan. 1, 1940, it can reconstruct income on the basis of including the capacity of such facilities—even though they might not have been completed until 1941 or later. Mr. Cooper added:

"Taxpayers limited to the invested capital method may obtain relief if they can show that the business is of a class in which intangible assets make important contributions to income; that the business is of a class in which invested capital is not an important income-producing factor, or that the invested capital is abnormally low. In such cases, however, the form of relief is not to determine a constructive invested capital but to determine a constructive average base period net income.

"The Treasury Department has rendered a real service in ferreting out such situations and not only approving, but proposing, many modifications to remove the inevitable hardship. A strenuous attempt has been made to develop an equitable basis for taxation, to draw the line between normal and excess profits, and to relieve inequities."

Must Not Disclose Production Rates

The Securities and Exchange Commission has taken occasion to call attention to an announcement by the War Department, Bureau of Public Relations, on Oct. 28, 1942, relating to the publication of reports indicating production rates. The text of the War Department's statement as made available by the SEC, follows:

"Emphasizing that inadvertent disclosure of military information can be as harmful as the deliberate giving of aid to the enemy, the War Department announced today that companies engaged in war production are enjoined from publishing detailed operating statements or other reports that would indicate in any way the rates of production, or the total production, of a particular product used in the prosecution of the war, or war production processes.

"It is desired that interference with normal financial procedures be held to a minimum, and that information that would normally be available will continue to be complete enough so that investors, financial institutions and stock exchanges will not be unduly impeded.

"In general, the following procedures are recommended:

"Sales and costs of sales should be omitted when they would disclose production rates or totals of specific war items.

"Sales of war items should be grouped in one gross sum.

"Inventories of raw materials, materials in process and finished products should be grouped together.

"Terms of war contracts should not be given.

"Advances on contracts should be stated in one amount.

"Production processes and new

developments which might affect the conduct of the war should not be disclosed.

"It is not contemplated that a detailed set of rules and regulations be issued covering all contingencies, since individual company executives, by bearing in mind the basic principles involved and the illustrations given above, will be able to judge the type and scope of information that should be withheld from publication.

"Where it is necessary to omit from or summarize in financial statements and reports information required to be submitted to the Securities and Exchange Commission, such omitted information should be filed with the Commission under separate confidential cover pursuant to Rule 171 under the Securities Act of 1933, Rule X-6 under the Securities Exchange Act of 1934, or Rule U-105 under the Public Utility Holding Company Act of 1935. The advice of the Commission will be available with respect to problems arising in connection with financial statements and reports required to be filed with it. The Commission is working in close cooperation with the Bureau of Public Relations of the War Department with regard to these questions.

"The Espionage Act (Act of June 15, 1917, as amended March 25, 1940) makes punishable the giving or obtaining of information with intent or reason to believe that it is to be used to the injury of the United States, and all business executives concerned are urged to study the detailed provisions of this Act so as to avoid its inadvertent violations."

Alfriend Treasurer Of Seamen's Service Group

John S. Alfriend, President of the National Bank of Commerce, Norfolk, Va., was named Treasurer of the Port of Hampton Roads Executive Committee of United Seamen's Service, Douglas P. Falconer, National Executive Director of the organization, announces. Other members on the committee are: S. P. McConnell, President, Colonial Oil Co.; Thomas A. Hanes, Managing Editor, Norfolk "Ledger-Dispatch"; Lt. Col. Chester B. Koontz, Manager, C. H. Sprague & Son Co.; D. F. Mallette, port representative, War Shipping Administration; Leon T. Seawell, D. M. Thornton, Southgate Brokerage Co.; Capt. J. D. Wood, President, Wood Towing Corp.; Robert B. Mills, Secretary, National Maritime Union, and Martin Trainor, Secretary, Seafarers' International Union.

With the help of the Committee, United Seamen's Service is planning to meet seamen's needs in Hampton Roads, Norfolk and Newport News, either in the form of a hotel, recreation club or recuperation center for torpedoed merchant seamen. Founded under Government auspices, the United Seamen's Service has already opened two recuperation centers and one recreation club in the New York port area and another rest center near Baltimore. Plans are under way for similar openings in other key coastal ports of the nation and abroad.

Admiral Emory S. Land, War Shipping Administrator, is Chairman of the Board of Trustees and Henry J. Kaiser, West Coast shipbuilder, is President.

Tenders Of Sydney 5 1/2%

Tenders of City of Sydney, New South Wales, Australia, 25-year 5 1/2% sinking fund gold bonds, due Feb. 1, 1955, will be received at the Corporate Trust Department of City Bank Farmers Trust Co., New York City, fiscal agent, in amount sufficient to exhaust any funds available in the sinking fund. Offer to sell at prices not exceeding 100% of principal and accrued interest, must be submitted in writing on or before noon Dec. 17.

Outline Nation-Wide Program To Reduce Farm Fire Losses To Conserve Food

Calling attention to the importance of food in winning the war, a group of rural fire prevention authorities from all parts of the country, meeting in Chicago on Nov. 30, outlined a nation-wide program for reducing farm fire losses. The meeting was held by the National Fire Waste Council's Agricultural Committee and the National Fire Protection Association's Farm Fire Protection Committee. A joint statement issued said:

"Food is of basic importance in winning the war and rebuilding the post-war world.

"Maintaining the production and conservation of essential food supplies for our Armed Forces, our Allies, and our home front war workers and citizens is the responsibility of America's farm and rural communities.

"Continued annual destruction by fire of \$200,000,000 of the nation's farm and rural property represents an intolerable sabotaging of our war effort, now more serious than ever before, because of the impossibility of adequate replacement—probably for the duration.

"Loss of some 3,500 lives annually by rural fire, augmented by several times that number of injuries is a tragic and unnecessary depletion of critical rural manpower.

"The Farm Fire Protection Committee of the National Fire Protection Association and the Agricultural Committee of the National Fire Waste Council, assembled in joint annual meeting, hereby call upon all organized fire safety agencies, both private and government, and upon every organization and citizen in rural America to prevent and control rural fires, and thereby to reduce this deplorable waste of human and material resources."

A feature of the meeting was the luncheon address of Reuben Brigham, in charge of the Extension Service of the Department of Agriculture, on "Rural Fire Prevention in War Time."

Other addresses and reports were given by a number of the nation's rural fire prevention authorities.

Dr. David J. Price, of the United States Department of Agriculture, president of the National Fire Protection Association, and Rush W. Carter, of the Aetna Insurance Co. and Farm Underwriters' Association, of Chicago, presided at the sessions. Richard E. Vernor, Vice-President of the National Fire Protection Association and an executive of the National Fire Waste Council, presided at the luncheon meeting.

The National Fire Waste Council, of which the National Fire Protection Association is a member, is affiliated with the Chamber of Commerce of the United States, and was organized in 1922 to include 31 national fire safety organizations for the purpose of advising chambers of commerce and business organizations on fire prevention and protection.

Mexico Pays on U.S. Claims

Dr. Francisco Castillo Najera, the Mexican Ambassador in Washington, presented to Secretary of State Cordell Hull, on Nov. 27, the Mexican Government's check for \$2,500,000 in American currency, representing the first annual installment due to the United States under the 1941 Claims Convention.

Under the terms of the pact, concluded Nov. 19, 1941, Mexico agreed to pay the United States \$40,000,000 in settlement of so-called general claims and the agrarian claims made by American citizens. Previous payments totaled \$6,000,000, which together with the present payment, leaves \$31,500,000 to be liquidated over a period of years, at a rate of \$2,500,000 annually.

The agreement was referred to in these columns Nov. 27, 1941, page 1248.

The House on Nov. 24 passed a bill to create machinery for pay-

ing claims of American nationals against the Mexican government, out of the \$40,000,000 agreed upon by Mexico. The claims exclude those arising from Mexico's expropriation of petroleum properties in 1938. Under the bill, which now goes to the Senate, a separate Mexican claims fund would be set up in the Treasury from which awards would be made as adjudicated by a one-man commission appointed by the President.

Mexico To Buy Bond Issues

Holder of Republic of Mexico 5% consolidated external loan of 1899, 4% external gold loan 1910, and 6% 10-year treasury notes of 1913 (Series "A") £6,000,000, are being notified that the Banco de Mexico will buy an aggregate face value of not less than £7,000,000 of these bonds, provided they are presented for payment not later than Dec. 23, 1942. The announcement states that the bank will buy the following aggregate amount of each series:

"£2,000,000 face value Republic of Mexico 5% consolidated external loan of 1899 in good delivery bonds of denominations of £100/—face value.

"£2,000,000 face value Republic of Mexico 4% external gold loan of 1910 in good delivery bonds at \$13 for each £20/—face value.

"£3,000,000 face value Republic of Mexico 6% 10 year treasury notes of 1913 (Series "A") £6,000,000/— in good delivery bonds at \$15 for each £20/—face value."

Holder who desire to accept this offer are urged to deposit their bonds at the Corporate Agency Department of the Chase National Bank of the City of New York, 11 Broad Street, or 6 Lombard Street E. C. 3, London, England, within the period indicated. It is stated that if sufficient bonds of each series are not deposited and the Banco de Mexico decides not to acquire them for this reason, the Chase National Bank will return the bonds to depositors.

Pay On Rio Grande 6s & 7s

Holder of State of Rio Grande do Sul (United States of Brazil) 6% external sinking fund gold bonds due June 1, 1968, are being notified that funds have been remitted to its special agent, White, Weld & Co., for the payment of coupons due June 1, 1940, at the rate of 15.05% of the dollar face value, or \$4.515 per \$30 coupon. These funds have been remitted in accordance with the provisions of Presidential Decree No. 23829 of Feb. 5, 1934, as reenacted and modified by Decree Law No. 2085 of March 8, 1940. Cash payment of the above rate in full satisfaction of these coupons is now being made upon presentation and surrender of the coupons to the special agent at 40 Wall Street, New York. Unpaid coupons maturing Dec. 1, 1931, to Dec. 1, 1933, inclusive, must remain attached to the bonds for future adjustment.

The Chase National Bank announces that it has received as special agent, funds with which to pay holders of State of Rio Grande do Sul (Brazil) consolidated municipal loan 40-year 7% sinking fund gold bonds due June 1, 1967, 15.05% of the face value of coupons due June 1, 1940. This payment amounts to \$5.2675 for each \$35 coupon and \$2.63375 for each \$17.50 coupon, and is in full payment of all interest claims. Payment of the interest may be obtained at the coupon paying division of the bank, 11 Broad Street, New York.

President Orders Liquidation Of WPA; Says Work Relief Program Not Needed Now

President Roosevelt on Dec. 4 ordered the "prompt liquidation" of the affairs of the Work Projects Administration.

In a letter to Major-Gen. Philip B. Fleming, Federal Works Administrator, the President said the WPA rolls had greatly decreased through the "tremendous increase in private employment, assisted by the training and re-employment efforts of its own organization, to a point where a national work relief program is no longer necessary."

The President ordered the closing out of all project operations in many States by Feb. 1, 1943, and in other States as soon thereafter as feasible.

Saying that he was "proud" of the WPA organization, the President told Gen. Fleming that "the knowledge and experience of this organization will be of great assistance in the consideration of a well-rounded public-works program for the post-war period."

He added that the WPA "has asked for and earned an honorable discharge."

From the time it was established in May, 1935, and up to last June 30, the WPA spent over \$10,400,000,000 and gave employment to 8,000,000 persons with 30,000,000 dependents.

The WPA reported that the number of persons on its rolls had dropped to 354,619 on Nov. 24, 1942, compared with a peak employment of 3,334,594 back in November, 1939.

The WPA's appropriation from Congress for the fiscal year begun last July 1 was \$280,000,000, compared with \$875,000,000 allowed it the year before, and a peak allowance of \$2,250,000,000 it got for the year ended June 30, 1939.

The text of the President's letter follows:

"In my annual message to the Congress seven years ago I outlined the principles of a Federal work relief program. The Work Projects Administration was established in May, 1935, and it has followed these basic principles through the years. This Government accepted the responsibility of providing useful employment for those who were able and willing to work but who could find no opportunities in private industry.

"Seven years ago I was convinced that providing useful work is superior to any and every kind of dole. Experience has amply justified this policy.

"By building airports, schools, highways and parks; by making huge quantities of clothing for the unfortunate; by serving millions of lunches to school children; by almost immeasurable kinds and quantities of service the Work Projects Administration has reached a creative hand into every county in this nation. It has added to the national wealth, has repaired the wastage of depression and has strengthened the country to bear the burden of war. By employing 8,000,000 of Americans, with 30,000,000 of dependents, it has brought to these people renewed hope and courage. It has maintained and increased their working skills; and it has enabled them once more to take their rightful places in public or in private employment.

"Every employable American should be employed at prevailing wages in war industries, on farms or in other private or public employment. The Work Projects Administration rolls have greatly decreased, through the tremendous increase in private employment, assisted by the training and re-employment efforts of its own organization, to a point where a national work-relief program is no longer necessary. Certain groups of workers still remain on the rolls who may have to be given assistance by the States and localities; others will be able to find work on farms or in industry at prevailing rates of pay as private employment continues to

increase. Some of the present certified work projects may have to be taken over by other units of the Federal Works Agency or by other departments of the Federal Government. State or local projects should be closed out by completing useful units of such projects or by arranging for the sponsors to carry on the work.

"With these considerations in mind I agree that you should direct the prompt liquidation of the affairs of the Work Projects Administration, thereby conserving a large amount of the funds appropriated to this organization. This will necessitate closing out all project operations in many States by Feb. 1, 1943, and in other States as soon thereafter as feasible. By taking this action there will be no need to provide project funds for the Work Projects Administration in the budget for the next fiscal year.

"I am proud of the Work Projects Administration organization. It has displayed courage and determination in the face of uninformed criticism. The knowledge and experience of this organization will be of great assistance in the consideration of a well-rounded public-works program for the post-war period.

"With the satisfaction of a good job well done and with a high sense of integrity the Work Projects Administration has asked for and earned an honorable discharge."

Mexico Plan To Resume Foreign Debt Payment

The Government of Mexico, through its Finance Minister, Eduardo Suarez, and the International Committee of Bankers on Mexico, by its Chairman, Thomas W. Lamont, of J. P. Morgan & Co., Inc., announced on Nov. 27 that after extensive negotiations held in New York, an agreement had been reached for submission to bondholders concerning the adjustment of the direct external public debt of Mexico, to the extent that such debt is not enemy owned or controlled. According to the announcement the offer to be made by the Government provides for the resumption, beginning in 1943, of the payment of interest on a modified and reduced basis on the Government's direct external debt, and for the retirement, over a period extending to 1963 in the case of the secured external debt, and to 1968 in the case of the unsecured external debt, of the principal of such debt on the basis of one peso for each dollar of presently outstanding principal. Precedence in such redemption is given to the secured debt. The committee's announcement further explained:

"Payments of interest will be made by means of annuities which will be apportioned among the different classes of the external debt on a fixed schedule of payments and on a scale varying with the type and security of the different issues. All payments by the Government will be made at the option of the holders in pesos or in dollars at a fixed rate of exchange equivalent to the present level.

"The Government will purchase interest obligations due from Jan. 1, 1923, to Dec. 31, 1942, at the rate of 1% of the face amount thereof and other interest obligations due prior to Jan. 1, 1923, at the respective rates of 2% and 1%, depending on whether the obligation is of the category represented by receipts for interest

in arrears, Class A or Class B, issued under the plan and agreement of June 16, 1922.

"The Government requires as a condition precedent to the acceptance of the agreement by bondholders who have deposited their bonds under the plan and agreement of 1922, that such holders consent to the application for the purposes of the agreement of their proportionate shares of the funds in the hands of the Committee as such shares may be determined. The agreement provides that as to such consenting bondholders such shares shall be used to provide in part the expenses of the new agreement and in part the first applicable annuities. The Railway Debt is not included in the present agreement. At a later date, and within a period of six months, the Minister of Finance will announce an offer to the holders of the Railway Debt.

"The agreement has been submitted by the Minister of Finance to President Avila Camacho, who ordered it to be sent to Congress." A decree law on the settlement, proposed by President Camacho, was approved on Dec. 12 by the Mexican Chamber of Deputies.

The New York "Times" reported from Mexico City Dec. 12 that:

"It makes clear that the settlement covers only the holders of bonds that have been declared in accordance with the decrees issued by the Mexican Government last Aug. 4 and Oct. 24 to prevent funds going to Axis-held countries.

"The President's message put the value of Mexican bonds held in Continental Europe at \$50,000,000 to \$60,000,000."

Roosevelt and Curtin Exchange Messages

Prime Minister John Curtin of Australia cabled to President Roosevelt Australia's "gratitude and appreciation" for American successes in the Solomon Islands campaign and the President, in reply, has expressed pleasure over the progress of Allied forces in New Guinea, it was reported on Nov. 23 by United Press advices from Canberra, which quoted Mr. Curtin as saying:

"In behalf of the people and the government of Australia, I convey to you the gratitude and appreciation we have for the magnificent services rendered to us by your gallant forces in the battles of the Solomons.

"The association of our fighting men has been complete and I value it not only for what has been achieved but as symbolical of the unity and determination our countries have in the great struggle we are jointly and wholeheartedly waging to serve ourselves and civilization."

President Roosevelt's reply was given as follows in the same advices:

"I am very grateful to you for your telegram of congratulation on the battles of the Solomons and I am delighted that our joint forces are doing so splendidly in New Guinea."

Milk Subsidy In N. Y.

The Department of Agriculture has announced that the Federal subsidy of a cent a quart on New York's fresh milk will be continued through December at a cost of approximately \$880,000. Under the program, the Commodity Credit Corp. will buy Class 1 fluid milk from distributing companies for \$3.50 a hundredweight and will sell it back to them for \$3.10 a hundredweight. The same subsidy was paid in November. A half-a-cent-a-quart subsidy was begun in October to relieve the "squeeze" between increased farm prices for milk and Office of Price Administration wholesale and retail ceilings.

The November subsidy payment was referred to in these columns Nov. 19, page 1804.

President Asks Congress To Permit More Effective Use Of Govt. Supplies

President Roosevelt asked Congress on Nov. 30 to amend the Budget and Accounting Act of 1921 so as to "promote a more effective utilization of government supplies and equipment both during and after the war." In his message, the President specifically cited the fact that "there is an urgent demand on the part of certain war industries for air conditioning equipment" and that this need could be met to a great extent if trans-

fer of the equipment now in Government buildings were authorized by legislation. The text of the President's message follows: "To the Congress of the United States:

"Under our system of direct appropriations by Congress to operating agencies for specific purposes, each executive agency proceeds quite independently to acquire and to utilize the material, supplies, equipment, and other property which it deems necessary for the purposes of each appropriation. Both the Bureau of the Budget in preparing the annual budget and supplemental or deficiency estimates of appropriation, and the Congress in appropriating funds, must consider the need for such items on the basis of the individual appropriation and function to be performed. The legislative branch quite properly insists that the cash and equivalents made available in an appropriation to the executive branch shall be used exclusively for the specific purposes of the appropriation. I recognize fully that unless the integrity of our appropriation structure is so maintained our entire budgeting and appropriating systems would be nullified.

"On the other hand, I find that with respect to operating materials, supplies, equipment, and other property, existing limitations, or perhaps more accurately, lack of affirmative legislation, unnecessarily handicaps efficient management. Standards of supply and equipment stocking and utilization exist only here and there throughout the executive branch and are quite uncoordinated. Excessive stocks, ineffi-

cient utilization, lack of fluidity of use among kindred action programs, and waste in other forms, are all too apparent.

"Only to the extent that property is found to be 'surplus' to the needs and purposes of the appropriation under which it was acquired can it be made effectively available for other uses. In Executive Order No. 9235, of Aug. 31, 1942, I provided, as far as appeared possible under existing law, for an over-all executive control of 'surplus' supplies and equipment. New legislation is necessary, however, to provide for such a measure of control of the vast quantities and wide variety of supplies and equipment in the possession of our executive departments and establishments as will insure their complete mobilization for war, and also provide that degree of fluidity of use which is essential to efficient peace-time management.

"As an example of the need for this legislation in the interest of the successful prosecution of the war, there is an urgent demand on the part of certain war industries for air conditioning equipment, which need would be met in considerable part by utilizing for this purpose equipment now in Government buildings.

"I, therefore, recommend early consideration by the Congress of legislation, in amendment of the Budget and Accounting Act of 1921, which will promote a more effective utilization of Government supplies and equipment both during and after the war.

"FRANKLIN D. ROOSEVELT.
"The White House,
"Nov. 30, 1942."

The \$25,000 Ceiling on Salaries

Below we give the views expressed by Paul Mallon in the New York Journal-American last week, on the consequences to be expected should the \$25,000 ceiling on salaries stand:

"A complete re-making of America would result if Mr. Roosevelt goes through with the idea of limiting all personal profits to \$25,000 net after taxes. It is a new idea and no one seems to be thinking about the effect it would have on the average taxpayer, worker or business man, but someone had better start.

"No one cares about the rich. They will get along on their \$25,000 but the question is what the limitation will do to the average man and the country as a whole.

"All the progress that has been made in America has depended upon investment, risking money for the chance to get more.

"When the Government says no one can get more than \$25,000, not even to pay 75 to 90 per cent of the excess into the Treasury in taxes, how many new ventures will be made to furnish employment and good wages and good working conditions?

"Certainly no one hereafter would invest a million in new or old enterprise, and no one who already has an income of \$25,000 net will make any more investments or contribute in any way to national economic welfare.

"The effect of the \$25,000 limitation on salaries that has been made already can be seen when the movie actors make their one or two pictures a year and quit.

"What will happen when investment quits? Who will be helped? What will happen to American productive enterprise, the superior quality of which is enabling us to win the war because other nations cannot match it? Who will build the factories of the future?

"Where can the Treasury get the bulk of its money hereafter,

unless it increases the taxes on all the rest of us who are not rich to replace the taxes lost by this limitation? Who would be helped?

"Does not this well-sounding political move involve the most revolutionary reform ever mentioned by the New Deal?

"Could anyone possibly get any good out of it, except the Communists, who originated the idea many years ago—not to help anyone, but to prevent our successfully capitalistic democracy from being successful, so they could get control?"

"Who else would be helped?"

Appoint New Directors Of Fed. Reserve Banks

The Board of Governors of the Federal Reserve System announces the appointment of Paul G. Hoffman, President of the Studebaker Corporation, South Bend, Ind., as a Class C Director of the Federal Reserve Bank of Chicago, for the unexpired portion of the term ending Dec. 31, 1943.

The Board also announces the appointment of Y. Frank Freeman, Vice-President of Paramount Pictures, Inc., as a Director of the Los Angeles Branch of Francisco, for the unexpired portion of the term ending Dec. 31, 1943.

Labor Bureau's Wholesale Commodity Index Again Unchanged In Week Ended Dec. 5

The Bureau of Labor Statistics, U. S. Department of Labor, announced on Dec. 10 that the general level of wholesale prices again remained unchanged in the week ending Dec. 5, and the Bureau's index of nearly 900 prices stood at 100.1% of the 1926 average. As in earlier weeks principal market changes were for farm products, with declines in hogs and in fruits and vegetables, largely offsetting higher grain prices.

The Bureau's announcement further stated:

Farm Products and Foods: Continued declines in prices for hogs together with lower quotations for citrus fruits, apples, and potatoes contributed to the decline of 0.2% in average prices for farm products. All grains advanced. Wheat was up about 1%; oats, 3%; corn, 4%, and rye, more than 6%. Higher prices were also reported for ewes and live poultry in the Chicago market, and for cotton, peanuts, seeds, and dried beans.

Average market prices of foods dropped 0.3%, offsetting the gain of the preceding week. In addition to lower prices for fruits and vegetables, cottonseed oil declined more than 2%. Quotations were higher for flour, corn meal, and oatmeal.

Cattle feed advanced 1.9% as a result of higher prices for bran, middlings, and cottonseed meal.

Industrial Commodities: Prices for most industrial commodities continued steady. Higher freight rates brought f.o.b. destination prices for bituminous coal up slightly. Quotations were higher for some types of lumber such as gum, white oak, sugar pine, and for maple flooring. Certain types of fertilizer materials including cottonseed meal and ground bone also advanced during the week. Lower prices were reported for Ponderosa pine lumber, for turpentine and for heating equipment.

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 Nov. 7, 1942, and Dec. 6, 1941 and the percentage changes from a week ago, a month ago, and a year ago:

Commodity groups	(1926=100)			Percentage changes to				
	12-5 1942	11-28 1942	11-21 1942	11-7 1942	12-6 1941	Dec. 5, 1942 from—	11-7 1942	12-6 1941
All commodities.....	100.1	100.1	100.1	99.7	92.2	0	+0.4	+8.6
Farm products.....	110.6	110.8	110.9	109.8	90.8	-0.2	+0.7	+21.8
Foods.....	103.3	103.6	103.3	102.9	88.7	-0.3	+0.4	+16.5
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	90.7	0	0	+6.5
Fuel and lighting materials.....	79.8	79.7	79.7	79.6	79.2	+0.1	+0.3	+0.8
Metals and metal products.....	103.9	103.9	103.9	103.9	103.3	0	0	+0.6
Building materials.....	110.0	110.2	110.2	110.2	107.4	-0.2	-0.2	+2.4
Chemicals and allied products.....	99.6	99.5	99.5	96.2	89.7	+0.1	+3.5	+11.0
Housefurnishing goods.....	104.1	104.1	104.1	104.1	101.9	0	0	+2.2
Miscellaneous commodities.....	90.0	89.9	89.9	88.7	87.2	+0.1	+1.5	+3.2
Raw materials.....	103.7	103.8	103.8	103.2	90.0	-0.1	+0.5	+15.2
Semimanufactured articles.....	92.5	92.5	92.5	92.5	89.7	0	0	+3.1
Manufactured products.....	99.7	99.7	99.7	99.3	93.9	0	+0.4	+6.2
All commodities other than farm products.....	97.8	97.8	97.8	97.5	92.6	0	+0.3	+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.

repetition of experiences of fourth quarter, which resulted in many suspensions and cancellations. Some improvement in buying has been noted in products where deliveries have been most extended, such as sheets and bars.

"Readjustment in the armament program continues to cause some cancellations and larger placements under PRP may not serve to balance this. At the same time specifications against long-term contracts are heavy.

"Deliveries are still deferred on most products although there has been some easing during the past fortnight on small bar rounds, which may be obtained in six to eight weeks on top ratings. On large rounds best promises are about 15 weeks. Most sheet sellers have little tonnage for delivery against top priorities before the middle of February, in hot and cold-rolled and galvanized.

"War Production Board has released some locomotive and freight car orders, which had been frozen earlier in the year, as a start toward the equipment desired by the carriers for 1943.

"Ore transportation on the Great Lakes has come to an end and the goal of 92,000,000 gross tons has been exceeded, though the exact figures for the season are not yet available. Ore on hand at furnaces and lower lake docks is ample for steelmaking until the 1943 season opens. All records were broken in 1942 and preparations are under way for a larger movement in 1943 to support an expanded steelmaking program if the war continues through that period. Additional carriers will be in service and trip capacity will be considerably larger.

"American Iron and Steel Institute reports steelworks had in stockpiles Oct. 31 reserves of 3,254,000 gross tons of scrap, sufficient for 3½ weeks at the current rate of consumption. This is about 1,460,000 tons more than they held April 1 but about 700,000 tons less than reserves as of Jan. 1, 1941. The latter was about equal to six weeks requirements at the rate of operation then prevailing.

"Steel ingot production holds near the high mark of recent months and in November made the largest output in history for a 30-day month, with 7,184,560 tons. It failed to equal the all-time high made in October but was well above production in November last year. Average per week in November was 1,674,723 tons, slightly below the 1,712,159 tons averaged per week in October."

Amends Rent Provisions

The Office of Price Administration has issued amendments to its maximum rent regulations with regard to adjustments. The amendments make the following changes in the provisions setting the conditions under which residential rents may be modified from the amount charged on the maximum rent date:

"1. No adjustment will be granted because of changes in the housing accommodations which were anticipated by the landlord and tenant and reflected in the rent charged on the date determining the maximum rent.

"2. Increases may be ordered where a major capital improvement occurred during the term of a lease which was in effect on the maximum rent date." The amendment removes the previous limitation, which specified that the improvement must have occurred within the six months prior to the maximum rent date.

"3. An adjustment may be granted where the rent on the maximum rent date was fixed by a lease which had been in force more than one year on that date."

The new language of the regulation excludes from consideration the date of signing and substitutes the date on which occupancy was to commence.

Conflict Among Gov't Agencies, Lend-Lease Causes Material Shortages NAM Declares

Failure of government to realize the scope of the war program in its planning, the conflict among government agencies to obtain materials and the unpredictable nature of Lend-Lease requirements have been major factors in the shortage of such basic materials as steel, rubber and copper, the National Association of Manufacturers charged on Nov. 24.

These findings were the result of an exhaustive study of "War Production and Shortages of Basic Materials" made by the Research Department of NAM for the benefit of industrialists attending the War Congress of American Industry in New York, Dec. 2, 3 and 4. The NAM announces that, cleared by the Office of Censorship, this 56-page study was placed in the hands of War Production Board officials before release of the announcement of the Controlled Materials Plan, which may clear up some of the conditions enumerated in the NAM report.

According to the NAM the survey summarized that:

"Shortages of basic raw materials, actual or threatened, are due to the following factors:

"1. Faulty planning by government agencies before Pearl Harbor;

"2. Lack of balance in the war production program, due partly to the lack of coordination between the Army, Navy, Maritime Commission and the War Production Board;

"3. Failure to realize in time the inadequacies of the system of priorities; and,

"4. Production has exceeded early estimates. Both government and private industry under-

estimated the capacity of American industry to produce munitions. Productive facilities have been increased until they are now out of step with raw materials supplies."

The report finds there are 12 factors that have contributed to the shortages. Among these it cites the conflict between various government procurement agencies, and the unpredictable character of the Lend-Lease shipments that are reported running approximately 13% of steel output.

In addition, the study listed pricing policies which failed to stimulate production of basic materials; uncoordinated control of the labor supply with resultant migration of workers from some essential industries; unreliable and conflicting statistical estimates which prevented efficient planning; the reluctance of the military agencies to substitute plentiful materials for scarce or essential products in specifications submitted to manufacturers; unavoidable construction that hindered production in the early months of the war; inadequate stockpiling of basic materials and delays in getting synthetic production under way.

Manufacturers' Profit Margins In Thirties 40 Per Cent Below Those Of Twenties

Profit margins of manufacturing corporations during the latter half of the period intervening between the two World Wars were 40% below those of the first half of that period, according to the National Industrial Conference Board, New York, which has just completed a detailed study of earnings-sales ratios during these years. Earnings on sales during averaged 5%, as compared with 3% from 1930 to 1940, inclusive, according to the Board's figures.

Manufacturers, says the Board, earned more per dollar of sales in 1919 than in any year thereafter, including both 1940 and 1941. The rate of return averaged 6.9% after taxes at the close of World War I, as against 5.1% at the start of the rearmament period in 1939, about 6% in 1940, and slightly less than 5.5% in 1941.

The Board's announcement issued Dec. 3 likewise said:

"Food, tobacco, and beverages constitute the only broad major field of manufacturing in which the average rate of return on sales from 1930 through 1940 was greater than during the eleven years preceding.

"The earnings record of the component industries in the second half of the postwar period (1930-1940) reflects not only sharply lowered level of returns, but also marked alterations in the relative profitability of the major fields of manufacture. Food producers, including tobacco and beverages, with below-average earnings during the Twenties joined the group with returns greater than the average for all manufacturing during the Thirties.

"Those industries with above-average returns in the initial decade following World War I, were again in the upper half of all manufacturing in the years following. Their average earning power over the latter period was, however, severely limited, the rates in some instances being cut in half. Thus, the stone, clay and glass industry topped the manufacturing field from 1919 through 1929 with average sales margins of 8.3%. Over the later period the corresponding rate of return was cut to 4%, losses during the depression years mounting to as much as 14.9% of sales in 1932. Producers of chemicals, including petroleum and coal,

Status Of French In U. S.

Will Remain Unchanged

The Treasury Department recently reassured French nationals residing within the United States that their status under the freezing order has not been changed by the action of Nov. 9 in including unoccupied European France within enemy territory. The announcement said:

"Officials pointed out that the recent amendment to General Ruling No. 11, which declared 'unoccupied' France within Europe to be enemy territory, did not mean that French citizens within the United States became enemy nationals. It did not result in blocking the accounts of French citizens within this country whose accounts heretofore have been freed under General License No. 42.

"As applied to unoccupied France, this amendment in effect provides that no person in the United States may engage in any transaction involving trade or communications with a person in unoccupied France without a license from the Treasury expressly referring to General Ruling No. 11. Ordinary transactions with French citizens in the United States may be carried on in the same manner as in the past."

Treasury officials emphasized that resident French nationals have no reason for alarm as a result of the latest action (referred to in these columns Nov. 19, page 1805).

Steel Operations Maintained At High Rate—Armament Readjustment Brings Cancellations

"This week WPB officials repeated their warnings that there is little hope for steel in the near future for such consumer items as washing machines, vacuum cleaners, refrigerators," states "The Iron Age" in its issue of today (Dec. 17), further adding in part: "When the steel supply does become easier, first industries to get consideration will be indirect military users such as railroads.

"Any slight increases in steel inventory because of unbalance in the distribution picture have already been cleaned up, according to reports to 'The Iron Age.' One plant which has been working exclusively on ingots for Lend-Lease has maintained the same output with the WPB finding outlets for the steel. Evidence gathered in the last few days suggests that steel backlogs again are edging upward for some companies.

"Severe weather in some sections of the country has slowed the movement of iron and steel scrap, while dealers and consumers continue to suffer from the labor shortage.

"This week West Coast industry was discussing possibilities that stockpiles of iron and steel scrap under Government sponsorship may be located at strategic points in the Coast and intermountain areas to level off the flow of scrap and provide for regular absorption of low grade public drive scrap along with higher grade industrial material.

"In most war production areas, labor continues to occupy the No. 1 spot in the headache parade. The job freezing plan announced in Detroit last week applying to almost every worker in that area, will be carried through in a form

applicable to the greater Cleveland's peculiar manpower problem under direction of the War Manpower Commission Labor-Management Committee."

The American Iron and Steel Institute on Dec. 14, 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 98.4% of capacity for the week beginning Dec. 14, compared with 98.6% one week ago, 98.7% one month ago and 97.9% one year ago. This represents a decrease of 0.2 point or 0.2% from the preceding week. The operating rate for the week beginning Dec. 14 is equivalent to 1,683,300 tons of steel ingots and castings, compared to 1,683,700 tons one week ago, 1,688,400 tons one month ago, and 1,617,500 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Dec. 14 stated in part: "Announcement of Production Requirements Plan quotas for first quarter, scheduled to be made by Dec. 15, is expected to stimulate placing of orders for steel materials.

"Many consumers have been holding back orders until they receive their allocations, to avoid a

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	Ave. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Dec. 15	116.78	107.09	116.80	113.89	108.88	91.62	96.54	111.62	114.27
14	116.78	107.09	116.80	113.70	108.88	91.62	96.54	111.81	114.27
12	116.78	107.09	116.80	113.70	108.88	91.62	96.54	111.81	114.27
11	116.78	107.09	116.80	113.89	108.88	91.62	96.54	111.81	114.27
10	116.78	107.09	116.80	113.89	108.88	91.62	96.54	111.81	114.27
9	116.78	107.09	116.80	113.89	108.88	91.62	96.54	111.81	114.27
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
6	116.78	107.27	116.80	113.89	108.88	91.91	96.69	111.81	114.27
5	116.78	107.27	116.80	113.70	108.88	92.06	96.69	111.81	114.27
4	116.78	107.27	116.80	113.89	108.88	91.77	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	118.34	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. 15, 1941	118.09	106.56	117.00	114.08	107.98	90.06	96.07	110.52	114.08
2 Years ago									
Dec. 14, 1940	119.61	106.74	119.00	114.85	106.56	89.64	95.92	110.70	114.66

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

1942— Daily Averages	U. S. Govt. Bonds	Ave. Corpo- rate*	Corporate by Ratings				Corporate by Groups		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Dec. 15	2.08	3.33	2.81	2.96	3.23	4.30	3.97	3.08	2.94
14	2.09	3.33	2.81	2.97	3.23	4.30	3.97	3.07	2.94
12	2.09	3.33	2.81	2.97	3.23	4.30	3.97	3.07	2.94
11	2.09	3.33	2.81	2.96	3.23	4.30	3.97	3.07	2.94
10	2.09	3.33	2.81	2.96	3.23	4.30	3.97	3.07	2.94
9	2.09	3.33	2.81	2.96	3.23	4.30	3.97	3.07	2.94
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
20	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. 15, 1941	1.97	3.36	2.80	2.95	3.28	4.41	4.00	3.14	2.95
2 Years ago									
Dec. 14, 1940	1.87	3.35	2.70	2.91	3.36	4.44	4.01	3.13	2.92

*These prices are computed from average yields on the basis of one "typical" bond (3% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages the latter being the true picture of the bond market.

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

November Retail Prices Continue Unchanged, According To Fairchild Publications Index

Since July 1, 1942 the Fairchild Publications retail price index has remained unchanged at 113.1. Retail prices, however, continue to remain slightly above last year, showing an increase of 5.2%. This is less than was indicated last month when the index was 6.5% above the same period of 1941. Prices are still 27.2% above the period immediately preceding the outbreak of war in 1939.

The announcement further said: "The only one of the major groups that showed any movement was women's apparel, showing a decrease of 0.1%. The decrease was caused by declines recorded for furs during the month. In the comparison with Dec. 1, 1941, piece goods and men's apparel increased the most, 8.2% and 8.0%. Infants' wear as usual advanced the least, 4.7%. Over 1939, piece goods continued with the greatest rise, followed by home furnishings, and infants' wear again showed the smallest.

"The retail prices of all the individual items remained at the same level recorded for the month of October, with the exception of two, furs and men's shirts and neckwear. Furs decreased 0.2%, and men's shirts and neckwear advanced 0.1%. All the items also showed increases over 1941, with the exception again of furs by men's hose a decline of 1.5%. The largest advance was indicated by men's hose with 12.5%, the smallest by furniture and infants' underwear with only 2.9%. Very great increases in two items appeared in comparison with May, 1933—cotton wash goods with 109.6% and furs with 101.0%.

"Prices of furs during November as compared with the period immediately preceding the outbreak of hostilities in Europe rose the most, 49.6%, followed by cotton wash goods, sheets and pillowcases. Although furniture only increased 2.9% over 1941 it does show a rise of 37.2% over the 1939 period. Smallest advances over 1939 were recorded by women's shoes, and infants' underwear.

"Retail prices will continue to remain at about the same level that they have been for the past five months, according to A. W. Zelomek, economist, under whose supervision the index is compiled. Price regulations and individual price ceiling adjustments will continue to be reflected in the various indexes resulting in the minor fluctuations, which have been noticeable in the past months."

THE FAIRCHILD PUBLICATIONS RETAIL PRICE INDEX

JAN. 3, 1931=100
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	May 1, 1933	Dec. 1, 1941	Sept. 1, 1942	Oct. 1, 1942	Nov. 1, 1942	Dec. 1, 1942
Composite Index	69.4	107.4	113.1	113.1	113.1	113.1
Piece Goods	65.1	103.7	112.3	112.2	112.2	112.2
Men's Apparel	70.7	97.5	*105.2	105.2	*105.3	105.3
Women's Apparel	71.8	106.9	112.7	112.7	112.6	112.5
Infants' Wear	76.4	103.2	108.0	108.0	108.0	108.0
Home Furnishings						
Piece Goods	70.2	109.5	115.5	115.5	115.5	115.5
Silks	57.4	80.7	84.8	84.7	84.7	84.7
Woolens	69.2	101.2	108.1	108.1	108.0	108.0
Cotton Wash Goods						
Domestics	68.6	129.2	143.9	143.8	143.8	143.8
Sheets	65.0	113.2	126.9	126.8	126.8	126.8
Blankets & Comfortables						
Women's Apparel	72.9	125.3	135.0	135.0	135.0	135.0
Hosiery	59.2	87.8	94.1	94.1	94.1	94.1
Aprons & House Dresses	75.5	127.4	140.5	140.5	140.5	140.5
Corsets & Brassieres	83.6	102.1	111.2	111.2	111.2	111.2
Furs	66.8	136.4	135.4	135.1	134.6	134.3
Underwear	69.2	97.7	102.7	102.7	102.7	102.7
Shoes						
Men's Apparel	76.5	89.8	92.4	92.4	92.4	

Market Value Of Bonds On N. Y. Stock Exchange

The New York Stock Exchange announced on Dec. 7 that as of the close of business Nov. 30, there were 1,142 bond issues aggregating \$67,155,675,692 par value listed on the Stock Exchange with a total market value of \$64,543,971,299. This compares with 1,144 bond issues, aggregating \$67,206,997,992 par value, with a total market value of \$64,843,877,284 on Oct. 31, 1942.

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

Group—	Nov. 30, 1942—		Oct. 31, 1942—	
	Market Value \$	Average Price	Market Value \$	Average Price
U. S. Government (incl. N. Y. State, Cities, etc.)	49,153,422,386	104.56	49,257,034,419	104.78
U. S. companies:				
Amusements	41,712,919	100.89	41,592,419	100.60
Automobile	13,187,800	101.34	13,550,513	104.13
Building	17,814,663	98.93	17,369,386	96.46
Business and office equipment	15,300,000	102.00	15,225,000	101.50
Chemical	76,856,160	101.41	76,701,315	101.21
Electrical equipment	36,193,750	103.41	36,300,000	103.71
Financial	56,921,170	101.08	58,002,875	100.88
Food	234,390,921	103.74	233,955,167	103.54
Land and realty	9,611,703	71.53	9,843,303	71.67
Machinery and metals	43,303,020	100.09	43,894,956	100.11
Mining (excluding iron)	91,016,444	58.38	92,110,614	59.08
Paper and publishing	49,441,622	100.45	49,296,110	100.33
Petroleum	591,660,774	103.14	591,620,579	103.14
Railroad	6,457,697,685	62.89	6,660,019,748	64.85
Retail merchandising	11,898,730	80.57	11,668,794	79.01
Rubber	74,170,891	100.94	73,645,345	100.23
Ship building and operating	11,472,000	100.00	11,443,320	99.75
Shipping services	18,329,288	66.41	18,272,538	66.20
Steel, iron and coke	511,564,213	100.20	545,742,574	100.13
Textiles	36,473,413	100.34	36,281,550	99.81
Tobacco	146,450,397	105.01	146,144,172	104.79
Utilities:				
Gas and electric (operating)	3,317,793,361	106.94	3,337,082,089	107.16
Gas and electric (holding)	96,151,844	97.79	96,568,938	98.21
Communications	1,199,303,360	106.89	1,203,249,070	107.24
Miscellaneous utilities	86,524,861	59.00	87,454,132	59.64
U. S. companies oper. abroad	113,182,926	62.39	111,085,526	61.12
Miscellaneous businesses	31,027,365	104.46	30,921,115	104.10
Total U. S. companies	13,389,451,280	78.40	13,649,041,148	79.68
Foreign government	1,286,167,100	58.38	1,227,297,976	55.69
Foreign companies	714,930,533	82.74	710,503,741	82.22
All listed bonds	64,543,971,299	96.11	64,843,877,284	96.48

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

1940—	Market Value \$	Average Price	1941—	Market Value \$	Average Price
Oct. 31	50,438,409,964	92.84	Nov. 29	54,812,793,945	94.80
Nov. 30	50,755,887,399	93.58	Dec. 31	55,033,616,312	94.50
Dec. 31	50,831,283,315	93.84	1942—		
Jan. 31	50,374,446,095	93.05	Jan. 31	56,261,398,371	95.24
Feb. 28	50,277,456,796	92.72	Feb. 28	57,584,410,504	95.13
Mar. 31	52,252,053,607	93.73	Mar. 31	58,140,392,211	95.97
Apr. 30	52,518,036,554	94.32	Apr. 30	57,923,553,616	95.63
May 30	52,321,710,056	94.22	May 29	59,257,509,671	95.64
June 30	53,237,234,899	94.80	June 30	59,112,072,945	95.50
July 31	53,259,696,637	95.04	July 31	61,277,620,583	95.76
Aug. 30	53,216,867,646	94.86	Aug. 31	62,720,371,752	96.08
Sept. 30	53,418,055,935	94.74	Sept. 30	62,765,776,218	96.18
Oct. 31	53,106,635,894	95.25	Oct. 31	64,843,877,284	96.48
			Nov. 30	64,543,971,299	96.11

Cotton Ginned From Crop Of '42 Prior To Dec. 1

The Census report issued on Dec. 8, compiled from the individual returns of the ginners is shown below:

Number of bales of cotton ginned from the growth of 1942 prior to Dec. 1, 1942, and comparative statistics to the corresponding date in 1941 and 1940 (running bales, counting round as half bales and excluding linters):

State—	1942	1941	1940
United States	*11,539,420	*9,592,229	*10,866,474
Alabama	885,949	769,332	710,715
Arizona	80,071	107,787	102,872
Arkansas	1,350,977	1,351,186	1,228,111
California	198,587	242,207	466,594
Florida	14,445	14,663	17,822
Georgia	840,607	626,747	956,859
Illinois	3,749	5,362	2,759
Kentucky	14,271	16,678	8,639
Louisiana	570,892	309,017	440,498
Mississippi	1,866,422	1,379,118	1,077,132
Missouri	380,952	459,155	295,211
New Mexico	79,224	63,613	90,647
North Carolina	674,999	556,520	692,855
Oklahoma	625,625	561,367	615,378
South Carolina	681,471	393,198	912,487
Tennessee	574,177	565,451	380,776
Texas	2,673,499	2,143,224	2,847,999
Virginia	23,503	22,604	19,120

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

The statistics in this report include no round bales for 1942; 846 for 1941 and 3,404 for 1940. Included in the above are 39,368 bales of American-Egyptian for 1942; 35,823 for 1941 and 20,800 for 1940; also 666 bales Sea-Island for 1942; 3,087 for 1941 and 4,382 for 1940.

The statistics for 1942 in this report are subject to revision when checked against the individual returns of the ginners being transmitted by mail. The revised total of cotton ginned this season prior to Nov. 14 is 10,683,684 bales.

Consumption, Stocks, Imports, and Exports—United States

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

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

World Statistics

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

National Fertilizer Association Commodity Price Index At New Peak

The weekly wholesale commodity price index compiled by the National Fertilizer Association and made public on Dec. 14 rose last week to a new high level. This index in the week ended Dec. 12, 1942 stood at 131.0% of the 1935-1939 average as 100, as compared with 130.6 in the preceding week. The index was 130.4 a month ago and 119.1 a year ago. The Association's report continued as follows:

The farm product price index rose to a new war-time peak. Cotton and grains were again higher during the week and livestock prices moved upward. Because of steady advances in the past three weeks, grain prices are now 6.4% higher than a month ago. The food price average was again slightly higher, rising for the eighth consecutive week. An advance in the price of linseed oil was responsible for a fractional upturn in the building materials average. Other advances were registered by the indexes representing the prices of miscellaneous commodities and textiles.

During the week 17 commodities advanced, while none declined; in the preceding week there were 17 advances and four declines; in the second preceding week there were 13 advances and two declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association
[*1935-1939=100]

% Each Group Bears to the Total Index	Group	Latest Preceding Month			Year Ago
		Week 1942	Week 1942	Nov. 7, 1941	
25.3	Foods	134.3	134.2	133.0	116.6
	Fats and Oils	148.8	148.8	146.9	129.0
	Cottonseed Oil	164.7	164.7	158.4	156.0
23.0	Farm Products	143.6	142.1	143.5	124.4
	Cotton	186.3	184.8	185.1	163.1
	Grains	123.2	120.7	115.8	117.0
	Livestock	141.3	139.9	143.6	118.4
17.3	Fuels	119.3	119.3	119.3	111.9
10.8	Miscellaneous commodities	129.1	128.6	127.4	126.9
8.2	Textiles	148.9	148.7	148.7	140.8
7.1	Metals	104.4	104.4	104.4	104.0
6.1	Building materials	151.4	151.3	151.4	131.2
3	Chemicals and drugs	127.6	127.6	120.7	112.9
1.3	Fertilizer materials	117.5	117.5	117.4	114.9
.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	131.0	130.6	130.4	119.1

*Indexes on 1926-28 base were: December 12, 1942, 102.0; Dec. 5, 101.7; Dec. 13, 1941, 92.8

November Shipments By Subsidiaries Of U. S. Steel Corp.

In the table below we list the figures by months for various periods since January, 1929:

	1942	1941	1940	1939	1938	1929
January	1,738,893	1,682,454	1,145,592	870,866	570,264	1,364,801
February	1,616,587	1,548,451	1,009,256	747,427	522,395	1,388,407
March	1,780,938	1,720,368	931,905	845,108	627,047	1,605,510
April	1,758,894	1,687,674	907,904	771,752	550,551	1,617,302
May	1,834,127	1,745,295	1,084,057	795,689	509,811	1,701,874
June	1,774,068	1,668,637	1,209,684	607,562	524,994	1,529,241
July	1,765,749	1,666,667	1,296,887	745,364	484,611	1,480,008
August	1,788,650	1,753,665	1,455,604	885,636	615,521	1,500,281
September	1,703,570	1,664,227	1,392,830	1,086,683	635,645	1,262,874
October	1,787,501	1,851,279	1,572,408	1,345,855	730,312	1,333,385
November	1,665,545	1,624,186	1,425,352	1,406,205	749,328	1,110,050
December		1,846,036	1,544,623	1,443,969	765,868	931,754
Total by mos.	20,458,937	14,976,110	11,752,116	7,286,347	4,825,477	16,825,477
Yearly adjust.	*42,000	37,639	*44,865	29,159	*12,827	
Total	20,417,000	15,013,749	11,797,251	7,315,506	4,838,304	16,812,650

*Decrease.
Note—The monthly shipments as currently reported during the year 1942, are subject to adjustments reflecting annual tonnage reconciliations. These will be comprehended in the cumulative yearly shipments as stated in the annual report.

October Hotel Sales Higher

In its December bulletin, Horwath & Horwath, New York public accountants, report that the increase in total business over last year was the same in October as in September, 22%, but the average gain for the year to date, at 14%, is 2 points higher. The total average occupancy again sets a new high, being up 2 points over that in September which was then pointed out as the highest recorded in the 16 years that the figures have been compiled.

The firm supplies the following statistical data:

OCTOBER, 1942, COMPARED WITH OCTOBER, 1941

	Sales, Increase or Decrease—				Occupancy		Room Rate Increase
	Total	Rooms	Restaurant	Food Beverages	1942	1941	
New York City	+10%	+7%	+14%	+11%	+18%	82%	76%
Chicago	+24	+19	+30	+27	+37	85	75
Philadelphia	+23	+27	+18	+21	+13	82	67
Washington	+34	+24	+40	+35	+50	94	86
Cleveland	+26	+13	+37	+29	+58	80	74
Detroit	+23	+23	+23	+19	+31	90	75
Pacific Coast	+48	+50	+45	+35	+65	85	61
Texas	+23	+21	+27	+30	+12	81	73
All others	+19	+15	+22	+18	+31	77	70
Total	+22%	+19%	+25%	+21%	+33%	80%	71%
Year to date	+14%	+11%	+16%	+12%	+24%	73%	68%

*The term "rates" wherever used refers to the average sales per occupied room and not to scheduled rates. *Rooms and restaurant only.

Agricultural Department General Crop Report As Of December 1

The Crop Reporting Board of the United States Department of Agriculture made public on Dec. 10 its forecasts and estimates of the grain crop of the United States as of Dec. 1, based on reports and data furnished by crop correspondents, field statisticians and co-operating State Boards (or Departments) of Agriculture. We give below the report in part:

The harvesting of late crops progressed rapidly until the Winter weather and heavy snows of late November and early December checked harvesting opera-

tions over a wide area. With perhaps 15% of the corn crop still in the fields, husking has been stopped or retarded. Prospects

for salvaging the soybeans still in the fields are rather uncertain in the Eastern Corn Belt, where wet weather interfered with field work during November. Some buckwheat was lost in the Northeast. Harvesting of apples, potatoes, sugar beets and other late crops in the Northern States was nearly completed during November and losses were probably no more than average, because prices have encouraged close utilization wherever sufficient labor could be secured.

Recent rains and snows interfered with late seedings of wheat in the Pacific Northwest. An unusually large area of the Western ranges is now snow covered, but prospects for Winter wheat, and for ranges in 1943, have been improved. The only area now seriously dry appears to be the far Southwest, including most of New Mexico and Arizona, and southern portions of Utah, Nevada and California.

Although favorable growing weather through most of the season, and strenuous efforts to complete the harvest have reduced national crop losses to less than average, the lack of labor reserves has shown up plainly where the normal harvesting schedule was upset by wet weather. The necessity for conserving labor is also beginning to appear in various shortcuts and adjustments that tend to reduce production. Thus cotton is not being picked or "scrapped" quite as closely as usual. Some hay, chiefly that damaged by rains, was left in the fields. Some sugar cane is going to the mills without being stripped. A little low quality fruit was left on the trees. There is evidence of an increasing tendency to turn cattle and hogs into fields of corn, sorghums or peanuts to gather their own feed. Some farmers have delayed weaning the calves or stopped stripping the strippers. Some dairy herds, dependent on hired labor, have been dispersed, particularly in areas close to munition plants, where wages have necessarily been high enough to pull men from other occupations. Recently slaughter records have shown unusually large numbers of cows and ewes going to slaughter. So far, marketings for slaughter appear to represent close culling and a slowing up in rates of increase rather than liquidation of serviceable breeding stock, except, possibly, in Texas and the Intermountain region of the West. In portions of the Intermountain area the season has been dry, range feed is only fair, hay supplies are none too plentiful, and up sharply in price.

Daily Average Crude Oil Production For Week Ended Dec. 5, 1942 Dropped 43,750 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Dec. 5, 1942 was 3,834,250 barrels, a decline of 43,750 barrels from the preceding week, and 273,700 barrels per day less than during the corresponding period last year. The current figure was also 181,650 barrels below the daily average figure for the month of December, 1942, as recommended by the Office of Petroleum Coordinator. Daily production for the four weeks ended Dec. 5, 1942 averaged 3,876,100 barrels. Further details as reported by the Institute follow:

Reports received from refining companies owning 85.9% of the 4,800,000 barrels 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, 3,760,000 barrels of crude oil daily during the week ended Dec. 5, 1942, and that all companies had in storage at refineries, bulk terminals, in transit and in pipelines as of the end of that week, 75,934,000 barrels of finished and unfinished gasoline. The total amount of gasoline produced by all companies is estimated to have been 11,165,000 barrels during the week ended Dec. 5, 1942.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

District	*O.P.C. Recommendations December	*State Allowables Beginning Dec. 1	Actual Production—		4 Weeks Ended Dec. 5 1942	Week Ended Dec. 6 1941
			Week Ended Dec. 5 1942	Change From Previous Week		
Oklahoma	403,900	403,900	363,950	-1,750	363,000	416,550
Kansas	300,700	300,700	285,950	-13,150	300,650	240,700
Nebraska	3,400		13,000	+ 50	3,100	5,850
Panhandle Texas			92,200	+ 2,400	90,400	99,150
North Texas			135,550	- 2,050	137,100	139,050
West Texas			2,208,900	- 3,850	2,115,500	289,300
East Central Texas			99,600	+ 3,800	96,500	86,650
East Texas			357,500	+ 2,700	355,500	369,300
Southwest Texas			174,200	- 2,350	173,900	216,650
Coastal Texas			312,900	- 500	312,900	292,050
Total Louisiana	1,350,400	1,470,653	1,380,850	+ 150	1,377,800	1,492,150
North Louisiana			92,750	- 3,800	95,550	81,500
Coastal Louisiana			223,700	- 5,000	227,200	278,250
Total Louisiana	326,100	337,600	316,450	- 8,800	322,750	359,750
Arkansas	77,300	73,461	74,000	+ 400	73,900	73,950
Mississippi	50,000		162,500	+ 1,550	63,750	74,700
Illinois	274,100		246,900	- 8,750	251,650	398,600
Indiana	17,700		116,100	- 100	16,100	20,100
Eastern (Not incl. Ill. & Ind.)	107,600		88,950	- 1,400	91,550	93,300
Michigan	63,800		59,100	+ 700	61,000	53,150
Wyoming	94,500		91,950	+ 1,250	91,500	85,550
Montana	24,700		22,600	+ 50	22,400	21,450
Colorado	7,000		6,750	- 250	6,550	5,450
New Mexico	99,700	99,700	95,800	- 3,900	96,850	117,800
Total East of Calif	3,200,900		3,114,850	-30,050	3,142,550	3,459,050
California	815,000	\$815,000	719,400	-13,700	733,550	648,900
Total United States	4,015,900		3,834,250	-43,750	3,876,100	4,107,950

*O.P.C. recommendations and state allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline prorations. 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 September, 1942, as follows: Oklahoma, 30,200; Kansas, 5,100; Texas, 104,900; Louisiana, 20,500; Arkansas, 3,000; Illinois, 9,400; Eastern (not including Illinois and Indiana), 9,000; Michigan, 100; Wyoming, 2,400; Montana, 300; New Mexico, 6,000; California, 42,400.

†Oklahoma, Kansas, Nebraska, Mississippi, Indiana figures are for week ended 7 a.m. Dec. 2.

‡This is the net basic allowable as of Dec. 1 calculated on a 31-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 16 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 STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE AND GAS AND FUEL OIL, WEEK ENDED DEC. 5, 1942

(Figures in Thousands of Barrels of 42 Gallons Each)

District	Daily Refining Capacity	Potential % Rate	Crude Runs to Still Average	Crude to Still Daily	Gasoline Production		Stocks of Gas Oil and Distillate Fuels	Stocks of Finished and Unfinished Gasoline	Stocks of Gas Oil and Distillate Fuels
					at Refineries	Incl. and Unfinished Blended Gasoline			
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,440	88.2	1,706	69.9	5,051	36,175	26,314	15,850	
Appalachian	176	84.8	155	88.1	478	2,460	680	377	
Ind., Ill., Ky.	804	84.9	736	91.5	2,492	12,840	6,411	2,247	
Okl., Kansas, Mo.	416	80.1	366	88.0	1,204	5,819	2,045	1,353	
Rocky Mountain	147	48.0	89	60.5	331	1,421	402	555	
California	817	89.9	708	86.7	1,609	17,219	12,811	54,837	
Tot. U. S. B. of M. basis, Dec. 5, 1942.	4,800	85.9	3,760	78.3	11,165	75,934	48,663	75,219	
Tot. U. S. B. of M. basis, Nov. 28, 1942.	4,800	85.9	3,736	77.8	11,269	78,854	49,739	77,795	
U. S. Bur. of Mines basis, Dec. 6, 1941.			3,963		13,913	87,840	54,850	94,128	

*At the request of the Office of Petroleum Coordinator. †Finished, 67,197,000 bbls.; unfinished, 8,737,000 bbls. ‡At refineries, at bulk terminals, in transit, and in pipeline.

Engineering Construction For Week Up 44% Compared With Year Ago

Engineering construction volume for the week, \$85,268,000, is 44% higher than the total for the corresponding week last year, but declines 17% from last week as reported by "Engineering News-Record" on Dec. 10. Public construction tops the 1941 week by 154% as a result of the 337% climb in Federal work, but private volume is 89% below a year ago. Both public and private construction are below a week ago, declining 17 and 16%, in that order. Federal work is 17% lower than in the preceding week. The report also said:

The current week's volume brings 1942 construction to \$9,120,618,000, an increase of 58½% over the \$5,751,563,000 reported for

the 50-week period last year. Private work, \$549,240,000, is 53% under the period in 1941, but public construction, \$8,571,378,000, is up 87% due to the 136% gain in Federal volume.

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

	Dec. 11, 1941	Dec. 3, 1942	Dec. 10, 1942
Total Construction	\$59,065,000	\$103,143,000	\$85,268,000
Private Construction	26,706,000	3,638,000	3,058,000
Public Construction	32,359,000	99,505,000	82,210,000
State and Municipal	14,119,000	3,853,000	2,387,000
Federal	18,240,000	95,652,000	79,823,000

In the classified construction groups, gains over last week are in waterworks, bridges, industrial buildings, earthwork and drainage, and unclassified construction. Increases over the 1941 week are in waterworks, public buildings, and unclassified construction. Sub-totals for the week in each class of construction are: waterworks, \$3,722,000; sewerage, \$712,000; bridges, \$151,000; industrial buildings, \$1,045,000; commercial building and large-scale private housing, \$1,860,000; public buildings, \$29,931,000; earthwork and drainage, \$726,000; streets and roads, \$3,521,000; and unclassified construction, \$43,600,000.

New capital for construction purposes for the week totals \$4,334,000. This compares with \$23,062,000 reported for the corresponding 1941 week. The current week's new financing is made up of \$3,350,000 in corporate security issues, and \$984,000 in State and municipal bond sales.

New construction financing for the year to date, \$10,211,597,000, is 62% greater than the \$6,319,656,000 for the 50-week period a year ago.

Non-Ferrous Metals—Freight Tax Price Adjustments Made In N. Y. Basis For Zinc

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. 10, stated: "Sellers of the ordinary grades of zinc for delivery in New York and other centers will be permitted to add the 3% transportation tax to other freight charges, plus the East St. Louis quotation of 8.25¢ for Prime Western. Clarification of this question was contained in an interpretation of a recent official ruling on the tax by H. S. Reuss, assistant general

counsel for OPA. The New York equivalent of the Laredo, Tex., base price for antimony sold in bulk has been adjusted upward to meet the extra freight tax charges. Consumers purchasing antimony ex-warehouse New York will have to pay the extra charge as soon as present stocks brought in under the old schedule have been exhausted. Outstanding developments in copper and lead were lacking last week." The publication further went on to say in part:

Copper

To avoid unnecessary delay in moving copper from refineries to brass mills engaged in essential war work, the Metals Reserve in the future will store some of its metal at the plants. In the past, copper has not always been stockpiled at convenient shipping centers for quick delivery to fabricators. More efficient control over the movement of the vast tonnages of copper needed for the war is gradually coming into the picture, the industry believes. The price situation in both domestic and foreign copper was unchanged last week.

Lead

Inquiry for lead was good last week, and producers believe that sales for January delivery will increase appreciably in the next week. December needs of consumers are about 70% covered, according to industry estimates, with January holding at not much more than 15%. Sales of common lead during the last week exceeded the week previous. Quotations continued at 6.50¢, New York, and 6.35¢, St. Louis.

Zinc

Counsel for OPA holds that sellers of Prime Western zinc for delivery in the New York area may charge the base price of 8.25¢, East St. Louis, plus the freight charge of 41¢ per hundred pounds, plus the 3% tax of total transportation charge. This brings the New York price to 8.67¢ per pound. High Grade, which is sold on a delivered basis, is not disturbed price-wise by the tax on transportation imposed as of Dec. 1.

The order regulating prices on rolled zinc has been amended to include special shapes and new

products. One of the products now covered in the regulations is a zinc alloy developed to take the place of copper in engravers' and lithographers' plates.

Antimony

Sellers of antimony ex-warehouse New York, packed in cases, covering less than carload lots down to a minimum of 5 tons, quote the market on the domestic product at 15¢ a pound plus \$2.27 per case for freight. A case weighs 24 pounds. As this is not a true "delivered" price, the 3% tax on freight rates now in effect will be added to the full price paid by consumers as soon as supplies in store here and carrying the old freight charge become exhausted. Though virtually no bulk business in antimony is placed on an f.o.b. New York basis, the nominal quotation published for the New York bulk equivalent of the Laredo base price naturally takes into account any freight adjustments announced by the railroads or other transportation lines, as well as higher costs resulting from taxes. Consequently, the New York equivalent for domestic antimony in bulk, carload lots, has been revised to 15.509¢ a pound, retroactive to Dec. 1, 1942. The previous quotation for antimony in bulk, New York, was 15.480¢.

Aluminum

The price schedule of the Aluminum Company of America now includes a quotation for pig aluminum in addition to the standard quotation for the metal in ingot form. The weight of a pig of 99% aluminum varies between 50 and 55 pounds, and the metal is listed at 14¢ a pound. Ingot aluminum, 99% plus, continues at 15¢ a pound.

Tin

A fair amount of tin recovered from used collapsible tubes is being consumed in the production of solder.

Developments in Africa point to increased shipments of tin and tin concentrate to this country from that area. Fear of a possible delay in the movement of tin from Africa has virtually disappeared.

The price situation in tin remained unchanged last week.

Straits quality tin for shipment was nominally as follows:

	Dec.	Jan.	Feb.
Dec. 3	52,000	52,000	52,000
Dec. 4	52,000	52,000	52,000
Dec. 5	52,000	52,000	52,000
Dec. 7	52,000	52,000	52,000
Dec. 8	52,000	52,000	52,000
Dec. 9	52,000	52,000	52,000

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

Quicksilver

Uncertainty about the labor situation at mines on the Pacific Coast tends to hold back offerings of quicksilver for future delivery, according to some observers. Normally, producers would be anxious to entertain bids on forward business at concessions so far as round-lot transactions are concerned.

The quotations for quicksilver in New York continued at \$196 @ \$198 per flask.

Silver

The Senate Banking and Currency Committee has approved a bill permitting the Treasury to dispose of silver not pledged as currency backing "in furtherance of the war effort." Upon recommendation of WPB, the bill provides, the Treasury may sell such silver at not less than 50¢ an ounce. To become law, the measure will have to pass both houses before the end of the present session on Jan. 2. The Green Bill, in its present form, appears to suit no one, according to comment in the trade.

The silver market in London was unchanged last week at 23½d. The New York Official remained at 44¼¢, 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.

Tax Delinquents May Make Weekly Payments

Assistant Secretary of the Treasury John L. Sullivan said on Nov. 19 that individuals who are unable to meet their income tax payments next year may be able to negotiate with Internal Revenue Collectors and work out an arrangement to pay weekly or on each payday until back taxes have been cleared up.

Mr. Sullivan has been placed in charge of the problem of handling defaulted and delinquent taxes by Secretary of the Treasury Morgenthau. In accordance with existing law, the taxpayer who works out such an arrangement would have to pay an additional 6%, on an annual basis, for the unpaid balance which is in arrears.

A Washington dispatch of Nov. 19 to the New York "Times" reported:

Asked what steps the Treasury was taking to meet the possibility that many would be unable to pay, Mr. Sullivan said he believed that the problem had been exaggerated. Although the number of income taxpayers had jumped from 7,800,000 in 1940 to 15,000,000 in 1941 and 27,000,000 in 1942, he said, fears that many of the new taxpayers brought in would be unable to pay had not been substantiated.

Mr. Sullivan pointed out that although in the first 21 years of income-tax collection the government received \$82,000,000,000, the amount it had been unable to collect averaged only \$11,600,000 a year. The total tax abated during the 21 years was only \$242,000,000. Of this \$231,000,000 was owed by individuals having a tax liability of \$100 or more. Only \$11,000,000 was defaulted by those whose tax liability was less than \$100.

Trading On New York Exchanges

The Securities and Exchange Commission made public on Dec. 11, 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. 28, 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. 28 (in round-lot transactions) totaled 791,985 shares, which amount was 13.88% of total transactions on the Exchange of 2,851,830 shares. This compares with member trading during the previous week ended Nov. 21 of 1,048,380 shares, or 15.42% of total trading of 3,399,250 shares. On the New York Curb Exchange, member trading during the week ended Nov. 28 amounted to 150,120 shares, or 14.73% of the total volume of that Exchange of 509,405 shares; during the preceding week trading for the account of Curb members of 166,540 shares was 14.26% of total trading of 584,090 shares.

The Commission made available the following data for the week ended Nov. 28:

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	957	660
1. Reports showing transactions as specialists	165	93
2. Reports showing other transactions initiated on the floor	144	30
3. Reports showing other transactions initiated off the floor	166	78
4. Reports showing no transactions	563	530

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. 28, 1942

A. Total Round-Lot Sales:	Total for Week	†Per Cent
Short sales	52,890	
‡Other sales	2,798,940	
Total sales	2,851,830	
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	200,530	
Short sales	35,090	
‡Other sales	166,680	
Total sales	201,770	7.05
2. Other transactions initiated on the floor—		
Total purchases	118,170	
Short sales	5,300	
‡Other sales	105,500	
Total sales	110,800	4.01
3. Other transactions initiated off the floor—		
Total purchases	70,255	
Short sales	3,040	
‡Other sales	87,420	
Total sales	90,460	2.82
4. Total—		
Total purchases	388,955	
Short sales	43,430	
‡Other sales	359,600	
Total sales	403,030	13.88

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

WEEK ENDED NOV. 28, 1942

A. Total Round-Lot Sales:	Total for Week	†Per Cent
Short sales	5,990	
‡Other sales	503,415	
Total sales	509,405	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	38,500	
Short sales	5,580	
‡Other sales	48,100	
Total sales	53,680	9.05
2. Other transactions initiated on the floor—		
Total purchases	4,450	
Short sales	0	
‡Other sales	5,350	
Total sales	5,350	0.96
3. Other transactions initiated off the floor—		
Total purchases	28,445	
Short sales	400	
‡Other sales	19,295	
Total sales	19,695	4.72
4. Total—		
Total purchases	71,395	
Short sales	5,980	
‡Other sales	72,745	
Total sales	78,725	14.73
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	0	
‡Customers' other sales	32,794	
Total purchases	32,794	
Total sales	17,485	

*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."

Weekly Coal and Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended Dec. 5 is estimated at 11,200,000 net tons, which compares with 10,745,000 tons in the holiday week preceding and with 11,550,000 tons in the full-time week ended Nov. 21. Production in the week ended Dec. 6, 1941 amounted to 11,364,000 net tons. The output of soft coal to date shows an increase of 13.4% over the same period last year.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended Dec. 5 was estimated at 1,101,000 tons, a decrease of 55,000 tons (4.8%) from the preceding week. When compared with the output in the corresponding week of 1941, however, there was an increase of 297,000 tons, or 36.9%. The calendar year to date shows a gain of 6.3%.

The U. S. Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended Dec. 5 showed a decrease of 2,600 tons, compared with the output for the week ended Nov. 28. The quantity of coke from beehive ovens increased 10,800 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL

	Week Ended			January 1 to Date		
	Dec. 5, 1942	Nov. 28, 1942	Dec. 6, 1941	*Dec. 5, 1942	Dec. 6, 1941	Dec. 4, 1937
Bituminous and lignite coal—	11,200	10,745	11,364	537,333	473,960	413,465
Total, incl. mine fuel—	1,867	2,149	1,894	1,890	1,672	1,456

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

	Week Ended			Calendar Year to Date		
	Dec. 5, 1942	Nov. 28, 1942	Dec. 6, 1941	Dec. 5, 1942	Dec. 6, 1941	Dec. 7, 1929
Penn. anthracite—	1,101,000	1,156,000	804,000	56,228,000	52,901,000	68,300,000
By-product coke—	1,057,000	1,110,000	764,000	53,520,000	50,256,000	63,382,000
United States total—	154,100	143,300	157,100	7,379,700	6,175,300	6,102,100

*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.)

State—	Week Ended					Nov. 1923
	Nov. 28, 1942	Nov. 21, 1942	Nov. 29, 1941	Nov. 30, 1940	Nov. 27, 1937	
Alaska	6	5	4	4	2	**
Alabama	346	376	360	318	210	409
Arkansas and Oklahoma	82	93	88	92	91	100
Colorado	151	172	197	199	177	236
Georgia and North Carolina	1	1	1	1	1	**
Illinois	1,192	1,372	1,280	1,205	1,120	1,571
Indiana	477	528	599	438	362	536
Iowa	56	62	79	80	96	128
Kansas and Missouri	161	168	170	155	149	175
Kentucky—Eastern	919	960	917	769	568	724
Kentucky—Western	253	296	262	185	178	218
Maryland	29	31	43	33	30	35
Michigan	7	7	10	5	12	26
Montana (bituminous and lignite)	105	110	90	81	80	83
New Mexico	33	36	30	25	29	62
North and South Dakota (lignite)	90	92	84	86	73	**35
Ohio	625	701	716	465	433	764
Pennsylvania (bituminous)	2,432	2,565	2,594	2,475	1,525	2,993
Tennessee	130	140	139	112	102	117
Texas (bituminous and lignite)	9	7	7	9	17	29
Utah	119	110	113	108	69	112
Virginia	392	397	415	300	227	217
Washington	44	51	42	43	40	72
West Virginia—Southern	2,117	2,180	2,303	1,863	1,377	1,271
West Virginia—Northern	780	888	907	655	418	776
Wyoming	188	200	182	170	134	184
Other Western States	†	2	†	†	†	**5
Total bituminous and lignite	10,745	11,550	11,632	9,876	7,520	10,878
‡Pennsylvania anthracite	1,156	1,158	838	918	957	1,896
Total all coal	11,901	12,708	12,470	10,794	8,477	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, 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.

Bank Debits For Month Of November

As announced on March 30, the Board of Governors of the Federal Reserve System has discontinued the issuance of its weekly "bank debits" press statement and beginning with the month of May has collected figures on a monthly basis from member and non-member banks in the centers previously included in the weekly bank debits statement. The last weekly report was published on page 1876 of the May 4, 1942, issue of the "Chronicle."

We present below the figures for the month of November:

SUMMARY BY FEDERAL RESERVE DISTRICTS

Federal Reserve District—	Nov.		—3 Months Ended—	
	1942	1941	Nov. 1942	Nov. 1941
Boston	2,900	2,714	8,762	7,808
New York	18,784	17,669	59,313	56,689
Philadelphia	2,500	2,305	7,662	7,324
Cleveland	3,708	3,285	11,667	10,198
Richmond	2,163	1,842	6,898	5,756
Atlanta	1,793	1,497	5,520	4,635
Chicago	7,912	6,891	24,986	21,051
St. Louis	1,732	1,523	5,467	4,751
Minneapolis	1,030	892	3,192	2,810
Kansas City	1,860	1,422	5,739	4,459
Dallas	1,489	1,229	4,531	3,738
San Francisco	4,801	3,809	14,705	11,592

†Total, 274 centers— 50,673
 *New York City— 17,016
 ‡140 other centers— 29,040
 †133 other centers— 4,616

*Included in the national series covering 141 centers, available beginning in 1919.
 †Excluding centers for which figures were not collected by the Board before May, 1942.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Dec. 11 a summary for the week ended Dec. 5, 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 Dec. 5, 1942	
Odd-lot Sales by Dealers: (Customers' Purchases)	Total for Week 12,629
Number of Orders	354,458
Number of Shares	12,627,002
Dollar Value	
Odd-lot Purchases by Dealers: (Customers' Sales)	
Number of Orders	103
Customers' short sales	15,996
Customers' other sales	
Customers' total sales	16,099
Number of Shares:	
Customers' short sales	2,381
Customers' other sales	421,697
Customers' total sales	424,078
Dollar Value	11,065,101
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	160
Other sales	149,780
Total sales	149,940

Round-lot Purchases by Dealers—

Number of Shares— 89,730

*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 Dec. 5, 1942

According to the National Lumber Manufacturers Association, lumber shipments of 431 mills reporting to the National Lumber Trade Barometer exceeded production by 15.3% for the week ended Dec. 5, 1942. In the same week new orders of these mills were 17.4% greater than production. Unfilled order files in the reporting mills amounted to 76% of stocks. For reporting softwood mills, unfilled orders are equivalent to 40 days' production at the current rate, and gross stocks are equivalent to 49 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 12%; orders by 18%.

Compared to the average corresponding week of 1935-39, production of reporting mills was 24% greater; shipments were 55% greater, and orders were 37% greater.

RFC Loans at \$4 Billion For Metal & Min. Purchases

The Reconstruction Finance Corporation and its subsidiaries have authorized loans and commitments of \$3,990,038,900 as of Oct. 26 in the domestic production and acquisition of strategic minerals and metals.

A breakdown of the program between the RFC and two of its subsidiaries—Metals Reserve Co. and Defense Plant Corp.—shows:	
Metals Reserve Co.	\$1,787,693,300
Defense Plant Corp.	2,003,440,800
RFC loans (under section 5D of RFC Act as amended)	190,700,000
Mining loan	8,204,100
Total	\$3,990,038,900

In addition, Metals Reserve Co. is committed to purchase 32 different metals and minerals in 36 foreign countries and Defense Plant Corp. has set aside \$6,190,805,104 for war plants and activities other than metal and mineral purchases.

Revenue Freight Car Loadings During Week Ended Dec. 5, 1942, Totaled 759,621 Cars

Loading of revenue freight for the week ended Dec. 5, 1942 totaled 759,621 cars, the Association of American Railroads announced on Dec. 10. This was a decrease below the corresponding week of 1941, of 73,754 cars or 8.9%, but an increase above the same week in 1940, of 21,108 cars or 2.9%.

Loading of revenue freight for the week of Dec. 5 increased 16,088 cars or 2.2% above the preceding week which included holiday.

Miscellaneous freight loading totaled 366,584 cars, an increase of 9,291 cars above the preceding week, but a decrease of 12,262 cars below the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 89,481 cars, an increase of 7,674 cars above the preceding week, but a decrease of 66,939 cars below the corresponding week in 1941.

Coal loading amounted to 161,500 cars, an increase of 7,937 cars above the preceding week, and an increase of 11,021 cars above the corresponding week in 1941.

Grain and grain products loading totaled 44,277 cars, an increase of 5,199 cars above the preceding week, and an increase of 1,523 cars above the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of Dec. 5 totaled 30,348 cars, an increase of 4,135 cars above the preceding week, and an increase of 3,605 cars above the corresponding week in 1941.

Livestock loading amounted to 18,316 cars, an increase of 1,183 cars above the preceding week, and an increase of 3,685 cars above the corresponding week in 1941. In the Western Districts alone, loading of livestock for the week of Dec. 5 totaled 13,842 cars, an increase of 397 cars above the preceding week, and an increase of 2,854 cars above the corresponding week in 1941.

Forest products loading totaled 38,990 cars, an increase of 2,569 cars above the preceding week, but a decrease of 2,015 cars below the corresponding week in 1941.

Ore loading amounted to 26,223 cars, a decrease of 18,230 cars below the preceding week, and a decrease of 9,864 cars below the corresponding week in 1941.

Coke loading amounted to 14,250 cars, an increase of 465 cars above the preceding week, and an increase of 1,097 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 and Northwestern.

	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
Four weeks of November	3,256,051	3,423,038	2,985,626
Week of Dec. 5	759,621	833,375	738,513
Total	40,743,897	40,077,169	34,378,452

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Dec. 5, 1942. During this period only 31 roads showed increases when compared with the corresponding week last year.

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1942	1941	1940	1942	1941	1940
Eastern District—						
Ann Arbor	299	631	537	1,172	1,558	
Bangor & Aroostock	1,719	1,497	1,332	168	217	
Boston & Maine	5,788	8,618	7,979	13,588	13,081	
Chicago, Indianapolis & Louisville	1,370	1,586	1,430	1,983	2,562	
Central Indiana	20	27	18	47	54	
Central Vermont	938	1,363	1,348	2,009	2,688	
Delaware & Hudson	5,923	5,513	5,860	10,943	10,821	
Delaware, Lackawanna & Western	6,757	8,955	9,161	9,247	8,556	
Detroit & Mackinac	385	483	387	1,232	1,177	
Detroit, Toledo & Ironton	1,456	2,537	2,943	1,333	1,295	
Detroit & Toledo Shore Line	283	349	459	3,037	4,526	
Erie	10,706	14,315	13,549	15,148	15,883	
Grand Trunk Western	3,928	5,897	6,008	7,257	10,320	
Lehigh & Hudson River	196	227	151	2,280	2,813	
Lehigh & New England	1,724	1,811	1,496	1,684	1,587	
Lehigh Valley	7,840	8,221	9,474	12,013	10,119	
Maine Central	2,003	3,030	2,917	3,079	2,979	
Monongahela	5,877	6,128	3,970	339	404	
Montour	2,165	1,745	1,600	17	30	
New York Central Lines	42,966	50,277	44,256	50,173	50,293	
N. Y., N. H. & Hartford	9,117	12,332	11,214	15,824	15,559	
New York, Ontario & Western	819	1,017	1,021	2,222	2,357	
New York, Chicago & St. Louis	6,678	6,745	5,248	15,190	14,793	
N. Y., Susquehanna & Western	448	565	420	1,753	1,196	
Pittsburgh & Lake Erie	7,008	8,751	7,403	7,754	7,977	
Pere Marquette	4,792	6,804	6,360	5,879	6,924	
Pittsburgh & Shawmut	496	510	438	12	36	
Pittsburgh, Shawmut & North	280	362	387	184	265	
Pittsburgh & West Virginia	821	940	648	2,186	2,402	
Rutland	327	580	620	824	1,112	
Wabash	5,581	6,207	5,749	12,174	10,973	
Wheeling & Lake Erie	4,510	4,625	3,782	4,013	4,568	
Total	143,220	172,649	158,265	203,564	208,125	
Allegheny District—						
Akron, Canton & Youngstown	655	679	577	1,104	1,044	
Baltimore & Ohio	35,363	39,300	32,290	24,972	21,606	
Bessemer & Lake Erie	5,047	5,571	2,375	1,888	1,725	
Buffalo Creek & Gauley	348	303	246	4	2	
Cambria & Indiana	1,740	1,884	1,700	7	15	
Central R. R. of New Jersey	6,696	7,260	6,839	18,182	15,987	
Cornwall	613	567	601	48	47	
Cumberland & Pennsylvania	217	346	287	7	32	
Ligonier Valley	129	130	147	65	58	
Long Island	1,179	813	808	2,903	2,445	
Penn-Reading Seashore Lines	1,884	1,666	1,420	2,007	1,699	
Pennsylvania System	68,438	83,384	67,977	55,807	51,302	
Reading Co.	13,928	15,228	15,927	24,998	24,937	
Union (Pittsburgh)	19,832	19,202	19,084	6,338	6,508	
Western Maryland	3,669	4,444	3,528	11,009	10,207	
Total	159,738	180,777	153,806	149,339	137,614	
Poconontas District—						
Chesapeake & Ohio	26,246	27,615	22,262	11,182	13,294	
Norfolk & Western	21,069	23,782	20,454	6,277	6,177	
Virginian	4,549	4,623	4,009	2,219	2,522	
Total	51,864	56,020	46,725	19,678	21,723	

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1942	1941	1940	1942	1941	1940
Southern District—						
Alabama-Tennessee & Northern	354	356	286	232	310	
Atl. & W. P.—W. R. R. of Ala.	679	879	807	2,715	2,048	
Atlanta, Birmingham & Coast	690	796	722	1,472	1,266	
Atlantic Coast Line	13,614	11,478	11,781	10,289	7,157	
Central of Georgia	3,994	4,411	4,257	4,624	4,625	
Charleston & Western Carolina	420	451	414	1,360	1,805	
Clinchfield	1,549	1,802	1,395	2,924	2,900	
Columbus & Greenville	411	281	234	470	362	
Durham & Southern	109	183	179	351	516	
Florida East Coast	1,766	952	896	1,518	1,082	
Gainesville Midland	50	37	43	94	71	
Georgia	1,217	1,564	1,150	2,499	2,404	
Georgia & Florida	360	427	325	552	828	
Gulf, Mobile & Ohio	4,040	4,311	3,595	4,944	3,675	
Illinois Central System	26,205	26,958	24,190	15,577	12,893	
Louisville & Nashville	23,328	24,104	23,586	11,029	8,575	
Macon, Dublin & Savannah	220	182	144	856	715	
Mississippi Central	161	137	146	484	440	
Nashville, Chattanooga & St. L.	2,882	3,452	3,360	4,342	3,759	
Norfolk Southern	1,083	1,350	1,139	1,443	1,427	
Piedmont Northern	372	554	474	1,280	1,599	
Richmond, Fred. & Potomac	393	451	374	10,028	6,806	
Seaboard Air Line	10,675	11,453	11,092	8,304	7,175	
Southern System	21,108	24,897	23,138	23,210	21,703	
Tennessee Central	403	577	456	904	744	
Winston-Salem Southbound	114	148	147	837	944	
Total	116,193	122,191	114,393	112,348	95,834	
Northwestern District—						
Chicago & North Western	14,384	18,427	16,115	13,095	13,997	
Chicago Great Western	2,330	2,783	2,816	2,937	3,517	
Chicago, Milw., St. P. & Pac.	19,237	22,556	21,776	8,994	9,674	
Chicago, St. Paul, Minn. & Omaha	3,789	4,475	4,414	3,537	4,777	
Duluth, Missabe & Iron Range	6,473	12,625	784	268	310	
Duluth, South Shore & Atlantic	523	724	584	570	58	
Elgin, Joliet & Eastern	7,652	10,861	9,423	9,975	11,051	
Ft. Dodge, Des Moines & South	410	568	444	105	170	
Great Northern	13,393	15,620	11,669	5,145	4,198	
Green Bay & Western	486	530	552	758	75	
Lake Superior & Ishpeming	209	706	229	51	72	
Minneapolis & St. Louis	1,924	1,989	1,926	2,033	2,346	
Minn., St. Paul & S. S. M.	4,758	6,066	5,384	2,802	3,311	
Northern Pacific	10,512	11,813	11,418	4,613	4,097	
Spokane International	122	82	131	522	33	
Spokane, Portland & Seattle	1,815	2,227	2,157	3,148	2,310	
Total	88,017	112,052	89,821	58,553	61,516	
Central Western District—						
Ach., Top. & Santa Fe System	22,694	23,745	19,903	11,666	8,487	
Alton	2,916	3,322	3,099	4,262	2,811	
Bingham & Garfield	603	533	470	114	101	
Chicago, Burlington & Quincy	18,657	18,845	18,655	10,297	11,051	
Chicago & Illinois Midland	2,490	2,672	2,661	670	97	
Chicago, Rock Island & Pacific	11,982	13,038	12,229	11,130	9,311	
Chicago & Eastern Illinois	2,378	2,809	2,893	3,299	3,636	
Colorado & Southern	1,263	1,183	1,204	1,826	1,775	
Denver & Rio Grande Western	5,271	3,890	3,837	5,654	4,107	
Fort Worth & Denver City	774	682	743	9	1	
Illinois Terminal	1,031	1,573	813	1,170	1,28	
Missouri-Illinois	1,507	2,033	1,763	1,204	1,69	
Nevada Northern	1,049	1,165	896	391	49	
North Western Pacific	2,052	2,023	1,863	114	13	
Peoria & Pekin Union	994	869	600	583	41	
Southern Pacific (Pacific)	32	22	25	0	0	
Toledo, Peoria & Western	29,195	26,717	26,978	12,000	8,14	
Union Pacific System	272	438	347	1,341	1,75	
Utah	18,060	18,413	17,595	14,273	11,33	
Western Pacific	618	513	449	1	1	
Total	2,735	2,142	2,060	3,342	2,98	
Southwestern District—						
Burlington-Rock Island	166	172	160	226	26	
Gulf Coast Lines	5,568	4,037	3,267	2,243	2,24	
International-Great Northern	3,327	1,845	1,673	2,942	2,49	
Kansas, Oklahoma & Gulf	338	314	167	1,185	93	
Kansas City Southern	4,560					

Items About Banks, Trust Companies

Christmas carols sung by the Clearing House member bank singers and the Insurance Choral Society will be a feature of the annual reception to ladies and tea of the Chamber of Commerce of the State of New York to be held in the Great Hall and dining rooms of the Chamber building at 65 Liberty Street today (Dec. 17).

This is the only occasion of the year on which the chamber, which is strictly a male organization, is open to the opposite sex. Visitors will have an opportunity, under the guidance of members, to view the chamber's notable collection of portraits and the library in which are rare manuscripts, records and prints associated with the early history of New York. Following the reception, which will be at 4:30 p.m., a chorus of 40 mixed voices led by Loris Hand and Jacob Ehm will be heard in a program of Christmas music. The carols will be broadcast by WNYC from 5:30 to 6 p.m.

Dr. Herman L. Reis, President of the West Side Federal Savings and Loan Association, has been elected a director of the Federal Home Loan Bank of New York for a term of two years beginning on Jan. 1, next. Dr. Reis also is President of the Metropolitan League of Savings and Loan Associations of New York.

The directors of the Chemical Bank & Trust Company of New York approved on Dec. 10 the transfer of \$5,000,000 from undivided profits account to surplus account. The bank states that its capital structure now consists of \$20,000,000 capital stock, \$55,000,000 surplus and \$5,208,789 undivided profits, making a total of \$80,208,789. This is the third increase in the last six years by transfer from undivided profits to surplus, \$5,000,000 increases having been made on Dec. 24, 1936 and Dec. 15, 1938.

The board declared the regular quarterly dividend of 45 cents a share on the bank's capital stock, payable Jan. 2, 1943, to stock of record Dec. 15, 1942.

Dr. Harry Stanley Rogers, President of Polytechnic Institute of Brooklyn, has become a member of the Advisory Board of the Brooklyn office of the Chemical Bank & Trust Co., New York City. Dr. Rogers is a director of the Brooklyn Savings Bank, Intertype Corporation, Long Island College of Medicine, Brooklyn Hospital, Downtown Brooklyn Association, Brooklyn Chamber of Commerce, New York Adult Education Council and Brooklyn Chapter of the American Red Cross.

Dr. Rogers was born in Detroit, Mich., and graduated from the University of Wyoming with a Bachelor of Science degree and subsequently a degree in Civil Engineering. He has received the degrees of Doctor of Science from Northeastern University and Doctor of Laws from his Alma Mater. He is a member of the American Society of Civil Engineers, American Institute of Consulting Engineers, Society for the Promotion of Engineering Education, Newcomen Society of England, New York Chamber of Commerce, and other organizations.

At the regular meeting of the Board of Directors of The National City Bank of New York, held Dec. 8, the following appointments were made: William A. Creelman, Vice-President; A. Halsey Cook, John Howard Laeri, and Saxon C. Barnes, Assistant Vice-Presidents; Edson L. Booth, E. Newton Cutler, Jr., and John E. Thilly, Assistant Cashiers; and Neil J. Stevenson, Manager of the Chelsea Branch.

At a meeting of the Executive Committee of the City Bank Farmers Trust Company of New York held on Dec. 9, Myron M. Zizamia was appointed an Assistant Secretary.

At a meeting of the Board of the J. Henry Schroder Banking Corporation on Dec. 14, Harold A. Sutphen, Vice-President, was elected a director. Mr. Sutphen has been with the corporation since 1923 or soon after its formation and is also a Vice-President and director of the Schroder Trust Company.

The Seamen's Bank for Savings in the City of New York at 74 Wall Street has filed application with the State Banking Department for permission to open a branch office at 20 East 45th Street, New York City.

At the December meeting of the Board of Trustees of The Bank for Savings in the City of New York, O'Donnell Iselin was elected a trustee. Mr. Iselin is a director of the Fulton Trust Company and of various railroad, mining and mercantile companies.

According to cable advices received by the New York Agent of Barclays Bank (Dominion, Colonial and Overseas) at 120 Broadway, New York City, the Board of Directors has recommended final dividends of 4% actual on the cumulative preference stock and 3½% actual on the "A" stock and "B" shares, thus making a total distribution for the financial year ending Sept. 30, 1942 of 8% per annum on the preference stock and 6½% per annum on the "A" stock and "B" shares, subject to deduction of British income tax in each case, adjusted in relation to taxes payable in the British territories overseas where the bank operates. The dividends now declared are the same as for the year 1941 and are payable Dec. 28. Barclays Bank (Dominion, Colonial and Overseas) operates in South, East and West Africa, Egypt and The Sudan; Palestine, the Mediterranean and the British West Indies.

At a meeting of the Board of Trustees of Union Square Savings Bank of New York, recently held, Henry J. Schuler, Vice-President of The Bank of New York, and J. A. Bogardus, Vice-President and Trustee of the Atlantic Mutual Insurance Co. were elected trustees of the bank.

Charles Oldenbittel has been elected a Trustee of the Roosevelt Savings Bank, Brooklyn, N. Y., according to Adam Schneider Jr., President. Mr. Oldenbittel is Vice-President and Trust Officer of the Peoples National Bank of Brooklyn and is a Vice-President of the Kings County Bankers Association.

The Ossining Trust Co., Ossining, N. Y., has received authorization from the State Banking Department to decrease its capital stock from \$200,000, consisting of 2,000 shares of common stock of the par value of \$100 each, to \$175,000, consisting of (1) \$75,000 par value of preferred stock, divided into 4,000 shares of the par value of \$18.75 each; and (2) \$100,000 par value of common stock, divided into 2,000 shares of the par value of \$50 each.

The election of Charles H. Diefendorf as President of the Marine Trust Co., Buffalo, N. Y., and as President and chief executive officer of the Marine Midland Corp. was recently announced. Mr. Diefendorf, who was formerly Executive Vice-President of the trust company, succeeds the late George F. Rand. Mr. Diefendorf

has also been elected a director and member of the Executive Committee of the Marine Midland Trust Co., New York City, member of the Marine Midland group. Also elected to the board of the latter institution was Lieut. Commander Paul H. Husted, U.S.N.R. The death of Mr. Rand was reported in these columns Nov. 26, page 1904.

A liquidating dividend totaling \$171,000 is announced by the Bay State National Bank of Lawrence, Mass. The dividend, the 7th to be made, will be 5% of the face amount of the participation certificates outstanding and brings total distribution to 80% of original deposits in both commercial and savings departments.

Assets of the closed Bankers Trust Co. of Atlantic City, N. J., showing a book value of \$599,528, were sold in public auction at Atlantic City on Dec. 8 for \$25,000 to agents of the Federal Deposit Insurance Corp. The assets consisted of loans and discounts, judgments, bonds, mortgages, stocks and furniture and fixtures of the bank building. The bank closed Feb. 29, 1940, and has since been under liquidation proceedings.

Closing of the bank was noted in our issue of March 16, 1940, page 1704.

The Board of Directors of the Philadelphia National Bank, Philadelphia, have elected J. William Hardt, Vice-President of the bank, as a director to fill the vacancy caused by the death of Joseph Wayne Jr. Mr. Hardt has been prominently identified with Philadelphia banking since 1908.

Paul Thompson, former Chairman of the Board and former President of the Corn Exchange National Bank & Trust Co., Philadelphia, died on Dec. 13 at his home in Haverford at the age of 77.

Mr. Thompson was also a former utilities executive, having served at one time as President of the Philadelphia Gas Works Co., a subsidiary of the United Gas Improvement Co., and Vice-President of the latter. He resigned both posts in 1929.

A native of Philadelphia, Mr. Thompson was graduated in 1885 from the University of Pennsylvania. He began his career in the employ of the Pennsylvania Railroad Co. and in 1898 became associated with the United Gas Improvement Co., The Philadelphia "Inquirer" states. In 31 years of service, Mr. Thompson rose to be a Vice-President of U. G. I. and President of the Philadelphia Gas Works. He resigned these posts in 1929 to become associated with the Corn Exchange Bank, of which he had been a director since 1912. He was elected President of the bank in June, 1932, holding that post until January, 1941, when he was chosen Chairman of the Board, a newly created position. He retired several months later, but retained a directorship of the bank up to the time of his death.

Marshall R. Barbour, President and a Director of the Pittsburgh Stock Exchange and head of the brokerage firm of John B. Barbour & Co., died on Dec. 5 in a Pittsburgh hospital. He was 51 years old. Mr. Barbour was elected a director of the Pittsburgh Stock Exchange in 1929, succeeding his father, the late John B. Barbour, founder of the exchange. In that same year he became head of his father's brokerage firm, with which he had been associated since 1915, except for a year's service with the U. S. Army in France in 1917.

Rudolf A. Malm, civic leader and Vice-President of the Cleveland Trust Co., died on Dec. 10 at his home in Cleveland Heights. From the Cleveland "Plain Dealer" of Dec. 11 we quote: "A prominent banking figure, Mr. Malm started his career with

the company 40 years ago as a messenger. His life history became a real success story as he went up the ladder—telephone operator, clearance clerk, commercial bookkeeper, coupon clerk, stock transfer clerk. He was made Assistant Trust Officer in 1914 and was elected to the Vice-Presidency in 1922.

"A native of Titusville, Pa., Mr. Malm spent most of his life in Cleveland.

"He was director of several corporations and was Treasurer of Fairmount Presbyterian Church. In 1908 he was acting Swedish Vice Consul, and from 1926 to 1930 he was President of the Cleveland Heights Board of Education."

Mr. Malm was 60 years of age.

Banks Carrying On War Activity Program

One year after Pearl Harbor, New York State's commercial banks are carrying on an unprecedented war activity program despite acute shortages of manpower and machines, it was revealed on Dec. 8, by a statewide war effort survey of banks, compiled by the New York State Bankers' Association. The association reports that:

"Figures based on reports from 557 of 718 commercial banks in the State indicated that, while these banks have lost 10,180 employees or 33% of their total pre-war personnel to the armed services, the Government, and war industries since Dec. 7, 1941, they are, nevertheless, dedicating 200,000 man hours a month to War Bond sales, volunteer defense work, and war financing activities. Actually in the uniformed services are 3,063 New York State male banking employees and 18 women.

"A significant change in the bank personnel of the State is the number of women employed by banks since Pearl Harbor. There are now 147 women officers and 14,741 women employees in the State's banks as compared to 3,475 male officers and 15,741 male employees. A year ago there were 135 women officers and only 10,082 women employees as compared to 3,516 male officers and 19,470 male employees. Special training programs for the 'girl bankers' are being carried on in most of the banks."

Commenting on the results of the survey, John P. Myers of Plattsburg, N. Y., President of the New York State Bankers' Association, said:

"Bank customers will, no doubt, find that the extraordinary requirements of war-time banking may have the effect of curtailing some of the services they have grown used to, but I am sure that once the people realize the extent of banking's work in helping raise the billions that must be borrowed to pay for the war as well as the time they must spend in helping business meet wartime conditions and comply with Government regulations, they will forgive some inconveniences if they arise in certain areas.

"In the face of personnel and equipment shortages, diminishing opportunities for earning, and ever-increasing responsibilities, our banks have cheerfully accepted and faithfully performed all of the added duties the war has created for them. Together, unceasingly, on every sector of the financial front, their total resources of manpower and money are marshalled as they advance shoulder to shoulder with our armed forces and our industries in the prosecution of total, relentless war.

"But even in time of total war, life must go on. The economy must function. The banks are helping to finance agriculture. They are making loans to essential war industries. They are helping the public to understand the dangers of inflation. They are

devoting hours to the study of regulations evolved to speed the prosecution of the war, both for their own guidance and the guidance of others. While carrying on these and countless other extra wartime services they have managed to replace and train nearly 11,000 workers lost to the armed forces and war industry."

The announcement, also, points out that:

"The commercial banks of New York State, on the basis of the 557 questionnaire replies received, have established a national record in War Bond and Stamp sales by disposing of 5,008,475 separate pieces representing \$1,550,000,000 in maturity values. Bond and stamp sale activities, the survey indicates, require the full-time services of 709 workers and the part-time services of 2,231 others, for an average total of 181,870 work hours per month."

N. Y. Savings Banks Show Further Gains

For the sixth successive month the savings banks of New York State show a gain in new savings accounts, and for the fourth successive month, a gain in dollar deposits, according to a report issued Dec. 11 by the Savings Banks Association of the State of New York. It is indicated that during November there was a net gain in savings accounts of 9,759 and in dollar deposits of \$31,883,074, bringing the total gain in new accounts for the last six months to 37,784, and the increase in dollar deposits for the same period to \$73,267,267. The Association's report added:

"The total number of savings accounts as of Nov. 30 was 5,999,924, as compared with 6,069,699 a year ago, while total deposits amounted to \$5,492,175,459, against \$5,541,341,589 on Nov. 30, 1941.

"During November, also, the New York State savings banks sold \$17,981,866 of War Savings Bonds, bringing the total for the six months period to \$127,077,031 and the total since the campaign began a year and a half ago, to approximately \$400,000,000.

"Thus, combining the increase in savings deposits with War Bond sales, New York State Savings banks show an increase in new savings of \$200,344,298 during the last six months.

"The savings banks, themselves, with their agencies, have subscribed to over \$200,000,000 in Victory Fund issues, thus far in December."

Accord On French Lands In Western Hemisphere

Secretary of State Hull revealed on Nov. 23 that an agreement had been reached concerning the French territories in the Western Hemisphere, which is likely to make unnecessary American occupation of Martinique and other islands.

While not disclosing any details of the pact, Secretary Hull said that its main purpose is to insure American security and the secondary purpose is to improve the economic security of the people of the French possessions, including French Guiana.

Mr. Hull said that, in effect, the accord represents an extension of the agreements of 1940 and 1941, with important additions and modifications.

The new arrangements with the French islands were negotiated by Rear Admiral John Hoover, commander of the Caribbean Sea frontier, and Samuel Reber, Assistant Chief of the State Department's European Division, in conversations with Admiral Georges Robert, French High Commissioner at Martinique, who is understood to have acted entirely independent of the Vichy Government. The 1941 agreement was referred to in these columns June 14, 1941, page 3727.