

FINANCIAL CHRONICLE

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Washington Bank Protests WLB 'Red Tape'; Paper Work Required By Govt. Held Needless

Because a Washington bank wanted to give two clerks merited pay increases of \$10 and \$15 a month, its officials have found they would have to spend at least \$300 in lawyers' fees to satisfy the "questionnaire" requirements of the National War Labor Board, records of the Byrd committee investigating non-essential Federal expenditures disclosed on Dec. 23. This is learned from Washington advices on that date to the New York "Herald Tribune," which added:

"The protest of C. F. Burton, president of the City Bank of Washington, against the 'red tape' demanded by one Government agency is one of many received by the committee. The Senate, at the committee's recommendation, recently approved the Vandenberg resolution which provides for a sweeping inquiry into the Government 'paper work' now deviling industry and agriculture."

From its Washington bureau the "Herald Tribune" also had the following to say regarding Mr. Burton's complaint:

"I enclose a copy of Form No. 10 of the National War Labor Board," wrote Mr. Burton. "We want to raise one employee from \$165 a month to \$175 and another from \$150 to \$165. The only reason we have is in the normal course of things it is time these men have a boost whether we are in the war or not. We have a total staff of 100. Now we must make five copies of this form, sending in four of them. You will note there are twelve pages in all."

"Mr. Burton said later that the information sought was not only unnecessary but difficult to get. What the W. L. B. wanted five copies for he did not pretend to know unless "they expected to

store them in a garage somewhere." Meanwhile, he said, he would have to hire a lawyer to unwind the red tape."

Regarding the committee's inquiry into the WPB questionnaire, the same advices stated:

"In connection with the investigation, the committee has made an analysis of the latest questionnaire developed by the War Production Board—P. D. 25-A, an application for priority assistance under the requirement plans for the calendar months January-March, 1943.

"This colossal form, at first glance," said the committee memorandum, "consists of a mere 12 pages, but each of the 12 pages must be made out in two sets in quadruplicate, thus making 96 pages.

"Now if one were to count the reverse side of each page and include the carbon copies, one comes upon an amazing situation. Sixteen inches (the actual length of each page) multiplied by eight (the number of copies of each page) multiplied by twelve (the number of pages), bring the total to 1,536 inches in length, or exactly 128 feet of red tape.

"This report must be made quarterly, so at the end of one year the oppressed industrialist must fill out four times 128 feet (Continued on page 2344)

FROM WASHINGTON AHEAD OF THE NEWS

By CARLISLE BARGERON

One of the new Republican senators to take his seat next month, Judge Homer Ferguson, of Detroit, is hailed as a great fact finder. He made a reputation as one in cleaning up Detroit's political corruption and racketeering. He used this reputation extensively in defeating one of the President's lieutenants, Prentiss Brown, and the publicity that has preceded his coming to Washington stresses his fact-finding ability. If ever a gentleman had an opportunity for service he has one. A fact-finder in Washington will stand out like the Washington monument.

Take, for example, the facts about the BEW's "preclusive" buying, the source of a serious current controversy between Jesse Jones, on the one hand, and Henry Wallace and Milo Perkins, on the other. The controversy was born of the New Dealers' efforts to run Jesse out of town and was part of the smear campaign against him in which non-New Deal enemies

of Jesse joined. But soberer commentators have come in with the observation that Jesse is all right, with his "banker mind" in his own field, that there is an honest difference of opinion between the two groups and that the solution lies, not in running Jesse out of town, but in giving the BEW its own funds to do its "preclusive" buying with, so it won't be forever in conflict with Jesse.

This handy solution accepts the contention that BEW's operations (Continued on page 2332)

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

One of the feuds in feud-ridden Washington which has been under considerable discussion of late involves the Vice-President and his right hand man in the Board of Economic Warfare, Milo Perkins, on the one hand, and the Secretary of Commerce and directing head of the Reconstruction Finance Corporation on the other. The origin of this controversy, if that is what it is, is found in the use for purposes of "economic warfare" of the funds of some of the subsidiaries of the RFC. It will be recalled that last spring the President issued an order under which these RFC agencies must obey "directives" of the Board of Economic Warfare in certain types of cases, which have become very numerous and which have cost the agencies many hundreds of millions of dollars, many of which they are not likely ever to see again. The directing head of the RFC is credited with never liking the way these funds have been cast upon the waters, and, of course, was not greatly pleased when he was in effect over-ruled by the President.

A Real Issue

A new Congress is soon to convene and it is reported that there is a distinct possibility that it will take substantial interest in the dispute—as indeed did the present Congress though not to the point of defying the President. Considerable personal animosity is said to have been aroused in the course of the months during which these matters have seethed in Washington, but it would be an error of magnitude to suppose that nothing more is involved than personalities, or the question of whether this official or that shall have final control in the matters in question. Fundamental war and post-war policies are at stake.

Relatively little is made known about the detailed activities of the Board of Economic Warfare, but this organization is charged with the duty of conducting what is known as economic warfare—involving the purchase in large quantities in many parts of the world of many things needed in the conduct of global warfare and also of acquiring many things not needed by us in order to prevent their

(Continued on page 2331)

Reckless and Dangerous

Wilson's failure was also his measure. It was probably the most colossal and heroic failure of modern times. If he had not been defeated in his struggle to secure permanent peace and the rights of nations, there would be no Armageddon today.

If Wilson had not been defeated France would still be a nation, and Norway and Holland and Czechoslovakia and Italy would be free. Greece would not be a charnal house; Poland would not be depopulated; Yugoslavia would not be a shambles. Because Wilson lost the battle for peace, millions of men have already died, and millions more will yet die.

And yet his work was not in vain. His ideals are today more challenging than ever. His words still glow—as the reader will discover in this book. There is good reason to believe that the world in general and the United States in particular have learned the bitter lesson.—S. K. Padover, Editor of "Wilson's Ideals."

It seems to us that it would be difficult to find more reckless statements and more dangerous propaganda in so few sentences. Yet Dr. Padover's words are typical of a vast volume of "internationalist" clamor heard today on all sides.

How could it be humanly possible for Dr. Padover, or anyone else, to know what would have happened if President Wilson had had his way?

Editorial—

State The Strongest Case

Now that a bill has been prepared for introduction in the new Congress to alter radically the 40-hour week legislation, and the issue seems certain to come up for debate, it becomes immensely important that opponents of this ill-advised restriction upon all-out war production state their case most carefully. Hitherto, when the issue came up for serious consideration, the opportunity for amendment or repeal was lost perhaps as much because of the incomplete and inadequate case stated by the opponents as because of the misrepresentations propagandized by friends of the legislation. That mistake should not be repeated.

Right at the outset, opponents of the 40-hour week should decide to concentrate their fire, to depend upon practical rather than theoretical considerations to win their case. They should aim squarely at the arguments used by New Dealers to keep the statute on the books.

One of these arguments, certainly attractive to the mass of voters, is the claim that the law does not restrict the work week to 40 hours—"Any plant can work 48 or 50 hours if the owners wish, only they must pay time and a half for the hours over 40," the proponents of the 40-hour week argue. A supplementary defense was "Why does the requirement for overtime payments matter—it all comes out of the Government's pockets anyway—so why don't the war industries work the longer work week?"

These are the arguments that have kept the 40-hour week law on the books. Just a week or so ago, Secretary of Labor Perkins re-stated them, when she pointed out that the war industries in general were working much longer than 40 hours a week despite the statutory overtime requirement. She declared that the war industries in October averaged 45.7 hours a week, and that if absenteeism and other such interruptions were allowed for those industries actually were on a scheduled 48-hour week.

Thus, the opponents of this legislation should not be misled into thinking they do not face serious opposition in the fight on the 40-hour restriction. One can now hear the President and the labor leaders say—"Why the war industries are already working 48 hours a week, so what's the shouting over the 40-hour law all about anyway?"

There is still another big obstacle to be overcome. There are probably 15,000,000 workers in war industries who now are receiving each week time and a half for from three to eight works of work over 40 hours. To propose to eliminate the time and a half requirement for these millions, and thus cut their weekly income by from \$4 to \$12, is simply too much to ask of a Congress.

How then, meet the arguments and secure a change in the law?

It appears that the case must be based squarely upon the manpower shortage, and it must be stated as a proposal to increase, not decrease wages for many millions. Here is what we are talking about: the garment trades generally are working only 36.8 hours a week, according to latest figures. One branch, the millinery trade, worked only 32.3 hours a week in October. The hosiery industry worked only 38.2 hours a week in October and the work-week in newspaper and periodical publishing was 36.1 hours!

In October the average for all non-durable goods industries was only 40.6 hours. Several millions of skilled and unskilled employees are being "hoarded" by those industries operating at only 40 hours a week or less. In addition, the vast majority of the 15,000,000 workers in construction, financial institutions, the service trades, wholesale trade, and mining, work less than 40 hours a week.

Consider the manpower possibilities. One million men working 35 hours a week can be replaced by 800,000 working 45 hours a week. One million men working 40 hours a week can be replaced by 850,000 working 48 hours a week. Are not these manpower savings worth while? Suppose the working hours were lengthened in the non-war industries and time and a half payments for work over 40 hours flatly banned, would any employee take a cut in wages? Obviously not, the millions in the trades now working 35 and 40 hours a week would secure an appreciable wage increase. Many of the employees, true, would have to transfer to war industries—because the longer work week would displace workers throughout the consumer trades—but the nation surely has a right to ask them to make the transfer, especially when they will receive a handsome wage increase for so doing.

Is there any precedent for so drastic a move? In England, priority assistance and draft deferments are denied any industry or shop that does not maintain a full work week. Why should not this nation similarly compel its nonwar industries to stop hoarding labor? Or to phrase it accurately and fairly, why should not the nation repeal

or change the law that causes them to hoard labor unduly?

One other point must be made. Let no one fail to note that the argument that industries can afford to pay overtime if they wish to does not apply to most nonwar industries. Virtually all of the nonwar industries are subject to the price ceilings; they cannot pass high overtime costs on to the consumer. Only a small proportion of them are subject to the higher brackets of the excess profits tax (because their gross sales have not soared as have sales of war trades) and they cannot simply transfer most of the costs to the Government as do war producers who pay 80% of their net profits to the Treasury in the form of taxes. Many of these nonwar trades are deficit-ridden and cannot absorb a penny more of costs.

The suggestion made here, therefore, is that the fire all be concentrated upon forcing the nonwar industries to work at least 48 hours a week. Accept the New Deal theory that employees cannot work more than 48 hours a week, despite the evidence of experience in England, Germany and Russia! Accept their contention that the war industries are working almost 48 hours a week and take no action that would force employees in those industries to accept a wage cut of any type!

Instead, (1) provide by law that employees in nonwar industries and only those industries may be worked up to 48 hours a week without the payment of time and a half, despite union contracts, (2) emulate England and force the nonwar industries to go up to such a schedule by taking away draft and priority protection from firms in both war and nonwar industries that fail to work at least 48 hours. Such a program would surely make available to the war effort the services of several million workers forced out of plants formerly working less than 40 hours. It would increase the earnings of these workers and millions of others, and it would in no way ruffle or disturb labor conditions and relationships in the war industries.

Such a program involves compromise of principle and it involves discrimination among the industries. The discrimination, however, is no more serious than that which the war program has already caused many of the nonwar trades to suffer and the compromise of principle can be chalked off as a war necessity.

If such a program were adopted, it also could provide that war work in newly-established plants, where no "vested interest" in overtime had accrued, should likewise proceed upon the 48-hour week. Thus, shortly after this program was adopted the nation's industry—war and non-war combined—should be operating on a 48-hour week, instead of 43.5 hours as was the case in October.

But none of these objectives are likely to be attained if the opposition insists upon complete and sweeping amendment or repeal of the 40-hour week law. Not even the Republicans who won the biggest majorities last November will relish voting a wage cut for the millions of war industry workers, so the law can only be amended by making the change apply to the nonwar trades alone, and by showing how millions of workers can be transferred from nonwar industries without any interference to production in the war trades.

The State Of Trade

Reports from most industrial quarters were favorable during the past week. Work continued pretty much as usual in the steel industry during the holiday period, according to the trade publication "Steel." Among foundries there were few suspensions at the year-end for inventories. In finished steel there is expected to be some actual gain in output.

Steel operations this week are

scheduled at 98.2% of capacity, a slight increase over the 98.1% rate reported last week. One month ago operations stood at 98.3%, while operations were 96.1% a year ago. The week's output is estimated at 1,679,900 net tons of steel, as compared with 1,678,200 tons a week ago.

The industry turned out 1,681,600 tons a month ago, while production amounted to 1,587,800 tons a year ago.

Production of electricity during the week ended Dec. 19 totaled 3,975,873,000 kilowatt-hours as the industry continued to set all-time high records. The total was 13.3% above the like week in 1941 and compares with output of 3,937,524,000 kwh. in the preceding week this year, the previous high, according to Edison Electric Institute figures.

All geographical areas except New England showed increases over a year ago. The decline in New England was 0.7%. The greatest rise was on the Pacific

Coast where production was 29.3% above last year. In the Mid-Atlantic States the increase was 5.3%.

The Federal Power Commission reports that electric energy produced for public use in November totaled 16,191,145,000 kwh., an increase of 13.7% over November, 1941.

Loading of revenue freight for the week ended Dec. 19 totaled 742,911 cars, according to reports filed with the Association of American Railroads. This was an increase of 2,575 cars over the preceding week this year, 55,957 cars fewer than the corresponding week in 1941 and 45,156 cars above the same period two years ago.

This total was 125.54% of average loadings for the corresponding week of the 10 preceding years.

Engineering construction volume for the short week, due to the early closing for the Christmas holiday, totaled \$33,377,000.

This is the lowest weekly volume reported during 1942. It compares with \$75,539,000 recorded for the full preceding week, and is 34% below the total for the corresponding short week in 1941, according to "Engineering News-Record."

Federal work is 8% below the same week last year, and this decline, coupled with the 97% drop in State and municipal work, brings public construction 26% under its last year's mark. Private work, accounting for \$513,000 in the current week, is 91% below a year ago.

Engineering construction volume for 1942 to date, \$9,229,534,000, is 57% above the total for the 52 weeks of 1941.

Christmas trade this year wound up with a record buying splurge both in the retail and wholesale markets, despite the unfavorable weather conditions of the last week. In the final shopping days in the retail stores business ended in a rush which exceeded many retailers' expectations, according to Dun & Bradstreet, Inc.

Preliminary reports indicate that sales for the full holiday period reached a new all-time high, as dollar volume ran comfortably higher than a year ago, although a decline in "physical units" failed to match 1941 levels. Retail sales themselves boomed to the highest level in history in the final pre-Christmas week, despite weather, which usually keeps buying housewives at home.

Peak crowds taxed store capacity, and in war centers, according to Dun & Bradstreet, Inc., jammed transportation facilities. Record spending spread sales over a variety of merchandise. Traditional gift lines held the spotlight, and with foods, scored the highest gains over a year ago.

An increase of 10% for the week ended Dec. 19 was reported by the Federal Reserve System for department stores sales on a country-wide basis. The weekly figures showed store sales up 9% for the four-week period ending Dec. 19, compared with last year. The increase for the year was 11%.

Department store sales in New York City made the best record of the Christmas season in the week ended Dec. 19, an 8% rise above the comparative 1941 period, according to a preliminary estimate made by the New York Federal Reserve Bank. This compares with a 4% increase in the week ended Dec. 19, an 8% rise in the week ended Dec. 12, and a 2% gain in the week ended Dec. 5.

These weekly increases made for a 6% improvement over the four weeks ended Dec. 26, according to the bank. While the bank made no comment on Christmas trade other than its comparison with 1941, merchants generally held that it was the biggest holiday business in the history of the city's stores.

In its main outline the course of business seems fairly clear, the Guaranty Trust Co. reports in its year-end monthly survey. Further gains in war production are likely to be accompanied by continued declines in output of non-essentials. Gross receipts of business concerns will be large, "but the tax burden will probably prevent any significant increase in net earnings."

"Industrial payrolls will rise to new peaks, but shortages will limit the amount that can be spent for consumers' goods," the survey adds. For many business enterprises continuance of operations will become impossible.

The bank points out that for 1942 the effects of larger production on the earnings of business enterprises have been more than offset by the rise in taxes and other costs and that dividends paid in the first 10 months were almost 10% below the comparable total a year ago.

THE FINANCIAL SITUATION

(Continued from first page)

falling into enemy hands. It is likewise quite clear that it is pursuing a policy, particularly, although not exclusively, in Latin America, of "buying friends" through all manner of "aid" and "relief." No one outside of the inner circle has any way of knowing how many American dollars have been expended in this way, or how many more have been promised for the future. It is, however, known that the outlays to date are large, and that many of its commitments run for years to come—long after the present war is over, if the hopes of most observers are realized.

Post-War Plans

But it is not this aspect of the Board's activities which causes the greatest concern to thoughtful observers—and among them one is inclined, without knowing the facts, to include the Secretary of Commerce and a number of members of Congress. It is difficult to escape the suspicion that funds are being sown around throughout the world with the same profligate hand that has for the past ten years been squandering billions of dollars at home, but in this case the existence of a state of war provides an excuse if not a reason for withholding the facts from the public in such a degree that it is utterly impossible to say with certainty whether such a suspicion is well founded, or in what degree. What is most disturbing about the situation is the fact that post-war arrangements, plans and programs have been injected into it. The Vice-President, who is the moving figure in the organization, has on numerous occasions laid emphasis upon the post-war aspects of the Board's operations and his dreamy, mystical approach has so greatly perturbed so many people that he has recently been driven to endeavor to explain away a number of things that he had said in the past. His address on Monday evening last must be read in light of this fact.

His rather more than playful reference to the Board as the Board of Economic Welfare, his ambition to see that a quart of milk a day is in the post-war world available for everyone, and his general doctrine that it is task of the people of United States to expend its wealth and its energy, denying itself if need be, in the post-war era to see that virtually everyone has the good things of life that we think he ought to have, and have them in virtual perpetuity, are all cut from the same cloth, and, one must conclude from the evidence, are part and parcel of the concepts widely held in Washington at this time. Precisely where the President himself stands on some of these questions, he has been rather too canny to say explicitly, but he has said enough to make it clear that his thinking runs in the same general direction at least. It is the broadening realization on the part of many citizens throughout the land that plans are being prepared and programs are being shaped which could easily result in efforts to win the peace which are in the long run about as expensive as winning the war—and all utterly in vain—that is beginning to make itself felt in many quarters, including the political.

Not Merely The Vice-President

The Vice-President and perhaps his good man Friday, Milo Perkins, have apparently come to embody in the popular mind this whole philosophy of post-war profligacy and meddling, and that is not strange. They have been much in the limelight and have rarely missed an opportunity to express such views, while the many others working with the same general ideas for both domestic and foreign application have not in the same degree attracted the attention of the rank and file. Lest there be misunderstanding on the point, let it be said that these two earnest, sincere, deluded, trusting gentlemen have an abundance of company in Administration circles. Were this not true the strange procedure of placing the funds of subsidiaries of the RFC at the disposal of the Board of Economic Warfare regardless of the views of those formally charged with the administration of the affairs of these organizations would never have occurred.

But fortunately there is reason to believe that the country as a whole is at long length beginning to awake to the true state of affairs and to ask some pointed questions—and to make some pointed protests. The "feud" between the Vice-President and the Secretary of Commerce, as it is commonly termed, may presently become a contest, and a vigorous contest, between the many who believe as the Vice-President does about post-war policies and the millions who either do, or will once they understand, think otherwise. The phrase, "the people of the United States will never again make the mistake," etc., is beginning to lose some of its magic spell. Defenders of the "New Order" which the Vice-President and many others have envisaged

and preached constantly for the past year or two are now finding it expedient to explain and to defend. We must see to it that this is only a beginning.

A Vital Issue

As tragic as have been the blunders of the past ten years, they may pale into virtual insignificance in the years to come after the fighting ceases—i.e., the present fighting—unless the world and its future are viewed with much more realistic eyes than are common in Washington today. The notion that war in the future can be barred by giving everyone, except of course the Axis peoples, virtually everything we think they ought to have—as if it lay within our power to give on such a scale—must be nailed before it becomes one of those foolish beliefs implanted by endless repetition. We should do well to face the fact now rather than later that the leaders of the British Empire are realists; that Russia is not a democracy and Mr. Stalin is nothing if not one of the world's coldest realists. The problems arising out of the division among the French in Africa should warn us we can not even with gold of Midas and the kindheartedness of a Santa Claus manage the affairs of other peoples and expect them to like it—or accept it. The time has come for many of us to reappraise many things.

Roosevelt Names Group To Set Draft Policy For Federal Employees

President Roosevelt appointed on Dec. 11 a three-man committee to formulate a nation-wide policy to govern requests for deferment from military service of Federal employees. Heading the group is Paul Bellamy, editor of "The Cleveland Plain Dealer," and the other members are Ordway Tead, Chairman of the Board of Higher Education, New York City, and Eric Johnston, President of the Chamber of Commerce of the United States.

The President said his purpose in appointing this committee is to assure the establishment of sound policies and adequate machinery for quickly carrying out these policies. The new group is instructed to cooperate with the War Manpower Commission. In advice from its Washington bureau on Dec. 11 the New York "Herald Tribune" said:

The committee was directed to "give consideration to standards of determining (1) whether an employee is actually performing duties which are critically essential to the war effort, (2) whether the employee can be replaced by others who are not eligible for military service, and (3) whether the employee's skill and abilities can best be used to make his maximum contribution in the total war program in his civilian assignment or in military service."

Mr. Roosevelt last month ordered all Federal departments and agencies to cancel deferments of their employees. This was referred to in our Nov. 26 issue, page 1894.

Pres. Batista Praises Good Neighbor Policy

President Fulgencio Batista of Cuba, who was a recent visitor to the United States on an official mission as the guest of President Roosevelt, left New York on Dec. 16 for Miami en route to Havana.

President Batista arrived in Washington by plane on Dec. 8 and was met by a group of high Government officials, headed by President Roosevelt, Vice-President Wallace and Secretary of State Hull. He was a guest overnight at the White House, where a State dinner was given in his honor. After conferring with President Roosevelt on Cuban-American relations and the war effort, President Batista was the guest of honor at various receptions and dinners.

In an address to the House of Representatives on Dec. 10, President Batista said that the "policy

of the good neighbor has brought new hope to those of us of the New World who cherish the ideal of justice."

The Cuban leader also said that the Atlantic Charter brought a "better perspective" for the United Nations for this document "embodies the essential principles which are the inspiration of a group of nations which seek neither domination nor conquest but rather the advent for humanity of an era in which it may live in peace and enjoy the inalienable right to the pursuit of happiness."

On Dec. 10 he also paid tribute at the various national shrines, including Mount Vernon, the home of George Washington; the Tomb of the Unknown Soldier in Arlington National Cemetery, the monument to officers and men of the Maine and the Lincoln Memorial.

President Batista visited New York City on Dec. 12 and after several formal and private receptions left by train for Buffalo, to inspect war plants. He returned to New York City on Dec. 14 and addressed the Cuban Chamber of Commerce on Dec. 15 at a dinner given in his honor at the Waldorf-Astoria. In New York President Batista was welcomed by Mayor La Guardia.

House Group Shelves War Powers Bill To Suspend Tariff Law

The House Ways and Means Committee voted unanimously on Dec. 10 to postpone further consideration of the legislation requested by President Roosevelt for broad wartime powers, originally proposing the suspension of tariff, immigration and espionage laws whenever they interfered with the free movement of persons, property and information into and out of the United States.

In announcing the Committee's action, Chairman Doughton (Dem., N. C.) said the members decided there was "no reasonable possibility" that the bill could be enacted before the current session of Congress expires, adding that it had been "passed over without prejudice for the new Congress to consider if it wants to."

The following regarding the measure was reported in Associated Press advices:

Specifically, the legislation would have empowered the Chief Executive, upon certification of necessity by the head of any one of several war agencies, to suspend laws and regulations covering the movement of property or information into or out of this country.

In its original form, the measure would have empowered the President to suspend immigration laws, also. As a compromise, that

section was modified by a subcommittee to allow suspension only of laws and regulations governing the movement of persons leaving the country.

The measure was supported by high-ranking officials of the war agencies, among them Undersecretary of War Robert P. Patterson, Undersecretary of the Navy James V. Forrestal, and War Shipping Administrator Emory S. Land.

Cattlemen and dairy farmers protested that the measure was so broad it would permit importation of Argentine beef and Canadian dairy products without subjecting them to sanitary safeguards.

The President's special message to Congress requesting the broad powers was given in our issue of Nov. 12, page 1721.

Total War in One Year Cost U. S. \$46 Billion

One year of total war has cost the United States over \$46,000,000,000—more than the entire cost of participation in the last world conflict 25 years ago, according to the Associated Press. It is pointed out that staggering as this sum appears, it is dwarfed by latest budget estimates of war expenditures for the 1943 fiscal year. Budget officials expect these expenditures to amount to \$78,000,000,000.

The Associated Press in Washington advises Dec. 9 further said:

"Since Dec. 8, when Congress declared a state of war with Japan, the Treasury has reported \$46,393,390,525 spent on war activities alone up to Dec. 5.

"The net cost of American participation in the first World War, Treasury statistics show, was \$40,583,062,000.

"The nation entered the second year of its war against the Axis with the greatest public debt in its history, and war costs mounting to unprecedented heights. The latest Treasury statements show that current war expenditures are running at the rate of about \$6,000,000,000 a month, which is just about four times what they were under the national defense program before Pearl Harbor.

"The public debt, too, is nearly twice what it was a year ago. At that time—on Dec. 8, 1941—it was \$55,231,154,812. It has since mounted to more than \$100,000,000,000, the latest Treasury figure on Dec. 5 placing the gross debt at \$103,577,860,314.

"When the United States entered the World War in 1917 it had a gross debt of about \$1,500,000,000. During the first year of participation in that war the public debt rose to \$11,350,376,680 and on Nov. 30, 1918, it stood at \$19,438,375,022.

"The bulk of war expenditures in the current struggle has been on the Army and Navy, the Army accounting for \$25,383,464,511, and the Navy \$12,851,455,689. In the same period the Maritime Commission spent \$1,426,991,798."

Gas Ban In East Due To African Military Needs

President Roosevelt explained on Dec. 18 that the ban on gasoline sales for non-commercial consumption in the East was prompted by a hurry-up order for more gasoline for the North African military campaign. The suspension of gasoline sales in the 17 Eastern States and the District of Columbia was in effect from noon Dec. 18 to midnight Dec. 20.

The President said that the gasoline had to be removed from the Atlantic seaboard because it took a much longer time to move petroleum supplies from Texas to Africa. He added that, while it meant giving up pleasure driving for a short time, he knew the people would understand the situation.

Victory Loan Drive Over \$12 Billion Mark— Original Goal Exceeded By \$3 Billion

Secretary of the Treasury Morgenthau announced on Dec. 28 that the Treasury's Victory Fund Drive totaled \$11,946,000,000 through Dec. 26, and said that the figure will go "considerably" over \$12,000,000,000 as funds from sales of Series E, F and G Savings Bonds and tax notes are received. Mr. Morgenthau said that this is a tidy sum in anybody's money. He revealed that, of the total figure, \$7,071,000,000 was received from non-banking sources and \$4,875,000,000 from banking sources, or about 40%. One of the principal aims of the drive was to borrow a large proportion of the funds from non-banking sources, and the results show that the drive was successful in this as well as in the amount involved. The original goal of the Victory Loan campaign was \$9,000,000,000, but the Treasury later raised the amount sought to \$11,000,000,000 in view of the fine public response.

Secretary Morgenthau also disclosed on Dec. 28 that the sale of Series E bonds from May 1, 1941, to Dec. 24, 1942, totaled \$6,886,000,000 and that of this total only \$211,000,000, or 3%, had been redeemed. He declared that this is a good showing.

Mr. Morgenthau issued the following breakdown on funds borrowed to and including Dec. 26, from all sources, on the different issues:

Funds from banking sources:	
Treasury bills	\$700,000,000
7% certificates	2,117,000,000
1 1/4% Treasury bds.	2,058,000,000
Total	\$4,875,000,000
Funds from non-banking sources:	
7% certificates	\$1,681,000,000
1 1/4% Treasury bds.	1,003,000,000
2 1/2% Treasury bds.	2,830,000,000
Tax notes	828,000,000
Savings bonds	729,000,000
Total	\$7,071,000,000

Grand total ---- \$11,946,000,000

The success of the December drive is indicated by comparison with the largest loan heretofore floated, which was the \$6,964,581,100 Fourth Liberty raised in three weeks by the Treasury in 1918. Together with tax and other receipts of about \$2,500,000,000, the estimated \$12,000,000,000 of borrowing would draw into the Treasury a total of about \$14,500,000,000 in this single month of December. In view of the success of the loan campaign the Treasury is not expected to engage in further major financing until March or early April, relying for its new money needs in January and February on further sales of Tax Savings Notes, Savings Bonds and Treasury bills.

The present drive was launched on Nov. 30 and closed on Dec. 23 for the three principal issues involved—Victory 2 1/2% bonds due Dec. 15, 1968, and callable Dec. 15, 1963; 1 1/4% bonds due June 15, 1948, and 7% certificates of indebtedness due Dec. 1, 1943. The various issues of Treasury tax savings notes and savings bonds continue to be on sale.

Closing of the subscription books was referred to in these columns Dec. 24, page 2245.

Wickard Urges Raising More Essential Foods

Secretary of Agriculture Wickard, recently-appointed Food Administrator, said on Dec. 14 that the 1943 farm program calls for unprecedented goals, but expressed confidence that they would be met.

In a speech before a regional production goals meeting in New York City, attended by representatives of Eastern farm organizations, Mr. Wickard explained that a major concern of the Agriculture Department's 1943 program is to get farmers to reduce production of less essential items and to grow foods of high value and in greater need, especially the

dairy product supply. Secretary Wickard stated:

"As head of our food program, I shall work to help farmers and food processors by letting other Government agencies know exactly how much man-power and materials they need to get their parts of the job done. I shall work to help distributors by seeing that civilian supplies of food are divided fairly among the various wholesale and retail firms. I shall work to help consumers by studying their needs carefully before making plans for producing and allocating food, and by directing any special steps that may be needed to insure each person of his fair share of available supplies."

He predicted that there would be continued need for American farm products in unprecedented amounts even after the war, remarking that the people of Europe and Asia will have to be fed and that everyone in this country should have a liberal diet.

Asked what he considered the better course to follow if farm prices keep increasing, Mr. Wickard said that if a choice had to be made between increases in consumer prices and Government subsidy he would choose a subsidy as the best curb to inflation. He added that if faced with a choice between higher prices or scarcity he would take the higher prices.

Asks MBA Members To Support Homes Use Service Program

The Federal Government, through the newly set up Homes Use Service program, is taking steps to avoid what real estate men and property owners generally, as late as six months ago, feared might be a disastrous aftermath of this war—this is, tremendous overbuilding that would be a drug on the post-war market and depress all property values, Charles A. Mullenix, President of the Mortgage Bankers Association of America, said on Dec. 19 in an announcement that the organization is enlisting the services of its members in the drive. The Homes Use Service organization was organized by the National Housing Agency to convert existing residences, stores, warehouses, apartments and flats into additional accommodations for workers in war production centers. The Government is leasing the properties and remodeling them and the HOLC is acting as agent to collect rents, pay taxes, assessments, insurance, interest, mortgage installments and other expenses.

Mr. Mullenix stated: "No accurate figures are available as to how many old large houses, stores, warehouses and other buildings suitable for conversion into living quarters are available in the war production centers where they are badly needed because there has never been any reason to survey property with this thought in view. It seems plain, however, that buildings of this sort in these crowded centers could, of their owners respond to the Government's appeal, house a substantial portion of the hundreds of thousands of in-migrant workers who must be decently housed within the next six months."

"Based upon scattered and admittedly inconclusive reports from MBA members in cities where living quarters are most needed,

it would appear that the houses available for quick conversion are three or four times that which will be actually needed. This clearly shows that the country has not tapped this source of emergency housing. So far it appears home owners and property owners have been slow to respond to the Government offer. "Success of the Homes Use Service program will mean a maximum saving of scarce war materials and almost immediately providing badly needed living quarters. The public still has no realization of the fact that lack of housing is actually slowing down war production in many centers. The thing that so many have feared—wartime over-building that might wreck real estate values after the war—can be substantially forestalled by the success of this program."

US Nov. War Expenses \$244,500,000 Daily

War expenditures by the United States Government totaled \$6,112,000,000 in November, up \$390,000,000 or 6.8% over October, the War Production Board announced on Dec. 10. In October, war expenditures had increased \$264,000,000 or 4.8% over the previous month. The announcement of the WPB added:

"The daily rate of expenditure in November averaged \$244,500,000 compared with \$211,900,000 in October. In November there were 25 days on which Treasury checks were cleared as compared with 27 such days in October."

"For the first eleven months of 1942, war expenditures totaled \$46,075,000,000 which compared with \$11,929,000,000 for the corresponding period of 1941."

"The average daily rate of expenditure for the 284 days on which checks were cleared during the first eleven months of the current year was \$162,200,000. This compared with \$42,800,000 for the first 279 days on which checks were cleared in 1941."

"The figures cover expenditures both by the Treasury and by the Reconstruction Finance Corporation and its subsidiaries."

Urges Unity Of Effort In Support Of Allies

Secretary of State Hull on Dec. 17 issued a plea that all those in sympathy with the cause of the United Nations should strive "to unify their efforts in the support of the Allied military cause until final success." This declaration by Secretary Hull was made at his press conference in response to a question whether French leaders who are able to help us in bringing about the defeat of the Axis should now try to cooperate with one another in the common effort?

The following is Mr. Hull's formal reply as given in Washington advices to the New York "Herald Tribune" from John Elliott:

"I have had only one view with respect to the two central points in the international situation as they address themselves especially to the Allied nations, and that view applies universally, and not to any one country or one people any more than another. The first central point is that every person in sympathy with the cause of the United Nations and every group of persons and every other one concerned should strive to unify their efforts in the support of the Allied military cause until final success. That is the supreme and the immediate question that addresses itself to each and all of us alike in every part of the world. We need all the help we can get."

"With the victory won and freedom restored to those who have lost it or who are seeking it, there would then arise, under Point 3 of the Atlantic Charter,

the fullest opportunity for each people to select their leaders and their forms of government. These two central points of the world situation have been expressed heretofore by myself and others."

Point 3 of the Atlantic Charter, to which Mr. Hull referred, is as follows:

"They respect the right of all peoples to choose the form of government, under which they will live; and they wish to see sovereign rights and self government restored to those who have been forcibly deprived of them."

The full text of the Atlantic Charter, as signed by President Roosevelt and Prime Minister Churchill, appeared in these columns Aug. 16, 1941, page 915.

Chgo. 'Tribune,' Other Papers Raise Price

Announcement of a change in the price of its daily edition to three cents was made on Dec. 26 by the Chicago "Daily Tribune." The price had heretofore been two cents. In its announcement the "Tribune" said:

"Newspapers and magazines throughout the United States have sustained greatly increased costs of production and distribution caused by the war, and therefore have found it necessary to increase their selling prices."

"The 'Tribune,' regretfully, is compelled to do likewise. Consequently, effective next Monday, Dec. 28, the price of the 'Daily Tribune' at newsstands in Chicago and suburban area will be three cents."

The Chicago "Sun," morning newspaper sold at two cents per weekday copy since its founding a little more than a year ago, announced on Dec. 26 an increase in its newsstand price in the Chicago area to three cents, according to the Associated Press, which stated that the paper said increasing costs of production and distribution made the change necessary.

From Cincinnati, Dec. 26, the Associated Press reported "the Cincinnati 'Enquirer' announced tonight that effective Sunday, Jan. 3, the price of its Sunday edition would be increased from 10 to 12 cents within a 100-mile radius of Cincinnati, and to 15 cents elsewhere. The price boost was deemed necessary, the paper said, because of the 'constantly increasing costs of newspaper production and distribution."

"Daily editions will continue to sell for three cents."

Buffalo advices (Associated Press), Dec. 26, said "the Buffalo 'Courier Express' announced tonight that the price of its Sunday edition would be increased Jan. 3 from 10 to 12 cents a copy because of advancing production costs."

Praises Maritime Service

President Roosevelt on Dec. 12 congratulated the men of the American merchant marine for "so gallantly working and fighting side by side with our Army and Navy." His message, read at the dedication exercises for the new United States Maritime Service Training Station at Sheepshead Bay, N. Y., follows:

"It is with a feeling of great pride that I send my heartiest congratulations and best wishes to the officers and men of the new United States Maritime Service Training Station at Sheepshead Bay, N. Y. Ten thousand apprentice seamen in training at one station is a magnificent achievement, and the entire country joins me in wishing you every success and in paying tribute to you men of the Merchant Marine who are so gallantly working and fighting side by side with our Army and Navy to defend the way of life which is so dear to us all."

From Washington

(Continued from first page)
are essential to winning the war. Here, then, is where a fact-finder can render yeoman service. There has been no fact-finding so far, or any serious effort to get at the facts. You want to win the war, don't you? Well, you've got to uphold the BEW's "preclusive" buying operations.

It so happens that this engaging word made its appearance in the heat of the 1940 political campaign. Before we even entered the war there was a terrible hullabaloo on the part of the intelligentsia that we had to do something about Latin America. There were a lot of Germans and Italians down there and they were shipping stuff to Germany, to the extent they could get it through the British blockade. Brilliant, hardhitting, two-fisted Adolph Berle, as the descriptions went in those days, concocted a plan. It was to buy up all of Latin America's exports and dump them into the Atlantic, inasmuch as there was very little of them we could use. To head off what in those days seemed the height of fantasy, Congress appropriated \$500,000,000 to be put at the disposal of the Export-Import Bank under Jesse. Congress had a way of turning crazy propositions over to Jesse on the assumption that his business-like or "banker minded" administration would either let them die or put some sense into them.

The BEW has grown up out of the original plan. Several months ago the Administration by-passed Congress' intent by removing Jesse's veto powers over BEW's spending. Apparently, however, BEW still feels Jesse's restraining hand and the next Congress will be called upon to determine whether the two should be entirely divorced or Jesse's original authority returned to him.

Bear in mind that BEW's case turns on the contention, not that Jesse won't buy up needed material from other countries, but that he acts too slowly, that he quibbles over prices, over being held up. What must be done, says BEW, is to act quickly, to buy right on the spot, even to pay 20 or 50 times more than the stuff is worth, to keep the Axis from getting it. Surely, you aren't going to quibble about dollars when boys' lives are at stake.

The job for the fact-finder in this particular case is to ascertain just what country it is on this globe, where we must be gouged in order to beat the Axis agents in the pocketbook. What country is it? It couldn't be a Latin-American country. Aside from the fact that all but two of these countries are on the side of the United Nations, no Latin-American country can get any stuff to the Axis. Of course, we are buying essential raw materials from several countries but which one of them is also so available to the Axis that we must outbid the Axis agents by letting little Bureaucrats walk around with a check-book in their pockets? Turkey is the only possible one we can think of, and I doubt the BEW would seek to justify its far-flung and mysterious operations on that country alone.

This is a case in which facts are needed. They are needed also in the whimpering that is going up over Leon Henderson's supposed retirement as price fixer. (Let's see if he really retires.) The underlying fight against him is not because of patronage troubles with Congress, not because he was doing a hard job fearlessly; it is not that he is a martyr. It is because a holy mess has been made of the job, and anyone who would take the trouble to look into the workings of the agency he has built up and is attempting to build up still more, would have no trouble in finding why.

Asks Pay Equalization For Govt. Employees To Correct "Grossly Unfair" Conditions

President Roosevelt asked Congress on Dec. 11 to enact legislation to correct "grossly unfair" conditions regarding rates of pay, hours of work and overtime compensation for civilian employees of the Government and requested that if this could not be done immediately, to give him power to deal with the problem "during the war period or until such time as Congress may otherwise provide." The legislation was passed by the Senate and House on Dec. 15 and signed by the President on Dec. 24.

In identical letters to Vice-President Wallace, as President of the Senate, and to Speaker of the House Rayburn, Mr. Roosevelt pointed out that the Federal Government, the largest single employer in the nation, has permitted an employment condition to develop which "is one of the major causes of needlessly high personnel turnover and is impeding the successful prosecution of the war effort."

The text of the President's letter follows:

"The Government of the United States, which is the largest single employer in the nation, has permitted a condition to develop regarding rates of pay, hours of work and overtime compensation for its civilian employees which is grossly unfair, is one of the major causes of needlessly high personnel turnover, and is impeding the successful prosecution of the war effort. This condition may be summarized briefly as follows:

"(A) The pay rates for most mechanics, tradesmen and laborers in navy yards, arsenals and other production establishments of the Government are fixed and adjusted to correspond with prevailing wage rates for similar work outside the Government service in the same locality. These pay rates have kept pace with the increases in wages which have occurred in private industry; hours of work for these groups have generally been set at a minimum of 48 per week, and the earnings of these employees have been further increased through the receipt of overtime compensation at time and one-half rates for work in excess of 40 hours per week. The situation with respect to these employees corresponds with that pertaining to industrial employees and represents a satisfactory condition which requires no change.

"(B) The pay rates for the positions held by most salaried employees—clerical workers, postal employees, hospital attendants, professional, scientific, technical and administrative employees—are generally fixed by statute and cannot be adjusted by any administrative action. Except for recent increases in the rates of pay for custodial employees, the last general readjustment of salary rates occurred in the 1928 and 1930 amendments to the Classification Act, and in 1925 in so far as the postal service is concerned. The work week for these types of employees has been extended to 48 hours in the War and Navy Departments, and to 44 hours in other departments and agencies, with the exception of the postal service where the amount of overtime varies with the volume of work in each locality. The Government service would generally have been placed on a 48-hour week except for the existence of the Saturday half-holiday law which has already been suspended in so far as the War and Navy Departments are concerned but still requires in other agencies of the Government compensatory time off for work in excess of four hours on Saturday.

"(C) In four agencies of the Government, namely, the War Department, Navy Department, Maritime Commission and National Advisory Committee for Aeronautics, specific legislative authority has been granted to pay overtime compensation to certain

groups of these salaried employees for work in excess of 40 hours per week. But other employees in the same agencies and in other agencies of the Government performing similar work, whose hours of duty have been lengthened beyond the peace-time work week of 39 or 40 hours, cannot be paid overtime. This is a complete violation of equal pay for equal work which has been the guiding policy in Federal pay matters since the enactment of the Classification Act of 1923. The authority for the payment of this type of overtime compensation to groups in the War and Navy Departments expired on June 30, 1942, and has since been twice extended by joint resolution, the last extension expiring on Nov. 30, 1942.

"I approved these extensions of existing authority to pay overtime compensation to limited groups notwithstanding the gross unfairness and inequalities which this condition created, because the Congress had been considering various means of solving this urgent and complicated pay problem. I felt that by approving these extensions of overtime compensation authorization, opportunity would be afforded to arrive at an equitable solution which would meet the needs of the Government service and of the employees involved.

"It is my judgment that any further temporary extension of this authorization to pay overtime to limited groups of employees is only perpetuating a bad situation and should be avoided. However, it can be avoided only by immediate action on the part of the Congress to deal realistically with this entire problem. Unless immediate action is taken, hundreds of thousands of employees in the War and Navy Departments will suffer a severe cut in earnings for the first half of December because of the stoppage of the payment of their overtime compensation.

"I realize that the enactment of an adequate solution to the problem presents difficulties. I am not wedded to any particular formula for its solution. But I feel the problem is so urgent that unless the Congress is able to arrive at a solution within the next few days, legislation should be enacted that would delegate to the Chief Executive authority to deal with problems of wage and salary rates, hours of work and overtime compensation within the Federal service, during the war period or until such time as Congress may otherwise provide."

Senate Small Business Group Calls Conference

Representatives of more than 50 trade associations engaged in the wholesale and retail field have been summoned by the Senate Committee on Small Business to assist the group in formulating its legislative program for the coming session of Congress. They will meet in Washington in a three-day conference Jan. 19-21, and will present their views at hearings before the Committee.

In announcing the conference, Senator Murray (Dem., Mont.), Chairman of the Committee, indicated that serious attention would be given to a proposal, already before the Committee, to recommend to Congress the creation of an improved credit system with authority to provide the necessary capital for the expansion, conversion and re-entry of smaller, business enterprises after

the war is ended. Advices from Washington Dec. 13 to the New York "Times" said:

"Specifically, three questions will be laid before the conference for consideration. The first of these concerns the Government's policy with reference to meeting essential civilian requirements. Members of the Senate Committee on Small Business hold this to be a question of basis significance because, they say, such requirements are being inadequately handled by the Federal agencies. While shortages of civilian goods are inevitable in time of war, unnecessary shortages are dangerous not only to morale but to the effective fighting of the war on the home front, it is held.

"The second question has to do with the voice or influence of the smaller wholesalers and retailers in government policy making. Third on the list of questions relates to the steps necessary today for securing a competitive distribution system after the war, and in this connection it is pointed out that the war itself actually is the best type of post-war planning."

ABA Appoints 12 To Executive Council

Appointment of 12 members to the Executive Council of the American Bankers Association, and four members to the Association's Administrative Committee is announced by W. L. Hemingway, President of the American Bankers Association, who is President of the Mercantile-Commerce Bank and Trust Co., St. Louis, Mo.

The Executive Council consists of bankers elected by A. B. A. members in the 48 States and the District of Columbia, usually at the time of their State conventions, the officers of the Association, the three immediate past Presidents, the Presidents and Vice-Presidents of the Association's divisions and sections, chairman of its commissions, and 12 members at large appointed by the president. The 12 appointees announced by Mr. Hemingway are the following:

H. Donald Campbell, President, The Chase National Bank, New York City.

Zay B. Curtis, Vice-President, Guaranty Trust Co., New York City.

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

J. H. Frost, President, Frost National Bank, San Antonio, Tex.

H. Hiter Harris, President, First and Merchants National Bank, Richmond, Va.

Herbert D. Ivey, President, Citizens National Trust and Savings Bank, Los Angeles, Cal.

Harold Kountze, President, Colorado National Bank, Denver, Colo.

William F. Kurtz, President, The Pennsylvania Co. for Insurances on Lives and Granting Annuities, Philadelphia, Pa.

J. F. McRae, President, Merchants National Bank, Mobile, Ala.

James H. Penick, President, W. B. Worthen Co., bankers, Little Rock, Ark.

Tom K. Smith, President, The Boatmen's National Bank, St. Louis, Mo.

Samuel C. Waugh, Executive Vice President and Trust Officer, The First Trust Co., Lincoln, Neb.

The Administrative Committee consists of the officers of the Association, the three immediate past Presidents, the President of each of the Association's four divisions, the State Secretaries Section, the American Institute of Banking, and four members appointed by the president from four different Federal Reserve districts. The four named by Mr. Hemingway are Messrs. Campbell, Fleming, Ivey and Smith.

Crawford Urges Industry To Plan Now For Post-War Reconstruction

Declaring that management's responsibility does not end with utmost production for victory, Frederick C. Crawford, President-elect of the National Association of Manufacturers, stated on Dec. 10 that it "must show a similar leadership if we are going to preserve individual freedom in the post-war world."

In an address before the National Conference of Business Paper Editors at New York City, Mr. Crawford, who is also President of the Thompson Products, Inc., Cleveland, said he is not claiming "to have any formula for building the ideal society after the present world conflict is over" but offered these "few and simple" post-war convictions:

"First of all I believe we must start planning for that period right now, to the fullest extent possible without detracting from the war effort. I do not agree with those who refuse in time of war to prepare for peace any more than I did with those who refused two years ago to think that we might need a two-ocean Navy.

"America must not wait for an economic Pearl Harbor after the Armistice to start preparing for the problems that must then be faced.

"A second conviction is that the United States must play a prominent part among the nations of the world in guaranteeing that we must not have to live through another holocaust 25 years hence. If this means big nation policing, I am for it, despite the economic burden it will require to maintain an international police force. At whatever cost, world order and permanent world peace must be secured.

"Third, I believe that this nation must participate as well in the economic rehabilitation of our sister nations after the war is over.

"This, however, is not a policing job to be done by government but an opportunity and a job for private capital and initiative.

"Post-war reconstruction is going to be an expensive job both here and abroad. Physical destruction must be repaired. War industries must be turned to more productive uses. American industry and the productivity of all other nations once again must be concerned with the primary task of creating better living standards.

"Government, having no money of its own, can supply the capital needed for this tremendous reconstruction job only by a crushing tax burden which will impoverish our people. Despite the altruism of the American people, I do not believe they will allow themselves to be thus impoverished. Especially so when private capital can do the job to the benefit of those in foreign lands and with profit, through prosperity, to every American citizen.

"My fourth conviction on the post-war world is that the American people neither want a new form of government and society imposed upon them without their consent, nor do they wish to impose our form of government upon the reluctant citizens of other lands."

Mr. Crawford also expressed the conviction that industry must practice during 1943 a judicious mixture of wholehearted co-operation and hard-hitting, constructive criticism. Pointing out that "it is misguided patriotism for anyone with a valid opinion to suppress it," Mr. Crawford stated that this country is too big to be dominated by the opinion of any one man or any one group.

United Nations Condemn Nazi Killing Of Jews

Eleven of the United Nations and the French National Committee on Dec. 17 joined in a joint declaration condemning Germany's "bestial policy of cold-blooded extermination" of Jews and reaffirming their pledge that those responsible shall not escape retribution.

The declaration, as given out by the State Department in Washington, follows:

"The attention of the Belgian, Czechoslovak, Greek, Luxembourg, Netherlands, Norwegian, Polish, Soviet, United Kingdom, United States and Yugoslav Governments and also of the French National Committee has been drawn to numerous reports from Europe, that the German authorities, not content with denying to persons of Jewish race in all the territories over which their barbarous rule has been extended, the most elementary human rights, are now carrying into effect Hitler's oft-repeated intention to exterminate the Jewish people in Europe.

"From all the occupied countries Jews are being transported in conditions of appalling horror and brutality to Eastern Europe. In Poland, which has been made the principal Nazi slaughterhouse, the ghettos established by the German invader are being systematically emptied of all Jews except a few highly skilled workers required for war industries. None of those taken away are ever heard of again. The able-bodied are slowly worked to death in labor camps. The infirm are left to die of exposure and starvation or are deliberately massacred in mass executions. The number of victims of these bloody cruelties is reckoned in many hundreds of thousands of entirely innocent men, women and children.

"The above-mentioned governments and the French National Committee condemn in the strongest possible terms this bestial policy of cold-blooded extermination. They declare that such events can only strengthen the resolve of all freedom-loving peoples to overthrow the barbarous Hitlerite tyranny. They reaffirm their solemn resolution to insure that those responsible for these crimes shall not escape retribution, and to press on with the necessary practical measures to this end."

Praises Nation's Press

President Roosevelt said on Dec. 13 that the understanding shown by the working press of the obligation to use its freedom for democracy is another instance of his "confidence in the ability of our democracy to grapple with the bitter necessities of total war without losing any of its essential devotion to liberty."

The President expressed this in a letter to Harold J. Wiegand, President of the Pen and Pencil Club, Philadelphia, which is celebrating its 50th anniversary.

Mr. Roosevelt's letter, as given in Philadelphia advices to the New York "Times," said:

"It was Benjamin Franklin, an old Philadelphia newspaper man, who said, 'we must all hang together or most assuredly we shall all hang separately.'

"This is as true today as it was in 1776, for freedom has always imposed upon those who would enjoy it an obligation to use that freedom for the purpose of democracy and liberty.

"The great body of our working press has shown a deep understanding of that obligation. In that understanding I find still another ground for my profound confidence in the ability of our democracy to grapple with the bitter necessities of total war without losing any of its essential devotion to liberty."

Forms And Specimen Policies For War Damage Insurance On Money And Securities

Announcement was made on Dec. 14 by Jesse Jones, Secretary of Commerce, that War Damage Insurance protection against loss through damage to or destruction of money and securities would be obtainable after Dec. 21. From Washington the New York "Times" reported that the money and securities program will be a corollary of the general war damage insurance program already being handled by the fire insurance companies. It will be handled through 85 or more casualty and surety companies that will participate as fiduciary agents.

On Dec. 14 distribution was begun to producers of special instructions, Regulations D, application forms and specimen policies applicable to War Damage Corporation on money and securities. The forms and regulations have been made available by member companies of the Money and Securities War Damage Group at 111 John St., this city, according to the New York "Journal of Commerce" of Dec. 15, which in part said:

"For the present, coverage will be written only within the continental United States, Alaska, Virgin Islands, Hawaii, Puerto Rico and the Canal Zone.

"In preparation for the writing of this business, commencing on Dec. 21, the special instructions state that the central office at 111 John St. will handle for member companies the issuance, recording and servicing of all money and securities policies. The War Damage Corporation has recognized the central office as the nation-wide 'branch office' for such purposes. Each of the member companies has designated this office as its branch and the name of the company nominated by the producer in the application form will appear as fiduciary agent in the policy.

"The companies will participate to the extent of 10% up to \$5,000,000 in the final net profit or loss. The service fee to the producer will not exceed 5% of the premium with a minimum fee of \$1 and a maximum fee of \$1,000 per policy. The regulations emphasize that the service fee must not be deducted from the remittance which accompanies the application. The fee becomes due upon issuance of the policy and payable on or before the 20th day of the month following. Service fees will be paid on renewals.

"The special instructions further state that when nominating the fiduciary agent in the application, the producer must indicate whether he is an agent of the company or a licensed broker. Money orders or checks in payment of any premium are to be drawn to the order of War Damage Corporation and must accompany the application, which should be forwarded directly to the central office at 111 John St., New York, N. Y. This applies regardless of the territory within which the business is written.

"In order not to discriminate against any applicant, by reason of geographical location, with respect to the effective date of the insurance, alternate methods for determining the date have been provided. When the application and premium remittance are mailed, the post office cancellation date on the envelope becomes the effective date. If the cancellation is illegible, then the latest possible date of mailing computed retrospectively from the time of arrival becomes the effective date. In any case in which the application and premium remittance are received by the fiduciary agent (including the central office or the home office, but excluding any branch office other than the central office) by personal delivery, the effective date will be the date when the application is received by the fiduciary agent.

"In the event of loss the producer is instructed to see that the insured gives prompt notice to the central office or to the home office of the fiduciary agent named

in the policy. "At present supplies are being distributed to producers by the companies but additional supplies will soon be available at the central office.

"Any questions regarding money and securities insurance which may arise and which are not fully covered by Regulations D and supplemental instructions should be addressed to the central office or to the home office of the fiduciary agent named in the policy."

From the "Times" Washington, Dec. 14 we take the following:

"Four types of coverage are provided, A, B, C and D. A, which costs 25 cents per \$1,000 for money and 7.5 cents per \$1,000 for securities, will cover them while within any 'preferred vault.' Coverage B, which costs 50 and 15 cents, respectively, for money and securities, will cover them while in any safe or vault. Coverage C, which costs \$1 and 30 cents, respectively, covers them while within any of the 'premises' or in the possession of any of the 'custodians' specified in the application. Coverage D applies to money and securities in transit or otherwise for any business purpose outside any and all 'premises' and 'safe deposit boxes' and vaults, but excluding loss in the mail or the custody of any carrier other than an armored motor vehicle company. It costs \$1.50 and 15 cents per \$1,000, respectively.

"The maximum amount for which Coverage A and B for money can be obtained is \$750,000 and for securities \$5,000,000. Coverage C can be obtained to the amount of \$450,000 for money and \$3,000,000 for securities. The limit on Coverage D is \$2,000,000 for money and \$10,000,000 for securities."

President Sets Jan. 12 Farm Mobilization Day

In a proclamation designating Jan. 12 as Farm Mobilization Day, President Roosevelt on Dec. 16 asked farmers to meet with government and farm organization representatives on that day in order to discuss ways and means of insuring for the year 1943 maximum production of vital foods upon every farm in this country.

Saying that "food is no less a weapon than tanks, guns and planes," the President expressed the hope that Farm Mobilization Day would be a "symbol of the might and productivity of our nation, and a symbol of our unalterable determination to put to full use of our agricultural resources, as well as our other resources, in the achievement of complete victory."

The text of the proclamation follows:

"The people of this country may well be grateful that for three successive years the farmers of the United States have given us record harvests. Every pound of food finds use in war time. Our soldiers, sailors and marines require large supplies of food both in this country and abroad, and these three record-smashing years of farm production will mean much for victory.

"Farmers may justly be proud of the production record of agriculture. They have achieved this record in spite of many handicaps, and the country owes them a debt of gratitude. Although they have produced much this year, the na-

tion will require even more of them during the year that is now before us.

"In full realization of the many difficulties affecting farm production during war time, the people of this nation place reliance on the zeal, devotion and unstinting efforts of farmers to do their part toward ultimate victory.

"Food is no less a weapon than tanks, guns and planes. As the power of our enemies decreases, the importance of the food resources of the United Nations increases. With this thought in mind, we must further mobilize our resources for the production of food.

"Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, do hereby proclaim Tuesday, Jan. 12, 1943, as Farm Mobilization Day; and ask that on that day the farmers of this country gather, wherever possible, with Department of Agriculture representatives, extension service agents, vocational teachers, State officials, farm organizations and others concerned, in order to discuss ways and means of insuring for the year 1943 the maximum production of vital foods upon every farm in this country.

"I should like Farm Mobilization Day to be a symbol of a free America; a symbol of our unalterable determination to put to full use our agricultural resources; as well as our other resources, in the achievement of complete victory.

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

"Done at the City of Washington this sixteenth day of December in the year of our Lord Nineteen Hundred Forty-two, and of the independence of the United States of America the One Hundred and Sixty-seventh."

Ch'go Mercantile Exch. Nominates Governors

Three Chicago Mercantile Exchange Governors, it was announced on Dec. 12, have been nominated for reelection by petitions filed with Lloyd S. Tenny, business manager of the produce futures trading center. They are Harry H. Field of Faroll Brothers, W. S. Moore of James E. Bennett & Co., and L. D. Schreiber of the firm bearing his name.

The regular slate of 10 candidates for the six two-year term posts on the Exchange's governing board, presented a week ago by the nominating committee and referred to in our Dec. 10 issue, page 2052, includes two present Governors: Frank P. Collyer of Merrill Lynch, Pierce, Fenner & Beane, and Michael E. Fox of the Peter Fox Sons Co. The Exchange's election will be held Jan. 6 and nominations by petitions may be filed up to noon Dec. 30.

Added To WMC Group

Paul V. McNutt, Chairman of the War Manpower Commission, announced on Dec. 11 the appointment of two representatives of agriculture to the WMC's Management-Labor Policy Committee.

The new members are Edward A. O'Neal, President of the American Farm Bureau Federation, and James G. Patton, President of the National Farmers Union.

Mr. McNutt also announced the appointment of Eric A. Johnston, President of the United States Chamber of Commerce, as an addition to the management representatives on the Committee.

The WMC Management-Labor Policy Committee, composed of an equal number representing each division and established last May, recently completed for the WMC a broad program concerning the overall manpower situation (referred to in these columns of Nov. 19, page 1808).

Nov. Building Permit Valuations Down 30%; Eleven Months' Total Decreased 41% From '41

A decline of 30% was shown in November building permit valuations as compared with October, Secretary of Labor Frances Perkins reported on Dec. 26. "All types of building construction shared in the decrease," she said, "but the most pronounced drop was in the value of new non-residential buildings, which decreased 52%. New residential valuations declined 21% and those for additions, alterations and repairs to existing structures declined 25%."

Miss Perkins further said: "November building permit valuations were 66% lower than during the corresponding month of 1941. Indicated expenditures for all types of buildings were lower during the current month than during November, 1941. The decline for new residential buildings amounted to 52%; for new non-residential buildings, 85%; for additions, alterations and repairs, 46%.

"During the first eleven months of 1942, permits were issued in reporting cities for buildings valued at \$1,658,907,000, a decrease of 41% as compared with the same period in 1941. Permit valuations for new residential buildings for the first eleven months of the current year amounted to \$756,978,000, a decline of 45% as compared with the same period of 1941. Over the corresponding period, new nonresidential buildings showed a decrease of 39%, while the value of additions, alterations and repairs fell off 31%."

The Labor Department's announcement also stated:

"These tabulations, compiled by the Bureau of Labor Statistics, include contracts awarded by Federal and State Governments in addition to private and municipal building construction. For November, 1942, Federal and State construction in the 2,367 reporting cities totaled \$19,639,000; for October, 1942, \$39,469,000; and for November, 1941, \$66,419,000.

"Changes in the permit valuations in the 2,367 reporting cities between November, 1942, October, 1942, and November, 1941, are summarized below:

Class of Construction—	Percentage Change from Oct. 1942 to Nov. 1942
All Cities	—21.0%
New residential	—52.3%
New non-residential	—85.4%
Additions, alterations & repairs	—45.5%
All construction	—60.0%

Class of Construction—	Percentage Change from Nov. 1941 to Nov. 1942
All Cities	—61.7%
New residential	—85.4%
New non-residential	—85.4%
Additions, alterations & repairs	—45.5%
All construction	—66.0%

"Permits were issued in the 2,367 reporting cities in November, 1942, for new housekeeping dwellings which will provide 13,085 units, or 18% less than the 15,888 dwelling units provided in October, 1942, and 46% less than the number provided in November, 1941. Dwelling units in publicly financed projects included in these totals numbered 3,715 in November, 1942, 5,471 in October, 1942, and 2,736 in November, 1941. In addition, the Federal Government awarded contracts in November, 1942, for dormitories providing accommodations for 4,048 persons. In October, 1942, 1,988 dormitory units were provided.

"Principal centers of various types of building construction for which permits were issued or contracts were awarded in November, 1942, except those awarded by the War and Navy Departments, the Maritime Commission and the Defense Plant Corporation, which have been excluded because of their confidential nature, were: Philadelphia, Pa., 1-family dwellings to cost \$1,082,000; Chicago, Ill., multifamily dwellings to cost \$468,000; Westchester, Ill., 1-family dwellings to cost \$475,000; Cicero, Ill., a factory to cost \$750,000; Evansville, Ind., multifamily dwellings to cost \$608,000; Detroit, Mich., 1-

family dwellings to cost \$2,717,000, and 2-family dwellings to cost \$213,000; Dearborn, Mich., 1-family dwellings to cost \$381,000; Wayne, Mich., 1-family dwellings to cost \$441,000; Cleveland, Ohio, 1-family dwellings to cost \$474,000; Columbus, Ohio, 1-family dwellings to cost \$386,000; St. Louis, Mo., factories to cost \$1,153,000; Washington, D. C., multifamily dwellings to cost \$1,062,000; Norfolk, Va., 1-family dwellings to cost \$366,000; Garland, Tex., 1-family dwellings to cost \$353,000; Burbank, Calif., stores to cost \$621,000; Los Angeles, Calif., 1-family dwellings to cost \$387,000.

"Contracts were awarded during November for the following publicly financed housing projects containing the indicated number of housekeeping units: Bristol, Conn., \$325,000 for 100 units; South Portland, Me., \$1,500,000 for 500 units; Camden, N. J., \$650,000 for 200 units; Buffalo, N. Y., \$1,249,000 for 300 units; Massena, N. Y., \$623,000 for 200 units; Harrisburg, Pa., \$225,000 for 75 units; Washington, Pa., \$810,000 for 146 units; Rock Island, Ill., \$370,000 for 136 units; Bainbridge, Ga., \$180,000 for 60 units; Brunswick, Ga., \$2,632,000 for 1,000 units; Mobile, Ala., \$386,000 for 232 311,000 for 550 units, and \$283,000 for 200 dormitory apartments; Alexandria, La., \$450,000 for 148 units; Freeport, Texas, \$350,000 for 100 units. In addition, contracts were awarded for dormitory accommodations for 2,716 persons at Washington, D. C., to cost \$2,127,000; for 1,000 persons at Brunswick, Ga., to cost \$700,000; and for 100 persons at Elizabeth City, N. C., to cost \$63,000."

Details Revealed Of Mexican Debt Payment

Thomas W. Lamont of J. P. Morgan & Co. Incorporated, Chairman of the International Committee of Bankers on Mexico, with the approval of the Secretary of the Treasury of Mexico, Eduardo Suarez, made public on Dec. 17 to the holders of Mexican securities the schedule of annuity payments under the proposed plan for the resumption of service of the Mexican debt. The announcement said:

"Under the plan the Government of Mexico is to make annual payments for the service of bonds assenting to the agreement in an amount (based on the total of the bonds affected by the plan) of a maximum of 10,000,000 pesos or the dollar equivalent at present exchange rates.

"The Pan-American Trust Co., of 70 Wall St., New York City, will act as the fiscal agent under the proposed plan.

"The annuity will be distributed among the security holders assenting to the proposed plan in accordance with a schedule attached to the agreement between the Government and the committee, which schedule may be examined at the offices of the International Committee of Bankers on Mexico, 14 Wall St., New York City, or at the offices of Hardin, Hess & Eder, attorneys for the Mexican Government, 74 Trinity Place, New York City, and in London, England, at the office of Morgan Grenfell & Co., Ltd.

"The agreement for the resumption of service of the Mexican public debt is now before the Mexican Congress for approval."

The plan to resume service of the Mexican debt was reported in these columns Dec. 17, page 2169.

Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES (Based on Average Yields) table with columns for Date, U.S. Govt. Bonds, Average Corporate Rate, and Corporate by Ratings (Aaa, Aa, A, Baa) and Corporate by Groups (R.R., P.U., Indus.).

MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices) table with columns for Date, U.S. Govt. Bonds, Average Corporate Rate, and Corporate by Ratings (Aaa, Aa, A, Baa) and Corporate by Groups (R.R., P.U., Indus.).

*These prices are computed from average yields on the basis of one "typical" bond (3 1/4% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations.

Labor Bureau's Wholesale Commodity Index Advanced 0.2% During Week Ended Dec. 19

The Bureau of Labor Statistics, U. S. Department of Labor, announced on Dec. 24 that further sharp increases in primary market prices for grains, cotton, and certain fruits and vegetables, and higher prices for hogs and sheep caused the Bureau's comprehensive index of nearly 900 price series to advance 0.2% during the week ended Dec. 19. The index, at 100.7% of the 1926 average, is at a new high level for the past 16 years.

The Bureau's announcement further stated: "Farm Products and Foods: Led by an advance of 3.2% for grains, the level for farm products rose 1.2% during the week. Wheat prices increased 5% and corn about 2%. Hogs were nearly 3% higher, while prices of sheep rose about 8%. Other important products showing marked increases were hay, peanuts, flaxseed, leaf tobacco, cotton and citrus fruits.

The following table shows index numbers for the principal groups of commodities for the past three weeks, for Nov. 21, 1942 and Dec. 20, 1941 and the percentage changes from a week ago, a month ago, and a year ago:

Table showing percentage changes to Dec. 19, 1942 from previous periods (Dec. 12-1941, Nov. 21-1941, Dec. 12-1940) for various commodity groups.

Churchill Hopes US Ties Will 'Far Outlive' War

Prime Minister Churchill of Great Britain, answering President Roosevelt's Christmas greetings to Allied troops, said on Dec. 26, that "bonds of respect, comprehension and comradeship have been forged" between the two nations, "which will, I pray, far outlive this war."

Conf. Board Reports Nov. Living Costs Up

The cost of living for wage earners and lower-salaried clerical workers in November, rose in 67 out of the 70 cities surveyed each month by the National Industrial Conference Board. The largest advance, 1.9%, was shown in San Francisco, and five other cities rose 1% or more.

Moody's Daily Commodity Index

Moody's Daily Commodity Index table showing values for Tuesday, Wednesday, Thursday, Friday, Saturday, Monday, Tuesday, Wednesday, Thursday, Friday, Saturday, Sunday, and Month/Year ago.

Offers To Buy New South Wales Bonds

City Bank Farmers Trust Co. as fiscal agent, is notifying holders of Metropolitan Water, Sewerage & Drainage Board, State of New South Wales, Australia, 20-year 5 1/2% sinking fund gold bonds due April 1, 1950, that it will receive written proposals for the sale to it of a sufficient amount of the bonds to exhaust any funds available in the sinking fund, at the lowest prices offered, but not exceeding 100% of the principal and accrued interest.

Phillips Envoy To India

President Roosevelt disclosed on Dec. 11 that he had assigned William C. Phillips, former Ambassador to Italy, to be his personal representative in India, with the rank of Ambassador.

MBA To Survey Funds For War Housing Finance

Declaring that the rising influence of "public housers" in Federal housing activities has reached a point where they may possibly seek abolition of the Federal Housing Administration, contending its need no longer exists, Charles A. Mullenix, President of the Mortgage Bankers Association of America, announced on Dec. 12 that the Association is beginning immediately a survey among mortgage lenders to determine the availability of private funds for further war housing financing.

Revenue Freight Car Loadings During Week Ended Dec. 19, 1942, Totaled 742,911 Cars

Loading of revenue freight for the week ended Dec. 19, 1942, totaled 742,911 cars, the Association of American Railroads announced on Dec. 28. This was a decrease below the corresponding week of 1941, of 55,957 cars or 7.0%, but an increase above the same week in 1940, of 45,156 cars or 6.5%.

Loading of revenue freight for the week of Dec. 19, increased 2,575 cars or 0.3% above the preceding week.

Miscellaneous freight loading totaled 358,898 cars, an increase of 3,317 cars above the preceding week, but a decrease of 6,753 cars below the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 87,147 cars, a decrease of 3,820 cars below the preceding week, and a decrease of 62,919 cars below the corresponding week in 1941.

Coal loading amounted to 163,525 cars, a decrease of 2,441 cars below the preceding week, but an increase of 7,294 cars above the corresponding week in 1941.

Grain and grain products loading totaled 47,565 cars, an increase of 2,716 cars above the preceding week, and an increase of 6,134 cars above the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of Dec. 19 totaled 32,753 cars, an increase of 2,280 cars above the preceding week, and an increase of 6,191 cars above the corresponding week in 1941.

Live stock loading amounted to 15,661 cars, a decrease of 1,757 cars below the preceding week, but an increase of 1,111 cars above the corresponding week in 1941. In the Western Districts alone, loading of live stock for the week of Dec. 19 totaled 11,405 cars, a decrease of 1,546 cars below the preceding week, but an increase of 504 cars above the corresponding week in 1941.

Forest products loading totaled 41,496 cars, an increase of 4,559 cars above the preceding week but a decrease of 1,674 cars below the corresponding week in 1941.

Ore loading amounted to 13,855 cars, a decrease of 210 cars below the preceding week, but an increase of 103 cars above the corresponding week in 1941.

Coke loading amounted to 14,764 cars, an increase of 211 cars above the preceding week, and an increase of 747 cars above the corresponding week in 1941.

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

Table with columns for weeks (Five weeks of January to Week of Dec. 19) and rows for 1942, 1941, and 1940. Total 1942: 42,227,144; Total 1941: 41,683,262; Total 1940: 35,812,547.

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Dec. 12, 1942. During this period only 43 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS—WEEK ENDED DEC. 12)

Large table with columns for Railroads, Total Revenue Freight Loaded (1942, 1941, 1940), and Total Loads Received from Connections (1942, 1941). Includes Eastern, Allegheny, and Pocahontas districts.

Main table with columns for Railroads, Total Revenue Freight Loaded (1942, 1941, 1940), and Total Loads Received from Connections (1942, 1941). Includes Southern, Northwestern, Central Western, and Southwestern districts.

Reports Red Cross Spent \$62,000,000 for Foreign Relief

Norman H. Davis, Chairman of the American Red Cross, reported on Dec. 9 the expenditure of \$62,000,000 for foreign war relief in the first year of the war had "touched the lives of almost 30,000,000 people."

Making his report at the organization's annual meeting in Washington, Mr. Davis added that approximately \$5,000,000 also had been spent for relief of United Nations prisoners of war.

The reappointment of Mr. Davis by President Roosevelt was announced at the Board of Incorporators meeting, presided over by Chief Justice Harlan F. Stone. Chairman Davis said that two noteworthy accomplishments of the year were the training of 5-500,000 persons in first aid and the collection of 1,000,000 units of blood plasma, in contrast to only 50,000 units collected in 1941.

Other achievements noted were the training of 500,000 women in home nursing, 60,000 women as volunteer nurses' aides to aid in relieving the nurse shortage and the expansion of volunteers to 3,500,000 in all Red Cross services. Volunteers produced 350,000 surgical dressings for the Army and Navy and United Nations, besides millions of garments and other articles, he stated.

More than 2,000,000 men in the armed forces had been aided through the services to the armed forces in solving personal problems, Mr. Davis stated.

The Chairman said the first war fund of the Red Cross for \$50,000,000, announced the day after Pearl Harbor, was oversubscribed \$20,900,000. For 1943, he added, the Red Cross will make one appeal for a war fund, in March, hence the usual November roll call was not held.

Senate Group Asks Farm Price Inquiry

The Senate Agriculture Committee approved on Nov. 30 a resolution calling for an investigation of the Price Control Act with respect to farm prices.

The investigation, proposed by Senators Gillette (Dem., Iowa) and Reed (Rep., Kan.) would authorize the Agriculture Committee to make a continuing study of the fixing of maximum prices for agricultural commodities, the payment of subsidies in connection with farm products and the operations of the Commodity Credit Corporation with reference to "losses sustained" to maintain minimum or maximum prices.

Adoption of the measure by the Senate group was prompted, it is stated, by the Administration's interpretation of the Price Control Act. The "farm bloc" protests against action taken by the Office of Price Administration and Department of Agriculture in carrying out a Presidential order directing that governmental payments to agricultural producers and subsidy payments be considered in arriving at the minimum farm ceiling prices.

Several Senators have contended that it was not the intent of Congress in enacting the Price Control Act that it should be interpreted as authorizing the use of a parity price formula including Government benefits paid to farmers.

Stabilization Director Byrnes, Price Administrator Henderson and Secretary of Agriculture Wickard have testified that their taking into account such benefit payments in fixing the minimum ceiling prices for agricultural commodities was not in violation of the law.

Special Depositaries Of Treasury Increase

Secretary of the Treasury Morgenthau announced on Dec. 22 that Special Depositaries of the Treasury numbered 5,260 on Dec. 19 and that they are qualified to hold \$9,354,929,664 of Government deposits. The Treasury's announcement said:

"These figures compare with 3,253 depositaries eligible to hold an aggregate of \$6,228,913,514 on last Oct. 31, the increase being due to a special effort to increase these depositaries conducted by the Treasury in cooperation with the Federal Reserve System. "In order to keep the funds raised by sale of Government securities in the communities where raised until actually needed to meet Federal payments, the Secretary asked the Federal Reserve Banks to circularize the banks in their districts with a view to having them qualify for use of the "War Loan Accounts" as Special Depositaries. Those taking advantage of this method of participating in Treasury financing are thus able to retain the proceeds of the sales of securities subscribed for their own account and those of their customers until called by the Treasury.

"The number of Special Depositaries, with the amounts they were qualified to hold on Oct. 31 and as of Dec. 19, are given by Federal Reserve Districts in the table that follows:

Table with columns for Districts, No., Amount (October 31), No., Amount (December 19). Totals: 3,253 to 5,260; \$6,228,913,514 to \$9,354,929,664.

A previous reference to the increase in the number of special depositaries appeared in our Dec. 24 issue, page 2260.

Electric Output For Week Ended Dec. 26, 1942 Shows 13.6% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Dec. 26, 1942 was approximately 3,675,000,000 kwh., compared with 3,234,128,000 kwh. in the corresponding week last year, an increase of 13.6%.

Table showing Percentage Increase Over Previous Year for Major Geographical Divisions and Total United States. Columns include Divisions, Dec. 19, Dec. 12, Dec. 5, and Nov. 28.

Table showing Data for Recent Weeks (Thousands of Kilowatt-Hours) from 1942 to 1929. Columns include Week Ended, 1942, 1941, % Change over 1941, 1940, 1932, and 1929.

National Fertilizer Association Commodity Price Index Continues To Advance

The weekly wholesale commodity price index compiled by the National Fertilizer Association, and made public on Dec. 28, was again higher last week. In the week ended Dec. 26, 1942 this index was 132.2% of the 1935-1939 average.

Table showing Weekly Wholesale Commodity Price Index. Columns include Each Group Bears to Total Index, Group, Latest Week, Preceding Week, Month Ago, and Year Ago.

Daily Average Crude Oil Production For Week Ended Dec. 19 1942, Gained 10,350 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Dec. 19, 1942 was 3,891,500 barrels, an increase of 10,350 barrels over the preceding week.

Reports received from refining companies owning 85.8% of the 4,790,000 barrel estimated daily potential refining capacity of the United States, indicate that the industry as a whole ran to stills, on a Bureau of Mines' basis, 3,667,000 barrels of crude oil daily during the week ended Dec. 19, 1942.

limited to have been 10,875,000 barrels during the week ended Dec. 19, 1942.

Table showing Daily Average Crude Oil Production (Figures in Barrels) by State and Region. Columns include State/Region, P.A.W. Recommendations, State Allowables, Actual Production, Change, 4 Weeks Ended, and Week Ended.

P.A.W. 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.

Table showing Crude Runs to Stills, Production of Gasoline, Stocks of Finished and Unfinished Gasoline and Gas and Fuel Oil. Columns include District, Daily Refining Capacity, Potentials, Rate, Crude Runs to Stills, Crude Production, Stocks, and Finished Gasoline.

Steel Operations At Increased Rate—Scrap Situation Improves—Ore Supply Is Large

The American Iron and Steel Institute, on Dec. 28, 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 98.2% of capacity for the week beginning Dec. 28.

ter quotas is not known, it appears somewhat more liberal and requests have been cut less drastically than for fourth quarter, according to some consumers.

"Sheet deliveries are tight, even highly-rated tonnage commanding delivery in March from most makers although some cold rollers can ship in February on current orders.

"The steel industry has been asked to make a voluntary saving in fluorspar in 1943 to prevent an expected shortage in metallurgical grades, which is estimated at about 50,000 tons.

"Scrap supply in general is considered sufficient to reach well into the winter as melters have fair reserves in most cases and yards have considerable tonnage it has not been possible to prepare under weather and labor conditions.

"Blast furnaces in November consumed 7,227,497 gross tons of Lake Superior iron ore, compared with 7,370,595 tons in October.

Byrnes Given Power To Settle Food Disputes

President Roosevelt has designated James F. Byrnes, Economic Stabilization Director, to act as his agent in any disagreements which may arise between Secretary of Agriculture Wickard and any officer or agency of the Government.

The President's letter said: "I have approved an executive order which vests in the Secretary of Agriculture the responsibility for and control over the nation's food program."

Fuel Oil Rations Increased In 13 States

Price Administrator Leon Henderson on Dec. 22 increased fuel oil rations in 13 Middle Western States in accordance with the rationing formula which permits adjustments in coupon value when temperatures vary abnormally.

The States are Ohio, Kentucky, Illinois, Michigan, Indiana, Missouri, Kansas, Minnesota, Wisconsin, Nebraska, North Dakota, South Dakota and Iowa. In this area the coupon value was increased, effective Dec. 23, from 10 gallons to 11 because of the recent protracted spell of abnormally cold weather.

Sub-normal temperatures have prevailed in this section of the country more than a month. As a result, Mr. Henderson announced on Dec. 18 that third heating period coupons would be valid in these 13 States beginning Dec. 23 rather than during the first week in January. Studies of the temperature recordings finished since that time, and the assurance of the Petroleum Administrator for War that sufficient oil (20,000 barrels a day) would be made available in the 13 States to meet the increase in coupon value, are the basis for the action on Dec. 22.

Mr. Henderson emphasized however, that the fuel oil ration can be increased to offset cold weather only when supplies are available with which to honor the coupons.

"In the East," he said, "the weather has until recently been somewhat milder than usual. As a result, homeowners have not had to dip as deep into their limited supplies. Should the recent cold spell in the East be as protracted as it has been in the Middle West, consideration will be given to the use of Period 3 coupons in that area before the expiration of the second period, the first week in January. Again, however, I must repeat, the question as to whether that could be done depends entirely upon oil supplies."

The above decision to increase coupon values means that Class 1 coupons for Period 3 (those numbered "3") will be valued at 11 gallons in the 13 States. Class 1 coupons, which are issued generally to homeowners, have had a value of 10 gallons up to the present. Likewise, Class 2 coupons, used by apartment houses, office buildings, and other larger consumers, are increased 10% their value for Period 3 being fixed at 110 gallons as against the current value of 100 gallons.

Roosevelt Thanks Egyptian Ruler For Gift To Forces

The State Department announced on Dec. 12 that King Farouk I of Egypt has made a Christmas gift of 2,000 Egyptian pounds (approximately \$8,000) to the American forces in Egypt. President Roosevelt, the State Department said (according to the Associated Press) has sent the following message in response:

"The American Minister at Cairo has informed me of Your Majesty's generous gift to the American forces in Egypt on the occasion of the approaching holiday season.

"In expressing my personal appreciation of Your Majesty's generosity, I express also the gratitude of the American people for this gracious contribution to the happiness of the men of the American armed forces in Your Majesty's hospitable country.

"I wish to take this opportunity to extend my best wishes for the personal happiness of Your Majesty and for the well-being of the people of Egypt."

Federal Reserve November Business Indexes

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

Table with columns: BUSINESS INDEXES, 1935-39 average = 100 for industrial production and freight-car loadings; 1939=100 for factory employment and payrolls; 1923-25 average = 100 for all other series. Rows include Industrial production, Manufacturing, Construction contracts, Factory employment, etc.

*Revised data for these groups back to 1939 will appear in January Bulletin. †Preliminary or estimated. ‡Data not yet available.

Note—Production, carloadings, and department store sales indexes based on daily averages. To convert durable manufactures, non-durable manufactures and minerals indexes to points in total index, shown in Federal Reserve Chart Book, multiply durable by .379, non-durable by .469, and minerals by .152.

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

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

Table with columns: INDUSTRIAL PRODUCTION (1935-39 average = 100), Adjusted for Seasonal Variation, Without Seasonal Adjustment. Rows include Manufactures, Steel, Open hearth and Bessemer, Electric, Machinery, etc.

FREIGHT-CAR LOADINGS (1935-39 average = 100)

Table with columns: Freight-car loadings, 1935-39 average = 100. Rows include Coal, Coke, Grain, Livestock, Forest products, Ore, Miscellaneous, Merchandise, l.c.l.

*Data not yet available. †Preliminary or estimated. ‡Revised.

Note—To convert coal and miscellaneous indexes to points in total index, shown in the Federal Reserve Chart Book, multiply coal by .213 and miscellaneous by .548.

Engineering Construction For Week Lowest Weekly Volume For The Year

Engineering construction volume for the short week due to the early closing for the Christmas Holiday totals \$33,377,000. This is the lowest weekly volume reported during 1942. It compares with \$75,539,000 recorded for the full preceding week, and is 56% below the total for the corresponding short week in 1941, according to "Engineering News-Record" on Dec. 24, which added:

Federal work is 8% below the week last year, and this decline coupled with the 91% drop in State and municipal work, brings public construction 26% under its last year's mark. Private work, accounting for \$513,000 in the current week, is 91% below a year ago.

Engineering construction volume for 1942 to date, \$9,229,534,000, is 57% above the total for the 52 weeks of 1941. Private volume for the 1942 52-week period, \$552,838,000, is 53% below last year, but public construction, \$8,676,696,000, is 85% higher than a year ago as a result of the 133% gain in Federal work.

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

Table with columns: Dec. 25, 1941 (4 days), Dec. 17, 1942 (5 days), Dec. 24, 1942 (4 days). Rows include Total Construction, Private Construction, Public Construction, State and Municipal, Federal.

In the classified construction groups gains over the corresponding 1941 week are in waterworks and unclassified construction. Unclassified construction is the only class of work to gain over the preceding week. Subtotals for the week in each class of construction are: waterworks, \$1,104,000; sewerage, \$589,000; industrial buildings, \$40,000; commercial buildings, \$473,000; public buildings, \$13,303,000; streets and roads, \$1,942,000; and unclassified, \$15,926,000. No contracts are reported this week for bridges, or earthwork and drainage.

New capital for construction purposes for the week totals \$5,062,000, entirely State and municipal bond sales. The current week's new financing compares with \$1,570,404 reported for the week last year.

New construction financing for the year to date, \$10,219,111,000, is 29% higher than the \$7,895,121,000 reported for the year 1941.

Cotton Ginned From Crop Of '42 Prior To Dec. 13

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

Number of bales of cotton ginned from the growth of 1942 prior to Dec. 13, 1942, and comparative statistics to the corresponding date in 1941 and 1940 (running bales, counting round as half bales and excluding linters):

Table with columns: State, 1942, 1941, 1940. Rows include United States, Alabama, Arizona, Arkansas, California, Florida, Georgia, Illinois, Kentucky, Louisiana, Mississippi, Missouri, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia.

*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; 863 for 1941 and 3,433 for 1940. Included in the above are 45,179 bales of American-Egyptian for 1942; 42,284 for 1941 and 23,560 for 1940; also 749 bales Sea-Island for 1942; 3,289 for 1941 and 4,567 for 1940.

The statistics for 1942 in this report are subject to revision when checked against the individual returns of the ginner being transmitted by mail. The revised total of cotton ginned this season prior to Dec. 1 is 11,539,654 bales.

Consumption, Stocks, Imports, and Exports—United States

Cotton consumed during the month of November, 1942, amounted to 913,038 bales. Cotton on hand in consuming establishments on Nov. 30, was 2,440,684 bales, and in public storages and at compresses 13,637,120 bales. The number of active consuming cotton spindles for the month was 22,948,248.

In the interest of national defense, the Department of Commerce has discontinued 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.

Weekly Statistics Of Paperboard Industry

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

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

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Table with columns: Period, Orders Received Tons, Production Tons, Unfilled Orders Remaining Tons, Percent of Activity Current, Percent of Activity Cumulative. Rows include 1942—Week Ended—, Sept. 5, Sept. 12, Sept. 19, Sept. 26, Oct. 3, Oct. 10, Oct. 17, Oct. 24, Oct. 31, Nov. 7, Nov. 14, Nov. 21, Nov. 28, Dec. 5, Dec. 12, Dec. 19.

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

General Crop Report, December, 1942, Of The Weekly Coal and Coke Production Statistics U. S. Department Of Agriculture

The Crop Reporting Board of the United States Department of Agriculture made public on Dec. 18 its report of crop acreage, production and yield per acre of crops as of Dec. 1. The report in part follows:

Table with columns: Crop and Unit, Acreage Harvested (in thousands), Production (in thousands). Rows include Corn, Wheat, Soybeans, etc.

*Short-time average. †Dry weight. ‡Green weight. §Bags of 100 pounds (uncleaned). ¶All purposes. **1,000 trees tapped. ††Includes some quantities not harvested. †††For some States in certain years, production includes some quantities unharvested on account of market conditions. §§Short-time average. †††Production includes all grapes for fresh fruit, juice, wine and raisins. ***Excluding crops not harvested, minor crops, duplicated seed acreages, strawberries and other fruits.

NOTE—The 10 year averages shown in this summary are revised on the basis of the 1940 Census of Agriculture, except for corn, hay, potatoes, and sweetpotatoes.

Table with columns: Crop and Unit, Average 1930-39, 1941, 1942. Rows include Corn, Wheat, Soybeans, etc.

*Short-time average. †Dry weight. ‡Green weight. §All purposes. ¶Total equivalent sugar per tree.

(Continued on page 2340)

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. 19 is estimated at 11,480,000 net tons, a decrease of 185,000 tons, or 1.6%, from the preceding week.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended Dec. 19 was estimated at 1,119,000 tons, an increase of 18,000 tons (1.6%) over the preceding week.

The U. S. Bureau of Mines also reports that the estimated production of byproduct coke in the United States for the week ended Dec. 19 showed an increase of 1,300 tons when compared with the output for the week ended Dec. 12.

Table: ESTIMATED UNITED STATES PRODUCTION OF COAL. Columns: Week Ended (Dec 19, Dec 12, Dec 20, Dec 19, Dec 20, Dec 18, 1942, 1942, 1941, 1942, 1941, 1937). Rows: Bituminous and lignite coal, Total, incl. mine fuel, Daily average.

Table: ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE. Columns: Week Ended (Dec 19, Dec 12, Dec 20, Dec 19, Dec 20, Dec 21, 1942, 1942, 1941, 1942, 1941, 1929). Rows: Penn. anthracite, Total, incl. colliery fuel, Commercial production, Beehive coke, United States total, By-product coke, United States total.

Table: ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES. Columns: Dec. 12, Dec. 5, Dec. 13, Dec. 14, Dec. 11, Dec. 1923. Rows: State (Alaska, Alabama, Arkansas and Oklahoma, Colorado, Georgia and North Carolina, Illinois, Indiana, Iowa, Kansas and Missouri, Kentucky-Eastern, Kentucky-Western, Maryland, Michigan, Montana (bituminous and lignite), New Mexico, North and South Dakota (lignite), Ohio, Pennsylvania (bituminous), Tennessee, Texas (bituminous and lignite), Utah, Virginia, Washington, West Virginia-Southern, West Virginia-Northern, Wyoming, Other Western States).

(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.)

Table: ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES. Columns: Dec. 12, Dec. 5, Dec. 13, Dec. 14, Dec. 11, Dec. 1923. Rows: State (Alaska, Alabama, Arkansas and Oklahoma, Colorado, Georgia and North Carolina, Illinois, Indiana, Iowa, Kansas and Missouri, Kentucky-Eastern, Kentucky-Western, Maryland, Michigan, Montana (bituminous and lignite), New Mexico, North and South Dakota (lignite), Ohio, Pennsylvania (bituminous), Tennessee, Texas (bituminous and lignite), Utah, Virginia, Washington, West Virginia-Southern, West Virginia-Northern, Wyoming, Other Western States).

Non-Ferrous Metals—Zinc Dust Under Full Allocation—Price of Indium Reduced by 20%

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. 24, stated:

"With price changes in non-ferrous metals few and far between, a revision in the quotation for indium, a mere byproduct, attracted interest last week. The price was lowered from \$12.50 a troy ounce to \$10. Zinc dust was placed under full allocation by WPB, effective Jan. 1. Allocation certificates began to move on Dec. 22, which brought in the usual rush of orders for January's needs of copper consumers."

Word in January allocations came through on Dec. 22, which was reflected immediately in rather large bookings by producers. War demands for copper as the year draws to a close are enormous, and will probably be larger in 1943. The selling basis in the domestic market continues at 12c, Valley. Foreign copper is being absorbed at unchanged prices.

New supplies and demand appear to be virtually in balance, and the supply outlook presents no cause for worry. Domestic consumption is estimated at between 60,000 and 65,000 tons monthly by trade authorities. Quotations held at 6.50c., New York, and 6.35c., East St. Louis.

In a report covering the activities of the Reconstruction Finance Corp. and its subsidiaries, Jesse Jones reveals that in connection with the war and up to Oct. 31, 1942, contracts have been made for the importation of refined lead from four foreign countries, and of ore and concentrate from seven countries, at a cost of \$107,497,000. Of this amount \$47,511,000 has been disbursed for deliveries.

Zinc Zinc dust will be placed under full allocation by WPB after Jan. 1, 1943, it was announced in Washington Dec. 22. Control of the product is contained in General Preference Order M-11-1. Interest in zinc continues to center in the zinc concentrate situation. Larger tonnages will be needed in 1943. The quotation for Prime Western zinc remains at 8 1/4 c., East St. Louis.

Indium Effective Dec. 22, one of the leading producers of indium lowered the price \$2.50 per troy ounce, establishing the market at \$10. The previous quotation of \$12.50 per ounce went into effect early in December, 1940. Indium is finding increased use in some products, chiefly bearings, but output can be raised appreciably should market conditions call for larger supplies.

Tin The Metals Reserve Co., R.F.C. subsidiary, has brought into the country under its tin program, initiated during 1940, a total of slightly more than 100,000 tons of the metal in the form of metallic tin or as tin contained in concentrate, according to an official statement by Jesse Jones, published last week.

Quotations for tin remained unchanged last week. Straits quality tin for forward shipment was nominally as follows:

Table: Tin prices. Columns: Dec. 17, Dec. 18, Dec. 19, Dec. 21, Dec. 22, Dec. 23. Rows: Dec. 17, Dec. 18, Dec. 19, Dec. 21, Dec. 22, Dec. 23.

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

Quicksilver Quicksilver is being purchased from Mexico, Canada, and South American countries, as well as from domestic sources, according to the latest report of the Reconstruction Finance Corp. and subsidiaries. The Government's commitments as of Oct. 31, 1942, total \$12,872,000, of which \$7,521,000 has been disbursed.

The price situation in quicksilver in New York was unchanged last week. Quotations range from \$196 to \$198.

Silver At the request of the War Production Board, and with the consent of the Secretary of the Treasury, the Metals Reserve Co. has agreed to buy 10,000,000 oz. of foreign silver at 45c. an ounce and make it available to industry under allocation of the War Production Board.

The silver market in London was unchanged last week at 23 1/2 d. The New York Official remained at 44 3/4 c.

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.

US, Britain, Canada Form Joint Steel Comm.

Establishment of a combined steel committee by the United States, the United Kingdom and Canada to recommend a joint program for assuring adequate supplies for the 1943 war program was announced in Washington on Dec. 14. The committee will be headed by Hiland G. Batcheller, former president of the Allegheny Ludlum Steel Corp., and now Chief of the War Production Board's Iron and Steel Division. He will be assisted by a staff of American, British and Canadian experts.

Creation of the committee resulted from a recent United States steel mission to London which it is said "brought to light many differences in the production and use of steel in the United States and the United Kingdom, and reported that greater production could be obtained by pooling technical information, production methods and distribution methods."

According to the Associated Press, the committee has been instructed:

1. To obtain, assemble and coordinate information on iron ore and scrap, iron and steel production, and requirements of iron and steel of the United Nations in such form as will enable the supplies and requirements position to be kept continuously under review by the Combined Production and Resources Board and the Combined Raw Materials Board.
2. To consider and make recommendations on means of increasing production and improving efficiency of the use of steel and on use of distribution facilities in the United Nations, including exchange of technical information, information on trade practices and on measures of conservation.
3. To consider and make recommendations on unified systems of definitions and terminology.
4. To undertake such special inquiries as may be directed.
5. To recommend as necessary any action which should be taken to adjust supplies and requirements.

In addition to Mr. Batcheller, who is acting for the Combined Production and Resources Board, members of the steel committee include the following: Geoffrey Crowther, (United Kingdom) Combined Production and Resources Board; M. O. Heller, (United States) Office of Program, Vice Chairman, War Production Board; Major E. W. Senior, (United Kingdom) British Ministry of Production; Douglas Campbell, (United Kingdom) Combined Raw Materials Board; Paul Homan, (United States) Combined Raw Materials Board, and D. B. Collyer (Canada) Canadian Department of Munitions and Supply.

Lumber Movement—Week Ended Dec. 19, 1942

According to the National Lumber Manufacturers Association, lumber shipments of 426 mills reporting to the National Lumber Trade Barometer exceeded production by 12.3% for the week ended Dec. 19, 1942. In the same week new orders of these mills were 13.0% greater than production. Unfilled order files in the reporting mills amounted to 77% of stocks. For reporting softwood mills, unfilled orders are equivalent to 39 days' production at the current rate, and gross stocks are equivalent to 48 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 12.9%; orders by 18.2%.

Compared to the average corresponding week of 1935-39, production of reporting mills was 31.3% greater; shipments were 52.0% greater, and orders were 31.4% greater.

General Crop Report, December, 1942, Of The U. S. Department Of Agriculture

(Continued from page 2339)

Acreage and Production of Crops—1942

The final checkup of acreages harvested and yields obtained has now confirmed earlier predictions of a 1942 harvest far above any in the past. Although estimates of a number of crops have been reduced by new information on acreages harvested and by allowances for losses from frost, storms and harvesting difficulties, the total volume of crops produced is expected to be 14% larger than production last year and nearly 12% larger than in 1937, the banner year of the past. The totals for the various groups of crops show a well-balanced harvest that includes record crops of food grains, feed grains, hay and forage, oil seeds, beans and peas, fruits and commercial vegetables. Sugar and sirup crops are only a little below the top record, and cotton, tobacco and potatoes show about average production. The list of individual crops showing definitely less than average production is significantly short, for it includes few sweet potatoes, wild pecans, certain hay crop seeds, broomcorn and melons. With some local exceptions, such shortages of important crops as may now exist are attributed more to the unprecedented wartime demand, or to interrupted transportation, than to light production.

Although the acreage in crops was increased about 2% this year, the exceptionally high level of production comes primarily from increased crop yields per acre. These yields average 36% higher than yields during the fairly typical "predrought" decade of 1923-32, and 14 and 12% higher than the yield averages of 1940 and 1941, each of which topped previous peaks by about 1%. The outstandingly high yields of 1942 were made possible by a combination of unusually favorable weather, progressive improvement of plant materials and equipment and technique on the farms, and a wartime demand that called for maximum effort and insured a market for practically everything that farmers could produce. Furthermore the record production of feed and forage crops this season results, in part, from the demand created by the presence of record numbers of cattle, hogs, sheep and poultry on the farms, accumulated as a result of six favorable crop years in succession. The record production of feed and forage, in turn, gives assurance that the currently heavy production of livestock and livestock products will continue at close to record levels for some time, if weather conditions permit.

A review of statistics on the individual crops gives the impression that unusually favorable weather explains about half of the 36% increase of crop yields over the pre-drought level. Reports on the "condition" of various crops at harvest time, which serve as a measure of weather influences and related factors such as insect pests and diseases, this year showed conditions averaging 19% better than during the pre-drought period and nearly 10% better than in 1941. Pastures, although heavily stocked, also responded to the well distributed rainfall and mild temperatures, and their condition during the season from May 1 to Oct. 1 averaged 14% better than in the pre-drought period and better than in any season since 1919. Growing conditions were above average in nearly all States, but were especially good in the Great Plains area. In this area, crops and ranges were benefited by the subsoil moisture remaining from the exceptionally heavy rainfall of 1941 and were helped along by the above-normal rainfall of 1942. The heavier-than-average rainfall of this year also should assure a good start for grass and grain in 1943. Although conditions in 1942 were favorable for nearly all crops and in nearly all States, the factors affecting individual crops carry varying implications regarding future production.

The big yield of wheat, averaging 19.8 bushels per acre, or three bushels more than in any previous year, in a small part was made possible by the increased use of rust-resistant varieties, but the major factor appears to have been the adequate and in some respects exceptional moisture supply of 1941 and 1942 in the area from North Dakota and Montana southward to Texas and New Mexico.

In some "marginal" areas, the wheat crop was worth more than the land on which it was grown. The total crop from the 50 million acres harvested was 981 million bushels, a quantity exceeded only in 1915. The corn crop, estimated at 3,175 million bushels, is being harvested from less than 90 million acres; it is 100 million bushels larger than the 1920 crop, the next largest produced. The 1942 yield of 35.5 bushels is equal to almost a ton of shelled corn per acre; it is 3.8 bushels larger than the yield in any previous year and 50% above the 1930-39 average. Yields in central Corn Belt States, ranging up to 61.5 bushels per acre in Iowa this year, were of course dependent on favorable weather, but State averages as high as 50 bushels were unknown until the recent adoption of hybrid seed corn which promises much for the future. In the northern Plains States, corn yields in 1942 appear very high when compared with averages for recent years, but they were not significantly above yields obtained in favorable seasons 20 years or more ago.

Oats is less extensively grown than in "horse and buggy days," but because of the near-record yield of 35.9 bushels per acre shows a production of 1,359 million bushels, which is more than in any other year since 1925. With the wheat acreage limited and moisture conditions favorable, the acreage sown in barley this year was increased materially. As a result of the increased acreage and a favorable season, production increased to 426 million bushels which is 18% above 1941 production and 30% above production in any previous season. Adding to these crops the record crop of rice, large crops of rye and grain sorghums and a fair crop of buckwheat, total grain production was nearly 157 million tons, or about 12 million tons more than ever before.

Hay crop production exceeded 105 million tons for the first time. The hay crop, together with the large crop of sorghum forage will provide the huge total of 120 million tons of roughage. Even allowing for liberal feeding, there should be a large carryover supply of hay in mows and stacks next Spring. Cotton, grown on restricted acreage because of the large supply on hand, was well cultivated and well fertilized and, with conditions favorable in all States, the average yield was 275 pounds per acre, which slightly exceeds previous records. The expected production of nearly 13 million bales will be about an average crop even though the acreage was 23% less than the 1931-40 average and the second lowest since 1895. Tobacco, also grown on a restricted acreage, was set closely and well fertilized. Tobacco yield was the second highest yield on record,

resulting in production of about 1,417 million pounds, about the average crop.

Total production of principal hay seeds is somewhat less than in any of the last five years, but larger than in years previous to 1938. There is an abundance of alfalfa and clover seeds and a good supply of lespedeza. Production of alfalfa and clover seeds was less than during the last few years. However, allowing for quantities carried over, supplies appear adequate to meet prospective 1943 domestic and export requirements, except for northern-grown alfalfa.

Fruit production appears at least nominally the largest on record, but production has been high with only small yearly changes during the last five years. Allowing for oranges and other citrus fruits still to be picked, the 1942 crops of all major fruits appear above the 10-year average, with the exception of prunes and apricots.

Commercial vegetable production in 1942 was much higher than in previous years. Acreage in principal crops for canning and processing was increased 18% over the unusually high acreage grown in 1941. Production increased 13% to establish new records for the principal canning vegetables, including corn, tomatoes, peas, string beans and lima beans. Production of kraut and canned beets were reduced by restrictions on cans and production of cucumber pickles was restricted by labor problems. The aggregate acreage of vegetables grown for shipment to market was from 1 to 6% less than in any of the last eight years, but production was about 4% higher than in any previous season. New high production records were established for carrots, celery, lettuce, onions and tomatoes, but both the cantaloup and watermelon crops were among the smallest in a dozen years or more.

Note—The estimates for all crops for 1941 and 1942 have been revised on the basis of the 1940 Census of Agriculture. Similar revisions have been made also for the period, 1939-39, excepting corn, hay, potatoes and sweet potatoes. In the following discussions of individual crops, the term "average" relates to the 10-year period, 1930 to 1939, inclusive.

Corn—The 1942 corn crop set an all-time high for total production, amounting to 3,175,154,000 bushels—105 million larger than the previous record of 3,070,604,000 bushels set in 1920. Production in 1942 was 19% above the 2,677,517,000 bushels produced in 1941 and about 38% above the average of 2,307,452,000 bushels. These estimates relate to corn harvested for all purposes—grain, silage, forage, hogging and grazing. Production of corn for grain totaled 2,884,744,000 bushels, or about 91% of the total crop, compared with 2,435,307,000 bushels in 1941.

The bumper 1942 crop was harvested from only 89,484,000 acres. Although this acreage was the largest harvested since 1938, it was approximately 8½ million acres below average. The estimated planted acreage in 1942 was 91,011,000 acres, about 45% of which was planted with hybrid seed. In the Corn Belt, about 75% of the corn acreage was in hybrids.

The 1942 yield per harvested acre of 35.5 bushels exceeds the record 1906 yield of 31.7 bushels. Record-breaking yields were produced in Iowa, Indiana, Ohio, Illinois, Michigan and Wisconsin. Yields were well above average in most States.

The size of the 1942 corn crop is remarkable in view of the adverse conditions affecting the crop during the season. In many important northern sections, planting was delayed from one week to as much as three weeks and continued rains during June, delayed cultivation, resulting in fields being more weedy than usual by the time corn was "laid by." An early June drought cut prospects in the South Central States but beneficial rains in late June brought relief. Spotted damage resulted in other sections from blight, corn borers, floods and light drought in other sections. In late September freezing temperatures stopped plant growth at least a week earlier than usual, resulting in considerable soft corn and a reduction in quality of silage and forage in parts of the extreme Northern States. Before these freezing temperatures came, however, corn made excellent progress and was not far behind schedule. Dry weather following the freeze was ideal for drying out the crop. Harvest started slowly and was further delayed by wet weather in November, but a large part of the crop had been cribbed by Dec. 1.

Acreage harvested for silage in 1942 was 3,912,000 acres, compared with 4,091,000 acres in 1941. Silage production for 1942 was estimated at 33,927,000 tons, compared with 34,119,000 tons produced last year.

Wheat—Wheat production in 1942 was 981,327,000 bushels, 4% larger than last year's crop of 943,127,000 bushels. Although the second largest crop on record, it was produced on a harvested acreage 11% less than average. The harvested acreage of 49,464,000 acres is 11% less than the 55,642,000 acres harvested last year. The yield of 19.8 bushels per acre sets a new yield record, and compares with 16.9 last year, which then was the highest on record. This phenomenal combination of moderate acreage and near-record production resulted from the widespread, unusually favorable climatic conditions extending from winter wheat planting time in the fall of 1941 clear through the 1942 harvest. Exceptions to the optimum conditions were a wet harvest season in the North Central soft red winter wheat States from Missouri eastward through Pennsylvania, and relatively heavy greenbug damage in Oklahoma and Texas.

Winter Wheat production was 703,253,000 bushels, harvested from 35,666,000 acres at the record harvested yield of 19.7 bushels per acre. The 1941 crop was 670,709,000 bushels harvested from 39,485,000 acres, at a yield of 17 bushels per acre. There was ample moisture at seeding time last fall to bring the crop up to a good stand—even too much to permit planting the full intended acreage in some North Central and Southwestern States. Because of the heavy fall rains, a large acreage of volunteer wheat appeared in the Southwest, where considerable shattered and lodged wheat went down at harvesting time last summer. The volunteer acreage actually harvested and the production from it is included in the estimates. Greenbugs took toll from the yields in localized areas in Oklahoma, Texas and Kansas. The season was very unfavorable in Missouri and Illinois, with heavy winter loss of acreage and low yields because of wet weather at harvest. Loss at harvest was also suffered in Indiana, Ohio and Pennsylvania. Such adverse conditions were less prevalent than usual, and were outweighed by bumper crop conditions over the greater part of winter wheat producing territory. There was practically no damage from rust in spite of the heavy straw and relatively high humidity. The abandonment and diversion to hay and pasture was unusually low, amounting to 7% of the planted acreage, compared with 13.5% last year.

All-Spring Wheat—In the principal spring wheat States the spring opened with ample soil moisture and the growing season was favored

by moderate temperature and timely rains. Yield prospects increased progressively as the season advanced, as one hazard after another was eliminated. Of equal importance was the prolonged favorable harvest season that kept harvesting losses low, in spite of heavy straw.

Durum Wheat production of 44,660,000 bushels was the highest since 1930. The harvested acreage was less than half what it was then, but the yield of 21.2 bushels per acre set a new high mark. Last year's production was 41,653,000 bushels, on 2,524,000 harvested acres, at a yield of 16.5 bushels per acre. The durum wheat yield of 21.2 bushels per acre is one of the outstanding records of the season, particularly the 22-bushel yield in North Dakota.

Other Spring Wheat production is estimated at 233,414,000 bushels, a little over last year's 230,765,000-bushel crop. The yield of 20 bushels per acre was record breaking. The previous record of 16.9 bushels was made last year and the average is 10.6 bushels. The acreage was 11,689,000 acres, a considerable reduction from 13,633,000 acres harvested last year, and the 13,816,000-acre average. Last year's yields and average yields both were exceeded in all principal spring wheat States except Idaho. Abandonment was very low in most States.

Oats—The Nation's harvest of oats in 1942 is 1,358,730,000 bushels. This is 15% above last year's production of 1,180,663,000 bushels, 34% above the average of 1,016,061,000 bushels and the highest production since 1925. Ample moisture and moderate temperatures in most States were favorable for high yields. Only because of these high yields was production sufficient to maintain the oat-rations for the increased livestock numbers now on farms. This year's yield at 35.9 bushels per acre is the highest since 1915. It is 4.8 bushels above a year ago, largely because of exceptional yields in the heavy producing regions extending from eastern South Dakota to and including Michigan and Northwestern Illinois. This year's yield per acre is 31% above the average of 27.4 bushels, and only four States—Texas, Oklahoma, Georgia and South Carolina—have yields below average.

The 1942 harvested acreage was slightly less than last year's, but 3% above the average. Minor changes occurred by States in the North Central Region under the impact of the war. The acreage harvested in Texas was about one-third of average because of insect damage.

Barley—Production of barley in 1942 was 426,150,000 bushels—a new high mark. Unusually high yields harvested from the largest acreage on record resulted in a total crop which exceeded the bumper 1941 crop of 362,082,000 bushels (the previous record) by 18% and the average of 226,460,000 bushels by 88%.

The 1942 season was generally favorable for barley, although yields in most States except those along the northern border of the United States were below yields of 1941. Production in the Dakotas was the largest on record. There was considerable delay in harvesting the crop in the Northern Plains States, and quality was damaged by rust, scab and wet weather. Yields were much below those of 1941 in Iowa, Nebraska and Kansas, where a combination of adverse factors resulted in lowering yields in an otherwise favorable season for small grains. Yields were well above average in Minnesota and California. The acreage of barley harvested in 1942 amounted to 16,782,000 acres compared with 14,220,000 acres harvested in 1941.

Rye—Production of 57,341,000 bushels of rye is a fourth more than the 45,364,000 bushels harvested in 1941 and a half more than the average of 37,870,000 bushels. The 1942 crop is the largest since 1924, when 58,445,000 bushels were produced. Acreage harvested for grain of 3,837,000 acres is 7.5% larger than in 1941 and 16% larger than the average of 3,298,000 acres. Because of the very favorable growing season, a larger than usual proportion of the total planted acreage was harvested for grain. The average yield per acre of 14.9 bushels is 2.2 bushels above the 1941 yield and 3.8 bushels above average. This yield was equaled in 1922, but never has been exceeded in the 77 years of record. Yields are higher than last year in the principal producing States of Wisconsin, Michigan, Minnesota, the Dakotas and Nebraska, and higher than average in every rye-producing State except Illinois.

Buckwheat—The buckwheat crop of 6,687,000 bushels is below average, but 11% above 1941. Higher prices encouraged planting a larger acreage in surplus States and there was some increase because of plantings on land too wet to plant the other intended crops. There was some loss of acreage because of wet fields at harvest time and some damage to late planted fields by the September freeze. For the crop that matured and was harvested, it was a very favorable year with the yield of 17.7 bushels per acre well above the 16.1 bushel average.

Tobacco—Tobacco production for 1942 of all types combined totaled 1,417,188,000 pounds, 12% more than in 1941 and 1% larger than average. There was a 6% increase from 1941 in acreage harvested and a 6% higher yield per acre. Acreage harvested was relatively small, 17.7% below the 1930-39 average, but the yield per acre of 1,027 pounds was above average and the second highest on record.

Production of flue-cured tobacco (824,115,000 pounds) was the fourth largest on record. This type was grown on 791,900 acres. The yield per acre of 1,041 pounds is 237 pounds above average and 16 pounds higher than the previous yield record set in 1940. Production of fire-cured tobacco was 72,831,000 pounds, compared with 70,182,000 pounds last year and the average of 125,844,000 pounds.

Burley production for 1942 (331,005,000 pounds) is 2% less than the 1941 crop of 337,792,000 pounds but slightly more than average. Acreage harvested increased about 3% from 1941 but yield per acre is estimated at about 4% less. Above average rainfall during August and September resulted in a comparatively low cured weight per plant.

The Southern Maryland tobacco crop amounted to 30,020,000 pounds. This was grown on 39,500 acres and represents a slight decrease from 1941 when 40,300 acres produced a crop of 30,225,000 pounds. The dark air-cured types produced a crop of 32,450,000 pounds, the third lowest on record. Acreage harvested was the same as the record low 1941 crop of 32,600 acres.

All cigar classes produced smaller crops this year. Total cigar tobacco production is estimated at 126,667,000 pounds, compared with 143,632,000 pounds in 1941 and the average of 123,059,000 pounds. Acreage harvested decreased 10% from last year, and the yield per acre was slightly lower.

Potatoes—Production of potatoes in 1942 totalled 371,150,000

bushels, well above the 1941 crop of 355,602,000 bushels, but below the 1940 production of 378,103,000 bushels. Unusually favorable growing conditions in the western potato States featured the 1942 potato season. With fair to good growing conditions in all other regions, the average U. S. yield of 136.9 bushels per acre set a new record. Potato yields averaged 131.2 bushels in 1941 and 132 bushels in 1940. The 1942 potato crop was harvested from 2,711,100 acres—approximately the same as 1941 but substantially below the average.

In the 10 western surplus States production in 1942 of 93,356,000 bushels was 12,000,000 bushels larger than in 1941. The 1942 acreage for these States was 432,800 acres and the yield 215.7 bushels, compared with 414,000 acres harvested in 1941 and a yield of 196 bushels per acre. Abundant water supplies in most of the western area during the growing season, plus generally favorable weather for maturing and harvesting the crop, were largely responsible for the excellent yields. Conditions were not so favorable in the three eastern surplus States where serious blight damage in New York and Pennsylvania and lack of rain in Maine reduced 1942 production to 87,109,000 bushels, compared with 92,161,000 bushels for 1941. In the five central surplus States early season vine growth was excellent, but heavy blight damage reduced yields. Production (66,763,000 bushels) was slightly less than the 67,221,000 bushels harvested in 1941.

For the 18 surplus late States, 1942 production was 247,228,000 bushels—about 3% above the 1941 production of 240,542,000 bushels. Production in the 12 other late States was 39,826,000 bushels in 1942. This was slightly larger than the 1941 crop of 38,204,000 bushels but was about the average for recent years.

Above-average yields in all these States has held production up despite rather general declines in acreage.

In the seven intermediate States, 1942 production was also slightly above that for 1941—30,765,000 bushels against 29,658,000 bushels—but was below average because of a material drop in acreage. The 1942 yield of 118.1 bushels per acre for this group compares with 114.6 bushels in 1941. In the early States acreage, yield and production in 1942 were all above 1941 and the 10-year average. Production of 53,331,000 bushels this year from 505,000 acres compares with 47,198,000 bushels from 495,600 acres in 1941. Except for a substantial decrease in Alabama and moderate decreases in Louisiana and Texas, production in all early States was larger than in 1941.

Sweet Potatoes—The 1942 sweet potato crop of 65,380,000 bushels was 5% larger than the 1941 crop of 62,114,000 bushels. Except for Alabama and Louisiana, growing conditions were unusually favorable in most commercial areas, especially in the important Atlantic seaboard States. The U. S. average yield of 92.4 bushels per acre was 9.1 bushels above 1941, and the highest since 1929. The 1942 production was harvested from only 707,400 acres, compared with 745,700 acres for 1941. Acreage reductions were general in all major sweet potato States except South Carolina and Mississippi. Production in the South Atlantic States totalled 29,400,000 bushels in 1942 compared with 24,104,000 in 1941. In the South Central States production dropped from 32,753,000 bushels in 1941 to 29,855,000 bushels in 1942.

Living Costs In Large Cities Advanced 0.7% Between Oct. 15-Nov. 15, Labor Bureau Reports

Living costs of city families rose 0.7% between Oct. 15 and Nov. 15, 1942, Secretary of Labor Perkins reported on Dec. 19.

"Most of the increase was due to the rise in food costs, particularly those not under OPA control, to higher charges for personal and professional services, and to the new excise taxes effective on Nov. 1," she said. "These taxes, on cigarettes, cigars, telephone calls and railroad fares, resulted in an increase of 0.1% out of the total increase of 0.7% in living costs."

The Labor Department's announcement further said:

"Since mid-May, when the General Maximum Price Regulation became effective, food costs have moved up 7.8% and costs of all other goods and services by 0.6%. Today, prices of almost everything important in family spending are controlled by Government regulations, with the exception of personal and professional services and of some fresh fruits and vegetables (constituting, with a few other foods, about 10% of the family food budget). Rent ceilings have been announced for all cities. About 12% of the family budget thus remains uncontrolled.

"The percentage changes from Oct. 15 to Nov. 15, 1942, were as follows:

All Items	+ 0.7
Controlled by OPA on Nov. 17	+ 1.2
Under March ceilings	+ 0.5
Ceiling adjustments permitted in October	+ 0.2
Under price freeze of Oct. 5	+ 1.1
Uncontrolled by OPA on Nov. 17	+ 0.8
Clothing	+ 0.1
Rent	+ 0.1
Fuel, electricity and ice	0
Housefurnishings	+ 0.1
Miscellaneous	+ 0.8

*Includes lamb prices, frozen on Aug. 1.

"By Nov. 15, the index of living costs for city wage earners and lower-salaried workers had risen to 119.8% of the 1935-39

"Clothing and Housefurnishings—Cost of both clothing and housefurnishings rose, on the average, 0.1% over the month. A few seasonal clothing articles were marked down to sell out (women's coats in certain cities, for example), while for some goods increases were noted, where prices were returned to pre-sale levels. In 14 of the 21 cities, advances were reported in prices of men's business shirts.

"Prices of sheets advanced in several cities. There were continued reports of shortages of blankets.

"Rent—Only slight changes in rents occurred during this month in the cities surveyed by the Bureau of Labor Statistics. Houston was the only exception, and in that city the rental bill of moderate-income families dropped 1.1% between mid-October and mid-November, as a result of Federal control established on Nov. 1. In three other cities where rents were placed under Federal control on Nov. 1 rents remained unchanged between mid-October and mid-November. In Cincinnati, on the other hand, in spite of the imposition of Federal control on Nov. 1, the average rental bill rose 0.2%. In Seattle, where Federal control has been in effect since June 1, rents continued to decline, dropping 0.2% this month.

"Fuel Costs—Higher wood prices in Manchester, and increased bituminous coal prices in several mid-West cities authorized by OPA, were the outstanding changes in fuel costs this month. In New York, the rate charged for gas for domestic use was advanced as usual at this season of the year.

"Other Goods and Services—Increases in the cost of miscellaneous goods and services, which averaged 0.8% over the month, were due in large part to the new excise taxes, imposed on Nov. 1 on cigars, cigarettes, telephone calls and railroad fares. In addition, there were advances in hospital and medical charges, and in beauty and barber shop services in a number of cities. In a few cities, in spite of OPA controls, increases were reported for laundry and auto repair charges. These increases were, in part counterbalanced by declines in automobile insurance rates, which were lowered because of the general decrease in driving."

60% Govt. Employees In War Production

President Roosevelt told his press conference on Dec. 8 that there is a widespread misconception of the situation regarding the 2,500,000 civilian employees of the Federal Government. The President said that statistics showed that of the total, more than 1,500,000, or over 60%, are engaged in actual production for the needs of war, adding that only 12% represents persons employed in Washington. Mr. Roosevelt further stated that, since the United States entered the war, there has been an increase of 80,000 workers in Washington, as against an increase of 920,000 Federal workers elsewhere. He went on to explain that the services of supply for the armed forces employ 890,000 persons, most of whom work in arsenals and construction projects and only 5% are in the national capital. Mr. Roosevelt added that the Army Air Forces employ 220,000 civilians and the Navy 518,000, of whom over 90% are engaged in shipyards and other naval manufacturing plants. To cite a few examples, the President pointed out that about 90% of the Garand rifles are being made by Government employees and that 75% of the battleships are being built in navy yards.

Sees Gloomy Outlook For 1943 With More Regulation—Surprises For New Taxpayers

The coming year of 1943, according to Brig. Gen. Leonard P. Ayres, "will probably be our toughest war year, both for individual business men and for corporations." Gen. Ayres, who is Vice-President of the Cleveland Trust Co. of Cleveland, Ohio, made this forecast in his annual address, on Dec. 15, before the Cleveland Chamber of Commerce. He further asserted that 1943 "will also be in all likelihood, the toughest war year for the men in our armed services." In his forecast Gen. Ayres likewise said:

"Industry must look forward to being much more closely regulated in 1943 than it has been heretofore. This will come about in part because the armed services will know more specifically what they want, and they will be more urgently insistent on having deliveries of munitions made in accordance with schedules. In even greater degree industry will be more closely regulated because the Controlled Materials Plan will be put into effect. Under its provisions manufacturing plants will no longer be able to buy their essential stocks of metals in the open market under the sanctions of priorities. They will instead receive the amounts of metals assigned to them under allocations originating in Washington, and they can have no more, and will be instructed to use no less."

As to prospects for 1943, Gen. Ayres ventured certain comments based on his personal opinion concerning possible developments next year, which we quote in part as follows:

"Despite recent good news from all the battlefronts it appears probable that we shall still be engaged in active warfare a year from now.

"The physical volume of industrial production, as measured by the index of the Federal Reserve Board, will probably be more than 10% greater in 1943 than it has been in 1942, but not more than 15% greater.

"National income, which will amount to about \$112,000,000,000 in 1942, will probably be between 15 and 20% greater next year.

"Wholesale prices which rose 11% from 1940 to 1941, and 13% from 1941 to 1942, are likely to advance by about 4 to 6% from 1942 to 1943.

"The cost of living, which increased by 10% this year, may be expected to rise about 5 to 10% more next year. It may prove to be difficult to measure the increase because the consumption of many components will be regulated by rationing.

"The dollar volume of all retail store sales, as computed by the Department of Commerce, will probably decrease by not less than 10%, and by not more than 15%.

"Production of electric power will probably increase by as much as 8%, but not by more than 14%.

"Civilian employment of non-farm workers will increase in 1943, but it appears unlikely that the average numbers employed will be more than 3 to 5% greater than the averages of 1942."

Pointing out that "the readjustments which will have to be made by civilian individuals are already intruding into our accustomed ways of life," Gen. Ayres said:

"They will include many kinds of rationing, among which the restrictions in the use of gasoline will be foremost in importance. In 1943 some 50,000,000 individuals will be paying income taxes on their 1942 incomes, as compared with 17,000,000 who paid taxes on their 1941 incomes. Most of the newcomers now owe the Government tax debts about which they are only dimly aware, and for which many, and perhaps most of them, have made no provision. The existence and the size of those tax debts will come as painful surprises to great numbers of the new taxpayers."

Market Transactions In Govts. For Nov.

During the month of November no market transactions took place in direct and guaranteed securities of the Government for Treasury investment and other accounts, Secretary Morgenthau announced on Dec. 15.

In October there were net sales of \$1,000,800.

The following tabulation shows the Treasury's transactions in Government securities for the last two years:

Year	Month	Amount	Type
1940	December	\$1,139,000	sold
1941	January	\$2,785,000	purchased
	February	11,950,000	purchased
	March	No sales or purchases	
	April	\$743,350	sold
	May	200,000	sold
	June	447,000	purchased
	July	No sales or purchases	
	August	\$2,500	sold
	September	200,000	sold
	October	\$60,004,000	purchased
1942	January	\$520,700	sold
	February	29,980,000	purchased
	March	5,814,450	purchased
	April	300,000	purchased
	May	16,625	purchased
	June	250,000	sold
	July	2,295,000	sold
	August	8,446,000	sold
	September	4,500,000	sold
	October	1,000,800	sold
	November	No sales or purchases	

Com. & Ind. Ass'n Names Committees

Neal Dow Becker, President of the Commerce and Industry Association of New York, announced on Dec. 12 the appointment of committees which will act in an advisory capacity to the Board of Directors of the Association throughout the coming year.

There are 34 standing committees, comprising in their membership approximately 425 leading New York City executives and professional men, virtually all of them specialists in the particular fields in which they will serve the Association. The special committees are nine in number with a membership of 110. The titles of these special groups, together with their chairmen, follow:

Committee on Establishment of a Post-Emergency Economic Advisory Commission, Thomas S. Holden.

Committee on Export Definitions, Gerald Le Vine.

Committee on Export Price Control, Gerald Le Vine.

Committee on Federal Sales Bill, Hiram Thomas.

Committee on Price Control, H. Boardman Spalding.

Priorities Committee, Herbert L. Carpenter.

Committee on Reemployment of Discharged Soldiers, Thomas F. Handy.

Committee on Reemployment of Men and Money, Louis K. Comstock.

Committee on Slum Redevelopment, Thomas S. Holden.

Gross And Net Earnings Of United States Railroads For The Month Of October

Gross and net earnings of the railroads of the United States for the month of October have exceeded the earnings reached in any month in any year in the history of the railroads. The efficiency of the managers in handling the tremendous task placed upon them to carry the vast amount of men and equipment is reflected in the ratio of expenses to earnings. In October of this year the ratio of earnings to expenses were 55.85%, which compares with 57.29% in September, 1942, and 69.84% in October, 1941.

Gross earnings of the railroads of the United States in October this year were \$745,582,964 against \$517,592,774 in October a year ago, a gain of \$227,990,190, or 44.05%. Net earnings in October, 1942, were \$329,157,843 against \$156,128,608 in October, 1941, an increase of \$173,029,235, or 110.83%. We now give in tabular form the results for the month of October, 1942, as compared with October, 1941:

Month of October	1942	1941	Incr. (+) or Decr. (-)
Mileage of 132 roads	230,244	232,060	-1,816
Gross earnings	\$745,582,964	\$517,592,774	+\$227,990,190
Operating expenses	416,425,121	361,464,166	+ 54,960,955
Ratio of expenses to earnings	(55.85%)	(69.84%)	+ 15.21

Net earnings \$329,157,843 \$156,128,608 +\$173,029,235 +110.83

We turn now to a consideration of the business factors underlying this advance in carrier and net earnings.

In order to indicate in simplified form the measure of trade activity in relation to its bearing on railroad revenues, we have brought together in the subjoined table the figures indicative of the activity in the more important industries, together with those pertaining to grain, livestock receipts and revenue freight loadings for the month of October, 1942, as compared with the same month of 1941, 1940, 1932 and 1929:

October	1942	1941	1940	1932	1929
Building (\$000):					
†Constr. contracts awarded	780,396	606,349	383,069	107,274	445,642
Coal (net tons):					
†Bituminous	51,065,000	51,328,000	38,700,000	32,677,000	52,174,000
‡Pennsylvania anthracite	5,101,000	5,580,000	4,355,000	5,234,000	8,026,000
Freight Traffic:					
†Carloadings, all (cars)	24,512,046	24,553,007	24,064,275	22,536,029	24,464,872
††Livestock receipts:					
Chicago (cars)	8,043	7,222	7,938	13,619	20,634
Kansas City (cars)	6,484	4,479	5,829	6,707	11,217
Omaha (cars)	4,092	3,179	3,381	6,115	8,702
††Western flour and grain receipts:					
Flour (000 barrels)	22,329	21,944	22,150	22,179	22,422
Wheat (000 bushels)	249,869	235,322	220,859	232,788	241,578
Corn (000 bushels)	231,322	223,601	240,856	227,582	220,171
Oats (000 bushels)	213,940	27,332	24,770	25,824	216,309
Barley (000 bushels)	217,381	211,316	28,510	24,099	25,799
Rye (000 bushels)	24,802	23,346	21,952	2,791	23,578
Iron and Steel (net tons):					
‡‡Steel ingot production	7,584,864	7,242,683	6,644,542	1,233,957	5,154,063
Lumber (000 ft.):					
†††Production	21,289,603	27,236,068	21,244,250	x500,707	x1,484,283
†††Shipments	21,370,499	21,426,389	21,409,458	x614,453	x1,367,042
†††Orders received	21,407,785	21,281,550	21,402,050	x539,018	x1,353,805

Note—Figures in above table issued by: †F. W. Dodge Corp. (figures for 37 States east of Rocky Mountains). ††National Bituminous Coal Commission. †††United States Bureau of Mines. ††††Association of American Railroads. ††††Reported by major stock yard companies in each city. ††††New York Produce Exchange. ††††American Iron and Steel Institute. ††††National Lumber Manufacturers' Association (number of reporting mills varies in different years). x Four weeks. z Five weeks.

A glance at the statistics compiled in the tabulation for the month under review reveals the fact that though most of the items were moderately active in comparison with the corresponding period of last year, a few of them showed declines in volume of business.

Construction contracts awarded in the 37 States east of the Rocky Mountains were \$780,396,000, a \$57,180,000 increase above the preceding month and \$174,047,000, or 28.70% higher than in October, 1941. Pennsylvania anthracite coal production aggregated 5,101,000 net tons, and bituminous coal output was 51,065,000 net tons, representing decreases of 8.58% and 0.51% respectively. At the Western terminals flour and grain receipts all recorded increases over their 1941 figures. A combination of all these activities resulted in a decrease in freight car loadings of 40,961 cars for the five weeks of the month of October, but as evidenced by the increase of revenues, there were more full loads than in 1941.

Of the 132 railroads, there were 91 of them which were able to surpass their 1941 gross earnings for the month of October, while 81 roads were able to translate their gross earnings into net earnings of \$100,000 or more.

Reviewing the roads individually, the Pennsylvania led in both gross and net listings with gains of \$22,459,020 and \$17,646,767. The Southern Pacific followed in the gross column with a gain of \$17,793,947, while the Atchison, Topeka & Santa Fe placed second in the net classification with an increase of \$13,559,580. The New York Central captured third place honors in both the gross and net categories with respective increases of \$16,479,709 and \$13,477,766. Other roads showing substantial gains were Union Pacific, Missouri Pacific, Baltimore & Ohio and Southern Ry. All of these were able to convert an amazing high percentage of their gross increases into the net column. There was only one road, the Virginian, which showed a major decrease in the gross, while no decreases were recorded in the net.

In the following tabulations we present the major variations of \$100,000 or more, whether they be increases or decreases, in both gross and net listings for the separate road and systems.

PRINCIPAL CHANGES IN GROSS EARNINGS FOR THE MONTH OF OCTOBER			
	Increase	Increase	
Pennsylvania	\$22,459,020	Duluth Missabe & Ir. Range	\$932,422
Southern Pacific (2 roads)	17,793,947	Pere Marquette	870,754
New York Central	16,479,709	Colo & Southern (2 roads)	853,169
Atchison Topeka & Santa Fe	15,876,837	Chicago & East Illinois	844,693
Union Pacific	15,847,105	Minn. St. Paul & S.S. Marie	836,350
Missouri Pacific	8,336,249	Delaware & Hudson	831,854
Baltimore & Ohio	7,342,065	Alabama Great Southern	770,518
Southern	6,484,212	Spokane Portland & Seattle	714,510
Chicago Burlington & Quincy	6,098,380	West Maryland	697,271
Illinois Central	6,061,910	Cin. N. Or. & Texas Pacific	627,346
Chicago Rock Isl. & Pacific	5,604,347	Louisville & Arkansas	540,398
Great Northern	5,258,555	New Orleans & Northeastern	500,463
Chicago Mil. St. Paul & Pac.	5,205,951	Chicago Great Western	418,573
N. Y. N. H. & Hartford	5,104,846	Chi. St. Paul Minn. & Omaha	388,269
Atlantic Coast Line	5,104,293	Minneapolis & St. Louis	355,395
Seaboard Air Line	4,515,809	Elgin Joliet & Eastern	355,177
Louisville & Nashville	4,413,901	Georgia	310,449
Northern Pacific	4,118,166	Maine Central	297,653
St. Louis-San Fran. (2 rds.)	3,653,185	Maine	286,237
Chicago & North Western	3,352,319	Georgia Southern & Florida	255,942
Missouri-Kansas-Texas	2,701,654	Wheeling & Lake Erie	255,654
Wabash	2,602,602	Illinois Terminal	255,424
Denver & Rio Grande West	2,585,409	Northwestern Pacific	240,265
N. Y. Chicago & St. Louis	2,533,571	Grand Trunk Western	198,371
Lehigh Valley	2,447,465	Penn. Reading SS Lines	179,713
Boston & Maine	2,100,624	Norfolk Southern	173,866
Chesapeake & Ohio	2,085,869	Atlanta Birmingham & Coast	164,696
St. Louis Southwestern	1,978,167	Western Ry. of Alabama	159,225
Texas & Pacific	1,954,980	Pittsburgh & Lake Erie	158,297
Long Island	1,884,619	Bessemer & Lake Erie	144,720
Erie	1,859,925	Atlantic & West Point	144,574
Western Pacific	1,783,570	Tennessee Central	141,286
Reading	1,567,539	Staten Island Rapid Transit	129,971
Nashville Chat. & St. Louis	1,502,346	Pittsburgh & West Virginia	123,775
Richmond Fred & Potomac	1,453,963	Toledo Peoria & Western	117,775
Yazoo & Mississippi Valley	1,379,176	Kansas Oklahoma & Gulf	112,154
Norfolk & Western	1,378,188	Spokane International	109,505
Alton	1,374,126	N. Y. Susquehanna & West.	105,717
Central of New Jersey	1,247,818	Gulf & Shio Island	106,481
Gulf Mobile & Ohio	1,238,947	Detroit & Mackinac	100,471
Kansas City Southern	1,229,306		
N. Or. Texas & Mex (3 rds)	1,172,767		
Delaware Lack & Western	1,108,157		
Florida East Coast	1,075,923		
International Great Northern	1,005,371		
Central of Georgia	992,837		
		Total (91 roads)	\$228,165,078
			Decrease
		Virginian	\$187,012

*These figures cover the operations of the New York Central and the leased lines—Cleveland Cincinnati Chicago & St. Louis, Michigan Central, Cincinnati Northern and Evansville Indianapolis & Terre Haute. Including Pittsburgh & Lake Erie, the result is an increase of \$16,638,006.

PRINCIPAL CHANGES IN NET EARNINGS FOR THE MONTH OF OCTOBER			
	Increase	Increase	
Pennsylvania	\$17,646,767	New Or. Tex. & Mex (3 rds)	\$841,993
Atchison Topeka & Santa Fe	13,559,580	International Great Northern	765,986
New York Central	13,477,766	Florida East Coast	736,335
Union Pacific	12,068,131	Duluth Missabe & Iron Range	725,655
Southern Pacific (2 roads)	11,191,059	Colorado & Southern (2 rds)	716,136
Missouri Pacific	6,175,314	Gulf Mobile & Ohio	695,214
Baltimore & Ohio	5,325,531	Pere Marquette	694,522
Southern	4,889,562	Chicago Illinois Midland	686,137
Great Northern	4,789,047	Central of Georgia	684,511
Chicago Rock Isl. & Pacific	4,766,108	Minneapolis St. P. & S. S. M.	659,605
Chicago Burlington & Quincy	4,731,000	Pittsburgh & Lake Erie	652,996
N. Y. New Haven & Hartford	4,299,061	Alabama Great Southern	510,072
Chi. Milwaukee St. P. & Pac.	4,133,803	Spokane Portland & Seattle	505,752
Atlantic Coast Line	3,987,108	Cincinnati N. Or. & T. Pac.	487,038
Seaboard Air Line	3,553,712	Western Maryland	414,906
Illinois Central	3,530,001	Kansas City Southern	405,292
Northern Pacific	3,193,387	Grand Trunk Western	403,922
Louisville & Nashville	3,027,594	Delaware & Hudson	364,328
Chicago & North Western	2,768,803	Chi. St. Paul Minn. & Omaha	323,703
St. Louis San Fran. (2 roads)	2,382,464	New Orleans & Northeastern	318,153
Wabash	2,173,585	Long Island	299,966
Erie	1,911,982	Missouri Central	296,511
Lehigh Valley	1,905,927	Wheeling & Lake Erie	291,784
Chesapeake & Ohio	1,891,169	Minneapolis & St. Louis	252,803
Denver & Rio Grande West	1,877,776	Elgin Joliet & Eastern	235,939
N. Y. Chicago & St. Louis	1,853,329	Georgia Southern & Florida	224,715
Boston & Maine	1,639,575	Northwest Pacific	221,321
St. Louis Southwestern	1,415,451	Maine	217,667
Texas & Pacific	1,395,088	Chicago Great Western	204,140
Western Pacific	1,379,397	Georgia	202,240
Central of New Jersey	1,345,163	Louisiana & Arkansas	188,802
Missouri-Kansas-Texas	1,196,851	Illinois Terminal	181,790
Del. Lackawanna & Western	1,176,976	Bessemer & Lake Erie	181,762
Richmond Fred & Potomac	1,101,341	Penn. Reading SS Lines	178,153
Norfolk & Western	1,066,291	Norfolk Southern	126,290
Reading	1,035,533	Western Ry. of Alabama	119,674
Nash. Chat. & St. Louis	978,866	Staten Island Rapid Transit	112,025
Yazoo & Mississippi Valley	941,036		
Alton	895,686		
		Total (81 roads)	\$171,804,673

in both gross and net increases, with gains of 56.21% and 130.81%. The Southern and Eastern Districts were close behind.

Turning our attention to the smaller sub-divisions, the regions, we notice that substantial increases were recorded in both categories over a year earlier by all eight regions. However, the Southwestern region attained the greatest increase in gross listing with a gain of 69.76%, while the Central Western and Southern followed with improvements of 63.97% and 55.55% respectively.

For a detailed picture of the outlines presented above, we now present our summary tabulations of the 132 reporting roads. Our grouping conforms with the classification prescribed by the Interstate Commerce Commission.

SUMMARY OF GROUPS—MONTH OF OCTOBER

Table with columns: District and Region, 1942, 1941, Inc. (+) or Dec. (-) Gross Earnings, Mileage, Net Earnings. Rows include Eastern District, Southern District, Western District, and Total all districts.

Note—Our grouping of the roads conforms to the classification of the Interstate Commerce Commission, and the following indicates the confines of the different groups and regions:

- EASTERN DISTRICT
New England Region—Comprises the New England States.
Great Lakes Region—Comprises the section on the Canadian boundary between New England and the western shore of Lake Michigan to Chicago, and north of a line from Chicago via Pittsburgh to New York.

Collectively speaking, the October current-year grain movement over the Western roads was somewhat heavier than last year, with all grains contributing to the heavier movement.

WESTERN FLOUR AND GRAIN RECEIPTS
Five Weeks Ended October 31.

Table showing Western Flour and Grain Receipts for five weeks ended October 31, with columns for Year, Flour, Wheat, Corn, Oats, Rye, and Barley.

WESTERN FLOUR AND GRAIN RECEIPTS
Ten Months Ended October 31.

Table showing Western Flour and Grain Receipts for ten months ended October 31, with columns for Year, Flour, Wheat, Corn, Oats, Rye, and Barley.

In the table which follows we furnish our customary summary of the October comparisons of the gross and net earnings of the railroads of the current year back to and including 1909:

Table showing Gross Earnings and Mileage for railroads from 1909 to 1942, with columns for Year, Year Given, Year Preceding, Inc. (+) or Dec. (-), and Mileage.

favorable in some areas, being too abundant in Pennsylvania and deficient in parts of Illinois, Washington and Oregon. This interfered with seeding and retarded growth, but conditions improved later.

Production in 1943 is indicated at 624,504,000 bushels by factors measurable in the fall, such as reported condition and rainfall, and temperature to date, related to yields in past years.

Rye—The acreage of rye seeded in the fall of 1942 is estimated at 5,933,000 acres, which is 8.2% below the 6,465,000 acres seeded in the fall of 1941, and 1.4% below the 10-year (1930-39) average of 6,017,000 acres.

The decreased acreage in the North Central States is the result of several factors, among which the most important were heavy rainfall at the usual seeding period, and the late harvest of spring crops caused by the prolonged wet weather.

The Dec. 1 condition of rye is indicated to be 86% of normal, one point below the condition a year ago, but eleven points above the 10-year (1930-39) average.

Agricultural Department Report On Winter Wheat And Rye Acreage Sown For 1943 Crop

The Crop Reporting Board of the United States Department of Agriculture made public on Dec. 21, its report showing the acreage and condition of winter wheat and rye for the crop of 1943 as follows:

Winter Wheat—The acreage of winter wheat seeded for harvest in 1943 is 37,482,000 acres—2% less than in the fall of 1941, and 10,500,000 acres or 22% below average.

Pay On Cuban 5 1/2s

Republic of Cuba, through Roberto Hernandez, Counsel General of Cuba in New York City, has notified holders of its external loan 30-year sinking fund 5 1/2% gold bonds issued under loan contract dated Jan. 26, 1923, that \$900,000 principal amount of the bonds have been drawn by lot for redemption on Jan. 15, 1943.

Items About Banks, Trust Companies

The officers and employees of Manufacturers Trust Company of New York have donated a Clubmobile to the American Red Cross in Great Britain. Arrangements were made to deliver the vehicle on Christmas morning to Harvey D. Gibson's residence in London. Mr. Gibson, who is President of Manufacturers Trust Company, is now serving as American Red Cross Commissioner to Great Britain, and the employees of the bank presented the gift as a tribute to Mr. Gibson. It is pointed out that:

"The Clubmobile is a mobile vehicle, mounted on a truck chassis, which will be used to visit the various outlying units of the American Armed Forces in the British Isles, particularly where, because of remote location or duties involved, the men in the Armed Services are unable to avail themselves of the regular Red Cross Club facilities. The Clubmobile is equipped with a doughnut machine and a coffee-making apparatus. It also has a portable motion picture projector and other equipment for the entertainment of American troops. It is sufficiently large to accommodate stage, screen and radio stars who volunteer their services for the entertainment of our men in the Armed Services."

Following a meeting of the Board of Directors of the Bank of the Manhattan Company on Dec. 24, F. Abbot Goodhue, President, announced the following promotions:

Harold Powelson, formerly Trust Officer, was appointed Assistant Secretary.

Minor L. Wheaton, formerly Assistant Trust Officer, was appointed Assistant Cashier.

Francis E. Curran, James A. Fryatt and Franklin B. Kellogg, formerly Assistant Trust Officers, were appointed Trust Officers.

John W. Gates, Charles B. McGuire and Stanley V. Malek were appointed Assistant Cashiers.

John A. Gluckert was appointed Assistant Trust Officer.

Central Hanover Bank & Trust Company announces the appointment of Thomas F. Delaney, J. Wesley Johnston and Allyn W. Maxwell as Assistant Secretaries. Formerly they were assistant managers in the Business Development Department.

William Gerard Vermilye, who retired in 1932 after 43 years with the banking firm of Brown Brothers, Harriman & Co., formerly Brown Brothers & Co., died on Dec. 17 at his home in Tenafly, N. J. A native of Newark, Mr. Vermilye was graduated from Williams College in 1888. He was associated with the banking firm of Brown Brothers & Co. from 1889 to 1932.

Dividend checks totaling \$3,282,363 were mailed on Dec. 26 to 210,000 depositors and creditors of the defunct Bank of the United States, New York City. The payment, which is at the rate of 2½% and is the eighth disbursement, brings total liquidating disbursements to more than \$155,000,000, or 75% of claims, since the bank closed in December, 1930. Jackson S. Hutto, State Superintendent of Banks, announced that the Banking Department still has on hand nearly \$1,500,000 in dividends unclaimed by 180,000 depositors. He urged all depositors who do not receive the latest check to send their correct address to the Department. Mr. Hutto added that liquidation of the bank's property should be completed in 1943. Plans to distribute this dividend were noted in our issue of Nov. 5, page 1648.

Holman D. Pettibone, President of Chicago Title and Trust Co. of Chicago, Ill., announced the election on Dec. 24 of Albert Young Bingham as Vice-President and the appointment of Glenn M. Trumbo as Assistant Treasurer of the company. Mr. Bingham, a native Chicagoan, is a graduate of Evanston High School and the University of Illinois. In November, 1927, he entered the employ of the Illinois Merchants Trust Co., remaining there after that bank joined the Continental Illinois group. For some time he was head of the Trust Department Research Analysis Division there. In December, 1935, he entered the employ of Walter P. Murphy, who died recently after leaving several million dollars to Northwestern University for the establishment of the Northwestern Technological Institute. Up to the time of Mr. Murphy's death Mr. Bingham was engaged in the management of the former's securities and investments.

Mr. Trumbo, a graduate of Simpson College, took post-graduate work at the University of Chicago. He has been with Chicago Title and Trust Co. since 1929. Until 1936 he was security analyst, and since that year has been connected with the Treasurer's office as manager of the Trading Department.

Robert F. Schenck, Jr., a floor member of the Chicago Stock Exchange since February, 1930, was recently commissioned a Lieutenant (J. G.) in the U. S. Navy. He was scheduled to report at Princeton University Dec. 11 for indoctrination.

Arnold J. Mount, Chairman of the Board of the Bank of Commerce in Oakland (Calif.) and former President of the Bank of America, National Trust and Savings Association, died in an Oakland hospital on Dec. 17. He was 58 years old. The following concerning his career was reported in the San Francisco "Chronicle" of Dec. 18:

"He had started his banking career as a clerk in a bank at Palo Alto, going to the Central National Bank in Oakland where he rose to Vice-President and Cashier, a post he resigned in 1921 to become Vice-President in charge of seven East Bay branches of the Bank of Italy.

"He then moved to San Francisco offices of the bank in 1924, becoming senior Vice-President in less than a year. In 1930, he was made President of the Bank of America, National Trust and Savings Association, following the merger of the Bank of Italy with that institution.

"He was President of the California Bankers Association in 1929, and was cited as 'one of the finest examples of a self-made banker in California.' At the time of his death, he was Chairman of the Board of the Bank of Commerce in Oakland, an institution he helped form in 1937.

"He also was a major stockholder and President of the Maywood Glass Co. of Los Angeles at the time of his death."

Morgenthau Explains War Finance Policy

The Treasury's program of war financing represents an effort to provide necessary funds while side-stepping those factors that would lead to inflation, Secretary Morgenthau wrote on Dec. 9 in an article published in the "Army and Navy Journal."

"Governments at war," Mr. Morgenthau stated, "have been known to debase their coinage, issue new currency and rely on

the credit-manufacturing mechanism of the banks to provide them with the necessary resources to conduct war." He added:

"These practices did not reduce by one iota the sacrifices people were called on to make during the war. They simply added to the necessary burdens of wartime sacrifice to wholly unnecessary, arbitrary and inequitable burdens of war inflations and post-war deflation, with their attendant misery and injustice."

The New York "Times" in Washington advices of Dec. 9 further said:

"For these reasons, Mr. Morgenthau emphasized, the Treasury in its financing has made every effort to avoid the use of bank credit in absorbing war bonds beyond the strictly necessary minimum, just as it has attempted to raise as much money by taxation as is possible without dislocating our economy.

"We must do all we can," the Secretary wrote, "to avoid creating new money, or activating old money, but instead we must draw from the current income stream money that would otherwise have been spent in buying consumers' goods.

"Our borrowing must not add unnecessarily to the total of purchasing power already in existence; it must transfer from private to public use the income that is being created by the war program itself. Only in this way can the Government check whatever tendency to a price rise it may be producing by its own spending program.

"Secretary Morgenthau pointed out that at the present time 28,000,000 individuals are investing approximately 8% of their income in war bonds. He expressed the hope that by Jan. 1 the number of such investors would rise to 30,000,000 and that the percentage of investment would go to 10.

ABA Issues New Book On Prudent-Man Rule For Trust Investment

Publication of a booklet entitled "The Prudent-Man Rule for Trust Investment" is announced by the Trust Division of the American Bankers Association. It has been prepared in response to widespread interest in the "prudent-man" standard for trustees in the investment of trust funds. The booklet is the work of the Committee on Fiduciary Legislation of the Trust Division of the A. B. A., with the assistance of Mayo A. Shattuck of the Massachusetts Bar. In announcing this on Dec. 17 the Association said:

"The booklet contains the text of a Model Prudent-Man Investment Statute prepared by Mr. Shattuck and the committee for use in those States where it is desired to change the trust investment statutes to conform to the prudent-man or Massachusetts Rule standard for the investment of trust funds. It also contains reports from trust men regarding the trust investment situation in each of the 48 States and the District of Columbia, and comments by Mr. Shattuck on the model statute."

In a foreword, Louis S. Headley, President of the Trust Division and Vice-President of the First Trust Co. of St. Paul State Bank, St. Paul, says:

"The extensive adoption of the standard of prudence in recent years by testators and attorneys in the granting of investment powers has suggested to many that the Massachusetts Rule is better adapted to modern conditions than any rule built around formulas or lists of authorized investments. The model statute now submitted has been prepared as a guide for those legis-

latures which hold this view and wish to embody it in their State law."

Copies of the booklet have been sent to secretaries of all State bankers associations and corporate fiduciary associations. Copies may be obtained from the Trust Division of the American Bankers Association at 22 East 40th Street, New York City.

Treasury Approves Sub-Agents War Bond Plan

The Treasury Department has advised the Federal Reserve Bank of New York that it has no objection to the establishment of sub-agency arrangements by banks and trust companies under which it may appoint one of its customers as its sub-agent to sell and issue Series E War Savings Bonds. According to a letter sent out Dec. 11 by Allan Sproul, President of the New York Reserve Bank, to banks and trust companies in the District of the Treasury "has indicated that only in this manner may certain organizations falling in classes which the Treasury Department does not deem it advisable to qualify directly as issuing agents, participate to the greatest advantage in the War Savings Bond program."

Mr. Sproul's letter to the qualified agents in the Second District, further said: "Under the arrangement referred to, you would furnish your customer with War Savings bond stock to be issued by him; the customer would use an issuing agent's stamp, which we will provide upon request, similar to the one you use for issuing bonds, with the addition of the customer's name as sub-agent if so desired; and the customer would account directly to you for the proceeds of bonds sold. Your agreement to act as issuing agent, under the terms of which you are required to account for all bond stock furnished to you or for the proceeds thereof, would not be modified or affected in any manner by a sub-agency agreement with one of your customers."

Ownership Clf. Filing No Longer Required

Secretary of the Treasury Morgenthau announced on Dec. 28 that the Treasury Department had decided to relieve taxpayers, banks and industry in general from the necessity of filing each year "ownership certificates" previously required as income tax records. Promising that further steps to "lighten the burden of the business men are under study," according to advices to the New York "Journal of Commerce" from its Washington bureau, Secretary Morgenthau said other techniques which will accomplish the same results as the certificates, without involving the "trouble" they have caused, will be adopted, Mr. Morgenthau was also quoted as saying.

"In these times when business men are being subjected to additional record-keeping made imperative by the war, we have been examining all of our activities with a view to reducing this burden of paper work to a minimum. The Treasury is checking each type of record with a view to its over-all value. By eliminating this form I believe we will provide a saving in time and effort to taxpayers, banks and industry in general that will be very substantial, leaving them more time to concentrate on winning the war."

From the advices to the "Journal of Commerce" we also quote: "Today's decision eliminates outright the requirement for filing the ownership certificate, Form 1000, by United States citizens presenting interest coupons from obligations of the United States. About 4,000,000 such cer-

tificates have been filed annually in recent years and the number would have increased heavily with the issuance of additional securities to finance the war, Mr. Morgenthau said.

"The certificates are eliminated also in the case of citizens of the United States presenting interest coupons from bonds of domestic corporations, except in the case of bonds containing a tax-free covenant. About 4,500,000 certificates accompanying corporation bond coupons have been filed each year.

"The original ownership certificate regulations required that bond owners presenting coupons for collection, either through their banks, at Federal Reserve banks, at the Treasury, or at the home offices of domestic corporations, prepare and submit ownership certificates on Form 1000 with the coupons.

"A form was required for each coupon submitted, except that one certificate could be submitted for groups of coupons from the same issue of bonds. The owner of domestic corporation bonds was required to show his name and address, the name and address of the obligor of the bonds, name of bond, date of bond issue, due dates and payment dates for interest, and the bondholder's signature.

"The completed certificate was presented at the bank window with the coupon, and they remained together through banking channels to the office of the company issuing the bond. The company then forwarded the certificate to the Commissioner of Internal Revenue at Washington. The Revenue Bureau used the certificates as a check on the accuracy of income tax returns.

"Owners of obligations of the United States were required to prepare ownership certificates in substantially the same way when presenting coupons for payment. In the case of registered Government bonds, the certificates were prepared by the Treasury when interest checks were mailed.

"Not only the preparation of the certificates by the bond owners, but also the subsequent handling of them by private banks, Federal Reserve banks, corporations and the Revenue Bureau required the expenditure of much effort.

"In the Revenue Bureau the certificates had to be sorted and arranged for association with the individual income tax returns of the bond owners.

"The new decision continues in effect the requirements for filing of ownership certificates in the case of citizens of the United States cashing interest coupons of domestic corporations where such bonds contain a tax-free covenant because this requirement could be changed only by Congress. However, handling of these certificates is being considerably simplified."

Washington Bank Protests 'Red Tape'

(Continued from first page) of paper, or 512 feet of paper. Horizontally this is not quite twice the length of a football field but vertically it is considerably higher than the Great Pyramid of Egypt.

"The maximum number of items possible in this report is also of colossal proportions. The magnum opus is divided into eight sections, labeled from A to H. Section A is a simple one, as one has merely to read the book of instructions which goes with the form. But from B to H there are listed the following possible entries: B—39 items; C—18 items; D—3 items; E—6,567 items; F—576 items; G—496 items, and H—40 items. Maximum number of items, 8,119; maximum with copies, 48,714; maximum for one year, 194,856."