Final Edition ESTABLISHED OVER 100 YEARS In 2 Sections—Section 2

The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 158 Number 4234 New York, N. Y., Thursday, December 2, 1943

The Financial Situation

The post-war world will be peopled with men and women whose basic reactions are little if any different from those of the men and women of 1913, 1918, 1929 or 1939. It would be strange, indeed, if mankind had learned nothing about itself in three decades, and it would be astounding if human beings had not become "conditioned," as the psychologists express it, in such a way as to fix responses to certain situations in relation to experiences of the past two or three decades. There is little reason to believe, however, that so far as the fundamentals of human nature are concerned, the learning process of the past few decades has gone very far beyond the superficialities, and any alteration in the behavior of human beings in the face of particular circumstances is the outgrowth of particularistic experience, and may or may not be either rational or enduring.

It seems appropriate to give expression at this time to these generalities—we had almost said platitudes—since, despite the fact that few would undertake an explicit denial of them, much of the current discussion of post-war matters abounds with assertions which can be true only if these propositions are false. In a sense, it is probably true that the rank and file throughout the world have "learned" a great deal about a great many things—thanks to the vastly improved means of transport and communications during the past two or three decades—but it is likewise true that a great deal of what they have learned simply is not so!

On Guard!

It would be well therefore for the public to be on guard when it hears of the "new economics" which will rule the post-war world. An equally skeptical attitude is in order when we are told of the sweeping "lessons" in economics that the past decade or two (most frequently the war years)

(Continued on page 2232)

Full Employment and High Production Basic Post-War Problems

Philip Murray Declares Steady Employment Of 55,000,000 Will Be Needed

Expressing the hope that in the post-war period "the old fight against labor organizations will be laid permanently to rest," Philip Murray, President of the Congress of Industrial Organizations, asserted on Nov. 23 that the basic problem will be that of achieving full employment, high production, and new levels of living.

In an address on the theme "The Challenge of Tomorrow," before the Economic Club of New York, Mr. Murray estimated that full employment will require about 55,000,000 people working steadily in "real" jobs with decent wages, and at the same time warned that "the concealed unemployment that hides behind short hours" must be avoided. He added that, with this employment and the immense production resources, the country can easily have a national income after the war of between $140,000,000,000 and $160,000,000,000.

Mr. Murray urged giving all legitimate encouragement to competitive enterprise, reducing monopoly, a reexamination of the entire tax structure and Government sponsorship of a public works program "adequate to help free competitive enterprise in the job of realizing full employment." He also said that income must be kept moving so as to prevent unemployment and waste.

Before the gathering, at which Winthrop W. Aldrich, President of the Economic Club, presided, Mr. Murray spoke as follows:

Mr. Aldrich, Gentlemen:

I deem it an honor and privilege to meet with you tonight. It is a source of genuine pleasure to talk with you respecting our plans and hopes for America Tomorrow. Tomorrow will soon be here. Complete United Nations victory in the war already casts a lengthening and welcome shadow across our paths.

The war has been a cruel and bitter experience for millions of people around the world. For Americans it has meant the lives of tens of thousands of brave young men, the disfigurement and disabling of thousands more. It has required the movement of millions of workers from their homes in town and farm to crowded centers of war production, where life at best has been one of strain and sacrifice. It has demanded and secured a vast production of food that is a memorial to the patriotism of farmers and the willingness of farm families to bear heavy burdens for the nation's welfare. And it has brought to business men profound changes in established practices, complicated controls by government, and

(Continued on page 2235)

Ruml Offers 9-Point Program For Post-War Fiscal Policy Which Will Help Create Good Products, Good Jobs and Good Investments—Reduction in Tax Rates Called For

Both Beardsley Ruml and Philip Murray (the latter President of the Congress of Industrial Organizations) discussed "The Challenge of Tomorrow" before the Economic Club of New York at the Hotel Astor on Nov. 23. In outlining his views, Mr. Ruml, who is Treasurer of R. H. Macy & Co., and Chairman of the Board of Directors of the Federal Reserve Bank of New York, made the statement that "today most business men agree that the elimination of mass unemployment is the first requirement for the post-war period." He went on to say that "many will go so far as to agree that unless mass unemployment can be eliminated under a system of private business enterprise, private business enterprise will be supplanted by some other arrangements for the production and distribution of goods and services." Stating that business is "definitely committed to take the initiative and do its proper part" in "the task of attaining high peace-time employment," Mr. Ruml pointed out that "it would be folly to expect that business can make the transition from full war-time employment without co-operation from public government at every level—Federal, State and local." At the same time he declared that "it is inescapable that the National State, through an explicit and implemented fiscal and monetary policy must complement and supplement the activities of private business in the maintenance of high production and high employment." "Business," he said, "wants a fiscal program that will help it create good products, good jobs and good investments."

Beardsley Ruml

"As a step toward agreement on long term policy" Mr. Ruml suggested for discussion a 9-point post-war Federal fiscal program, which includes, "a national expenditure budget that fairly represents the national purposes we want to accomplish; the lowering of "our tax rates to the point where they will balance the budget at some agreed level of high employment"; that we hold "to the principle of progressive income taxes and estate taxes as the best way of reversing the tendency of purchasing power to come to rest," and "reduce the rates on the individual income tax to stimulate consumption and to make possible investment in new enterprise on a business basis; the planning of public works to stabilize the construction industry", etc.

Mr. Ruml stated that "in spite of the criticism, some of which was just, and some of which was not, it is a good thing that in this country we have a Congress to work with."

"I think," he said, "we must recognize that membership in Congress has become a full-time job, not a job that can be fitted in between crop seasons, or between law cases, or while a partner can handle the business alone. The time required in Washington has grown to be and will continue to be extensive, and the time at home is fully occupied with duties that arise from legislative responsibilities. And here, as elsewhere, a full-time job deserves full-time pay."

Mr. Ruml's address follows in full:

We are all aware, I am sure, of the great popular interest in post-war planning, and I suppose there are few subjects on which there is more general agreement than that we should begin now to get ahead with our post-war plans. It must be clear that planning of the sort we are talking about does not mean regimentation. In certain quarters, there is a prejudice against the word "planning" that probably springs from apprehension that planning may lead us into a regimented way of life. I feel that just the opposite is the case. Free, open, democratic planning, thinking about our national future out loud, will contribute to the success of our form of government by bringing abiding satisfactions in the American way of life. Thus, planning will render regimentation, always distasteful, unnecessary.

People want those agencies and individuals who are responsible for thinking about the post-war period to proceed energetically with their work. To be sure, they want first of all to win the war, speedily and decisively, and they want nothing to detract from that effort. Second, they want no plans that represent mere wishful thinking or special interest axe-grinding. They want some practical leads as to where we go from here when the present job is finished.

There is a deep influence that may explain in part this insistent demand on the part of people generally that something be done now about planning for the period to follow the war. We are a well-

(Continued on page 2232)

GENERAL CONTENTS

From Washington Ahead Of The News

By CARLISLE BARGERON

From now on we may expect more or less, a steady flow of exposures similar to the Brazilian rubber scandal by a group of Washington correspondents a couple of weeks ago and the more recent report by Senator Hugh Butler of Nebraska, on his 20,000 mile trip over 20 Latin American countries. The reason is not altogether due to the fact that Congress has become more assertive. As much responsible is the feeling that the exposures can now be made without interfering with the war effort, if not altogether a feeling that the end of the war in Europe is in sight.

Butler would not have had to leave Washington to disclose some of the junketing in the guise of good-neighborliness. We in Washington spend many of our light moments with tales of the Inter-American Defense Board. It is supposed, or so one might think from its name, to coordinate North and Latin-America strategy. This coordination means mostly the entertainment of Latin American dignitaries and "such" entertainment do most of these gentlemen seem to want. The Board is noted for its collection of unusually attractive girls, while the officers attached to it have to have cast iron stomachs. When the history of the war is written these people should certainly be given honorary mention for what they have had to go through. Not the least of what these people have had to go through was the determination of the Argentines never to do anything except the entertainment side of collaboration.

Henry Wallace, who strangely enough passed up the Brazilian rubber expose—and the responsibility for our boondoggling down there was largely his—was quite sensitive about Butler's report. He called in reporters from the three press associations and apologized

(Continued on page 2236)

An Economist With Commonsense

"Demand for consumer goods has been deferred, and we have been accumulating alleged 'savings,' or purchasing power, but these are not firm guarantees of post-war prosperity. In the middle 1930s we had accumulated savings and were confronted with much deferred maintenance. We were underhoused, and yet prosperity did not follow.

"Basically, business is nothing but barter and, in order that high levels of barter be carried on, there must be effective adjustment of prices, wages and other costs so that exchange can take place. . . .

"Our problem in the post-war period is likely to be one of securing adequate flexibility. Surplus commodities and surplus plant capacity, unless effective policies are adopted by Congress during the war, are apt to interfere with favorable expectations of this future. Business and consumers will hoard their funds instead of circulating them actively.

"Business groups are devoting much time and energy to defining, isolating and analysing some of these basic issues which will require prompt action by Congress, business and other groups. In addition, a fundamental reexamination of what makes a private system click is going on. The Chamber of Commerce of the United States, the National Association of Manufacturers, the Committee for Economic Development and others are harmonious in their view that these distortions and maladjustments, carried over from pre-war and accentuated by the war, call for numerous readjustments if we are to move to high levels of employment, production and exchange."—Emerson P. Schmidt, Economist for the Chamber of Commerce of the United States.

Here plainly is an "economist" with common sense! Would there were more of them!

The State Of Trade

The heavy industries generally continue to report operations at or near peak levels. However, reduction of orders for steel because of the closing of large munition plants and the telescoping of contracts has resulted in some open hearths being closed, according to the publication "Iron Age." As an offset, however, the production of electricity has reached another new high. Carloadings continue to show substantial gains. Retail trade continues to show exceptional activity, of course being lifted by heavy Christmas buying, sales rise of department stores being 21%.

Production of electricity reached an all-time high of 4,513,299,000 kilowatt hours in the week ended Nov. 20, according to the Edison Electric Institute. This compares with 4,482,665,000 kilowatt hours a week earlier and is 18.9% above the year ago total of 3,795,361,000. Consolidated Edison Company of New York reports system output of 218,900,000 kilowatt hours in the week ended Nov. 21, against 154,900,000 a year earlier, an increase of 41.3%. Local distribution was 214,800,000 kilowatt hours, against 151,200,000.

Carloadings of revenue freight for the week ended Nov. 20 totaled 882,287 cars, according to the Association of American Railroads. This was an increase of 34,604 cars over the preceding week this year, 45,525 cars more than the corresponding week in 1942 and 82,901 cars above the same period two years ago. This total was 132.95% of average loadings for the corresponding week of the ten preceding years.

Steel production in the United States is scheduled at 99.5% of rated capacity, indicating production of 1,734,200 net tons of ingots and castings, compared with a rate of 99.1 and output of 1,727,300 tons last week, according to the American Iron & Steel Institute. A month ago steel making was at full capacity, with weekly output of 1,743,000 net tons. For the week beginning Nov. 30, 1942, production was 1,681,000 tons.

For the first time since the war began steel production is showing lower tendencies due to slackening demand. All previous letdowns in the last two years reflected shortage of steelmaking materials or labor tie-ups. In all of those periods the call for steel was urgent. This time, according to informed trade sources, cutbacks and cancellations of military contracts are having a definitely depressing effect on steel output.

So far, the Youngstown, Ohio, district is most affected. It is the country's third largest steel-producing area. Youngstown schedules for the coming week are not expected to be much above 90% of rated capacity. This, the producers report, results from the lull in war orders and from shifts in specifications. "Some Washington authorities expect that the steel industry will continue to operate over 90% in the first quarter of 1944."

In the retail trade Christmas buying is reported as exceptionally active with retail sales for this week estimated at 12 to 14% above the same week last year, according to Dun & Bradstreet. Regional percentage increases in retail trade were New England, 3 to 5; East, 5 to 7; Middle West, 12 to 14; Northwest, 5 to 8; South, 17 to 20; Southwest, 23 to 25; Pacific Coast, 21 to 24.

Dollar sales of retail stores will total $62,900,000,000 this year, the highest on record, despite shortages of many civilian goods, according to estimates by business analysts of the Department of Commerce. Price rises are responsible for a substantial part of this increase, it is pointed out, but even after allowing for this, 1943 sales in "constant dollars" will be slightly above last year's level and only 7% under the 1941 peak. The expectation is that Christmas trade this year will exceed last year's record levels, the study says. Dollar sales of retail stores are expected by the department to be at least as great in 1944 as this year. The unit volume of retail business will, however, depend upon a number of factors.

Department store sales on a country-wide basis were 21% larger in the week ended Nov. 20 than in the like 1942 week, according to the Federal Reserve Board. In the four weeks ended Nov. 20 sales were 14% higher than in the corresponding period last year.

Department store sales in New York City in the week ended Nov. 27 were 13% larger than in the corresponding week of last year, according to a preliminary estimate issued by the Federal Reserve Bank of New York. In the previous week ended Nov. 20 sales of this group of stores were 19% higher than in the like week last year.

House Group Favors Bill Preserving State Regulation Of Insurance Business

Enactment of the Bailey-Van Nuys bill, which would reaffirm the intent of Congress that the business of insurance companies is not subject to Federal anti-trust laws and that regulation should remain within the control of the several States, is favored by the House Judiciary Committee.

The House group voted 16 to 5 on Nov. 16 to recommend passage of the legislation.

The following regarding the House group's majority and minority reports on the bill was reported Nov. 19, to the New York "Journal of Commerce" from its Washington bureau:

After reviewing a number of Supreme Court decisions tending to show that insurance has not been considered interstate commerce, the majority report asserted that "this bill could not have the effect of exempting insurance companies from anti-trust laws since anti-trust laws have never been applicable to the business of insurance, and if insurance is to be made subject to those laws, it should be done by an act of the Congress, which is the law-making and policy-fixing body of the Government."

The following general summary concluded the majority report:

Summary

It appears to the Committee that the situation presented to Congress may be summarized as follows:

(a) Under existing law the business of insurance is not commerce;

(b) For over 75 years the existing law has been recognized and accepted by the Supreme Court, Congress, executive branches of the Federal Government, the States and the public;

(c) Grounded upon existing law, the States have successfully regulated insurance and the business of insurance has been conformed thereto;

(d) If long-standing decisions be reversed, then the constitutional right of the States to regulate will be nullified and a continuation of State regulation could only be at the sufferance of Congress and could not exist in so far as it conflicts with Federal law;

(e) The general pattern of State regulation is in direct conflict with the prohibitions of the Sherman and Clayton acts as now interpreted by the Department of Justice, for the former encourages or requires cooperation and accord and the latter in effect forbids it;

(f) The application of the anti-trust acts to insurance was not intended by Congress and would not be in the public interest;

(g) Such application must now be predicated upon a change in the law by the Supreme Court;

(h) The insurance business is essentially local and best supervised locally by the States rather than through another cumbersome Federal bureau; and

(i) It is believed that enactment of the bill will preserve State regulation, and is necessary to make certain that it will be preserved.

The minority report charged that introduction of the bill was an attempt to circumvent an appeal by the Department of Justice of a decision by the Federal District Court for Northern Georgia. The Georgia court held that the Southeastern Underwriters' Association was not in violation of the Sherman and Clayton acts. The appeal is now pending before the United States Supreme Court.

"When States attempt to regulate them, the insurance companies maintain that they are in interstate commerce and therefore not subject to State laws," the minority report said. Similarly, when the Federal Government seeks to prosecute them for alleged anti-trust violations, the insurance companies claim they are engaged only in intrastate commerce, the report added.

Following is the conclusion of the minority report:

To say insurance is not "commerce" is an insult to one's intelligence.

To say it is not "interstate commerce" is to ignore its obviously inherent characteristics.

To vote approval of any of these insurance bills would be to destroy the very foundations of our anti-trust laws. In the post-war era I know of nothing more essential for the maintenance and strengthening of private initiative and enterprise than the anti-trust laws. Destroy them and you build for yourselves Frankenstein monopolies and cartels—the very antithesis of private initiative, enterprise, and competition.

Opposition of the Justice Department to the pending legislation was reported in our issue of Nov. 4, page 1814.

Saving Of $13 Billion By Army Reported Navy To Need More

The War Department has decided to place in the Bureau of the Budget reserve a total of $13,163,159,000 of the funds made available by Congress for the current fiscal year in view of economies which have been instituted as a result of the changes in the war situation. This disclosure was made to the House on Nov. 18 by Representative Snyder (Dem., Pa.) Chairman of the Appropriations Committee's military subcommittee.

Mr. Snyder explained that the War Department had made a restudy of its fiscal needs and had found it "practicable" to release these funds from its control, adding that "unless some unforeseeable situation should arise, all of the 13 billions-plus will revert to the Treasury on next July 1." He further said the War Department gave its assurance that "in the light of conditions presently obtaining, this vast amount can be given up without in the least impairing the war effort of ourselves or of our Allies; without in the least impeding the expeditious and vigorous prosecution of the war."

The contributing factors, Representative Snyder said, are:

First, reduction in military personnel strength. We appropriated for a force of, roundly, 8,200,000 officers and men. By reason of subsequent war developments, a reduction of 548,000 has been determined upon by the War Department high command. That means a savings in pay, travel, subsistence, clothing and so forth of $1,946,039,000.

Second, curtailment of the armament and equipment programs, $8,262,759,000.

Third, reduction in facilities, including maintenance, $780,447,000.

Fourth, modification and possible permanent deferment of the airplane program, $2,086,069,000.

Fifth, miscellaneous projects, $88,205,000.

Mr. Snyder also stated that Gen. Marshall, Chief of Staff, in his biennial report covering the period July 1, 1941 to June 30, 1943, had paved the way for some "very substantial economies". He cited some passages from the General's report, covering the maintenance of large air and ground installations in the Caribbean area, reopening of the Mediterranean to convoys and "reaching the end of the expansion".

Harold D. Smith, Director of the Budget, issued on Nov. 27 a "clarifying statement," saying the remarks about the $13,000,000,000 of War Department reserves had been "very misleading," explaining that, although the Army's program has been curtailed the Navy's had been expanded and the Department will require additional appropriations because of increases in personnel and expansion of the landing craft program.

Concerning the War Department funds, Mr. Smith explained, according to the Associated Press, that $6,000,000,000 of the $13,000,000,000 was reflected in the President's August budget revision which cut estimated Army spending this fiscal year from the $62,000,000,000 January budget estimate to $56,000,000,000.

Another $4,500,000,000 of the War Department reserves, Mr. Smith added, "has been set up against 1944 appropriations which were intended for expenditure in the fiscal year 1945 or thereafter.

"The final $2,500,000,000 in reserves," Mr. Smith continued, "was due to an increase in the estimated amount of unobligated appropriations carried over from the fiscal year 1943. . . .

"Thus, these reserves reflect savings which have already been taken into account in the August revision of estimated expenditures for the fiscal year 1944, or they reflect a reduction in expenditures of previous or future fiscal years. It would be erroneous to deduct these reserves from present expenditure estimates for the current fiscal year."

In his statement, Mr. Smith also noted that estimates of this year's war spending had been reduced $800,000,000 below the estimate of last January, or from $100,000,000,000 to $92,000,000,000.

As a result, and due to collection of $3,000,000,000 more revenue than anticipated, Mr. Smith said the prospective deficit for the 12-month period ending next June 30 had declined from $68,000,000,000 to about $57,000,000,000, thus placing the public debt at $194,000,000,000, instead of passing the $200,000,000,000 mark.

Payment On Argentine Bonds

Baring Brothers & Co., Limited, as paying agents for Argentine Republic 4½% conversion loan of 1934 (called for redemption on Jan. 1, 1944) and 4% loans of 1897, 1898, 1899, and 1900 (called for redemption on April 1, 1944), have arranged to make payment in London of the redemption price of bonds held in this country against delivery of such bonds to J. P. Morgan & Co. Inc. or National City Bank of New York. Under new British regulations on foreign exchange, proceeds of bonds held by United States residents may be credited in London to United States registered accounts, rather than to blocked accounts, and thus bondholders may transfer the dollar proceeds to this country. Further details are set forth in the letter of transmittal which must accompany bonds presented and which may be obtained from J. P. Morgan & Co. Inc., 23 Wall Street, or the Corporate Trust Department of National City Bank, 20 Exchange Place.

Provide Pay Now For Mustering Out Of Armed Forces, President Urges Congress

President Roosevelt sent a special message to Congress on Nov. 23 urging that steps be taken now to help returning service men and women "bridge the gap from war to peace activity."

Emphasizing that plans and legislation must be ready for the demobilization of soldiers and sailors, the President called on Congress to give immediate attention to a three-point program, involving "reasonable" mustering-out pay, a uniform system of allowances for unemployed service men and women and extension of the Federal old-age and survivors' insurance law to give members of the armed forces credit for their period of military service. In addition, he urged an unemployment protection system for the merchant marine.

Mr. Roosevelt proposed that these steps be taken as part of a program of minimum assistance. He had previously suggested a legislative program to provide educational and training opportunities for those members of the armed forces who wish to pursue their studies after their discharge.

The text of the President's message as presented to Congress on Nov. 23 follows:

To the Congress of the United States:

All of us are concentrating now on the one primary objective of winning this war. But even as we devote onr energy and resources to that purpose, we cannot neglect to plan for things to come after victory is won.

The problem of reconverting wartime America to a peacetime basis is one for which we are now laying plans to be submitted to the Congress for action. As I said last July:

The returning soldier and sailor and marine are a part of the problem of demobilizing the rest of the millions of Americans who have been working and living in a war economy since 1941. * * * But the members of the armed forces have been compelled to make greater economic sacrifice and every other kind of sacrifice than the rest of us, and are entitled to definite action to help take care of their special problems.

At that time I outlined what seemed to me to be a minimum of action to which the members of our armed forces are entitled over and above that taken for other citizens.

What our service men and women want, more than anything else, is the assurance of satisfactory employment upon their return to civil life. The first task after the war is to provide employment for them and for our demobilized war workers.

There were skeptics who said that our wartime production goals would never be attained. There will also be skeptics who will question our ability to make the necessary plans to meet the problems of unemployment and want after the war. But, I am confident that if industry and labor and Government tackle the problem of economic readjustment after the war with the same unity of purpose and with the same ingenuity, resourcefulness and boldness that they have employed to such advantage in wartime production, they can solve them.

We must not lower out sights to pre-war levels. The goal after the war should be the maximum utilization of our human and material resources. This is the way to rout the forces of insecurity and unemployment at home, as completely as we shall have defeated the forces of tyranny and oppression on the fields of battle.

There are, however, certain measures which merit the immediate attention of the Congress to round out the program already commenced for the special protection of the members of the armed forces.

The Congress has already enacted a generous program of benefits for servicement and for the widows and dependents of those killed in action.

For example:

1. Under the National Service Life Insurance Act, life insurance at low premium rates is now available to members of the armed forces in amounts not less than $1,000 and not more than $10,000 per person. A total of nearly $90,000,000,000 of insurance has already been applied for.

2. In addition, provision has been made, under the Soldiers' and Sailors' Relief Act, for the guaranty by the Government of the payment of premiums on commercial policies held by members of the armed forces while in service. Premiums on insurance totaling $135,582,000 have been guaranteed, as a result of 56,276 applications by servicemen for such relief.

3. The Congress has also enacted legislation making provision for the hospitalization and medical care of all veterans of the present war, and for the vocational rehabilitation and training of those suffering from disability incurred in, or aggravated by, military service, when such disability results in a vocational handicap preventing reemployment. Similar provision has been made for the rehabilitation of disabled persons in civil life, who, with proper training, can be equipped to play a useful part in the war effort at home. Men who are rejected for military service because of physical or mental defects, or who are discharged from the armed forces because of a disability existing at the time of induction, are thus eligible for such rehabilitation services and training as may be necessary and feasible in order to fit them for useful and gainful employment.

4. By recent legislation, our present service men and women have been assured the same pension benefits for death or disability incurred in the line of duty while in active military service as are provided for the veterans of prior wars. The pension rates for the family of those killed in this war were recently increased by the Congress.

The Veterans' Administration will, from time to time, request the consideration by the Congress of various amendments of existing laws which will facilitate administration, and which will correct any defects in our present statutory scheme which experience may disclose. I am confident that the Congress, in line with the historic policy of this Government toward its ill, injured, and disabled service men and women, will provide generous appropriations to the Veterans' Administration with which to carry out these laws.

5. Numerous other measures have been adopted for the protection of our servicemen such as the Soldiers' and Sailors' Civil Relief Act suspending the enforcement of certain obligations against members of the armed forces, the creation of reemployment rights under the Selective Service Act, and the provision for emergency maternity care to the wives and infants of enlisted men.

However, I believe that we must go much further.

We must make provision now to help our returning service men and women bridge the gap from war to peace activity. When the war is over, our men and women in the armed forces will be eager to rejoin their families, get a job, or continue their education, and to pick up the threads of their former lives. They will return at a time when industry will be in the throes of reconversion. Our plans for demobilization of soldiers and sailors must be consistent with our plans for the reconversion of industry and for the creation of employment opportunities for both servicemen and war workers. Already the armed forces have returned many thousands of service men and women to civil life.

The following further steps seem desirable now:

1. To help service men and women tide over the difficult period of readjustment from military to civilian life, mustering-out pay will be needed. It will relieve them of anxiety while they seek private employment or make their personal plans for the future. I therefore recommend to the Congress that it enact legislation and provide funds for the payment of a uniform, reasonable mustering-out pay to all members of the armed forces upon their honorable discharge or transfer to inactive duty. This pay should not be in a lump sum but on a monthly installment basis.

2. We must anticipate, however, that some members of the armed forces may not be able to obtain employment within a reasonable time after their return to civil life. For them, unemployment allowances should be provided until they can reasonably be absorbed by private industry.

Members of the armed services are not now adequately covered by existing unemployment insurance laws of the States. It is estimated that approximately one-half of them will have no unemployment insurance protection at all when they leave military service. Benefits payable to those who are covered by State law are unequal, and will vary greatly among the States because of the wide differences in the provisions of the State laws. The protection in many cases will be inadequate. It is plainly a Federal responsibility to provide for a payment of adequate and equitable allowances to those service men and women who are unable to find employment after their demobilization.

For these reasons, I recommend to the Congress that a uniform system of allowances for unemployed service men and women be established.

I believe that there should be a fixed and uniform rate of benefit for a fixed period of time for all members of the armed forces who, after leaving the service, are unable to find suitable work. In order to qualify for an unemployment allowance each person should be obliged to register with the United States Employment Service, and, following the usual practice in unemployment insurance, must be willing to accept available and suitable employment, or to engage in a training course to prepare him for such employment. The protection under this system should be continued for an adequate length of time following the period for which mustering-out payment is made.

At present persons serving in the merchnat marine are not insured under State unemployment insurance laws, primarily because the very nature of their employment carries them beyond the confines of any particular State. I believe that the most effective way of protecting maritime workers against post-war unemployment is to enact without delay a Federal maritime unemployment insurance act. There has been in effect since 1938 a Railroad Unemployment Insurance Act and a similar act for maritime workers is long overdue. Marine workers are, however, insured under the existing Federal old-age and survivors' insurance law.

3. Members of the armed forces are not receiving credit under the Federal old-age and survivors' insurance law for their period of military service. Credit under the law can be obtained only while a person is engaged in certain specific types of employment. Service in the armed forces is not included in these types. Since the size of the insurance benefits depends upon the total number of years in which credits are obtained, the exclusion of military service will operate to decrease the old-age retirement benefits which will eventually be payable to service men and women. Furthermore, a large number of persons whose dependents were protected by the survivors' insurance benefits at the time they entered the armed forces, are losing entirely those insurance rights while they are in service.

I therefore recommend that the Congress enact legislation to make it possible for members of the armed forces to obtain credit under the Federal old-age and survivors' insurance law during the period of military service. The burden of this extension ol old-age and survivors' insurance to members of the armed forces should be carried by the Federal Government, and the Federal contributions should be uniform for all members of the armed forces irrespective of their rank.

I have already communicated with the Congress requesting the enactment of legislation to provide educational and training opportunities for the members of the armed forces who desire to pursue their studies after their discharge.

The Congress will agree, I am sure, that this time we must have plans and legislation ready for our returning veterans instead of waiting until the last moment. It will give notice to our armed forces that the people back home do not propose to let them down.

FRANKLIN D. ROOSEVELT.

The White House, Nov. 23, 1943.

Reconversion Problem Is Over-Estimated According To Economist A. W. Zelomek

The reconversion will be managed by American industry as successfully as the conversion was and without the disastrous consequences of either extreme deflationary or extreme inflationary tendencies. In a speech on Nov. 29 before the Bridgeport Chamber of Commerce, A. W. Zelomek, President of the International Statistical Bureau and economist with Fairchild Publications, told the members that he was persuaded that the economic, political and industrial difficulties that will certainly prevail will not offset the powerful urge and ability of American business to achieve a swift reconversion without extreme or prolonged unemployment or inflation.

Economic difficulties that some observers forsee for the reconversion period Mr. Zelomek found to be contradictory and ill founded. As examples of such contradictions, he cited fears of manpower shortages and unemployment, of inflationary competitive spending in the face of decreasing pay envelopes and near-depression.

Recognizing the absence of clear-cut Government planning for termination and reconversion, Mr. Zelomek nevertheless maintained that business would be able to overcome the difficulties connected with vague and conflicting Government policies. Businessmen who do not get immediate 100% settlements on their terminated contracts will not hesitate to use reserves and borrowed funds to finance reconversion and expansion of plant.

Some industries will not require any reconversion, but will merely go back to producing for civilians the same kinds of goods formerly produced mainly for the Government. These industries, notably the textile and apparel industries, may have to take some losses on inventories, but their anticipation of several years of good business during which such losses can be recouped will sustain their ability to operate at high levels despite such losses.

The automobile industry, Mr. Zelomek predicted, will have retooled and built up an operating inventory of parts within three months after plant space becomes available and will be producing at the rate reached in 1941 within six months. Too much emphasis should not be placed on the fact that the entire industry will probably not have contracts terminated at once. It will not be too difficult, if necessary, for the industry to establish new lines of production.

Further, the process of tooling up for production will not take so long as many have predicted. Many automotive firms have their 1942 model tools in grease. Those who do not will be able to call upon the vastly expanded capacity of the machine tool industry for the new tools they will need.

The success of the initial conversion period was cited as evidence that American industry can effect a successful transition from one kind of production to another. "During the first part of 1942," Mr. Zelomek said, "American industry built new plants and retooled and trained new workers and still produced aircraft at a rate increasing by 10% to 20% a month. With some old tools, millions of trained workers, and much more industrial know-how, it is hardly extravagant to predict that they will reverse that stupendous accomplishment."

Replying to fears that abrupt termination of war orders will create such a slump in economic activity, Mr. Zelomek predicted that the continuation of the shipbuilding and aircraft programs and the gradual decline in production of ordnance of all kinds during the interval between the ending of the European phase and the ending of the Far Eastern phase of the war will "keep the bottom from falling out of the production index, and out of work and business morale, before the achievement of high production of consumers' goods inspires the economy with a substitute stimulus." Considerable advances in reconversion, he predicted, will be made before the defeat of Japan.

Businessmen's belief in the economic potentialities of the past reconversion period, Mr. Zelomek said, will facilitate the reconversion by making them more willing to take risks at that time. Similarly, a successful reconversion will enhance the economic opportunities of the succeeding years.

Coal Prices Raised

The Office of Price Administration on Nov. 29 formally increased soft coal ceiling prices an average of 17 cents a ton at the mines in order to compensate producers for higher labor costs. This advance, which is temporary, had been authorized on Nov. 27 by Fred M. Vinson, Director of Economic Stabilization.

On Nov. 15, Harold L. Ickes, Solid Fuels Administrator, had recommended increases in the prices of bituminous coal which, on a weighted national average, were approximately 16 cents a ton higher than those proposed by the OPA. Since the original recommendations, Mr. Ickes has reduced the price increases recommended, following a ruling by the National War Labor Board on Nov. 20 lowering the basic weekly wage some 32 cents below that reflected in his original recommendation.

On Nov. 24, the OPA permitted a price increase of 70 cents a ton for the most widely used domestic sizes of anthracite and 35 cents a ton for other sizes.

The Financial Situation

(Continued from first page)

have taught. When the public is told that this, or some other nation or people, is determined not to repeat the "mistakes" of some other period (usually now the years immediately following World War I), it would do well to inquire whether there is any general agreement as to what the "mistakes" of that other period really were—and if there is such an agreement whether it appears to be solidly based in hard, common sense or is merely the judgment of articulate publicists or politicians whose ability lies more in influencing other people than in discerning the truth themselves.

It will be recalled by those with reasonably good memories that the very groups who are now most vocal in preaching new post-war economics are the very ones who not long ago were announcing to the world economic discoveries to which their more recent doctrines give the lie. The war has apparently converted many of the "scarcity economy" school to an economy of abundance, the precise nature of which often upon close examination appears almost as fantastic as the earlier nonsense which led to the killing of little pigs and the destruction of crops in the fields. In other quarters worship of the extreme of competition appears to have replaced the doctrine that the evils of competition, even of the ordinary garden variety, were in considerable part responsible for the conditions existing in the early '30s—a doctrine which gave birth to the ill-fated NRA.

False Doctrines

But out of all this there have arisen a number of specific doctrines which now constitute a genuine threat to the post-war economy and which must be exposed as the nonsense which they are. One of these (often encountered in undisguised form but also running implicit through arguments which are likely to prove more damaging) is that Russia has shown the way to almost incredible production, a way which would serve the purposes of peace as well as those of war. We, in addition to supplying our own armed forces and many of those of several other nations, have shipped enormous supplies to Russia, but it is also true that Russia has made a remarkable production record, particularly during the past year or two. But what does it prove so far as peace time is concerned? Certainly not very much. Obviously no more than our own fully as impressive record of the past year or two. Either or both show what a people working closely together in an economy planned toward a limited, specific end can do when under the pressure of a great crisis. Neither show much else or much more.

It certainly remains to be seen whether the Russians can match, or even come near matching, such a record in the production of shoes, clothes and other articles of ordinary consumption in peace time. And, of course, the whole system under which the Russians operate presupposes that Mr. Stalin (or some other figure) will decide the relative proportions of the different classes of goods the people may have, i.e., pairs of shoes, houses, automobiles, clothes, and the rest. So far the scarcity of all such goods has always been such as to preclude the problem of surpluses of individual goods arising from miscalculations of the amounts the people want. Such problem would, of course, abound in an economy of relative abundance such as that to which we are accustomed—and it is scarcely likely that the American people will tolerate in peace time the regimentation essential to any such production and distribution process as is normal in "total war."

War As Peace Economy

Enough has now been said to dispose of that other related "lesson" that war experience has taught some of our post-war propagandists—that full employment and abundant production far beyond the dreams of Utopia is easily possible in a fully "planned economy." If we are to assume that people will act like galley slaves, and do uncomplainingly and to the limit of their ability precisely what they are told to do, it may be conceded that "full employment" is possible—in return for whatever sort of money is used to meet the payroll. Should the economic managers be able to summon the necessary wisdom, it is not improbable—again assuming the willingness of workmen really to work as directed—that large production might be achieved. Such production might not be—indeed, almost certainly would not be—of the things that the rank and file want. The war has shown us —if any showing was necessary—that full employment along with scarcity of many items desired by the public is quite possible. It would be as possible in peace as in war. It could result from serious errors in the management of production, inefficiency in getting things done, in overproduction of things not in demand commensurate with production, or in a number of other ways.

In the war economy the problem of marketing hardly exists. Concerning the vast bulk of war goods—including, of course, many civilian items which must be supplied to the individuals in the armed services, there is no question of markets. Such supplies of almost all types of ordinary goods as are left for the ordinary civilian are so small in comparison with demand that there is very little likelihood of serious surpluses anywhere —or if there are the hoarders, public or private, would deal with them without delay. In very large segments of the economy costs are a secondary consideration, to say the least. Obviously such a state of affairs cannot exist in ordinary peace economy and, if it did, would certainly in the long run wreck it. The war economy has taught us very much less about peace-time economy than many of us imagine.

Ruml Offers 9-Point Program For Post-War Fiscal Policy Which Will Help Create Good Products

(Continued from first page)

educated people, and we know that even recognizing wonderful material advances, the scientific and technical progress of the last hundred and fifty years has never truly ripened in terms of human betterment. We know that in our country, to go no farther afield, we had a decade of mass unemployment of men and machines, and before that we were worried about what we called "technological unemployment." We know that during the 30's alone in the United States, we lost forever a product of goods and services which would have amounted to more than two hundred billion dollars. Not only for these material things, but for other values lost as well, we want in the future that this product be created, conserved, and applied to the increased welfare of us all. We, in America, expect this fruition of our energy, our skill, and our resources, and it is therefore natural that we should be sympathetic with, and that we should encourage leadership wherever it arises that points the way toward the realization of these expectations.

Today most business men agree that the elimination of mass unemployment is the first requirement for the post-war period. Many will go so far as to agree that unless mass unemployment can be eliminated under a system of private business enterprise, private business enterprise will be supplanted by some other arrangements for the production and distribution of goods and services. The demonstration of what we are able to produce under the rules of a war-time economy is unanswerable evidence of what machines and men and organization can accomplish if their technical capacities are given full rein. And we know that at the present time, with the newness of the war-time conditions under which we are working, the organizational and administrative arrangements are of much less effectiveness than they will become with longer experience. And so, for these good reasons, much thought is being given to the ways and means whereby private enterprise may do its full part in achieving high production and high employment in the post-war period. I hasten to say that as far as I know, these business men would in every case subordinate this thinking about post-war employment to efforts directed toward the winning of the war, and each, in his capacity as a business manager, has made sure that his responsibilities for present war-time production are being efficiently discharged.

Although the task of attaining high peace-time employment is difficult, the rewards of success are so great from every material and human point of view that it is an effort which can be undertaken with real zest and enthusiasm. Little differences of opinion and petty special interests become insignificant and can be brushed aside in view of the prospect that lies ahead. Business is definitely committed to take the initiative and to do its proper part.

But it would be folly to expect that business can make the transition from full war-time employment to high peace-time employment without cooperation from public government at every level —Federal, state, and local.

These measures of cooperation between government and business are good, but in my opinion they are not enough. In addition, we require for success in the attack by business and government on the danger of mass unemployment a commitment on the part of government that, through an explicit fiscal and monetary policy, it will act when business, as business, cannot act to sustain employment and effective demand.

To put it in another way, it is inescapable that the national state, through an explicit and implemented fiscal and monetary policy, must complement and supplement the activities of private business in the maintenance of high production and high employment.

Business wants a fiscal program that will help it create good products, good jobs and good investments. Business does not expect a national fiscal policy to do the work of business for it. It does ask for cooperation in maintaining a flow of purchasing demand that will have some general correspondence to what agriculture, labor, and business are able to produce and distribute.

Business knows that fiscal policy alone cannot produce a healthy condition of high employment and high production. In addition to a sound fiscal policy, there must be government stability, protection against illegal aggression, confidence in the outlook for profitable relationships between volume, costs and prices, access to markets and to the means of production. But the fiscal policy here suggested will aid strongly in getting the high production and high employment we all want; and it will also check tendencies toward restrictive practices that spring from fear of insufficient effective consumer demand.

A doctor friend of mine, some years ago, told me that if a patient was suffering from both tuberculosis and diabetes, the proper procedure is to treat the diabetes first. "First correct the disorder of metabolism, so that the body may be properly nourished and may help rather than hinder attack on the second disease."

This rule of medicine can be extended to a wider field. The body politic has long been suffering from undernourishment, caused in large measure by disorders of fiscal program. This undernourishment has brought with it restrictive practices that lead inevitably to government-controlled monopoly, class prejudice and international tension. The first step is to control the undernourishment, and to make sure that the life blood of purchasing demand is adequately maintained. Only then can we truly appraise the nature of the other evils that afflict us; only then can we decide with confidence on the other measures that ought to be applied.

As a step toward agreement on long-term policy, I have suggested for discussion a nine-point post-war Federal fiscal program.

First, let us have a national expenditure budget that fairly represents the national purposes we want to accomplish. Let us base our estimates on the efficient carrying out of these worthwhile activities. We want no spending for its own sake and no projects merely because they support purchasing power in general.

Second, let us lower our tax rates to the point where they will balance the budget at some agreed level of high employment, say, for example, 55,000,000 persons working 40 hours a week. We do not want a deflationary tax program at times of less than standard high employment. Taxes should be reduced where they will do the most good in creating demand and in encouraging private enterprise.

Third, having set our tax rates to balance the budget at high employment, let us leave them alone, except as there are major changes in national policy. When employment goes beyond an agreed level, or if we have a boom in prices, let us hold the surplus or use it to reduce the national debt, not as an excuse for further tax reduction.

Fourth, let us hold on to the principle of progressive income taxes and estate taxes as the best way of reversing the tendency of purchasing power to come to rest. Let us reduce the rates on the individual income tax to stimulate consumption and to make possible investment in new enterprise on a business basis.

Fifth, let us plan our public works, not to balance the whole economy, but to stabilize the construction industry. Our objective should be to provide in this basic industry continuous activity on an agreed level throughout the year and over the years. This would require advance planning of public works—Federal, state, and local—scheduling, and the holding back of a large reserve of optional projects.

Sixth, let us neutralize the social security programs as far as their fiscal influences are concerned. Since their beginning they have been highly deflationary. For old age security, let us set our rates and benefits so that they come somewhere near balancing; and for unemployment insurance, let us set our rates so that intake and outgo balance at high levels of employment as hitherto defined.

Seventh, let us keep the important excise taxes for the time being, and get rid of the rest. If employment and production lag overmuch, let us get rid of these too, except when they have some social purpose, since they are deflationary. We need no general sales tax for fiscal policy purposes, now that the individual income tax is on a current basis.

Eighth, let us arrange our lending abroad, whether for stabilization, relief, or long-time reconstruction, so that it will support rather than contradict fiscal policies adopted to strengthen our domestic economy.

Ninth, and indispensably, let us press for a reorganization of the parts of the Federal government that have to do with fiscal policy and administration. We want clarity in policy, unity in administration, and cooperation between the executive and legislative branches. Having got this far, we then want the maximum necessary degree of coordination between Federal, state, and local governments, as their tax and expenditure policies affect national fiscal policy itself. We shall expect that unity of fiscal and monetary policy will be attained easily along the way.

This nine-point program raises some questions, but if the program makes sense, there are no constitutional or technical reasons why it could not be adopted to be ready once peace is declared and we are able to begin to resume our peace-time way of life. During the transition period, the nine-point program itself cannot be expected to eliminate the need for some public expenditure for relief and rehabilitation. But it will provide a flow of purchasing demand, which springs authentically from the tens of millions whose tax burdens will have been reduced. It will express in a mosaic aggregate the American way of life as pictured in consumer preferences. Against this background, the readjustments of employment and the reconversion of business and industry can readily occur. I have remarked elsewhere "Why not leave at home, for expenditure by the individual, money that would have to be pumped out again to sustain employment?" The nine-point program is a way of carrying out the policy implied in this simple question.

Much has been said and written about public works as a means of providing employment and of evening out the business cycle. Lately, we have become familiar with the phrase "a shelf of projects" to be ready if business should become depressed.

We must not expect too much from a public works program as a general support for high employment. If we believe in the policy of no wasteful public expenditure and no spending for its own sake, the administrative difficulties make proper timing almost impossible, and reduce the potential volume well below the requirements of a true depression. Public works alone cannot do the job.

The most we can expect, and this is no small gain, is that public works can be planned and undertaken in such a way as to even out the activities of the construction industry itself, thereby providing a reasonable level of construction throughout the year and year after year. Some rough approximation could be made of what aggregate employment in construction would be suitable over a period of years, and to maintain the desired volume of construction, public works might be undertaken when private construction fell off.

What level of employment in the construction industry should we take as a long-time normal? The suggestion has been made that we might take as a rough standard the average rebuilding of our physical plant, once a generation. This suggestion has the appeal of picturing each generation turning over to the next generation new, modern structures instead of old, outmoded houses, schools and factories. It has been estimated that such a program would require about eight per cent of the national product and would keep 6,500,000 men employed on and off site; but this figure should only be taken as a preliminary approximation.

But, as I have said, it seems to me unreasonable, indeed I feel that it is reckless optimism, to expect that public works expenditures can be counted on as a balancing factor for the economy as a whole. However, if we could only achieve reasonable balance in the construction industry itself, a great deal would have been accomplished.

A reasonably continuous level of activity in the construction industry within the year and over the years would greatly increase the efficiency of the industry and any given level of employment would yield a larger and larger product as the years went by. The traditional recurrent idleness of men and equipment in the construction industry has forced for sheer survival the adoption of practices which all deplore.

These practices, I feel sure, can be largely eliminated once the industry comes to have confidence in continuity of activity. But as these practices now exist, they are a serious obstacle to the use of the construction industry as a publicly supported agency for employment.

The attainment of high levels of employment will still leave many individual men and women in need. A modern industrial society with its enormous productive capacity can give a certain minimum protection to the individual citizen against the occasion of unemployment, destitution in old age, accident, and disease. It can assess the burden of this minimum protection with reasonable fairness against the aggregate national produce. I do not believe that such humane provision will weaken our energies or our ambitions, nor do I feel that we require the spectacle of fortuitous human distress to teach us the wisdom of avoiding error and evil.

Not only in the area of high employment, high production, and humane protection, are there goals to aim at. In our democratic representative process, there are also objectives that are worth thinking about.

During the debates of recent months, the public has watched the operations of the legislative process with unusually close attention. Inevitably, as a result of the ups and downs and delays, Congress has come in for a lot of criticism. In spite of the criticism, some of which was just, and some of which was not, it is a good thing that in this country we have a Congress to work with.

This does not mean that Congress is perfect, or even that as a democratic legislative body it is not susceptible to the improvement that comes with the passage of time and from the lessons of experience.

Some of this improvement must come on the initiative of Congress itself. Change and modernization of rules, precedents, and procedures should be undertaken, changes that would not weaken the essential integrity of the representative process, but that would make it less clumsy and more effective, more nearly in fact as we picture it as an ideal. The initiative for these changes must come from Congress itself, because in Congress is to be found the wisdom, the intuitive sense of balance, and the authority that can bring helpful reforms into being.

The resolutions introduced in the House and Senate by Representative Monroney and Senator Maloney to create a bi-partisan joint committee to recommend ways to improve the efficiency of Congress come as a timely and encouraging step in the right direction.

But there are some things that Congress cannot do alone, that require the initiative and support of the people generally, the citizens whom Congress serves.

I think we must recognize that membership in Congress is the top legislative job in our very important country, that it is therefore a very important job, both for the country and for the world.

I think we must recognize that membership in Congress has become a full-time job, not a job that can be fitted in between crop seasons, or between law cases, or while a partner can handle the business alone. The time required in Washington has grown to be and will continue to be extensive, and the time at home is fully occupied with duties that arise from legislative responsibilities. And here, as elsewhere, a full-time job deserves full-time pay.

I think we must recognize that membership in Congress requires unusual talents of intellectual equipment, energy, courage, and the rare ability to make oneself acceptable to a constituency through the operations of our democratic process.

We should also encourage Congress to provide itself with much more adequate technical and professional services. Congress has not made the provision for its own needs that modern times require. As a result it has been too dependent on outside experts, occasional consultation, and on the permanent establishments of the administrative branch. These good sources of information and suggestion should not be brushed aside, but Congress should have its own technical services fully equipped to handle problems as the recognized servant of Congress. Such services could be built up in a number of ways. For example, the Library of Congress lends itself admirably to important extension and development. In time, it might become the cornerstone of a national university of a special type, a great institution of learning, serving the people generally and at the same time available to the members of Congress and responsive to every technical need.

We must give due attention to our representative process and the measures and attitudes that may strengthen it. Our economic and social problems are exceedingly important, but we need not for that reason neglect our legislative institutions, on which so much depends, as we move on to extend and enrich our democracy.

Plans for world economic relationships have recently received a great deal of governmental attention and public discussion. For the success of all these international plans, a high level of employment and production in the United States is everywhere conceded to be indispensable. With high prosperity, we shall require large imports of raw materials, and we may even welcome the economic advantages of lower tariffs on foods and manufactured goods. With high prosperity, we shall be less greedy for foreign outlets to take up low-cost excess capacity and we will be more willing to see our exports directed to the world's essential needs.

The critical program for high prosperity for the United States has been too little emphasized in official circles. The squabbles over contract termination are a disturbing symptom of the present incapacity of the government to think ahead. The problem of domestic recovery and long-term prosperity should no longer be so neglected nor should it be relegated to the private agencies of agriculture, labor and business. Much as these private agencies can and must do, they cannot do all, indeed they cannot even do their part, without proper governmental leadership and cooperation.

We must succeed at home if we are to succeed abroad. Our great contribution to world peace and freedom can only be made if we are able to use our unparalleled advantages in establishing here, at home, a high standard of prosperity and democracy.

Senator Butler Charges U. S. Spending $6 Billion In Latin-American Countries

Senator Butler (Rep., Neb.) told the Senate on Nov. 26 that the United States is spending about $6,000,000,000 in Latin-American countries and charged the Administration with "waste and extravagance."

In reporting on his recent tour of 20 Central and South American countries, the Senator said that this $6,000,000,000 figure covers actual expenditures, commitments, and extensions of credit on United States activities.

Vice-President Henry A. Wallace, in a formal statement, apologized to Latin-Americans "for this shocking slur," describing Senator Butler's figures as "fantastic" and said that they would be "refuted by the agencies involved."

Mr. Butler, in a radio talk on Nov. 27, reiterated his charges and suggested that Mr. Wallace apologize to "the hard-beset taxpayers of this nation who are paying for the wild and wooly activities of this global WPA."

From Associated Press Washington advices of Nov. 27 regarding Senator Butler's remarks over the radio we quote:

In a prepared speech he called Mr. Wallace "that notorious modern Don Quixote, who persists in engaging myterious enemies in battle."

"My advice to Mr. Wallace," he said, "is to get an adding machine, go through the Federal register, get the names of the various agencies dealing with Latin America, obtain from each agency the money they have wasted in South America, and add the figures.

"If he uses an old-fashioned adding machine—and not a New Deal kind—I am sure he will arrive at the same figures I presented to the Senate yesterday and give you tonight.

Senator Butler also noted that Mr. Rockefeller (Nelson Rockefeller, Coordinator of Inter-American Affairs) had challenged his figures. Mr. Rockefeller said spending and commitments to spend in Latin-America in the last three years by "all" government agencies, including military and naval installations, "total less than $600,000.000." This figure, Mr. Rockefeller said, "as in the case of that $6,000,000,000 figure," does not include "the sums spent for goods, services and raw materials."

Senator Butler commented:

"Perhaps he did not hear Senator Kenneth McKellar, Democrat of Tennessee, who, immediately after I gave my report took up the cudgels for the Administration and declared that we have spent only $2,207,000.000 in South America. Senator McKellar differed with Mr. Rockefeller to the tune of some $2,000,000,000—not a big discrepancy from the New Deal point of view."

Senator Butler made his report after a 60-day tour of South America. Referring to Mr. Wallace's recent visit there, the Nebraskan said, "I went as a taxpayer, not as one who had had free access to an almost limitless Federal treasury for eleven years now."

"Naturally, we saw things differently, and I am sure we saw different things," he added.

As for Mr. Wallace's assertion that Senator Butler would discredit the good-neighbor policy, the Nebraskan said he went to South America believing in it and "came back sold on it completely."

"We in this country have been committed to a policy of friendship for Latin America since the days of President James G. Blaine, who initiated the Pan-American Union," he continued.

"But we can have a more valuable tie with our neighbors on a much cheaper scale, in the opinion of every sensible economist who has looked over our dream-world program of buying friends below our border."

James G. Blaine, as it was noted by the Associated Press, was the Republican candidate for President in 1884, but was defeated by Grover Cleveland. As Secretary of State in President Harrison's administration he presided over the Pan-American Congress.

Describing United States aid to Latin American countries as "naively conceived and badly coordinated boondoggling," Senator Butler in his remarks addressed to the Senate on Nov. 26 stated that the program should be changed to one of technical assistance and cultural contact and understanding. As to the report of the Senator's tour of Central and South American countries, an Associated Press account from Washington in the New York "Journal American" of Nov. 26 said:

Declaring that only three of the 20 countries he visited can "fairly be called democracies," Senator Butler said:

"All the rest are dictatorships of the most autocratic sort, and generally militaristic dictatorships at that."

The Nebraskan estimated this country has poured $6,000,000,000 into "good neighbor" countries. Instead of resultant good-will he said he found:

1. At least one country is using U. S. Lend-Lease armaments to prepare for war on its South American neighbors.

2. Many countries are openly playing us for suckers and American officials told Senator Butler U. S. cash is finding its way into local graft.

3. High wages on American projects are looting local business men of workers, causing labor unrest and forcing inflation in some countries.

4. U. S. Government money is being used to industrialize nations which intend to compete with us for post-war markets.

Senator Butler turned his report over to the Truman and Byrd committees investigating Federal spending and the war programs.

"It is clear that the New Deal program has been neither abolished nor adjourned, but merely transplanted to Latin America," he said.

The following is also from Washington Associated Press advices Nov. 26:

Senator Butler's report was met with both criticism and praise by his colleagues on Capitol Hill today.

Representative Martin of Massachusetts, minority leader, suggested that the revelations "demand an immediate correction of conditions," while the majority leader, Mr. McCormack, also of Massachusetts, warned that the American people "should view such utterings with caution."

Steel Payrolls Rise To New High Level

Payrolls of the steel industry reached a new peak of $143,769,000 in September despite the short month, according to figures released on Nov. 10 by the American Iron and Steel Institute, which reports as follows:

The record-breaking September payroll was $1,000,000 greater than the previous peak of $142,769,000 paid out in July of this year. In August, steel payrolls totaled $139,855,000. In September a year ago $124,777,000 was distributed in payrolls, indicating an increase of 15% in total steel payrolls over the past 12 months.

Continuing the trend of the past year, employment in steel plants again declined. In September, an average of 620,000 employees was at work, compared with 625,000 in August and 640,000 in September 1942. The peak employment in steel plants during the war period was in June 1942, when 659,000 were employed.

Average hourly earnings of wage-earning employees rose to a new peak of $1.16 per hour in September. The number of hours worked per week by wage earners in that month averaged 45.3, indicating an average weekly wage of approximately $52.55. That weekly wage compared with $48.85 per week in August, and with $43.20 per week in September a year ago.

During August, steel wage earners received an average of $1.133 per hour and worked an average of 43.1 hours per week. In September, 1942 the average hourly earnings was $1.086 and the average work-week was 39.8 hours.

War Used As Excuse To Soften Provisions Of Anti-Trust Laws, Thurman Arnold Charges

Thurman Arnold, Associate Justice of the United States Court of Appeals and former Assistant Attorney General, speaking before the Institute on Post-War Reconstruction at the New York University on Nov. 24, charged that the war was being used as an excuse to soften provisions of the anti-trust laws to pave the way for domination of industry after the war. Mr. Arnold also said "we are on the verge of a new industrial age, which would bring new great benefits to the nation, provided monopoly was not permitted to stifle the elements of progress." The New York "Times" of Nov. 25 also gave the following remarks of Justice Arnold:

While assailing monopoly on the right, he also attacked the planners on the left who would place concentrated industry under control of a Government bureaucracy.

Predicting a new era of industrial development, "an age of light metals and chemicals, cheaper transportation and unimagined plenty in every form of industrial production," Justice Arnold said that "this industrial revolution may promote an expanding economy of incalculable benefit to everyone not interested in obsolete investment or in pursuing a policy of high cost and low turnover."

Pointing out that this "can be our greatest hedge against inflation because inflation is a scarcity phenomenon," he warned, however, that this will be possible only "if we allow production to develop freely and competitively."

"It will be impossible if production is dominated by those interested in maintaining their control and protecting their dividends against new enterprise," he declared.

The full production of the war threatens the concentration of industrial power which created our great depression, Justice Arnold asserted, adding that "the planners both to the left and to the right are struggling with the problem of how to distribute the vast production of a new age without breaking up that concentration."

Charging these elements with being guided by a "wavering faith in American traditions and a utopian faith in Government partnership with industrial cartels," Justice Arnold stressed his opposition to plans for control of production at home and abroad, establishment of quotas and efforts to determine the business policies of all the independent units of industry and subordinate business opportunity to a managed order.

"Such ideas are the children of confusion and despair, but they will remain with us until we regain enough faith in our tradition of free enterprise to attack the special privileges which are sapping its vitality," he said. "Monopoly control is easy to destroy if the people have the vision to destroy it. Instead of a partnership between cartels and the Government I see a new age of commercial freedom.

"The ideal of a managed economic order is alien to every American. While these traditions endure we will never accept control of production and distribution by any bureaucracy, either of liberals or conservatives. These traditions are represented by the anti-trust laws, which have been forgotten from time to time, but never abandoned."

The American philosophy of the economics of opportunity for which he pleaded, Justice Arnold said, "means that invested capital values must not be allowed to protect themselves against new enterprise or new techniques, under the cloak of corporate franchises, or associations, or patent pools, or any other device.

"Established enterprise must constantly meet the challenge of new enterprise," Justice Arnold maintained. "It means that the opportunity to make a fortune, not the stabilization of fortunes already made, is the impulse that makes the profit system work."

Condemning the "obsession for security," which, he said, dominated the pre-war years, Justice Arnold asserted that, while "it is the duty of a Government to provide social security and unemployment relief, and safeguards for investment" in time of crisis, this type of thinking should not be allowed to freeze the economic life of the nation into a rigid pattern."

"Our choice today is not between different plans for our industrial economy," the Justice added. "It is not between the various isms which march before us like a parade of Chinese dragons. Our choice lies between a cartel economy, which will usher in another decade of restricted production, high prices and low turnover, and a new age of commercial freedom."

Swiss-Allies Engaged In Economic Warfare

Switzerland and the Anglo-Saxon Allies are involved in "economic warfare," it was reported on Nov. 24 in an Associated Press dispatch from Bern, Switzerland, which said that this was the real meaning of a recent series of statements by Swiss Government and industry recently to announce, explain and defend new economic measures.

The Associated Press accounts, as given in the New York "Herald Tribune" of Nov. 25, further stated:

The whole issue of the conflict as presented by the Swiss press was this:

Switzerland claims the right as a neutral to trade with whom she wishes on the basis of accords concluded with all belligerents. The Allies, on the other hand, are striving to prevent export of important supplies to Germany.

Switzerland, in other words, wants to live as if there were no war in so far as possible. The United Nations are striving to win the war by whatever economic, political or military measures are available. Switzerland's foreign policy puts her in the line of fire economically.

All this was brought into the limelight by the blacklisting of the firm of Sulzer Brothers, headed by Dr. Hans Sulzer, leader of Switzerland's Emergency Economic Administration and a former Minister to Washington.

The Swiss say Dr. Sulzer was charged with exporting Diesel motors for submarines to Germany, which is denied.

The Allies wanted Dr. Sulzer to cease exports to Germany, except in so far as they received Allied indorsement, in the belief that, whether motors were sent to Germany for submarines or not, most Sulzer exports fall within the classifications of material benefiting the enemy.

Dr. Sulzer refused and was blacklisted, meaning that his firm can do no business with Allied nations now and very probably for some time after the war.

The Swiss Government is making it a test case, contending it alone can control foreign trade in this country and that Sulzer exports do not infringe neutrality obligations. They feel the effort to obtain a pledge from Sulzer was interference with Swiss sovereignty.

The first public step in the dispute was a Swiss decree forbidding any firm to sign any declarations to foreign powers or reveal in any way what it sells to which foreign country. This was followed one day later by a statement in defense of Sulzer.

"Gazette de Lausanne," in a front-page article entitled "Switzerland and Economic War," sees the case in this light:

The belligerents, convinced of the justice of their cause, consider it a "scandal" that nations outside the war refuse to choose. Switzerland "alone must control the economic activity of the country and accept no meddling by any foreign power in this domain." Submitting industries to "foreign control" would risk overthrowing neutrality and a "serious blow" would have been directed at the "dignity and independence of Switzerland."

Lacking an official Allied presentation, this average American after nearly three years in this country sees the case thus:

Switzerland, militantly proud of her democracy, is interested in the preservation of democracy, and has a big stake in this war despite neutrality.

Switzerland is still surrounded by the Axis and her ability to export thus is subject to a measure of Axis control. The bigger part of Swiss exports go to Axis nations for this physical reason if no other.

The Allies, convinced their war is for the benefit of all democracies, seek to reduce this where possible, in the belief that this will strike a fairer balance for a neutral State that in peace time hopes again for Allied tourists and products.

The greater part of Swiss foreign trade, in peace time as now, is with Germany. The Swiss believe there will be a Germany after this war and they don't therefore want to do anything now that will endanger trade with Germany then. They don't appear to have given much serious thought to the degree of post-war control the Allied nations expect to maintain over the Axis nations.

To understand the full import of the dispute it is necessary to go back to June, 1941, when Swiss credits in America were "frozen."

This aroused resentment, but did not become a serious issue because Switzerland could use those credits then to purchase goods. But last April 15 the Allies cancelled all Swiss navicerts. Now they are granted only to 50% of what they were before April 15, but whether this will be maintained is not certain.

The result has been a sharp increase in blocked dollars held by Swiss National Bank in America. The Swiss contend this is an imposition which endangers their currency. It has led, furthermore, to a decrease in the number of dollars that the bank will accept for francs, even for financing trade.

The watch industry, which supplies a livelihood for an estimated 15 to 20% of the population and has America as the only big market, is hard hit. It must curtail exports or accept partial payment in blocked dollars. Some, especially smaller firms, declare that reducing their exports will make it impossible for them to operate; that taking blocked dollars in partial payment will put them into bankruptcy.

The industry is fighting the bank's decision, contending the American market must be maintained or risk being lost, since the United States can make watches and may do so in far larger quantities as soon as war requirements permit.

U. S. Chamber Urges Enactment Of Bill Holding Insurance Cos. Not Subject To Anti-Trust Laws

Enactment of the pending Bailey-Van Nuys bill which would declare the business of insurance companies not subject to regulations under the Federal anti-trust laws is favored by the Board of Directors of the Chamber of Commerce of the United States. This position, which is consistent with Chamber policy previously adopted in annual meeting, was taken in approving a report of the Insurance Department Committee at the Board's bi-monthly meeting at Kansas City, Mo., Nov. 19. The committee report, submitted by John Thomas, a Chamber director, said in part:

"For over 75 years the Supreme Court of the United States has repeatedly held that insurance may be regulated by the states.

"For over 90 years insurance has been regulated by the states—each acting to meet local conditions and each as it deems best for its citizens.

"State regulation began long prior to the enactment of Federal anti-trust laws, and Congressional history strongly indicates that Congress never intended such laws to apply to insurance. Congress has evidenced no desire to regulate insurance.

"In reliance upon Supreme Court decisions, state regulation has been developed. It has been accepted by the courts, the states, the insurance business and the public as the proper and the most effective means of protecting policyholders and the public interest in insurance. Because of local conditions or preferences, the details of and practices under state regulation vary with the states; however, Federal anti-trust laws are repugnant to the fundamental concept of insurance and its regulation as reflected in the general pattern of state regulation.

"Although Federal anti-trust laws have been in effect for more than 50 years, neither the Federal Department of Justice nor any other Federal department has, until 1942, sought to apply those laws to insurance."

In approving the committee report, the Board of Directors authorized the Chamber's Department of Governmental Affairs to support the pending legislation. The previous declaration of the Chamber, with which the Board's action is consistent, was as follows:

"The safety record of insurance in both normal and abnormal times is the result of sound and wise principles and methods, under regulations laid down by the states. The performance of effective state regulation has been outstanding. The present system of regulation offers a vehicle for steady improvement which makes unnecessary any form of Federal regulation. The characteristics of insurance render this essentially a problem for state rather than Federal control."

U. S. Must Lead World Into Saner Era During Post-War Period, Declares Elmer Davis

Elmer Davis, Director of the Office of War Information, asserted on Nov. 27 that the United States, in its capacity as the strongest military power and as the least distrusted nation, is obligated to lead the world into a saner era during the post-war period.

Mr. Davis made this statement in a radio talk from New York City at the Metropolitan Opera Guild's first Victory Rally of the new season's intermission series, "The Road to Lasting Peace."

In reporting Mr. Davis' remarks, the New York "Herald Tribune" of Nov. 28 said:

"The United States is not only the power whose policies arouse least distrust among other nations," Mr. Davis said, "but is also, at the moment, the strongest military power in the world, counting all the armed forces of land, sea and air."

He explained that while this was not true in the past and may not be true very far into the future, in this "perhaps brief moment of our primacy we are under a peculiar obligation to use our power to lead the world into a saner era, when justice rather than military force will rule mankind."

"Since this is a hazardous and uncertain undertaking," Mr. Davis said, "we must somehow exert our leadership in such a way that if—God forbid!—the endeavor should fail, we shall not in the effort have endangered our own security."

Mr. Davis said that the task of effecting the transition from an era of military force and power politics to one of international organization is the "highest and the hardest task that the statesmanship of the world has ever attempted."

"The first steps were taken, however, in the recent Moscow conference," he said, "and taken with caution and a sense of the realities.

"It was determined at Moscow that whatever international organization would be created would be based on the sovereign equality of all nations, both great and small. This is not merely a demand of abstract justice; it seems the best way to gain general acceptance in a world where nationalistic sentiment is still predominant."

Mr. Davis said that when the war is over the only first-class armed powers in the world will be the United States, Britain and Russia and that upon these three powers will depend the task of leading the nations through the transition period. He asserted that the Moscow conference recognized the fact that leadership in solving the problems of the peace must be taken by "the nations on whose armed forces rests the main responsibility for defeating the enemy."

"In an age when military power is dependent on industrial power, only Russia, Britain and the United States are capable of maintaining first-rate military establishments," Mr. Davis said.

Regarding the solving of the problems of the peace, Mr. Davis warned that the setting up of a world organization must not be expected to "bring about the millennium because there will be plenty of human problems left to be solved, even if we should attain lasting peace." He also urged his audience not "expect too much too soon."

Indicating that post-war planning should not be projected too far into the future, Mr Davis said that "whatever international organization may be now created, we must not freeze it into something static—we must remember always to leave open the possibility of change."

"If we can get a peace that will last for the next few decades, those who come after us—and they may be wiser than we—can take up the job of making it stick a little longer, and their grandchildren a little longer still—and so on," he continued.

Murray Sees Full Employment, High Production, New Levels Of Living As Basic Post-War Problem

(Continued from first page)

has exacted from them the fullest measure of ability in management of the nation's resources.

These have been great sacrifices in a common cause. They have resulted in great military victories. They have provided a firm industrial base for the war in the unprecedented production of goods at home. We can well feel a common pride in this.

I would emphasize here that these achievements in battle, on the farm, in the factory have been the joint work of all Americans. They have exacted universal sacrifices. They must imperatively lead to a victory that will have real meaning to all who have fought, bled, worked and died in the common cause.

The military victory will be good in itself. It will rid the world of a brutal tyranny which threatened freedom everywhere. But that alone will not be enough. Victory must be translated into freedom from want and freedom from fear for which the world so desperately longs. It is my hope and my belief that this can be done. It requires only a faith that it can be done, and the willingness to work together to do it. As President Roosevelt once said, we Americans have a rendezvous with destiny. No people was ever vouchsafed so magnificent a challenge, so great an opportunity, so heavy a responsibility.

The problems of the post war are many and complex. I do not wish to entangle myself in their complexities tonight. Nor do I intend to touch upon any of them in detail. I wish only to state two or three principles or goals which seem to me fundamental, in the hope that they may be helpful to us in our joint endeavor.

First, let me say something that will not surprise you. I deeply believe that the organized labor movement is good not only for workers but for the nation. Ours is a civilization based on liberty of contract. Liberty of contract, of course, cannot exist where equality of bargaining does not exist, for without equality of bargaining power, one party coerces the other, and makes impossible free agreement. Now most men will admit that there can be no equality of bargaining power between the individual worker and the corporation which employs him. Therefore, the recognition of collective bargaining is, as Mr. Justice Taft once said, an "elementary principle of our industrial civilization."

An elementary principle, yes. But that elementary principle for years has been denied in American practice—so much so as finally to call forth legislation to prevent its continued denial. The National Labor Relations Act was passed to give substance to this principle. By removing obstacles, it has helped workers to form unions of their own choosing, and to restore the freedom of contract which we all profess as a democratic right. It has been a good law in my opinion. It has freed millions of workers from the influence of private power which was in no way responsible to the workers over whom that power was exercised.

There is abundant evidence that men had been previously prevented from joining unions freely. The fact that since the passage of the NLRA a very great expansion of the organized labor movement has occurred proves this beyond reasonable doubt. Membership in unions has increased to three times that of 1934. The Congress of Industrial Organizations, which it is my privilege to represent, came into existence in 1935 and has won an important position in most of the basic industries of the country, including steel, auto, rubber, aluminum, shipbuilding and the manufacture of electric and radio equipment — fields in which unions had been conspicuously absent before.

This progress has been made against great odds. Resistance to workers' efforts to organize has been prolonged, in many instances bitter. It is a story I do not wish to rehearse tonight. My purpose is a different one. I would emphasize that great good has come to the nation from this growth of the labor movement. And greater good can come from it. Management and men in thousands of places have met for the first time to reason together about their joint problems. Industrial relations have been subjected to intense study. A body of industrial law has been hammered out jointly to give stability and reasonableness to the conditions under which men work. Government by consent has replaced government by one-sided action. The whole basis of the relationships between workers and employers have been strengthened by making the people who are affected part of the process by which the rules are made. Men by the hundreds of thousands have been freed from petty tyrannies and insecurities to their and the nation's great gain.

Meanwhile, in scores of instances, managements and unions have begun an experiment which may assume growing importance. They are cooperating to improve production, to promote efficiency, to raise living standards, while the workers themselves are protected from speed up and injury to their health and well-being.

I have been urged for some time that this type of cooperation be encouraged. I have suggested that it be given a suitable structure in the form of Industry Councils, representative of management and unions, to encourage maximum output, under adequate safeguards, and with equitable distribution among all concerned.

In the post-war, I most earnestly hope that responsible business leaders in America will freely accept the labor movement as an established part of our life. I hope that there will be no renewal of the ancient struggle. I hope that business will decide to go on from where we are, will welcome unions as workers' spokesmen and join with union leaders in tackling the problems we have in common. Attacks on unions to undermine them and to kill them will constitute sad wastes of our energies, and breed serious dangers for us all. We can avoid this if we will.

Threatened by the ruthless dictators of Germany, Italy and Japan, labor and management put their special interests aside and are performing miracles in the production of the tools of war. You share with me, I am sure, a feeling of satisfaction over what this cooperation has meant in the production of steel:

In 1940, 67,000,000 tons.
In 1942, 86,000,000 tons.
In 1943, 93,000,000 tons.

Steel, translated into ships, has given us the world's greatest and most powerful navy. Today, ships which formerly took 135 days to produce are produced in 83 days. Production records are being broken in other industries daily. The cooperative efforts of our free people have once more triumphed over the forced labor of the enslaved.

This willingness to work together can give us equally startling results if carried over into peacetime. Our slums can be built into homes where healthy children can play and grow. Our schools in backward and poor areas can be rebuilt and staffed with competent teachers, so that all children will receive the educational opportunity now afforded the more privileged. The good earth, our greatest natural resource, can be conserved and rehabilitated by well-formulated conservation plans. All these things and much more can be accomplished if the cooperation of war time is projected into peace.

It follows, of course, that unions must be democratic. Workers must have full freedom to express themselves, to make their union rules, to elect officers, to meet regularly, and to change officers when they desire to do so. It is labor's task to train leaders capable of adapting themselves to the responsibilities which leadership in the labor movement demands today. There must be less table pounding and more willingness to work together. Both labor and management have stressed power over instead of power with.

Workers tell me daily that management as personified in the foreman is impossible to get along with. The testimony of the workers in "Readers' Digest" indicates the need for developing men who understand personnel relations on the foreman level. Frankly, too many foremen are picked because they are good production men. But it does not follow that the abilities which make a man a good sprayer in the paint shop automatically makes him a good foreman.

As to union officers being incompetent, I have only this to say. There are hundreds of able union men, working zealously at all levels for the welfare of industry and the nation. There are more of them every day. Above all, if we move beyond the stage of resistance to the very existence of unions, union leadership will grow. Unions have had to fight for existence for decades. A militant environment produces militant leaders. Once unions are accepted as necessary parts of our industrial life, leadership develops those qualities suitable to their opportunities and their job.

I hope then that we face a postwar where the old fight against labor organizations will be laid permanently to rest. Our basic problem of raising our national income and levels of living will then enjoy the wholesome aid of workers. For when collective bargaining is freed from being a tug of war, it can develop into a mechanism to release the full brain power of management and workers on our productive processes, to the enormous good of all.

Our basic problem, I say, will be that of achieving full employment, high production, new levels of living. The decade before the war was shadowed by mass unemployment, work relief, misery and fear. To that world we must not return. It was not good enough. In the light of our sacrifices a return to such waste, idleness, and penury would be a mockery of our hopes as it would be a sinful denial of our possibilities.

For the war has demonstrated unanswerably that we can produce the material substance of a life the like of which the world has never known. We are now producing a net annual income of about $150,000,000,000. In all probability we shall increase that in 1944. We must continue to produce it when men return to peace. That is the transcendent objective of my own organization. I hope it will be the transcendent objective of yours.

We must have full employment **— real job for every able bodied American who wants to work.** How many jobs that will be depends upon factors that cannot now be accurately determined. Our labor force, including our armed services, is now around 63,000,000. After the war, many women will elect to return to their home duties. Many older people will retire. Many young people will go back to school. There may be five or six million of these, leaving a civilian labor population of say 57,000,000 after the Army and Navy have been demobilized. Allowing for ordinary frictional unemployment, we should have 55,000,000 people working steadily every working day. This is a benchmark against which our success should be measured.

I have said a "real job" for every American willing and able to work. I mean, of course, that it shall not be a "made" job, a relief job, a fake job. It should be one which will elicit the pride and satisfaction of the man and his neighbors.
tion of the man and his neighbors.

A "real job," gentlemen, means a job at an annual wage high enough to make possible home ownership, children, and enough good food and clothing to keep them well and happy. It means producing the necessities of life for everyone and as many of the luxuries as possible. The maintenance of the American home, the foundation on which our democracy rests, depends upon the opportunity of real work with decent union wages for every worker. A shortage of jobs, low pay and bad working conditions means postponed marriages, declining birth rates, and emotional insecurity. Study sometime, if you will, the correlation between the business cycle and the decline in birth rate. From 1929 to 1939, the years of depression, millions of marriages were postponed, the birth rate declined sharply, and the pattern of America's future was changed because we failed to put first things first. People are important. And children are our greatest asset.

When war ends, hours will be reduced by some amount, possibly to a national working average of less than 40 per week. But, we must avoid the concealed unemployment that hides behind short hours, and means only a sharing of misery.

With such employment, and with our immense production resources, we can easily have a national income after the war of 140 to 160 billion dollars. We can enjoy levels of living, food, shelter, clothing, education and recreation that will be the perfect answer to the question: "What exactly does victory in the war mean to me?" These levels of well-being will give all Americans freedom from want. They will evoke from Americans a loyalty to their country and its institutions beyond anything we have ever known. They will make it possible for us to help bind up the wounds of the world and assist other peoples to secure freedom from want. They will help us attain freedom from fear for all.

Can this be done? The answer is yes, if we look at our material resources, our skills and our knowledge. The answer again is yes, if we can believe economists of every political color, who, in government and out, have learned so much in the last decade about how our economy works. The lesson of their findings is that to achieve full employment we must keep all our income moving, no matter how large it becomes. We must not allow income to be idle, else it wll cause unemployment and waste, falling income and business loss. Many concrete and practical suggestions follow from this principle. We must give all legitimate encouragement to competitive enterprise. We must do our utmost to reduce monopoly, for monopoly restricts output and thwarts investment. We must examine our entire tax structure with an eye to its effect on production and employment, on investment and spending. Sales taxes, for example, must be avoided for they take purchasing power from those who spend it and depress business and employment. Progressive income taxes must be retained for the opposite reason. Corporate taxes may not now be designed to help economic activity. If so, they should be studied and made to encourage actual investment, production and employment. Social security taxes too should be set so as to balance income and benefits at full employment. The rates now are highly deflationary and will threaten in the post-war a repetition of the depression of 1937-38. Finally we must instruct our Government to sponsor public works, on a scale adequate to help free competitive enterprise in the job of realizing full employment. This may have to be large; it may be small. More likely it will need to be large at times, small at others. Finally, Government itself should be studied and improved to make flexible administration possible.

There are many other questions to be dealt with in the post-war. I have chosen however to emphasize two of them that seem to me of transcendent importance to our democratic life. And they are problems we can, I might almost say, easily master. If we support such a fiscal program as I have suggested, we can in two or three years achieve the economic progress of a generation. If at the same time, the labor unions are accepted genuinely and in good faith, and full cooperation developed between management and workers, we shall release strength for our national productive effort and tap a tremendous reservoir of goodwill throughout the nation.

Columbia University Capital Resources At $159,000,000

The estimated capital resources of Columbia University and its six affiliated institutions are $159,547,376, as compared with $159,275,680 a year ago, according to statistics made public at the University. Capital endowment, excluding value of the plant, is listed at $88,265,934, and the total value of land, buildings, and equipment at $59,683,067. The budget for the last fiscal year was $14,443,882.

The University's announcement further stated:

"The affiliated institutions, Barnard College, Teachers College, the College of Pharmacy, Bard College, the New York Post-Graduate Medical School, and the New York School of Social Work are under separate financial control but educationally a part of the University system. All degrees granted to students in these institutions are conferred by Columbia University.

"Degrees conferred in course last year numbered 3,857, bringing the total number of degrees granted by the University since 1758 to 142,162. The total number of living graduates and non-graduates including Barnard and Teachers College, is estimated at over 100,000. Registration of resident students last year for the entire University was 22,920.

"The teaching staff of the University consisted of 3,022 persons, and the non-academic staff 3,933. In the previous year the corresponding figures were 3,096 and 3,103.

"There are 71 buildings at Morningside Heights and the University Library contains 1,934,512 volumes. The University, founded in 1754, is described as co-educational except in undergraduate courses and in certain isolated courses which are not open to women. Religious control is nonsectarian. Tuition last year ranged from $400 to $553, while other expenses averaged $757 with a low of $503.

Build For Peace Now, Says Kaiser, Declaring Peak War Production Passed In Some Lines

Henry J. Kaiser, at an interview in his office on Nov. 24, said that the peak of war production in ships and some other lines had passed and that it was time right now to begin building for a peace which could bring the greatest era in our industrial history—if its full possibilities were realized. Mr. Kaiser's views were presented by Montgomery Wright in a special article which appeared in the New York "Sun" of Nov. 24. We give below in full Mr. Montgomery's article:

The veteran builder, noted for his daring in meeting and conquering changing conditions, declared that the heights which would be reached, and the Government control which would ultimately come, would depend only upon the quality of leadership in commerce, labor unions and educational institutions.

"Prospects are not clear at the moment because we have a tremendous credit problem which must be concluded before we can go forward," Mr. Kaiser said, glancing out across the skating area through the windows of his Rockefeller Center office. "It is extremely serious, because it soon must be decided whether the banks are going to take care of the credit of this nation on the basis of full employment, or whether it will go to the Government by default.

"We have already demonstrated in the war effort that we can produce almost anything in any quantity. The war has taught us how to train men and women quickly for new trades so that the labor which is displaced by the machine can be quickly adapted to new techniques. In the dread circumstances of war we have brought employment to the peak and efficiency to an all-time high."

Mr. Kaiser asserted that the possibilities for a new industrial advance, the blueprints of marvelous new products in nearly every field were in industrial laboratories, waiting to come forth.

"I don't believe in an economics of scarcity," he declared with his characteristic forcefulness. "I believe in full production, full productive employment, and I believe that the more we produce the more we will have to divide. Our task and our hope is to release out energies for creative effort.

"Competitive force is the greatest force in the world—the only force that is creative. Once Government becomes a policing unit it is very easy for that policing unit to want to expand its powers and to want to become creative. The minute it reaches the point where it is itself creative it performs that service which the people as a whole should perform."

But even here Mr. Kaiser checked the final responsibility back to the people's leaders in industry, labor unions and education.

"The only time a democratic government can succeed in retaining powers which should not belong to it," he said, "is when it finds disorder. And the only time there is disorder is when there is confusion and friction among the people.

"You can't defeat prosperity. Every one will vote for prosperity. So it's up to industry and all these various leaders to create prosperity. The amount of Government control that will result to achieve the post-war resurrection will depend entirely upon whether or not the people's leaders will become aroused to their opportunities and their responsibilities. In our complicated economic society the working man himself cannot do this personally. It is the responsibility of those who represent the people, and they will be compelled to do something about it."

Mr. Kaiser declared firmly his belief that it was within the power of the leaders of labor, commerce and education to act now to prepare for full post-war prospects, with the realization that 'our responsibility goes beyond the responsibility to just self."

"An active, progressive, expanding production is the chief source of social welfare which we so much desire," he said.

"In some working channels we have not passed the peak of war production. I don't believe we have passed the war peak in aircraft production, for example. But we have passed it in shipbuilding. We have gone beyond the supply in basic materials, except steel. We have passed the peak because we have passed the need for that much tonnage per year. At the moment we are sinking more submarines than they are sinking ships, and we are building ships at a much greater speed."

The Kaiser shipyard at Richmond, Cal., only one of his enterprises, delivered 32 Liberty ships last month. Four aircraft carriers were completed in the month by the Vancouver yards. He is happy in the belief that troubles of the Brewster Aeronautical Corp., of which he assumed active management as President when production lagged, seem to be on the way to solution.

A rugged and two-fisted business man, Mr. Kaiser turned to a reverently spoken Biblical comparison to illustrate his idea of the ordeal through which the world has gone and the bright future ahead.

"Of a truth, we have passed through Gethsemane," he said. "The crucifixion is upon us. With each passing hour thousands of young men are laying down their lives that others may live. Today whole nations mount the cross.

"We are in the business of building the instruments of destruction. In this effort miracles are a daily occurrence. Sea water is turned into a valuable metal as was the water into wine. Men are all but raised from the dead by the blood plasma which is fed into their veins. Food is processed until a basketful will feed the multitude, as did the leaves and fishes. Coal tar, a by-product of the coke used in making steel for cannon and machine guns, is transformed into the sulfa series.

"Our resurrection is at hand. Today man faces the most superb opportunity which has come to him. His world lies in ashes. It is now his to rebuild."

From Washington

(Continued from first page)

to Latin America for Butler's "insult." He purposely would not permit a larger crowd of reporters for fear he might be put through a severe interrogation. Butler, of course, said nothing insulting to the Latin Americans. Instead, he said that many thinking Latin Americans were fearful lest the economy of their countries was going to be destroyed by our loose operations.

The fact is that Henry, when he made his "triumphal" tour several months ago, caused more disturbance, at least in official circles, than any such disclosures as Butler's will cause. Henry, who had studied Spanish for the trip, took his crusade for that "common" man of his with him. His speeches were fiery, strife promoting, and the State Department almost had conniption fits.

In one country he was met by the proper State officials, as befitting his position, in the traditional manner of the country—a four-horse-drawn coach with outriders. He expressed his annoyance in no uncertain terms. Upon his departure the coach was again drawn up for him. He figuratively thumbed his nose at it and set out to walk to the airport, a distance of five miles. Aside from thus insulting the Government, the officials assigned to him had to trot along in their top hats and long tailed coats.

It was shortly after Henry returned that stories began to emanate from the Harry Hopkins clique that Henry was not to be the President's running mate in 1944. There has been a coolness between him and the White House intimates ever since and it has caused Henry to say frankly that he intends to be the President's running mate whether the President wants him or not.

Part of the coolness has been attributed to the admitted popular acclaim which Henry received in Latin America. There is also the fact that insofar as the governments go he didn't help good-neighborliness any. Nowhere is the caste feeling stronger than in Latin America. They are referred to as republics down there, but mostly there aren't anything like republics.

A few weeks after Henry's return he appeared before an off-the-record gathering of the town's leading correspondents to tell about his trip. Aside from the good time he had had the only thing was the relative merits of Chilean and United States corn. The assembled correspondents, sensing this, continued for two hours to ask him every conceivable question about corn they could think of. Subsequently they reported it was the most exhaustive lecture on corn they had ever received. Henry's a sight. Causes a lot of harm, though.

It is interesting to note the line-up behind the President in his fight for subsidies: The CIO, the Farmers' Union and the National Consumers' League, all of them Leftist and more or less New Deal agencies. The Farmers' Union has been in existence for years in a moribund state. At one time it was a vehicle of sorts for the Republicans among Southern farmers. The New Deal revived it when the farmers split with the American Farm Bureau.

We are not enough of an economist to write authoritatively about the merits of subsidies in this particular instance. But we do know the political origin of them. At the height of John L. Lewis' defiance of the Administration, Bill Green of the A. F. of L. and Phil Murray complained bitterly to the President that Lewis' aggressiveness was most popular among the workers, that he was being touted as the country's greatest labor leader. They felt that they had to cut up, show some aggressiveness, to maintain their places in the sun. The President assured them he would give them something to show their influence with the Administration. Subsidies were the result; well not subsidies exactly, because the Administration had long been using them in the matter of milk, coal, some other commodities. But to appease Green and Murray, an extension was evolved to make possible a "roll back" in prices. Funny thing now is that the A. F. of L. is not active in the subsidy fight. The CIO is very much active. To its members it is claiming the origin of the roll-back formula.

Atherton Becomes U. S. Ambassador To Canada

At a ceremony in the Government House at Ottawa on Nov. 19, Ray Atherton presented his credentials as the first United States Ambassador to Canada. Mr. Atherton had been serving as Minister to Canada since August, but the change in diplomatic status was necessitated by the recent accord between the two countries raising their legations to embassies.

Movement To Federalize Insurance Says Fraizer, Supporting State Control

New York Insurance Superintendent Opposes Interference With State Regulations

Asserting that "many of us are convinced that there must be a halt to the present movement toward Federalization if the Federal system is to be conserved and local government continued," State Insurance Director Fraizer of Nebraska has written the Senators and Representatives from Nebraska to support the pending bills declaring for the continuation of State control of the business of insurance. This is learned from Lincoln, Neb., advices to the New York "Journal of Commerce," which reports Mr. Fraizer as stating in part:

"It is submitted that State supervision has capably protected and is capably protecting the insuring public. There is no evidence supplied in other fields to indicate that Federal supervision will render better service to American policyholders.

"After several years of experience in this office, I am fully persuaded that a transfer to Federal supervision would be detrimental. Policyholders are in constant touch with this office with reference to their rights and interests, and we can give final answers. Even if there were local Federal bureaus, the local Federal bureau, with the best intentions in the world, would be required, as other local Federal bureaus are required, to refer questions to Washington. It is safe to say that, at least in this area, such procedure would be almost unanimously disliked.

"Again, with such a vast amount of Federal activity already added for more valid reasons, this field, which no one (unless it be those in Federal bureaus) is seeking to transfer, should be left to the States. If an effort were made to classify companies operating wholly within one State into a State group and companies operating in several States into a Federal group, the citizen would be deprived of the benefits of the present keen competition which inures to his benefit."

The Insurance Department of the State of New York went on record on Nov. 19 as strongly opposed to "any Federal developments" which would interfere with its own regulation of insurance. This was indicated in the "Wall Street Journal" of Nov. 20, which stated that in a letter to Senator Van Nuys, Chairman of the subcommittee of the Senate Judiciary Committee which has just reported favorably on the Bailey-Van Nuys bill to declare insurance exempt from the Federal Anti-Trust Laws, Robert E. Dineen, the recently appointed superintendent of insurance for New York State, declared:

"Our statutes give us a substantial degree of control over fire insurers, rating organizations and rates and that control serves to protect the hundreds of thousands of policyholders in this State. . . . This Department would regard as highly detrimental to (their) interest any Federal developments, either in the form of judicial decisions or Congressional action or inaction, which would make it illegal for insurers and rating organizations to follow the spirit of our statutes."

NYSE Listed Co.'s Earnings Gain 11.4%

Contrary to numerous predictions a year ago, soon after the Revenue Act of 1942 was enacted, net earnings of corporations listed on the New York Stock Exchange have tended this year to improve over last year's results, it was stated in the November issue of "The Exchange," monthly publication of the Stock Exchange. It is noted therein that the task of tabulating this year's earnings has, however, been more handicapped this year by influences growing out of taxation, renegotiations of contracts, etc. It is added:

Corporate reports, quarterly, half-yearly, etc., have been slower in reaching the public; in consequence, "The Exchange" is able at this time to record the results for the first nine months of only 385 companies, compared with 390 a year ago and 400 two years ago.

For the three quarters of 1943, the estimated net income of the 385 companies was $1,589,563,000, an increase of 11.4% over the aggregate reported by the same corporations in 1942.

The publication further states:

"The showing reveals a notable alteration of trend, for the 390 companies reported on last year disclosed a decline of 16.3% from 1941. Explanation for this divergence is displayed strongly among individual groups. The companies of the automotive category, for example, gained 24.6% over the corresponding 1942 period; in the latter period, contrasted with the same interval of 1941, a decline of 40.7% occurred. Heavily engaged in war production, the figures indicate that such listed companies as these largely expanded their deliveries this year. And the same can be said of the chemical group which, in contrast with a decline of 30.1% in net profits in 1942, showed this year an upturn of 10.4%, with a net of $162,508,000 for 42 corporations.

"In the report published a year ago, so few of the 13 amusement concerns had issued their statements at this time of the year that the scanty reports were lumped with some others among 'other companies.' This year nearly half of the group had their nine months' figures out, showing a rise of 60.09% over the corresponding period of last year.

"The railroads moved ahead again, but their income gain disclosed something of a leveling off process. Whereas the $360,653,000 improvement of net was 21.6% above the 1942 group total, a 44.2% rise occurred in 1942 over 1941. The railroad tax bill has been higher in 1943; a rise of freight rates was rescinded by the Interstate Commerce Commission, and costs have not receded. Although rail earnings have remained substantial in respect to their relationship to fixed charges, it is possible, in the opinion of statisticians, that debt retirement will not prove to have been as extensive this year as many observers expected.

"A strong reversal of trend was scored by petroleum companies."

French Africa Pays U. S. For Civilian Supplies

Representatives of the French Committee of National Liberation handed a $15,000,000 check to Leo J. Crowley, Foreign Economic Administrator, on Nov. 18. It brought their payments thus far to the United States for civilian supplies furnished to French North Africa to $56,340,000 according to United Press Washington advices, which also reported:

In addition to the cash payment, an F. E. A. official said, the French committee also has turned over to the United States about 30,000 tons of wheat and many thousands of tons of fresh fruits and vegetables under reverse lend-lease.

Govt. To Lease Cerritos Channel Oil & Gas Rights

Arrangements to protect the public's share in an estimated 17,000,000 barrels of oil and gas deposits underlying the Cerritos Channel between Los Angeles and Long Beach, Calif., were announced on Nov. 22 by Secretary of the Interior Harold L. Ickes, with the completion of plans for offering these deposits under approximately 92 acres of Government-owned lands in the channel for development under lease from the General Land Office on a royalty basis. At the present time, these oil and gas resources are being drained from the Government property at the rate of 1,000,000 barrels annually by private interests without direct recompense to the Federal treasury, it is estimated.

Mr. Ickes announcement further went on to say in part:

"With the operation of the new program, which calls for the filing of sealed bids for the leasing privileges at the Office of the Secretary of the Interior in Washington before 10 a. m., on Dec. 13, 1943, the Government will receive a 16⅔% royalty on the production from the area. Moreover, the right to develop the deposits will be granted to the highest bidder for the leasing privilege.

"The highest price ever paid in the United States for the opportunity of drilling for oil in Federal lands was reached last August, when $1,407,500 was offered as a bonus for leasing 262½ acres of land in the Elk Basin Field in Wyoming. In this transaction, the highest per-acre bonus bid was $5,800, it was reported by Commissioner Fred W. Johnson, of the General Land Office. The Cerritos Channel Supply is estimated at 185,000 barrels per acre, nearly four times the capacity of the known Elk Basin reserves.

"In accordance with the customary procedure, each bid of a bonus for leasing privileges in the Cerritos Channel must be accompanied by a certified check or cash equal to one-fifth of the bonus bid. The successful bidder also must pay the remainder of his bonus bid and file a $25,000 bond before the lease will be issued to him. The deposits of unsuccessful bidders will then be returned.

"The bonus bid and all money received as royalties under the lease for oil and gas extracted from the land will be deposited in a special fund in the Treasury pending final judgment in the litigation involving this land.

"The lessee's operations will be subject to the supervisory jurisdiction of the U. S. Geological Survey of the Department of the Interior, although the War Department will retain jurisdiction as to any surface installations affecting flood control and navigation.

"The leasing program calls for drilling to begin within 60 days after the delivery date of the lease and the drilling of 10 wells to production within 12 months, and an additional 6 wells for a total of 16 wells within 18 months from the delivery of the lease, in the Terminal and Ranger zones. Other development requirements are specified in the lease.

"Consent to the drilling of a lesser number of wells may be given by the Secretary of the Interior, who also may approve a unit plan of operation, if proposed by the lessee.

"The leasing by the Government of the Cerritos Channel oil and gas resources forms another interesting chapter in the history of commerce and the development of petroleum in the Los Angeles area. Records in the case show that the problems had their beginning in 1908, when Los Angeles sought to transform a tortuous, shallow water link with Long Beach into a full-fledged, navigable channel for ocean-borne commerce. To meet that civic ambition, land owners deeded certain tracts of land to the United States Government for the construction of a straight, deep, navigable channel. It was stipulated in the deeds that the lands should revert to the original owners if their use for channel purposes was abandoned.

"In December, 1936, the first well was brought into production in the now famous Long Beach-Wilmington Field in a region that included the Government-maintained Cerritos Channel, Subsequently, intensive private oil drilling operations threatened depletion of the oil and gas on the Government property, some estimates indicating that more than 6,000,000 barrels already had been drained from the channel.

"In January, 1943, the United States District Court for Southern California held that title to the land rested in the United States Government, and maintained that the United States had the right to extract oil from the land if there was no interference with the original plan for the maintenance of a navigation channel. Pending final action on an appeal by the original owners from this court finding, President Roosevelt subsequently issued an executive order transferring jurisdiction of the Cerritos Channel from the War Department to the Department of the Interior, insofar as the administration of the property for the production of oil and gas was concerned, and the detailed program for protection of the public interest in the petroleum supply in the Channel was formulated by the several bureaus of the Interior Department."

Dec. 8 Designated Day Of Prayer For World Peace By Pope

Pope Pius XII, designating Dec. 8 as a day for public prayers for peace throughout the world, said on Nov. 27 that "only the gospel can bring the nations together again." In a papal letter to Luigi Cardinal Maglione, Papal Secretary of State, broadcast by the Vatican radio in both English and German, the Pope said:

"While the rumbling and crashing of arms goes on and while so much hate is prevalent, the fraternal voice of charity is silent or, if about to utter a syllable, is immediately silenced."

Associated Press London advices, from which we quote, further reported:

Calling on the faithful to turn to God, the Pope said: "Even if this gigantic conflict — certainly the greatest that the whole world of history has ever witnessed—is daily raging with increasing violence and causing innumerable tragedies and ruin on both land and sea and in the air, we see with sadness that many are living forgetful of their personal duties to God.

"They ignore and sneer and violate His holy laws."

"It is true that everybody in general laments over the present tragedies, the difficult state of affairs and, in many places, the frightening economic situation. It is true that many are living in a state of fear—fear of present and future dangers.

"Not everybody who has been touched by these terrible afflictions, however, reflects that humanity brought it upon itself and that it is paying the penalty—the penalty of having drawn away from God and His laws.

"It is necessary, therefore, that all through the medium of penitence and virtuous thoughts turn again to God. . . .

"While only the Gospel can bring the nations together again—and this often forgotten—it is necessary that all of the faithful, united in their love for God, not only reawaken and renew their personal faith and virtue, and not only must they continually pray to God for pardon for their personal sins, but with spontaneous deeds of penitence they must compete between themselves in their prayers, even at the risk of oppression."

The broadcast of the papal letter, which was heard by the British Ministry of Information, made no mention by name of any nation.

The Pope stressed hopes for a "benign peace—a peace universally desired."

Continuing, he said: "We ask for peace, but let it be a peace which is not founded on fears, on force, or on hate, but on righteousness, on truth, on justice and on fraternal charity.

"Let us turn again to the Virgin Mary. We desire that all turn to the Virgin Mary on the day that is sacred to the Immaculate Virgin and that public prayers be held all over the world."

Dec. 8 is the "day of the Immaculate Conception."

NYU to Hold Conference On Pension And Profit-Sharing Trusts

Corporation executives, lawyers, bankers, accountants, insurance company officials, actuaries and representatives of the Federal Government will participate in a three-day conference on problems connected with pension and profit-sharing trusts to be held at the Washington Square Center of New York University beginning Dec. 2, it was announced Nov. 21 by Dr. Arthur T. Vanderbilt, Dean of the University's School of Law.

Explaining that reports on the pension and profit-sharing trust which business organizations have set up for their employees will soon have to be submitted to the Treasury Department and that future tax reductions allowed on the basis of these trusts will depend on whether the trusts meet government standards, Dean Vanderbilt said the conference will be concerned "with the broad problem of creating and maintaining liberal and efficient pension systems in the face of pending legislation and a rapidly changing economic picture."

The conference has been planned by the New York University School of Law and Division of General Education in cooperation with the National Association of Life Underwriters, the Association of Life Underwriters of the City of New York and the Insurance Department of the United States Chamber of Commerce.

Among those who will address the conference are Harry B. Blagden, assistant actuary, Prudential Insurance Co.; George B. Buck, consultant actuary; C. Preston Dawson of the C. P. Dawson Co.; Adrian W. DeWind, senior attorney, Office of Tax Legislative Counsel, United States Treasury Department; John W. Drye, Jr., of Rathbone, Perry, Kelley & Drye; Milton Elrod of the Indiana bar; Esmond B. Gardner, Second Vice-President of the Chase National Bank; John Gerdes of Gerdes & Montgomery; Sidney Gutkin, Federal tax consultant; R. A. Hohaus, associate actuary, Metropolitan Life Insurance Co.; J. K. Lasser, certified public accountant; James L. Madden, Vice-President, Metropolitan Life Insurance Co.; Denis Brandon Maduro of the New York bar; Chauncey A. Newlin of White & Case; Thomas N. Tarleau of Willkie, Cwen, Otis, Farr & Gallagher; and G. G. Terriberry of the Mutual Benefit Life Insurance Co. of Newark, N. J.

Prompt Settlement Of Terminated War Contracts Urged By Federal Reserve Board

If the Government and business are to meet the stupendous post-war task of converting to a peace economy, prompt and final settlement of terminated war contracts by agreement between the contractor and the original contracting agency is essential, declared the Federal Reserve Board on Nov. 16, in making public a resolution adopted by its Advisory Council and concurred in by the Board. The resolution said that such settlements should not be subject to review by any other agency except for fraud, and added:

"Any amounts that might conceivably be saved the Government through a post audit will fade into insignificance in comparison with grants for relief that will be necessitated by resulting delay, uncertainty and unemployment."

The resolution recommended legislation to provide "more adequate means of interim financing" in cases where there is "unavoidable" delay in final payment for canceled contracts and to relieve contracting officers who negotiate settlements from personal liability except for fraud.

Combined Certification For Federal State Tax On Stock Sales

The New York Stock Exchange notified member firms on Nov. 20 that both the Federal and State taxing authorities have agreed to the use of a combined certification for both Federal and State stamp taxes to be placed on memorandums of sale.

The Exchange also informed members that the Federal and State authorities have also agreed to the use of the following combined certification to be used on the back of certificates, if and when the Exchange shall decide that such certifications on the back of certificates may be used in so far as deliveries of securities are concerned:

"It is hereby certified that New York State and Federal stamp taxes applicable to the transfer of ______ shares of this certificate have been paid through

(Insert name of clearing house)

____

(Date)

____

(Facsimile sig. of member firm)"

The notice to member firms, sent out by Max Jacquin, Jr., Assistant Secretary of the Exchange, further pointed out:

Notwithstanding the use of the combined certification, it will still be necessary to pay New York State transfer taxes on Curb Exchange transactions through the Curb Clearing Corporation until such time as the State regulations are brought into conformity with the Federal regulations, when we expect it will be possible to pay all taxes through one clearing corporation.

"Attention is again directed to the fact that both the State and Federal regulations apply to pair-offs and transactions in odd-lots with respect to which payment of the required taxes must be made through Stock Clearing Corporation and adhesive stamps may not be used."

Non-Farm Foreclosures Down In Nine Months

The Federal Home Loan Bank Administration reports that non-farm real estate foreclosure activity for the first nine months of 1943 was substantially below the comparable period for 1942. The 20,228 cases estimated for January - September represent a 39% reduction from the number completed during the same period a year ago. This movement was geographically widespread, each Federal Home Loan Bank District showing more than a 30% decline in foreclosures. The diminishing volume of distress actions is a reflection of national economic improvement and increased earning power of home owners.

The announcement further stated:

"The national foreclosure rate for the third quarter of 1943 expressed on an annual basis, was 1.1 per 1,000 non-farm structures. This compares favorably with the rate of 1.8 for the corresponding period of 1942. During the current quarter foreclosure rates by districts ranged from 0.2 per 1,000 structures in Portland, Ore. District to 2.4 for the New York District.

"Non - farm foreclosures increased 9% during September when 2,077 cases were completed throughout the United States. The upward movement was not concentrated in a particular area but was noted in eight of the twelve bank districts. The index of foreclosures which now stands approximately 84% below the 1935-1939 base period, increased 5% during September.

Congressmen Endorse World Free Press

A crusade to obtain peace-table guaranties of a free press throughout the world—as proposed by Kent Cooper, Executive Director of the Associated Press—Won enthusiastic, bi-partisan indorsements on Nov. 23 from members of Congress according to Associated Press Washington accounts on Nov. 23, which also had the following to say:

"Representative Sol Bloom (Dem., N. Y.) Chairman of the House Foreign Affairs Committee, said in an interview that achievement of Mr. Cooper's aim would do as much, or more, than any other step which can be taken to guarantee a lasting peace.

"It is one of the most enlightened, intelligent, democratic suggestions made since the war began," said representative Clare Boothe Luce (Rep., Conn.) "I believe Mr. Cooper advanced a similar proposal 25 years ago at Versailles. It has taken 25 years to come around to it but, if accepted, it would be one of the best possible hedges against another war."

Representative Edith Nourse Rogers, (Rep., Mass.) one of the ranking minority members of the Foreign Affairs Committee, called Mr. Cooper's proposal "a constructive approach to one of the world's real problems," and declared that American statesmen should make every effort at the peace table to obtain free-press guaranties.

Mr. Cooper's proposal was referred in our issue of Nov. 25, page 2140.

Stop C.O.D. Postal Service From Cuban Naval Base

Postmaster Albert Goldman of New York announced on Nov. 22 that information has been received from the Post Office Department that, effective Dec. 1, C. O. D. service is discontinued to or from the United States Naval Operating Base, Guantanamo, Cuba, (including the personnel of the Navy on board United States naval vessels located in Cuban waters who receive mail through that base) and the First Marine Division, Fleet Marine Force, Guantanamo. This action, it is announced is taken at the request of the Navy Department.

Further Recovery In Steel Production Rate Buoyed By Heavy Plate And Sheet Orders

"New cutbacks in certain types of war equipment became known this week, while upon other military items pressure has increased for quick delivery, but the predominant thought in the metalworking industries over the nation is centering around the necessity for a start toward reconversion," "The Iron Age" states in its issue of today (Dec. 2), further adding in part as follows:

"Considerable readjusting of aircraft production schedules has been under way recently, with some suppliers' contracts pushed back or eliminated. With supply lines heavily filled, orders for considerable military ground equipment have been cancelled or trimmed. Industrialists are expecting further cancellations in the small arms program and perhaps another sharp slash in the Army tank program.

"Contrasting with the reductions in contracts, new secret weapons for the Army and Navy are creating a tight situation at certain tube mills, the demand for truck parts is far above supply, and renewed emphasis is noted upon construction of landing craft.

"Meanwhile, the steel industry still is piling ingots and the national production rate, plainly is being buoyed by heavy plate and sheet orders. Some authorities believe steel operations are near their peak. At the year's end, in the opinion of one Washington expert, as many as 40 to 50 open hearths may be idle.

"Relaxation of Government limitation orders, predicted last week is quite likely. If the rate of steel operations holds between 80 and 90%, the CMP plan probably will be continued very much as it exists now, but if the ingot rate drops below 80%, the CMP plan may be dropped entirely or modified drastically.

"Aside from recent cancellations resulting from cutbacks in the war program, the steel industry has noted an increase in cancellations from customers who apparently have been checking more closely their inventory position. Also, the difficulty in obtaining plates and sheets has forced cancellations of other types of steel from some manufacturers such as farm equipment makers.

"At the same time, an increase of 'conditional orders' for steel for use after the war ends is noted through the industry. Auto parts makers have been particularly aggressive in this respect. Machine tool builders also have been receiving orders for specific types of equipment to be built and delivered within a specific period after controls over materials are eased.

"Huge quantities of steel are now listed as surplus inventory at WPB regional redistribution offices over the nation. In the San Francisco territory between 75,000 and 100,000 tons are reported in sight for listing. It is estimated that probably 75,000 tons of aircraft steel may be in the idle or surplus category over the nation.

"The weakness in alloy steel scrap is more pronounced. Supplies are plentiful and substantial tonnages are going begging. Amounts being sold often are minus the customary premium price for alloy content. However, rumors that scrap allocations may be abandoned are denied strongly at WPB despite the fact that many Steel Division officials expect lower steel operations. Cast iron grades continue tight, particularly west of the Mississippi.

"The CIO steel workers union this week is perfecting its plans to obtain a wage increase from the steel industry."

The American Iron and Steel Institute on Nov. 29 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 99.5% of capacity for the week beginning Nov. 29, compared with 99.1% one week ago, 100.0% one month ago and 98.3% one year ago. The operating rate for the week beginning Nov. 29 is equivalent to 1,734,200 tons of steel ingots and castings, compared to 1,727,300 tons one week ago, 1,743,000 tons one month ago, and 1,681,600 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Nov. 29 stated in part as follows:

"Steel requirements for the next few months are greater than capacity but the margin is narrower than in recent quarters and indications point to possibility of more steel being released for domestic requirements.

"Washington estimates are to the effect that first quarter demands of claimant agencies are within 2,000,000 tons above estimated output, which is regarded not only as a leveling of ordnance requirements but also a better relationship between supply and demand under Controlled Materials Plan.

"Pressure for steel has eased in general, with demand for plates and sheets being sustained, but orders are lighter in other major lines, with overall requirements off. Consumers show increasing reluctance to order far ahead and a pronounced disposition to draw on inventories where possible, in spite of the fact they are weighing carefully the possible effect of higher raw material costs and wage demands on steel prices.

"Ingots are in freer supply but pressure for forging ingots for ship work shows no decline. A factor in the softer position of ingots is a sharp cut in export shipments, movement abroad during first quarter being negligible.

"In general plates and sheets are the only major products on which deliveries are substantially extended beyond first quarter. Plate promises run well into May and sheets even further. Most sheetmakers have nothing to offer in hot-rolled cold-rolled or galvanized before May and some can promise nothing before July or August. Ship work dominates plates and it is estimated the Maritime Commission will take about half the first quarter production, with the Navy requiring an additional 30%.

"Carbon bar deliveries show little change, most promises being for February, with small sizes available in January, though some producers can offer nothing on large rounds and flats before March.

"Faced by the possibility of pig iron allocations being dropped, some melters who have been forced to take iron at premium prices are said to be seeking to increase their future purchases from other furnaces selling at the ceiling. Applications for January iron probably will be filed as usual about Dec. 1, in absence of instructions to the contrary. With at least nine of ten new blast furnaces expected to be lighted before the end of the year supply probably will be ample for all emergency requirements and some broadening of supply for civilian needs may be possible.

"Pig iron production in October set a new high record, reflecting additional capacity in new stacks which have come into action. October output was 5,323,738 net tons, an increase of 8,108 tons over the previous high in August. To Nov. 1 this year aggregate has been 51,231,075 tons, compared with 49,665,163 tons in the corresponding period last year."

Craven Of FCC Contends Commission Exceeds Powers Granted To It By Congress

At Senate Committee Hearing Freedom Of Press Seen Violated If Radio Is Divorced From Newspaper Ownership

T. A. M. Craven, a member of the Federal Communications Commission, told the special House committee investigating the FCC on Nov. 24 that the agency was pervaded with "the doctrine of instituting social reforms through seizing powers not granted it."

Mr. Craven expressed this opinion in response to questions from Eugene L. Garey, counsel for the committee. Advices to this effect were contained in Associated Press accounts from Washington Nov. 24, which also had the following to say:

Mr. Garey asked whether he had observed any "earmarks" in the agency's policies of the "Communistic technique known as cessation of gradualism."

"That's a matter of opinion," Mr. Craven replied, but added that the Commission had "taken upon itself legislative acts and adopted policies not granted it by Congress."

Mr. Craven has frequently differed with a majority of the Commission.

"Such an attitude," Mr. Craven continued, "constitutes in a sense a trend toward cessation of gradualism which I interpret as a method by which you impose social reforms of your own choosing without consulting the chosen representatives of the people."

Mr. Craven expressed the belief that the FCC had gone beyond its powers, as defined by the Congressional act creating it, but said, nevertheless, that its present policies apparently had the sanction of the Supreme Court. A court majority, he observed, upheld FCC rulings involving broadcasting chains which, Mr. Craven said, permit the Commission, in effect, to regulate the composition of radio programs.

This decision, Mr. Craven said, "strikes at the very core of free radio in a free democratic country like ours."

But the real freedom of radio, he asserted, "is the freedom from fear of government reprisal" in the form of license controls.

Describing the Commission's present policies as "narrow, restrictive and discouraging," Mr. Craven said that what is needed are "reasonable regulations by reasonable men."

In the same advices it was stated that, testifying before the Senate Interstate Commerce Committee, Whitney N. Seymour, counsel for the newspaper-radio committee of publishers interested in radio, said the FCC would "strike directly at the freedom of the press" if it divorced all radio stations from newspaper ownership. It was likewise stated:

Mr. Seymour advocated legislation making it unlawful for the FCC to discriminate against any type of business in passing on applications for broadcasting licenses.

Other witnesses said the FCC—by putting all newspaper applications in a "suspended file"—has blocked for two years attempts of newspaper publishers to get into the radio business.

Mr. Seymour contended that any FCC order divorcing radio from newspaper ownership "would be a dangerous experiment upon and invasion of rights guaranteed by the first amendment to the Federal Constitution."

Federal Reserve Board Making Study Of Installment Buying And Charge Accounts

A survey to determine whether the restrictions on charge accounts and installment buying, should be eased or removed, is being conducted by the Federal Reserve Board, according to United Press advices from Washington on Nov. 21, which also had the following to say:

It is pointed out that since the regulations were invoked many other inflationary restraints have been applied, including increased taxes, war bond sales, price controls, rationing of consumers' goods and production curtailments.

There may be considerable opposition from retail merchants, many of whom would like to see the curbs continued. They have enabled them to tighten up on their charge accounts and curb "dead-beats."

Among those asking modifications is the American Industrial Bankers' Association with 215 members in 32 states. It adopted a resolution saying the regulation—known technically as Regulation W—had "served its purpose well." But it said the man-power situation, shortages of durable goods and other conditions resulting from the war have placed serious handicaps on industrial banking.

The North Carolina Bankers' Association asked bluntly that the curbs be removed immediately.

The Federal Reserve Board will study the issue thoroughly before acting, it was said.

The regulations were adopted in August, 1941, to offset inflationary tendencies. They require a down-payment of one-third on installment sales, with the balance to be paid in twelve months, and freeze charge accounts when bills due are not paid within a specified period.

Federal Reserve Banks have been directed to survey banks and bankers to ascertain their ideas. Meanwhile, a nation-wide association of bankers and one state bankers' association have adopted resolutions stating they believe the usefulness of the restriction has ended.

The American Bankers' Association has not gone on record, but many of its members feel the curbs have served their purpose.

Booz Concerned Over 'Climate' For Business In Post-War Period

In looking forward to post-war contraction and conversion of industry, business management envisages four primary problems, one of the most important of which is the extent to which Government will remain the partner of business in peacetime economy, Edwin G. Booz, President of the Association of Consulting Management Engineers, declared on Nov. 28.

In reporting that this was disclosed in an interview with Mr. Booz, held at the University Club in New York City, the New York "Times" of Nov. 29 further indicated his views as follows:

"Pointing out that in the development of the nation's war economy Government has "gotten into business with all of us, and for all practical purposes speaks with the authority of the senior partner," Mr. Booz asserted that business men would like to have an early expression of "the kind of a business climate they will have to operate in."

Before thorough planning can be done, Mr. Booz, who is also senior partner in Booz, Allen & Hamilton, stated that officials first must be told what is going to be done with surpluses, the manner in which materials are to be made available to manufacturers in the transition period and what products will be produced in the period after Germany's defeat. At the same time, he added, the "business climate" in great part depends upon present renegotiation policies.

"You can't run business without capital," Mr. Booz declared. "The Government is taking earnings of business away at such a rate that business is not being allowed to save capital to convert its plants back. If that trend continues as it is going now it will have serious effects on re-employment of the 11,000,000 men who are in the armed services."

The partnership of business and industry will have to be continued for some time, however, Mr. Booz indicated. In reconverting industry to a peacetime basis the War Production Board may have to ask industry to provide the Government with a list of products which it wants to manufacture, once industry has any open capacity.

"There is little doubt," he said, "that this is one of the most complex issues we face—establishment of an order in which plants will be allowed to produce their normal or new products as the materials and facilities become available. While an urgency exists to get products back into the civilian distributive set-up, some equitable method must be devised to give those plants which may remain in war production longer than others an equal chance in regaining their civilian markets.

"I believe the WPB may find it necessary to turn again to industry for information as to its open capacity, when WPB knows such is the case, and as to the number and types of products they want to manufacture. Totaling the ambitions of all plants and comparing them with available material the WPB will have to do what it did in war production, equitably allocate materials within the scope of manufacture which can be permitted. Once the great majority of industry is back on a peacetime basis all material controls should be abandoned."

Mr. Booz disclosed that the management engineers' association is currently cooperating with the Committee for Economic Development and is preparing an "outline of questions" which the CED will distribute to small business men, enabling them to study their own businesses in the light of post-war problems.

Pay On Sao Paulo 8s

City Bank Farmers Trust Co., New York, as special agent, is notifying holders of City of Sao Paulo (United States of Brazil) external 30 year 8% secured sinking fund gold bonds of 1922, due March 1, 1952, that funds have been remitted to City Bank Farmers Trust Co., who heve been instructed to apply to the payment of the coupons due Nov. 1, 1941, at the rate of 16.25% of the face amount of the coupons, amounting to $6.50 for each $40 coupon and $3.25 for each $20 coupon. The announcement points out that the coupons presented for payment, in accordance with the Presidential Decrees of the United States of Brazil, must be accompanied by a properly executed letter of transmittal wherein the couponholder agrees to accept such payment in full satisfaction and discharge of such coupons.

Moody's Bond Prices And Bond Yield Averages

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

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

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Nov. 30	119.58	110.34	118.20	115.43	110.70	98.57	102.96	113.12	115.43
29	119.65	110.52	118.40	115.82	110.88	98.57	103.13	113.31	115.82
27	119.69	110.52	118.40	115.63	115.88	98.73	102.96	113.31	115.82
26	119.72	110.52	118.40	115.63	110.88	98.73	102.96	113.31	115.82
25	STOCK EXCHANGE CLOSED.								
24	119.71	110.52	118.40	115.82	110.88	98.73	103.13	113.31	115.82
23	119.70	110.70	118.60	115.82	110.88	98.73	103.13	113.31	116.02
22	119.61	110.70	118.60	116.02	111.07	98.57	103.13	113.50	115.82
20	119.61	110.70	118.60	116.02	110.88	98.73	103.13	113.50	115.82
19	119.64	110.70	118.80	116.02	111.07	98.73	103.13	113.50	116.02
18	119.70	110.70	118.60	116.02	111.07	98.57	103.13	113.50	116.02
17	119.74	110.70	118.80	116.22	111.07	98.57	103.13	113.50	116.02
16	119.76	110.70	118.60	116.22	111.07	98.57	103.13	113.13	116.02
15	119.78	110.70	118.80	116.22	111.07	98.41	103.13	113.50	116.02
13	119.90	110.70	118.80	116.22	111.07	98.41	103.30	113.50	116.02
12	119.91	110.70	118.80	116.22	111.07	98.57	103.30	113.70	116.02
11	STOCK EXCHANGE CLOSED.								
10	119.95	110.70	118.80	116.22	111.07	98.57	103.13	113.50	116.22
9	119.92	110.70	118.80	116.22	111.07	98.41	103.13	113.50	116.02
8	119.96	110.70	118.80	116.22	111.07	98.57	103.13	113.50	116.22
6	120.02	111.07	119.00	116.61	111.25	98.73	103.30	113.70	116.61
5	119.99	111.07	119.00	116.61	111.25	98.73	103.30	113.70	116.61
4	120.02	110.88	119.00	116.61	111.07	98.73	103.30	113.70	116.61
3	120.07	111.07	119.20	116.61	111.07	99.04	103.30	113.70	116.80
2	STOCK EXCHANGE CLOSED								
1	120.21	111.07	119.20	116.61	111.25	99.04	103.47	113.70	116.80
Oct. 29	120.27	111.07	119.00	116.61	111.25	99.04	103.30	113.89	116.61
22	120.33	111.07	119.00	116.61	111.44	99.04	103.30	113.89	116.61
15	120.28	111.07	119.20	116.61	111.25	99.04	103.30	113.89	116.61
8	120.57	110.88	119.00	116.41	111.25	98.73	103.13	113.89	116.41
1	120.62	110.88	119.00	116.22	111.07	98.73	103.13	113.89	116.22
Sept. 24	120.55	111.07	119.00	116.41	111.25	98.88	103.30	113.89	116.41
17	120.55	111.07	119.20	116.61	111.07	98.73	103.13	113.70	116.61
10	120.56	111.07	119.20	116.61	111.25	98.88	103.13	113.89	116.80
3	120.30	111.25	119.20	116.80	111.62	98.73	103.30	113.89	117.00
Aug. 27	120.34	111.25	119.20	116.80	111.44	98.88	103.13	112.89	117.20
July 30	120.18	111.44	119.41	117.00	111.62	99.04	103.30	114.08	117.20
Jun 25	120.41	110.70	118.80	116.22	111.07	98.09	102.46	113.70	116.61
May 28	119.82	110.34	118.20	115.82	110.88	97.78	102.30	131.31	115.82
Apr. 30	118.36	109.79	118.00	115.43	110.34	97.00	101.31	113.12	115.63
Mar. 26	116.93	109.60	117.80	115.43	110.52	96.23	100.65	113.12	115.63
Feb 26	117.11	109.24	117.60	115.43	110.15	95.47	100.00	112.93	115.43
Jan. 29	117.04	108.70	117.60	115.04	109.79	94.56	99.04	112.56	115.43
High 1943	120.87	111.44	119.41	117.00	111.81	99.36	103.47	114.27	117.40
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
High 1942	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
1 Year ago Nov. 30, 1942	116.78	107.27	116.80	113.89	108.88	91.91	96.69	111.81	114.46
2 Years ago Nov. 29, 1941	119.77	108.16	118.60	115.63	109.60	91.77	97.31	112.37	116.02

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

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate	Corporate by Ratings Aaa	Aa	A	Baa	Corporate by Groups R. R.	P. U.	Indus.
Nov. 30	1.87	3.15	2.74	2.88	3.13	3.84	3.57	3.00	2.88
29	1.86	3.14	2.73	2.86	3.12	3.84	3.56	2.99	2.86
27	1.86	3.14	2.73	2.87	3.12	3.83	3.57	2.99	2.86
26	1.86	3.14	2.73	2.87	3.12	3.83	3.57	2.99	2.86
25	STOCK EXCHANGE CLOSED.								
24	1.86	3.14	2.73	2.86	3.12	3.83	3.56	2.99	2.86
23	1.86	3.13	2.72	2.86	3.12	3.83	3.56	2.99	2.85
22	1.87	3.13	2.72	2.85	3.11	3.84	3.56	2.98	2.86
20	1.87	3.13	2.72	2.85	3.12	3.83	3.56	2.98	2.86
19	1.87	3.13	2.71	2.85	3.11	3.83	3.56	2.98	2.85
18	1.86	3.13	2.72	2.85	3.11	3.84	3.56	2.98	2.85
17	1.86	3.13	2.71	2.84	3.11	3.84	3.56	2.98	2.85
16	1.86	3.13	2.72	2.84	3.11	3.84	3.56	2.98	2.85
15	1.85	3.13	2.71	2.84	3.11	3.85	3.56	2.98	2.85
13	1.84	3.13	2.71	2.84	3.11	3.85	3.55	2.98	2.85
12	1.84	3.13	2.71	2.84	3.11	3.84	3.55	2.97	2.85
11	STOCK EXCHANGE CLOSED.								
10	1.84	3.13	2.71	2.84	3.11	3.84	3.56	2.98	2.84
9	1.84	3.13	2.71	2.84	3.11	3.85	3.56	2.98	2.85
8	1.84	3.13	2.71	2.84	3.11	3.84	3.56	2.98	2.84
6	1.84	3.11	2.70	2.82	3.10	3.83	3.55	2.97	2.82
5	1.84	3.11	2.70	2.82	3.10	3.83	3.55	2.97	2.82
4	1.84	3.12	2.70	2.82	3.11	3.83	3.55	2.97	2.82
3	1.83	3.11	2.69	2.82	3.11	3.81	3.55	2.97	2.81
2	STOCK EXCHANGE CLOSED								
1	1.82	3.11	2.69	2.82	3.10	3.81	3.54	2.97	2.81
Oct. 29	1.82	3.11	2.70	2.82	3.10	381	3.56	2.96	2.82
22	1.81	3.11	2.70	2.82	3.09	3.81	3.55	2.96	2.82
15	1.82	3.11	2.69	2.82	3.10	3.81	3.55	2.96	2.82
8	1.80	3.12	2.70	2.83	3.10	3.83	3.56	2.96	2.83
1	1.80	3.12	2.70	2.84	3.11	3.83	3.56	2.96	2.84
Sept. 24	1.80	3.11	2.70	2.83	3.10	3.82	3.55	2.96	2.83
17	1.80	3.11	2.69	2.82	3.11	3.83	3.56	2.97	2.82
10	1.81	3.11	2.69	2.82	3.10	3.82	3.56	2.96	2.81
3	1.83	3.10	2.69	2.81	3.08	3.83	3.55	2.96	2.80
Aug. 27	1.83	3.10	2.69	2.81	3.09	3.82	3.56	2.96	2.79
July 30	1.84	3.09	2.68	2.80	3.08	3.81	3.55	2.95	2.79
Jun 25	1.82	3.13	2.71	2.84	3.11	3.87	3.60	2.97	2.82
May 28	1.88	3.15	2.74	2.86	3.12	3.89	3.61	2.99	2.86
Apr. 30	1.98	3.18	2.75	2.88	3.15	3.94	3.67	3.00	2.87
Mar. 26	2.08	3.19	2.76	2.88	3.14	3.99	3.71	3.00	2.87
Feb 26	2.06	3.21	2.77	2.88	3.16	4.04	3.75	3.01	2.88
Jan. 29	2.06	3.24	2.77	2.90	3.18	4.10	3.81	3.03	2.88
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	1.79	3.09	2.68	2.80	3.07	3.79	3.54	2.94	2.78
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	1.93	3.30	2.79	2.94	3.23	4.23	3.91	3.05	2.92
1 Year ago Nov. 30, 1942	2.09	3.32	2.81	2.96	3.23	4.28	3.96	3.07	2.93
2 Years ago Nov. 29, 1941	1.86	3.27	2.72	2.87	3.19	4.29	3.92	3.04	2.85

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

†The latest complete list of bonds used in computing these indexes was published in the issue of Jan. 14, 1943, page 202.

Oct. Department Store Sales In New York Federal Reserve District 1% Above Year Ago

The Federal Reserve Bank of New York announced on Nov. 17 that October sales of department stores in the Second (New York) Federal Reserve District increased 1% over a year ago. The combined sales for January through October are 6% higher than in the same period last year. Stocks of merchandise on hand in department stores at the end of October were 17% below October, 1942.

The apparel stores in the New York Reserve District reported a gain of 15% in net sales in October. Their stocks on hand at the close of the month were 4% above last year.

The following is the bank's tabulation:

DEPARTMENT STORE TRADE BY MAJOR LOCALITIES OCTOBER, 1943
Second Federal Reserve District

Department Stores—	Percentage changes from a year earlier: Net Sales Oct.	Net Sales Jan. thru Oct.	Stock on hand, Oct. 31, 1943
New York City	+ 2	+ 7	—20
Northern New York State	— 4	— 2	—21
*Newark	— 4	— 1	—24
Westchester and Fairfield Counties	—10	— 3	—15
Bridgeport	—14	— 6	—18
Lower Hudson River Valley	+ 3	+ 5	0
Poughkeepsie	+ 4	+ 7	—
Upper Hudson River Valley	— 9	— 2	— 1
Albany	— 9	— 5	—
Schenectady	— 8	+ 3	+ 2
Central New York State	+ 8	+11	— 8
Mohawk River Valley	+ 3	+11	—17
Utica	+10	+12	—
Syracuse	+10	+10	— 2
Northern New York State	— 7	+ 2	—
Southern New York State	+ 1	+10	+ 2
Binghamton	+ 6	+15	—
Elmira	— 6	— 3	—
*Western New York State	— 1	+ 9	— 7
Buffalo	— 2	+10	— 2
*Niagara Falls	+12	+28	— 3
*Rochester	+ 2	+ 6	—14
*All department stores	+ 1	+ 6	—17
*Apparel stores	+15	+20	+ 4

*Subject to revision, 26 shopping days, 1943; 27 shopping days, 1942.

INDEXES OF DEPARTMENT STORE SALES AND STOCKS
Second Federal Reserve District
[1923-25 average = 100]

	1942 Oct.	1943 Aug.	1943 Sep.	1943 Oct.
Sales (average daily), unadjusted	130	95	127	137
Sales (average daily), seasonally adjusted	115	126	118	121
Stocks, unadjusted	*160	123	128	131
Stocks, seasonally adjusted	*148	127	123	119

*Revised.

Electric Output For Week Ended Nov. 27, 1943, Shows 16.9% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Nov. 27, 1943, was approximately 4,403,342,000 kwh., compared with 3,766,381,000 kwh. in the corresponding week last year, an increase of 16.9%. The output of the week ended Nov. 20, 1943, was 18.9% in excess of the similar period of 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended— Nov. 27	Nov. 20	Nov. 13	Nov. 6
New England	5.3	7.7	8.3	8.2
Middle Atlantic	18.1	20.5	19.0	18.1
Central Industrial	11.5	14.1	15.1	12.7
West Central	7.2	7.9	10.5	8.7
Southern States	18.5	19.9	20.3	20.4
Rocky Mountain	15.9	15.5	14.8	15.5
Pacific Coast	34.6	36.9	33.3	29.7
Total United States	16.9	18.9	18.7	17.3

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1943	1942	% Change 1943 over 1942	1941	1932	1929
Aug 7	4,240,638	3,637,070	+16.6	3,233,242	1,415,122	1,729,667
Aug 14	4,287,827	3,654,795	+17.3	3,238,160	1,431,910	1,733,110
Aug 21	4,264,825	3,673,717	+16.1	3,230,750	1,436,440	1,750,056
Aug 28	4,322,195	3,639,961	+18.7	3,261,149	1,464,700	1,761,594
Sep 4	4,350,511	3,672,921	+18.4	3,132,954	1,423,977	1,674,588
Sep 11	4,229,262	3,583,408	+18.0	3,322,346	1,476,442	1,806,259
Sep. 18	4,358,512	3,756,922	+16.0	3,273,375	1,490,863	1,792,131
Sep. 25	4,359,610	3,720,254	+17.2	3,273,376	1,499,459	1,777,854
Oct. 2	4,359,003	3,682,794	+18.4	3,330,582	1,506,219	1,819,276
Oct. 9	4,341,754	3,702,299	+17.3	3,355,440	1,507,503	1,806,403
Oct. 16	4,382,268	3,717,360	+17.9	3,313,596	1,528,145	1,798,633
Oct. 23	4,415,405	3,752,571	+17.7	3,340,768	1,533,028	1,824,160
Oct. 30	4,452,592	3,774,891	+18.0	3,380,488	1,525,410	1,815,749
Nov. 6	4,413,863	3,761,961	+17.3	3,368,690	1,520,730	1,798,164
Nov. 13	4,482,665	3,775,878	+18.7	3,347,893	1,531,584	1,793,584
Nov. 20	4,513,299	3,795,361	+18.9	3,247,938	1,475,268	1,818,169
Nov. 27	4,403,342	3,766,381	+16.9	3,339,364	1,510,337	1,718,002

Morgenthau Warns Advertisers They Face Biggest Selling Job In History

In Discussing Tour Of Battle Fronts, Says German Prisoners Count On Next Fuehrer To Win Next War

That advertisers are facing "the biggest selling job in history, with practically no precedent to go on," was the message conveyed to the Association of National Advertisers by Secretary of the Treasury Morgenthau in addressing the Association at a dinner meeting in New York City at the Hotel Commodore on Nov. 18, and he warned that "there is a good chance that letting down now can needlessly prolong the war for weeks and months." Thus reporting Mr. Morgenthau's remarks, the New York "Times" further indicated him as saying:

"Your job is barely begun. And the job is going to get more difficult every week, and every month, that the war wears on. Because we are going to get tired. Everybody is going to get tired. We are going to want peace and relief from the restrictions that war puts on what we do, and what we eat, and what we have.

"Unconditional surrender is a large order, and there may be a temptation to settle for less as the possibility of peace approaches. I hope you will remember that. I hope you will put your minds to doing something about it, and thus continue the patriotic record that some of you started back in those early days of defense."

Secretary Morgenthau in his address before the gathering, at which were present some 800 national advertisers, brought in a reference to what he had gleaned from his recent tour of the Mediterranean battle fronts (a reference to which appeared in our issue of Nov. 11, page 1931), and as to his talks with German prisoners on his trip to the fighting front in Italy, the Secretary said that they still believe strongly in Adolf Hitler and blame the failure of the Russian campaign on the German generals. From the "Times" we also quote:

"Then if you peruse the subject of their present leader, they may admit that he is not perfection—he will have to do until they can find another," Mr. Morgenthau continued. "And get this, gentlemen—they say their next Fuehrer will win the next great war. So here they are—these defeated prisoners—already planning another assault on civilization."

The "Times" further reported on the prospect of an early end of the war in Europe, Mr. Morgenthau said:

"No one in Washington can give me any concrete evidence that Germany is tottering on the brink of capitulation—and I have sought out practically every one who would have any reason to know. And I can tell you that on the Italian front the Nazi troops are not near cracking.

"It is always possible, of course, that the people on the Nazi home front will be unable to take the bad news from Russia, or the terrible destruction our bombs are raining upon them.

"But if the Nazi home front should crack that would be a windfall. In the meantime, we are only playing Hitler's game when we see peace just around the corner."

* * *

After reviewing his observations on his recent trip abroad and giving his opinion of the task ahead, he added:

"I do not want to underestimate however, the effects that the terrible defeats in Russia, or the destruction of Germany must have in the Nazi home front. That destruction must be fantastic. In Italy I saw what bombs can do. I saw the port of Naples lying in a mass of ruins. I saw the port of Palermo in Sicily battered so badly that one sizable ship lay high and dry on a wharf, blown completely out of the water. But General Patton assured me that Palermo was only 3 or 4% destroyed, Hamburg has been 70% destroyed, the Germans themselves admit, and several other Nazi cities have received even more destruction.

"Yet, it is conceivable that the Germans can't take it. It is possible that the same thing will happen that happened the last time. We may be awakened some morning by whistles and bells and paper boys selling extras.

"But it is also possible that we can waste a great deal of precious time thinking about that morning, and we can divert a great deal of our precious energy into making ready for it, and then find that it shows no sign of coming. And in the meantime, good American young men are losing their lives trying to end the war the hard way, because they have no choice except to do it that way, or not at all."

Reserves Decision

Decision on the petition of Charles Hughes & Co., Inc., New York, for a review of the Securities and Exchange Commission order revoking its broker-dealer registration, was reserved by the United States Court of Appeals.

The Commission, after a hearing, had found that the Hughes firm had wilfully violated the fraud provisions of the Securities Exchange Act of 1934, the Securities Act of 1933 and the SEC regulations, through the sales of unlisted securities at prices substantially in excess of prevailing over-the-counter market prices.

Moody's Daily Commodity Index

Tuesday, Nov. 23	244.7
Wednesday, Nov. 24	244.2
Thursday, Nov. 25	*
Friday, Nov. 26	243.6
Saturday, Nov. 27	244.2
Monday, Nov. 29	243.7
Tuesday, Nov. 30	244.4
Two weeks ago, Nov. 16	244.0
Month ago, Oct. 30	246.6
Year ago, Nov. 30	230.4
1942 High, Dec. 22	239.9
Low, Jan. 2	220.0
1943 High, April 1	249.8
Low, Jan. 2	240.2

*Holiday.

Trading On New York Exchanges

The Securities and Exchange Commission made public on Nov. 29 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Nov. 13, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Nov. 13 (in round-lot transactions) totaled 2,020,496 shares, which amount was 15.74% of the total transactions on the Exchange of 6,416,760 shares. This compares with member trading during the week ended Nov. 6 of 1,318,157 shares, or 15.09% of total trading of 4,366,820 shares. On the New York Curb Exchange, member trading during the week ended Nov. 13 amounted to 415,565 shares, or 15.32% of the total volume on that exchange of 1,355,955 shares; during the Nov. 6 week trading for the account of Curb members of 258,025 shares was 13.77% of total trading of 936,480 shares.

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

WEEK ENDED NOV. 13, 1943

	Total for week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	175,090	
‡Other sales	6,241,670	
Total sales	6,416,760	
B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	563,090	
Short sales	76,910	
‡Other sales	526,070	
Total sales	602,980	9.08
2. Other transactions initiated on the floor—		
Total purchases	247,200	
Short sales	28,800	
‡Other sales	274,670	
Total sales	303,470	4.29
3. Other transactions initiated off the floor—		
Total purchases	147,050	
Short sales	7,900	
‡Other sales	148,806	
Total sales	156,706	2.37
4. Total—		
Total purchases	957,340	
Short sales	113,610	
‡Other sales	949,546	
Total sales	1,063,156	15.74

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

WEEK ENDED NOV. 13, 1943

	Total for week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	9,305	
‡Other sales	1,346,650	
Total sales	1,355,955	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	128,350	
Short sales	6,500	
‡Other sales	121,520	
Total sales	128,020	9.45
2. Other transactions initiated on the floor—		
Total purchases	32,020	
Short sales	1,300	
‡Other sales	45,050	
Total sales	46,350	2.89
3. Other transactions initiated off the floor—		
Total purchases	47,905	
Short sales	300	
‡Other sales	32,620	
Total sales	32,920	2.98
4. Total—		
Total purchases	208,275	
Short sales	8,100	
‡Other sales	199,190	
Total sales	207,290	15.32
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	25	
§Customers' other sales	39,424	
Total purchases	39,449	
Total sales	39,695	

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

†In calculating these percentages the total of members' purchases and sales is compared with twice the total round-lot volume on the Exchange for the reason that the Exchange volume includes only sales.

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

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

October Retail Prices Continue Unchanged, According To Fairchild Publications Index

For the second consecutive month the Fairchild Publications Retail Price Index is unchanged, remaining at 113.1 (Jan. 2=100). The index is the same as on Nov. 1, 1942. Starting with July 1, 1942 the index remained constant for eight consecutive months due to the effect of the General Maximum Price Regulation. The index is 63.0% above the May, 1933, low, and 27.2% above the 1939 pre-war period. Under date of Nov. 16, the Fairchild announcement further said:

"The five major groups comprising the index remained unchanged during October. This is the first time since July that not one has shown any movement. However, women's apparel and infants' wear were 0.4% and 0.1% respectively above the previous year, with the other groups remaining unchanged. Compared with the period immediately preceding the outbreak of the European war, piece goods advanced the most, 33.6%, and infants' wear the least, 12.7%.

"Furs were the only individual commodity to record any change during the month, having advanced 0.1%. The fur index has been increasing steadily since April 1, 1943. It is now 6.0% above Nov. 1, 1942. Only one commodity decreased since 1942; women's hose showing a decline of 5.2%. Men's hose, shirts and neckwear and clothing, infants' socks, and underwear, and floor coverings have all increased just 0.1% over Nov. 1, 1942. Furs still show the largest advance over the 1939 pre-war period and women's shoes the smallest.

"The index continues to fluctuate slightly and the indications are that it will remain comparatively stable in the near future, according to A. W. Zelomek, economist under whose supervision the index is compiled. Any further fluctuations will continue to be minor."

THE FAIRCHILD PUBLICATIONS RETAIL PRICE INDEX

JAN. 3, 1931=100

Copyright 1943 Fairchild News Service

	May 1, 1933	Nov. 1, 1942	Aug. 1, 1943	Sep. 1, 1943	Oct. 1, 1943	Nov. 1, 1943
Composite Index	69.4	113.1	113.0	113.1	113.1	113.1
Piece Goods	65.1	112.2	112.2	112.2	112.2	112.2
Men's Apparel	70.7	105.3	105.3	105.3	105.3	105.3
Women's Apparel	71.8	112.6	112.7	113.0	113.1	113.1
Infants' Wear	76.4	108.0	108.1	108.1	108.1	108.1
Home Furnishings	70.2	115.5	115.5	115.5	115.5	115.5
Piece Goods						
Silks	57.4	84.7	84.7	84.7	84.7	84.7
Woolens	69.2	108.0	108.0	108.0	108.0	108.0
Cotton Wash Goods	68.6	143.8	143.8	143.8	143.8	143.8
Domestics						
Sheets	65.0	126.8	126.8	126.8	126.8	126.8
Blankets & Comfortables	72.9	135.0	135.0	135.0	135.0	135.0
Women's Apparel						
Hosiery	59.2	94.1	89.3	89.2	89.2	89.2
Aprons & House Dresses	75.5	140.5	140.5	140.5	140.5	140.5
Corsets & Brassieres	83.6	111.2	111.2	111.2	111.2	111.2
Furs	66.8	134.6	140.0	141.7	142.6	142.7
Underwear	69.2	102.7	102.7	102.7	102.7	102.7
Shoes	76.5	92.4	92.4	92.4	92.4	92.4
Men's Apparel						
Hosiery	64.9	108.0	108.1	108.1	108.1	108.1
Underwear	69.6	114.8	114.8	114.8	114.8	114.8
Shirts & Neckwear	74.3	99.0	99.1	99.1	99.1	99.1
Hats & Caps	69.7	94.3	94.3	94.3	94.3	94.3
Clothing incl. Overalls	70.1	105.9	106.0	106.0	106.0	106.0
Shoes	76.3	109.6	109.6	109.6	109.6	109.6
Infant's Wear						
Socks	74.0	114.5	114.6	114.6	114.6	114.6
Underwear	74.3	103.6	103.7	103.7	103.7	103.7
Shoes	80.9	106.0	106.0	106.0	106.0	106.0
Furniture	69.4	129.2	129.2	129.2	129.2	129.2
Floor Coverings	79.9	146.8	146.9	146.9	146.9	146.9
Radios	50.6	66.8	66.8	66.8	66.8	66.8
Luggage	60.1	94.7	95.7	95.7	95.7	95.7
Electrical Household Appliances	72.5	93.5	93.5	93.5	93.5	93.5
China	81.5	110.6	110.6	110.6	110.6	110.6

NOTE—Composite Index is a weighted aggregate. Major group indexes are arithmetic average of subgroups.

Bankers' Dollar Acceptances Outstanding On Oct. 30 Decline To $114,883,000

The volume of bankers' dollar acceptances outstanding on Oct. 30 amounted to $114,883,000, a decrease of $2,133,000 from the Sept. 30 total, according to the monthly acceptance survey issued Nov. 12 by the Federal Reserve Bank of New York. As compared with a year ago, the Oct. 30 total represents a decline of $3,698,000.

In the month-to-month comparison, only credits for exports and domestic shipments were higher, while in the year-to-year analysis only credits for imports and exports were above Oct. 31, 1942.

The Reserve Bank's report follows:

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

Federal Reserve District—	Oct. 30, '43	Sept. 30, '43	Oct. 31, '42
1 Boston	$20,114,000	$19,338,000	$19,885,000
2 New York	65,254,000	68,719,000	71,430,000
3 Philadelphia	5,208,000	5,398,000	7,233,000
4 Cleveland	2,019,000	1,780,000	2,853,000
5 Richmond	2,014,000	1,934,000	1,413,000
6 Atlanta	3,345,000	2,848,000	1,264,000
7 Chicago	5,982,000	6,542,000	4,864,000
8 St. Louis	837,000	760,000	261,000
9 Minneapolis	174,000	281,000	67,000
10 Kansas City	------	------	------
11 Dallas	443,000	201,000	143,000
12 San Francisco	9,493,000	9,215,000	9,168,000
Grand Total	$114,883,000	$117,016,000	$118,581,000

Decrease for month________$2,133,000 Decrease for year________$3,698,000

ACCORDING TO NATURE OF CREDIT

	Oct. 30, '43	Sept. 30, '43	Oct. 31, '42
Imports	$66,871,000	$68,868,000	$60,266,000
Exports	9,290,000	7,336,000	5,903,000
Domestic shipments	7,593,000	6,922,000	12,553,000
Domestic warehouse credits	21,350,000	23,103,000	27,737,000
Dollar exchange	173,000	188,000	263,000
Based on goods stored in or shipped between foreign countries	9,606,000	10,599,000	11,859,000

BILLS HELD BY ACCEPTING BANKS

Own bills____$48,335,000 Bills of others____$39,200,000 Total____$87,535,000

Increase for month____$4,034,000

CURRENT MARKET RATES ON PRIME BANKERS ACCEPTANCES NOV. 12, 1943

Days	Dealers' Buying Rates	Dealers' Selling Rates
30	½	7/16
60	½	7/16
90	½	7/16
120	9/16	½
150	⅝	9/16
180	⅝	9/16

The following table, compiled by us, furnishes a record of the volume of bankers' acceptances outstanding at the close of each month since Nov. 30, 1940:

1940—	$	1941—	$	1942—	$
Nov. 30	196,683,000	Nov. 29	193,590,000	Nov. 30	116,067,000
Dec. 31	208,659,000	Dec. 31	194,220,000	Dec. 31	118,039,000
1941—		1942—		1943—	
Jan. 31	212,777,000	Jan. 31	197,278,000	Jan. 30	119,682,000
Feb. 28	211,865,000	Feb. 28	190,010,000	Feb. 27	127,062,000
Mar. 31	217,312,000	Mar. 31	182,675,000	Mar. 31	129,818,000
Apr. 30	219,561,000	Apr. 30	177,293,000	Apr. 30	128,350,000
May 31	215,005,000	May 29	173,906,000	May 29	135,815,000
June 30	212,932,000	June 30	162,849,000	June 30	139,846,000
July 31	209,899,000	July 31	156,302,000	July 31	138,692,000
Aug. 30	197,472,000	Aug. 31	139,304,000	Aug. 31	130,244,000
Sept. 30	176,801,000	Sept. 30	123,494,000	Sept. 30	117,016,000
Oct. 31	184,806,000	Oct. 31	118,581,000	Oct. 30	114,883,000

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Nov. 29 a summary for the week ended Nov. 20 of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE N. Y. STOCK EXCHANGE

Week Ended Nov. 20, 1943

	Total for Week
Odd-Lot Sales by Dealers: (Customers' purchases)	
Number of orders	19,464
Number of shares	489,748
Dollar value	19,969,485
Odd-Lot Purchases by Dealers— (Customers' Sales)	
Number of Orders:	
Customers' short sales	388
*Customers' other sales	15,936
Customers' total sales	16,324
Number of Shares:	
Customers' short sales	11,626
*Customers' other sales	423,370
Customers' total sales	434,996
Dollar value	16,008,832
Round-lot Sales by Dealers— Number of Shares:	
Short sales	30
†Other sales	90,810
Total sales	90,840
Round-Lot Purchases by Dealers—	
Number of shares	164,630

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

Treasury Refunds Ctfs.

Secretary of the Treasury Morgenthau announced on Nov. 22 an offering, through the Federal Reserve Banks, of ⅞% Treasury Certificates of Indebtedness of Series G-1944, open on an exchange basis, par for par, to holders of Treasury Certificates of Indebtedness of Series E-1943, maturing Dec. 1, 1943. Cash subscriptions will not be received. The subscription books closed yesterday (Nov. 24).

The Treasury statement further stated:

"The certificates now offered will be dated Dec. 1, 1943, and will bear interest from that date at the rate of ⅞% per annum, payable semi-annually on June 1 and Dec. 1, 1944. They will mature Dec. 1, 1944. They will be issued in bearer form only, with two interest coupons attached, in denominations of $1,000, $5,000, $10,000, $100,000 and $1,000,000.

"Pursuant to the provisions of the Public Debt Act of 1941, interest upon the certificates now offered shall not have any exemption, as such, under Federal tax acts now or hereafter enacted.

"Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington, and should be accompanied by a like face amount of the maturing certificates. Subject to the usual reservations, all subscriptions will be allotted in full.

"There are now outstanding $3,799,736,000 of the Series E-1943 certificates."

Healey To Head OWI Div.

George W. Healy Jr., Managing Editor of the New Orleans "Times-Picayune", has been selected to succeed Palmer Hoyt as Director of Domestic Operations of the Office of War Information and is scheduled to assume the post soon after Jan. 1. Mr. Hoyt, who has served as domestic head of the OWI since June, has announced his intention of returning to his position as publisher of the Portland "Oregonian".

Mr. Healy is Chairman of the Associated Press Managing Editors Association.

Weekly Coal And Coke Production Statistics

The Solid Fuels Administration for War, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended Nov. 20, 1943, the second week of the Government's wage contract with the coal miners, was 12,700,000 net tons, a figure exceeded but once in the current year. This compares wih 11,270,000 tons produced in the preceding week and 11,721,000 tons in the corresponding week of last year. Production for the current year to date was 0.2% below that for the same period in 1942.

The U. S. Bureau of Mines estimated that the total output of Pensylvania anthracite for the week ended Nov. 20, 1943 was 1,207,000 tons, an increase of 123,000 tons (11.3%) over the preceding week. When compared with the production in the corresponding week of 1942 there was an increase of 42,000 tons, or 3.6%. The calendar year to date shows a decrease of 1.1% when compared with the same period of 1942.

The Bureau of Mines also reported that the estimated output of by-product coke in the United States for the week ended Nov. 20, 1943, showed an increase of 58,300 tons when compared with the production for the week ended Nov. 13, 1943. The quantity of coke from beehive ovens increased 24,700 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL
(In Net Tons—000 Omitted.)

Bituminous coal and lignite—	Week Ended Nov. 20, 1943	Nov. 13, 1943	Nov. 21, 1942	January 1 to Date *Nov. 20, 1943	Nov. 21, 1942	Nov. 20, 1937
Total, incl. mine fuel	12,700	11,270	11,721	516,570	517,484	397,625
Daily average	2,117	†1,910	1,954	1,874	1,894	1,457

*Subject to current adjustment. †Average based on 5.9. Armistice Day, Nov. 11, weighted as 0.9 of a normal working day.

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

	Week Ended §Nov. 20, 1943	¶Nov. 13, 1943	Nov. 21, 1942	Cal. Year to Date Nov. 20, 1943	Nov. 21, 1942	Nov. 23, 1929
Penn. anthracite—						
*Total incl. coll. fuel	1,207,000	1,084,000	1,165,000	53,676,000	54,300,000	65,063,000
†Commercial production	1,159,000	1,041,000	1,118,000	51,528,000	52,128,000	60,378,000
By-product coke—						
United States total	1,231,900	1,173,600	1,213,800	56,274,200	55,350,600	‡
Beehive coke—						
United States total	170,500	145,800	170,400	7,050,700	7,408,200	6,011,700

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

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES
(In Thousands of Net Tons)
(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

State—	Week Ended Nov. 13, 1943	Nov. 6, 1943	Nov. 14, 1942	Nov. 15, 1941	Nov. 13, 1937	Nov. average ¶1923
Alabama	349	70	333	310	240	409
Alaska	5	5	6	6	2	**
Arkansas and Oklahoma	55	40	90	96	72	100
Colorado	145	43	174	164	152	236
Georgia and North Carolina	1	1	1	1	††	**
Illinois	1,440	348	1,227	1,164	1,107	1,571
Indiana	470	102	524	512	372	536
Iowa	41	22	67	75	76	128
Kansas and Missouri	[illegible]	138	172	162	138	175
Kentucky—Eastern	925	112	976	940	860	724
Kentucky—Western	319	165	309	261	188	218
Maryland	32	3	32	39	33	35
Michigan	2	3	7	7	12	26
Montana (bituminous and lignite)	113	95	94	90	70	83
New Mexico	30	11	32	27	29	62
North and South Dakota (lignite)	73	70	106	103	62	**35
Ohio	628	195	672	705	538	764
Pennsylvania (bituminous)	2,410	744	2,556	2,869	2,017	2,993
Tennessee	132	17	148	155	125	117
Texas (bituminous and lignite)	5	5	7	8	17	29
Utah	122	46	118	83	81	112
Virginia	390	72	398	432	280	217
Washington	25	26	37	42	38	72
*West Virginia—Southern	2,193	339	2,260	2,375	1,824	1,271
†West Virginia—Northern	997	256	909	887	572	776
Wyoming	159	66	197	152	127	184
‡Other Western States	1	1	1	1	††	**5
Total bituminous and lignite	11,270	2,995	11,453	11,666	9,032	10,878
§Pennsylvania anthracite	1,084	146	1,181	1,105	1,002	1,896
Total all coal	12,354	3,141	12,634	12,771	10,034	12,774

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

Wholesale Commodity Index Declines 0.2% During Week Ended Nov. 23, Says Labor Dept.

The U. S. Department of Labor, announced on Nov. 25 that commodity prices in primary markets dropped 0.2% during the week ended Nov. 20 to the lowest level since February. Continued declines in agricultural products, particularly livestock, poultry, and eggs, largely accounted for the decrease. At 102.6% of the 1926 average, the Bureau of Labor Statistics' all-commodity index is 0.3% lower than at this time last month and 2½% higher than for the corresponding week of last year.

The Department's announcement further stated:

"Farm Products and Foods—Led by a decline of 3.3% for livestock and poultry, average prices for farm products fell 0.7% during the week to the lowest point in nearly 9 monhts. Lower prices were reported for cattle, hogs, sheep, and live poultry in the Chicago market. In addition, eggs declined nearly 2% and prices were also lower for onions. Grains advanced 0.7% with higher prices reported for oats, rye and wheat. Cotton and wool prices also went up and potatoes in most markets, except Boston, were higher.

"Average prices for foods in primary markets rose 0.1% as a result of a sharp upturn in prices for fresh fruits and vegetables. Higher prices were also reported for oatmeal and for rye flour.

"Industrial Commodities—The indexes for all industrial commodity groups remained unchanged at last week's level. Minor increases occurred in prices for rosin, sand and chip board. Quotations for turpentine declined."

The following notation is made:

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

The following table shows index numbers for the principal groups of commodities for the past 3 weeks, for Oct. 23, 1943 and Nov. 21, 1942 and the percentage changes from a week ago, a month ago, and a year ago:

(1926=100)

Commodity groups—	11-20 1943	11-13 1943	11-6 1943	10-23 1943	11-21 1942	Percentage changes to Nov. 20, 1943 from— 11-13 1943	10-23 1943	11-21 1942
All commodities	*102.6	*102.8	*102.9	*102.9	100.1	—0.2	—0.3	+ 2.5
Farm products	121.2	122.1	122.8	122.7	110.9	—0.7	—1.2	+ 9.3
Foods	105.6	105.5	105.7	104.8	103.3	+0.1	+0.8	+ 2.2
Hides and leather products	118.4	118.4	118.4	118.4	118.4	0	0	0
Textile products	97.2	97.2	97.2	97.1	96.6	0	+0.1	+ 0.6
Fuel and lighting materials	81.6	81.6	81.6	81.8	79.7	0	—0.2	+ 2.4
Metals and metal products	*103.8	*103.8	*103.8	*103.8	103.9	0	0	— 0.1
Building materials	113.0	113.0	113.0	112.6	110.2	0	+0.4	+ 2.5
Chemicals and allied products	100.4	100.4	100.4	100.3	99.5	0	+0.1	+ 0.9
Housefurnishing goods	104.2	104.2	104.2	104.2	104.1	0	0	+ 0.1
Miscellaneous commodities	93.0	93.0	92.9	92.9	89.9	0	+0.1	+ 3.4
Raw materials	111.3	111.7	112.1	112.1	103.8	—0.4	—0.7	+ 7.2
Semimanufactured articles	92.9	92.9	92.9	92.8	92.5	0	+0.1	+ 0.4
Manufactured products	*100.3	*100.3	*100.3	*100.3	99.7	0	0	+ 0.6
All commodities other than farm products	*98.6	*98.6	*98.6	*98.6	97.8	0	0	+ 0.8
All commodities other than farm products and foods	*97.5	*97.5	*97.5	*97.5	96.1	0	0	+ 1.5

*Preliminary.

Civil Engineering Construction $36,523,000 For Holiday Week

Civil engineering construction volume in continental United States for the short week due to the Thanksgiving Day holiday totals $36,523,000. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 45% below the total for the corresponding 1942 week, and compares with $68,931,000 reported to "Engineering News-Record" for the preceding week. The report, made public on Nov. 25 added:

Public construction is 38% lower than in the week last year as both State and municipal work and Federal volume report decreases. Private construction declines 85% from a year ago.

The current week's volume brings 1943 construction to $2,885,384,000, an average of $61,391,000 for each of the 47 weeks of the period. On the weekly average basis, 1943 construction is 67% below the $8,932,207,000 for the 48-week 1942 period. Private construction, $450,099,000, is 15% under last year, and public construction, $2,435,285,000, is down 70% when adjusted for the difference in the number of weeks.

Civil engineering construction volume for the 1942 week, last week, and the current week are:

	Nov. 26, 1942 (four days)	Nov. 18, 1943 (five days)	Nov. 25, 1943 (four days)
Total U. S. construction	$65,929,000	$63,931,000	$36,523,000
Private construction	8,689,000	39,906,000	1,284,000
Public construction	57,240,000	29,025,000	35,229,000
State and municipal	3,733,000	1,599,000	1,592,000
Federal	53,507,000	27,426,000	83,637,000

In the classified construction groups, gains over the 1942 week are in water works, bridges and earthwork and drainage. Increases over the preceding week are in water works, bridges and public buildings. Subtotals for the week in each class of construction are: water works, $499,000; sewerage, $672,000; bridges, $177,000; industrial buildings, $330,000; commercial building and large-scale private housing, $964,000; public buildings, $27,805,000; earthwork and drainage, $383,000; streets and roads, $818,000, and unclassified construction, $4,875,000.

New capital for construction purposes for the week totals $7,005,000. It is made up of $4,000,000 in corporate security issues and $3,005,000 in State and municipal bond sales. New construction financing for the 47 weeks of 1943, $3,065,104,000, is 69% below the $10,204,255,000 reported for the 48-week period in 1942.

Industrial Activity Maintained Record Level In October, Says Federal Reserve Board

The Board of Governors of the Federal Reserve System announced on Nov. 26 that industrial activity was maintained in record volume in October and the early part of November. Value of department store sales continued at an exceptionally high level.

The Board's summary of general business and financial conditions follows:

Industrial Production

"The total volume of industrial production continued to increase slightly in October and the Board's seasonally adjusted index was at 245% of the 1935-39 average, as compared with 240 in July and 227 in January. War production in the machinery and transportation equipment industries showed a further rise, reflecting largely a new high level of production of aircraft, aircraft engines, and parts. The total number of planes accepted during the month was 8,362, or 11% more than the average in the third quarter. Deliveries of cargo vessels from merchant shipyards continued at an annual rate of 20,000,000 deadweight tons.

"Steel mills operated during October at the highest monthly rate during the war period. Production of nonferrous metals also continued to rise. Announcement of permission to use aluminum in additional types of war products and some essential industrial products followed rapidly increasing output of this metal. Lumber production declined somewhat more than usual at this season and the prospective supply situation remains critical notwithstanding reduced demand for lumber for building purposes. Output of stone, clay, and glass products as a whole showed little change and was at about the level of a year ago. Cement production in October was down 40% from last year but production of other stone, clay, and glass products, like glass containers and asbestos, and abrasive products, was considerably higher than last year.

"Output of most nondurable goods showed little change from September to October. Food manufacturing as a whole continued in large volume, allowing for seasonal changes, although butter and cheese production declined. Output of butter was 11% below last year in October and declined further in the early part of November. Meatpacking, however, was at an exceptionally high level in October and continued to increase sharply in the first three weeks of November. There was also a rise in production of wheat flour and other manufactured foods in October. Output of textile and leather products remained at the somewhat reduced rate of recent months, while production of rubber products and industrial chemicals increased. Coal production declined 6% in October and dropped sharply further during the first week of November, but increased in the middle of November.

"The value of construction contracts awarded in October, according to reports of the F. W. Dodge Corp., continued at the low level of other recent months. Total awards this year have been 60% smaller than in the corresponding period of 1942, when they were at the highest level of the war period.

Distribution

"Department store sales in October and the first half of November were 10% larger in dollar volume than in the same period last year, and, allowing for seasonal changes, sales were somewhat higher than in the third quarter of this year. Total consumer expenditures for commodities and services in the third quarter were at about the peak level prevailing in the first half of this year and were substantially larger than a year ago.

"Carloadings of railway freight in October were slightly less than in September, reflecting chiefly declines in shipments of coal and ore. Loadings of grain increased sharply to a level 20% greater than in October, 1942, and livestock shipments were the highest in recent years.

Commodity Prices

"Grain prices advanced in the early part of November, while prices of livestock declined as livestock marketings expanded sharply. Prices of certain industrial raw materials, such as cotton, wool, and nonferrous metal scrap, have also declined somewhat since the middle of October reflecting larger supplies and uncertainties as to the extent of demands for these materials in war production.

"The total cost of living, which had declined 1.4% during the summer, according to the Bureau of Labor Statistics, rose .8% from mid-August to mid-October. There were increases in prices of food, clothing, and a number of miscellaneous items.

Bank Credit

"The average level of excess reserves at all member banks was around $1,100,000,000 in mid-November reflecting some decline from the comparable October period. During the four weeks ending Nov. 17 reserve funds were supplied to member banks by an increase of over $900,000,000 in the Government security portfolio of the Reserve Banks; increased holdings consisted largely of bills purchased under option and in part of certificates. The effect of these security purchases on excess reserves was more than offset, however, by a currency demand of $540,000,000 and a continued increase in required reserves as Treasury disbursements transferred funds from reserve-exempt war loan accounts to private deposits.

"Following substantial bank purchases of special Treasury offerings in mid-October, Government security holdings at reporting member banks in 101 leading cities declined somewhat over the following month. The principal decrease was in holdings of bills at banks outside New York. Commercial loans while decreasing during the past two weeks, showed a net gain for the four week period, while loans on securities, which rose to a high level during the Third War Loan Drive, declined substantially."

Daily Average Crude Oil Production For Week Ended Nov. 20, 1943 Declined 22,050 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Nov. 20, 1943 was 4,414,400 barrels, a decrease of 22,050 barrels from the preceding week. It was, however, 502,000 barrels per day higher than in the corresponding week of last year, and exceeded the daily average figure recommended by the Petroleum Administration for War for the month of November, 1943, by 37,700 barrels. Daily production for the four weeks ended Nov. 20, 1943, averaged 4,405,750 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,192,000 barrels of crude oil daily and produced 12,488,000 barrels of gasoline; 1,380,000 barrels of kerosine; 4,643,000 barrels of distillate fuel oil, and 8,797,000 barrels of residual fuel oil during the week ended Nov. 20, 1943; and had in storage at the end of that week 68,996,000 barrels of gasoline; 1,492,000 barrels of kerosine; 45,772,000 barrels of distillate fuel, and 62,662,000 barrels of residual fuel oils. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations November	*State Allowables Begin. Nov. 1	Actual Production Week Ended Nov. 20, 1943	Change from Previous Week	4 Weeks Ended Nov. 20, 1943	Week Ended Nov. 21, 1942
Oklahoma	318,000	325,000	†326,650	— 1,050	328,550	363,300
Kansas	285,000	274,800	†281,350	— 7,550	271,850	311,550
Nebraska	1,600	----	†1,700	----	1,700	3,250
Panhandle Texas			85,500	----	86,150	89,800
North Texas			141,900	----	414,000	137,600
West Texas			359,750	----	358,300	212,500
East Central Texas			137,950	----	137,300	95,600
East Texas			376,400	----	374,450	354,800
Southwest Texas			298,100	----	295,550	173,250
Coastal Texas			524,600	----	523,300	312,900
Total Texas	1,881,000	‡1,905,471	1,924,200	----	1,916,050	1,376,450
North Louisiana			78,750	+ 100	78,950	96,700
Coastal Louisiana			272,200	----	273,900	228,700
Total Louisiana	353,700	375,700	350,950	+ 100	352,850	325,400
Arkansas	76,900	77,891	78,350	— 200	78,500	74,000
Mississippi	49,000		46,800	— 5,700	49,550	64,500
Illinois	205,000		215,250	— 250	218,400	264,100
Indiana	14,000		12,500	— 650	13,400	16,850
Eastern— (Not incl. Ill., Ind. and Ky.)	78,500		71,100	+ 100	72,450	78,850
Kentucky	24,500		23,350	+ 1,000	24,000	15,300
Michigan	56,000		50,100	—10.500	53,650	61,050
Wyoming	98,000		100,850	— 100	99,550	92,450
Montana	23,000		21,350	----	21,350	22,650
Colorado	7,000		7,450	+ 150	7,300	6,200
New Mexico	110,500	110,500	112,950	+ 400	112,650	95,800
Total East of Calif.	3,581,700		3,624,900	—24,250	3,621,800	3,171,700
California	795,000	§795,000	789,500	+ 2,200	783,950	740,700
Total United States	4,376,700		4,414,400	—22,050	4,405,750	3,912,400

*P.A.W. recommendations and state allowables, as shown above, represent the production of Crude Oil only, and do not include amounts of condensate and natural gas derivatives to be produced.

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m., Nov. 18, 1943.

‡This is the net basic allowable as of Nov. 1 calculated on a 30-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 3 to 8 days, the entire state was ordered shut down for 8 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 8 days shut-down time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED NOV. 20, 1943

(Figures in Thousands of barrels of 42 Gallons Each)

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

District—	Daily Refining Capacity Potential Rate	Daily Refining Capacity % Reporting	Crude Runs to Stills Daily Average	Crude Runs to Stills % Operated	§Gasoline Production at Refineries Includ. Natural Blended	‡Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuels	‡Stocks of Residual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,444	88.7	2,164	88.5	6,012	31,058	23,022	18,560
Appalachian— District No. 1	130	83.9	94	72.3	288	1,538	963	177
District No. 2	47	87.2	49	104.3	124	734	124	146
Ind., Ill., Ky.	824	85.2	737	89.4	2,591	13,336	6,639	2,936
Okla., Kans., Mo.	416	80.1	351	84.4	1.275	6,788	2,344	1,187
Rocky Mountain— District No. 3	8	26.9	9	112.5	33	66	22	33
District No. 4	141	58.3	92	65.2	362	1,131	440	714
California	817	89.9	696	85.2	1,803	14,345	12,218	38,909
Tot. U. S. B. of M. basis Nov. 20, 1943	4,827	86.4	4,192	86.9	12,488	†68,996	45,772	62,662
Tot. U. S. B. of M. absis Nov. 13, 1943	4,827	86.4	4,134	85.6	12,223	¶68,610	**45,518	62,647
U. S. Bur. of Mines basis Nov. 21, 1942			3,731		11,482	74,745	50,085	77,796

*At the request of the Petroleum Administration for War. †Finished, 58,901,000 barrels; unfinished, 10,095,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,380,000 barrels of kerosine, 4,643,000 barrels of gas oil and distillate fuel oil and 8,797,000 barrels of residual fuel oil produced during the week ended Nov. 20, 1943, which compares with 1,327,000 barrels, 4,633,000 barrels and 8,103,000 barrels, respectively, in the preceding week and 1,344,000 barrels, 4,098,000 barrels and 7,306,000 barrels, respectively, in the week ended Nov. 21, 1942. ¶Unfinished gasoline stocks revised downward by 116,000 barrels in California. **On new basis in California due to inclusion of 202,000 barrels not previously reported.

Notes—Stocks of kerosine at Nov. 20, 1943 amounted to 11,492,000 barrels, as against 11,630,000 barrels a week earlier and 12,635,000 barrels a year before.

District No. 1 inventory indics are: Gasoline, 39.5%; kerosine, 52.3%; gas oil and distillate fuel, 64.2%, and residual fuel oil, 76.3% of normal.

National Fertilizer Association Commodity Price Average Unchanged

The weekly wholesale commodity price index, compiled by The National Fertilizer Association and made public on Nov. 29, registered 135.0 in the week ending Nov. 27, the same as in the preceding week. A month ago it stood at 135.4 and a year ago at 130.6, based on the 1935-1939 average as 100. The Association's report went on to say:

Although there was no change in the general level of the all-commodity price index, there were various group changes. The foods group advanced fractionally with higher quotations for potatoes and eggs. The livestock and grains groups moved into higher ground, but the lower prices for cotton were sufficient to counterbalance this and to cause the farm products group to remain at the same level as the preceding week. The continued decline in cotton reflects the uncertainty with which traders regard recent favorable war developments and the fear that sudden peace will mean wholesale contract cancellations. Cotton has reached a new low since the period of Dec. 5, 1942, causing the textiles group to reach a new low for the period since Jan. 2 of this year. All other groups remained unchanged.

During the week 10 price series advanced and 5 declined; in the preceding week there were 11 advances and 5 declines; and in the second preceding week there were 6 advances and 9 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association

1935-1939=100*

% Each Group Bears to the Total Index	Group	Latest Week Nov. 27, 1943	Preceding Week Nov. 20, 1943	Month Ago Oct. 30, 1943	Year Ago Nov. 28, 1942
25.3	Foods	140.8	140.6	139.8	134.1
	Fats and Oils	145.6	145.6	146.1	147.0
	Cottonseed Oil	159.6	159.6	161.3	160.0
23.0	Farm Products	152.3	152.3	154.9	142.1
	Cotton	185.4	188.9	192.2	192.5
	Grains	161.0	160.5	154.9	117.7
	Livestock	144.2	143.5	148.7	141.2
17.3	Fuels	122.8	122.8	122.8	119.3
10.8	Miscellaneous commodities	131.4	131.4	131.4	128.4
8.2	Textiles	149.7	150.2	150.7	148.4
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	152.4	152.4	152.5	151.3
1.3	Chemicals and drugs	127.7	127.7	127.7	127.6
.3	Fertilizer materials	117.7	117.7	117.7	117.5
.3	Fertilizers	119.8	119.8	119.8	115.3
.3	Farm machinery	104.2	104.2	104.2	104.1
100.0	All groups combined	135.0	135.0	135.4	130.6

*Indexes on 1926-1928 base were: Nov. 27, 1943, 105.2; Nov. 20, 105.2; and Nov. 28, 1942, 101.7.

Non-Ferrous Metals—Cutback In War Demands For Brass Seen—Quicksilver Price Declines

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

"E. & M. J. Metal and Mineral Markets," in its issue of Nov. 25 stated "Production schedules for various war materials are being cut back, in some instances sharply, which tends to create an air of uncertainty in the market for major non-ferrous metals. Brass production is to be reduced after the turn of the year. Work on a third aluminum fabricating plant was discontinued during the last week. Secondary aluminum ingot will be stockpiled by MRC to maintain production of grades still on the active list. Quicksilver was available at lower prices for nearby and forward shipment, notwithstanding a proposed reduction in buying for next year of 30% The supply situation in platinum remains tight." The publication further went on to say in part:

Copper

Interest in copper centered largely in WPB plans that call for a fairly large reduction in the output of brass fabricating plants now on war work. Production of brass for the war program is to be curtailed beginning January. Whether all excess copper will be stockpiled or at least some of it released for essential civilian needs is not yet known. The answer to this problem rests to a great extent in manpower requirements.

Lead

Allotments of foreign lead to complete December requirements of consumers were taken care of at the meeting held in New York on Nov. 22. Those who asked for foreign lead obtained metal at the ratio of two-thirds common to one-third corroding, which was better than anticipated.

Sales of common lead for the week were about 48% of those in the previous week. The decline in volume was normal.

Zinc

December allocations of zinc are scheduled to come through before the end of the current week. The desire to hold down inventories, together with some uncertainty about the government's brass production program, should result in a smaller movement of zinc to consumers in the last month of the year, trade authorities hold. With the stockpile growing, the industry hopes that larger tonnages of zinc will be released before long for civilian consumption. There were no price developments in zinc last week.

Aluminum

Restrictions on the use of aluminum in certain types of safety equipment have been eased by WPB. Primary or secondary aluminum may be used for protective safety hats, machine guards, hazard measuring devices, inhalators and resuscitators, oxygen breathing apparatus, reducing valve housing, masks and hoods.

The Reclamation and Inventory Branch of the Aluminum and Magnesium Division of WPB is working on a plan to stockpile secondary aluminum ingots to assure the continuation of the segregation of aluminum scrap. Without a ready outlet for ingots, it is claimed, the flow of material might be disrupted. Tentative plans call for the sale of secondary aluminum ingot to Metals Reserve, under contract, at about 1¢ per pound below the prevailing market price. Pure and silicon ingot, delivered, is now bringing 11¢ per pound, or 3¢ below the ceiling level.

WPB has halted construction at the Hammond, Ind., aluminum fabricating plant of Phelps Dodge Copper Products Corp., owing to a downward revision in the Army's needs. Two shutdowns in aluminum units were announced earlier in the month.

Tin

Consumers look for no important change in the tin situation in the early months of next year. A fair increase in supplies in 1943 resulted from larger receipts of tin from the Belgian Congo, and a further gain in the movement of metal from that source is anticipated. Whether Bolivia will ship tin concentrates to this country at the 1943 rate without benefit of a higher price is questionable.

The market here was unchanged last week. Straits quality tin for shipment, in cents per pound:

	Dec.	Jan.	Feb.
Nov. 18	52.000	52.000	52.000
Nov. 19	52.000	52.000	52.000
Nov. 20	52.000	52.000	52.000
Nov. 22	52.000	52.000	52.000
Nov. 23	52.000	52.000	52.000
Nov. 24	52.000	52.000	52.000

Chinese, or 99% tin, continues at 51.125¢ a pound.

Platinum

Anticipating increased requirements and decreased supplies of platinum in 1944, the WPB ruled last week that platinum scrap may not be held in excess of the amount produced in 30 days. In addition, the revised regulations, contained in an amendment to Conservation Order M-162, provide that no processor or consumer may have an inventory in excess of final product deliveries during a 60-day period.

The supply situation in platinum and platinum metals was reviewed at a recent meeting of the advisory committee and officials of WPB, and it was agreed that additional controls would be necessary in view of the supply-demand picture.

Quicksilver

The undertone of the market for quicksilver has been easier for some time, but prices have not reflected this condition, owing to uncertainty in regard to the Government's program for cutting back the production program. As matters stand, WPB has asked that purchases for 1944 be reduced by 30%. During the last week the price in the open market in New York became established at $192 - $194 per flask, a reduction of $3. On first-quarter 1944 business prices might have been shaded.

Silver

Though consumption of silver continues at a high level, tension in the market has eased. The fact that war demands have not been as large as first estimated has been a factor in removing much of the nervousness among sellers that was so apparent earlier in the year.

The London price continued at 23½d. The New York Official for foreign silver held at 44¾¢ an ounce, with domestic at 70⅝¢.

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" of July 31, 1942, page 380.

Wolfe Heads Pennsylvania War Finance Group

O. Howard Wolfe, Vice-President of the Philadelphia National Bank, has been appointed Executive Manager of the Pennsylvania War Finance Committee. Mr. Wolfe, who has been on leave from his banking post since February, 1942, was released as administrative officer of the Philadelphia Army District in order to assume the Treasury Department post.

Transfer Envoy To Finns

The State Department in Washington announced on Nov. 17 the transfer of Robert T. McClintock, Secretary and Charge d'Affaires of the American Legation in Helsinki, Finland, to Stockholm, Sweden. Mr. McClintock who had been in Finland four years, is being replaced by George West, at present Third Secretary at Stockholm. The transfers were said to be routine.

Revenue Freight Car Loadings During Week Ended Nov. 20, 1943 Increased 34,604 Cars

Loading of revenue freight for the week ended Nov. 20, 1943, totaled 882,287 cars, the Association of American Railroads announced. This was an increase above the corresponding week of 1942 of 45,525 cars, or 5.4%, and an increase over the same week in 1941 of 82,901 cars or 10.4%.

Loading of revenue freight for the week of Nov. 20, increased 34,604 cars, or 4.1% above the preceding week.

Miscellaneous freight loading totaled 400,045 cars, an increase of 6,418 cars above the preceding week, and an increase of 2,828 cars above the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 106,346 cars, a decrease of 974 cars below the preceding week, but an increase of 14,784 cars above the corresponding week in 1942.

Coal loading amounted to 188,273 cars, an increase of 21,140 cars above the preceding week, and an increase of 20,837 cars above the corresponding week in 1942.

Grain and grain products loading totaled 55,055 cars, an increase of 3,060 cars above the preceding week, and an increase of 9,297 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of Nov. 20, totaled 35,481 cars, an increase of 1,704 cars above the preceding week and an increase of 4,780 cars above the corresponding week in 1942.

Live stock loading amounted to 22,397 cars, a decrease of 3,760 cars below the preceding week, but an increase of 2,691 cars above the corresponding week in 1942. In the Western Districts alone loading of live stock for the week of Nov. 20 totaled 17,616 cars, a decrease of 3,221 cars below the preceding week, but an increase of 2,046 cars above the corresponding week in 1942.

Forest products loading totaled 45,883 cars, an increase of 2,905 cars above the preceding week and an increase of 3,686 cars above the corresponding week in 1942.

Ore loading amounted to 49,070 cars, an increase of 4,795 cars above the preceding week but a decrease of 9,341 cars below the corresponding week in 1942.

Coke loading amounted to 15,218 cars, an increase of 1,020 cars above the preceding week, and an increase of 743 cars above the corresponding week in 1942.

All districts reported increases compared with the corresponding weeks in 1942 and 1941, except the Northwestern.

	1943	1942	1941
5 weeks of January	3,530,849	3,858,479	3,454,409
4 weeks of February	3,055,640	3,122,942	2,866,565
4 weeks of March	3,073,426	3,174,781	3,066,011
4 weeks of April	3,136,253	3,350,996	2,793,630
5 weeks of May	4,149,708	4,170,548	4,160,060
4 weeks of June	3,151,146	3,385,655	3,510.057
5 weeks of July	4,307,406	4,185,135	4,295,457
4 weeks of August	3,554,446	3,487,905	3,581,350
4 weeks of September	3,545,823	3,503,383	3,540,210
5 weeks of October	4,518,244	4,511,609	4,553,007
Week of November 6	754,724	829,663	873,582
Week of November 13	847,683	826,695	883,890
Week of November 20	882,287	836,762	799,386
Total	38,507,635	39,244,553	38,377,614

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Nov. 20, 1943. During this period 84 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED NOV. 20

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Eastern District—					
Ann Arbor	254	469	583	1,477	1,167
Bangor & Aroostook	2,541	1,658	1,433	260	191
Boston & Maine	6,951	6,020	7,653	*15,159	13,557
Chicago, Indianapolis & Louisville	1,269	1,529	1,726	2,178	2,053
Central Indiana	41	23	17	47	44
Central Vermont	1,125	958	1,411	2,654	2,157
Delaware & Hudson	6,184	6,104	4,991	11,700	11,107
Delaware, Lackawanna & Western	7,926	7,003	8,035	10,827	10,591
Detroit & Mackinac	244	433	364	117	139
Detroit, Toledo & Ironton	2,279	1,574	2,387	1,354	1,279
Detroit & Toledo Shore Line	269	253	327	2,586	2,762
Erie	13,017	11,822	13,292	19,795	15,954
Grand Trunk Western	3,389	4,160	5,323	7,328	6,881
Lehigh & Hudson River	228	254	215	2,548	2,932
Lehigh & New England	2,061	2,058	1,961	1,332	1,798
Lehigh Valley	8,465	8,267	8,689	13,704	12,949
Maine Central	2,319	2,230	2,941	3,808	3,160
Monongahela	6,099	5,917	2,406	429	456
Montour	2,596	2,306	1,664	22	29
New York Central Lines	53,614	45,755	47,927	56,382	54,888
N. Y., N. H. & Hartford	10,549	9,110	10,682	20,161	18,282
New York, Ontario & Western	1,394	973	1,000	2,589	2,476
New York, Chicago & St. Louis	7,008	7,338	6,678	16,135	15,691
N. Y., Susquehanna & Western	671	456	451	1,779	1,955
Pittsburgh & Lake Erie	7,654	7,088	7,588	7,542	8,514
Pere Marquette	5,125	5,908	6,442	7,886	6,656
Pittsburg & Shawmut	903	760	877	6	14
Pittsburg, Shawmut & North	354	355	380	304	261
Pittsburgh & West Virginia	1,203	869	982	2,587	2,692
Rutland	366	291	571	1,087	814
Wabash	6,780	5,673	6,073	11,956	13,305
Wheeling & Lake Erie	4,519	4,572	4,810	4,498	4,267
Total	167,397	152,195	159,879	230,237	219,021
Allegheny District—					
Akron, Canton & Youngstown	769	728	615	1,350	1,162
Baltimore & Ohio	47,043	38,176	36,135	32,037	28,108
Bessemer & Lake Erie	4,832	5,731	5,036	1,735	2,271
Buffalo Creek & Gauley	404	327	284	3	3
Cambria & Indiana	1,775	1,787	848	8	5
Central R. R. of New Jersey	7,557	7,017	7,179	21,028	20,449
Cornwall	635	746	657	57	41
Cumberland & Pennsylvania	238	217	123	19	15
Ligonier Valley	154	123	134	45	38
Long Island	1,360	1,060	730	3,480	3,330
Penn-Reading Seashore Lines	1,991	1,787	1,704	3,062	2,124
Pennsylvania System	86,280	78,344	79,675	67,116	66,884
Reading Co.	15,717	15.047	16,041	27.952	27,806
Union (Pittsburgh)	20,028	20,807	19,746	6,318	7,172
Western Maryland	4,993	3,669	3,860	11,633	12,098
Total	193,776	175,566	172,767	175,843	171,506
Pocahontas District—					
Chesapeake & Ohio	30,708	27,373	18,734	15,545	13,087
Norfolk & Western	23,569	21,857	18,368	7,057	6,617
Virginian	4,859	4,796	2,896	2,672	2,153
Total	59,136	54,026	39,998	25,274	21,857
Southern District—					
Alabama, Tennessee & Northern	325	305	337	304	253
Atl. & W. P.—W. R. R. of Ala.	702	748	868	3,434	2,680
Atlanta, Birmingham & Coast	707	728	761	1,338	1,375
Atlantic Coast Line	13,440	13,507	11,468	11,440	11,203
Central of Georgia	3,861	3,759	4,661	4,805	4,906
Charleston & Western Carolina	412	413	443	1,820	1,452
Clinchfield	1,752	1,852	1,829	1,794	2,875
Columbus & Greenville	311	445	330	260	401
Durham & Southern	130	119	161	640	529
Florida East Coast	1,968	1,270	793	1,375	1,400
Gainesville Midland	41	40	40	114	106
Georgia	1,182	1,441	1,439	3,640	2,372
Georgia & Florida	468	310	512	764	473
Gulf, Mobile & Ohio	4,504	4,318	4,242	4,475	4,861
Illinois Central System	29,559	28,975	27,630	17,203	16,509
Louisville & Nashville	26,302	25,260	23,178	12,885	11,922
Macon, Dublin & Savannah	197	227	229	859	820
Mississippi Central	297	165	154	502	588
Nashville, Chattanooga & St. L.	3,475	4,354	3,829	5,346	4,470
Norfolk Southern	1,117	1,243	1,009	1,764	1,807
Piedmont Northern	376	320	470	1,189	1,269
Richmond, Fred. & Potomac	387	480	414	11,740	10,260
Seaboard Air Line	11,016	11,162	10,676	10,144	8,922
Southern System	23,336	23,508	23,617	24,034	24,727
Tennessee Central	602	523	551	1,054	941
Winston-Salem Southbound	138	119	138	938	927
Total	126,605	125,591	119,779	124,861	118,048
Northwestern District—					
Chicago & North Western	17,636	17,952	18,308	14,517	12,696
Chicago Great Western	3,010	2,173	2,625	3,584	3,285
Chicago, Milw., St. P. & Pac.	22,289	19,854	20,748	10,019	10,066
Chicago, St. Paul, Minn. & Omaha	3,669	3,237	3,786	3,777	3,616
Duluth, Missabe & Iron Range	17,863	22,321	21,249	215	377
Duluth, South Shore & Atlantic	482	695	780	502	546
Elgin, Joliet & Eastern	8,723	9,539	9,929	12,192	9,839
Ft. Dodge, Des Moines & South	420	405	598	77	122
Great Northern	15,591	18,703	17,227	4,970	5,258
Green Bay & Western	585	480	542	904	742
Lake Superior & Ishpeming	1,063	2,424	2,819	36	41
Minneapolis & St. Louis	2,378	2,240	1,743	2,459	2,214
Minn., St. Paul & S. S. M.	6,806	5,875	6,041	2,914	2,873
Northern Pacific	11,890	12,282	11,197	5,676	5,276
Spokane International	168	148	86	498	732
Spokane, Portland & Seattle	2,548	1,981	2,056	3,477	3,002
Total	115,121	120,309	119,734	65,817	60,685
Central Western District—					
Atch., Top. & Santa Fe System	24,294	23,918	22,624	12,579	12,869
Alton	3,508	3,371	3,396	3,731	5,452
Bingham & Garfield	504	493	670	82	121
Chicago, Burlington & Quincy	22,287	21,558	19,312	13,098	12,001
Chicago & Illinois Midland	3,302	2,614	2,622	854	713
Chicago, Rock Island & Pacific	13,002	12,716	12,333	11,830	12,173
Chicago & Eastern Illinois	3,032	2,550	3,050	7,119	3,903
Colorado & Southern	1,193	1,268	1,385	2,393	1,991
Denver & Rio Grande Western	5,156	4,551	4,183	6,451	5,219
Denver & Salt Lake	662	847	758	22	9
Fort Worth & Denver City	982	1,502	1,468	1,636	1,464
Illinois Terminal	1,993	1,684	1,947	2,051	1,396
Missouri-Illinois	1,199	1,228	1,071	452	582
Nevada Northern	2,244	2,150	1,856	139	83
North Western Pacific	939	867	893	814	574
Peoria & Pekin Union	12	22	39	0	0
Southern Pacific (Pacific)	30,738	26,933	25,982	15,618	12,259
Toledo, Peoria & Western	408	339	416	1,691	1,712
Union Pacific System	20,448	19,772	18,433	18,536	15,519
Utah	708	575	460	8	4
Western Pacific	2,618	1,690	2,314	4,368	2,644
Total	139,229	130,648	125,217	104,472	90,688
Southwestern District—					
Burlington-Rock Island	350	204	182	139	285
Gulf Coast Lines	7,516	5,364	3,798	2,847	2,591
International-Great Northern	2,325	3,712	1,849	3,966	2,869
Kansas, Oklahoma & Gulf	244	434	248	1,147	1,345
Kansas City Southern	5,478	5,138	2,710	2,839	2,625
Louisiana & Arkansas	3,711	3,765	2,637	3,160	2,671
Litchfield & Madison	349	260	335	1,286	1,068
Midland Valley	602	689	767	294	338
Missouri & Arkansas	181	203	177	478	419
Missouri-Kansas-Texas Lines	6,436	6,655	4,780	5,975	5,551
Missouri Pacific	19,385	18,807	17,705	21,642	19,729
Quanah Acme & Pacific	103	100	162	163	336
St. Louis-San Francisco	9,433	9,489	9,434	8,908	9,000
St. Louis Southwestern	3,469	3,308	3,056	7,240	5,520
Texas & New Orleans	14,788	14,225	8,368	5,196	4,711
Texas & Pacific	6,546	5,941	5,639	8,015	8,450
Wichita Falls & Southern	84	107	134	51	39
Weatherford M. W. & N. W.	23	28	31	33	33
Total	81,023	78,427	62,012	73,379	67,580

*Previous week's figure.
Note—Previous year's figures revised.

Weekly Statistics Of Paperboard Industry

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

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

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period 1943—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity	
				Current	Cumulative
Aug. 7	177,541	146,515	600.338	94	93
Aug. 14	143,629	154,747	586,901	98	93
Aug. 21	133,446	150,012	568,361	95	93
Aug. 28	148,381	147,494	570,859	96	93
Sept. 4	177,766	150,943	598,255	97	93
Sept. 11	121,125	126,427	589,323	83	93
Sept. 18	153,708	157,082	583,714	98	93
Sept. 25	144,100	151,725	558,633	96	93
Oct. 2	164,954	152,479	579,800	97	93
Oct. 9	156,808	148,574	589,417	94	93
Oct. 16	156,044	148,293	595,257	95	93
Oct. 23	144,254	147,883	588,399	94	93
Oct. 30	144,413	143,686	587,324	93	93
Nov. 6	172,441	147,467	608,782	93	93
Nov. 13	153,126	149,295	608,893	95	93
Nov. 20	126,726	146,286	587,715	94	93

Notes—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.

Fuel Oil Unit Unchanged

Rations of fuel oil throughout the 33-state rationed area will remain unchanged at 10 gallons per unit for Period 2, which began Nov. 30. Chester Bowles, Administrator of the Office of Price Administration, also announced that Period 3 coupons, which also went into effect on Nov. 30 in the Midwestern and Southern States under fuel oil rationing, have been similarly given a 10 gallon unit value.

The announcement further went on to say:

"The ten gallon 'par' value was continued by OPA after consultation with the Office of Civilian Requirements and the Petroleum Administration for War. It means that supplies are available in sufficient quantity to meet the ration demand and therefore no reduction is necessary. However, the oil supply for civilians has not improved to an extent where an increase in the value of the coupons can be made.

The coupons, the value of which was set on Nov. 26, are those numbered "2" and "3" on the Class 4, 5 and 6 coupon sheets used by consumers. Class 4 coupons, used mostly by small householders for heat and hot water will continue to have a value of 10 gallons each, while class 5 coupons, used by larger consumers will be valid at 50 gallons each. Each class 6 coupon, given to volume users of oil for apartments and commercial establishments, will continue to be worth 250 gallons.

Although Period 2 and Period 3 (for the midwest and south) coupons went into effect on Nov. 30, coupons for the first heating period, which became valid last July, may be used until Jan. 4 to buy fuel oil.

The second heating period extends from Nov. 30 to Feb. 8 for all States in the rationed area except the south where it ends on Jan. 25. Period 3 begins Jan. 4 in the Eastern and far Western area and extends until March 14. In the Midwest, Period 3, which starts on Nov. 30 also ends on March 14, while in the South it ends on Feb. 22.

The overlapping of the heating periods, allowing the coupons for each period to remain valid throughout the entire succeeding period was set up to eliminate many of the small delivery problems encountered by the industry last year.

In addition to the "period" coupons which are assigned gallonage values periodically on the basis of supplies of fuel oil available, the rationing plan in effect this winter provides the householders with definite value coupons valid throughout the year. These coupons, called "change-makers" and "inventory reserve coupons", represent a sizable portion of the consumers' total ration this year.

Lumber Movement—Week Ended November 20, 1943

According to the National Lumber Manufacturers Association, lumber shipments of 477 mills reporting to the National Lumber Trade Barometer were 4.5% below production for the week ended Nov. 20, 1943. In the same week new orders of these mills were 3.0% less than production. Unfilled order files in the reporting mills amounted to 95% of stocks. For reporting softwood mills, unfilled orders are equivalent to 38 days' production at the current rate, and gross stocks are equivalent to 37 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 7.5%; orders by 8.3%.

Compared to the average corresponding week of 1935-39, production of reporting mills was 32.9% greater; shipments were 39.6% greater; and orders were 38.2% greater.

Items About Banks, Trust Companies

Stockholders of The Continental Bank & Trust Co. of New York, at a meeting held on Nov. 23, ratified the action of the board of directors in the adoption of a retirement and insurance plan for all the employees of the bank with six months or more of service, it was announced by Frederick E. Hasler, Chairman of the Board.

"The plan, which was formulated by a committee of the board of directors, is a unique correlation of a group annuity contract in the Equitable Life Assurance Society of the United States and a pension trust embodying level-premium life insurance and annuity contracts in the Guardian Life Insurance Co. of America," Mr. Hasler explained.

In their study of the broad social and economic aspects of the plan, the committee had as consultants the bank's attorneys, Wise, Shepard, Houghton & Kelly; the bank's insurance brokers, Hagedorn & Company, and James Elton Bragg, manager of the Doremus-Bragg Agency of the Guardian Life, and formerly Professor of Life Insurance at New York University. The plan supplements the benefits which Continental employees will receive from the present group life insurance which is prvoided by the bank and the retirement incomes which they will receive under the Social Security Act.

Dwight L. Chamberlain, First Vice-President of the First National Bank and Trust Co., New Haven, Conn., will become President of the institution on Jan. 1, succeeding Thomas M. Steele, who will become Chairman of the Board. Mr. Steele, who has served as President of the bank since 1924, will continue to be actively associated with the organization. Mr. Chamberlain has been connected with the First National since 1918 and has been First Vice-President and a director since 1923.

The following concerning the executives was reported in the New Haven "Evening Register" of Nov. 26:

"Both new and retiring Presidents are prominent in banking circles and they also have been active in community and civic affairs for many years. Mr. Steele is a member of the Executive Council of the American Bankers Association and also a member of its Federal Legislative Committee. For nine years he represented the First Federal Reserve District on the Federal Advisory Council and was President of the Connecticut Bankers Association in 1940.

"Mr. Chamberlain is Vice-President and a member of the executive committee of the National Bank Division of the Connecticut Bankers Association. During the 1932-1933 banking crisis, he was one of two representatives of this area passing on all loan applications from banks to the Reconstruction Finance Corporation. He is a former member of the committee on economics of the national bank loan officers' association known as the Robert Morris Associates.

"Governor Baldwin recently appointed Mr. Chamberlain a member of the State of Connecticut Public Welfare Council. He is a Vice-President of the New Haven Chamber of Commerce and a former Vice-President of the Connecticut Chamber of Commerce."

The election of Harvey M. Roberts as President of the Second National Bank, Orange, N. J., was recently announced. Mr. Roberts, who was Vice-President and Cashier, succeeds the later Wilbur Munn.

Charles E. Coates, Assistant Treasurer and Assistant Secretary of the Colonial Trust Co. of Pittsburgh, has been elected President of the Bankers and Bank Clerks Mutual Benefit Association. Mr. Coates succeeds Robert L. Finleyson of the Monongahela Trust Co., Homestead, Pa.

At a meeting of the board of directors of the Continental Illinois National Bank & Trust Co. of Chicago, held on Nov. 24, a special meeting of the shareholders of the bank was called for Dec. 17, for the purpose of acting on a resolution increasing the capital of the bank from $50,000,000 to $60,000,000 by the declaration of a stock dividend of 20% of the present capital. Each shareholder would receive one additional share of stock for each five shares held. The bank's announcement states:

"When cash dividends are hereafter declared, they will be payable on the increased stock, and it is contemplated that the present rate of dividend per share will be continued. The bank has been paying semi-annual dividends of $2 a share.

"It is contemplated, also, to increase the surplus account from $50,000,000 to $60,000,000, so that if the capital is increased, there will be $60,000,000 of capital stock and $60,000,000 of surplus.

"The increases would be effected by transfers from undivided profits.

"A two-thirds vote is necessary to increase the bank's capital and, after authorization of the proposed increase, there would be 1,800,000 shares outstanding, compared with 1,500,000 shares at present. Par value of the stock is $33⅓ per share."

George Stuart, retired Chicago investment banker, died on Nov. 19 in the Wesley Memorial Hospital, Chicago. He was 100 years old. Mr. Stuart engaged in business with N. W. Halsey & Co., which later became Halsey, Stuart & Co. His two surviving sons, Harold L. and Charles B. Stuart, are President and Vice-President, respectively, of Halsey, Stuart & Co., Inc.

Stockholders of the National Boulevard Bank of Chicago will vote on Dec. 14 on a plan for the distribution of a 50% dividend payable in stock. Under the plan, capital is to be increased from $500,000 to $750,000, surplus from $500,000 to $600,000 and undivided profits from $50,000 to $100,000.

James L. Paxton, Jr., was elected a director of the Live Stock National Bank, Omaha, Neb., on Nov. 23. Mr. Paxton, who is 35 years old, is one of the youngest bank directors in Omaha Mr. Paxton became President of Paxton-Mitchell Co. in 1937, succeeding his father, who had been superintendent of the Union Stock Yards company in Omaha. In January of this year he was awarded the Junior Chamber of Commerce distinguished servcie key, offered to the young man adjudged to have contributed most to Omaha civic development and community welfare during 1942. Mr. Paxton was President of the Omaha Manufacturers' Association in 1942, and is a Vice-President of the Associated Industries of Nebraska, a director of the National Security Insurance Company, and a member of the executive committee of the Omaha Chamber of Commerce's post-war planning committee.

Sale of the controlling stock interest in the Second National Bank of Houston was recently made to a group of Houston's outstanding businessmen and financial interests for approximately $2,000,000. This is learned from the Houston "Press" of Nov. 20, which states that the controlling stock was sold by the estate of the late J. W. Neal and by Mrs. Neal to a group headed by Col. W. B. Bates, member of the law firm of Fulbright, Crooker, Freeman & Bates. In announcing the transaction, George M. Irving, Vice-President and Trust Officer of the bank, said that no changes in personnel or policies of the institution are contemplated. The Houston "Press" states:

Along with Colonel Bates, the group includes:

Benjamin Clayton, well known Houston capitalist and philanthropist, former member of Anderson, Clayton & Co., world's largest cotton merchants and one of its organizers.

Glenn H. McCarthy, independent oil operator and producer who recently purchased the Shell Building in Houston.

Frank Champion, associate of Mr. McCarthy.

H. Roy Cullen, independent oil producer and philanthropist.

Earl H. Hankamer, independent oil operator.

John H. Freeman, attorney and member of Fulbright, Crooker, Freeman & Bates.

Kyle Morrow, executive of the Standard Rice Co.

R. W. Weir, prominent in lumber and financial circles in Houston.

Allyn R. Cline, Houston investment broker and President of Cline Mortgage & Trust Co.

C. A. Perlitz, Jr., attorney and executive assistant to George W. Strake, independent oil operator.

Carr P. Collins, Dallas business man and President of the Fidelity Union Insurance Co. of Dallas.

M. D. Anderson Foundation, the Clayton Foundation for Research and others.

According to the last published statement, The Second National Bank of Houston has a capital stock of $1,000,000, surplus of $1,000,000 with deposits of more than $68,000,000 and total resources in excess of $72,000,000.

Beverly D. Harris has been President of the bank since 1932. L. R. Bryan, Jr., is Executive Vice-President.

The transaction paves the way for an expansion of Second National's activities, Col. W. B. Bates, spokesman for the purchasing group, said. The stock just sold was acquired by the late J. W. Neal in 1928. He held the stock until his death in 1940 and it has since been in a trust created by his will.

Report British Reject Plea To Relax Blockage

The Churchill Government according to London Associated Press accounts turned down suggestions on Nov. 10 that it relax the blockade and send food to German-occupied Europe, asserting that such an action would lead the Germans to create more starvation and shortages. The advices from which we quote added:

Dingle M. Foot, parliamentary secretary of the British Ministry of Economic Warfare, declared in the House of Commons that the British Government had no intention of repeating the Herbert Hoover plan of the last war, when food was shipped to Belgium.

"We know by experience that the Germans would not hesitate to create more starvation and shortages if such a program were followed now," Mr. Foot said. He added that the British did not propose to lay themselves "open to this particular form of German blackmail."

While conceding that there were great hardships and suffering in occupied Europe, the secretary said the impression that the "whole of occupied Europe is in a condition of famine is entirely misleading."

The Nazis, he said, could not afford to create starvation in countries where they have to garrison troops and from which they want production and labor.

Brazil Offers Debt Settlement Plan For Dollar And Sterling Bonds

The Foreign Bondholders Protective Council, Inc., New York City, issued on Nov. 26 the following statement with respect to Brazil's new plan for servicing its outstanding dollar and sterling bonds:

"After discussions with the Foreign Bondholders Protective Council, Inc., and the British Council of Foreign Bondholders, the Brazilian Government has issued Decree Law No. 6019, dated Nov. 23, 1943, providing for the service of its $837,662,000 outstanding dollar and sterling bonds, of which $286,036,000, or 34.2%, are dollar issues.

"The present offer of adjustment is the result of more than two months of negotiations by Robert E. McCormick and Lee Orton, whom the Foreign Bondholders Protective Council, Inc., sent to Rio de Janeiro for this purpose. These representatives were able to obtain over-all for the dollar bondholders considerably better terms than were originally offered by the Brazilian Government. The Council feels that this offer is the maximum which could have been secured, and recommends it to the favorable consideration of the bondholders.

"Under the plan, which will become effective Jan. 1, 1944, the bondholders are offered the choice of two plans of settlement, described as Option 'A' and Option 'B.' Each bondholder has the right to elect one or the other of these two options during the period Jan. 1, 1944 to Dec. 31, 1944.

"Under Option 'A' the face value of the bond is maintained, but the interest rates are reduced to new fixed amounts, varying on the dollar bonds from 3⅜% to 3½% on the Federal secured, funding, and Sao Paulo Realization issues; from 2% to 2½% on States of Mines Geraes, Rio Grande do Sul, and Sao Paulo issues; and from 1⅞% to 2⅜% on the other State and municipal issues. The responsibility for service under this option remains with the original obligor.

"Under Option 'B' there is a reduction of 20% of the face amount of the bond in the case of the Federal secured, funding, and Sao Paulo Realization issues, and a reduction of 50% in the case of the State and municipal issues. Interest on the remaining face amount will be paid at a uniform rate of 3¾% to compensate for the reduction in principal and interest rates, and the holders will receive cash payments in varying amounts. The Brazilian Government makes itself responsible under this option for service of State and municipal bonds.

"The Decree Law provides that holders failing to elect an option within the period established for acceptance 'will be automatically included in plan A.'

"Under both options, bonds will be retired through cumulative amortiaztion funds which will be used for purchase of bonds when quoted below par and for drawings at face value when at par or above. Under Option 'A' the total annual service of interest and amortization for each debtor will be constant until final redemption, and it is understood the amortization during the first year will amount to 45.5% of the reduced annual interest payments on the Federal secured, funding, and Sao Paulo Realization issues, and to 35.5% on the State and municipal issues. Under Option 'B' the total annual service of interest and amortization will be constant until final liquidation of all bonds included under the plan, and it is understood that amortization during the first year will amount to 2.65% of the new principal amount of the bonds.

"In payment of arrears of interest, the Brazilian Government offers 10% of the percentages offered during the last year of Decree Law 2085 with respect to coupons due before April 1, 1934, and 25% of the percentages offered during the last year of Decree Law 2085 with respect to coupons which had not become payable under Decree Law 2085 up to and including Dec. 31, 1943.

"The new plan makes no provision for the service of the bonds of the State of Ceara or the sterling bonds formerly classified in Grade VIII, but does provide for their retirement, the Brazilian Government offering to purchase these bonds at 12% of their face amount, all coupons thereon being cancelled. The Council, in line with its general practice not to give advice regarding the purchase or sale of bonds, makes no recommendation as to the acceptance of this offer on the Ceara bonds.

"In general both Option 'A' and Option 'B' represent a substantial improvement over the service which the Brazilian Government has been offering in the past few years. It also apportions more equitably the funds available for service, an objective for which the Council has been contending since Brazil's first temporary plan of service was worked out in 1934."

Secretary of State Cordell Hull, in a statement issued Nov. 25, said the bond settlement was "a manifestation of Brazil's earnest desire to meet its foreign obligations within the limits of its capacity."

The Secretary's statement further said, according to the Associated Press:

"This Government is extremely gratified that an arrangement of this far-reaching definitive nature has been reached between the Brazilian authorities and the representatives of the United States and British bondholders.

"The breadth of vision and the spirit which have characterized these negotiations are further testimony of the friendship and understanding between the Brazilian and American peoples."

New Wheat Flour Subsidy Announced

As part of the Administration's general plan for holding the-line on the cost of living, Fred M. Vinson, Economic Stabilization Director, announced on Nov. 18 a subsidy program for wheat flour millers. The plan, estimated to cost about $9,000,000 monthly would, it is stated enable wheat flour millers to pay as high as parity prices for wheat and at the same time continue to sell flour for no more than the ceiling prices.

The program will be financed by the Reconstruction Finance Corporation, with its subsidiary, the Defense Supplies Corporation administering.

The Office of Economic Stabilization said the subsidy was necessary because of the "squeeze" resulting from increasing wheat prices and the permitted flour and bread price ceilings. Without this government aid it was said the cost-of-living would be affected through higher prices to consumers for both bread and family flour.

To complement this program, the Office of Price Administration is said to be planning a price ceiling for all wheat reflecting 100% of parity. A ceiling on soft wheat in the Eastern States was recently put into effect.