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Further Transition To War Economy To Be Effected In 1943, Reserve Board Says

While the transition of the economy of the United States from a peacetime to a wartime basis had gone a long way in 1942 it was not yet complete at the year-end and the country, therefore, faces another year of profound readjustment in 1943, according to the Board of Governors of the Federal Reserve System. The Board makes this statement, in a review of 1942 appearing in the Federal Reserve Bulletin for January, 1943.

"On the physical side," says the Board, "important shifts are to be expected in the use of manpower, in the production and distribution of goods, and in consumption." "These physical readjustments," it is added, "involving a general tightening of conditions in the civilian economy to meet the war program, will give rise to many problems of a price and financial nature for the people generally and for the regulatory authorities." The Board further says:

"Shortages of workers and materials are likely to be widespread, in industry and on farms, with consequent pressure on the authorities for price and wage advances. At the same time, producers and distributors, faced with declining business volume, may regard higher prices as essential to maintain earnings."

The Board likewise states that the "exact nature and extent of the physical and financial readjustments in 1943 will depend in part on what further changes are made in the war program as new conditions develop."

From the Reserve Board's "Review of 1942—Transition to War Economy", we also quote:

"In 1942 the economy of the United States was in transition

from a peacetime to a wartime basis. According to official announcements, the armed forces had been built up from about 2,000,000 men when the United States entered the war in December, 1941, and were expected to be about 6,000,000 at the end of 1942. During the year about 1,000,000 men were transported abroad in expeditionary forces; additional training facilities were provided for the armed forces in this country; and output of munitions increased fourfold. Merchant ship construction was greatly increased, in an effort not only to offset current shipping losses but also to provide additional cargo space. By the end of 1942 deliveries of completed ships were at a rate of about 12,000,000 tons a year as compared with a rate of 1,000,000 a year earlier, and a further increase was in prospect. Supplies of munitions and other items made available during the year were sufficient to permit substantial increases in lend-lease shipments.

Conversion of Industry

"Much industrial equipment, including a large part of that in the automobile industry, was converted to war production and many new plants were built and

at 1% and the top (normal plus surtax), was 7%. Exemption for a single person was \$3,000. Contrast this situation with that which confronts us in the Revenue Act of 1942.

"The consequence of these increasing rates is that the debt which people owe to Federal government for tax on their last year's income has become a national danger. Nothing is to be gained by arguing that people ought to have saved the tax on last year's income out of last year's income. The fact is that they did not do it and now they cannot do it.

"The present system is a bad system for all of us, and it should and can be corrected. It is clear that the government cannot continue for long to be the creditor of some 27,000,000 taxpayers and their families in debt for income tax, particularly when there is no substantial question of revenue involved in skipping a year and getting the whole country on a current pay-as-you-go basis.

"In order to accomplish this desirable objective of getting our income taxes on a current basis,

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THE FINANCIAL SITUATION

The so-called political difficulties that are being encountered in French Africa should be most instructive to many Americans. If so, they may well be worth a great deal to us. The great danger, or one great danger, is that the censor—and in candor it must be said many of the commentators now engaged with the subject—may continue to make it difficult if not impossible for the American public to obtain a realistic picture of the situation there. The fact is, however, that although many of the wheels within wheels in North Africa are withheld from our sight, it is clear enough that Frenchmen there as in France are divided, and apparently along about the same lines.

Fascism vs Communism

What we are not often told, but what we should be able to decipher for ourselves is that this lack of unity among the French is not merely either an illustration of the perversity of human nature or the work of "Axis agents" performing miracles of disruption. The truth is that the whole of Europe has been in a ferment for years prior to the outbreak of war. Communism as conceived and practiced in Russia had been taking hold of the minds of large numbers of the nationals of nearly all the countries of Europe. Against it rose what is loosely known as Fascism or Nazism, and these conceptions, too, had been spreading rapidly. Both these "ideologies" are still vigorous and virile throughout Europe today. And strange as it may sound to our propaganda-filled ears, there are many men and women in Europe today who, far from troubling themselves greatly about democracy, are convinced that Europe (or their particular country, at least) "must" choose between these two types of absolutism—and not a few prefer Fascism, or its equivalent, to Communism. Here lies the fundamental difficulty of Frenchmen today.

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Ruml Defends His Pay-As-You-Go Tax Plan As Offering Chance to Correct Old System Defects

With the attention of Congress focussed on the question as to the advisability of the adoption of some sort of a pay-as-you-go plan, incident to new tax legislation, recent remarks of Beardsley Ruml, Chairman of the Federal Reserve Bank of New York, on the plan advocated and brought forward by him some months ago, are of particular import at this time. Mr. Ruml, who is also Treasurer of R. H. Macy & Co., Inc.,

discussed his plan at length in New York at a luncheon of the Advertising Club of New York on Jan. 6. Mr. Ruml pointed out that "a new legislative year has just begun, a new Congress takes up new and unfinished legislative business, and a new opportunity is presented to correct an old defect in our income tax procedure, a defect which has now had the result of putting 27,000,000 income-tax payers in debt for the tax on their last year's income."

Mr. Ruml went on to say that "when the Federal income tax bill was passed in this country in 1913, it had a defect which at the time seemed of no practical consequence but which has since come to have the greatest importance. This defect was that a citizen was required to pay in the year 1914 a tax on his 1913 income. In this way, we got started on a vicious practice of paying out of one year's income a tax on the year that had already gone." He added in part:

"I have said that at the time this defect seemed of no practical consequence. The reason is that income tax rates were low and affected comparatively few people. In 1913 the rates began

Peace, Planes and Meddling

We must admit that so far our spiritual front in this war is not as united as it was in the last war. The weakness today is not complacency or apathy. There is a great deal of bewilderment and confusion of purposes.

This is contributed to by the confusion in administration; by criticism of the divergent ideological purposes of our Allies; by the lack of confidence in the news of the war; by tiresome repetition of radio propaganda; by exceeding powers granted by the Congress and by the widespread conviction that the purposes of our administration are not alone to win the war, but to use the war to change fundamentals of American life without submission to the people or their representatives.

Despite all this the American people are united upon the defense of America from attack and are grimly determined to defeat the Germans and Japanese. I believe they are united upon securing lasting peace this time even if they have to use airplanes to garrison it.—Herbert Hoover.

Mr. Hoover's appraisal of the current situation seems to us to be excellent.

We hope, however, that the American people will not suppose, as we are certain Mr. Hoover does not believe, that "securing lasting peace" is so simple a matter as using "airplanes to garrison it." Such methods would no more succeed than would insistent meddling in other people's affairs.

Editorial—

A Vital Task For Congress

The strike in the anthracite mines caused by the exorbitant dues charged by John L. Lewis should and must awaken Congress to the need for action on long deferred reforms in the labor field. Certainly, suffering Eastern residents who had looked upon anthracite as the solution to the fuel oil shortage are becoming so indignant that they will no longer tolerate the evasions and delays typical of Congressional behavior in the labor field these past few years.

Yet, lest the nation feel that the problem is one peculiar to the East, or that the evils result only from the actions of Lewis, it is well to review a few facts that have been overshadowed by the recent military events, and the opening of the new Congress. Some recent happenings will be listed with a minimum of comment:

On December 9, three thousand CIO employees of the Bethlehem Steel Company plant at Johnstown went on strike because of a dispute over double time for Sunday work.

On December 18, members of the CIO auto union employed at the Brewster Aeronautical Corporation plants making dive bombers began a slowdown strike to force the War Labor Board to grant their wage increase demands. The slowdown lasted for nine days and cost the "Government hundreds of thousands of dollars and 336,000 man-hours of work."

On December 21, production of armor plate was curtailed at the Republic Steel Corp. plant in Cleveland because one thousand CIO members struck in a dispute over double-time pay.

That same day the CIO steel union also struck at a Rochester war plant, operated by the American Brake Shoe & Foundry Co., in protest because a foreman was dismissed for incompetency.

Also, on December 21, the CIO rubber union went on strike in the Goodyear plant at Jackson, Mich., because only 75% of the men were allowed to work on Sunday and get the usual overtime for work on that day.

On December 28, AFL machinists employed at the Granite City Steel Co., in Illinois, went on strike because the plant put into effect President Roosevelt's order restricting the payment of double time for Sunday work.

On December 29, construction of warships at Cramp's yard in Philadelphia was interrupted because a foreman laid off a CIO official.

On January 4, nine thousand war workers in the Ford River Rouge plant were made idle, and 44,000 man-hours of work lost because of a dispute over the reorganization of the maintenance crews. That same day work was resumed on tank engines at the Chrysler plant after a strike over demands for wage increases for forty-three testers in the plant.

On January 16, certain employees of the Bethlehem Steel Company at Lackawanna, New York, went on strike to enforce demands for higher pay because of the "dangerous work" they were asked to perform.

Now look back through that list. Note the underlined words, for they are the reasons that war workers and union members went on strike, delaying production of vital war machinery and equipment. Note, too, the dates; they stretch over a six-weeks' period and involve various unions in diverse industries. This is no list of coincidences, it should be representative—though by no means all-inclusive—of what is going on in American industry today.

Yet, how would you, or how would a member of Congress like to have this list circulated among the fighting Americans in the Solomons, or in North Africa?

But the list is not complete; one should not forget that during this period of Nuzzo was convicted and sentenced to prison for racketeering and stealing from members of the Hodcarriers' Union. Nor should one forget to include Mr. Lewis's strike in the anthracite fields, the most serious of all the disputes of the past months.

These strikes, these incidents in the news, are up to Congress. What will it do about it? What can it do about it?

The "Chronicle" ventures the suggestion that Congress should proceed at once to investigate the labor situation. The danger that such investigations may turn into headline hunting and witch-hunting without constructive legislative remedy resulting is recognized; but there is good precedent for hoping that an investigation of the labor problem would be fruitful.

Only a year or so before Pearl Harbor, Rep. Howard Smith of Virginia carried on an investigation of the Wagner Act and the National Labor Relations Board that brought about many healthy and needed changes.

For one thing, the Smith probe forced the President to reorganize the NLRB and dismiss the members most guilty of trying to make that agency an appendage of the CIO. For another, it was responsible for the passage through the House of the Smith amendments to the Wagner Act which if also passed by the Senate might have prevented much of the wrongs in the labor field that have occurred since the war began. Only the most desperate efforts of the Administration prevented the Senate from obtaining the opportunity to consider the Smith amendments. Had they reached the Senate floor they probably would have passed.

In addition, the Smith probe's revelations started and fed the feeling of revulsion against the union-appeasing policies of the Administration that are responsible as much as anything else for the changed trend in the last election.

Yes, the Smith probe certainly justifies the conviction that a new investigation of the labor field now would bring about many healthy reforms, perhaps even bring about the overturn of such feudal overlords as Lewis and others of his ilk against whom even the workers appear ready to revolt.

Congress should not attempt to legislate on the labor problem without such an investigation. The facts about the situation, the evils that need remedying, they must be thoroughly aired so that the Administration will not again dare to bottle up an important reform measure in committee as it did with the Smith bill. If the facts about war strikes, the reasons why these strikes are occurring, and the facts about racketeering are dug out and publicized, then we need not fear that the Administration will dare to oppose the needed changes.

There are many things that the Congress should investigate. It should secure a record on each important war strike, find out the reason for the strike and publicize the average earnings of the strikers, perhaps their age and draft status. Such a probe also should compile and list the number of unions—if any—that are reporting to their members an accounting of how they expend the huge dues and initiation fee rakeoffs they have collected from war workers. The probe should present the few reports that are being made and compare them with the reports required of industry by the SEC.

Such a probe should also delve into the most mysterious of all unknowns in the labor field: the management and finances of the locals of the unions. We know very little about the great and powerful international unions' finances, and the probe should ferret out much more and show the union members what they are getting for their money. But as little as we know about the internationals, we know far less about the locals. In fact, what rank guesswork is available in this field is based entirely upon court records of trials of racketeers, for it is in the locals that the most vicious racketeers operate; it is here that the greatest steals are perpetrated.

It is the ease with which locals can be controlled by mobsters and gangsters that makes a mockery out of the annual conventions of the great international unions and even of the AFL and CIO themselves. For, after all, the delegates to these conventions are simply the representatives of the men who control the locals. It is these locals that extracted the huge dues from workers on the Army cantonments and other such buildings. It was against a local that Nuzzo committed his crimes.

Yes, a probe into the union locals operating in war industries should prove a fertile field for a Congressional investigation. It should shed light that will democratize the unions and bring about the reforms in the places where the individual workers most need reform. Now, we are simply not equipped with the information to frame legislation for eradicating the evils within the unions. We need a probe to get that information. Adequate reform of the locals might prove the remedy for illegal and treasonable strikes as well as for racketeering!

These are only a few topics for investigation that might be considered by Congress. Others could be cited, and others will be developed if such a probe is ordered. **But the time for action is now!** Get the probe started at once so that it may bring about legislative action at the current session of Congress!

Equitable Life Offers Mid-West Farmers New "Prepayment Reserve" Loan Service Plan

"Prosperity funds" now flowing to many farmers in the Middle West as a result of good crops and high prices can be used to set up a "Prepayment Reserve" to meet interest and payment of instalments on mortgage loans under a plan announced Jan. 11 by Thomas I. Parkinson, President of the Equitable Life Assurance Society of the United States, as a service to its farm loan borrowers

in that area. Under the new plan, it is announced any Equitable farm loan borrower is privileged to transmit to the company such surplus funds as he can spare, to be held by the company as a prepayment reserve, and applied against interest and mortgage reduction instalments as they fall due.

In discussing the plan, Mr. Parkinson pointed out that widely fluctuating incomes are inherent in agriculture. Good prices and good yields often combine to give good incomes, but just as often poor prices or poor yields result in a temporary shortage of funds. He is quoted as saying:

"Livestock feeding, especially, is subject to extreme variations in profit. Also, one-crop sections, such as the wheat country, are fully dependent a few weeks each year on the whims of nature. These hazards are beyond the control of individual farmers; but added to these risks are the everyday contingencies facing all people, whether city dwellers or those in farming communities—such as added expenses due to illness, accident or other causes. With this new Prepayment Reserve service, Equitable farm loan borrowers may be assured that their mortgage loans will be kept in good standing even under very difficult conditions."

Operating Earnings Of U. S. Trust For Year

In his annual report to the stockholders, Williamson Pell, President of the United States Trust Co. of New York, observed that "much of our effort in this year has been directed toward assisting our country in the financing of the war." Mr. Pell added:

"Since Dec. 7, 1941, we have added \$32,606,200 par value to our holdings of United States Government obligations, an increase of 89.6%."

"In addition to these purchases for our own account we have bought in excess of \$90,000,000 par value of war bonds and tax anticipation notes for account of others."

In the report submitted at the stockholders annual meeting on Jan. 5, Mr. Pell presented a statement of operating earnings and expenses showing adjustments in surplus and undivided profits, etc., and in part he said:

"Net profits from the sale of securities based on amortized cost amounted to \$54,973.05 and were added to securities valuation reserve. In the statement of condition securities are carried at amortized cost, less this reserve."

"Due to the decrease in market value of New York City real estate the management has set up a specific valuation reserve against the company's mortgage investments. For this purpose the sum of \$828,000 was transferred from undivided profits and \$72,000 from general reserve. There was also transferred from general reserve \$100,000 to write down the book value of the banking premises."

"The company now has conservative valuation reserves against all its assets, which are shown in the statement of condition at values reflecting such reserves. In addition \$742,506.38 is carried in general reserve."

Mr. Pell also reported that net current operating earnings of the company for the year 1942 were \$1,576,655; the current earnings he indicated were \$4,239,523, while current expenses totaled \$2,662,868. The company's statement of condition was referred to in our issue of Jan. 7, page 67.

THE FINANCIAL SITUATION

(Continued from first page)

Let no one suppose that Great Britain was, or, for that matter is today, free of these influences, particularly those that emanate from Russia. It so happened that, thanks to the English Channel, the British people were given time to forget internal differences and concentrate upon hating and fighting a foreign enemy threatening their very existence, and so today whatever they may think of this or that system of government or social organization they are thoroughly united in fighting Germany to the bitter end. Whether when they have done fighting Nazism, they will in large measure yield themselves up to Communism remains for the future to disclose, but to suppose that the British have been willing to enter their Gethsemane purely for the sake of saving and perpetuating "democracy" as we have always known it in this country, is to betray considerable naivete.

A Reminder

What our experience in North Africa should be doing is to remind us of what we once were supposed to have learned in Versailles—that these issues in world politics are not nearly so simple as many of us have of late appeared to suppose. A good deal else that has been taking place from time to time within the past half year should, moreover, lend support to our North African experience. It was from the first clear enough why this venture in North Africa had been carefully given the appearance of an American enterprise. The French there have the traditional suspicion of the British, particularly the British engaged in what could be subtly planned imperialistic moves. Yet while the British Government itself appears ostensibly at least to have stood by our leadership, the same can scarcely be said of the British public if one may judge by the British press. It is not altogether unlikely that even at a time such as this and even in Great Britain there is a deep dislike of the United States "meddling" in what are regarded as the affairs of Europe.

It, of course, may not be true as repeatedly asserted in quarters ordinarily well-informed that Mr. Stalin is distrustful of both the British and the American governments; and has let it be known that he wishes to be consulted before other undertakings of this sort are set on foot. It may or may not be true that Communist elements looking to Russia for guidance have been active in supporting certain troublesome elements in North Africa. What can not be doubted is that Russia—that mammoth power devoid of the slightest interest in democracy or freedom or any of the other ideas we think we are fighting for—expects to have and will have a strong voice in any rearrangement of world affairs during or following this war. What the attitude of that country will be remains a mystery as deep as those concerning almost everything in that strange land.

Other Complications

Let it be remembered at all times also that in North Africa there are not only Frenchmen to be considered. Large native populations are there which have ideas of their own and which doubtless have heard about the "four freedoms." Their conduct during our occupation of their territory is of vital concern to us and must have an important bearing upon the ultimate success of the venture. To them the struggle in Europe and elsewhere in the world must have an appearance wholly different from what it presents to the people of the United States or of Europe. They are already under the yoke of one European power. They must have ambitions to be rid of it. In strict logic we should find it difficult, in view of our professed intentions to take the "four freedoms" everywhere in the world, to give our blessing to the continued presence of the French in North Africa at all. Indeed, it is only by reasoning not unlike that to which Hitler is fond of resorting that we can justify our own presence in that region. The truth of the matter is that the "four freedoms" doctrine is already beginning to break down in actual practice.

Nor is the situation in North Africa sui generis. Throughout the larger part of the British Empire, so far as it remains at the moment under British control, similar questions lie latent. Of this fact, of course, no one is more acutely aware than those in charge of British affairs. It is doubtless for this reason that Mr. Churchill on several recent occasions has apparently taken pains to dissociate himself from the "four freedoms" idea so far as it affects the British Empire. It may be that the virtual revolution that has taken place in Great Britain during the past two or three years has reached or will reach a point by the end of the war where there will be general willingness to see the British Empire largely disintegrate under the application of doctrines such as those which have been preached by President Roosevelt and echoed by Mr. Willkie, but it

would appear to be more than hazardous at this time to make any such prediction.

Practical Lessons

Our experience to date should teach us two lessons of immediate practical importance. The most urgent of these is that if we are wise we shall make every effort to avoid raising any of these issues until after victory has been won. The demands of Mr. Willkie and others that we proceed now to obtain agreement to our way of thinking is fraught with the greatest hazards. Such an effort on our part could very well prolong the war a great deal and quite possibly endanger its favorable outcome. The President's warning in his annual message to Congress about getting bogged down in postwar details may indicate that this situation is becoming clear in Washington. It is certainly to be hoped that it is. The suggestion of Vice-President Wallace that world affairs be regionalized may possibly have been intended to assuage European uneasiness. Let us hope so.

The other course suggested by our experience is that we greatly prune our postwar ambitions to bring them within the realm of realities. Should we fail to do so, we shall once again have good cause for serious disillusionment and bitterness when this gigantic struggle is over.

Food As Weapon Is Helping To Win War Declares President, Praising Farmers' War Role

In paying tribute to the farm people of the country on Jan. 12, Farm Mobilization Day, President Roosevelt said that this year, as never before, the entire nation, as well as many quarters of the free world, are looking to the farmers "for the food and other farm products that will help to bring victory."

The President's statement was read over all major radio networks by James F. Byrnes, Director of Economic Stabilization. Also participating in the farm mobilization program were Secretary of Agriculture Wickard Maxim Litvinov, Ambassador from Soviet Union; Lord Woolton, British Food Minister; Wei Taoming, Chinese Ambassador, and several other military and civilian leaders.

Remarking that American farmers hold a vital place in the entire war strategy of the United Nations, Mr. Roosevelt emphasized that "food is a weapon in total war fully as important in its way as guns or planes or tanks," and he said that other farm products also are weapons.

The President went on to relate how the United Nations are using food as a weapon "with the single aim of helping to win the war" and stated that, since our great food resources are scattered to the ends of the earth, "we no longer have food to waste."

Mr. Roosevelt said that American farmers must feed "our growing Army and Navy" and the civilian families of this country and "must help feed the fighting men and some of the war workers of Britain and Russia and to a lesser degree those of other allied countries." He commended the American farmers for the production victory they won last year, listing it as "among the major victories of the United Nations in 1942."

While saying that this year's task is greater and the obstacles more formidable, the President expressed confidence that "once more our farmers will rise to their responsibility."

The text of the President's follows:

"All over the world, food from our country's farms is helping the United Nations to win this war. From the South Pacific to the Winter front in Russia, from North Africa to India, American food is giving strength to the men on the battle lines, and sometimes also to the men and women working behind the lines. Somewhere on every continent the food ships from this country are the life line of the forces that fight for freedom.

"This afternoon we have heard from some of the military and civilian fighters who look to us for food. No words of mine can add to what they have said.

"But on this Farm Mobilization Day I want to round out the picture and tell you a little more

about the vital place that American farmers hold in the entire war strategy of the United Nations.

"Food is a weapon in total war—fully as important in its way as guns or planes or tanks. So are other products of the farm. The long-staple cotton that goes into parachutes, for example, the oils that go into paints for the ships and planes and guns, and the grains that go into alcohol to make explosives also are weapons.

"Our enemies know the use of food in war. They employ it cold bloodedly to strengthen their own fighters and workers and to weaken or exterminate the peoples of the conquered countries.

"We of the United Nations also are using food as a weapon to keep our fighting men fit and to maintain the health of all our civilian families. We are using food to earn the friendship of the people in liberated areas and to serve as a promise and an encouragement to peoples who are not yet free.

"Already, in North Africa, the food we are sending the inhabitants is saving the energies and the lives of our troops there. In short, we are using food, both in this country and in Allied countries, with the single aim of helping to win this war.

"Already it is taking a lot of food to fight the war. It is going to take a lot more to win the final victory and win the peace that will follow. In terms of total food supply the United Nations are far stronger than our enemies. But our great food resources are scattered to the ends of the earth—from Australia and New Zealand to South Africa and the Americas—and we no longer have food to waste. Food is precious, just as oil and steel are precious.

"As part of our global strategy, we must produce all we can of every essential farm product; we must divide our supplies wisely and use them carefully. We cannot afford to waste any of them.

"Therefore, the United Nations are pooling their food resources and using them where they will do the most good. Canada is sending large shipments of cheese, meats and other foods on the short North Atlantic run to Britain. Australia and New Zealand are providing a great deal of the food to American soldiers stationed in that part of the world. Food from Latin America is going to Britain.

"Every food-producing country among the United Nations is doing its share. Our own share in food strategy, especially at this stage of the war, is large, because we have such great resources for production; and we are on direct ocean lanes to North Africa, to Britain, and to the northern ports of Russia.

"American farmers must feed our growing Army and Navy, they must feed the civilian families of this country and feed them well. They must help feed the fighting men and some of the war workers of Britain and Russia and to a lesser degree those of other Allied countries.

"So this year, as never before, the entire nation is looking to its farmers. Many quarters of the free world are looking to them too. American farmers are a small group with a great task. Although 60% of the world's population are farm people, only 2% of that population are American farmers. But that 2% have the skill and the energy to make this country the United Nations' greatest arsenal for food and fiber.

"In spite of the handicaps under which American farmers worked last year, the production victory they won was among the major victories of the United Nations in 1942. Free people everywhere can be grateful to the farm families who made that victory possible.

"This year the American farmer's task is greater, and the obstacles more formidable. But I know that once more our farmers will rise to their responsibility.

"This farm mobilization is the first day ever dedicated by a President to the farm people of the nation. I know that the whole country joins me in a tribute to the work farmers already have done, in a pledge of full support in the difficult task which lies ahead for farmers, and in a prayer for good weather to make farmers' efforts more fruitful.

"Our fighting men and Allies, and our families here at home can rely on farmers for the food and other farm products that will help to bring victory."

SEC Issues Report On Railroad Equipment Mfg.

The Securities and Exchange Commission made public on Jan. 7 the seventh of a new series of industry reports of the Survey of American Listed Corporations. These reports cover the calendar years of 1940 and 1941 for companies with fiscal years ending in the same calendar year, and extend earlier reports which generally covered the period 1934-1940. Report No. 7 includes 18 companies primarily engaged in the manufacture of railroad equipment, all of which had securities registered under the Securities Exchange Act of 1934 at Dec. 31, 1941.

The SEC summarized from the combined totals some of the more important items in the report. The net sales for the 18 corporations amounted to \$740,000,000 in 1941 as compared with \$449,000,000 in 1940. The net profit from operations was \$109,000,000 in 1941 against \$50,000,000 in 1940, and the net profit after all charges totaled \$51,000,000 in 1941 and \$33,000,000 in 1940, equivalent to 6.9% and 7.3% of sales, respectively. Total dividends paid out by these corporations were \$26,000,000 in 1941 against \$21,000,000 in 1940. The combined assets of the group totaled \$865,000,000 at the end of 1941, compared with \$743,000,000 at the end of 1940, while surplus increased to \$204,000,000 at the end of 1941 from \$173,000,000 at the end of 1940. The total capital stock of these corporations declined from \$405,000,000 at the end of 1940 to \$389,000,000 at the end of 1941.

Ruml Defends His Pay-As-You-Go Tax Plan As Offering Chance to Correct Old System Defects

(Continued from first page)

I suggested to the Treasury in March of last year and to the Senate Finance Committee in July, a plan which I called the Pay-As-You-Go income tax plan. This plan is to be applied to individuals, not to corporations. Since then there has been a great deal of discussion, many suggestions and a little criticism.

"The first problem is how to get our personal income taxes on a current basis without paying two years' taxes in one year. The answer is as simple as daylight saving. Let us turn our tax clocks ahead one year. The taxes we have paid last year out of our 1942 incomes are taxes on our incomes received in 1941. We can best solve the problem now by recognizing these 1942 payments to be taxes on 1941 as they really are; and by beginning 1943 by paying on 1943, thereby dropping out the year 1942 from the tax calendar forever.

"In my original testimony before the Senate Finance Committee, I suggested dropping out 1941, but the Treasury preferred that if any year was to be dropped, it should be 1942. Now that 1943 has already begun it is clear that the Treasury is right, and that 1942 would be a better year to skip. It is unfortunate that action could not have been taken in time to make practical the skipping of 1941. The year 1941 would have been a much better year to be skipped for many income-tax payers who are serving the people of the United States in the armed forces or in the Federal civil service. Perhaps some method can be worked out to give them the choice of 1941 or 1942. I hope that this can be done.

"The question arises at once in everyone's mind, how can we drop an income-tax year out of the calendar in this way without having the Treasury lose a lot of money that is badly needed for the war effort? The answer is that we shall all go along paying our income taxes as we have before, only they will be on a current basis. The Treasury will also go along getting its revenues. The only difference is that when a taxpayer dies or ceases to receive income he will not owe income tax as he does under the present system. Reduction of tax payment by the taxpayer as a result of setting the tax clock ahead occurs only at some future date, when and as the taxpayer's income ceases or declines. The reduction is therefore spread over the whole life-time of the present income-tax paying generation, and occurs beneficially for each taxpayer at the time when his income fails."

Stating that there is "a special reason why the liabilities which have arisen under our income tax procedure may properly be set aside as I have suggested."

Mr. Ruml said "these liabilities are not debts such as those which arise in the exchange of money, property, or services between private individuals. They cannot be removed by bankruptcy proceedings. On the contrary, they are the result of a unilaterally imposed levy by a legislative body under a traditional practice of assessment recognized by all to be defective. This practice was in fact so defective that in 1942 not only was the income-tax debt itself so imposed, but the amount of the debt was not established until Oct. 21, 1942, nearly ten months after the taxable year began.

"There would therefore appear to be neither practical nor ethical grounds of a general character for not cancelling the old income-tax liability if that seems the best way of solving our problem. More-

over, in view of the defect and delay in our income-tax law there is sound and just reason why the correction should now be made. At this time when citizens will bear more tax burden than ever before, and when the expectation of additional burdens is in the minds of all, Congress may well extend a friendly and a helping hand to the nation's taxpayers. Congress may well remove the distress of income-tax debt from the unfortunate whose incomes fail, and the fear of income-tax debt from the rest of us."

"Broadly speaking," said Mr. Ruml, "what will the plan accomplish?" He went on to say: "The Pay-As-You-Go income tax plan is a three-way plan.

"First of all, it is a plan that will relieve thousands of citizens from hardship and distress arising from income-tax debt, and that will bring peace of mind to millions more who are in income-tax-debt danger.

"Second, it is a method for clearing the decks for an all-out war-financing program. If we can all be free of income-tax debt on the first of next year, we can start on a pay-as-you-go basis and stay there. If we need high withholding taxes we can have them; if we need to supplement voluntary savings with compulsory savings, we can do that too. But whatever is called for, it would be paid out of the current year's income as an assessment on the same year's income. We would not be paying for dead horses while we are fighting a war.

"In the third place, the Pay-As-You-Go income tax plan is the best kind of financial planning for the post-war period. Our policies can then be forward looking, not backward looking. We will not be trying to collect income taxes from people who are unemployed; we will not be debating whether we should collect taxes on 1941 incomes from men demobilized from the armed forces. We will not have a spending spree in the first little boomlet, financed on unpaid taxes, and then a tax-debt headache if incomes should drop off for a year or so."

Making the statement that "the chances of getting the new year 1943 on a pay-as-you-go basis seem to me to be distinctly good," Mr. Ruml continued:

"I feel that a Pay-As-You-Go plan in a form acceptable to Congress will certainly be adopted, because income-tax payers want to pay their taxes on a current basis, they want to be free of income-tax debt and they know it can be done without hurting the Treasury and without paying two years' taxes in one. The taxpayers know that Pay-As-You-Go solves the problem simply and fairly by skipping an income-tax year. They know the whole trouble was caused by a basic defect in our income-tax law which has existed from the beginning, that of paying a tax on last year's income out of this year's receipts. This defect was not their fault and they know it. They want it corrected and they want to be on a pay-as-you-go basis in 1943.

"Enough time has elapsed since the plan went to the Treasury and since it was made public before the Senate Finance Committee to permit the development of criticism, suggestions, and modifications of the plan. The critics have not been negligent and I feel sure that the objections which have been raised are the result of painstaking examination. At the same time, the lack of force in the objections which have been made to the plan has been apparent to press and public alike and has been the subject of nation-wide comment.

"It seems to me that we are rapidly approaching the time when the Pay-As-You-Go plan will be in the realm of legislative action. The needed decisions and compromises are the appropriate responsibility of Congress. The evidence is in. Let us have earnest consideration and early action.

"As a nation of individuals we will be better able to meet the present and to attack whatever the future has in store for us if we are paid up in our income tax, and, being out of income-tax debt, we can pay as we go out of what we earn."

Servicemen's Civil Relief Act Analyzed

An analysis and interpretation of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, has been prepared by the Consumer Credit Department of the American Bankers Association and is being sent in booklet form to the Association's entire membership, it was announced on Jan. 7 by Walter B. French, ABA Deputy Manager in charge of the department. The booklet is designed to serve as a ready-reference manual of the Act for the use of banks and is divided into eight major sections accompanied by an index table which simplifies the finding of specific provisions of the Act and interpretations of those provisions. In a foreword to the booklet, the Association's Consumer Credit Department points out that:

"The Soldiers' and Sailors' Civil Relief Act has a direct bearing on bank policy and procedure in making loans to individuals of draft age and their dependents. Its provisions may affect the bank's right to obtain repayment of loans that have already been made or may be made in the future.

"Since many important changes have been made recently in the 1940 Act, this analysis, covering the complete Act, as amended, has been prepared by the office of the General Counsel of the American Bankers Association for the guidance of the banks of the country."

The eight sections of the booklet deal with the following major points: Persons protected by the Act; period of protection; the relief granted by the Act to servicemen; relief to non-servicemen; special statutory provisions; special problems related to endorsers, collateral, and similar considerations; the penalties imposed by the Act, and minor provisions.

Additional copies of the booklet may be obtained from ABA headquarters.

Colombia Requires Nat'l Defense Bond Purchase

The following information was contained in a wireless dispatch to the New York "Times" from Bogota, Colombia, Dec. 29:

"A law authorizing an internal loan of 60,000,000 pesos passed by the recent Congress requires an investment in a number of instances in "national economic defense bonds" to be issued for the loan. Foreign capital brought into the country must be invested in bonds up to 20% of the total. This includes travelers' checks and drafts for the expenses of visitors and is expected to affect the tourist trade, which has been increasing chiefly from American employees of the Canal Zone no longer able to spend their vacations in the United States.

"It is understood this requirement also hits semi-official organizations such as the Rubber Reserve Corporation, which brings money into the country to buy raw rubber.

"Savings banks are required to invest 20% of their deposits and insurance companies 10% of their reserves in these bonds."

Large Supply Of Private Funds Needed For Post-War Home Financing In Illinois-Wisconsin

Post-war planning for \$500,000,000 of private capital for mortgage financing of new homes in Illinois and Wisconsin was disclosed by A. R. Gardner, President of the Federal Home Loan Bank of Chicago, which serves the thrift and home financing institution in these two States. This sum, it is stated, will be needed and avail the first five years after the war to build as many non-farm houses in Illinois and Wisconsin

as were built in the last five pre-war years, it is pointed out. Mr. Gardner said that with the funds flowing into the savings and loan associations nowadays, the devices being used to invest these funds and keep them available for post-war greater demands, and the facilities of the Federal Home Loan Bank system, private capital will be ready and eager to do this job, and a bigger one if necessary. The Chicago Home Loan Bank reports that according to the recently published figures from the 1940 census, 118,736 houses were built in urban and rural non-farm areas in Illinois and Wisconsin in the period 1935-1940. Mortgage loans to build them averaged \$3,500 where the money was supplied by savings, building and loan associations, leading source of mortgage money. Assuming the cost of construction to be about the same after the war as the average for the last decade of the thirties, \$414,296,000 will be needed to build a like number of houses.

"Savings, building and loan associations will be called on to supply at least \$150,000,000 for the first five years' post-war home building, since they have been the source of between 30 and 40% of home financing in these two States in recent years," said Mr. Gardner. He added:

"These are the institutions whose supply of funds is a direct responsibility of the Federal

Home Loan Bank System. There is every reason for thinking that they, with the use of supplementary funds from the Federal Home Loan Bank of Chicago, available to them up to 12 times their capital stockownership in the Bank, will be able to supply even more than this possible \$150,000,000 in this district. Associations have been receiving more money than their current mortgage loan demand for several months in most localities, and expect to continue to do so in many localities for the duration. Hundreds of them are putting the extra money into government securities and can get cash to lend home owners after the war by liquidating the shorter term paper. They can use longer term issues as collateral for advances from the Federal Home Loan Bank up to 100%. For this reason associations are beginning to buy more of the negotiable government issues.

"The Federal Home Loan Bank system as a whole will be in an unusual position to do its part in supplementing the local funds available for mortgage loans by its ability to float debentures in the capital market. Its position there is prime, it having retired in recent months debenture issues totalling \$44,000,000."

1942 Income Tax Forms Made Available

About 180,000,000 forms for individual income tax returns on 1942 income were printed and made available for distribution during the current month to the Nation's 64 Internal Revenue Collection Districts, it was announced recently by Commissioner Guy T. Helvering of the Bureau of Internal Revenue. The advices from the Bureau of Internal Revenue further said:

"Because of the war, the forms are being sent literally around the world. Supplies of them have been requisitioned by both the Army and the Navy for use of men and women in the services. The Army requested a sufficient number to supply the personnel of scores of military posts outside the continental United States. The Navy requested shipment of forms to shore stations throughout the United States, for allotment to its ships.

"In two instances, Army commanders in foreign war zones asked for and received authority to use their own resources to reproduce the forms in sufficient numbers to meet the needs of their troops. Cargo space thus was saved.

"Congress has authorized deferment of income tax returns and payments for members of the military and naval forces who are on sea duty or are outside the continental United States at the time the returns and payments fall due, but the Internal Revenue Service was informed that many such fighters, probably would prefer to file their returns at the usual time.

"Forecasts have come from Internal Revenue collectors that the simplified individual income tax return, officially designated as Form 1040 A, will find wide favor among those reporting on 1942 incomes. This form may be used when the income of the taxpayer—including the total incomes of a man and wife making a joint re-

turn—does not exceed \$3,000, and when there are no sources of income other than salary, wages, dividends, interest and annuities. Its use also is limited to 'cash basis' returns, which means, generally speaking, that the taxpayer does not keep a set of books.

"Use of the simplified form eliminates all but a very few calculations for the income taxpayer, and the form is self-explanatory as to these few. After determining from them the amount of income subject to tax, the taxpayer ascertains at a glance, from tables on the back of the form, the amount of tax he owes.

"The tables make allowance for personal exemption, earned income credit, and deductions aggregating 6% of gross income. This percentage is used as an average of the deductions which would be claimed if the simplified form were not available.

"The Internal Revenue Service officials expect the simplified form to be especially popular among the several million Americans who in 1943 will pay income taxes for the first time.

"If the taxpayer's 1942 gross income exceeded \$3,000, or came in whole or in part from sources other than salary, wages, dividends, interest and annuities, it is necessary to use Form 1040 in making a return. This form calls for detailed statements on income and also on all expenditures which are claimed as deductions.

"Form 1040 A may be easily recognized because it is a single sheet printed on buff paper. Form 1040 is a two-sheet fold, on white paper.

"A four-page instruction circular accompanies Form 1040. It gives a digest of the principal income tax requirements applying to individuals."

The State Of Trade

Reports from most industrial quarters continue to reflect a high level of activity, with weekly gains all along the line.

Steel production for the current week will reach a high since October, the American Iron & Steel Institute announced. Schedules provide for use of 99.8% of rated capacity, against 99.3% last week, a gain of half a point. The current schedule is equal to 1,707,300 net tons for the week, against 1,698,700 tons for the preceding week and 1,678,200 tons for the like 1942 period. The industry's record week was that beginning Oct. 26, 1942, of 1,729,500 tons. Output for the weeks beginning Oct. 12 and 19 also were larger than for the latest week.

A new record may be established this month in production of steel plates for ships, the magazine "Steel" reports. The increased shipbuilding program has brought requests to strip mill operators to roll more plates than in December.

Meanwhile the outlook for new freight cars is for a somewhat larger building program this year as the roads are in need of more rolling stock to meet demands of war transport.

Electric power production registered another increase in the week ended Jan. 9, totaling 3,952,587,000 kilowatt-hours, a gain of 13.8% over the 3,472,579,000 in the 1942 week, according to the Edison Electric Institute.

Output in the week ended Jan. 2 totaled 3,779,993,000 kwh., against 3,288,685,000 kwh. in the like period a year ago, an increase of 14.9%. In the week ended Dec. 26 the aggregate was 3,655,926,000 kwh., against 3,234,128,000 kwh. a year earlier, a gain of 13%.

The widest gain was on the Pacific Coast, where the rise was 25%. The Southern States' output was up 22.7%, while the West Central area gained 13.6%. The smallest rise was in the New England area, where the increase amounted to only 2.7%.

Carloadings of revenue freight for the week ended Jan. 9 totaled 716,272 cars, according to reports filed by the railroads with the Association of American Railroads. This was an increase of 95,224 cars over the preceding week this year, 20,700 cars fewer than the corresponding week in 1942 and 4,637 cars above the same period two years ago.

This total was 115.35% of average loadings for the corresponding week of the 10 preceding years.

Department store sales on a country-wide basis were up 6% for the week ended Jan. 9, compared with the same week a year ago, according to the weekly figures made public by the Board of Governors of the Federal Reserve System.

Store sales were up 10% for the four-week period ended Jan. 9, compared with last year.

Department stores sales in New York City in the week ended Jan. 9 were 6% smaller than in the comparative 1942 week, and in the four weeks ended Jan. 9 were 3% larger than in the comparable period a year ago, the New York Federal Reserve Bank reported.

For the first time since last summer, retail dollar sales last week dropped below the previous year, showing a decline of 2 to 6%, Dun & Bradstreet, Inc., reports in its weekly review.

This decline, however, as the publication points out, compared with the crest of the stock-up buying wave in 1942. As a consequence, some retailers did not believe it marked a significant change in the trend.

A critical situation is developing rapidly in manpower, which will seriously affect not only war production, but the entire civilian economy, according to authoritative sources. Eleven of every 15 men between the ages of 18 and 38 will be in the armed services before the end of 1943. Some of the remaining four will be in war industries, leaving comparatively few for civilian-goods industries.

Retailing and similar trades are advised to employ persons more than 38 years old, especially women.

An increase in self-service operations throughout retailing is forecast in the months ahead. The man-power situation, it is believed, will make action along such lines mandatory.

Studies recently compiled by the United States Chamber of Commerce indicate a rather long period of business prosperity after the war, William J. Moll, field director of that organization, told members of the Market Research Council at a luncheon recently.

Mr. Moll said the studies indicate, among other things, that 2,590,000 people in the United States will buy, or attempt to buy, automobiles within six months after the termination of hostilities. Approximately 1,715,000 intend to buy refrigerators, he said, and 1,260,000 intend to buy washing machines. Millions of others plan to make purchases of other products, including radios, sewing machines, furniture and stoves.

It was significant, he said, that approximately 1,015,000 families expect to build or buy new homes immediately after the war. These homes ranging in price for the most part from \$3,000 to \$10,000 would represent a total expenditure of about \$5,000,000,000, he estimated.

These figures, Mr. Moll explained, were based on personal interviews with approximately 12,000 consumers scattered throughout the entire United States. They indicate rather conclusively that the public demand will prove much greater than is generally supposed.

And American productive capacity will be equal to the demands made upon it, Mr. Moll told his listeners. We will have the biggest plant capacity in history, the largest supply of raw materials, both natural and synthetic, we have ever had and the largest number of skilled workmen.

Gulledge Named Mgr. Of St. Louis RFC Office

Jesse Jones, Secretary of Commerce, announced on Jan. 12 that Glenn Gulledge has been appointed Manager of the St. Louis Loan Agency of the Reconstruction Finance Corporation to succeed John W. Snyder, who has resigned to accept a Vice-Presidency in the First National Bank of St. Louis, Missouri. The announcement added:

"Mr. Gulledge has been connected with the St. Louis Loan Agency since the organization of the RFC in 1932, having risen to his present position of Assistant Manager through numerous promotions in the organization. He has been in active charge of the St. Louis office for the past several months.

"Prior to his connection with the RFC Mr. Gulledge had several years' experience in banking in Southern Illinois and during the period 1930-1932 was associated with the Federal Intermediate Credit Bank of St. Louis.

"Mr. Snyder was brought to Washington by the Board of Directors of the RFC in July of 1940 to assist in the organization of Defense Plant Corporation, of which he has been Executive Vice-President since its formation.

"Mr. Jones stated that arrangements have been effected with the First National Bank of St. Louis so that Mr. Snyder may devote a substantial portion of his time to the operation of Defense Plant Corporation for the present.

Further Transition To War Economy To Be Effected In 1943, Reserve Board Says

(Continued from first page)

equipped. Furthermore, many additional projects were being completed, providing additional capacity for production of scarce materials as well as for manufacture of finished war products. Industrial production as a whole increased from 168% of the 1935-1939 average in December, 1941, to an estimated 194 in December, 1942, notwithstanding curtailment of production for civilian use. In an effort to conserve scarce materials for war production, considerable essential information was gathered, and systems of priorities improved and in some instances replaced by direct allocation and inventory control.

"In the conversion process many skilled workers were made available for war production and many new workers, chiefly women, were drawn into the labor force. Toward the year-end action was being taken by the manpower authorities to prevent undue shifting of workers from one job to another and to keep adequate numbers of trained workers in war industries and certain essential civilian lines.

Maintenance of Consumption

"Curtailement of output of certain goods for civilian use, particularly metal products, was reflected to some extent in retail markets, but only slowly in most instances. Production of most consumer goods continued at a high level, and by the time output was curtailed in selected lines, producers and distributors generally had on hand large stocks of such items. Consequently, except for a few products, notably automobiles, tires, and petroleum products, consumer goods were freely available for purchase during most of the year; only at the year-end were scarcities appearing in retail markets for a substantial number of items, including various foods. Rationing programs were developed and adopted to ensure equitable distribution of a number of scarce essential commodities.

Price Controls

"On the financial as well as the physical side, the transition to a wartime basis was accelerated in 1942. Total war appropriations and contract authorizations rose from \$64,000,000,000 at the end of November, 1941, to \$206,000,000,000 in June, 1942, and \$238,000,000,000 in November, 1942. War orders increased sharply, and war expenditures expanded without a corresponding rise in taxes and savings. Thus, the upward pressure on prices was greatly increased. In the early part of the year prices at retail as well as at wholesale advanced rapidly, with some of the heavy buying at that time representing purchases in advance of needs, for protection against possible scarcities. To maintain orderly price conditions and thereby to promote the war effort, action was taken in May by the Office of Price Administration to stabilize prices of most goods at the highest levels reached in March. This action was taken under authority of the Emergency Price Control Act passed toward the end of January. Maximum rent ceilings were set up for an increasing number of localities as a part of the effort to stabilize the cost of living.

"During the period from March to September most retail prices showed little change, but food prices, many of which were uncontrolled at existing levels, continued to advance. Wage-rate increases were also substantial in this period. In October, at the reby the Office of Price Administration an amendment to the Price Control Act providing for stabilization of prices of commodities previously not under control and for stabilization of wage levels,

both with certain qualifications. The same amendment provided authority for appointment of a Director of Economic Stabilization. In a tax measure adopted in October, the annual yield of Federal taxes was increased by about \$7,000,000,000, with the bulk of the increased payments coming from individuals. In the calendar year 1942, net receipts from Federal taxes totaled over \$16,000,000,000. Meanwhile, individuals were saving an increasing proportion of their incomes, chiefly by buying war bonds, paying off instalment and other debts, and accumulating currency and deposits.

"Supply conditions for some commodities became more favorable than had been anticipated earlier in the year. Domestic production of many farm products reached record levels, and imports of some materials, notably wool, were larger than had been expected. As a result of all the diverse elements in the situation, including established controls for most commodities, such price increases as occurred were small in most markets after March. Food prices, however, continued to advance, reflecting increases in prices of uncontrolled items, and also in price ceilings of some controlled foods. The cost of living at the year-end was about 20% higher than in the period of virtual stability from 1939 to early 1941, 5% higher than in March, 1942 and 2% higher than in September, 1942.

Wage Controls

"Reflecting continued growth in demand for labor and the transfer of workers to the armed forces, there was a continued upward pressure on wage rates and salary levels. By order of the Director of Economic Stabilization, responsibility for salary level limitation was given to the Treasury and the War Labor Board, and the jurisdiction of the War Labor Board was extended to all wage-scale changes for workers not on farms, including changes mutually agreed upon by employees and employers. Acting under this wage control arrangement, the War Labor Board adopted a general policy of rejecting requests involving increases of more than the 15% cost-of-living rise from January, 1941, to May, 1942. A considerable number of increases continued to be allowed, however, for industries in which previous raises had amounted to less than 15%; for industries where wages were at substandard levels; and for industries where, in view of special circumstances, increases appeared essential to promote the war effort.

"In manufacturing industries, average hourly earnings were about 90 cents in October, reflecting in part overtime payments in war industries where the work week was typically 48 hours or more. In December, 1941, the average had been 79 cents. Thus, the rise in this period was 11 cents, part of which was due to an increase in the proportion of workers employed in the war industries, where wage rates were relatively high and where the amount of work at overtime rates was unusually large.

Fiscal and Monetary Developments

"In fiscal affairs the period since Pearl Harbor has been one of rapidly increasing expenditures, and of sharply increased borrowing, with higher tax receipts offsetting only in part the rise in outlays. Expenditures for war purposes rose from about \$2,000,000,000 in December, 1941, to \$6,000,000,000 in December, 1942. Further increases in expenditures, in tax receipts, and in borrowing

were in prospect.

"Bank purchases of United States Government securities continued in large volume. Nearly half of the increase in the public debt during 1942 was acquired by the banking system, including commercial banks and Federal Reserve Banks. As a consequence the proportion of commercial banks' loans and investments that was in United States Government securities increased from about two-fifths to over half during the year. Bank deposits rose accordingly, thus increasing required reserves and reducing excess reserves. Another drain on excess reserves came from an accelerated increase of money in circulation which reflected chiefly the growth of payrolls, the rise in consumer expenditures and retail prices, the removal of many persons from their customary homes and bank connections, and increased holdings of idle currency.

"As a result of these developments, member bank reserves in excess of requirements declined sharply during the year. Most of the decrease occurred at central reserve city banks in New York and Chicago, where Treasury receipts from taxes and security sales exceeded Treasury expenditures. In view of this situation, reserve requirements on demand deposits at member banks in central reserve cities were reduced by the Board of Governors of the Federal Reserve System, in August, September, and October, by gradual steps from 26 to 20%. Additional reserves were supplied to banks through purchases of Government securities by the Federal Reserve Banks. For the year as a whole the System's holding showed an increase of \$3,800,000,000."

Ex-Congresswoman Dies

Mrs. Caroline L. G. O'Day, former Representative at Large from New York State, died on Jan. 4 at her home in Rye, N. Y. She was 67 years old. Mrs. O'Day was elected to the House as Congresswoman at Large in 1934 and reelected in 1936, 1938 and 1940. Due to failing health, she did not seek reelection last November. A close friend of President and Mrs. Roosevelt, Mrs. O'Day frequently promoted social legislation and was a leading spokesman for labor. She had been leader of Democratic women of New York State for many years. Both the President and Mrs. Roosevelt sent messages of sympathy to Mrs. O'Day's family.

Pay On Porto Alegre 7 1/2%

Ladenburg, Thalmann & Co., as special agent, is notifying holders of City of Porto Alegre (United States of Brazil) 40-year 7 1/2% sinking fund gold bonds external loan of 1925, that funds have been deposited with them, sufficient to make a payment, in lawful currency of the United States of America, of 13.975% of the face amount of the coupons due July 1, 1940, amounting to \$5.24 1/16 for each \$37.50 coupon and \$2.62 1/32 for each \$18.75 coupon.

Pursuant to provisions of the Presidential Decree of the United States of Brazil, such payment, if accepted by the holders of the bonds and coupons, must be accepted in full payment of such coupons and of the claims for interest represented thereby. No present provision, the notice states, has been made for the coupons due Jan. 1, 1932, to Jan. 1, 1934, inclusive, but they should be retained for future adjustment.

Elliot Heads OWI Unit

Representative Thomas H. Elliot (Dem., Mass.) who was defeated for re-election, has been appointed chief of the British Division in the London Bureau of the Office of War Information. Mr. Elliot was General Counsel of the Social Security Board when its chairman was John G. Winant, present Ambassador to Great Britain.

Text Of The President's Budget Message To Congress

Following we present the full text of the Budget Message submitted to Congress on Jan. 11 by President Roosevelt. The General Budget Summary, a tabulation, which we have taken from the Summary Budget Statements, and will be found on page 288, shows comparatively the estimated receipts and expenditures for the fiscal years 1944 and 1943 and the actual figures for 1942.

In our issue of Jan. 14, page 202, we published a detailed account of the President's Budget Message.

To the Congress of the United States:

I am transmitting herewith a war Budget exceeding \$100,000,000,000 for the fiscal year beginning July 1, 1943. Last year I called the Budget an instrument for transforming a peace economy into a war economy. This Budget presents the maximum program for waging war.

We wage total war because our very existence is threatened. Without that supreme effort we cannot hope to retain the freedom and self-respect which give life its value.

Total war is grim reality. It means the dedication of our lives and resources to a single objective: Victory.

Total war in a democracy is a violent conflict in which everyone must anticipate that both lives and possessions will be assigned to their most effective use in the common effort—the effort for community survival—Nation survival.

In total war we are all soldiers, whether in uniform, overalls, or shirt sleeves.

Budgeting for Total War

War Expenditures

The huge and expanding rate of war expenditures shows our determination to equip our fighting forces and those of our Allies with the instruments of war needed for victory. Monthly expenditures for war purposes amounted to \$2,000,000,000 just after Pearl Harbor; they now exceed \$6,000,000,000 and they will average more than \$8,000,000,000 a month during the fiscal year 1944. For the whole of the current fiscal year total war expenditures are now estimated at \$77,000,000,000; for the next fiscal year, at \$100,000,000,000. These estimates include the net outlays of Government corporations for war purposes and assume only a small rise in prices.

Victory cannot be bought with any amount of money, however large; victory is achieved by the blood of soldiers, the sweat of working men and women, and the sacrifice of all people. But a \$100,000,000,000 expenditure program does reflect a national effort of gigantic magnitude. It calls for vision on the part of those in charge of war production, ingenuity of management, and the skill, devotion, and tenacity of the men on the farms and in the factories. It makes possible the expansion of our armed forces necessary to offensive operations, the production of planes and munitions to provide unquestioned superiority, and the construction of ships which will make it possible for us to strike at the enemy wherever he may be. It reflects the determination of the civilians to "pass the ammunition." Moreover, consumers' goods and services will have to be produced in an amount adequate to maintain the health and productivity of the civilian population. And all of this will have to be done while we are withdrawing millions of men from production for service in the armed forces.

Some persons may believe that such a program is fantastic. My reply is that this program is feasible. If the Nation's manpower and resources are fully harnessed, I am confident that the objective of this program can be reached, but it requires a complete recognition of the necessities of total war by all—management, labor, farmers, consumers, and public

servants—regardless of party. Production short of these military requirements would be a betrayal of our fighting men.

This Budget does not include the detailed estimates of war expenditures which would reveal information to our enemies. An additional reason for such action at this time is that rapid developments on far-flung battle fronts make it impossible to submit a detailed war Budget for a year ending 18 months hence. I shall continue, however, to report, on the broad categories of war expenditures. The following table summarizes our present estimates of war expenditures from general and special accounts and by Government corporations.

Object of Expenditure—	Fiscal 1943	Fiscal 1944
Munitions	\$43	\$66
Military and civilian pay, subsistence and travel	15	21
Industrial construction	6	2
Other construction	8	5
Other, including agricultural lend-lease	5	6
Total	\$77	\$100

This spring I shall submit the necessary information upon which the Congress can base war appropriations for the fiscal year 1944. In the meantime there are available about \$170,000,000,000 of unspent war appropriations and authorizations; about two-thirds of this amount is already obligated or committed. Further appropriations will soon be needed to permit letting of contracts with industry for the next year.

The Procurement of Munitions

Total mobilization of all our men and women, all our equipment, and all our materials in a balanced production program will enable us to accomplish the production goals underlying this war Budget.

Manpower.—Marked progress has been made in mobilizing manpower. In spite of the increase in the armed services, industrial production rose by 46%, and agricultural production by 15% between calendar years 1940 and 1942. Industrial production has not been delayed and crops have not been lost because of lack of manpower except in a few isolated cases. More than 10,000,000 people have been added to the employed or the armed forces since the summer of 1940, 7,000,000 of whom were unemployed and more than 3,000,000 of whom are additions to the Nation's labor and armed forces.

Manpower mobilization is now entering a much more difficult phase. During the calendar year 1943 approximately 6,000,000 people will be needed above present requirements for the armed services and war production. This number can be obtained by transferring from less essential work, and by drawing into the working force people who have not recently sought employment. Vigorous action is required to mobilize and train our reserve of women and young people, to accelerate the transfer of workers to essential industries, and to reduce harmful turn-over and migration of workers in essential industries. It also requires prevention of labor hoarding and elimination of hiring restrictions based on sex, creed, or race. I reiterate my previous recommendation for a unified and adequate rehabilitation service to make available a million persons for war industry

and to restore to civil employment persons who are being disabled in the armed forces.

Manpower needs of the armed forces and of war production during the calendar year 1943 can be met without impairment of essential civilian requirements. I stress the important distinction between "essential requirements" and the thousand and one things that are nonessentials or luxuries. The production of these nonessentials wastes manpower at a time when careful economy and greater efficiency in the use of our manpower resources is imperative. Private thought and public discussion of this subject are very necessary.

Equipment.—Were it not for an unprecedented program of conversion and the building up of a new war industry during the past two and one-half years, we could not expect to fulfill the war-production program outlined in this Message.

Some progress, but not enough, has been made in spreading war contracts more widely among medium-sized and smaller plants. Further efforts are necessary. In certain cases, of course, saving of manpower and materials requires concentration in those plants best equipped to produce a given commodity.

Materials.—Furthermore, war production is limited by our supply of raw materials. The available materials must be transformed into the maximum of striking power. The production of less urgent or the wrong quantity of items, or poor scheduling of production in any single plant or in the munitions program as a whole, results in waste of precious materials. The Nation's war production must be so scheduled that the right items are produced in the right amounts at the right time.

War contracts.—The procurement program must achieve maximum production with minimum waste and with the speed essential in time of war. This is the controlling objective not only for the original negotiation of contracts but also for the renegotiation required by law. The law provides for the prevention or recapture of excessive profits, thus supplementing and reinforcing the objectives of the excess-profits tax. I believe that control of the costs of production is of equal importance.

The proper negotiation and renegotiation of contracts must strive to reconcile the avoidance of excessive profits with the maintenance of incentives to economical management.

Farm and Food Program

Food is a primary weapon of war. An adequate food supply is, therefore, a basic aspect of a total war program. I have placed in the hands of the Secretary of Agriculture full responsibility for determining and fulfilling the food requirements in this war. Our agricultural production is larger than ever in our history but the needs of our armed services and our Allies are so great that a shortage of certain foods is inevitable. The production of the less-needed commodities must be reduced, while the production of commodities for war and essential civilian use must be increased. It is imperative also that this increased demand for food be adjusted to available supplies. There will be sufficient volume in our bill of fare but less variety. That may hurt our taste but not our health.

To facilitate this program, I am recommending appropriations for aids to agriculture totaling \$837,000,000 for the fiscal year 1944. Among the major items included in the \$837,000,000 total are \$400,-

000,000 for conservation and use of agricultural land resources; \$194,000,000 for parity payments on the 1942 crops; and \$96,000,000 for exportation and domestic consumption of surplus commodities. Other large items included are \$64,000,000 for payments under the Sugar Act; \$38,000,000 for the Farm Security Administration; and \$31,000,000 for reductions in interest rates on farm mortgages.

Prior to the 1943 appropriation acts, annual appropriations for parity payments were made a year in advance of actual need, and acreage allotments for the year ahead were used as a factor in determining payments on the crops of the current year. In the 1943 Budget and appropriation acts, provisions were made to insure that all factors used in determining the amount of parity payments on the crops of a given year would pertain to the program of that year. Also, to bring this item into conformity with our general budgetary practice, the annual cash appropriation for parity payments was omitted, but the Secretary was authorized to incur contractual obligations assuring the cooperating producers of cotton, corn, wheat, rice, and tobacco that such payments would be made, if and as necessary, on their 1942 crops.

The appropriation now requested, therefore, is simply the amount estimated to be necessary to compensate the producers of corn, wheat, and certain minor types of tobacco for the disparity between the market returns from the normal yield of their 1942 allotted acreage and the parity price return from that production. It is expected that no parity payments will be necessary on the 1942 crops of cotton, rice, and most types of tobacco.

Since the established national policy is to assure the cooperating producers of these basic crops parity prices on the normal yields of their allotted acreages, I am again recommending that the authority to incur contractual obligations for such payments on future crops be renewed.

On the other hand, I am recommending a reduction of \$50,000,000 in the appropriation for Conservation and Use of Agricultural Land Resources. I am also directing the Secretary of Agriculture to utilize the \$400,000,000 still provided under this heading as fully and effectively as the basic law will permit to encourage greater production of the crops essential to the war effort. This fund will not be used for restriction of production except of less-needed crops. Payments will be made only to those producers who comply fully in their plantings with the stated war-production goals.

For exportation and domestic consumption of agricultural commodities the Budget includes only the permanent annual appropriation of 30% of customs revenues provided by law, plus reappropriation of unobligated balances. The food-stamp plan, which is a major item of the current program, will be discontinued shortly. Although other items such as school lunch and school milk projects and the direct distribution of surplus commodities are somewhat expanded, there will be an overall reduction of about \$30,000,000.

Provision for operations under the Farm Tenant Act and for loans, grants, and rural rehabilitation are continued on about the same level as for the current year. Small farms, like other small war plants, must be encouraged to make a maximum contribution to the war. I hope the Congress will give as much sympathetic consideration to these smaller and poorer farmers as it has given to the smaller and poorer industrial concerns.

Because no one can immediately foresee all the needs we may encounter in fulfilling our essential war requirements for agriculture, various loan and purchase operations, involving contingent liabilities which cannot be exactly predetermined, may be necessary.

Civilian Consumption

In spite of a \$100,000,000 war program, civilians can be supplied with an average of about \$500 worth of goods and services during the next year. This implies an average reduction of almost 25% in civilian consumption below the record level of the calendar year 1941. Even then most of us will be better fed, better clothed, and better housed than other peoples in the world. Do not let us assume from that statement, however, that there is no need for great improvement in the living conditions of a large segment of our population.

It is the responsibility of the Government to plan for more production of essential civilian goods and less of nonessential goods. Production and distribution of goods should be simplified and standardized; unnecessary costs and frills should be eliminated. Total war demands simplification of American life. By giving up what we do not need, all of us will be better able to get what we do need.

In order to distribute the scarce necessities of life equitably we are rationing some commodities. By rationing we restrict consumption, but only to assure to each civilian his share of basic commodities.

The essentials for civilian life also include a good standard of health and medical service, education, and care for children in wartime as well as in peace.

The Stabilization Program

We must assure each citizen the necessities of life at prices which he can pay. Otherwise, rising prices will lift many goods beyond his reach just as surely as if those goods did not exist. By a concerted effort to stabilize prices, rents, and wages we have succeeded in keeping the rise in the cost of living within narrow bounds. We shall continue those efforts, and we shall succeed. By making effective use of all measures of control, we shall be able to stabilize prices with only a limited use of subsidies to stimulate needed production.

Some would like to see the controls relaxed for this or that special group. They forget that to relax controls for one group is an argument to relax for other groups, thereby starting the cost-of-living spiral which would undermine the war effort and cause grave post-war difficulties. Economic stabilization for all groups—not for just the other fellow—is the only policy consistent with the requirements of total war. I have read of this bloc, and that bloc, and the other bloc, which existed in past Congresses. May this new Congress confine itself to one bloc—a national bloc.

Stabilization goes beyond effective price control. Under war conditions a rise in profits, wages, and farm incomes unfortunately does not increase the supply of goods for civilians; it merely invites the bidding up of prices of scarce commodities. The stabilization of incomes and the absorption of excess purchasing power by fiscal measures are essential for the success of the stabilization program. I am confident that the Congress will implement that program by adequate legislation increasing taxation, savings, or both. Thus, we will help to "pay as we go" and make the coming peace easier for ourselves and our children.

Civilian Controls In Total War

Total war requires nothing less than organizing all the human and material resources of the Nation. To accomplish this all-out mobilization speedily, effectively, and fairly we have had to adopt extensive controls over civilian life. We use the Selective Service System to man the armed forces. We are systematizing the movement of labor to assure needed manpower to war industries and agriculture. We regulate prices, wages, salaries, and rents; we limit consumer credit; we allocate scarce raw materials; and we ration scarce consumer goods—all to the end of providing the materials of war and distributing the sacrifices equitably.

Such regulations, and restrictions have complicated our daily lives. We save rubber, metal, fats—everything. We fill out forms, carry coupons, answer questionnaires. This is all new. We have overdone it in many cases. By trial and error we are learning simpler and better methods. But remember always that reaching the objective is what counts most. There is no easy, pleasant way to restrict the living habits—the eating, clothing, heating, travel, and working habits—of 130,000,000 people. There is no easy, pleasant way to wage total war.

About 400,000 civilian employees of the Federal Government are engaged in the task of civilian administration for total war. They direct and schedule war production; handle the procurement of food, munitions, and equipment for our armed forces and our Allies; supervise wartime transportation; administer price, wage, rent, labor, and material controls and commodity rationing; conduct economic and propaganda offensives against our enemies; and do necessary paper work for the armed forces.

Besides these Government employees, millions of men and women volunteers—who draw no pay—are carrying out tasks of war administration, many of them after long hours at their regular occupation. These patriotic citizens are serving on draft boards, on war price and ration boards, in the civilian defense organization, the war bond campaign, and many other activities. They deserve the gratitude of their countrymen.

More than 1,600,000—or approximately three-fifths—of all Federal civilian employees are engaged directly in war production. They build and load ships, make guns and shells, repair machines and equipment, build arsenals and camps, sew uniforms, operate airports and signal systems. These are the workers in navy yards, arsenals, storage depots, military airfields, and other operating centers. It is scarcely ethical to try to make people believe that these workers are holding down arm-chair or unnecessary Government jobs.

This huge organization, created overnight to meet our war needs, could not be expected to function smoothly from the very start. Congressional committees and many individuals have made helpful suggestions. Criticism is welcome if it is based on truth. We will continue our efforts to make the organization more fully effective.

Compensation of Federal employees—Last month the Congress took temporary and emergency action, which will expire April 30, 1943, relative to compensation for Federal employees. The legislation removed inequities, lengthened the workweek to conserve manpower, increased payment for longer hours, and provided bonus payments for certain employees. The pay increases should be met largely by reducing the total number of employees proportionate to the increase in the workweek.

In the present appropriation requests and expenditure estimates

for the fiscal years 1943 and 1944, no allowance has been made for any cost increase resulting from the adjustment in Federal salaries.

The problems of Federal salary administration need further study in the early days of the new Congress for enactment of more permanent legislation for the duration of the war.

"Nonwar" Expenditures

I am making recommendations in the usual detail for so-called "nonwar" appropriations for the fiscal year 1944. This classification includes the same items as in former years.

Actually, the "nonwar" classification now has little, if any, meaning. Most of these expenditures are related to the war effort and many are directly occasioned by it. This "nonwar" category includes, for instance, expenditures for war tax collections; for budgeting, disbursing, and auditing war expenditures, and for statistical and scientific services to war agencies. It includes also such items as the control of white pine blister rust, which I recently discussed. Expenditures for controlling this threat to our timber resources are necessary to avoid possible loss of millions of dollars in lumber from trees which require more than 50 years to reach maturity.

All counted, there are less than 850,000 civilian employees of the Federal Government, including the Postal Service, who are engaged in these so-called "nonwar" activities.

A few weeks ago I transmitted to the Congress a comprehensive report on "nonwar" expenditures during the past decade. This document demonstrated the important reductions which had been made in these expenditures, especially since the start of the defense program.

The following table summarizes reductions analyzed in the report, to which it is now possible to add revised estimates for the fiscal year 1943 and estimates for 1944 as developed in this Budget.

"Nonwar" Expenditures, Fiscal Years 1939-1944		
(Excluding interest and statutory debt retirement)		
(Millions)		
Fiscal Year—	Total nonwar expenditures	Reduction below 1939
1939	\$6,516	—
1940	6,246	\$270
1941	5,298	1,218
1942	5,125	1,391
1943 (estimated)	4,582	1,934
1944 (estimated)	4,124	2,392

The table shows a reduction of 36.7% in "nonwar" expenditures in the next fiscal year compared with 1939. In appraising these reductions, it should be borne in mind that large items, such as veterans' pensions and social-security grants, are controlled by legal or other commitments. In fact the outstanding increase for the fiscal year 1944 is for the Veterans' Administration, for which expenditures are estimated at \$879,000,000, or \$265,000,000 higher than in the current year. Most of the increase is for insurance for our fighting forces in the present war.

The most important reductions recommended for the coming year relate to work relief and general public works. Because of present high levels of employment, I am able to recommend elimination of the Work Projects Administration. This action under present conditions does not cast upon the State and local governments more than the proper burden of financing the relief of those who are unable to work. Expenditures for general public works will be greatly curtailed. Continuing projects are directly related to war needs. Others have been discontinued as rapidly as this could be done without risking the loss of the investment already made.

I shall be glad to cooperate with the Congress in effecting further reductions in "nonwar" expendi-

tures through the necessary revision of underlying legislation and in every other way. It should be pointed out to the Congress and to the Nation, however, that we are fast approaching the subsistence level of government—the minimum for sustaining orderly social and economic processes—and that further reductions will necessarily be of much smaller magnitude than those already achieved.

My recommendations contemplate that in the fiscal year 1944, 96 cents of every dollar expended by the Federal Government will be used to pay war costs and interest on the public debt, and only 4 cents for all the so-called "nonwar" purposes.

Interest

War financing has raised the requirement for interest on the public debt from \$1,041,000,000 in 1940, the fiscal year before the defense program started, to an estimated \$1,850,000,000 for the current year and \$3,000,000,000 for the fiscal year 1944 under existing legislation.

Financing Total War

The Need For Additional Funds—Financing expenditures which will exceed \$100,000,000,000 is a task of tremendous magnitude. By meeting this task squarely we will contribute substantially to the war effort and clear the ground for successful reconstruction after the war. An adequate financial program is essential both for winning the war and for winning the peace.

Financing total war involves two main fiscal problems. One problem is to supply the funds currently required to pay for the war and to keep the increase in Federal debt within bounds. The second problem is caused by the disbursement of \$100,000,000,000 a year to contractors, war workers, farmers, soldiers, and their families, thus adding many billions to the peoples' buying power; at a time when the amount of goods to be bought is declining steadily. A large portion of this excess buying power must be recovered into the Treasury to prevent the excess from being used to bid up the price of scarce goods and thus undermine the stabilization program by breaking price ceilings, creating black markets, and increasing the cost of living.

We cannot hope to increase tax collections as fast as we step up war expenditures or to absorb by fiscal measures alone all excess purchasing power created by these expenditures. We must, therefore, provide a substantial portion of the needed funds by additional borrowing, and we must also use direct controls, such as price ceilings and rationing, for the protection of the consumer. Nevertheless, the more nearly increases in tax receipts follow increases in expenditures, the better we safeguard our financial integrity and the easier the administration of price control and rationing. All of these measures are interrelated. Each increase in taxes and each increase in savings will lessen the upward pressure on prices and reduce the amount of rationing and other direct controls we shall need.

The revenue acts of the past 3 years, particularly the Revenue Act of 1942, have contributed greatly toward meeting our fiscal needs. In the fiscal year 1944, total general and special receipts under present law are estimated at \$35,000,000,000, or almost six times those of the fiscal year 1940. But the increase in expenditures has been even more rapid.

I believe that we should strive to collect not less than \$16,000,000,000 of additional funds by taxation, savings, or both, during the fiscal year 1944.

On the basis of present legislation, we expect to meet 34% of total estimated Federal ex-

penditures by current receipts during the fiscal year 1944. If the objective proposed in this Message is adopted, we shall meet approximately 50% of expenditures during the fiscal year 1944.

The Need For A Balanced And Flexible Revenue System

I hope that the Congress in working out the revenue program will consider that the fiscal measures must be designed not only to provide revenue, but also to support the stabilization program as well by deterring luxury or non-essential spending. The cost of the war should be distributed in an equitable and fair manner. Furthermore, care should be taken that the fiscal measures do not impair but actually promote maximum war production. Finally, it is more important than ever before to simplify taxation both for taxpayers and for those collecting the tax, and to put our taxes as far as feasible on a pay-as-you-go basis.

I cannot ask the Congress to impose the necessarily heavy financial burdens on the lower and middle incomes unless the taxes on higher and very large incomes are made fully effective. At a time when wages and salaries are stabilized, the receipt of very large net incomes from any source constitutes a gross inequity undermining national unity.

Fairness requires the closing of loopholes and the removal of inequities which still exist in our tax laws. I have spoken on these subjects on several previous occasions.

The Congress can do much to solve our problem of war finance and to support the stabilization program. In the past, wars have usually been paid for mainly by

means of inflation, thereby shifting the greatest burden to the weakest shoulders and inviting post-war collapse. We seek to avoid both. Of necessity, the program must be harsh. We should remember, however, that it is a war for existence, and not taxation, which compels us to devote more than one-half of all our resources to war use. An effective program of war finance does not add to the total sacrifices necessitated by war, but it does assure that those sacrifices are distributed equitably and with a minimum of friction.

We should remember, furthermore, that helping to finance the war is the privilege mainly of those who still enjoy the receipt of incomes as civilians during the war. It is a modest contribution toward victory when we compare it with the contribution of those in the fighting forces.

By the end of the current fiscal year, the public debt will total \$135,000,000,000. By June 30, 1944, it will be about \$210,000,000,000 under existing revenue legislation. Before the present debt limit of \$125,000,000,000 is reached, the Congress will be requested to extend that limit. To do this is sound, for such a debt can and will be repaid. The Nation is soundly solvent.

Preparing for Total Victory

Preparing for total victory includes preparing the base on which a happier world can be built. The tremendous productive capacity of our country, of all countries, has been demonstrated. Freedom from want for everybody, everywhere, is no longer a Utopian dream. It can be translated into action when the fear of aggression has been removed by

(Continued on page 288)

War Bonds Credited Against Victory Tax

Secretary of the Treasury Morgenthau has ruled that U. S. Savings Bonds, Series E, F, and G, are prescribed as "obligations of the United States" within the meaning of that section of the 1942 Revenue Act which allows for credit against the Victory Tax. The Treasury Department's advice, issued under date of Dec. 29, follows:

The following regulations are issued pursuant to Subchapter D, Part I, Sec. 453 (a) (3) of the Internal Revenue Code, as added by the Revenue Act of 1942, which reads as follows:

"Sec. 453. Credit Against Victory Tax.

(a) Allowance of Credit—There shall be allowed as a credit against the victory tax for each taxable year:

(3) The amount by which the amount of obligations of the United States owned by the taxpayer on the last day of the taxable year exceeds the greater of (A) the amount of such obligations owned by the taxpayer on Dec. 31, 1942, or (B) the highest amount of such obligations owned by the taxpayer on the last day of any preceding taxable year ending after Dec. 31, 1942. As used in this paragraph (1) the term "owned by the taxpayer" shall include the amount of the obligations owned solely by the taxpayer and one-half of the amount of the obligations owned jointly by the taxpayer with one other person, but shall not include such obligations acquired by the taxpayer by gift, or inheritance, or otherwise than by purchase; (ii) the term "obligations of the United States" means such obligations of the United States as the Secretary may by regulations prescribe, and as are purchased in such manner and under such terms and conditions as he may specify; and (iii) the term "amount of obligations of the United States" means the

amount paid for such obligations."

(1) The following classes of securities issued by the United States are prescribed as "obligations of the United States" within the meaning of such term as used in Subchapter D, Part I, Sec. 453 (a) (3) of the Internal Revenue Code:

1. United States Savings Bonds, Series E, F, and G.

(2) The right is reserved to amend or supplement this circular, at any time, or from time to time.

HENRY MORGENTHAU, JR., Secretary of the Treasury.

Dr. Butler Honorary State Chamber Member

At its monthly meeting on Jan. 7, the Chamber of Commerce of the State of New York for the first time in 17 years, elected an honorary member, conferring that title upon Dr. Nicholas Murray Butler, President of Columbia University, who has been a member of the organization for 34 years. Charles Evans Hughes, retired Chief Justice of the United States Supreme Court, is the only other living honorary member of the Chamber. In seconding the nomination of Dr. Butler, who was proposed by H. Boardman Spalding, Chairman of the Executive Committee, Frederick H. Ecker, Chairman of the Metropolitan Life Insurance Co., said that the list of those who had been enrolled as honorary members included men who had been Presidents of the United States and other distinguished statesmen, noted philanthropists, world-famed inventors, explorers, engineers, etc., he added:

"I know I voice the sentiment of all the members of the Chamber in saying that the man we propose to honor today will be a credit to that distinguished company whose names are inscribed high on the scroll of great Americans in the Chamber's own Hall of Fame."

Text Of The President's Budget Message To Congress

(Continued from page 287)
 victory. The soldiers of the fighting forces and the workmen engaged in military production want to be assured that they will return to a life of opportunity and security in a society of free men.
 The economic stabilization program, although born of war necessity, will greatly facilitate post-war reconstruction. A determined policy of war taxation and savings will aid in making post-war prob-

lems manageable by reducing the volume of additional borrowing and supporting the stabilization program. Because of the unavoidable magnitude of interest-bearing debt, taxes probably will never revert to their pre-war level. But substantial reduction from the war level will, nevertheless, be possible and will go hand in hand with a greater human security if the underlying fiscal structure is kept sound.

I shall be happy to meet with the appropriate committees of the Congress at any and all times in regard to the methods by which they propose to attain the objectives outlined in this message. We are at one in our desire quickly to win this war and to avoid passing on to future generations more than their just share of its sacrifices and burdens.

Franklin D. Roosevelt.
 Jan. 6, 1943.

GENERAL BUDGET SUMMARY Comparative Statement of Receipts and Expenditures (For the Fiscal Years 1944, 1943 and 1942)

Classification—	Estimated, 1944	Estimated, 1943	Actual, 1942
GENERAL AND SPECIAL ACCOUNTS			
RECEIPTS (based on present legislation):			
Direct taxes on individuals	\$13,750,600,000.00	\$8,338,500,000.00	\$3,695,340,677.95
Direct taxes on corporations	14,915,000,000.00	10,070,000,000.00	5,021,578,715.65
Excise taxes	3,915,380,000.00	3,678,110,000.00	3,127,631,235.25
Employment taxes	1,982,200,000.00	1,472,300,000.00	1,194,046,888.42
Customs	204,300,000.00	252,600,000.00	388,948,426.88
Miscellaneous receipts	639,215,000.00	740,745,000.00	277,376,297.34
Adjustment to daily Treasury statement basis			-37,007,417.65
Total receipts	\$35,406,695,000.00	\$24,552,255,000.00	\$13,667,914,823.84
Deduct:			
Net appropriation for Federal old-age and survivors' ins. trust fund	1,525,450,000.00	1,076,180,000.00	868,853,202.82
Post-war credits for excess profits tax and Victory tax	800,000,000.00	500,000,000.00	
Net receipts, general and special accounts	\$33,081,245,000.00	\$22,976,075,000.00	\$12,799,061,621.02
EXPENDITURES:			
War activities	\$97,000,000,000.00	\$74,000,000,000.00	\$26,011,065,089.39
Interest on the public debt	3,000,000,000.00	1,850,000,000.00	1,260,085,336.46
Other activities:			
Legislative establishment	\$27,455,600.00	\$27,042,300.00	\$27,268,973.19
The Judiciary	12,663,500.00	12,118,100.00	11,537,736.82
Executive Office of the President	3,049,190.00	2,568,085.00	2,347,031.83
Civil departments and agencies	862,760,733.00	892,981,648.00	774,573,471.24
Post Office deficiency		3,789,712.00	17,729,774.85
District of Columbia—United States share	6,000,000.00	6,000,000.00	6,000,000.00
General Public Works Program	354,612,300.00	576,752,350.00	619,661,880.05
Veterans' pensions and benefits	879,360,000.00	613,756,000.00	551,885,121.65
Aids to agriculture	889,319,000.00	1,010,463,120.00	1,092,035,673.59
Aids to youth		16,000,000.00	250,512,659.12
Social security program	502,705,000.00	522,049,500.00	496,474,723.91
Work relief	5,436,000.00	344,764,200.00	937,272,410.80
Refunds	127,522,000.00	102,001,100.00	94,399,952.79
Retirement funds	440,041,600.00	322,041,800.00	243,735,262.00
Statutory public debt retirement	5,000,000.00	5,000,000.00	94,722,300.00
Supplemental items, regular	13,000,000.00	130,000,000.00	
Total other activities (including statutory public debt retirement)	\$4,128,924,923.00	\$4,587,327,915.00	\$5,220,156,971.48
Total expenditures, general and special accounts	\$104,128,924,923.00	\$80,437,327,915.00	\$32,491,307,397.69
Excess of expenditures, general and special accounts	\$71,047,679,923.00	\$57,461,252,915.00	\$19,692,245,776.67
TRANSACTIONS IN CHECKING ACCOUNTS OF GOVERNMENT CORPORATIONS AND AGENCIES			
EXPENDITURES (NET):			
Reconstruction Finance Corporation (including subsidiaries)	\$3,812,140,000.00	\$3,801,531,292.00	\$2,457,769,984.33
Commodity Credit Corporation	787,500,000.00	1,085,972,000.00	236,834,660.78
Other corporations and agencies	174,483,000.00	154,491,708.00	930,119,609.24
Net expenditures, transactions in checking accounts of corporations and agencies	\$4,774,123,000.00	\$5,041,995,000.00	\$3,624,724,254.35
TRUST ACCOUNTS			
RECEIPTS (based on present legislation):			
Unemployment trust fund:			
Deposits by States	\$1,167,670,000.00	\$1,165,027,000.00	\$1,095,990,713.42
Transfer from general and special accounts	11,830,000.00	5,973,000.00	3,909,687.00
Other receipts	196,636,500.00	173,561,993.00	143,686,836.72
Federal old-age and survivors' insurance trust fund:			
Net appropriation from general account receipts	1,525,450,000.00	1,076,180,000.00	868,853,202.82
Other receipts	109,145,206.00	87,549,039.00	71,006,562.23
Federal employees' retirement funds:			
Transfer from general and special accounts	177,321,600.00	107,240,800.00	102,885,262.00
Other receipts	340,044,037.00	288,914,575.00	118,777,736.55
Railroad retirement account:			
Transfer from general and special accounts	241,945,745.00	235,575,255.00	140,850,000.00
Other receipts	6,500,000.00	5,200,000.00	3,143,058.91
Commodity stamp trust fund:			
Transfer from general and special accounts		60,000,000.00	126,208,000.00
Sale of commodity stamps		108,000,000.00	205,240,633.75
Other trust accounts:			
Transfer from general and special accounts	256,000,000.00	53,161,559.00	6,608,441.06
Other receipts	633,654,062.00	461,683,972.00	303,723,985.25
Total receipts, trust accounts	\$4,666,197,150.00	\$3,828,067,193.00	\$3,190,884,099.71
EXPENDITURES:			
Unemployment trust fund:			
Investments in United States obligations	\$1,132,486,500.00	\$1,047,391,144.00	\$866,000,000.00
Other expenditures	243,650,000.00	297,250,000.00	377,142,328.20
Federal old-age and survivors' insurance trust fund:			
Investments in United States obligations	1,429,595,206.00	1,017,411,949.00	821,034,250.00
Other expenditures	205,000,000.00	155,000,000.00	110,280,702.20
Federal employees' retirement funds:			
Investments in United States obligations	392,383,600.00	282,147,800.00	139,679,000.00
Other expenditures	112,220,000.00	102,045,000.00	77,934,100.23
Railroad retirement account:			
Investments in United States obligations	111,000,000.00	110,000,000.00	17,500,000.00
Other expenditures	136,000,000.00	132,000,000.00	126,243,910.67
Commodity stamp trust fund:			
Redemption of commodity stamps	7,500,000.00	173,000,000.00	336,759,089.20
Other trust accounts:			
Investments in United States obligations	611,505,606.00	291,325,920.00	81,116,914.15
Other expenditures	250,061,203.00	231,945,010.00	117,974,500.89
Total investments in United States obligations	\$3,676,970,912.00	\$2,748,276,813.00	\$1,925,330,164.15
Total other expenditures	\$954,431,203.00	\$1,091,240,010.00	\$1,146,334,631.39
Total expenditures, trust accounts	\$4,631,402,115.00	\$3,839,516,823.00	\$3,071,664,795.54
Excess of receipts over expenditures, trust accounts	\$34,795,035.00		\$119,219,304.17
Excess of expenditures over receipts, trust accounts		\$11,449,630.00	
EFFECT OF OPERATIONS ON THE PUBLIC DEBT			
Public debt at beginning of year	\$134,830,142,661.22	\$72,422,445,116.22	\$48,961,443,535.71
Net increase in public debt during year:			
General and special accounts, excess of expenditures over receipts	\$71,047,679,923.00	\$57,461,252,915.00	\$19,692,245,776.67
Government corporations and agencies, net expenditures	4,774,123,000.00	5,041,995,000.00	3,624,724,254.35
Trust accounts, excess of receipts over expenditures	-34,795,035.00	+11,449,630.00	-119,219,304.17
Statutory public debt retirements	-5,000,000.00	-5,000,000.00	-94,722,300.00
Change in Treasury balance	-63,000,000.00	-102,000,000.00	+357,973,153.66
Net increase in public debt during year	\$75,719,007,888.00	\$62,407,697,545.00	\$23,461,001,580.51
Public debt at end of year	\$210,549,150,549.22	\$134,830,142,661.22	\$72,422,445,116.22

*Includes net war expenditures of \$2,254,949,959 for 1942 and estimates of \$3,332,000,000 for 1943 and \$2,693,000,000 for 1944.
 *Does not include proposal for \$16,000,000,000 additional funds from new legislation for the fiscal year 1944.

Items About Banks, Trust Companies

Lynde Selden, Vice-Chairman of the board of the American Express Co., was elected a member of the board of directors of the Chase National Bank of New York at the annual meeting of shareholders on Jan. 12. Mr. Selden, who was associated with the bank as a Vice-President in the foreign department from 1928 to 1936, has been a member of the board of The Chase Bank, an affiliated organization, since 1931. He is also a director of the Discount Corporation of New York. A native of Duluth, Minn., Mr. Selden was educated at Hotchkiss Preparatory School and at Yale University, from which he graduated in 1913. Following service as a Lieutenant in the U. S. Army in World War I, Mr. Selden became associated with the American Sugar Refining Co., serving as secretary from 1926 to 1928.

The Chase National Bank on Jan. 13 announced the following promotions in the official staff of the bank: Louis A. Bruenner, John J. Scully and Ransom H. Skeen as Vice-Presidents; Paul C. Beardslee, Esmond B. Gardner, Joseph C. Hanson, Jr., Robert L. Hatcher, Jr., Arthur Kunzinger, Jacob Magenheimer, Nicholas J. Murphy, John Prentice, James V. Ritchey, Jr., and James E. Scully

as 2nd Vice-Presidents; Donald L. Ballantyne, James Bloor, Paul F. Clarke, Burnett O. Doane, George Holzman, William B. Johnston, Paul A. McManus, Frank A. Richards and Walter E. Rutherford as Assistant Cashiers; Clifford I. MacCullough, Henry C. Mersereau and T. Charles Sullivan as Real Estate Trust officers. The annual report of Winthrop W. Aldrich, Chairman of the board of The Chase National, presented to the bank's stockholders Jan. 12, was referred to in our Jan. 14 issue, page 186.

At the annual meeting of the Corn Exchange Bank Trust Co. of New York held on Jan. 12, G. Walter Nichols, Ethelbert I. Low, Edmund Q. Trowbridge, Herbert J. Stursberg and John R. McWilliams were reelected to the board of directors.

Louis B. Altreuter, a trustee of the East River Savings Bank of New York, has been elected a Vice-President. Mr. Altreuter is a Vice-President and director of the Horace S. Ely & Co., a director of the Columbia Casualty Co., and the Commercial Union Fire Insurance Co. and Woodlawn Cemetery.

(Continued on page 296)

Operating Income of N. Y. Trust \$3,030,393 In 1942, Compared With \$2,680,840 In 1941

In his annual report to the stockholders on Jan. 6, John E. Bierwirth, President of the New York Trust Co., reports net operating income of the company for 1942 of \$3,030,393, comparing with \$2,680,840 for 1941. Mr. Bierwirth states that "as is evident from comparative statements presented, the increase of \$350,000 in the provision for taxes accounts mainly for the difference between the expansion in gross income and the relatively smaller increase in net earnings." In his report Mr. Bierwirth also said:

"Gross operating income for 1942 of \$8,134,183.19 represents an increase of \$913,931.95 over the 1941 total of \$7,220,251.24. Our investment in United States Government securities in 1942 was much greater than in 1941 with the consequent increase in gross income. Various sources of income, other than interest on investment securities, provided about the same amount of income as in 1941. Interest earned on investment securities is reported in the operating statement on an amortized basis."

From the report we also quote: "The Company's gross deposits on Dec. 31, 1942, aggregated \$628,777,300.97, the highest reported figure in its history. This is an increase of \$91,695,397.61 over the total shown at the end of the previous year. The gross deposits included United States Government deposits of \$99,619,588.43, which represented book credits resulting from subscriptions by both the Trust Company and its customers to new United States Government securities. These deposits are of a temporary nature, being drawn out as needed by the Treasury Department."

"United States Government securities are appraised on our books at amortized cost. All other bonds and stocks are shown at amortized cost or market, whichever is lower. "As of the year end, United States Government securities total \$326,995,936.70, an increase of \$130,399,426.26 over the total at the end of 1941. The average maturity to first call date of our present portfolio is 36 months and to maturity date 50 months.

"Other bonds and securities aggregate \$25,117,731.19, an increase of \$3,815,760.91 over 1941. As in the past, these securities consist principally of State and Municipal obligations, local Housing Authorities notes, various equipment trust issues and short and medium

term serial notes of industrial corporations.

"The figures on Dec. 31, 1942, for loans and discounts reflect an increase from the previous year-end of \$6,443,371.38. In explanation of these figures it should be noted that commercial and secured loans decreased \$8,055,193.30, while loans to brokers and other dealers in United States Government securities increased \$14,498,564.68. During the year, the character of commercial loans showed a marked change. Most borrowers not directly involved in war production have experienced a curtailment in business, which has resulted in less demand for commercial loans. This is particularly true of companies engaged in the financing of installment purchases. On the other hand, there has been a sharp increase in the demand for loans from companies engaged in the production of war materials. Many arrangements for such loans have been made under new regulations which provide for the purchase of substantial portions of each loan by the War or Navy Departments or Maritime Commission on the demand of the lending bank. However, only a moderate amount of the credits so arranged and under commitment is in use at this time. Resort to this type of credit seems to be increasing with the greater production of war materials and the intensification of our war activities.

"Real Estate Bonds and Mortgages and Equities in Real Estate show a decrease of \$1,074,806.03 for the year. During 1942, we disposed of a number of properties. The liquidation of these properties, together with the write-down of \$509,475.30 . . . accounts for the reduction.

"Continuing our practice of past years, profits realized in 1942 from security transactions and recoveries from previous charge-offs were not carried to earnings, but were credited to the General Reserve account against which charges were made to write down

specific assets. The balance of this General Reserve at the close of the year aggregating \$4,845,948.56 has again been applied in our condensed statement of condition as a reduction of assets."

It is also noted in the report that a dividend of \$3.50 per share was continued through 1942 and paid in the usual quarterly installments. The Dec. 31 statement of the company was referred to in our Jan. 7 statement, page 67.

Manufacturers Trust Deposits Up \$210 Million In 1942

Henry C. Von Elm, Vice Chairman of the Board of Manufacturers Trust Company of New York City—who presided at the annual meeting of stockholders on Jan. 13 in the absence of Harvey D. Gibson, President, who is in London serving as American Red Cross Commissioner to Great Britain—reported that net operating earnings for the year 1942 had amounted to \$6,646,613 after all expenses and taxes, preferred stock dividends and net amortization of securities, or \$4.03 per common share as compared with \$3.91 for the year 1941. This does not include net profits from securities sold. Of this total \$3,299,838 was paid in dividends to common stockholders and \$3,346,775 was credited to undivided profits account.

Net profit on the normal sale of securities during 1942 amounted to \$449,012. The restoration of amortization on bonds and F.H.A. mortgages sold amounted to \$202,879 in 1942 as against \$248,310 in 1941. In addition, a readjustment of the bank's Government bond portfolio was made during the year, resulting in a profit of \$2,163,033. The securities disposed of in this latter operation had previously been written down by amortization in the amount of \$546,419. The announcement further states:

"Because of the unusual character of this transaction, the recapture of this amortization was not recaptured to earnings through the amortization account as has been the bank's custom for several years past. The tax on the transaction, which amounted to approximately \$270,000, was deducted from the profit realized, and the remaining profits, \$1,893,033, were transferred to security reserve account.

"Recoveries on items heretofore charged off totaling \$571,135 and miscellaneous recoveries of \$47,086 were credited directly to reserve account. The bank disposed of miscellaneous items at an aggregate net loss of \$184,661, all of which was charged against reserves which had previously been set up."

Mr. Von Elm explained that the Bureau of Internal Revenue allowed a maximum tax deduction of \$225,458 as depreciation on bank premises owned and that this amount had been charged directly to undivided profits. Following its policy of reducing the book value of its bank premises in an amount greater than that allowed by the Revenue Department, these were written down an additional \$132,542 which has been charged to reserve account. The total write-down of bank premises during the year has therefore amounted to \$358,000.

At the end of 1942, the bank's resources amounted to \$1,419,495,474, and its deposits to \$1,322,420,807. This latter figure includes U. S. Government War Loan deposits of \$155,998,234, as compared with similar deposits of \$27,614,687 a year ago. Deducting these extraordinary items, the bank's gross deposits show an increase for the year of \$210,032,541 or 22%.

Total capital funds, which include preferred and common stock, surplus and undivided

profits, totalled \$86,496,281 at the end of 1942, as compared with \$84,124,964 at the end of 1941, an increase during the year of \$2,371,317. This difference resulted from additions to undivided profits from excess earnings over dividends paid, less \$750,000—the amount by which, under its terms of issue, the preferred stock is retired each year—and less \$225,458, the tax deduction allowed by the Bureau of Internal Revenue as depreciation on bank premises owned.

Mr. Von Elm informed the stockholders that the gain in average volume of loans outstanding for the past year as compared with a year ago had been \$45,000,000 or 18%, and at the end of the year were \$40,000,000 higher. He called attention especially to the large percentage of loans directly or indirectly tied up with the war effort.

Mr. Von Elm reported that the bank's investment in U. S. Government Bonds had increased from \$340,928,748 at the end of 1941, to \$635,564,410 at the end of 1942, an increase of \$294,635,662. This increase was made possible, in part, it was stated, by the large increase in the bank's deposits during 1942 and by the reduction in cash reserve requirements made by the Federal Reserve Bank during the latter part of the year.

At the close of the year, the schedule of maturities of the bank's holdings to call date was as follows: from one to five years hence, 60.5%; five to ten years, 35.7%; and over ten years, 3.8%.

In a special message from the American Red Cross headquarters in London, Mr. Gibson paid tribute to the 568 officers and employees of Manufacturers Trust Company who are now serving in the Armed Forces of the United States. Mr. Gibson also dwelled on the other ways in which the bank was contributing to the war effort, stating that in the War Bond Pledge Campaign last year under the direction of John T. Madden, one of the bank's senior vice presidents, 600 employees of the bank had devoted practically all of their leisure time for more than a month to the work of the campaign, and had made a real contribution to its success.

Marine Midland 1942 Earnings Increased Hughes Elected V. P.

At the annual meeting on Jan. 13 of The Marine Midland Trust Company of New York, the president, James G. Blaine, reported net earnings of \$1,037,850 for the year 1942. This compared with \$1,004,811 for the previous year. Earnings, it is noted, do not include profits or losses on sale of investments or charge-offs or recoveries on loans. Net earnings were equal to \$2.08 per share of \$10.00 par value as against \$2.01 per share in 1941. Dividends of \$600,000 were paid and the balance of \$437,850 added to undivided profits, which at the year end totaled \$5,848,606. Gross earnings of \$3,051,267 compared with \$2,922,151 in 1941. Operating expenses in 1942 were \$1,911,167 compared with \$1,816,690 in 1941. Total resources were \$212,231,000, contrasting with \$192,524,547 one year previous. Deposits in the latest report are shown as \$195,320,004 against \$174,404,323 the previous year. Cash and due from banks amounted to \$58,305,703 compared with \$66,586,721 in 1941. Loans totaled \$57,588,940 compared with \$64,445,364 one year previous. Average rate earned on loans was 2.57% compared with 2.62% in 1941.

United States Government obligations were \$78,461,006.05 as compared with \$39,801,628.63 one year previous. Total investments amounted to \$91,890,686.64 and

had a market value of \$805,207.35 in excess of the amount stated. Approximately 97% of United States Government obligations mature within five years. United States Government obligations and obligations of instrumentalities of the United States Government constitutes 90.28% of total investments and 39.09% of total resources. The average rate earned on investments for the year was 1.17% against 1.20% for the previous year. Mr. Blaine stated that "the Trust Company of course, will continue to purchase Government securities to the limit of its ability, but it would seem that even greater effort should be made in selling such securities to individuals, corporations, and others whose surplus funds could thus be borrowed by the U. S. Governments."

Mr. Blaine also stated that "in addition to the important role of the United States Treasury Financing, recent events indicate that within a reasonably short time, banks will be requested to handle and maintain accounts of various ration programs. This will be a new departure for banks, inasmuch as we will have to handle accounts in pounds and gallons rather than dollars and cents. I believe that they will handle the technical job of providing and maintaining rationing accounts satisfactorily."

Arthur M. R. Hughes was elected Vice President of the Marine Midland Trust Co. of New York, it was announced at the annual stockholders meeting. Mr. Hughes has been with the Marine Midland Trust Co. of New York since 1930. Prior to that he was with the Marine Trust Company of Buffalo, N. Y., which he joined in 1925.

Edmund C. Nelson, Jules J. Butler and John J. O'Rourke were appointed Assistant Treasurers.

On Jan. 14 it was announced that Daniel P. Adams, formerly Assistant Treasurer, had been appointed Assistant Vice President of the Marine Midland Trust Co. of New York. Mr. Adams joined the Marine Midland Trust Co. of New York in 1930. He was graduated from Yale University, class of 1929.

Insolvent National Bank Dividends

Comptroller of the Currency Preston Delano announced on Jan. 15 that during the month ended Dec. 31, 1942, authorizations were issued to receivers for payments of dividends to the creditors of six insolvent national banks. Dividends so authorized will effect total distributions of \$1,770,310 to 46,674 claimants who have proved claims aggregating \$22,093,596 or an average payment of 8.01%. The minimum and maximum percentages of dividends authorized were 2.76% and 96.268%, while the smallest and largest payments involved in dividend authorizations during the month were \$39,500 and \$1,360,400, respectively. Of the six dividends authorized during the month, one was a regular payment, four were final payments, and one was a final principal and full interest payment.

NY Commerce Chamber Elects New Members

Frederick E. Hasler, President of the Chamber of Commerce of the State of New York, announced on Jan. 8 the election of the following to membership in the nation's oldest commercial organization:

Tom M. Girdler, Chairman of the Board, Republic Steel Corp.

Herbert E. Smith, President, United States Rubber Co.

Evan E. Young, Vice President, Pan American Airways.

Ellsworth Bunker, President, National Sugar Refining Co.
W. W. Freeman, Vice President, Columbia Gas and Electric Corp.
Carter L. Spencer, President, Charleston Mining Co.
Edward F. Knecht, President, Wayne County Products Co.
H. D. Freeman, President, Expressmen's Mutual Life Insurance Co.
Ruel S. Smith, Time Magazine.

Brooklyn Trust Co. Operating Net \$720,639

Net operating earnings of the Brooklyn Trust Co., Brooklyn, N. Y., for the year 1942 after all expenses, interest, and taxes, were \$720,639, which compare with \$681,130 in the year 1941, according to the statement of George V. McLaughlin, President of the bank, presented to the stockholders at their annual meeting on Jan. 11. Mr. McLaughlin reported that the earnings were applied as follows: for reserves, \$306,522; to undivided profits, \$11,117; to surplus, \$75,000, and dividends paid, \$328,000. The trust company's holdings of United States Government securities, Mr. McLaughlin said, were \$85,154,795 at the end of 1942, against \$53,211,270 at the beginning of the year, an increase of \$31,943,525. He added that approximately 26% of these holdings mature within 5 years, 53% either mature or become callable in from 5 to 10 years, 14% mature or become callable in 10 to 20 years, and 7% are not callable within 20 years.

As to financing of war production, Mr. McLaughlin said, during the year the company was able to make 81 loans totalling \$17,775,347 to finance operations of private business concerns working on government contracts in connection with the war effort. Of our war production loans, \$5,646,319 was outstanding at the end of the year, the remainder having been repaid in the usual course of business. At the present time we have outstanding commitments to make additional war production loans in the total amount of \$7,662,808.

Since the national defense program began in the summer of 1940, the company has loaned a total of \$25,057,945 to finance defense and war contracts.

Mr. McLaughlin also told stockholders that the Brooklyn Trust sold \$17,461,005 in War Savings Bonds to the public during 1942, comparing with \$6,020,800 in 1941. This total is exclusive of approximately \$9,000,000 in other United States Government securities which the company sold to the public during the Victory Fund Campaign in December.

In his general comments, Mr. McLaughlin said:

"Banking institutions must and will continue to play an important part in helping to win the war. They will undoubtedly have to increase their holdings of Government securities in the coming months, extend additional credit to war production contractors, and continue to sell war bonds to the public. Our duty, like that of everyone else, is to help the Government carry the war to a successful conclusion, regardless of whatever adjustments we must make.

At the annual meeting of stockholders of the Brooklyn Trust Company on Jan. 11, four trustees whose terms expired were re-elected for 3-year terms.

NY Industries Band For Red Cross Fund

New York industries, commercial firms and professions are banding together under the Commerce and Industry Committee of the 1943 Red Cross War Fund to

conduct the most intensive wartime campaign yet undertaken to aid the health and welfare of America's 5,000,000 fighting men. The committee is headed by Eugene W. Stetson, chairman. Serving with him are Bernon S. Prentice, vice-chairman, and Elliott H. Lee, executive vice-chairman. The announcement in the matter states:

"The Commerce and Industry Committee is divided into ten major sections each containing a group of related divisions in turn headed by a chairman. More than 300 divisions have been created or now are in the process of formation. Leaders in the manufacturing and business worlds have accepted chairmanships of these divisions.

"Realizing that the needs of the armed forces during 1943 will far surpass those of last year, the Commerce and Industry Committee is laying the groundwork for a complete mobilization of men, women and resources. In 1942 the Red Cross War Fund received \$7,600,000 in New York City. Nearly \$5,000,000 of this amount was secured through the efforts of the city's business men and industrialists.

Mr. Prentice is also Chairman of the Finance Section of the Committee, whose objective it is to mobilize the executives and personnel of New York's banks and trust companies, insurance companies, exchanges and security dealers in an intensive campaign for the 1943 war fund.

Serving with Mr. Prentice as Vice-Chairman of the financial section are Gayer G. Dominick of Dominick & Dominick and Julian S. Myrick, Vice-President of the Mutual Life Insurance Co.

The New York City goal for the 1943 Red Cross War Fund has been fixed at \$12,920,700, or 10.3% of the national goal of \$125,000,000. The campaign, will be officially launched on March 1 with a minimum of 2,000,000 contributions needed, to be sought by a volunteer force of 100,000 in a door-to-door appeal throughout the city. Colby M. Chester is General Chairman of the New York City drive.

Cargo Shipbuilding Exceeds 1942 Aim

American shipyards exceeded the 1942 goal of 8,000,000 tons of merchant shipping and will probably exceed their 1943 goal set at 16,000,000 tons, President Roosevelt and Rear Admiral Emory S. Land, Chairman of the Maritime Commission, reported on Jan. 5, according to Washington press advices.

These advices indicate that the yards are now turning out four ships a day, at the rate of 14,400,000 tons a year, and will reach their peak production rate of five ships a day in May.

In Associated Press advices, the following was reported:

The President declined to be drawn into comparing the extent of new ship construction and the extent of ship sinkings, but made it plain he was pleased with the way those figures were running, telling reporters: "You had just better say the child is doing well.

Shipyards could deliver 20,000,000 tons this year if materials were made available, Admiral Land declared.

Rear Admiral Howard L. Vickery, who directly supervises the merchant ship construction program, said he thought the War Production Board would allocate steel for about 18,000,000 tons of ships this year.

Mr. Land said close co-operation between labor and management contributed largely to the production of 746 merchant ships of 8,090,800 deadweight tons in 1942, but there still were some "flies in the ointment," including the "absentee situation" in some yards.

Electric Output For Week Ended Jan. 16, 1943 Shows 14.5% 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 Jan. 16, 1943 was approximately 3,952,479,000 kwh., compared with 3,450,468,000 kwh. in the corresponding week last year, an increase of 14.5%. The output for the week ended Jan. 9, 1943, was 13.8% in excess of the similar period in 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended			
	Jan 16	Jan. 9	Jan. 2	Dec. 26
New England.....	3.7	2.7	4.4	0.4
Middle Atlantic.....	7.1	6.3	7.8	6.5
Central Industrial.....	12.2	11.6	11.4	10.7
West Central.....	12.4	13.6	12.6	10.4
Southern States.....	21.4	22.7	25.1	21.1
Rocky Mountain.....	13.5	11.4	11.0	4.3
Pacific Coast.....	29.0	25.0	27.4	28.1
Total United States.....	14.5	13.8	14.9	13.0

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	% Change					
	1942	1941	over 1941	1940	1932	1929
Oct 3	3,682,794	3,330,582	+10.6	2,792,067	1,506,219	1,819,276
Oct 10	3,702,299	3,355,440	+10.3	2,817,465	1,507,503	1,806,403
Oct 17	3,717,360	3,313,596	+12.2	2,837,730	1,528,145	1,798,633
Oct 24	3,752,571	3,340,768	+12.3	2,866,827	1,533,028	1,824,160
Oct 31	3,774,891	3,380,488	+11.7	2,882,137	1,525,410	1,815,749
Nov 7	3,761,961	3,368,690	+11.7	2,858,054	1,520,730	1,798,164
Nov 14	3,775,878	3,347,893	+12.8	2,889,937	1,531,584	1,793,534
Nov 21	3,795,361	3,247,938	+16.9	2,839,421	1,475,268	1,818,169
Nov 28	3,766,381	3,339,364	+12.8	2,931,877	1,510,337	1,718,002
Dec 5	3,883,534	3,414,844	+13.7	2,975,704	1,518,922	1,806,225
Dec 12	3,937,524	3,475,919	+13.3	3,003,543	1,563,384	1,840,863
Dec 19	3,975,873	3,495,140	+13.8	3,052,419	1,554,473	1,860,021
Dec 26	3,655,926	3,234,128	+13.0	2,757,259	1,414,710	1,637,683

Week Ended—	% Change					
	1943	1942	over 1942	1941	1932	1929
Jan 2	3,779,993	3,288,685	+14.9	2,845,727	1,619,265	1,542,000
Jan 9	3,952,587	3,472,579	+13.8	3,002,454	1,602,482	1,733,810
Jan 16	3,952,479	3,450,468	+14.5	3,012,638	1,598,201	1,736,729
Jan 23	3,440,163	3,440,163	—	2,996,155	1,588,967	1,717,315
Jan 30	3,468,193	3,468,193	—	2,994,047	1,588,853	1,728,203

Moody's Bond Prices And Bond Yield Averages

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

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

1943— Daily Averages	U. S. Govt. Bonds	Avg. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Jan. 19	117.06	108.34	117.20	114.85	109.42	93.82	98.41	112.37	115.04
18	117.05	108.16	117.20	114.66	109.42	93.82	98.09	112.19	115.04
16	117.05	108.16	117.20	114.66	109.42	93.82	98.25	112.19	115.04
15	117.05	108.16	117.20	114.66	109.42	93.82	98.41	112.19	115.04
14	117.05	108.16	117.20	114.66	109.42	93.82	98.41	112.19	115.04
13	117.05	107.98	117.00	114.46	109.24	93.52	98.41	112.00	115.04
12	117.05	107.98	117.00	114.46	109.24	93.38	97.94	112.00	114.85
11	117.05	107.80	117.00	114.27	109.06	93.38	97.78	112.19	114.66
9	117.04	107.62	116.80	114.08	109.06	93.08	97.62	112.00	114.66
8	117.02	107.62	116.80	114.08	109.06	92.93	97.62	112.00	114.66
7	117.05	107.62	117.00	114.08	109.06	92.79	97.47	111.81	114.66
6	117.07	107.62	116.80	114.08	109.06	92.64	97.31	111.81	114.66
5	117.03	107.44	116.80	113.89	108.88	92.20	97.31	111.81	114.66
4	116.94	107.44	117.00	114.08	108.88	92.35	97.31	111.81	114.66
2	116.85	107.44	117.00	113.89	109.06	92.35	97.16	111.81	114.46
1 Exchange Closed									
High 1943	117.06	108.34	117.20	114.85	109.42	93.82	98.41	112.37	115.04
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									
Jan. 19, 1942	117.60	106.92	116.41	113.89	107.62	92.06	97.47	110.70	113.70
2 Years ago									
Jan. 18, 1941	118.00	106.39	118.00	113.89	106.56	90.34	96.69	109.97	113.70

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

1943— Daily Averages	U. S. Govt. Bonds	Avg. Corpo- rate*	Corporate by Ratings				Corporate by Groups		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Jan. 19	2.06	3.26	2.79	2.91	3.20	4.15	3.85	3.04	2.90
18	2.06	3.27	2.79	2.92	3.20	4.15	3.87	3.05	2.90
16	2.06	3.27	2.79	2.92	3.20	4.15	3.86	3.05	2.90
15	2.06	3.27	2.79	2.92	3.20	4.15	3.85	3.05	2.90
14	2.06	3.27	2.79	2.93	3.20	4.16	3.85	3.05	2.90
13	2.06	3.28	2.80	2.93	3.21	4.17	3.85	3.06	2.90
12	2.06	3.28	2.80	2.93	3.21	4.18	3.88	3.06	2.91
11	2.06	3.29	2.80	2.94	3.22	4.18	3.89	3.05	2.92
9	2.07	3.30	2.81	2.95	3.22	4.20	3.90	3.06	2.92
8	2.07	3.30	2.81	2.95	3.22	4.21	3.90	3.06	2.92
7	2.06	3.30	2.80	2.95	3.22	4.22	3.91	3.07	2.92
6	2.06	3.30	2.81	2.95	3.22	4.23	3.92	3.07	2.92
5	2.07	3.31	2.81	2.95	3.22	4.24	3.92	3.07	2.92
4	2.07	3.31	2.80	2.95	3.23	4.25	3.92	3.07	2.93
2	2.08	3.31	2.80	2.96	3.22	4.25	3.93	3.07	2.93
1 Exchange Closed									
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	2.06	3.26	2.79	2.91	3.20	4.15	3.85	3.04	2.90
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									
Jan. 19, 1942	2.01	3.34	2.83	2.96	3.30	4.27	3.91	3.13	2.97
2 Years ago									
Jan. 18, 1941	1.99	3.37	2.75	2.96	3.36	4.39	3.96	3.17	2.97

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

*The latest complete list of bonds used in computing these indexes was published in the issue of Jan. 14, 1942, page 202.

Steel Operations Again Rise—Larger Ship Program Spurs Plate Mills To Capacity

"While war production continued unabated in high volume this week, new orders in the steel industry took on a spotty appearance, temporarily at least," says "The Iron Age" in its issue of today (Jan. 21), further adding in part: "In the machine tool field, heavier purchases were received from airplane parts and equipment manufacturers.

"Despite the easing of new business encountered by a few steel companies, most were receiving incoming tonnage heavier than their outgoing shipments. There is no overall excess of steel, nor is there likely to be for a long time ahead.

"Mills will be asked to roll as much steel in February as they did in January, even though February is a shorter month. This will mean heavier pressure on finishing mills and a severe test of their flexibility in view of the frequent changes occurring.

"Emphasizing very strongly the tight situation prevailing in steel were figures cited this week by William L. Batt, Vice Chairman of WPB. 'The estimate for civilian goods this year is 1,500,000 tons, or 7 1/2% of 1940,' he said. 'The largest single item is for tin cans—774,000 tons. This represents quite a drop from the 1942 figure of 1,800,000 tons. The next biggest steel item for 1943 is for war housing—250,000 tons. Consumer durable goods, for which 3,000,000 tons were used in 1940, will get only 170,000 tons. A large part of that will be used in repair parts. The 1943 steel figure also includes 100,000 tons for automobiles. This includes steel needed in the manufacture of trucks and busses as well as repair parts for your car and mine. The stoppage of production of the many items of household convenience alone will save some 3,000,000 tons of steel.'

"Over the nation, the lack of 'hot topping' facilities at steel plants continues a serious barrier. Some companies which lack sufficient of these facilities are finding it necessary to take deeper cuts in ingot discards to meet more exacting requirements. The discards from high priced steel are piling up, since mills hesitate to use them as scrap. Billet reinforcing bar mills could use the discards, but under a recent ruling they are permitted to roll only a few sizes of bars, about 10% of the going business."

The American Iron and Steel Institute on Jan. 18 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 99.8% of capacity for the week beginning Jan. 18, compared with 99.3% one week ago, 98.1% one month ago and 95.0% one year ago. This represents an increase of 0.5 points or 0.5% from the preceding week. The operating rate for the week beginning Jan. 18 is equivalent to 1,707,300 tons of steel ingots and castings, compared to 1,698,700 tons one week ago, 1,678,200 tons one month ago, and 1,614,200 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets on Jan. 18 stated in part: "Increased shipbuilding program this year is being reflected in larger plate demands and a new record may be established in January, following a request to strip mill operators to roll more plates than in December. Three such producers will increase their output 75,000 tons over December and the top of 1,124,000 tons produced last July may be exceeded considerably. This expanded plate output will be largely at the expense of sheets, which already have begun to tighten.

"Canmakers have been slow in placing orders for first quarter and the tin plate industry is operating at about 70% at a season when normally it should be at capacity. Present activity is reducing order backlogs and pro-

Wholesalers' Sales, Inventories, And Credits In November

November sales of wholesalers amounting to \$304,389,000, advanced 10% in November, 1942, over the same month a year ago, according to an announcement released Jan. 2 by J. C. Capt, Director of the Census. The gain reported in October of this year as compared with October 1941, was also 10%. A decrease of 14% in sales was recorded for November 1942, compared with the preceding month. Sales for the 11 months of 1942, totaling \$4,056,962,000, were 15% above those for the corresponding period of 1941.

The Census Bureau's announcement further said:

"Twenty-six of the 35 trades for which separate data are presented in this report showed increases in sales for November of this year compared with November 1941, and nine showed decreases. Wholesalers of dry goods recorded an increase of 38%; meats and meat products, 34%; shoes and other footwear, 26%; groceries and foods (full-line), 23%; groceries and foods (voluntary-group), 22%. In addition, gains were shown in sales of wholesalers of drugs and sundries, (14%); tobacco and its products, 9%, and petroleum, 7%. A number of decreases in wholesalers' dollar sales were also registered; notably, electrical goods, 8%; plumbing and heating supplies, 10%; automotive supplies and paper and its products, each 13%; jewelry, 14%; and general hardware and furniture and house furnishings, each 16%.

"Inventories, in terms of dollars based on cost values, at the close of November dropped slightly compared with October, the eighth consecutive month when inventories at the end of the month were lower than those at the beginning. Inventories at the end of November 1942 were 19% below those for the same date last year, continuing the decline in evidence since the beginning of the year.

"The stock-sales ratio for wholesalers at the close of November 1942 was 121 as against 162 for November 1941, and 103 for October 1942. Of the 32 trades for which stock sales ratios are shown, 29 registered decreases in their ratios for November 1942 compared with those for November 1941, and three showed increases. Full-line wholesalers of groceries and foods, with a 23% increase in sales and a 14% decrease in inventories, registered a stock-sales ratio of 146 for November 1942 as compared with 206 for November a year ago. Shoes and other footwear wholesalers, with a sales gain of 26% and a 12% decrease in inventories, recorded a stock-sales ratio of 79 for November this year as against a ratio of 120 for November 1941. Wholesalers of dry goods reported sales up 38%, inventories down 4%, and a stock-sales ratio of 146 compared with 200 a year ago; furniture and house furnishings wholesalers, sales down 16%, inventories down 28%, and a stock-sales ratio of 192 against 223 a year ago.

"Collections on accounts receivable were up almost 25% for November 1942 compared with November 1941, but down 4% compared with October 1942. The collection ratio for November of this year was 91; for November of last year, 73; and October 1942, 95. Accounts receivable were 9% less on Nov. 1, 1942 than on Nov. 1, 1941. Accounts receivable on Nov. 1, 1942, were slightly below those recorded for the beginning of October 1942."

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

J. P. Morgan and Al Smith Urge War Bond Buying

The Treasury Department made public on Jan. 4 the first of a series of messages by prominent American citizens endorsing the buying of war savings bonds to insure victory. Among those on the list were J. P. Morgan, Chairman of J. P. Morgan & Co., Inc., and Alfred E. Smith, former Governor of New York.

Mr. Morgan's message said: "Nowhere in these days can a safer investment be found for savings than United States Government bonds, and of all the issues the war savings bonds seem to me the most advantageous."

Mr. Smith, it is learned from Washington, advised Jan. 3 to the New York "Times," said that in the Axis countries no request for investment in war bonds was made, adding:

"They simply take the money away from their citizens, to say nothing about what is being done to the occupied countries, where all forms of property have been seized.

"There is no doubt about our ultimate victory, but if you do your share you are helping to bring the war to a close before there is too great a waste of money and material, to say nothing about our boys who are at the front battling for the liberties that we have enjoyed in our country down-through the ages."

Weekly Statistics Of Paperboard Industry

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

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

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity	
				Current	Cumulative
1942—Week Ended—					
Oct. 3	144,506	133,513	236,208	80	86
Oct. 10	147,437	131,961	248,026	80	86
Oct. 17	152,644	134,197	261,871	79	85
Oct. 24	150,133	136,249	275,139	81	85
Oct. 31	138,423	138,262	272,006	84	85
Nov. 7	157,919	138,492	291,780	84	85
Nov. 14	147,815	137,353	301,088	83	85
Nov. 21	146,335	133,188	310,439	83	85
Nov. 28	136,655	124,461	321,885	77	85
Dec. 5	150,132	130,761	340,203	82	85
Dec. 12	151,085	137,856	350,011	84	85
Dec. 19	136,363	134,383	350,012	85	85
Dec. 26	118,063	113,600	352,854	72	84
1943—Week Ended—					
Jan. 2	126,844	97,386	379,573	62	84
Jan. 9	134,982	129,365	381,713	82	82

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

December Retail Prices Continue Unchanged, According to Fairchild Publications Index

For the sixth consecutive month retail prices remained unchanged, according to the Fairchild Publications Retail Price Index. The index is 113.1 for Jan. 2, 1943. Although prices are still somewhat higher than last year the spread is gradually narrowing. In comparison with an increase of 5.2% for Dec. 1, 1942, over Dec. 1, 1941, the rise over Jan. 2, 1942, is 4.4%. Prices still remain 27.2% higher than the low of 1939. The announcement further said:

"Only slight movement has been recorded by the major groups. Of the five, three remained at the same level as last month, and the other two showed an increase of 0.1%. For the first time in many months, men's apparel rather than piece goods indicated the greatest rise over last year, and infants' wear the least. The comparison with the 1939 period immediately preceding the outbreak of the European hostilities, shows the greatest increase to be in piece goods, 33.6% and as usual the smallest to be shown by infants' wear, 12.7%.

"All the individual commodities remained unchanged during the month, with the exception of furs and infants' underwear. These both showed an increase of 0.1% since last month. Furs are the only commodity which decreased during the year, 1%. The other items all increased, with men's hose recording the greatest rise, that of 12%, followed by sheets and pillow cases with one of 10.5%. Furniture and women's shoes rose the least, 2.1% and 2.2%. Since the 1939 period just before the outbreak of the European war, furs increased 49.8%, followed by a 39.3% rise for cotton wash goods, and one of 39.2% for sheets and pillowcases. Women's shoes advanced 6.8%, the smallest recorded for the period.

"The indications are still that the movement of retail prices will continue to be very slight, according to A. W. Zelomek, economist under whose supervision the index is compiled. There continues to be the possibility of some upward movement as is shown by the slight increases in the individual items. These have been due to the various price regulations which permit adjustment of the ceiling prices."

THE FAIRCHILD PUBLICATIONS RETAIL PRICE INDEX

JAN. 3, 1931=100

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	May 1, 1933	Jan. 2, 1942	Oct. 1, 1942	Nov. 1, 1942	Dec. 1, 1942	Jan. 2, 1943
Composite Index	69.4	108.3	113.1	113.1	113.1	113.1
Piece Goods	65.1	105.0	112.3	112.3	112.3	112.2
Men's Apparel	70.7	98.1	105.2	105.3	105.3	105.3
Women's Apparel	71.8	107.7	112.7	112.6	112.5	112.6
Infants' Wear	76.4	103.7	108.0	108.0	108.0	108.1
Home Furnishings	70.2	110.2	115.5	115.5	115.5	115.5
Piece Goods						
Silks	57.4	81.3	84.7	84.7	84.7	84.7
Woolens	69.2	101.7	108.1	108.0	108.0	108.0
Cotton Wash Goods	66.6	132.0	143.8	143.8	143.8	143.8
Domestics						
Sheets	65.0	114.7	126.8	126.8	126.8	126.8
Blankets & Comfortables	72.9	125.5	135.0	135.0	135.0	135.0
Women's Apparel						
Hosiery	59.2	88.6	94.1	94.1	94.1	94.1
Aprons & House Dresses	75.5	129.5	140.5	140.5	140.5	140.5
Corsets & Brassieres	83.6	103.2	111.2	111.2	111.2	111.2
Furs	66.8	135.9	135.1	134.6	134.3	134.5
Underwear	69.2	98.8	102.7	102.7	102.7	102.7
Shoes	76.5	90.4	92.4	92.4	92.4	92.4
Men's Apparel						
Hosiery	64.9	96.4	108.0	108.0	108.0	108.0
Underwear	69.6	106.2	114.6	114.8	114.8	114.8
Shirts & Neckwear	74.3	93.1	99.0	99.0	99.1	99.1
Hats & Caps	69.7	89.4	94.3	94.3	94.3	94.3
Clothing incl. Overalls	70.1	100.0	105.9	105.9	105.9	105.9
Shoes	76.3	103.8	109.6	109.6	109.6	109.6
Infants' Wear						
Socks	74.0	107.3	114.5	114.5	114.5	114.5
Underwear	74.3	101.2	103.6	103.6	103.7	103.7
Shoes	80.9	102.5	105.9	105.9	106.0	106.0
Furniture						
Floor Coverings	63.4	126.6	129.2	129.2	129.2	129.2
Radios	79.9	140.7	148.8	146.8	146.8	146.8
Luggage	50.6	65.7	66.8	66.8	66.8	66.8
Electrical Household Appliances	60.1	89.7	94.7	94.7	94.7	94.7
China	72.5	96.1	93.5	93.5	93.5	93.5
	81.5	106.4	110.6	110.6	110.6	110.6

Note—Composite Index is a weighted aggregate. Major group indexes are arithmetic averages of subgroups.

*Increases due to application of price ceiling adjustments.

Engineering Construction For Week 36% Below Corresponding 1942 Week

Engineering construction volume for the week, \$53,113,000, is 36% below the total for the corresponding 1942 week, and 17% under last week's total as reported by "Engineering News-Record" on Jan. 14. Private volume is 75% lower than a year ago, and 44% under a week ago. Public construction declines 30% from last year, and is 15% below last week as both federal, and state and municipal work decreased.

The current week's total brings 1943 construction to \$117,041,000, an average of \$58,520,000 for each of the two weeks. On the weekly average basis, the 1943 volume is 37% below that for the three-week period in 1942. Private work is 57% lower, and public construction is down 35% from a year ago, when adjusted for the difference in the number of weeks.

Construction volumes for the 1942 week, last week, and the current week are:

	Jan. 15, 1942	Jan. 7, 1943	Jan. 14, 1943
Total Construction	\$83,262,000	\$63,928,000	\$53,113,000
Private Construction	11,526,000	5,117,000	2,866,000
Public Construction	71,736,000	58,811,000	50,247,000
State and Municipal	14,827,000	6,877,000	420,000
Federal	56,909,000	51,934,000	49,827,000

In the classified construction groups, gains over last week are in sewerage, earthwork and drainage, and unclassified construction. Unclassified construction is the only class of work to report an increase over the 1942 week. Subtotals for the week in each class of construction are: waterworks, \$1,075,000; sewerage, \$1,027,000; bridges, \$133,000; industrial buildings, \$776,000; commercial buildings and large-scale private housing, \$1,651,000; public buildings, \$29,463,000; earthwork and drainage, \$521,000; streets and roads, \$2,228,000; and unclassified construction, \$16,239,000.

New capital for construction purposes for the week totals \$154,000, entirely state and municipal bond sales. This compares with \$11,005,000 for the corresponding 1942 week.

New construction financing for the year to date, \$678,000, compares with \$473,692,000 in the opening three weeks of last year.

Non-Ferrous Metals—Record Deliveries Of Copper In December—Magnesium Price Cut

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 Jan. 14, stated: "At the request of OPA, the leading producer of magnesium has reduced the price of the metal 2¢ a pound, which fixes the base for ingot at 20½¢. Magnesium production is scheduled to increase to 600,000,000 lb. a year under the war program, WPB reports. The period during which the Metals Reserve Co. will pay premiums on over-quota production of domestic copper, lead, and zinc has been extended one year to July 31, 1945. Excepting the change in the date, the terms remain as previously announced. Antimony supplies are increasing, owing to restrictions on use." The publication further went on to say in part:

Copper

"Deliveries of copper in this country during December were the largest on record. The price situation last week was unchanged, with domestic consumers obtaining copper on the basis of 12¢, Valley. Foreign copper was purchased by Metals Reserve on the basis of 11.75¢, f.a.s.

"The copper situation was pictured by H. O. King, director of the Copper Division of WPB, on Jan. 8 as follows:

"Recent statements quoted in the press have conveyed the impression that the supply of copper is adequate to meet all military and essential civilian requirements.

"Widespread acceptance of such statements would constitute a threat to our entire war production program. The supply of copper is not adequate and never will be while this war is on.

"A number of WPB limitation orders have eliminated the use of copper from thousands of civilian products. The Army and Navy have saved considerable amounts of copper by reducing their requirements wherever possible. A vigorous program of substitution has been carried on.

"Further, several hundred million dollars are being spent on facilities for new projects to increase primary production, while scrap programs have resulted in the collection of twice the tonnage that was expected at the beginning of 1942.

"Because some of these efforts have been successful, and have resulted in a reduction of the overall deficit is no reason for the relaxation of restrictions on use, or relaxation of our efforts to

acquire every pound of copper wherever it is available."

Lead

"A subject receiving attention is the supply of antimony. A more liberal antimony order, in the opinion of trade authorities, is fully warranted under present conditions. Easier conditions of sale would aid both lead and antimony.

"Sales of common lead for the last week exceeded those of the week previous. Quotations were unchanged.

Zinc

"Scheduled peak production of slab zinc in the United States was somewhat delayed in 1942 and will not be reached until the second quarter of 1943, according to E. V. Gent, Secretary of the American Zinc Institute. However, total output of zinc for the year was well ahead of 1941.

"The price of Prime Western zinc continues at 8¼¢, St. Louis.

Magnesium

"The Office of Price Administration announced on Jan. 8 that The Dow Chemical Co. has reduced the price of magnesium 2¢ a pound, the lower basis being retroactive to Jan. 1 of the current year. The reduction in price was made at the request of OPA, it was stated in Washington, and the new schedule was made possible by economies in production brought about by the increased volume resulting from the war needs. The revised base price for magnesium ingot is 20½¢ a pound, against the previous quotation of 22½¢. All magnesium alloys have been lowered in price to conform with the new price named for the metal.

Tin

"Tin consumption in the United States will be cut another 12,000 to 15,000 tons in 1943 under an amendment to General Preference Order M-43 issued Jan. 9. Anticipated use of tin this year will drop to about one-half of 1941

consumption. In the amended order the tin content of solder has been reduced from 30% formerly permitted to 20%.

"Banco Minerio de Bolivia reports that in some instances the 60¢ settlement basis for tin contained in ore f.o.b. South American port has been raised to 61¼¢ by Metals Reserve to cover inland transport costs.

"The price situation in tin here remains unchanged. Straits quality tin for forward shipment was nominally:

	Jan.	Feb.	March
Jan. 7	52.000	52.000	52.000
Jan. 8	52.000	52.000	52.000
Jan. 9	52.000	52.000	52.000
Jan. 11	52.000	52.000	52.000
Jan. 12	52.000	52.000	52.000
Jan. 13	52.000	52.000	52.000

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

Quicksilver

"Though ceiling prices prevail on most of the nearby business being placed, occasional sales are reported at concessions. Quotations in New York continued at \$196¢/\$198 per flask.

Silver

"During the past week the silver market in London has been unchanged at 23½d.

"The New York Official and the U. S. Treasury prices are also unchanged at 44¼¢ and 35¢, respectively."

Daily Prices

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

President Sees Need For Constant Rededication

President Roosevelt, in a message to the Federal Council of Churches of Christ in America, supported the Council's designation of the week beginning Jan. 3 as a Universal Week of Prayer, and expressed the hope that it would remind people "of the need for constant rededication." The President's message said:

"The observance of a universal week of prayer, to be carried out under the auspices of the Federal Council of Churches, will, I hope, remind us of the need for constant rededication throughout the long ordeal that is ahead of us. For without spiritual armor we cannot hope to win this war. Without spiritual armor we cannot be worthy of the victory our men are purchasing at a great cost on the battlefield. Without spiritual armor we cannot hope to play an honorable and responsible part in the establishment of world peace."

Craig Will Again Head NY Coffee-Sugar Exchange

William B. Craig has been nominated for President of the New York Coffee and Sugar Exchange, Inc., for 1943. Mr. Craig was first elected to the Presidency in August, 1942, upon the appointment of W. W. Pinney as an officer in the United States Naval Reserve. The Nominating Committee has nominated Frank C. Russell for Vice-President and John C. Gardner for Treasurer.

The following were nominated to serve two years as Members of the Board of Managers: Herbert G. Bell, David M. Keiser, Ody Lamborn, Chandler A. Mackey, Walter W. Voelbel and A. M. Walbridge. J. H. Scholtz, Jr. and D. H. Zelisse have been nominated to serve one year. They were named to serve with Harold L. Bache, John A. Higgons, Jr., P. R. Nelson and M. E. Rionda on the Board of Managers.

A new Nominating Committee was nominated consisting of Eric Lagemann as Chairman, Louis Blumberg, W. F. Prescott, Frank C. Lowry and W. J. Wessels.

Daily Average Crude Oil Production For Week Ended Jan. 9, 1943 Dropped 49,500 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Jan. 9, 1943, was 3,821,100 barrels, a decrease of 49,500 barrels from the previous week and 408,050 barrels per day less than during the corresponding period last year.

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 3,674,000 barrels of crude oil daily and produced 10,810,000 barrels of gasoline; 4,267,000 barrels of distillate fuel oil; and 7,101,000 barrels of residual fuel oil during the week ended Jan. 9, 1943; and had in storage at the end of that week 84,245,000 barrels of gasoline; 41,367,000 barrels of distillate fuels and 72,559,000 barrels of residual fuel oils.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

Table with columns: State, P.A.W. Recommendations, State Allowables, Actual Production, Change From Previous Week, 4 Weeks Ended, Week Ended. Rows include Oklahoma, Kansas, Nebraska, Texas, Louisiana, Arkansas, Mississippi, Illinois, Indiana, Michigan, Wyoming, Montana, Colorado, New Mexico, California, and Total United States.

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

†This is the net basic allowable as of Jan. 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 4 to 15 days, the entire state was ordered shut down for 11 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 11 days shut-down time during the calendar month.

CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED JAN. 9, 1943

Table with columns: District, Daily Refining Capacity, Crude Runs to Stills, Gasoline Production, Stocks of Gasoline, Stocks of Gas Oil, Stocks of Residual Fuel Oil. Rows include Texas Gulf, Louisiana Gulf, Appalachian, Ind., Ill., Ky., Okla., Kansas, Mo., Rocky Mountain, California, and U. S. B. of Mines.

*At the request of the Petroleum Administration for War. †Finished 74,709,000 barrels; unfinished 9,536,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 4,267,000 barrels of gas oil and distillate fuel and 7,101,000 barrels of residual fuel oil produced during the week ended Jan. 9, 1943, which compares with 4,285,000 barrels and 7,683,000 barrels, respectively, in the preceding week and 3,817,000 barrels and 6,640,000 barrels, respectively, in the week ended Jan. 10, 1942.

Wholesale Commodity Prices Advanced 0.2% During Jan. 9 Week, Labor Bureau Reports

The U. S. Department of Labor, Bureau of Labor Statistics' comprehensive index of nearly 900 price series in primary markets again rose slightly during the first week of January as a result of further gains in prices for farm products and foods. With an advance of 0.2%, the all-commodity index reached 101.4% of the 1926 average, nearly 1% above the early December level and the highest point in almost 17 years.

The Labor Bureau's announcement further said: "Farm Products and Foods—Led by an advance of 2% in prices for grains, average prices for farm products rose 0.6%. Quotations for oats were up 3.6%; wheat, 2%; and corn, over 1.5%. Prices of livestock and poultry increased 0.4% as a result of an increase of 3.7% for calves and slightly higher prices for hogs. In addition, higher prices were reported for cotton, hay, fresh milk in the Chicago market, for apples, lemons, and beans. Quoted prices for wool dropped sharply during the week and prices were lower for oranges. Potato prices rose in Portland, Oregon, and Boston markets but were down in the Chicago and New York markets. During the course of the past month average wholesale prices for farm products have advanced 3.7%.

"Prices of foods in primary markets increased 0.2% largely as a result of an appreciable increase in prices for butter and milk. Prices were also higher for flour and for certain fruits and vegetables. The index for cereal products dropped 0.6% because of increases in the scaling weight for bread in some markets, although no changes were reported in prices of the baked loaf. Cheese in the Chicago market dropped 1.5%.

"Average wholesale prices of cattle feed declined 0.8% as lower prices were reported for bran and cottonseed meal.

"Industrial Commodities—There were few changes in industrial commodity markets during the week except for higher prices for a few building materials such as plaster, certain types of lumber, and for boxboard, textile soap, and gasoline in the North Texas area, and a fractional decline for rosin."

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

The following table shows index numbers for the principal groups of commodities for the past three weeks, for Dec. 12, 1942 and Jan. 10, 1942 and the percentage changes from a week ago, a month ago, and a year ago:

Table showing index numbers and percentage changes for commodity groups from 1943 to 1942. Groups include All commodities, Farm products, Foods, Hides and leather products, Textile products, Fuel and lighting materials, Metals and metal products, Building materials, Chemicals and allied products, Housefurnishing goods, Miscellaneous commodities, Raw materials, Semimanufactured articles, Manufactured products, and All commodities other than farm products and foods.

Cottonseed Receipts In December

On Jan. 13 the Bureau of Census issued the following statement showing cottonseed received, crushed, and on hand, and cottonseed products manufactured, shipped out, on hand, and exported for the five months ended with December, 1942 and 1941:

Table with columns: State, Received at mills, Crushed, On hand at mills. Rows include Alabama, Arizona, Arkansas, California, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, and All other States.

COTTONSEED PRODUCTS MANUFACTURED, SHIPPED OUT, AND ON HAND

Table with columns: Item, Season, On hand, Produced Aug. 1 to Dec. 31, Shipped out, On hand Dec. 31. Rows include Crude oil, Refined oil, Cake and meal, Hulls, Linters, and Hull fiber.

*Includes 24,484,000 and 83,748,000 pounds held by refining and manufacturing establishments and 2,118,000 and 21,724,000 pounds in transit to refiners and consumers Aug. 1, 1942, and Dec. 31, 1942, respectively. †Includes 3,620,000 and 4,174,000 pounds held by refiners, brokers, agents, and warehousemen at places other than refineries and manufacturing establishments and 1,389,000, and 1,947,000 pounds in transit to manufacturers of shortening, oleomargarine, soap, etc. Aug. 1, 1942, and Dec. 31, 1942, respectively. Does not include winterized oil. ‡Produced from 695,793,000 pounds of crude oil. §Total linters produced includes 8,738 bales first cut, 44,196 bales second cut and 764,736 bales mill run. Total held includes 10,960 bales first cut, 11,306 bales second cut and 200,370 bales mill run.

Exports and Imports of Cottonseed Products In the interest of national defense, the Department of Commerce has discontinued until further notice the publication of statistics concerning imports and exports.

Arbitration Ass'n To Honor Pink & Bissell

Louis F. Pink, retiring Superintendent of Insurance of the State of New York, and President Justice Pelham St. George Bissell were the guests of honor at a luncheon sponsored by the American Arbitration Association, at the Bankers Club, New York City, on Jan. 7. Among those paying tribute to the guests of honor, and who were speakers at the gathering, were George S. Van Schaick, Vice-President of the New York Life Insurance Co. and New York State Director of the Office of Civilian Defense, and Daniel Mungall, Esq., Assistant U. S. Attorney for the General Accident, Fire & Life Assurance Corp.

The resignation of Mr. Pink from the State Insurance Department to become head of the Group Hospital Plan was noted in our Dec. 24 issue, page 2256.

"Both Superintendent Pink, who has served the state since 1939, in the capacity of Superintendent of Insurance, and President Justice Bissell, who has been identified with the Judiciary since 1934, have been strong proponents of arbitration as a method of settling disputes arising over accident claims," it was stated by Lucius R. Eastman, Chairman of the Board of the American Arbitration Association. On Dec. 27, Mr. Eastman added:

"As a matter of fact, their joint efforts to eliminate congestion within the courts, so that settlement of legitimate accident claims could be expedited through recourse to arbitration, have been instrumental in the growth of the Accident Claims Tribunal of this Association. In retiring from his position with the State, Superintendent Pink leaves an enviable record of progress in the interests of the public, and the American Arbitration Association, joined by prominent insurance executives and members of the Bar Association, is greatly pleased to honor both of these public servants."

Vargas Hopes For 1943 'Decisive Events'

President Getulio Vargas of Brazil, in a New Year's greeting to President Roosevelt, expressed on Jan. 4 the belief and hope that 1943 will be marked by "decisive events," permitting the establishment of the "norms of peace."

The message, handed to the President at a White House conference by Dr. Carlos Martins Pereira e Souza, the Brazilian Ambassador, as given in Washington advices to the New York "Times," said in part:

"Faced by peril our old and most loyal friendship did not weaken. On the contrary, our ties have become even closer and our destinies joined in the battle being waged by the free peoples against the threats of tyranny and slavery."

"For the Brazilians it is a motive of righteous satisfaction to strive for the victory of the great cause, by the side of the Americans, whose heroism, both military and civilian, fills us with admiration. * * *

"As Your Excellency, I believe and hope that the year of 1943 will be marked for the United States, for Brazil and for the continent by decisive events which will permit their statesmen to meet for the grateful work of establishing the norms of peace to which all of us aspire, an enduring peace, free from threats of new wars."

"In sending to you, Mr. President, and through you to the American nation my wishes for happiness throughout the new year, it gives me great pleasure to reaffirm to Your Excellency my great admiration and friendship."

Trading On New York Exchanges

The Securities and Exchange Commission made public Jan. 15 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 Jan. 2, 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 Jan. 2 (in round-lot transactions) totaled 1,384,872 shares, which amount was 12.43% of total transactions on the Exchange of 5,568,570 shares. This compares with member trading during the previous week ended Dec. 26 of 1,080,526 shares, or 13.27% of total trading of 4,066,020 shares. On the New York Curb Exchange, member trading during the week ended Jan. 2 amounted to 359,295 shares, or 13.53% of the total volume of that Exchange of 1,328,300 shares; during the preceding week trading for the account of Curb members of 216,240 shares was 13.26% of total trading of 815,160 shares.

Since we did not publish the figures for the week ended Dec. 19, we are also giving these below. The figures for the week ended Dec. 26 appeared in these columns of Jan. 14, page 200.

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	N. Y. S. E.		N. Y. Curb Exch.	
	Weeks Ending Jan. 2	Weeks Ending Dec. 19	Weeks Ending Jan. 2	Weeks Ending Dec. 19
Total number of reports received	956	954	659	658
1. Reports showing transactions as specialists	174	174	91	90
2. Reports showing other transactions initiated on the floor	167	159	29	29
3. Reports showing other transactions initiated off the floor	227	203	88	90
4. Reports showing no transactions	484	516	523	522

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

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

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

A. Total Round-Lot Sales:	Total for Week		Total for Week	
	Jan. 2, '43	Dec. 19, '42	Jan. 2, '43	Dec. 19, '42
Short sales	65,720	86,250		
Other sales	5,502,850	5,454,090		
Total sales	5,568,570	5,540,340		

B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:

1. Transactions of specialists in stocks in which they are registered—	Total for Week		Total for Week	
	Jan. 2, '43	Dec. 19, '42	Jan. 2, '43	Dec. 19, '42
Total purchases	439,160	425,610		
Short sales	46,170	57,750		
Other sales	324,320	337,190		
Total sales	370,490	394,940	7.27	7.41
2. Other transactions initiated on the floor—				
Total purchases	148,310	211,770		
Short sales	5,000	8,800		
Other sales	124,190	157,630		
Total sales	129,190	166,430	2.49	3.41
3. Other transactions initiated off the floor—				
Total purchases	156,700	147,735		
Short sales	5,650	11,320		
Other sales	135,372	149,444		
Total sales	141,022	160,764	2.67	2.78
4. Total—				
Total purchases	744,170	785,115		
Short sales	56,820	77,870		
Other sales	583,882	644,264		
Total sales	640,702	722,134	12.43	13.60

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

A. Total Round-Lot Sales:	Total for Week		Total for Week	
	Jan. 2, '43	Dec. 19, '42	Jan. 2, '43	Dec. 19, '42
Short sales	7,930	4,655		
Other sales	1,320,370	922,455		
Total sales	1,328,300	927,110		

B. Round-Lot Transactions for the Account of Members:

1. Transactions of specialists in stocks in which they are registered—	Total for Week		Total for Week	
	Jan. 2, '43	Dec. 19, '42	Jan. 2, '43	Dec. 19, '42
Total purchases	86,840	67,145		
Short sales	6,905	4,030		
Other sales	125,110	89,755		
Total sales	132,015	93,785	8.24	8.68
2. Other transactions initiated on the floor—				
Total purchases	40,350	20,485		
Short sales	200	50		
Other sales	28,725	8,790		
Total sales	28,925	8,840	2.61	1.58
3. Other transactions initiated off the floor—				
Total purchases	43,965	35,610		
Short sales	0	425		
Other sales	27,200	21,555		
Total sales	27,200	21,980	2.68	3.11
4. Total—				
Total purchases	171,155	123,240		
Short sales	7,105	4,505		
Other sales	181,035	120,100		
Total sales	188,140	124,605	13.53	13.37

C. Odd-Lot Transactions for the Account of Specialists—

Customers' short sales	0	0
Customers' other sales	119,207	80,769
Total purchases	119,207	80,769
Total sales	37,476	26,161

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

†Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

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

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

New York Stock Exchange Odd-Lot Trading

The Securities and Exchange Commission has made public a summary for the week ended Jan. 9, of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by odd-lot dealers and specialists.

We are also giving below the figures for the week ended Dec. 26, since these were omitted from a previous issue of the "Chronicle." Figures for the intervening week appeared in our Jan. 14 issue, page 200.

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

Week Ended—	Jan. 9, '43	Dec. 26, '42
Odd-Lot Sales by Dealers: (Customers' Purchases)		
Number of orders	15,374	14,845
Number of shares	414,930	420,491
Dollar value	14,127,295	14,366,637
Odd-Lot Purchases by Dealers: (Customers' Sales)		
Number of orders		
Customers' short sales	117	79
Customers' other sales	13,434	20,705
Customers' total sales	13,551	20,784
Number of shares:		
Customers' short sales	4,333	1,873
Customers' other sales	335,821	564,118
Customers' total sales	340,154	565,991
Dollar value	10,164,742	14,371,840
Round-Lot Sales by Dealers:		
Number of shares:		
Short sales	100	280
Other sales	88,100	223,100
Total sales	88,200	223,380
Round-Lot Purchases by Dealers:		
Number of shares	130,370	88,370

*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."

Bankers' Dollar Acceptances Outstanding On December 31 Advanced To \$1,180,399,000

The volume of bankers' dollar acceptances outstanding on Dec. 31 totaled \$1,180,399,000, an increase of \$1,972,000 from the Nov. 30 figure, according to the monthly survey by the Acceptance Analysis Unit of the Federal Reserve Bank of New York, issued Jan. 12. This was the first monthly advance in 1942. However, the total amount of acceptances outstanding on Dec. 31 was \$76,181,000 below a year ago.

The monthly advance was due mainly to an increase in the volume of acceptances for exports, although the other branches of credit, with the exception of imports and domestic shipments, were also slightly higher than at the end of November. In the year-to-year comparison, all branches of credit were lower.

The Reserve Bank's report follows:

BANKERS' DOLLAR ACCEPTANCES OUTSTANDING—UNITED STATES			
BY FEDERAL RESERVE DISTRICTS			
Federal Reserve District	Dec. 31, 1942	Nov. 30, 1942	Dec. 31, 1941
1 Boston	\$21,370,000	\$20,223,000	\$25,004,000
2 New York	71,729,000	66,732,000	122,496,000
3 Philadelphia	4,897,000	7,043,000	9,924,000
4 Cleveland	1,919,000	2,363,000	3,317,000
5 Richmond	482,000	1,412,000	1,362,000
6 Atlanta	2,133,000	1,689,000	2,379,000
7 Chicago	4,170,000	4,952,000	4,767,000
8 St. Louis	314,000	277,000	665,000
9 Minneapolis	51,000	57,000	115,000
10 Kansas City			
11 Dallas	295,000	212,000	2,755,000
12 San Francisco	10,679,000	11,107,000	21,436,000
Grand Total	\$118,039,000	\$116,067,000	\$194,220,000
Increase for month	\$1,972,000	Decrease for year	\$76,181,000

ACCORDING TO NATURE OF CREDIT			
	Dec. 31, 1942	Nov. 30, 1942	Dec. 31, 1941
Imports	\$56,637,000	\$57,466,000	\$116,496,000
Exports	9,124,000	6,404,000	14,639,000
Domestic shipments	11,456,000	12,895,000	11,708,000
Domestic warehouse credits	26,663,000	26,510,000	35,967,000
Dollar exchange	361,000	319,000	4,006,000
Based on goods stored in or shipped between foreign countries	13,798,000	12,473,000	11,404,000

BILLS HELD BY ACCEPTING BANKS		
Own Bills	Bills of Others	Total
\$59,554,000	\$33,802,000	\$93,356,000
Increase for month	\$3,562,000	

CURRENT MARKET RATES ON PRIME BANKERS ACCEPTANCES JAN. 12, 1943		
Days	Dealers' Buying Rates	Dealers' Selling Rates
30	1/2	3/8
60	1/2	3/8
90	1/2	3/8
120	1/2	3/8
150	5/8	3/4
180	5/8	3/4

The following table, compiled by us, furnishes a record of the volume of bankers' acceptances outstanding at the close of each month since Dec. 30, 1939:

1940—		1941—		1942—	
Jan. 31	\$229,230,000	Jan. 31	\$212,777,000	Jan. 31	\$197,278,000
Feb. 29	233,015,000	Feb. 28	211,865,000	Feb. 28	190,010,000
Mar. 30	229,705,000	Mar. 31	217,312,000	Mar. 31	182,675,000
Apr. 30	223,305,000	Apr. 30	219,561,000	Apr. 30	177,283,000
May 31	213,685,000	May 31	215,005,000	May 29	173,906,000
June 29	206,149,000	June 30	212,932,000	June 30	162,849,000
July 31	188,350,000	July 31	209,899,000	July 31	156,302,000
Aug. 31	181,813,000	Aug. 30	197,472,000	Aug. 31	139,304,000
Sept. 30	176,614,000	Sept. 30	176,801,000	Sept. 30	123,494,000
Oct. 31	186,788,000	Oct. 31	184,806,000	Oct. 31	118,581,000
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

Pay On San Paulo Bonds

J. Henry Schroder Banking Corporation as special agent, is notifying holders of State of San Paulo (United States of Brazil) 15-year 8% sinking fund gold bonds external dollar loan of 1921, 25-year 8% secured sinking fund gold bonds external loan of 1925, and 40-year 6% sinking fund gold bonds external dollar loan of 1928 that it has received funds to pay on or after Jan. 7, 15.05% of the face amount of the coupons due July 1, 1940 appertaining to these bonds. Payment will be made in accordance with the provisions of Presidential Decree No. 23829 of Feb. 5, 1934, promulgated by the Federal Government of Brazil, as modified by Decree-Law No. 2085 of Mar. 8, 1940. The amount of payment will be as follows: \$6.02 for each \$40 coupon with respect to the 8% loan of 1921 and the 8% loan of 1925, and \$3.01 for each \$20 coupon of these loans; and \$4.515 for each \$15 coupon, with respect to the 6% loan of 1928. The announcement also states:

"The acceptance of these payments is optional with the holders, but pursuant to the terms of the Decree payment if accepted must be for full payment of the coupons and of claims for interest represented thereby.

"Holders of July 1, 1940 coupons may obtain payment of the amounts prescribed upon presentation and surrender of the coupons for final cancellation at the office of the special agent, 48 Wall Street, New York.

"No present provision has been made for the unpaid interest on coupons which matured prior to Apr. 1, 1934, but holders are advised to hold them for future adjustment."

Feed Wheat Program

The Department of Agriculture announced on Jan. 2 that the Commodity Credit Corporation feed wheat sales program will be continued until further notice on substantially the same basis as in 1942. Prices for January delivery are 1 cent above prices for December delivery, except in a few Corn Belt counties where prices are the same as for December.

The Department's advice, continued:

"Officials announced that in an effort to simplify procedure, purchasers will be permitted to certify—prior to the actual sale of the wheat to feeders—that the wheat will be sold as feed; also, that individuals desiring to purchase carloads of wheat direct from the Corporation will not be required to obtain prior approval from county AAA committees. State and county committees will be informed by the CCC of feed wheat shipments into their states and counties.

"Announcement was made also of an increase to 75 cents per bushel in the penalty on all wheat purchased as feed but which is used for other purposes instead. Officials explained that this increase has been necessitated by the rise in market prices of wheat since the feed wheat program was inaugurated in 1942.

"CCC sales of feed wheat, now running about 4,000,000 bushels a week, have practically doubled during the last month. Sales since Jan. 1, 1942 have totaled more than 95,000,000 bushels. Of this total, approximately 60,000,000 bushels has been sold since July 1, 1942 when CCC was authorized by Congress to sell 125,000,000 bushels of wheat for feed during the current fiscal year at 85% of the parity price of corn.

"Government supplies of wheat available under this program now total about 65,000,000 bushels. Officials attribute the recent increase in sales to a wheat and corn price situation favoring the purchase of government-owned wheat by feeders."

Revenue Freight Car Loadings During Week Ended Jan. 9, 1943 Amounted To 716,272 Cars

Loading of revenue freight for the week ended Jan. 9, 1943 totaled 716,272 cars, the Association of American Railroads announced on Jan. 14. This was a decrease below the corresponding week of 1942, of 20,700 cars or 2.8%, but an increase above the same week in 1941, of 4,637 cars or 0.7%.

Loading of revenue freight for the week of Jan. 9 increased 95,224 cars or 15.3% above the preceding week.

Miscellaneous freight loading totaled 343,106 cars, an increase of 37,400 cars above the preceding week, and an increase of 25,015 cars above the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 85,471 cars, an increase of 9,785 cars above the preceding week, but a decrease of 54,373 cars below the corresponding week in 1942.

Coal loading amounted to 156,806 cars, an increase of 22,956 cars above the preceding week, but a decrease of 9,378 cars below the corresponding week in 1942.

Grain and grain products loading totaled 48,362 cars, an increase of 8,474 cars above the preceding week, and an increase of 12,520 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of Jan. 9 totaled 33,295 cars, an increase of 6,140 cars above the preceding week, and an increase of 11,438 cars above the corresponding week in 1942.

Live stock loading amounted to 15,556 cars, an increase of 3,984 cars above the preceding week, but a decrease of 383 cars below the corresponding week in 1942. In the Western Districts alone, loading of live stock for the week of Jan. 9 totaled 11,279 cars, an increase of 2,967 cars above the preceding week, but a decrease of 661 cars below the corresponding week in 1942.

Forest products loading totaled 36,899 cars, an increase of 10,556 cars above the preceding week and an increase of 1,868 cars above the corresponding week in 1942.

Ore loading amounted to 14,737 cars an increase of 1,179 cars above the preceding week, and an increase of 2,919 cars above the corresponding week in 1942.

Coke loading amounted to 15,335 cars, an increase of 890 cars above the preceding week, and an increase of 1,112 cars above the corresponding week in 1942.

All districts reported decreases compared with the corresponding week in 1942, except the Pocahontas and Southwestern, but all districts reported increases above the corresponding week in 1941 except the Eastern, Allegheny and Northwestern.

	1943	1942	1941
Week of Jan. 2	621,048	676,534	614,171
Week of Jan. 9	716,272	736,972	711,635
Total	1,337,320	1,413,506	1,325,806

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Jan. 9, 1943. During this period only 51 roads showed increases when compared with the corresponding week last year.

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Eastern District—					
Ann Arbor	267	508	533	1,203	1,152
Bangor & Aroostock	2,164	2,170	1,699	165	244
Boston & Maine	5,252	7,911	7,846	13,180	11,147
Chicago, Indianapolis & Louisville	1,237	1,316	1,359	1,842	1,923
Central Indiana	42	26	13	51	41
Central Vermont	935	1,413	1,227	1,604	1,957
Delaware & Hudson	5,182	5,029	5,847	10,046	9,177
Delaware, Lackawanna & Western	6,206	7,780	8,816	11,338	8,032
Detroit & Mackinac	285	237	239	107	110
Detroit, Toledo & Ironton	1,761	2,049	2,858	1,295	1,671
Detroit & Toledo Shore Line	209	324	322	2,818	3,398
Erie	10,477	12,904	13,091	15,425	13,257
Grand Trunk Western	3,906	4,617	5,902	7,531	7,108
Lehigh & Hudson River	150	215	176	2,347	2,487
Lehigh & New England	7,110	1,206	1,849	1,337	1,378
Lehigh Valley	7,121	8,687	9,577	11,455	7,166
Maine Central	2,236	3,178	3,206	3,382	3,190
Monongahela	6,139	5,791	4,600	371	449
Montour	2,134	2,052	2,007	18	29
New York Central Lines	41,674	43,472	43,700	50,756	42,367
N. Y., N. H. & Hartford	8,303	12,069	10,623	15,474	13,802
New York, Ontario & Western	1,238	915	1,095	2,356	1,878
New York, Chicago & St. Louis	6,240	5,654	5,837	14,631	12,375
N. Y., Susquehanna & Western	520	515	387	1,528	978
Pittsburgh & Lake Erie	8,303	12,069	10,623	15,474	13,802
Pete Marquette	4,016	4,600	6,019	7,010	5,099
Pittsburgh & Shawmut	657	574	608	10	56
Pittsburgh, Shawmut & North	293	340	437	292	231
Pittsburgh & West Virginia	638	837	796	3,358	1,926
Rutland	230	516	566	723	960
Wabash	5,298	5,580	5,819	10,768	9,250
Wheeling & Lake Erie	4,914	4,396	3,888	4,951	3,751
Total	138,626	154,082	158,167	204,579	173,656
Allegheny District—					
Akron, Canton & Youngstown	584	558	562	1,088	919
Baltimore & Ohio	34,205	35,774	33,611	23,443	18,707
Bessemer & Lake Erie	2,927	2,583	2,890	1,901	1,474
Buffalo Creek & Gauley	323	251	288	3	7
Cambria & Indiana	1,715	1,828	1,772	7	16
Central R. R. of New Jersey	5,560	6,193	6,448	18,507	13,860
Cornwall	558	463	486	54	44
Cumberland & Pennsylvania	190	266	288	18	31
Ligonier Valley	102	118	136	38	31
Long Island	951	837	646	2,786	2,087
Penn-Reading Seashore Lines	1,411	1,691	1,111	2,300	1,516
Pennsylvania System	65,362	72,482	66,848	55,211	47,489
Reading Co.	12,670	15,261	15,202	24,554	19,975
Union (Pittsburgh)	20,459	19,623	20,185	4,585	3,199
Western Maryland	3,795	4,020	3,861	11,288	7,841
Total	150,803	161,968	154,334	145,783	117,196
Pocahontas District—					
Chesapeake & Ohio	26,155	23,603	21,709	9,194	8,910
Norfolk & Western	20,255	21,592	20,179	5,817	5,306
Virginian	4,560	5,041	4,449	1,924	2,012
Total	50,970	50,236	46,337	16,935	16,228

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Southern District—					
Alabama, Tennessee & Northern	284	321	269	255	199
Ail. & W. P.—W. R. R. of Ala.	734	751	768	2,647	1,966
Atlanta, Birmingham & Coast	691	710	727	1,459	967
Atlantic Coast Line	14,855	10,990	11,709	10,344	6,498
Central of Georgia	3,508	4,066	4,087	3,990	3,189
Charleston & Western Carolina	1,668	385	433	1,318	1,550
Cinchfield	1,624	1,635	1,448	2,944	2,821
Columbus & Greenville	346	202	286	361	281
Durham & Southern	95	184	142	351	607
Florida East Coast	2,268	1,292	1,015	1,464	1,040
Gainesville Midland	33	35	29	78	99
Georgia	1,112	1,087	1,199	3,158	2,085
Georgia & Florida	415	440	370	460	516
Gulf, Mobile & Ohio	3,243	3,584	3,560	4,652	2,959
Illinois Central System	25,095	27,508	23,298	16,106	13,389
Louisville & Nashville	23,441	25,823	24,720	9,254	7,404
Macon, Dublin & Savannah	173	197	118	896	735
Mississippi Central	146	131	131	411	374
Nashville, Chattanooga & St. L.	2,990	2,725	3,029	4,390	3,238
Norfolk Southern	952	949	1,080	1,416	1,088
Piedmont Northern	312	475	453	1,119	1,520
Richmond, Fred. & Potomac	315	407	351	10,585	7,166
Seaboard Air Line	10,691	10,030	9,821	8,907	6,471
Southern System	20,498	22,760	23,315	21,972	18,780
Tennessee Central	528	536	491	794	827
Winston-Salem Southbound	103	116	136	850	769
Total	114,820	117,339	112,985	110,181	86,538
Northwestern District—					
Chicago & North Western	14,014	15,022	15,517	11,738	10,989
Chicago Great Western	2,434	2,472	2,598	2,772	2,907
Chicago, Milw., St. P. & Pac.	19,553	21,053	20,316	9,101	8,341
Chicago, St. Paul, Minn. & Omaha	4,026	4,557	4,167	2,947	3,097
Duluth, Missabe & Iron Range	1,093	1,283	885	202	302
Duluth, South Shore & Atlantic	626	625	620	474	450
Elgin, Joliet & Eastern	7,993	9,157	9,391	9,518	9,118
Ft. Dodge, Des Moines & South	383	387	399	124	172
Great Northern	11,644	11,270	9,842	4,834	3,407
Green Bay & Western	434	573	589	761	661
Lake Superior & Ishpeming	264	258	255	32	57
Minneapolis & St. Louis	1,806	1,728	1,661	1,994	2,142
Minn., St. Paul & S. S. M.	4,522	5,644	5,004	2,812	2,623
Northern Pacific	9,284	9,752	9,288	4,000	3,781
Spokane International	92	62	96	377	290
Spokane, Portland & Seattle	1,317	1,622	1,582	2,745	2,086
Total	79,485	85,465	82,210	54,431	50,423
Central Western District—					
Atch., Top. & Santa Fe System	21,164	20,421	18,060	10,614	7,736
Alton	3,122	3,245	3,170	3,960	2,672
Bingham & Garfield	390	405	484	109	99
Chicago, Burlington & Quincy	16,634	17,288	16,597	9,765	9,050
Chicago & Illinois Midland	2,455	2,841	2,656	772	772
Chicago, Rock Island & Pacific	11,537	10,852	11,225	12,246	9,759
Chicago & Eastern Illinois	2,250	2,802	2,893	5,058	2,751
Colorado & Southern	808	765	757	1,679	1,407
Denver & Rio Grande Western	3,334	3,927	3,235	4,506	4,027
Denver & Salt Lake	770	778	755	7	14
Fort Worth & Denver City	1,049	998	907	1,078	953
Illinois Terminal	1,557	2,130	1,792	1,433	1,458
Missouri-Illinois	939	942	845	471	417
Nevada Northern	2,090	1,872	1,849	130	146
North Western Pacific	778	1,021	631	574	451
Peoria & Pekin Union	8	22	30	0	0
Southern Pacific (Pacific)	27,039	26,295	21,986	10,811	8,531
Toledo, Peoria & Western	372	204	452	1,456	158
Union Pacific System	14,804	16,169	14,495	12,816	10,308
Utah	608	618	518	2	8
Western Pacific	2,282	2,235	1,608	2,913	3,686
Total	113,990	115,830	104,945	80,428	64,412
Southwestern District—					
Burlington-Rock Island	668	143	123	196	242
Gulf Coast Lines	5,229	3,270	3,031	2,466	1,911
International-Great Northern	3,434	1,939	1,793	3,294	2,148
Kansas, Oklahoma & Gulf	317	165	203	1,070	1,160
Kansas City Southern	5,116	2,443	2,330	2,315	2,359
Louisiana & Arkansas	3,648	2,120	2,373	2,187	1,595
Litchfield & Madison	240	371	378	938	942
Midland Valley	565	875	736	324	328
Missouri & Arkansas	166	117	88	459	378
Missouri-Kansas-Texas Lines	5,996	4,204	4,219	5,676	2,912
Missouri Pacific	15,351	16,186	15,627	16,229	10,976
Quannah Acme & Pacific	90	96	100	166	166
St. Louis-San Francisco	8,544	7,849	7,982	7,208	5,429
St. Louis Southwestern	3,295	2,489	2,726	5,215	3,344
Texas & New Orleans	10,722	6,448	6,795	4,884	3,948
Texas & Pacific	4,099	3,221	4,012	6,880	4,785
Wichita Falls & Southern	77	101	124	19	32
Weatherford M. W. & N. W.	21	15	17	27	29
Total	67,578	52,052	52,657	59,553	42,684

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

Bank Debits For Month Of December

As announced on March 30, the Board of Governors of the Federal Reserve System has discontinued the issuance of its weekly "bank debits" press statement and beginning

Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the first full week of this month (ended Jan. 9) is estimated at 11,000,000 net tons, a figure slightly below the pre-holiday level in December. Production in the corresponding week of 1942 was estimated at 11,160,000 tons.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended Jan. 9 was estimated at 888,000 tons, an increase of 94,000 tons (11.8%) over the preceding week. When compared with the output in the corresponding week of 1942, there was an increase of 61,000 tons, or 7.4%.

The U. S. Bureau of Mines also reports that the estimated production of byproduct coke in the United States for the week ended Jan. 9 showed an increase of 4,500 tons when compared with the week ended Jan. 2. The quantity of coke from beehive ovens increased 25,900 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM (in net tons)

	Week Ended			
	Jan. 9, 1943	Jan. 2, 1943	Jan. 10, 1942	Jan. 9, 1937
Bituminous coal and lignite	11,000,000	9,300,000	11,160,000	10,947,000
Total, including mine fuel	1,833,000	1,860,000	1,860,000	1,825,000
Daily average	261,667	276,667	276,667	270,833
Crude Petroleum	6,121,000	6,200,000	6,774,000	4,994,000
Coal equivalent of weekly output	6,121,000	6,200,000	6,774,000	4,994,000

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

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

	Week Ended			Calendar Year to Date		
	Jan. 9, 1943	Jan. 2, 1943	Jan. 10, 1942	Jan. 9, 1943	Jan. 10, 1942	Jan. 12, 1929
Penn. anthracite	888,000	794,000	827,000	938,000	939,000	2,602,000
Total incl. colliery fuel	888,000	794,000	827,000	938,000	939,000	2,602,000
Commercial production	852,000	714,000	734,000	900,000	901,000	2,415,000
Beehive coke	147,600	121,700	135,500	182,400	206,800	198,500
United States total	147,600	121,700	135,500	182,400	206,800	198,500
By-product coke	1,202,800	1,198,300	1,545,200	1,545,200	1,545,200	1,545,200
United States total	1,202,800	1,198,300	1,545,200	1,545,200	1,545,200	1,545,200

*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					Jan. 1937
	Jan. 2, 1943	Dec. 26, 1942	Jan. 3, 1942	Jan. 4, 1941	Jan. 2, 1940	
Alaska	6	6	5	4	3	**
Alabama	325	270	323	296	255	434
Arkansas and Oklahoma	91	70	90	79	59	93
Colorado	165	162	178	165	175	226
Georgia and North Carolina	1	1	1	1	1	**
Illinois	1,222	1,215	1,184	1,054	1,152	2,111
Indiana	465	468	443	457	398	659
Iowa	59	52	58	70	86	140
Kansas and Missouri	156	143	171	154	160	190
Kentucky—Eastern	758	602	656	626	738	607
Kentucky—Western	295	215	254	193	165	240
Maryland	25	25	33	29	38	55
Michigan	7	6	10	9	15	32
Montana (bituminous and lignite)	98	98	87	64	68	82
New Mexico	36	33	30	23	40	73
North and South Dakota (lignite)	72	77	70	66	57	**50
Ohio	457	512	518	448	515	814
Pennsylvania (bituminous)	1,895	1,905	2,575	2,378	2,417	3,402
Tennessee	122	98	127	111	96	133
Texas (bituminous and lignite)	7	9	5	7	13	26
Utah	116	99	109	88	85	109
Virginia	342	267	352	288	247	211
Washington	40	41	46	32	42	74
*West Virginia—Southern	1,667	1,402	1,892	1,561	1,602	1,134
†West Virginia—Northern	688	620	731	617	591	762
Wyoming	185	173	156	137	123	186
†Other Western States	††	††	††	††	††	**7
Total bituminous and lignite	9,300	8,570	10,104	8,956	9,141	11,850
Pennsylvania anthracite	754	774	728	843	870	1,968
Total all coal	10,054	9,344	10,832	9,799	10,011	13,818

*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.

Retail Food Costs Advanced 1.2% Between Mid-Nov. & Mid-Dec., Labor Dept. Reports

The average family paid 1.2% more for food on Dec. 15 than on Nov. 17, Secretary of Labor Perkins reported on Jan. 13. "The amount of increase over the month was the same as that shown between mid-October and mid-November," she said. "Higher prices of uncontrolled fresh fruits and vegetables were again chiefly responsible for the rise. The prices of foods not under direct control by OPA rose 7%, while the average for controlled foods advanced 0.5%."

"The following table shows the percentage change from November to December and May to December for foods controlled by OPA and those not under direct OPA control."

Group	Percentage Increase	
	Nov. 17 to Dec. 15	May 12 to Dec. 15
ALL FOODS	1.2	9.1
Under control by OPA on Dec. 15	0.5	6.9
Under control on May 18	0.4	1.2
Placed under control since May 18	0.8	17.5
Not under control by OPA on Dec. 15	7.0	29.8

The Labor Department's announcement Jan. 13 further stated: "Uncontrolled Foods: Eight of the nine uncontrolled foods included in the Bureau's food cost index showed price increases over the month. A decrease was recorded for fresh green beans (3.4%), which usually rise rapidly at this season. The usual seasonal increases were reported for cabbage, carrots, spinach, sweet potatoes, and apples. Lettuce rose contra-seasonally by 7%. The Department of Agriculture reported increases for fresh fruits and vegetables in prices paid to farmers over the same period. Other uncontrolled foods showing advances were peanut butter, 2.8%, and fresh fish,

3.6%. Uncontrolled foods represent approximately 10% of the family food bill, but short supplies for many of the important foods have caused an increase in the relative importance of some of the uncontrolled foods available.

"Controlled Foods: Increases between Nov. 17 and Dec. 15 were reported for 33 foods whose prices are under direct control by the OPA. A number of adjustments in ceilings were made at the various levels of distribution, both locally and nationally, and these adjustments are reflected in the prices. The index for all fruits and vegetables combined rose 3.6% as minor increases were reported for the canned and dried products, and advances occurred for bananas, potatoes, and onions. Prices of oranges and grapefruit are somewhat lower than in November.

"The cost of meats rose 1% over the 4-week period. Beef, veal, and pork advanced moderately, roasting chickens rose 1%, and lamb 1.3%. Local shortages were reported for most meats, but supplies of fresh fish and poultry were said to be adequate. Dairy products, eggs, fats and oils, and sugar showed slight increases. The short supply of butter was reflected by small advances in 41 of the 51 cities included in the index. Contrary to the usual seasonal decline, eggs advanced slightly. Lard prices, on which there are fixed percentage mark-up ceilings at wholesale and retail, rose 2.2% as the result of adjustments at the processors' level. Other shortening remained fairly stable.

"Cereals and bakery products, as a group, remained unchanged with slight advances for flour, macaroni, corn meal, and soda crackers, and a decline reported for vanilla cookies. Tea prices advanced slightly, but coffee prices declined after the introduction of rationing.

"The Bureau's food cost index for Dec. 15 stood at 132.7% of the 1935-39 average, 9% above May, 1942, 17% above a year ago and 42% above August, 1939. All cities surveyed, except Chicago showed an increase between mid-November and mid-December. The greatest increases were reported for St. Louis, Jacksonville, Rochester, and New Haven, where there were greater-than-average increases for fruits and vegetables and in Rochester an advance of one cent per quart was authorized for milk. In Chicago prices of fruits and vegetables declined 1.6%, and the index for all foods showed no change over the month. Food costs in all 51 cities are well above the average for a year ago."

Index numbers of food costs by commodity groups for Dec. 15, Nov. 17, Oct. 13, May 12, and March 17, 1942, Dec. 16, 1941, and Aug. 15, 1939, are shown below:

INDEXES OF RETAIL COSTS OF FOOD BY COMMODITY GROUPS (Five-Year Average 1935-39 = 100)

Commodity Group	Dec. 15 1942*	Nov. 17 1942	Oct. 13 1942	May 12 1942	Mar. 17 1942	Dec. 16 1941	Aug. 15 1939
	ALL FOODS	132.7	131.1	129.6	121.6	118.6	113.1
Cereals and bakery products	105.7	105.7	105.7	105.2	104.8	102.5	93.4
Meats	133.2	131.9	131.2	124.3	120.5	111.1	95.7
Beef and veal	127.5	126.6	126.5	124.1	119.7	114.4	99.6
Pork	125.2	124.8	124.4	123.2	117.5	103.2	88.0
Lamb	135.7	134.0	133.0	118.2	108.7	108.1	98.8
Chickens	134.9	133.5	133.0	133.4	112.2	100.5	94.6
Fish, fresh & canned	183.4	177.9	172.8	150.9	158.9	138.9	99.6
Dairy products	132.3	131.8	131.2	123.3	121.7	120.5	93.1
Eggs	167.2	166.3	164.7	115.4	112.1	138.1	90.7
Fruits & vegetables	146.6	141.5	137.1	128.7	123.4	110.5	92.4
Fresh	151.0	144.6	139.3	130.0	123.7	111.0	92.8
Canned	127.8	126.8	125.0	122.7	120.8	106.3	91.6
Dried	150.5	149.7	149.9	131.2	127.9	118.3	90.3
Beverages	124.5	124.6	124.1	124.6	119.6	114.1	94.9
Fats and oils	125.3	124.2	121.2	122.4	116.8	108.5	84.5
Sugar	127.7	127.0	126.9	127.1	128.5	114.4	95.6

*Preliminary. †Revised.

National Fertilizer Association Price Index Still Rising

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on Jan. 18, advanced last week for the sixth consecutive time. In the week ended Jan. 16, 1943, this index rose to 133.7 from 133.4 in the preceding week. A month ago the index stood at 131.0 and a year ago at 121.7% of the 1935-1939 average as 100. The Association's report added:

The principal price changes during the week occurred in the farm products index, with six items included in the group advancing and five declining. Due to sharp advances in the past five weeks grain quotations are now 12.6% higher than a month ago. Lower prices for butter and cottonseed meal were responsible for the first decline registered by the food price index in three months. The textile index advanced slightly, due to revisions in OPA cloth ceilings last week. The only other group average to change during the week was the miscellaneous commodities index, which was fractionally lower.

During the week ten price series included in the index advanced and eight declined; in the preceding week there were 12 advances and three declines; in the second preceding week there were seven advances and five 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	Preceding Week	Month Ago	Year Ago
		Jan. 14, 1943	Jan. 9, 1943	Dec. 12, 1942	Jan. 17, 1942
25.3	Foods	137.3	137.8	134.3	119.7
	Fats and Oils	148.5	150.2	148.8	130.8
	Cottonseed Oil	159.0	164.7	164.7	156.1
23.0	Farm Products	150.8	150.2	143.6	130.4
	Cotton	193.9	193.9	186.3	179.4
	Grains	138.7	132.2	123.2	121.5
	Livestock	147.2	147.5	141.3	122.6
17.3	Fuels	119.3	119.3	119.3	113.0
10.8	Miscellaneous commodities	139.3	129.4	129.1	127.2
8.2	Textiles	150.3	150.4	148.9	145.3
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	151.4	151.4	151.4	131.8
1.3	Chemicals and drugs	127.6	127.6	127.6	120.1
.3	Fertilizer materials	117.6	117.6	117.6	117.4
.3	Fertilizers	115.3	115.3	115.3	114.0
.3	Farm machinery	104.1	104.1	104.1	103.5
100.0	All groups combined	133.7	133.4	131.0	121.7

*Indexes on 1926-1928 base were Jan. 14, 1943, 104.2; Jan. 9, 1943, 103.9; Jan. 17, 1942, 94.8.

Lumber Movement—Week Ended Jan. 9, 1943

According to the National Lumber Manufacturers Association, lumber shipments of 453 mills reporting to the National Lumber Trade Barometer exceeded production by 6.2% for the week ended Jan. 9, 1943. In the same week, new orders of these mills were 2.2% less than production. Unfilled order files in the reporting mills amounted to 77% of stocks. For reporting softwood mills, unfilled orders are equivalent to 37 days' production at the current rate, and gross stocks are equivalent to 45 days' production.

Compared to the average corresponding week of 1935-39, production of reporting mills were 41.9% greater; shipments were 31.7% greater, and orders were 7.8% greater.

Lend-Lease For Liberia

The White House announced on Jan. 11 that President Roosevelt has ordered that Liberia be included in the list of countries eligible to receive lend-lease assistance from the United States. The President instructed Edward R. Stettinius, Jr., Lend-Lease Administrator, to arrange for lend-lease aid. An American Expeditionary Force is now stationed in the African nation, according to the United Press.

Cotton Consumption In December

Under date of Jan. 14, 1943, the Census Bureau at Washington issued its report showing cotton consumed in the United States, cotton on hand, and active cotton spindles for the month of December.

In the month of December, 1942, cotton consumed amounted to 935,511 bales of lint and 108,113 bales of linters, as compared with 913,038 bales of lint and 113,728 bales of linters in November, 1942, and 888,379 bales of lint and 109,945 bales of linters in December, 1941.

For the five months ending with Dec. 31 cotton consumption was 4,712,277 bales of lint and 574,775 bales of linters, against 4,443,185 bales of lint and 620,226 bales of linters in the same five months a year ago.

There were 2,567,188 bales of lint and 503,124 bales of linters on hand in consuming establishments on Dec. 31, 1942, which compares with 2,395,386 bales of lint and 526,559 bales of linters on Dec. 31, 1941.

13,576,030 bales of lint and 84,128 bales of linters were on hand in public storage and at compresses on Dec. 31, 1942, and 13,709,883 bales of lint and 138,378 bales of linters on Dec. 31, 1941.

There were 22,887,072 cotton spindles active during December, 1942, which compares with 23,062,264 active cotton spindles during December, 1941.

King George Hails U.S.

In a New Year's message to President Roosevelt, King George VI. on Jan. 1, expressed gratitude for the American war effort and confidence in final victory. The King's message said:

"At the opening of the new year, so full of promise for the United Nations, I send my warmest wishes to you, Mr. President, personally, to the gallant forces under your command and to all the American people.

"I and my people are deeply appreciative of all that the United States have achieved in the common cause under your inspiring leadership. We feel confident that the recent victories of the United Nations are but forerunners of heavy blows which in the coming year they will together strike at enemies of civilization."

Items About Banks, Trust Companies

(Continued from page 288)

John Harsen Rhoades, retired investment banker, died on Jan. 15 at Doctors Hospital, New York City. Mr. Rhoades, who was 72 years old, retired in 1938 when his firm, Rhoades & Co., was merged with Carl M. Loeb & Co. to form Carl M. Loeb, Rhoades & Co. A native of New York City, Mr. Rhoades was graduated from Harvard University in 1892 and in that same year began his business career with Blake Brothers & Co., investment bankers. In 1898 he became a member of the firm of Rhoades, Richardson & Co., which in 1907 became Rhoades & Co. Mr. Rhoades retired in 1938. Mr. Rhoades was the son of the late John Harsen Rhoades, former President of the Greenwich Savings Bank. In the New York "Sun" of Jan. 15 it was noted that Mr. Rhoades was the author of many poems which found publication in newspapers and magazines, as well as of numerous articles on financial and banking matters. He also was the author of "Random Thoughts of a Man at Fifty," "Church Without Walls," "From the Crow's Nest," and "Jonathan's Apothegms."

At the annual meeting of stockholders of the Lafayette National Bank of Brooklyn in New York held Jan. 12, all the directors were re-elected. George P. Kennedy, President, announces also that the official staff remains unchanged. The surplus was increased from \$250,000 to \$300,000. The report showed no investment in outside real estate or furniture and fixtures.

At the annual meeting of the trustees of the Warwick Savings Bank, Warwick, N. Y., held January 12, William H. Sayer was elected President and Treasurer to assume the management of the bank. Mr. Sayer is Secretary and Treasurer of the Lehigh and Hudson River Railroad Co. and will resign that position on Feb. 1, ending a 38-year association with the company. He has been a trustee of the Warwick Savings Bank since 1919 and President since 1928. Other officers elected were as follows: Clifford S. Beattie, First Vice-President and Counsel; George H. Strong, Second Vice-President; Howard G. Pierson, Third Vice-President; James M. Bristow, Secretary and nominated trustee; Harold W. Schofield, Assistant Secretary and Assistant Treasurer.

At the meeting of the board of directors of the State Street Trust Co., Boston, on Jan. 18, all officers were re-elected. Benjamin R. Vaughan of the Massachusetts Avenue office, and Almon B. Thorn were promoted to Assistant Vice-Presidents; Loren D. Drinkwater of Cambridge was elected Assistant Trust Officer.

Mr. Drinkwater, a native of Yarmouth, Maine, was graduated from Bowdoin College in 1928. He joined the staff of the bank in October, 1929, working in various departments until 1933, when he entered the trust department, where he has of late years specialized in tax matters.

At the annual meeting of the stockholders of Fidelity Union Trust Co., Newark, N. J., on Jan. 12, Horace K. Corbin, President, reported:

"We, like other banks, have felt the effect of the World War, principally in the large increase in deposits. Deposits on Dec. 31, 1942, were \$250,927,234, having increased \$54,374,370 during last year." "The net earnings from operations for the year 1942," said Mr. Corbin, "were \$1,537,260, which is an increase over the previous year of \$287,540, and

were approximately the same as 1940. During the year our holdings of U. S. Government securities increased \$66,436,752, and we purchased \$86,709,000 for the accounts of customers. On Dec. 31, 1942, we owned U. S. Government obligations costing \$131,578,429. A percentage group of maturities based on call dates is as follows: Less than five years, 60.4%; five to 10 years, 39.6%. The average maturity of all our Government bonds based on earliest call dates was 3½ years."

Andrew B. Crummy was elected a director to succeed Uzal H. McCarter who has gone into military service. All other directors were reelected.

The Corn Exchange National Bank and Trust Co., Philadelphia, had earnings of \$1,081,850 in 1942 after all expenses and reserves for taxes and depreciation, David E. Williams, President of the institution, reported to stockholders at their 84th annual meeting on Jan. 12. The disposition of these earnings was as follows: \$455,000 to pay dividends of \$2 per share per annum; \$207,867 retained through various reserve and undivided profits accounts; \$116,351 to reduce the book value of other real estate owned, and \$302,632 to reduce the book value of other assets.

Mr. Williams told stockholders that deposits for Dec. 31, 1942, were more than \$36,000,000 higher than on Dec. 31, 1941, and that the bank's holdings of U. S. Government bonds increased by over \$44,000,000 in 1942.

His report disclosed a substantial increase in foreign service volume and in the earnings from that source and also contained a full account of the bank's participation in the war effort.

Lester F. Widmann of the firm of Widmann & Teah, Inc., a drug chain, with headquarters in Lock Haven, Pa., has been elected President of the First National Bank of that city. Mr. Widmann became associated with the bank a year ago when he was made a Vice-President and director.

The board of directors of the American National Bank, Portsmouth, Va., announces the following promotions of its officers: George R. Parrish, Chairman of the board; Frank D. Lawrence, President; Edward C. Allen, Executive Vice-President; J. Floyd French, Vice-President; Virginia L. Slate, Vice-President; George L. Wynecott, Cashier, and John E. Scott, Richard B. Ames and Maurice Gompf as Assistant Cashiers.

At the annual meeting of the board of directors of the Continental Illinois National Bank & Trust Co. of Chicago held on Jan. 8, the following elections took place:

Lester T. Boe, John F. Mannion, John W. Nichols, Henry R. Platt, Jr., and O. B. Wallace, who were Second Vice-Presidents, were elected Vice-Presidents; John W. Baker, A. Gordon Bradt, Merle G. Glanville, David Handler and Boyd J. Simmons, who were Assistant Cashiers, were advanced to Second Vice-Presidents; Berford Brittain, Jr., Arthur J. Frey, Arthur W. Higby, John P. Hoffmann, John F. McGuire, Jr., Wilhelm R. Mesenbrink, Orion Morris, William G. Olson, Magnus I. Ronning and George Wiersma were elected Assistant Cashiers.

In the trust department, Wayne R. Bennett, who was a Second Vice-President, was elected a Vice-President. Cecil Bronston, Charles E. Clippinger, Bruce H. DeSwarte, Frederick W. Hawley, Jr., Harold P. Smith and James F. Vanek, formerly Assistant Secretaries, were made Trust Officers. Ernest D. Holmes and Victor P. Nelson were elected Assistant Secretaries. Reference to the Dec. 31 statement of condition of the bank was made in our Jan. 14 issue, page 208.

At the annual meeting of the board of directors of The Northern Trust Co. of Chicago, held on Jan. 12, the following official changes were made:

John A. Prosser and Charles B. Petersen were promoted from Second Vice-Presidents to Vice-Presidents of the banking department.

In the bond department, John M. Maxwell was promoted from Second Vice-President and Manager to Vice-President.

Philip L. Burgett was promoted from Manager, credit department, to Second Vice-President and Manager of credit department, and Lyell H. Ritchie from Assistant Cashier to Second Vice-President.

Warren F. Sarle was promoted from Second Vice-President to Second Vice-President and Manager of the bond department, and Edward D. McGrew from Assistant Manager, bond department, to Second Vice-President.

E. LeRoy Hall was promoted from Assistant Comptroller to Second Vice-President and Assistant Comptroller.

J. Mills Easton was promoted from Manager, advertising and publicity, to Second Vice-President in charge of that department.

New appointments are: Laurence M. Rieckhoff, Assistant Manager, bond department; David Marcus and Howard E. Richardson, Assistant Auditors; Edward Bernard, Assistant Cashier, and MacHenry Schafer, director employee relations. All other officers were reelected.

On the preceding day the stockholders reelected all directors.

The First National Bank of Chicago announces the following promotions in its official staff and the election of a number of new officers:

Thomas J. Butler, James P. Feeley and Emerson R. Lewis, Assistant Vice-Presidents, were elected Vice-Presidents.

Harold W. Lewis, Verne L. Bartling, Glenn M. Forgan, Assistant Cashiers, and J. T. Keck-eisen, Assistant Secretary, were promoted to Assistant Vice-Presidents.

Howard S. Alsip, Edward Decker, Alfred E. Langenbach and Darragh Louderback were made Assistant Cashiers.

Horace C. Condit and Rollin B. Mansfield were appointed Assistant Trust Officers.

The board of directors of the Industrial National Bank of Chicago have made the following changes in the official roster:

English Walling, Vice-President, formerly Secretary; Frank G. Anger, Vice-President, formerly Assistant Secretary; Robert N. Vieracker, Cashier, formerly Auditor; Muriel M. Hanna, Assistant Cashier, formerly Assistant Secretary; Howell E. Hammer, Assistant Cashier, formerly Manager, savings department; Joseph W. Mahoney, Assistant Cashier, formerly Manager, division of accounts; William B. Shapiro, Assistant Cashier, formerly Manager, insurance finance department.

It was announced on Jan. 13 that Cal Sivright, President of the Oliver Farm Equipment Co., was elected a director of the American National Bank and Trust Co. of Chicago at the bank's annual meeting. All other directors were reelected. Louis W. Fischer, former Assistant Vice-President, was elected a Vice-President at the directors' meeting, and Harold F. Koenig, former Chief Clerk in the trust department, was elected Assistant Trust Officer.

Albert W. Harris, dean of Chicago bankers, resigned on Jan. 13 as Chairman of the Board of the Harris Trust and Savings Bank, at the annual meeting of the bank's board of directors. Mr.

Harris, who is 75 years old, will continue as a member of the board, but will take a less active part in the affairs of the bank, which he has headed since 1913, when he became President. The board elected Howard W. Fenton, President of the bank since 1923, as Chairman to succeed Mr. Harris and filled a number of other key positions.

Frank R. Elliott, Vice-President since 1919, was elected President; Frank McNair, Vice-President since 1920, was elected Executive Vice-President, and Stanley G. Harris, Vice-President since 1934, was made Chairman of the Executive Committee.

From the Chicago "Tribune" advices we quote further:

"M. H. McLean, Vice-President for many years and a brother-in-law of A. W. Harris, resigned.

"The board also announced the following changes in personnel:

"Max C. Greigg and Vincent Yager, formerly Assistant Vice-Presidents, were elected Vice-Presidents, and Milton C. Burkhardt and Kenneth V. Zweiner, Assistant Cashiers, were elected Assistant Vice-Presidents; Roy M. Frisby, formerly Assistant Secretary, was elected Assistant Cashier. A. Newell Rumpf, Richard H. Wayne and Roy A. Johnson were made Assistant Cashiers. E. J. Altgelt was appointed New York representative. Maurice K. Heald was appointed Assistant Controller and Delbert N. Urlick Assistant Auditor.

"All other officers and managers were reelected, including officers on leave to serve with the Army and Navy.

"Prior to the directors' meeting, the stockholders held their annual meeting, at which only routine business was handled. All directors were reelected.

"A. W. Harris retired at his own request as Chairman. Born in Cincinnati in 1867, he was one of the last of the group of bankers which brought fame to Chicago banks several decades ago. He entered the employ of N. W. Harris & Co., predecessor to the Harris Bank, in 1888.

"Mr. Fenton was born in Indianapolis in 1877. He started work with N. W. Harris Co. in 1895 and continued with the successor company.

"Mr. Elliott, the new President, who has been with the bank 42 years, represents the fourth generation of a family active in banking. He was born in Jacksonville, Ill., in 1878.

"Mr. McNair was born in Greenville, Pa., and since 1903 has been identified with the Harris organization.

"Stanley G. Harris began with the Harris organization as a messenger in 1912 and in 1930 was elected a director."

At a meeting of the board of directors of the Chicago Title and Trust Co. of Chicago, held Jan. 13, all officers were reelected for the ensuing year.

The Atlantic National Bank of Jacksonville (Fla.) in its statement of conditions as of Dec. 31, 1942, shows that during 1942 deposits and resources reached new all-time highs. Total resources on Dec. 31, 1942, were \$97,246,200, compared with \$79,186,539 at the end of 1941, and deposits amounted to \$92,188,611 (excluding inter-bank deposits of \$1,972,690), against \$74,280,191 on Dec. 31, 1941. The principal items comprising the assets were: loans and discounts, \$15,046,317 (compared with \$16,713,616); U. S. Government obligations, \$41,696,596 (against \$21,864,738); obligations of Federal Agencies, \$1,034,376 (compared with \$1,418,868); other marketable bonds, \$2,615,423 (against \$2,814,887), and cash and due from banks, \$35,376,450 (compared with \$34,883,519). The bank's capital is unchanged from a year ago, \$3,000,000, but surplus and undivided profits have increased to \$1,407,994 from \$1,332,500 at the close of 1941.

In his report to stockholders on Jan. 12, J. W. Shands, President, said that there was a very substantial increase in all the business handled by the bank during the past year, resulting in one of the institution's most satisfactory years of its 40-year history. Mr. Shands announced that the bank has been appointed by the Treasury Department as depository and financial agent of the Government to establish facilities at Camp Blanding (Fla.) and is now engaged in establishing the office for the accommodation of the military and civilian personnel and organization at that station.

J. A. Cranford, a Vice-President of the bank, and M. J. Foley, President of Brooks-Scanlon Corp., and Vice-President and Treasurer of the Foley Lumber Co., were added to the board of directors. The new directors are sons of former directors of the bank.

G. W. Frazier, a Vice-President of the bank, was also appointed Trust Officer and C. B. Outen was promoted to Assistant Cashier.

Stockholders of Bank of America at their annual meeting in San Francisco on Jan. 12 received from President L. M. Giannini a report covering a year of banking service under war conditions. With California industrial and business activity rising to record heights, Mr. Giannini reported, the bank was called upon to handle a vastly larger volume of business in 1942. The bank availed itself of every opportunity to participate in financing the war, while maintaining a liquid position, he said. War influences were felt in all fields of credit. War-purpose loans rose sharply, consumer credit demand was in lesser volume, and an increase in defense housing loans exceeded the decrease in other types of real estate loans. Although contending with a rapid increase in deposits, said Mr. Giannini, the bank's outstanding loans equalled 37.12% of deposits as compared with a loan-deposit ratio of 20.03% for all reporting member banks of the Federal Reserve System in 101 cities on Nov. 25, 1942, the latest date for comparative figures.

"During the year," the stockholders were told, "Bank of America assisted both the largest and the smallest borrowers in financing expansion, conversion to war production, repair of irreplaceable equipment, debt consolidation and liquidation on a budget plan, and other necessary adjustments."

The bank's sale of war savings bonds to the public to Dec. 31 amounted to \$192,735,000. In addition, approximately \$187,000,000 of various issues of Government bonds, tax anticipation notes, etc., were purchased by the public through the bank. This was in addition to the bank's own investment in securities of the U. S. Government and Federal Agencies, which at Dec. 31, 1942, aggregated \$1,043,061,000.

The annual statement of condition of the Wells Fargo Bank & Union Trust Co. of San Francisco shows all-time high figures in both deposits and U. S. Government securities held. Deposits totaling \$389,812,948 were \$50,899,083 in excess of those of Dec. 31, 1941; U. S. Government securities totaling \$240,480,957 were up \$54,522,454 over the total for the year earlier. Cash also increased from \$83,410,889 to \$103,759,990. Loans amounting to \$45,838,025, compared with \$58,227,890 on Dec. 31, 1941. Capital funds of \$18,302,255 showed an increase of \$289,661 for the year.

The annual meeting of stockholders of the United States National Bank of Portland, Ore., was held on Jan. 12. W. L. J. Davies, Vice-President, was elected to the board of directors.