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The Financial Situation

The unmatched production record of American industry is now beginning to bear rich fruit not only on the battlefields of this war, but in other, and doubtless by many, unexpected quarters. The testimony of Stalin to the essential part the productive genius of this country has played and is playing in the successful conduct of the war was hardly more than a simple statement of the obvious, but it added a dramatic touch to a recognition which has for a good while past been making itself more and more evident throughout the length and breadth of this land. It is that record and that recognition which are driving the New Deal dreamers more and more to cover as the days pass, and instilling into the veins of business a renewed confidence in itself and in the ability of the American people to choose wisely on the whole between the glib talker who promises all things and the much less articulate business man who gets things done.

A Welcome Change

All this, it seems to us, is being reflected on many sides at this time, and has been for some time past. Not nearly so many—even among business men themselves—are now telling industry and trade what it must do to be saved. We hear much less often about what will happen to "business" unless it does this, that or the other. There are still some who continue to talk of "one more chance" for the business man, and who warn of government stepping in to do what business fails to do—if it fails—but we hear much more frequently from those who calmly tell the reformers what government must do if it expects business to function normally and vigorously—and in far greater degree we find the politicians taking heed and at least beginning to act accordingly.

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From Washington Ahead Of The News

By CARLISLE BARGERON

A leading magazine is coming up soon with a story on the dirtiness of political campaigns in the past, the irresponsible charges that are made, the scurrilous literature, the whispering campaigns, such as, for example, the one against Al Smith that he and the Pope were in cahoots and the one against Harding that he had Negro blood in his veins, both of which whispers became so audible as to receive formal treatment by the candidates against whom they were aimed, or their managers. Also, in that campaign of 1928 was one that Hoover, when he had gone previously down to Mississippi to deal with the flood, had danced with a Mrs. Booze, Negro Republican National Committeewoman. This one confounded the Hoover managers who worried whether an indignant denial would not endanger the Negro vote in the States where the Negro vote counted. Mrs. Booze finally settled their dilemma by issuing a statement that the story was wholly untrue because she was a Baptist and did not dance.

The purpose of the magazine is to urge a clean campaign this time. It is supporting Willkie, but whether this is responsible for its concern or not, its appeal will undoubtedly fall on deaf ears.

There is going to be plenty of heat and plenty of dirt in the next campaign. That is as apparent as the nose on the face.

We have only to look at the tactics of the latest New Deal vehicle, the CIO Political Action Committee, headed by Sidney Hillman, who is the dictator of the organized garment workers in every sense of the word. This

committee has begun operating from quarters formerly occupied, ironically enough, by the Republican National Committee. Indeed, it is this committee's only opposition at present, as the Democratic National Committee appears to be doing nothing at all. The much advertised Charlie Michaelson is reading the proofs on his book which should be a good one, and this seemingly constitutes the committee's main activity.

The CIO Political Action Committee, however, is pursuing an offensive game of harassing Congressmen by appearing constantly in their offices in droves. They simply go in to harangue and browbeat the Congressmen. A little trick they have in the subsidy fight also is to have the opposing members deluged with pig bones sent through the mails.

The agitation they are working up against the Senate's action on the so-called soldiers' vote bill makes you wonder just what they are after, and certainly dampens the spirits of those who want a clean campaign. The plain facts are that the Senate Republicans, by and large, were greatly concerned about this bill and rightly

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Roger Babson On Subsidies

So many inquiries come to me asking for an explanation of "subsidies" that I am in Washington getting the story. Frankly, there are two sides to the problem and I am convinced that the leaders on both sides are honest. If you believe in "paying-as-you-go" and letting nature take its course, then you will oppose subsidies; but if you believe in borrowing and postponing the day of settlement, then you will favor subsidies. To be specific, the farmers are opposing subsidies; but labor is urging subsidies.



Roger W. Babson

What Are Subsidies?

A subsidy bears the same relation to prices as a dam bears to an unruly stream of water. A dam does not destroy the water; but the flow can be regulated by a dam. Dams are, therefore, useful in flood control; but if too much water is dammed up, it either flows over the dam or else breaks the dam. In the long run, you cannot fool or have a substitute for the Law of Demand and Supply. Therefore, subsidies are useful to regulate prices; but only for a short time. Subsidies are no good to prevent price rises which are due to a permanent increased demand on shortage of supply.

If the producers of wheat are not making enough money, they

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Wilbert Ward Discusses World Bank On Control Stabilization, Regards It Impossible For Number Of Nations To Arrive At Any Rates Which Will Stand Test Of Time

Wilbert Ward, Vice-President of the National City Bank of New York, in addressing a meeting of the Foreign Credit Interchange Bureau of the National Association of Credit World Bank Men at the Pennsylvania Hotel on Dec. 1, called the Treasury proposal recently outlined by Secretary Henry Morgenthau "defective in that it fails to recognize the primary function of a banking institution."

Mr. Ward indicated that he considered the proposals "admirable" in general, but considers the linking of a "world bank" with rehabilitation as undesirable.

Mr. Ward's comments with respect to the proposed "world bank" as well as his remarks about Stabilization follow:

I talked to you a couple of months ago on the subject of "Stabilization." I don't intend to talk about it again, except that I do want to say this: I should say that there seemed to be, generally speaking, a recognition of the fact that stabilization is desirable, and that the only difference of opinion that has developed is in regard to the method by which it is to be achieved, and I want to add to that may own feeling; that if the mechanism is



Wilbert Ward

simple and if it is set up on a basis which would assure stable operation not too much influenced by the current political situation in the countries involved, my own inclination would be toward the creation of some sort of formal mechanism to do it.

You will recall that Dr. White's plan envisaged that every country that joins the plan will automatically state the currency of its own country in terms of the dollar or the "Unitas"—I have forgotten which; but, anyhow, the initial state in his plan is set by the country itself.

Now, of course, one of the objections that has been raised to an over-all settling of all exchanges at once, is that it is difficult to do; but by that mechanism it is not difficult to start.

The real question comes as to whether starting on that basis you have anything that will stand.

That, to my mind, is an argument in favor of some sort of instrumentality to control the business of stabilization because, as I see it, it is going to be impossible for 40 or maybe somewhat fewer nations to arrive by any such

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Federalization Of Unemployment Insurance Step Toward Totalitarianism, Says Linton

Warns Replacement Of State-Federal System As Dangerously Undermining Democratic Institutions

The proper procedure in unemployment insurance lies in improving the present State-Federal program—not in Federalization—M. Albert Linton, President of the Provident Mutual Life Insurance Co., Philadelphia, told the 37th annual meeting of the Association of Life Insurance Presidents in New York City on Dec. 2. Asserting that the existing system allows for experimentation and variations

required to meet varying local needs. Mr. Linton said that while it will take time to reach the ultimate goal on a State basis, "it will be accomplished in a sounder manner and avoid the peril of totalitarianism involved in a wholly Federal system."

Proposals before Congress to replace the State-Federal system with a Federal system may appear superficially to be advantageous, but "the program would dangerously undermine our democratic institutions by placing enormous power over the individual in the hands of a vast, country-wide machine operated



M. A. Linton

and controlled by Washington," Mr. Linton declared.

"Furthermore," he added, "the proposals would give that machine still more power by adding to the system of unemployment benefits a system of temporary disability benefits available to those unable to work on account of illness or accident." "This Federalization proposal takes us to the center of the States rights' battle now being waged on several fronts," Mr. Linton said.

Describing dangerous he believes inherent in Federalization, the speaker said:

"Consider for a moment the enormous discretionary power a plan of this kind would put into the hands of the thousands of Federal officeholders from Maine to California who would be deciding whether individual citizens should receive benefits from rich Uncle Sam because they claimed they could not find work or were physically not able to work. And these benefits would not be small.

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Simple, Plain Truths

"Freedom is the very basis of the American way of living, of working, of doing business. And doing business in the American way means free, private, competitive enterprise, by whatever name it is called.

"Enterprise that is 'free' calls for the highest degree of personal freedom attainable under just laws impartially enforced. With each individual free to save and invest in his own shop or farm or in a company owned by many shareholders. And no arbitrary control by government.

"Enterprise that is 'private' calls for the preservation of property rights, the priceless heritage of American citizens. This means private ownership—not government ownership. The American system is individualist—not collectivist.

"Enterprise that is 'competitive' calls for a 'fair field and no favors.' There must be no special privileges—for management, for labor or for capital. It is competition that brings better values, higher quality and lower prices.

"Free, private, competitive enterprise is American enterprise. It is the way of doing business that brought the world's highest standards of living to America.

"And when peace comes, American enterprise can do it again.

"But American industry knows, and has a duty to tell the American people, that it will be impossible to have a post-war opportunity and jobs unless problems of the transition period—reconversion from war to peace—are solved wisely.

"Employment in industry will be speeded up if wartime controls are ended as soon as practicable after hostilities cease, if wartime taxes are then reduced, and if the Government pays its debts promptly when it cancels contracts. Employment will also be increased if Government makes clear that it will not operate plants in competition with private industry and that surplus war goods will not be dumped on the market.

"If these and reconversion problems are solved promptly, then American industry can move forward with confidence."—National Association of Manufacturers.

Little wonder that these ringing words have made such an impression throughout the land.

The State Of Trade

Reports from the heavy industries last week were generally favorable, with most quarters showing sizable gains over last year. This was especially so with electric power production, which again rose to an all-time high, with local distribution rising 36.5% above last year's figure. Glowing reports continue to come from the retail trade, where holiday buying is brisk and sales up 12 to 16% above last year.

Carloadings of revenue freight for the week ended Dec. 4, totaled 862,759 cars according to the Association of American Railroads. This was an increase of 42,677 cars over the preceding week this year, 103,028 cars more than in the corresponding week in 1942, and 29,384 cars above the same period two years ago. This total was 128.29% of average loadings for the corresponding week of the 10 preceding years.

Production of electricity rose to an all-time high of 4,560,158,000 kilowatt hours in the week ended Dec. 4, from 4,403,342,000 in the preceding holiday week. The old record was 4,513,299,000, reached in the week of Nov. 20. The latest total was 17.4% above the year-ago generation of 3,833,534,000 kilowatt hours. Consolidated Edison Co. of New York reports system output of 222,100,000 kilowatt hours in the week ended Dec. 5, an increase of 36.2% over the 163,100,000 reported a year ago. Local distribution rose 36.5% to 218,000,000 kilowatt hours from 159,700,000 in the 1942 week.

Steel production is scheduled this week at 99.3% of capacity, indicating output of 1,730,700 net tons, unchanged from last week, the American Iron & Steel Institute reported. A month ago operations were at 97.8 and output 1,704,600 tons, reflecting coal-strike

stimulated. Plates have not been affected by the general easing."

As to retail trade, holiday buying continued brisk last week, according to the weekly trade review issued by Dun & Bradstreet, Inc.

The review estimated that retail sales volume for the country gained 12 to 16% over that of last year. Regional percentage gains were: New England, 8 to 12%; East, 10 to 14; Middle West, 11 to 15; Northwest, 9 to 12; South, 14 to 18; Southwest, 25 to 28 and Pacific Coast, 16 to 19.

Favorable weather and increased night openings helped expand gift buying, according to the review. Stores benefitting by holiday buying made the best showing, although nearly all kinds of merchandise were in favorable demand, with cash sales predominant. Department store sales on a country-wide basis were up 7% for the week ended Dec. 4, compared with the corresponding week a year ago, according to the Federal Reserve System. Sales for the four-week period ended Dec. 4, were up 13% compared with the like period last year.

Department store sales in New York City in the week ended Dec. 11, were 8% smaller than in the corresponding week of last year, according to a preliminary estimate issued by the New York Federal Reserve Bank. The bank reported that the decline was accounted for in large measure by the fact that fewer stores remained open evenings this year compared with last year. In the previous week ended Dec. 4, sales of this group of stores were 6% higher than in the like 1942 week.

World Rayon Up 56% Since War Began

Production of rayon yarn throughout the world totaled 3,472,900,000 pounds in 1942, according to figures compiled by the "Rayon Organon," published by the Textile Economics Bureau, Inc., New York. This total represents a gain of 56% as compared with the output of 2,227,500,000 pounds produced in 1939.

The Bureau further reported on Dec. 8:

"Germany was the largest producer of rayon last year, with a total of 1,100,000,000, or 32% of the world's total and accounting for 480,000,000 pounds of the world's gain since 1939. Japan ranked second with a total output of 700,000,000 pounds in 1942, and the United States was a close third with an output of 632,600,000 pounds. These three countries alone accounted for 70% of the total world production, over half of which is Axis produced.

"Of the 1942 world total production 1,447,200,000 pounds was filament yarn and 2,025,700,000 pounds was staple fiber. The filament yarn output was up 26% from the 1,145,400,000 pounds produced in 1939. Half of the 301,800,000 pound increase was reported by the United States, which showed a gain of 150,700,000 pounds. The remaining gains were well scattered except in England, where, due to war dislocations, an estimated decline is reported.

"Rayon staple fiber production increased 87% from 1,082,100,000 pounds in 1939 to 2,025,700,000 pounds in 1942. Gains were reported primarily in Germany, Italy, France and the United States, although as in the case of filament yarn, all countries excepting Great Britain shared in the increase.

"The United States produces more filament yarn than any other country, manufacturing 29% of the world's total in 1939 and 33% in 1942. Filament rayon yarn manufacturing countries ranked according to their volume importance for both 1939 and 1942 as follows: United States, Japan, Germany, Italy and Great Britain."

National Savings And Loan League Formed; To Forward Better Relations With Govt. Bureaus

Announcement has been made of the formation of the National Savings and Loan League, a new association of savings and loan organizations, to improve relations with Government agencies.

Officers of the new League are S. H. Bever, head of the Equitable Building and Loan Association of Fort Worth, Texas, President; Arthur G. Erdmann, President of Bell Savings and Loan Association, of Chicago, First Vice-President; George M. Eason, President of Standard Federal Savings and Loan Association of Los Angeles, Second Vice-President, and Herbert P. Taylor, Jr., of Boston, Secretary-Treasurer.

On June 21 a meeting of savings and loan executives, members of the United States Savings and Loan League, was held at St. Louis to discuss and recommend changes in the administration of that League. This conference was attended by savings and loan executives from eighteen states and its final recommendations were approved by more than 600 state and federal associations, having assets exceeding \$500,000,000. The non-acceptance of these recommendations led to discussion of the need for a new league, and this was formed at the end of the United States Savings and Loan League War Conference held in Chicago Nov. 29 to Dec. 1.

The purposes of the new league as stated by Mr. Bever are:

"The progress of the savings and loan associations demands better relations with the various governmental agencies, particularly the National Housing Administration. The best indication of this is that little or no important legislation favorably affecting the associations has been passed in the last seven years. The dissenting members of the old League feel that antagonism exists between it and the governmental agencies with which the associations themselves desire to work in harmony. Discussions during the Chicago War Conference led to the same conclusion—associations must have better representation in Washington and must cooperate with the instrumentalities of the Government. We want the associations to benefit by the respect of Congress, regardless of which political party is in power, so that they may receive the full cooperation of all agencies of the Federal Government, especially the National Housing Agency, the Federal Home Loan Bank Administration, and also trade organizations such as the American Bankers Association, and others.

"It was also felt," Mr. Bever said, "that the managerial activities of the League could be improved—that there is a centralization of power which should be eliminated by giving representation to every section of the country. More democratic methods of electing officers and directors will permit free choice by the entire membership and eliminate the control of policy by one small group.

"There is also a strong movement among the associations for more modern public relations, which would include the dissemination of information about their services through newspaper advertising, locally by individual associations, and, on a national scale by the new league. The associations were pioneers in thrift for home ownership and need to create public understanding of their unique place in the national economy through the power of the press.

"Every effort was made by the dissenting members of the old League to keep it intact by bringing about reforms from within, but negotiations at the War Conference demonstrated that this was impossible. The new National Savings and Loan League was then formed with the expectation that it will benefit every association in America," Mr. Bever said.

John F. Scott, Minnesota Federal Savings and Loan Associa-

tion of St. Paul, Minn., newly elected President of the United States Savings and Loan League, declared regarding the announcement of the formation of National Savings and Loan League:

"There are some executives of savings and loan institutions affiliated with the United States Savings and Loan League who seemingly differ with the established policy of our fifty-one year old national organization on such matters as Federal public housing, the termination of the activities of the Home Owners Loan Corporation, and the National Housing Agency. The policy of the United States League, determined by its members year after year, has been to oppose Federal public housing and to hasten the liquidation of the emergency Home Owners Loan Corporation. Separation of the savings and loan instrumentalities, the Federal Home Loan Bank system and the Federal Savings and Loan Insurance Corporation, from the National Housing Agency in Washington, and their re-establishment as a self-sustaining agency of Government, are sought in a resolution passed unanimously by the thousand delegates at the war conference and fifty-first annual meeting of the League in Chicago, Nov. 29 to Dec. 1.

"This announced secession of a group from our League will in no way alter the established policies of the United States Savings and Loan League. We have a very high regard for these individuals as executives of efficiently conducted savings and loan associations, and they naturally are eligible to continue as members of this half-century old national savings and home financing organization."

The membership of the United States Savings and Loan League consisted on Dec. 1, 1943, of 3,700 local savings and loan associations and cooperative banks with assets of some \$5,500,000,000. The organization includes also 48 states and territorial leagues of these institutions.

Steel Mills Spent \$465 Million For Plant Upkeep In 1942

A total of nearly \$465,000,000 was spent by the steel industry in 1942 for repairs and maintenance in order to keep its war effort at maximum efficiency, according to the American Iron and Steel Institute. This represents an increase of more than 10% over the \$420,000,000 expended for similar upkeep in 1941. The Institute's statement adds:

"The rise in expenditure for plant upkeep in 1942 reflects the continuing high operations rate of the steel industry for that year. Steel operations in 1942 remained at 97% of capacity, approximately the same level as in 1941.

"Wages represented the largest single item in the expenditures for repairs and maintenance. Other important items of expense were cost of supplies, freight charges on supplies purchased, and cost of repair materials.

"Plant maintenance costs in 1942 averaged about \$7.45 for each ton of finished steel produced. This is an increase of well over a dollar a ton as compared with 1940, and 65 cents more than the maintenance expenditures per ton in 1941."

Says U. S. Faces Need Of Revival Of Faith In Free Private Enterprise As Bulwark Of Society

Life insurance executives were urged on Dec. 2 to unite behind a program of analysis and research to meet new conditions confronting their business. Speaking at the 37th annual meeting of the Association of Life Insurance Presidents, in session in New York, Gerard S. Nollen, President of the Bankers Life Company, Des Moines, declared that changed social, economic and political relationships have brought new responsibilities to modern business and suggested how they might be met in the life insurance industry.

"We in the United States face no greater need than a revival of faith in free, private enterprise as the bulwark of a free and prosperous society motivated by a spirit of energetic, courageous self-reliance," Mr. Nollen asserted.

Taking cognizance of the fact that "30 years ago, 100 million United States citizens were living a reasonably simple life," Mr. Nollen called attention to the transformation which has taken place "in that short period of 30 years." He noted that "the industrial revolution just in the making was given a powerful impetus by the production demands of World War I." He went on to say that "the subsequent war-inflated prosperity of the Harding-Coolidge era sped us further on the way to our complex, interdependent, modern, gadget existence. Then followed the worst depression in American history. The ravages of that period played havoc with our traditional social, economic, and political relationships. Men even began to question the feasibility of preserving our democratic processes in this rapidly changing mechanized world. Many of our people lost faith in private enterprise as a dependable source of livelihood." He further said:

"Out of that bitter experience has grown a well-rooted social philosophy new to America. That philosophy ignores the traditional spirit of courageous self-reliance which built America. On the contrary, it proclaims government as the rightful guarantor of a continuous livelihood for every citizen. It also accepts government control of private business as sound public policy without restriction."

Citing the dangers of the "new philosophy" Mr. Nollen had the following to say:

"Let me say, parenthetically, that there is far too little public appreciation of the revolutionary significance, and also the inherent dangers, of that new American social philosophy. Most people do not seem to realize that during recent peacetime years we were traveling, step by step and step by step, down the road of paternalistic government.

"No one can rightfully deny that imperfections requiring correction existed in our economic and social structure, and that our modern complex society demands enlarged governmental activities in certain restricted fields of social and economic need. However, the new philosophy has no such limitations. It glorifies the role which government must play in human affairs and relegates private enterprise to a position of subservience.

"We in the United States face no greater need than a revival of faith in free, private enterprise as the bulwark of a free and prosperous society motivated by a spirit of energetic, courageous self-reliance.

"The more private enterprise is arbitrarily controlled by government, the less will be the political and economic freedom of all the people. Men in government possess the same human frailties as men in other walks of life. Extensive, unsupervised, centralized power in the hands of any group of whatever character is bound to lead to abuse. That is the fundamental fallacy of all political schemes which clothe government with extensive powers of business

management benefits. This trend is of great value to the preservation of our democratic structure. Private enterprise is thus serving to avoid needless assumption of responsibility by government. Life insurance management plays a vital role in this picture. We must harmonize home office and agency procedures with these modern demands. Our segment of private enterprise must meet its obligation to render complete service free from deficiencies either in scope or quality."

New conditions most significant to life insurance management were outlined by the speaker as follows:

"First. We must recognize that a permanent change has occurred in the traditional relationships between government and private enterprise. In modern life, government must concern itself with business, and accordingly business must concern itself with government. This involves no political implications. Organized business has no place in politics. However, the laws enacted affecting business, and the manner in which those laws are administered, are definitely a concern of business. That is a modern stewardship responsibility of management in harmony with public welfare.

"Second. We must recognize that, inevitably and rightfully, men now demand action and results in harmony with their basic economic and social needs. Men know that our national resources are ample to provide everyone a chance to earn a decent livelihood. They are no longer impressed by mere sentimental appeals about preserving our democracy, or about the sacredness of the 'American way of life' of bygone days. Self-preservation is the first law of human nature.

"Third. We must recognize that, with public approval, Government will endeavor to provide all social and economic needs unfulfilled by private enterprise. Management must search diligently for new procedures which will discharge every obligation of private enterprise to modern life. In so far as private enterprise fails to do the entire job, Government will step in to fill the breach.

"Fourth. We must recognize that public acceptance of the adequacy of private enterprise is measured, not merely by scope of service, but also by perfection of performance. Private enterprise cannot, and should not, expect freedom from Government control unless the quality of its service justifies immunity. Furthermore, Government is now, and will continue to be, a potential competitor ready to step into any field where private enterprise is presumed to be guilty of exploitation. Faith in the adequacy of private enterprise will stand or fall on the publicly-recognized excellence of its performance in the public interest.

"Fifth. We must recognize that intensive public education is essential to the stability of our modern, complex, democratic structure. Public opinion is the power behind the throne of legislative and governmental procedure. Men cannot judge intelligently respecting the complex issues of the day unless placed in possession of the fundamental facts pertinent to the issues. The primary responsibility for public instruction relating to the service and value of private enterprise rests upon the shoulders of modern management which has the facts at its command.

"Sixth. We must recognize that our legislators and Government officials constitute the most vital segment of the public in the matter of informed opinion. They possess great power in molding public thought, as well as being the ones who create and execute the rules of procedure under which both Government and private enterprise shall operate. Those groups are merely cross-sections of the country as a whole.

1943 Life Ins. Sales 5% Above 1942 Volume Third Of Companies' Assets Loaned To Gov.

Life insurance purchased from United States legal reserve companies during 1943 will approximate \$12,700,000,000 by the end of the year—5% above the 1942 volume—and policies owned by some 68,000,000 Americans will aggregate \$139,000,000,000, nearly 7% more than the amount in force at the end of 1942, Col. Franklin D'Olier, President of the Prudential Insurance Co. of America, disclosed on Dec. 2 in opening the 37th annual meeting of the Association of Life Insurance Presidents in New York City.

Speaking on the central theme "Looking Forward with Life Insurance," Col. D'Olier who was Chairman of the meeting, also reported that the companies will have paid or credited to policyholders and beneficiaries during the year an estimated total of \$2,400,000,000 by Dec. 31—approximately \$1,100,000,000, or 46%, to beneficiaries in death claims, and about \$1,300,000,000, or 54%, to living policyholders as matured endowments, annuities, surrender values, dividends, and disability benefits.

Meanwhile, life insurance funds to the extent of about \$12,600,000,000, or one-third of the companies' admitted assets—estimated at \$37,675,000,000 as of the end of the year—will have been loaned to the Federal government to aid in the prosecution of the war and for other purposes, he pointed out.

The Federal bond holdings of the companies represent an increase during the year of about \$3,000,000,000, or the equivalent of 109% of the increase in total assets for the year, Col. D'Olier reported. For 1942 and 1943, he said, the increase in such holdings will be \$5,600,000,000—equivalent to 113% of the asset increase. The present portion of assets invested in Federal securities—33%—compares with 21.4% two years ago when the United States entered the war, and 18.2% at the end of 1938, the approximate beginning of the defense program.

As to the balance of the life insurance portfolio, Col. D'Olier said investments in other government bonds, including Canadian, will represent 6% of assets, corporate securities 29%, and real estate mortgages 17%. Only 6% will represent policy loans, and the remaining 9% will represent real estate, collateral loans, cash, and other assets.

Declaring that the goal of the life insurance business is to continue to furnish the best possible life insurance protection at the lowest net cost consistent with safety, the speaker described problems now facing the business. Citing declining interest rates he saw no indication of any improvement, with government bonds at 2½% or lower absorbing as much as one-third of the assets of all the companies, and questioned whether the time has not come to face this fact in the computation of premium rates on new policies.

Pointing to the desirability of

They are composed mainly of dependable people who need and want a clear understanding of the complex problems we face in modern life. With few exceptions, their support of unwise governmental procedure grows out of lack of understanding and not malicious intent. To them, modern management owes the service of factual education in the field of private enterprise.

"Seventh. We must recognize that one of the new vital elements affecting private enterprise is the modern rapid tempo of change in every phase of human existence. No longer can management safely follow the time-honored method characterized by the phrase, 'Wait and see.' Through analysis and research, practice must be harmonized with prospective as well as immediate developments. In the rapid flow of modern events, management must evaluate the probabilities of future indicated changes in terms of their impact upon constructive procedure."

conservative management, Col. D'Olier said: "During the past ten years at least, the more conservative a company has been in its policies the better position it is in today to meet present changing conditions. Let us recognize adverse trends today and govern ourselves accordingly, having constantly in mind that over-conservatism can easily, readily and very quickly be remedied, while it is a long hard task to recover from a lack of conservatism."

The public and policyholders realize the decrease in interest rates, but there are still misconceptions with regard to the mortality table which have given rise to incorrect statements that the policyholder has to pay more for his insurance than he would pay if an up-to-date mortality table were used, Col. D'Olier declared. Legislation recommended by the National Association of Insurance Commissioners, providing for the use of modern mortality tables for new business, has now become law in 14 States, he pointed out, and asserted that when this legislation has been generally enacted, this criticism "which was never valid can no longer be made."

The speaker urged the life company executives to take a broad and receptive attitude toward Social Security, declaring that "what is good socially and economically for the country at large should be good socially and economically for life insurance in the long run."

He continued: "One of the reasons why life insurance has become such an important institution in this country is because a very substantial majority of the population have wanted to do better for their own dependents than the country can afford to do for all alike and even though certain new features of Social Security laws may affect our new business temporarily, nevertheless, in the long run this part of the population will want to accomplish still more for their own dependents than can be done through the provisions of any Social Security Plan which may be worked out. So far as legislation is concerned, I have confidence in the sound common-sense of our lawmakers that they will not ultimately adopt any plan unduly burdensome on the economy of the country, and I believe that we with a broad attitude toward this subject can help them substantially in attaining this objective."

In conclusion, Col. D'Olier said: "Fortunately for life insurance, we have not the great problem which war plants are facing after this emergency when they will have to convert back to civilian production. We are fortunate in that we have no such problem. All we need is not to be unduly and unfairly restricted in the work that we have to do, and we will do the job that is to be done."

New N. Y. Rev. Collector

James W. Johnson was sworn in as New York City Collector of Internal Revenue for the Third District of New York. Mr. Johnson, as formerly Assistant to the Collector, Joseph T. Higgins, who resigned in September to become a candidate for the City Court bench. He was nominated by President Roosevelt on Oct. 25, to succeed Mr. Higgins and the Senate confirmed the appointment on Oct. 27. Mr. Johnson now heads the second largest collection district in the country. The resignation of Mr. Higgins was reported in our issue of Oct. 7, page 1428.

Theis Urges Trust Men Keep Informed On Trends And Their Effects On Property

Trust men must keep themselves informed on trends and their probable effects on property held in trust by them if they are to perform their trust duties intelligently, New Jersey bankers were told on Dec. 3 at their 15th Mid-Year Trust and Banking Conference, at the Federal Reserve Bank in New York City, by Henry A. Theis, President of the Trust Division of the American Bankers Association, and Vice-President of the Guaranty Trust Co. of New York.



Henry A. Theis

In discussing current and prospective trust problems, Mr. Theis cited important questions that face trust men in their duty to conserve the millions of dollars worth of property held by trust institutions in private trusts—the effect on such property of success or failure of the efforts to control inflation; of the transition from war to peace and the post-war economic situation; of the kind of treatment given our huge merchant marine, our large aviation industry, our enormous industrial plant; our treatment of the question of currency for international trade; our creditor position in relation to exports and imports, and our foreign and domestic commercial and financial problems. Mr. Theis said:

"There are approximately 2,800 banking institutions engaged in the trust business in this country.

"During the entire history of the existence of trust institutions the entire loss to beneficiaries, through misconduct or malfeasance of any trust institution, is singularly small. On the other hand, the record of the integrity and the honesty of corporate administration is one of which every trust institution in the country has a right to be justly proud.

"These records have been made over a period of time when economic conditions in the country have been good and when they have been bad; when the country has been at peace and when it has been at war. I have no reason to believe that trust men will not keep the faith in the troublesome times that lie ahead. Problems have been faced and met in the past, and those that lie ahead will be met with equal courage and fidelity."

Mr. Theis spoke also of the increasing burden of fiduciary tax work, which is absorbing an increasingly large share of trust institutions' income as tax laws become steadily more complicated. "It is encouraging to note that Congress is addressing itself to efforts at simplification," he stated. "Trust men have been invited to contribute ideas leading toward simplification, and it is hoped that we can make some constructive suggestions."

AIB Executive Council To Meet In Memphis

The annual mid-winter meeting of the Executive Council of the American Institute of Banking will be held in Memphis, Tenn., Jan. 30-Feb. 1, 1944, it is announced by David L. Colby, national President of the Institute, who is Assistant Vice-President of the Boatmen's National Bank, St. Louis, Mo. Foremost on the agenda of the meeting will be consideration of war-time bank personnel training and the Job Instructor Training (J.I.T.) program now being conducted throughout the country by the Institute. In addition, discussion and plans for post-war personnel problems and training will be prominent in the council's deliberations. The Executive Council of the AIB is composed of 15 members, 12 of whom are elected Executive Councilmen for three-year terms to represent the 400 chapters and study groups of the Institute in various sections of the country. The Institute's president, vice-president, and immediate past-president are the other three members of the council.

Members of the Council are: President, David L. Colby; Vice-President, William C. Way, Central National Bank of Cleveland, Cleveland, Ohio, and immediate past President, David E. Simms, Seattle Branch, Federal Reserve Bank of San Francisco, Seattle, Wash.

Other members are: Pierre H. Hauser, First Wisconsin National Bank, Milwaukee, Wis.; Victor H. Lloyd, The Charleston National Bank, Charleston, W. Va.; George E. Powell, Traders Gate City National Bank, Kansas City, Mo.; David T. Scott, The First National Bank of Boston, Boston, Mass.; George J. Greenwood Jr., The Bank of California National Association, Portland, Ore.; Herman W. Kilman, Federal Reserve Bank of Dallas, Dallas, Texas; Walton L. Sanderson, Hamilton National Bank, Washington, D. C.; Everett C. Stevenson, First National Bank, Nutley, N. J.; Floyd L. Geyer, California Bank, Los Angeles, Cal.; S. J. Kryzsko, The Winona National and Savings Bank, Winona, Minn.; Albert O. Werner, Industrial National Bank, Detroit, Mich.; and T. S. Wiggins, National Bank of Commerce, Memphis, Tenn.

Dr. William A. Irwin, national educational director of the AIB, and Floyd W. Larson, national secretary, both of New York, will also attend the meeting.

Meetings of the Institute's committees composed of Executive Council members will be held on Jan. 29. These committees include: Budget, Chapter Administration, Educational Advisory, Nominating and Transportation. Headquarters for the meeting will be the Peabody Hotel in Memphis.

which was adopted at the Atlantic City Conference and decided that the fullest possible help should be offered by the League services to UNRRA, the Interim Commission on Food and Agriculture, and such other intergovernmental agencies as may be created.

"Certain important problems of post-war monetary policy, and foreign investment are discussed by the committees in the report on this Princeton meeting, which will be issued shortly. On the problem of future foreign investment, special attention was directed to the establishment of conditions which would satisfy both borrowers and lenders, and it was proposed to set up a special subcommittee to study and report on this problem."

Bureaucracy Extending Controls Over Economic Life Of America, Sexauer Warns

Bureaucracy is extending regimentation and control over the economic life of America through the "triple demons" of priorities, rationing and subsidies, Fred H. Sexauer, Auburn, N. Y., President of the Dairymen's League, told members of the National Cooperative Milk Producers Federation in the Morrison Hotel in Chicago on Dec. 3, it is learned from the Chicago "Daily Tribune" which quoted Mr. Sexauer as saying:

"This system is not only used to control, but to bar the right of appeal to the courts. The administrators seek the position of being the last legal word in matters of appeal.

"Practically every subsidy with which handlers of dairy products are familiar contains the provision that the recipient agrees to comply with all the orders of the Office of Price Administration, the War Food Administration, or some other Government agency in order to collect a subsidy which is supposed to be for farmers.

"These other provisions may have nothing to do with the payment of the subsidies. In the case of Government purchases of dairy products compliance with the regulations of various agencies frequently would be in violation of express conditions of statutory law.

"Such experience is warning enough for dairy farmers. In the

AAA milk subsidy now in effect farmers are required to make only a simple statement regarding the amount of their production in order to collect the subsidy. But by the simple change of one sentence, promising compliance, this statement can be changed into an iron-clad contract.

"Such a contract could force compliance with all conditions the administrator of the subsidy might order. Such compliance, furthermore, would probably be subject to interpretation only by the administrator himself, who would be entrenched in a position of dictatorial omnipotence.

"This is no dream. It is everyday experience of the handlers of dairy products who are only one step removed in the line of distribution from the producers of milk on the farms."

Round table discussion in executive session occupied the delegates most of the day.

Willis Condemns Talk Of Runaway Food Prices; Sees Danger In Widespread Subsidies

Reckless statements predicting that the prices of some basic foods would be doubled within a year unless Congress granted the Administration's demand for subsidies were branded false and dangerous on Dec. 10 by Paul S. Willis, President of the Grocery Manufacturers of America, Inc.

"So-called 'official sources' have threatened that the prices of such items as butter, bacon and

eggs would be twice their present level a year from now," Mr. Willis said. "It is perhaps understandable that the proponents of food subsidies would like to present their case in a strong light, but in a time of emergency like the present it is dangerous and destructive to issue unfounded, frightening statements which will lead directly to stampede buying and hoarding." Mr. Willis went on to say:

"The Administration has failed to convince Congress that subsidies would be an ultimate saving to the people of this country. After a thorough study of the problem, most Congressmen feel that subsidies are a political issue and not a sound economic measure designed to prevent inflation.

"The members of the House of Representatives have also found there is no serious threat of inflation in the present food situation. It is true that food is the most important item in the cost of living, and that the cost of living index has advanced about 22% since September, 1939, but it should be borne in mind that the take home pay of labor has risen over three times that much in the same period. In the absence of subsidies the prices of some food items may advance fractionally, perhaps as much as 5%, but food prices cannot be considered in a vacuum. They must be considered as a part of our tremendously expanding economy. Since the outbreak of war our national income has more than doubled. In 1939 it was \$70,800,000,000 and in 1943 it is estimated that it will reach \$147,000,000,000. In this expansion all of the elements which make up the prices of food products have advanced. The price of a finished food product is made up of the cost of raw materials, processing, labor and distribution. In order to prevent inflation on the one hand and destructive price squeezes on the other all of these elements must be kept in balance. Unless farm prices, labor and ceilings are brought into balance there will be an inevitable cut in food production at a time when America needs food as never be-

fore. Subsidies will not solve this problem. Artificial price supports will not bring the essential elements into balance. Subsidies will in fact further complicate the situation and create an ever increasing inflationary pressure.

"Labor's income is at an all-time high. Farm income has risen 76.1% since 1939. People generally have far more money today than ever before. In 1939 Americans had \$33,300,000,000 on hand in cash and checking accounts. According to the most recent government reports individuals now have \$71,800,000,000 in ready money, an increase of 115.6%.

"Widespread subsidies, by artificially reducing the cost of food at the retail level, would add to this huge reservoir of spending power and would do nothing to bring the cost elements of food into balance.

"Food prices are not now alarmingly high nor are they apt to be. In fact the American family is paying the lowest proportion of its income for food in the history of the country. The latest official estimate is that food is now only taking 16% of the family pay as compared to 25% before the war. In short, America is being charged a fair and reasonable amount for food, and it is in a better position to pay its grocery bills than it has ever been in the past.

"A study of the problem shows that without subsidies the price of food may be forced upward slightly by the pressure of rising cost elements and that subsidies will not correct this situation. It is a serious problem, but present conditions do not justify scare-head statements from supposedly reliable sources. America has enough food to meet its needs. We have had a record harvest and the food supply situation looks far better than it did six months ago. Further evidence that there is no cause for alarm can be seen in the fact that the armed services have recently released millions of cases of canned food for consumer use. In the face of these facts, to predict runaway price rises is to destroy confidence and invite hoarding.

League Of Nations Group Urges Nations To Form Joint Policies For International Trade

The League of Nations Economic and Financial Committees, meeting at Princeton, N. J., on Dec. 6 and 7, emphasized as of cardinal importance "that governments should formulate, as rapidly as possible, joint policies . . . for the immediate post-war period to establish an international system of maximum trade, with rising living standards and the fullest employment of economic resources in all countries, unhampered by

unduly high tariffs, exchange controls, and quantitative trade restrictions." They urged that, in the immediate post-war period, while Government controls are still in force, vested interests in the maintenance of these controls should not be allowed to develop and that governments should refrain from increasing their tariffs as the counterpart to relaxing trade controls. The advices Dec. 9 from the League further said:

"After the last world war and during the greater part of the interwar period, these League Committees were mainly engaged in preparing for intergovernmental action in matters of trade and financial reconstruction policy and in promoting aims similar to those which the United Nations are now pledged to pursue. They decided to prepare for consideration at their next meeting a full report drawing the lessons from their past experience regarding trade policy and, at a later meeting, a parallel report dealing with financial questions.

"United States members attending the meeting were Henry F. Grady, former Assistant Secretary of State and President of the American President Lines, who has just been charged with important functions on the Economic Commission in Italy; and Mitchell B. Carroll of New York (representing the League's Fiscal Committee). Sir Frederick Leith-Ross, Chief Economic Adviser to the British Government and Chairman of the Inter-Allied Post-War Requirements Committee, attended as principal British member, while W. C. Clark, Deputy Minister of Finance, and Fraser Elliott, Deputy Minister of Internal Revenue, attended from Canada.

Among the others present were:

Herve Alphand (France), Director of Economic Affairs, Commissariat for Foreign Affairs; R. M. Campbell (New Zealand), Official Secretary, New Zealand High Commission, London; Josias Carneiro Leao (Brazil), First Secretary, Brazilian Embassy, Washington, D. C.; W. Domaniewski (Poland), Commercial Counselor, Polish Embassy, Washington, D. C.; Constantin Fotitch (Yugoslavia), Yugoslav Ambassador in Washington, D. C.; Dr. Josef Hanc (Czechoslovakia), Chief of Czechoslovakian Economic Service in the U. S. A.; Dr. Kan Lee (China), Commercial Counselor, Chinese Embassy, Washington, D. C.; Walter Loridan (Belgium), First Secretary, Belgian Embassy, Washington, D. C.; F. L. McDougall (Australia), Economic Adviser to the Australian Government in London; H. S. Malik (India), Consul-General New York, Member of the Supervisory Committee of the League of Nations; Redvers Opie (United Kingdom), Economic Adviser, British Embassy, Washington, D. C.; Arne Skaug (Norway), Chief of Division in the Ministry of Supply and Reconstruction.

From the announcement we also quote:

"Part of the permanent staff of the League's Economic Services has been working in Princeton, New Jersey, under the direction of Dr. Alexander Loveday since 1940, where it has continued the League's well-known surveys and analyses of world economic developments. It has also undertaken an extensive program of studies on problems of post-war economic policy.

"The Committees welcomed the resolution providing for close cooperation between UNRRA and the League's technical services

The Financial Situation

(Continued from first page.)

We think we see—at least we hope we see—a reflection of this revival of self-confidence and old-time vigor in the proceedings last week of the National Association of Manufacturers.

What a good many appear to have forgotten these past few years, is that the achievements of business are nothing more or less than the sum total of the achievements of each and every individual enterprise, and that the achievements of any individual enterprise are not governed by "national goals," magnificent "objectives," "social consciousness," or any of the other pet vaguenesses of the day-dreamers in Washington and elsewhere, but by the individual enterprise and ingenuity of the management and the effort of the workers to earn their daily bread. So far as we are aware, a business man does not ordinarily employ men in order to "do his bit" toward giving or finding employment for 66 million or 56 million or any other number of million men "set" as a national goal. Neither do they work overtime, or lie awake at night trying to puzzle out ways of producing more foods in order to bear their computed part of the collective goal of "national income produced."

The Role of Profit

In ordinary times business men exert themselves to the utmost, and assume risks for the profit they hope to obtain from their operations. That is what they are in business for—not to "contribute" something or other of uncertain value to "society" which may or may not want the contribution. This is a simple fact of common observation which no one is likely to deny, as applied to any specific situation, but from which too many of us shrink when stated in generalized form. It is, however, rather essential, it seems to us, to get this matter straight in our minds if we are to proceed intelligently in formulating public policy. Doubtless in times of great national struggle, business men are actuated by patriotic motives in the conduct of their affairs. It may even be that in some instances the patriotic desire to produce drives the business man to undertake ventures which are not the most profitable open to him. But however all this may be in times of great national crisis, the fact remains that peacetime economy is actuated by motives of enlightened self-interest, and must be if success is to be attained.

There is plainly an implied recognition of this elementary truth in the emphasis now be-

ing given in post-war discussion to those factors which render it possible for the alert, efficient, enterprising and vigorous business man to make a profit commensurate with the skill and energy which he is willing to devote to his undertakings. In proportion that such matters as these obtain the consideration they deserve and the treatment which wisdom demands, shall we succeed in reaching the very goals which so many dreamers have so often outlined in the past. It may appear strange that the best way to obtain a given end is to apply oneself assiduously to some other task, but such is the fact of the case in the situation here under consideration. We best achieve full employment and what is known as prosperity by attending to our daily tasks as well as we can, and by seeing to it that we do not place unnecessary obstacles in the way of the most effective performance of those daily tasks.

Thus it is that we find encouragement in the emphasis that is now being placed upon such matters as the termination of war contracts, taxation in the post-war period, a cessation of the business-baiting which for a decade has placed the producer under heavy handicaps, a stripping away of the strait-jackets that have been placed about business enterprises in the form of restrictive laws and regulations without number, a giving up of the notion that government must be eternally intermeddling in the affairs of business either to prevent abuses or to "stimulate" this, that or the other activity thought desirable, and more of the same general sort. What is needed, of course, is to call off the dogs and permit business to go its own way with only those restraints which are necessary to assure fair play, and such regulations as are necessary to provide a reasonable set of "rules of the game."

Renewed Self-Confidence

Time was when it appeared to be assumed as axiomatic in many quarters that either because "the economy had become mature" or for some other equally unreal reason, it henceforth would always be necessary to prod the business man, or to supplement his activity with some sort of collective projects, in order to have the ordinary kind of prosperity and progress to which the country has historically been accustomed for many decades. For a good while it often, too often, appeared that business men themselves were more than half convinced of some such doctrine. We still find traces of such items in the utter-

U. S.-British Cooperation In Post-War Monetary Planning, Advocated By Former ABA Head

Cooperation between the United States and Britain in formulating post-war economic and monetary plans was termed vital to the future welfare of both nations, by W. Linn Hemingway, former President of the American Bankers Association, on Dec. 1, upon his return from a month's visit to England made at the invitation of the British Ministry of Information.

Mr. Hemingway, who is President of the Mercantile-Commerce Bank and Trust Company, St. Louis, Mo., related his experiences and observations in England during the past month at a luncheon of welcome attended by the staff of the Association.



W. L. Hemingway

"During more than a century of American expansion and development Britain was a creditor nation to the United States," Mr. Hemingway declared. "Today, the situation is reversed and it is now the United States that is the creditor nation. When

this country was the debtor, both nations worked together and prospered. Both can still prosper if they cooperate fully in formulating their post-war economic and monetary plans." Mr. Hemingway added:

"Cooperation is more difficult now because the war has made it necessary for Britain to adopt a fully managed currency and economy, but through conference and a meeting of minds, our mutual problems can be solved." He asserted that adherence to the principles of sound money and a gold standard is in his opinion indispensable in the post-war world.

Relating his experiences in England, Mr. Hemingway declared that "too much credit cannot be given to the British for the marvelous job they have done and are doing in prosecuting the war."

Reference to Mr. Hemingway's trip to England was made in these columns of Nov. 11, page 1917.

Trammell Warns Congress Of Apparent Trend Toward Federal Control Of Radio

NBC Head Urges Curbs On Bureaus

Niles Trammell, President of the National Broadcasting Co., told the Senate Interstate Commerce Committee on Dec. 8 to check without delay "the clearly apparent trend toward Government control of radio." To this end, Mr. Trammell suggested "a simple amendment now to the Communications Act halting further Government encroachment on the rights of the broadcaster and the listener."

Complete revision of the law, because of the stress of war, might be left to further deliberation, he said, "but such a temporary legislative step should be taken now." We quote from a Washington dispatch of Dec. 8 to the New York "Times" which reported his further testimony as follows:

"What has happened lately is the result of excessive zeal on the part of bureaucracy to apply new social concepts to American industry." Mr. Trammell told the committee in testifying on the proposed Wheeler-White radio bill.

"With radio in the United States under bureaucratic control of research, of enterprise, of business and of program policies, broadcasting can become a Federal monopoly without government owning a single share of stock in a radio station or having a single representative in corporate management. Such power is a gun aimed at the heart of all our democratic freedom."

For consideration in revising the act he recommended provisions guaranteeing radio broadcasting "full rights under the First Amendment to the Constitution," prohibiting the licensing authority from exercising any business or program control and providing for long term or permanent licenses, subject only to revocation for specified causes, by Government suit and jury trial in the Federal court of the station's district.

Licenses, Mr. Trammell said,

ances of practical men here and there, but it is, so it appears to us, steadily disappearing, to be replaced with a renewed faith in the forces and the abilities which have in the past decades made American history the marvel of the world—and, incidentally, rendered the present war production record possible. We find the change healthful and most encouraging.

should be made subject "to the same penalties as anyone else for violation of the anti-trust laws." He advocated elimination from the act of any right of the FCC to administer trust laws and inflict for violation "the death penalty" of license revocation.

Separation of the regulation of radio in the common carrier field from the regulation of broadcasting, as provided in the Wheeler-White bill, was recommended by Mr. Trammell, along with mandatory issuance of experimental licenses by the Government, to encourage development of new radio services, and prohibition of discrimination on the basis of occupation or business in granting licenses for broadcasting stations.

Recommendations of the Federal Communications Bar Association and the National Association of Broadcasters for revision of the procedural sections of the law should be adopted, the witness said.

Mr. Trammell said that restrictions which would "goose-step" the industry could not be imposed and at the same time preserve the American doctrine of free speech and press.

Farm Bureau Assails Govt & Labor On Wages Also Criticizes Artificial Restriction of Money

The American Farm Bureau Federation adopted a resolution at its convention in Chicago on Dec. 9 blaming the Government and labor leaders for setting in motion a "wage inflation," both in industry and on the farm.

In reporting this, Chicago advices of Dec. 9 to the New York "Times" stated:

"We hold Government, as well as unwise labor leadership, responsible for the dislocation of wage structures in industry and on the farm," the resolution read. "It is significant that the Government itself has set the pace in the payment of excessive wages for

war plant construction and operation, and that the resulting readjustments in all industry have set in motion a wage inflation that is still unchecked, and which numbers among its consequences the stripping of the farms of much of their skilled manpower.

"Equally reprehensible and fundamentally more vicious is the artificial restriction of production forced by labor leaders and condoned by the Government. Farmers do not believe that the great rank and file of American working people are responsible for, or are in agreement with, such policies and procedures."

War-time strikes, slow-downs and unnecessary absenteeism were condemned by the resolution, which declared that the ability of labor and agriculture to absorb the maximum of each other's production "is dependent primarily upon an equality of purchasing power."

"Maintenance of economic balance between groups seems endangered by some developments of recent years," the resolution read. "With the aid and encouragement of government, and by pressure, threat and force, some labor leaders have wrested a dangerous advantage which, if not speedily checked, will threaten economic disaster and endanger our democratic form of government. An unbalanced economy is injurious to all groups and can be of no permanent benefit to any."

Senate Approves Wage Rise Of 8-Cent An Hour For Rail Workers

The Senate, according to an Associated Press dispatch from Washington, D. C., on Dec. 9 voted approval of an 8-cent hourly wage increase for 1,100,000 non-operating railroad workers, thus disregarding a warning from War Mobilization Director, James F. Byrnes that the action would crack the Administration's anti-inflation line.

By a vote of 74 to 4, the Senate adopted the resolution after Senator Ellender (Dem., La.) had blocked an earlier attempt to pass it by unanimous consent.

The pay proposal now goes to the House where concurrence would lay it on the President's desk. This, the dispatch added, would put up to him the decision on supporting the position of his stabilization officials.

NYSE Borrowings Show Decrease

The New York Stock Exchange announced on Dec. 6 that the total of money borrowed as reported by Stock Exchange member firms as of the close of business Nov. 30 was \$718,198,581, a decrease of \$155,162,552 below the Oct. 30 total of \$873,361,133.

The following is the Stock Exchange's announcement:

The total of money borrowed from banks, trust companies and other lenders in the United States, excluding borrowings from other members of national securities exchanges (1) on direct obligations of or obligations guaranteed as to principal or interest by the United States Government, \$269,979,776; (2) on all other collateral, \$448,400,805; reported by New York Stock Exchange member firms as of the close of business Nov. 30, 1943, aggregated \$718,198,581.

The total of money borrowed, compiled on the same basis, as of the close of business Oct. 30, 1943, was (1) on direct obligations of or obligations guaranteed as to principal or interest by the United States Government, \$372,505,039; (2) on all other collateral, \$500,856,094; total, \$873,361,133.

Wilbert Ward Discusses World Bank

(Continued from first page)

method or by any method at rates which will stand the test of time. Some of them will begin to show almost immediately that they have been placed either too high or too low.

The great advantage of having an organization of some kind to discuss a change in rate, it seems to me, is that it will make it more likely that a nation that needs to have its rates changed will meet the situation and do what is necessary to either adjust its economy so as to avoid the change, or else to make it, than would otherwise be the case; because my mind goes back to the situation in France where, for almost two years, it was perfectly obvious that the franc was too high—that it had to be revalued; yet just because of the repercussions that were bound to come from the fact that there was no effective instrumentality to cushion it, nothing happened, and during that period business in France was stagnant; no one was the gainer by virtue of the situation which existed there.

So it seems to me, and the argument can be fairly well supported, that an organization of some kind which would cushion the shock of changes, and also consider dispassionately whether changes are necessary and perhaps provide some facilities, if an extension of credit for a short period might breach over a temporary gap and do things of that kind, I can see advantage in a mechanism which approaches the problem as one problem instead of what has become known as the key-country approach first making the dollar sound, bringing sterling into relation with it, and then having the dollar satellite and the sterling satellite currencies go together. There is a lot to be said for that. I don't know that the two ideas really clash, because it is possible to set up an organization such as I have suggested and still make the country-by-country approach, but it does seem to me that somewhere in the picture there is room for an international debating society in which changes in rate might be discussed and some small measure of action taken jointly, rather than to just let the whole thing work as—or not work as—it did in the past through the ordinary forces of supply and demand.

So, what I am trying to say, is that on balance I am one who leans toward the idea of an organization of some kind or other, an international organization of some sort, to handle the stabilization fund and to achieve what I think we all regard as a desirable thing, to wit, the stabilization of exchange within certain limits.

Now, there has come into being since your last meeting a proposal by Mr. Morgenthau for a United Nations Bank. I don't know how much of it you people know, but I have not seen very much discussion about it. I think, however, that it is a matter which should be most carefully and thoroughly considered. I hope some of those present here will be led to discuss it, and so, I suppose, before inviting you to do so, I should say something on the subject myself.

What I would say about the United Nations Bank I have pretty well already said. I made a talk before the Manufacturers' Association in Connecticut several weeks ago, during which I assembled a series of facts and assumptions which seemed to me to paint a picture of post-war trade in which the United States would be in better position to sell, with reasonable prospect of payment, than we have been for a long while, because, based on some estimates of one of my associates with regard to our import requirements, post-war, plus the study of the Bureau of Foreign and Domestic Commerce, which I suppose you all have studied, it looks as though

we might achieve, at least according to the Bureau of Foreign and Domestic Commerce, in 1948, an actual adverse balance of trade—something we have not had since before World War I.

In other words, in that year, on their assumptions, we might sell \$7,000,000,000 worth of goods, while we might buy \$6,000,000,000 worth of goods; and also pay foreigners for goods, services, and new investments abroad, another \$4,000,000,000; so that as the account would stand, we would give the rest of the world \$10,000,000,000 with which to buy from us to the amount of \$7,000,000,000.

If those assumptions are anywhere near correct, and there is quite a little leeway for being wrong and still create a fund of foreign exchange, which, if it were well distributed the world around among all our customers, would enable us to sell \$7,000,000,000 worth of goods and get paid for them. Of course the situation cannot be as simple as that; because while the Latin American republics are accumulating foreign exchange, they probably have, collectively, somewhere around a \$1,000,000,000 in gold and dollar exchange, and they probably have that much in sterling and other foreign currencies as well, and there are also, according to Dr. Bernstein, of the Division of Research of the Treasury Department, foreign nations the world around holding as much gold, and \$2,000,000,000 more of dollar exchange now than they had at the beginning of the war.

I mention those things just to show you the picture. When the war ends, it is not likely to be one of 40-odd nations with no money in their pockets, with an empty porridge bowl, begging for food. I don't think that is the picture at all. So, on that basis, I would say that the banking mechanism we have now, plus the credit and funds that our manufacturers and exporters have themselves, seem to me to be adequate to meet the normal situation that we are likely to run into post-war.

I do not anticipate—I don't see that there is any volume of business to be done by a governmental institution, or other institution, other than those we already have in the field of short-term commercial credit, both on import and export account, post-war.

That brings me down to the question of what will the world bank do?

Does anyone here happen to have with him Mr. Morgenthau's release?

I would like to make some comment now on Mr. Morgenthau's release. I have not the release with me, and I shall therefore have to rely, in part, upon my memory.

My recollection is that Mr. Morgenthau, in the release which accompanied his proposal for a world bank, points out about what I have said—that the short-term commercial needs of our exporters and importers can be well met by the existing bank facilities.

The argument in Mr. Morgenthau's memorandum is to the effect that commercial banks and merchants and manufacturers can take care of ordinary credit; but there comes a time, according to the memorandum, when it is necessary that an institution with capital running into the billions should be set up for the purpose of taking care of that business which is not the proper province of the manufacturers, the merchants, the exporters, and the commercial bankers.

At that point, it seems to me, his argument falters a little, where he makes one or two points. In one of them he says the United States having spent billions for

war, ought not to grudge a few billions to reconstitute the world.

Now, I do not take issue with that, except that I do say, and I have already said, in a letter sent to Mr. Bernstein, that I take issue with the statement that that is the function of a bank. In other words, I will concede that we have given and we probably shall have to give—and it seems, whether we want to do it or not, we are going to be invited, and, perhaps, compelled, to give a good many millions of dollars the world around for the rehabilitation of the rest of the world. I don't raise the question at the moment as to what extent that is justified, except that I do say I do not think any of it is justified in the guise of the functions of a bank.

In other words, if you are going to set up a bank, you should set it up to do a specific job, which is to finance a transaction which in the end will liquidate itself. I don't care what kind of bank it is; it is not a bank that will operate unless it fulfills that primary function.

My argument is this: That if the assumptions that the Bureau of Foreign and Domestic Commerce has set up are correct and we are going to have a kitty of \$10,000,000,000, out of which our exports, say in the year 1948, are to be paid, then the only kind of bank that will do us any good will be one that will serve through its lending to enlarge that kitty. In other words, if, through the loans, we make, productive enterprises are set in motion, which will, within the terms of the loans as made, produce, in the hands of the country to which the loan is made, enough foreign exchange so that they can retire the loan within its terms, then you have done something; but it seems to me that the test of a bank must always be that a bank doing an international lending business, must always feel that no loan is justified unless it has a reasonable prospect of producing, in addition to the foreign exchange already available in that country, sufficient additional foreign exchange to retire the loan according to its terms.

I fail to see any recognition of that principle in Mr. Morgenthau's memorandum, and, to that extent, I think the memorandum is defective.

Seeks To Encourage Foodstuff Production

To encourage New York State boys and girls to produce and conserve foodstuffs vitally important in the war effort, the New York State Bankers Association is distributing 50,000 4-H project achievement pins in 55 agricultural counties, Walter W. Wightman, Chairman of the Association's Committee on Agriculture, announced on Dec. 7.

The demand for pins for presentation to boys and girls upon the successful completion of 4-H projects has more than doubled since Pearl Harbor, Mr. Wightman said. The increase is attributed to greater activity among farm boys and girls and also, in part, to the large number of city children who have become eligible for achievement awards by reason of raising Victory gardens and chickens and carrying on home economics projects. The New York State Bankers Association has been awarding achievement pins since 1927. This year's pins, as a wartime exigency, are made of plastic instead of metal.

Shaeffer Director of Treasury Public Relations

The appointment of Charles P. Shaeffer, former Washington newspaper man, as Director of Public Relations for the Treasury Department was announced on Nov. 30. Mr. Shaeffer succeeds Charles Schwarz, formerly of the Chicago "Daily News".

Byrnes Warns Of Crisis On Home Front If Cost Of Living Is Not Kept Down

Declaring that the primary issue before the American people today is whether the cost of living is going to be kept down, James F. Byrnes, War Mobilization Director, warned on Dec. 7, that if Congress kills the Administration's subsidy program it will result in an increase of 7% in food prices and demands for increased wages from organized workers.

In a radio address, Mr. Byrnes said that "the prospect of a stable, peaceful and prosperous America is far from bright simply because the American people apparently do not realize the supreme importance of holding the line against inflation."

He appealed to the leaders of labor, agriculture and industry to help the Government to hold the line "so that we will not lose the peace while our boys win the war."

Associated Press Washington advices further reported Mr. Byrnes' remarks as follows:

Byrnes said he was happy to announce for the benefit of Hitler and Hirohito that our "150,000th airplane came off the assembly line today," that results of full mobilization have been tremendous.

"But we cannot afford to rest on our oars," he warned.

The most critical and bloodiest battles of the war are ahead of us, he said, and "this is not the time for us to take our eyes off the target."

Mr. Byrnes said that War and Navy Review Boards, working with his office, have been able to eliminate or reduce certain programs by "the staggering amount of \$16,000,000,000," but this, he added, should not be construed as reason for any letdown.

"There is not the slightest ground for believing that the cutbacks in our production program or any other possible economies will relieve the urgent need for greater savings and greater taxes in the near future."

"We obviously have failed to adopt a tax program adequate for

our war needs," he said, without mentioning the House-approved bill now before the Senate Finance Committee to raise slightly in excess of \$2,000,000,000, one-fifth of the amount asked by the Administration.

Other pending bills against which he inveighed were those to grant a flat raise of 8 cents an hour to non-operating railroad workers, and to raise the prices of milk and oil.

"It is truly impossible," he said, "for any administration to attempt to administer equal justice under law if special groups, be they oil or coal producers or coal miners or railroad employees, can get special treatment."

"No group has a right to hold a political pistol at the head of the Congress or any administrative agency and say that they will strike. Any group that threatens to strike in wartime unless the executive or legislative branch of the Government meets its demands, is using a political pistol. The Government must say to any such group 'lay that pistol down.'"

Mr. Byrnes said the primary issue before the American people today is whether we are going to keep down the cost of living. He said the general cost of living has risen only about 5% during a year of "drastic readjustments," but food has gone up 22% in two years. Asserting this was a great hardship to people with fixed incomes, he said if Congress kills subsidies and raises the price of bread and butter, meat and milk, sugar and other staples, these people will suffer even more.

Any Further Increase In Farm Prices Undesirable, Davis Says; Opposes General Use of Subsidies

Chester C. Davis, former War Food Administrator, declared on Dec. 7 that "in the interest of long-term farm welfare any further marked increase in the general level of farm prices is undesirable."

Mr. Davis, who is President of the Federal Reserve Bank of St. Louis, told the American Farm Bureau Federation in Chicago that he also opposed the general use of food subsidies but maintained that those which resulted in expanded production should be continued.

Mr. Davis stated that the general level of farm prices this year was high enough to yield a cash farm income of between \$19,000,000,000 and \$20,000,000,000, compared with \$8,700,000,000 in 1930 and \$11,300,000,000 in 1929.

The following was also reported in Associated Press Chicago advices Dec. 7:

"Unless their production costs materially increase, farmers for their own and the general welfare should join wholeheartedly to hold their prices in check. For one thing, further increases would add to the danger of inflation in farm real estate prices that already is on the horizon."

Mr. Davis said flexibility in price adjustment between commodities is needed and "is almost wholly lacking in the present OPA-WFA-Economic Stabilization setup." He figured some prices ranged higher and others lower than they should have.

"I do not believe that the general use of Treasury subsidies is necessary either to keep food prices from advancing further or to secure downward adjustment in the case of commodities when consumer prices are higher than necessary to get production and reward the producer," Mr. Davis asserted.

"Neither, on the other hand, do I believe it is a wise national policy to prohibit all use of subsidies. Whether they are used, and the extent to which they are used,

should depend on their necessity from the standpoint of planned and intelligent food management."

Mr. Davis stated the division of pro-subsidy and anti-subsidy groups into "warring camps" was a tragic mistake that could have been averted by proper cooperation between executive and legislative governmental branches in developing a long-range program for the management of the United States food supply.

"The best protection the consumer can have is an ample supply of essential foods," he continued. "Some of the support price subsidies have contributed substantially to expanded production. They ought to be continued, and similar moves should not be outlawed in the future if they become desirable. On the other hand, the impulsively and poorly planned 'rollback' subsidies on meat and butter were not intended to increase the food supply. They were aimed to bring about a slight statistical lowering of the cost-of-living index, but they were not well chosen from the standpoint of wartime food management."

Mr. Davis said a general subsidy of consumer costs contradicts the basic principle of inflation control, "which is that consumer buying power must be brought down by taxes and firm savings until it is in balance with the goods that are for sale."

President Signs Bill To Delay Father Draft— Hershey Given Full Authority Over System

The White House announced on Dec. 10 that President Roosevelt had signed the draft legislation designed to delay the induction of pre-Pearl Harbor fathers.

The legislation does not prohibit the induction of pre-war fathers but requires that they be called for service only after the nation-wide pool of available non-fathers has been exhausted. The measure also strips the War Manpower Commission of all jurisdiction over administration of the Selective Service Act and, in effect, nullifies the WMC order (work or fight), listing certain occupations as non-deferrable regardless of the dependency status of the occupant, by prohibiting group occupational classifications as bases for deferment.

Congressional action on the legislation was completed on Nov. 22 when the Senate adopted a conference report, which the House approved on Nov. 18. The measure was a compromise between separate bills voted by the Senate and House in October which were the outgrowth of a Congressional drive late in the summer to halt the induction of fathers.

In accordance with the President's action, Maj. Gen. Lewis B. Hershey, Selective Service Director, who is given sole jurisdiction over the Selective Service system, instructed State directors to defer fathers as long as it was possible to get their quotas otherwise and to recognize hardship cases.

Paul V. McNutt, Chairman of the WMC, issued on Dec. 10 an

order rescinding the WMC list of non-deferrable occupations.

The non-father draft legislation also provides for appointment of a commission to determine whether Army and Navy physical standards can be lowered to permit induction of some men now classified as 4-F (physically, mentally or morally not up to Army-Navy standards). Gen. Hershey told the House Military Affairs Committee on Dec. 11 that the idea of lowering physical standards would be explored fully.

Mr. McNutt, whose authority over the draft system is removed, objected to passage of the legislation on Nov. 20, saying it would "sabotage" sound administration of the over-all manpower program designed to recruit manpower for the armed services, the war production industry and the civilian economy. In a letter to Senator Johnson (Dem., Colo.), Mr. McNutt wrote that the provision authorizing the President to delegate selective service authority to the Director of Selective Service only "would tear apart the relationship which has been established and would seriously weaken the manpower program."

Armed Forces To Induct 2 Million More Men In Next Six Months, Gen. Hershey Says

Maj. Gen. Lewis B. Hershey, Director of Selective Service, estimated on Dec. 8 that 2,000,000 more men, including about 1,000,000 pre-Pearl Harbor fathers would be inducted into the armed forces before July, 1944.

Speaking at the War Congress of American Industry, marking the annual convention of the National Association of Manufacturers in New York City, Gen. Hershey conceded that changes in the strategic situation might alter the picture.

In reporting his remarks, the New York "Times" of Dec. 9 stated:

He estimated that about one-fifth of the 5,000,000 men between the ages of 18 and 38, who are classified as 3-A because they are pre-Pearl Harbor fathers, would be physically fit for induction. General Hershey conceded that statisticians for the Selective Service administration believe the figure would run somewhat above 1,000,000, probably as high as 1,300,000, but he said he was skeptical of the latter figure.

The remaining 1,000,000 to be inducted will be made up of 400,000 youths of 18; 100,000 17-year-olds who will enlist voluntarily, and 500,000 from reclassified 4-Fs and from those now deferred as essential on farms or in war industry, General Hershey said. In response to a question, he broke down the 500,000 figure into 200,000 from the farms and the reclassified 4-Fs, and 300,000 from industry.

In his frank discussion of the manpower situation, General Hershey disclosed that the strength of the armed forces was about 10,100,000, with Army personnel now totaling 7,400,000 and those in the Navy, Marines and Coast Guard numbering 2,400,000. He pointed out, however, that to get this total of slightly more than 10,000,000, about 11,000,000 men had been inducted, almost 1,000,000 of whom had been discharged.

The goal of the armed forces is 11,300,000 men by July 1, General Hershey said. He added, however, that in addition to the 1,200,000 or 1,300,000 required to reach this total, another 700,000 to 900,000 would be needed for replacements. After July 1, he said, perhaps 100,000 men a month would be required to maintain the fighting forces at their full strength.

There are about 13,000,000 men between 18 and 38 who are not in

any of the armed services, General Hershey said. Of these, he explained, 1,000,000 are being "reclassified"—that is, being reclassified by their local draft boards, or are in course of induction.

About 3,400,000 men in the age group have deferments on occupational grounds, he said, with 1,600,000 of this total in industry, and the remaining 1,800,000 in agriculture. He added that 3,600,000 were classified as 4-Fs, including not only those rejected for physical disability, but also those discharged from the services on that ground. The rest of the 13,000,000 consists of the 5,000,000 pre-Pearl Harbor fathers, he explained.

Out of the 5,000,000 fathers in the age group, General Hershey went on, 1,000,000 probably would be classified as 1-A and inducted; 1,000,000 more would be deferred as essential in industry, and a third 1,000,000 would be deferred for work on the farms. He forecast that 1,500,000 would be classified as 4-Fs, and that 500,000 would be deferred as cases that brought unusual hardship on their families.

General Hershey said deferments on occupational grounds would be increasingly difficult to get during the coming months; that the armed forces would have to lower their physical standards; and that the process of decentralizing the Selective Service system to give greater leeway to the local boards to meet local conditions would continue.

He predicted that local boards would prove increasingly reluctant to continue occupational deferments for young single men, regardless of their skills, when they had to call fathers in their places to fill their quotas. He remarked jokingly that the time might come when the number of men under 25 to be deferred would be so few that their names would all be on file in Washington, ready for a Congressional Committee.

Federalization Of Unemployment Insurance Step Toward Totalitarianism, Says Linton

(Continued from first page)

They would run up to a maximum of \$30 a week, that is at a rate of \$1,560 a year.

"Since the control of the system would be centered in Washington, political influence could be exercised in a single direction from one end of the country to the other, with none of the neutralizing influences as between states that would be present if politics should perchance come to play an unsavory part in individual state systems. The temptation would be enormous for a Federal administration facing defeat at the polls to use a Federally controlled system dispensing unemployment and disability benefits to influence votes. And no civil service rules would stand up under the pressure. Furthermore, it would be equally dangerous no matter which political party were in power. If we want to take a long step toward totalitarian government, destructive of personal freedoms and the Bill of Rights, Federalization of unemployment insurance would be an effective way of doing it."

Similar arguments may not be advanced against the existing Federalized old age and survivors system, Mr. Linton said, because little discretion has to be exercised under that system since the falling due of benefits is usually determined by the attainment of a given age, or by the death of the insured worker, about which there can be little question.

The speaker warned against the proposals before Congress for compulsory insurance to provide health and hospital care for the 110,000,000 persons, who would be covered by the old age and survivors insurance system if extended as proposed.

Pointing out that the test of any plan to provide compulsory health and hospital insurance is whether or not it is likely to achieve the objectives better than alternative plans, Mr. Linton declared:

We encounter a strong conviction on the part of the great majority of doctors and managers of voluntary hospitals, that the rank and file of the population would be poorly served by such a plan run by bureaus controlled from Washington. Indeed, they are convinced that the plan would lead to an actual deterioration in the high medical and hospital standards achieved in the United States. It is evident, therefore, that the subject needs the most careful consideration before the country launches upon a program that those best qualified to have a sound judgment believe would involve serious error."

The need for improvement in the field of health and hospital care is generally recognized, he continued, but "the point at issue is the method of achieving the objective. Again we are faced with a choice between a sound but relatively slow method which relies upon individual initiative, voluntary action and decentralization, and a dangerous program which would rely upon governmental compulsion exercised from Washington and seeking to solve the problem at one swoop."

Mr. Linton cited the following as the main points of a three-fold program favored by many who are experienced in this field:

- (1) Vigorous, continuous efforts should be made to achieve improvements in the field of prevention.
- (2) The present system of free medical and hospital care for the lower income groups should be improved and extended to areas not now adequately served, and improvements should also be made in arrangements for care of the aged poor.
- (3) Maximum efforts should be exerted to encourage voluntary prepared systems providing ade-

quate hospital and medical care.

Turning to the financing of social security, Mr. Linton referred to proposals before Congress which would raise the payroll taxes to 12%. He termed unsound the argument that they should be increased in order to combat inflation, and also asserted that they should not be increased on the plea that they are needed to finance the war. "To use the social security taxes for a double purpose would be dangerous," he continued. "Later when only the single social security purpose remained and there still was a large excess of income over outgo, there would be great danger that pressure groups would find ways to use the money that appeared not to be needed. The way to protect the system is to use social security taxes for social security purposes only."

Tests which Mr. Linton felt should be applied in appraising social security proposals were: (1) Does the program allow ample opportunity and provide adequate incentives for people to develop initiative and ambition, thereby reducing to a minimum the temptation to turn government to achieve personal security? (2) Does the program undertake to do what can better be done by private, voluntary means? (3) Does the program enhance unduly the power of central government?

Commenting on the third point, he said: "After observing the events that occurred on the continent of Europe after the last war, it is not difficult to understand the real menace to democratic institutions inherent in centralization programs. Let no one delude himself that 'it can't happen here.'"

SEC Amends Rules On Property Reports

The Securities and Exchange Commission announced on Dec. 9 the adoption of amendments to Rules 5-04 and 12-06 of Regulation S-X. The Commission states that on Dec. 22, 1942, it adopted comprehensive amendments to Regulation S-X designed to simplify and shorten reports required to be filed by registrants by permitting under designated conditions the omission or partial omission of certain schedules.

The announcement goes on to say:

"The Commission's experience with these amendments has not been entirely satisfactory. The present revisions are designed to secure with a minimum burden and expense certain information deemed essential relating to property, plant, and equipment under designated conditions. While the rules as amended call for the filing under certain circumstances of information with respect to property, plant, and equipment not now required, the present requirements relating thereto are less than those existing prior to Dec. 22, 1942.

"As amended, Rule 5-04 permits the omission of Schedule V, Property, plant, and equipment, if the total of such assets at both the beginning and end of the period does not exceed 5% of total assets (exclusive of intangibles) and if neither the additions nor deductions during the period exceeded 5% of total assets (exclusive of intangible assets). The amendment to Rule 12-06 provides that, in case the additions and deductions columns are omitted from Schedule V, as permitted by Note 3 of Rule 12-06, the total of additions and the total retirements and sales shall be given in a footnote to the schedule."

Legal Advisory Group Is Created By OPA

A Legal Advisory Committee to the Price Administrator is being established, it was announced on Dec. 7 by the Office of Price Administration. The Chairman of the Committee will be E. Barrett Prettyman, of Washington, D. C., who has accepted the appointment made by Chester Bowles, Administrator. At the same time, the announcement said Richard H. Field, of Weston, Mass., was appointed legal adviser and acting general counsel. Mr. Prettyman is a member of the law firm of Hewes, Prettyman, Awalt and Smiddy, of Washington. Formerly he was general counsel for the Bureau of Internal Revenue in Washington (1933-30), and corporation counsel for the District of Columbia (1934-36). He is a former President of the District of Columbia Bar Association. It was indicated that the appointment of the three other members of the committee will be announced shortly.

In announcing the creation of the above committee, Mr. Bowles made the following statement:

"The operations of the OPA must necessarily rest upon the law which created it. Each regulation must be legally sound. It should also be clear, practical, and easy to live with.

"Broadly speaking, this new Legal Advisory Committee has been set up to help the present legal staff in carrying out all phases of its vitally important responsibility. It will advise the Administrator as to the adequacy of the OPA legal staff and its budget to perform its functions in the difficult and fluctuating economic and social conditions resulting from the war.

"Perhaps most important of this committee's activities will be the following:

"1. The committee will examine legal procedures in the rent, price and rationing departments and will make suggestions for simplicity, efficiency and prompt execution.

"2. It will examine the operation of the Office of Administrative Hearings and make any suggestions it cares to regarding the efficiency of the present operation, promptness in hearing and deciding cases, the fairness and adequacy of procedures, and so on.

"3. Finally, the committee will study the problems of the Enforcement Department, and particularly the means of dealing more effectively with the black market. In addition to studying procedures, it will make recommendations as to budget and personnel for enforcement."

Cgo. Home Loan Bank Reduces Deb. Funds

The Federal Home Loan Bank of Chicago entered December with a reduction of \$2,000,000 in its indebtedness on debentures, A. R. Gardner, President of the Bank, pointed out on Dec. 5. By refunding only \$4,000,000 of its \$6,000,000 participation in the consolidated debenture issue of the entire Federal Home Loan Bank system which matured on Dec. 1, the district bank serving Illinois and Wisconsin savings and loan associations effected this cut. The Dec. 1 refunding issue for the entire bank system was \$64,300,000, a reduction of \$1,700,000 for all 12 Federal Home Loan Banks combined. It is further noted that steady inflow of funds into member savings and loan institutions throughout 1943, plus the past experience that January is a particularly heavy month in the inflow of new money from the public, justifies the regional bank's reduction in its debenture funds, it was pointed out.

Roger Babson Discusses Subsidies

(Continued from first page) will stop raising wheat. There are two ways to prevent this. One is to let the price of wheat go up so that production will again increase; the other is for the Government to "appease" the farmers by giving them a small bonus or subsidy for raising wheat. (A few years ago we gave them a bonus for not raising wheat!) In a way, the subsidy plan seems fair because then the extra cost would be distributed all over the country through taxation and not fixed upon the farmers alone.

Subsidies Prevent Price Pyramiding

When the Law of Supply and Demand is permitted freely to work—as it must be in the long run—there is a considerable pyramiding of profits. For instance, when the farmer raises his price for wheat, the converters, wholesalers and retailers are not content to add the equivalent amount to the price of flour and bread but all increase their prices on a percentage basis. This could result in the price of bread increasing five cents when the farmer receives only one cent more for the wheat in the bread. Hence, the labor unions want subsidies.

President Roosevelt and his advisors are having a terrible struggle to keep wages at their present level and this can be done only by keeping prices at their present level. The Administration is in an especially tough spot at the present time because next year is election year. It will be very difficult to hold both the farmer vote and the labor vote, to say nothing regarding the consumers' vote. Subsidies do not solve the problem; but they could postpone the solution until after the election!

Subsidies Are A Political Gamble

This country now is much like a man who needs to have a surgical operation, but he has some very important affairs facing him and cannot now afford the time to go to the hospital. Therefore, the doctors give him a belt to wear and certain pills to take which will delay the necessity of an immediate operation. Moreover, once in awhile, during such a delay, nature cures the patient and the operation is not needed at all. Although believing in their hearts that the subsidy program will give only temporary aid, the President's advisors do know that there is one chance in ten of it giving permanent relief.

Subsidies are habit-forming. To start subsidies may be like a man starting to use a drug. A man believes he can quit it any time, but too many have been sadly disappointed. Subsidies are like certain drugs—useful on occasions, maybe, but very dangerous. After subsidizing one product, producers of other products will try to get similar Government aid; soon the country could be in an awful mess. As it is always easier to start a habit than to break it up, it will be much more difficult to cut off subsidies in years to come, than to start them at the present time.

Some Subsidies Probably Wise

A further evil of subsidies is that they are never paid for by current taxes, but by selling Government bonds and dumping the cost on future generations. Naturally, this is a popular argument, but a very questionable one in the sight of God. Finally, this question of subsidies is closely connected with the possible length of the war. If we are in for a long war there is no use of bothering with subsidies. We had better let nature take its course and inflation gradually increase with a slow rise in both prices and wages. Both must go up together

Adoption Of 'Prudent Investment' Theory In Public Utilities' Valuation Urged By 2 Agencies

Kripke Declares Federal Power Commission and Justice Department Both Want This System

Both the Federal Power Commission and the Department of Justice are continuing to press for adoption of the "prudent investment" theory in the valuation of public utilities, according to Homer Kripke, Assistant Solicitor of the Securities and Exchange Commission.

Speaking before the recent second annual conference of the Technical Valuation Society in New York City, Mr. Kripke noted that the "regulatory commissions have made strenuous efforts to have the Supreme Court throw over *Smyth v. Ames* and hold that rate regulations may be based on prudent investment instead of present value." He declared that some lawyers were of the opinion that the Supreme Court has already done so in the Natural Gas Pipeline case, which it decided last year. In any event, Mr. Kripke pointed out, this very issue is now squarely before the Court again in the case of the Federal Power Commission v. Hope Natural Gas Co., and called attention to the possibility of a decision in the next month or so. Even if this question is not finally settled in the Hope case, remarked Mr. Kripke, it is likely

that both the Federal Power Commission and the Department of Justice will keep trying to accomplish the abandonment of the doctrine in *Smyth v. Ames* and the adoption of the prudent investment theory. He noted that their arguments in the Hope case have been filed at least four times in other cases before the Court.

Should the Supreme Court expressly permit the rate base to be determined on a cost or prudent investment theory, concluded Mr. Kripke, "the appraiser's role in the determination of current reproduction cost will disappear from rate cases, except possibly in States where there is a statutory requirement for finding of present value."

1944 Construction Estimated At \$4.2 Billion Compared With \$7.4 Billion In 1943

New construction expenditures in the continental United States are expected to drop from an estimated \$7,400,000,000 in 1943 to approximately \$4,200,000,000 in 1944, Secretary of Labor Frances Perkins reported on Dec. 11. "Construction for private account will decline from an estimated \$1,600,000,000 in 1943 to \$1,300,000,000 in 1944," she said. "Public construction expenditures for 1944 are forecast at \$2,900,000,000 as compared with a preliminary estimate of \$5,700,000,000 in 1943."

Secretary Perkins further stated: "Private construction expenditures were lower in 1943 than in any year since 1934 and if the war continues through 1944 will probably approach the level of the bottom depression year. Non-farm residential construction expenditures in 1944 will amount to approximately \$600,000,000 as compared with \$756,000,000 in 1943. Practically all of this type of construction will be found in critical housing areas in war industrial centers. As in 1943, privately financed non-residential construction is expected to consist largely of war plants and should not total more than \$100,000,000 as against \$148,000,000 in 1943. The outlook for farm construction at this time indicates that the total for 1944 will be about the same as in 1943. Public utility construction expenditures amounted to approximately \$400,000,000 in 1943 and the prospects are that they will not exceed \$310,000,000 in 1944.

"The size of the 1944 public construction program will be largely determined by the need for new industrial facilities and military and naval construction. At this time the outlook is that not more than \$200,000,000 will be spent for public war housing in 1944 as compared with expenditures of \$628,000,000 in 1943. Non-residential construction expenditures, including those for industrial facilities financed from public funds are expected to total approximately \$650,000,000 in 1944. The

and, hence, in the end no one group will be any better off.

On the other hand, if it is to be a short war, then subsidies can perform a real service even to the farmers by lessening the dangerous drop in farm prices which is sure to take place after the war. This is because subsidies will succeed in keeping down prices for a short time. (I will discuss the probable length of the war in my Annual Forecast which will be released on December 30.) Probably—as the lesser of two evils—a subsidy on a very few universally used products may now be wise.

preliminary estimate of these expenditures in 1943 is \$1,737,000,000. Direct military and naval construction expenditures will probably amount to no more than \$1,350,000,000 in 1944, slightly more than half of the \$2,474,000,000 expended in 1943. There is still work to be done on the strategic network of highways and on access roads and flight strips. This work will maintain highway expenditures at a level not far below that of 1943 when expenditures totaled approximately \$407,000,000. The total of all other Federal construction expenditures will probably not exceed \$250,000,000 in 1944 as compared with \$391,000,000 in 1943. State and local expenditures are expected to decline from about \$110,000,000 in 1943 to not more than \$80,000,000 in 1944."

Estimated New Construction Expenditures in Continental United States, 1943 and 1944

Function and Ownership	(Millions of dollars)	
	1944	1943
Total new construction	4,230	7,353
Private construction	1,310	1,606
Residential (nonfarm)	600	756
Nonresidential	100	148
Farm	300	302
Public utility	310	400
Public construction	2,920	5,747
Residential (war housing)	200	628
Nonresidential (includes industrial facilities)	650	1,737
Military and naval	1,350	2,474
Highway	390	407
Other public		
†Federal	250	391
‡State and local	80	110

*Preliminary, subject to revision. The estimates include expenditures for major additions and alterations but not for maintenance.

†Includes conservation and development, TVA, and public pipe line construction expenditures.

‡Includes water supply, sewage disposal and miscellaneous public service enterprises.

U. S. Hails Bolivia At War

Dr. Luis Fernando Guachalla, the Bolivian Ambassador to the United States, notified the State Department on Dec. 6 of his country's declaration of a state of war with the Axis powers.

"This Government," the State Department at Washington announced, "received with gratification the notification."

Expansion Of Total Labor Force To 66,300,000 Workers By Next July Estimated By McNutt

A total labor force of 66,300,000 in July, 1944, is envisaged in a reappraisal of manpower requirement estimates announced on Dec. 7 by Paul V. McNutt, Chairman of the War Manpower Commission. This number, an increase of 1,500,000 over July, 1943, will be by far the largest ever mobilized into productive employment or military service in this country.

Reappraisal of estimates was desirable, Mr. McNutt said, in view of these two developments:

"(1) Employment in non-war activities such as trades and services is not declining as predicted.

"(2) Changed estimates by the War Production Board indicate that munitions expenditures during the calendar year 1944 are not expected, owing to changes in the program dictated by military experience and strategy, to exceed \$76,700,000,000, whereas the War Manpower Commission's estimate for munitions industries, announced last June 28, was based upon an earlier WPB production schedule totaling \$82,400,000,000 for 1944."

It is now expected, according to Mr. McNutt, that munitions employment will increase only to 10,700,000, instead of 11,300,000, as estimated in June. Employment in trades and services will decline

only slightly from 10,600,000 to 10,500,000, instead of to 9,900,000. Employment in the Federal war agencies will remain constant at 1,600,000, instead of increasing to 2,000,000. A few other less significant revisions have also been made in estimates.

Mr. McNutt said he considered expansion of the total labor force to 66,300,000 feasible. The increase in the labor force due to population growth should provide approximately 500,000 above and beyond normal losses from death, disability and retirement, he pointed out. The remaining 1,000,000 must be new workers, primarily women.

"The total of 10,700,000 workers which will be needed in the munitions industries represent an increase of 1,400,000 over the July, 1943 level and 1,000,000 over September, 1943," Mr. McNutt said.

Plan Proposed To Enable Banks To Combat Inflation Through "Purchase Clubs"

A plan designed to enable the nation's banks to combat inflation today, provide employment for millions after the war; and assure themselves of billions of dollars in postwar consumer durable goods financing, has been advanced by Charles W. Green of the Franklin Square National Bank, of Franklin, Square, Long Island.

The plan, already in practical operation in that bank, calls for the organization of "Purchase Clubs" in each of the nation's 15,000 banks. Members of these clubs deposit regular weekly amounts in special Purchase Club Accounts known as "My New Car," "My New Refrigerator," "My New Home" and so on through the list of consumer items. Individual pass books are issued for each objective. In a sense, it is time buying in advance, since consumer durable goods are unavailable at the present time. It directs the dollars which are now being wasted on transient luxuries into constructive channels.

The plan has been approved by Dr. Ernest M. Fisher, Deputy Manager of the Savings Division of the American Bankers Association and by the New York State Banking Association.

The Franklin Square National Bank has made the plan available to banks all over the country, and has made arrangements with its printers to release the necessary literature to those interested. They have also reprinted the original speech delivered to the recent American Bankers Association Convention in New York by Mr. Green advocating the plan. Arthur T. Roth, Executive Vice President of the Franklin Square National Bank, has announced that the plan is being made available to any bank in the country that requests it, without charge. He points out that those adopting it have every reason to look forward to a substantial share of consumer credit financing which will automatically result from such accounts.

thinks, what he wants, what he doesn't like and why, through an opinion survey which goes on continuously.

In United Press Washington advices of Dec. 5, the following was further reported:

Thousands of questionnaires are distributed among service men at home and abroad. Anonymity is assured and men are told that any honest answer is the right answer. Space is left for expression of unsolicited opinion or information.

Only one soldier in eight has complained that his shoes do not fit—an almost universal complaint in the World War.

Among other things, the services division found that a majority of the men overseas want more news from home. Many others want some means of continuing their education in their leisure time.

Contrary to barracks conversation and Army jokes, most soldiers are satisfied with their food. Four-fifths of the men have said their chow is good. It is fresh and hot and they have all they want.

A majority of the men want to get the war over as soon as possible. Their main idea, beyond this, is to get back home and find a job.

In the entertainment field, motion pictures are the favorite of the majority. The soldier's favorite sport is baseball and his chief off-duty occupation is writing letters home.

Two-thirds of the soldiers are single, have been to high school and go to church once in about four weeks.

Army Survey Reveals Soldiers' Complaints

An opinion survey conducted by the Army Services Division's Director of Morale revealed on Dec. 5 that two out of five service men complained that their trousers were ill fitting and the War Department immediately issued a rule permitting the men to have their clothes altered without charge.

Maj. Gen. F. H. Osborn, director, found out about the tight trousers along with hundreds of other facts on what a private

Federal Court Curbs OPA

Federal Judge Peison M. Hall ruled in a Los Angeles court on Nov. 30 against practices of the Office of Price Administration of suing for treble damages in price-fixing violations and examining records without subpoenas.

In dismissing alleged violations against a lumber yard and a uniform manufacturing company, Judge Hall decreed that the OPA had no right to sue except in cases involving black market operators or bootleggers, according to the United Press.

Electric Output For Week Ended Dec. 11, 1943, Shows 16% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Dec. 11, 1943, was approximately 4,566,905,000 kwh., compared with 3,937,524,000 kwh. in the corresponding week last year, an increase of 16.0%. The output of the week ended Dec. 4, 1943, was 17.4% in excess of the similar period of 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended—			
	Dec. 11	Dec. 4	Nov. 27	Nov. 20
New England.....	8.1	8.0	5.3	7.7
Middle Atlantic.....	17.4	17.3	18.1	20.5
Central Industrial.....	11.7	12.9	11.5	14.1
West Central.....	7.8	10.4	7.2	7.9
Southern States.....	17.0	17.9	18.5	19.9
Rocky Mountain.....	12.4	14.4	15.9	15.5
Pacific Coast.....	30.3	35.3	34.6	36.9
Total United States.....	16.0	17.5	16.9	18.9

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	% Change					
	1943	1942	over 1942	1941	1932	1929
Sep. 4.....	4,350,511	3,672,921	+18.4	3,132,954	1,423,977	1,674,558
Sep. 11.....	4,229,262	3,583,408	+18.0	3,322,346	1,476,442	1,806,259
Sep. 18.....	4,358,512	3,756,922	+16.0	3,273,375	1,490,863	1,792,131
Sep. 25.....	4,359,610	3,720,254	+17.2	3,273,376	1,499,459	1,777,854
Oct. 2.....	4,359,003	3,682,794	+18.4	3,330,580	1,506,219	1,819,276
Oct. 9.....	4,341,754	3,702,299	+17.3	3,355,440	1,507,503	1,806,403
Oct. 16.....	4,382,268	3,717,360	+17.9	3,313,596	1,528,145	1,798,633
Oct. 23.....	4,415,405	3,752,571	+17.7	3,340,768	1,533,028	1,824,160
Oct. 30.....	4,452,592	3,774,891	+17.8	3,380,488	1,525,410	1,815,749
Nov. 6.....	4,413,863	3,761,961	+18.0	3,368,690	1,520,730	1,798,164
Nov. 13.....	4,482,665	3,775,878	+18.7	3,347,893	1,531,584	1,793,584
Nov. 20.....	4,513,299	3,795,361	+18.9	3,247,938	1,475,268	1,818,169
Nov. 27.....	4,403,342	3,766,381	+16.9	3,339,364	1,510,337	1,718,002
Dec. 4.....	4,560,158	3,883,534	+17.4	3,414,844	1,518,922	1,806,225
Dec. 11.....	4,566,905	3,937,524	+16.0	3,475,919	1,563,384	1,840,863

Steel Operations Unchanged—Total Order Volume Still Good—War Needs Are Adjusted

"Instead of clarifying uncertainties troubling many industrialists, the numerous official statements issued recently covering war production seem to have increased confusion over the future pattern," says "The Iron Age" in its issue of today (Dec. 16), further adding: "One development clearly to be seen this week, however, is the increasing importance of labor's attitude in regard to the tapering of production.

"A snag, and possible temporary stumbling block, in the initial stages of meetings between some steel companies and the United Steel Workers of America early this week was the question of contract extension in case no decision is reached within the required number of days. The union was insisting that if no decision was reached, any extension agreed upon between the steel companies and the union should include provision for a retroactive date, covering any wage increase which might subsequently be granted, either by the company or the WLB. Steel companies, it is understood, were opposed to a retroactive date, but not to an extension because any price increase to offset rising costs, already encountered, plus any wage increases to be granted, would not be approved by the OPA in time to meet a retroactive wage increase.

"The union planned to petition the WLB for a continuation of its present contracts, in case no decision is reached by the time called for in the contracts, and is asking that such extension be accompanied by an agreement that wage increases be retroactive to the date on which present contracts would have terminated had there been no agreement or extension.

"Mr. Murray's statement concerning the need for removing restrictions upon civilian steel, issued on the eve of negotiations for higher steel wages, have no recognition to the steel price factor. High cost and marginal plants, sustained for months by heavy demand and above-ceiling prices granted, these individual mills, face difficulties now. Consumers are reluctant to pay higher prices when material can be obtained elsewhere.

"In steel, total order volume still is good, but the product mix definitely is different than it was a few months ago.

"The steel industry is seeing the paradox of large naval and army cancellations, on one hand, while frenzied activity is occurring on specific items that are wanted immediately for certain rush projects. Plates, sheets, pipe and component parts for the expedited landing craft program are

in great demand. But with certain other steel products less tight and with lend-lease requirements down, the national ingot rate still is below the 100% mark. The 30,000 new, all-steel freight cars which WPB has announced will be produced in 1944 will require approximately 450,000 tons of steel. Many of the cars already have been allocated among builders.

"Redistribution of idle and excess steel stocks, formerly the bailiwick of SRC but currently being handled through regional WPB offices, is reflecting a growing consciousness on the part of holders of large steel inventories toward early liquidation of over supplies. This is working to the advantage of some civilian product manufacturers and is aiding many class B producers in filling out allocation. Stocks throughout the country vary widely with areas reporting as low as 25,000 tons and up to the Cleveland district's 200,000 tons on list."

The American Iron and Steel Institute on Dec. 13 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 99.3% of capacity for the week beginning Dec. 13, the same as one week ago, and compares with 97.8% one month ago and 98.4% one year ago.

This week's operating rate is equivalent to 1,730,700 tons of steel ingots and castings, compared to 1,704,600 tons one month ago and 1,683,300 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Dec. 13 stated, in part as follows:

"Despite stiffening demand in some products the overall trend in steel buying continues to ease slightly, current orders are less and ingot production shows signs of tapering over the next few weeks.

"For the longer view War Production Board predicts that war requirements in 1944 will exceed even those of this year, with special emphasis on ships, trucks, airplanes and oil refinery equipment

as well as auxiliary types of ordnance.

"Curtalement in light arms and ammunition, lend-lease program, tanks and machine tools have contributed to a leveling off in demand, leading to cancellations and creation of excess stocks at various plants. As a result the disposition of steel buyers at the moment is to continue to trim inventories and to buy no further ahead than absolutely necessary.

"Washington has made definite efforts to stem the belief that the European war is near its close. At the same time war production emphasis is tending in the direction of Pacific war needs. Heavy pressure is noted for landing barges, which call for plates, heavy sheets and structural shapes, the latter market being greatly stimulated.

"Plates have not been affected by the general easing and November shipments are reported by WPB at 1,141,140 tons, compared with 1,146,845 tons in October, a loss more than accounted for by the shorter month.

"While demand for sheets is heavy, recent cutbacks and cancellations have left producers uncertain as to their delivery position and until WPB authorizes filling gaps in schedules they can not promise definite delivery dates. Some offer tentatively April and May on both hot and cold-rolled while others offer later dates.

"Final figures on Lake Superior iron ore for the 1943 season show shipments of 84,404,852 gross tons, which is 7,671,929 tons, 8.33%, less than the 1942 record. December movement totaled 749,512 tons, an increase of 113,683 tons over December, last year.

"Scrap is easier in spite of relatively small winter reserves and melters are not concerned over the situation."

OPA Suspension Order Upheld By Fed. Court

A decision upholding the right of the Office of Price Administration to issue "suspension orders" against dealers who violate the rationing regulations was handed down on Dec. 9 by Federal Judge Simon H. Rifkind in the New York District Court. The opinion noted that in previous rulings on the same subject two judges in other Federal jurisdictions had taken the opposite view and nullified suspension orders, while a third had upheld one. We quote from the New York "Times" of Dec. 10 which further stated:

The case decided by Judge Rifkind was that in which Michael Panteleo, trading as the Parkside Service Station in the Bronx, moved for an injunction against carrying out of an OPA order directing him to sell no gasoline for a 30-day suspension period. Denying this motion, Judge Rifkind wrote:

"I have no doubt that the power to allocate a ration must necessarily include the power to withhold or refuse an allocation. Were the suspension order called a reduction of ration, it would more clearly appear that it was an inevitable incident of rationing. Every ration board in the country withholds that which it does not grant. The mere fact that the Office of Price Administration has surrounded suspension orders with the terminology, procedure and form of quasi-judicial proceedings does not change their inherent character."

Turkish Envoy To Ottawa

An agreement with the Turkish Government for the establishment of a Turkish legation in Ottawa was recently announced by W. L. Mackenzie King, Canadian Prime Minister. Mehmet Ali Sevki Alhan, Minister in the Turkish Embassy at Washington, will be the first Turkish Minister here, Mr. King said.

Distribution Of Mutual Savings Bank Fund

A dividend in distribution of the New York State Mutual Savings Bank Fund in the amount of \$37,695,000 is now being made to all participating banks, according to an announcement Dec. 13 by August Ihlefeld, President of Savings Bank Trust Co., which is the trustee of the Fund. This distribution amounts to 59½% of the total resources of the Fund and was approved by the directors of the trust company at their meeting on Dec. 10. The advices in the matter also stated:

"The Mutual Savings Bank Fund was created by the Savings Banks of New York State in 1934 as the agency for the insurance in full of their deposits. All but two of the savings banks in the State became members and the original fund of \$18,000,000 grew to slightly in excess of \$63,000,000 as a result of annual contributions from member banks and earnings on assets.

"From time to time in recent years certain savings banks decided to avail themselves of the insurance provided by the Federal Deposit Insurance Corporation, and in July of this year, the 121 savings banks still insured by the Mutual Savings Bank Fund voted in concert to join the FDIC. Shortly thereafter liquidation of the Fund was voted since it was no longer required as an insuring instrument.

"During the period of active operation of the Fund total contributions to it by the savings banks amounted to approximately \$55,000,000 and in the same period an earned surplus of over \$8,000,000 was accumulated. The distribution of \$37,695,000 now leaves approximately \$23,000,000 in resources which it is expected will also be distributed to the participating savings banks from time to time as the remaining assets are liquidated."

The admission of the mutual savings banks to the FDIC was reported in these columns July 8, page 119.

Texas Court Clears Thomas Of CIO

R. J. Thomas, President of the United Automobile Workers (CIO), was acquitted on Nov. 30 in a Houston (Tex.) court on a charge of violating the Texas labor union law.

Judge Allie Peyton ruled Mr. Thomas innocent after Kellis Daniel, Assistant District Attorney, admitted a variation between the State's complaint and its evidence.

In reporting this, Associated Press Houston advices further said:

The court also acquitted John Crossland, sub-regional director of the Congress of Industrial Organizations, who was similarly charged. On November 29, C. M. Massengale, assistant to the national director of the Oil Workers Organizing Campaign, was found innocent.

The court's action hinged on the technicality that the defendants were soliciting members for a union other than their own. Arthur Mandell, defense attorney, cited sections in the State act which set forth that it would apply only if a person received compensation for obtaining members to his union. He contended that the defendants were not paid by the Oil Workers International Union but by the Oil Workers Organizing Committee.

The allegations in Mr. Thomas' case were referred to in these columns of Sept. 30, page 1305.

November Steel Output Lower

Production of steel in November declined from the October peak both in total tonnage and in rate of operations, according to the American Iron and Steel Institute, which added:

"During November, 7,356,828 net tons of ingots and steel for castings were produced, equivalent to 98.4% of the industry's capacity. In October, the record month to date, 7,819,061 tons were produced as the industry operated at 101.3% of capacity. In November a year ago output was 7,179,812 tons of steel, 97.8% of capacity.

"November steel production averaged 1,714,878 tons per week compared with 1,765,025 tons per week in October and 1,673,616 tons per week in November, 1942."

Treasury Calls 3¼% Bds.

Secretary of the Treasury Morgenthau announced on Dec. 13 that all outstanding 3¼% Treasury bonds of 1944-46 are called for redemption on April 15, 1944. Approximately \$1,519,000,000 of these bonds are now outstanding.

The formal notice of call by Secretary Morgenthau was made available as follows to banks and trust companies in the New York Federal Reserve District by Allan Sproul of the Federal Reserve Bank:

"Three and one-quarter percent Treasury bonds of 1944-46—notice of call for redemption.

"To Holders of 3¼% Treasury bonds of 1944-46, and Others Concerned:

"1. Public notice is hereby given that all outstanding 3¼% Treasury bonds of 1944-46, dated April 16, 1934, are hereby called for redemption on April 15, 1944, on which date interest on such bonds will cease.

"2. Holders of these bonds may, in advance of the redemption date, be offered the privilege of exchanging all or any part of their called bonds for other interest-bearing obligations of the United States, in which event public notice will hereafter be given and an official circular governing the exchange offering will be issued.

"3. Full information regarding the presentation and surrender of the bonds for cash redemption under this call will be found in Department Circular No. 666, dated July 21, 1941."

Elected Directors Of Richmond Reserve Bank

The Federal Reserve Bank of Richmond announces the election of Harry L. Rust, President of the Washington realty firm of H. L. Rust Co., as a Class B Director in Group 3 of the Fifth Reserve District. Mr. Rust succeeds John H. Hanna, Chairman of the Board of the Capital Transit Co., who had served as a Director for ten years and was not a candidate for reelection.

The Richmond Reserve Bank also announces the reelection of James C. Braswell, President of the Planters National Bank & Trust Co., Rocky Mount, N. C., as a Class A Director by banks in Group 2.

Argentine and Paraguay Sign Trade Treaty

The signing of a trade treaty between Argentina and Paraguay was recently announced in Buenos Aires. It is reported that the treaty was approved with the intention of eventually concluding a customs union which is understood to be open to all South American countries.

Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES† (Based on Average Yields)									
1943— Daily Averages	U. S. Govt. Bonds	Ave. Corpo- rate*	Corporate by Ratings**			Corporate by Groups*			
			Aaa	Aa	A	R. R.	P. U.	Indus.	
Dec. 14	119.54	110.34	118.00	115.63	110.52	98.73	102.96	113.12	115.63
13	119.56	110.52	118.20	115.63	110.52	98.88	102.96	113.12	115.82
11	119.57	110.52	118.20	115.63	110.70	98.73	103.13	113.12	115.63
10	119.57	110.52	118.20	115.63	110.70	98.73	102.96	113.12	115.63
9	119.59	110.52	118.20	115.63	110.70	98.73	103.13	113.12	115.63
8	119.62	110.52	118.20	115.63	110.70	98.57	102.98	113.12	115.63
7	119.62	110.34	118.20	115.63	110.70	98.57	103.13	113.12	115.63
6	119.63	110.34	118.20	115.43	110.70	98.57	102.96	113.12	115.63
4	119.63	110.34	118.20	115.43	110.70	98.57	102.96	113.12	115.63
3	119.63	110.34	118.20	115.43	110.70	98.57	102.96	113.12	115.63
2	119.63	110.34	118.20	115.43	110.70	98.57	102.96	113.12	115.63
1	119.63	110.34	118.20	115.43	110.70	98.57	102.96	113.12	115.63
Nov. 26	119.72	110.52	118.40	115.63	110.88	98.73	102.96	113.31	115.82
19	119.64	110.70	118.80	116.02	111.07	98.73	103.13	113.50	116.02
12	119.91	110.70	118.80	116.22	111.07	98.57	103.30	113.70	116.02
5	119.99	111.07	119.00	116.61	111.25	98.73	103.30	113.70	116.61
Oct. 29	120.27	111.07	119.00	116.61	111.25	99.04	103.30	113.89	116.61
22	120.33	111.07	119.00	116.61	111.44	99.04	103.30	113.89	116.61
15	120.28	111.07	119.20	116.61	111.25	99.04	103.30	113.89	116.61
8	120.57	110.88	119.00	116.41	111.25	98.73	103.13	113.89	116.41
1	120.62	110.88	119.00	116.22	111.07	98.73	103.13	113.89	116.22
Sept. 24	120.55	111.07	119.00	116.41	111.44	98.88	103.30	113.89	116.41
Aug. 27	120.34	111.25	119.20	116.80	111.44	98.88	103.13	112.89	117.20
July 30	120.18	111.44	119.41	117.00	111.62	99.04	103.30	114.08	117.20
Jun 25	120.41	110.70	118.80	116.22	111.07	98.09	102.46	113.70	116.61
May 28	119.82	110.34	118.20	115.82	110.88	97.78	102.30	113.31	115.82
Apr. 30	118.36	109.79	118.00	115.43	110.34	97.00	101.31	113.12	115.83
Mar. 26	116.93	109.60	117.80	115.43	110.52	96.23	100.65	113.12	115.63
Feb. 26	117.11	109.24	117.60	115.43	110.15	95.47	100.00	112.93	115.43
Jan. 29	117.04	108.70	117.60	115.04	109.79	94.56	99.04	112.56	115.43
High 1943	120.87	111.44	119.41	117.00	111.81	99.36	103.47	114.27	117.40
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
High 1942	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
1 Year ago									
Dec. 14, 1942	116.78	107.09	116.80	113.70	108.88	91.62	96.54	111.81	114.27
2 Years ago									
Dec. 13, 1941	118.13	106.39	116.80	113.70	107.98	90.06	95.92	110.52	113.89

MOODY'S BOND YIELD AVERAGES† (Based on Individual Closing Prices)									
1943— Daily Averages	U. S. Govt. Bonds	Ave. Corpo- rate*	Corporate by Ratings**			Corporate by Groups*			
			Aaa	Aa	A	R. R.	P. U.	Indus.	
Dec. 14	1.87	3.15	2.75	2.87	3.14	3.83	3.57	3.00	2.87
13	1.87	3.14	2.74	2.87	3.14	3.82	3.57	3.00	2.86
11	1.87	3.14	2.74	2.87	3.13	3.83	3.56	3.00	2.87
10	1.87	3.14	2.74	2.87	3.13	3.83	3.57	3.00	2.87
9	1.87	3.14	2.74	2.87	3.13	3.83	3.56	3.00	2.87
8	1.86	3.14	2.74	2.87	3.13	3.83	3.56	3.00	2.87
7	1.86	3.15	2.74	2.87	3.13	3.84	3.57	3.00	2.87
6	1.86	3.15	2.74	2.87	3.13	3.84	3.56	3.00	2.87
4	1.86	3.15	2.74	2.88	3.13	3.84	3.57	3.00	2.87
3	1.86	3.15	2.74	2.88	3.13	3.84	3.57	3.00	2.87
2	1.86	3.15	2.74	2.88	3.14	3.84	3.57	3.00	2.87
1	1.87	3.15	2.73	2.88	3.13	3.84	3.57	3.00	2.87
Nov. 26	1.86	3.14	2.73	2.87	3.12	3.83	3.57	2.99	2.86
19	1.87	3.13	2.71	2.85	3.11	3.83	3.56	2.98	2.85
12	1.84	3.13	2.71	2.84	3.11	3.84	3.55	2.97	2.85
5	1.84	3.11	2.70	2.82	3.10	3.83	3.55	2.97	2.82
Oct. 29	1.82	3.11	2.70	2.82	3.10	3.81	3.56	2.96	2.82
22	1.81	3.11	2.70	2.82	3.09	3.81	3.55	2.96	2.82
15	1.82	3.11	2.69	2.82	3.10	3.81	3.55	2.96	2.82
8	1.80	3.12	2.70	2.83	3.10	3.83	3.56	2.96	2.83
1	1.80	3.12	2.70	2.84	3.11	3.83	3.56	2.96	2.84
Sept. 24	1.80	3.11	2.70	2.83	3.10	3.82	3.55	2.96	2.83
Aug. 27	1.83	3.10	2.69	2.81	3.09	3.82	3.56	2.96	2.79
July 30	1.84	3.09	2.68	2.80	3.08	3.81	3.55	2.95	2.79
Jun 25	1.82	3.13	2.71	2.84	3.11	3.87	3.60	2.97	2.82
May 28	1.88	3.15	2.74	2.86	3.12	3.89	3.61	2.99	2.86
Apr. 30	1.98	3.18	2.75	2.88	3.15	3.94	3.67	3.00	2.87
Mar. 26	2.08	3.19	2.76	2.88	3.14	3.99	3.71	3.00	2.87
Feb. 26	2.08	3.21	2.77	2.88	3.16	4.04	3.75	3.01	2.88
Jan. 29	2.06	3.24	2.77	2.90	3.18	4.10	3.81	3.03	2.88
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	1.79	3.09	2.68	2.80	3.07	3.79	3.54	2.94	2.78
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	1.93	3.30	2.79	2.94	3.23	4.23	3.91	3.05	2.92
1 Year ago									
Dec. 14, 1942	2.09	3.33	2.81	2.97	3.23	4.30	3.97	3.07	2.94
2 Years ago									
Dec. 13, 1941	1.97	3.37	2.81	2.97	3.28	4.41	4.01	3.14	2.96

*These prices are computed from average yields on the basis of one "typical" bond (3 1/4% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

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

Moody's Common Stock Yields

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

	MOODY'S WEIGHTED AVERAGE YIELD ON 200 COMMON STOCKS					Average Yield
	Industrials (125)	Railroads (25)	Utilities (25)	Banks (15)	Insurance (10)	
October, 1942	5.5	7.0	7.2	5.0	4.4	5.8
November, 1942	5.5	8.0	7.1	5.2	4.5	5.9
December, 1942	5.3	8.6	7.2	5.0	4.2	5.7
January, 1943	5.0	7.9	6.3	4.5	4.1	5.4
February, 1943	4.7	7.3	6.3	4.4	4.1	5.1
March, 1943	4.5	6.8	6.2	4.0	3.9	4.8
April, 1943	4.5	6.6	5.8	4.1	3.9	4.8
May, 1943	4.3	6.2	5.5	4.0	3.8	4.6
June, 1943	4.2	6.4	5.4	3.9	3.8	4.5
July, 1943	4.5	6.8	5.5	4.1	3.9	4.7
Aug. 1943	4.4	6.6	5.5	4.0	3.8	4.7
Sept. 1943	4.3	6.5	5.5	4.0	3.7	4.6
Oct., 1943	4.5	6.6	5.5	4.0	3.7	4.7
Nov., 1943	4.9	7.8	5.7	4.0	4.0	5.1

Money In Circulation

The Treasury Department in Washington has issued its customary monthly statement showing the amount of money in circulation after deducting the moneys held in the United States Treasury and by Federal Reserve Banks and agents. The figures this time are for Oct. 31, 1943 and show

that the money in circulation at that date (including, of course, that held in bank vaults of member banks of the Federal Reserve System) was \$19,250,318,310, as against \$18,844,446,730, on Sept. 30, and \$14,210,452,014 on Oct. 31, 1942 and compares with \$5,698,214,612 on Oct. 31, 1920, just before the outbreak of the first World War, that is on June 30, 1914, the total was \$3,459,434,174.

Trading On New York Exchanges

The Securities and Exchange Commission has made public 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 weeks ended Nov. 20 and 27, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Nov. 27 (in round-lot transactions) totaled 915,590 shares, which amount was 15.35% of the total transactions on the Exchange of 2,983,260 shares. This compares with member trading during the week ended Nov. 20 of 1,597,035 shares or 18.06% of total trading of 4,420,140 shares. On the New York Curb Exchange member trading during the week ended Nov. 27 amounted to 199,965 shares, or 13.47% of the total volume of that Exchange of 742,075 shares; during the Nov. 20 week trading for the account of Curb members of 336,405 shares was 14.89% of total trading of 1,129,840 shares.

The SEC has also issued revised figures covering the week ended Nov. 13 (which appeared in our issue of Dec. 2, page 2240). Under the numeral 1—transactions of specialists in stocks in which they are registered—total purchases are revised to 559,170; short sales, 76,810; other sales, 521,870; total sales, 598,680 and the percentage to 9.02. In No. 4 of the compilation—total purchases are 953,420; short sales, 113,510; other sales, 945,046; total sales, 1,058,556, and the percentage, 15.68%.

Following are the figures for the weeks ended Nov. 20 and 27:

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)				
	Total for Week	%	Total for Week	
11/27/43	915,590		11/20/43	1,597,035
Short sales	94,720		166,220	
Other sales	2,688,540		4,253,920	
Total sales	2,983,260		4,420,140	
B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:				
1. Transactions of specialists in stocks in which they are registered—				
Total purchases	235,610		402,690	
Short sales	50,300		67,790	
Other sales	224,940		319,530	
Total sales	275,240	8.55	387,320	8.94
2. Other transactions initiated on the floor—				
Total purchases	129,380		281,410	
Short sales	10,100		35,550	
Other sales	120,440		246,610	
Total sales	139,540	4.36	282,160	6.37
3. Other transactions initiated off the floor—				
Total purchases	71,710		109,424	
Short sales	5,400		6,950	
Other sales	68,310		127,079	
Total sales	73,710	2.44	134,029	2.75
4. Total—				
Total purchases	436,100		793,526	
Short sales	65,800		110,290	
Other sales	413,690		693,219	
Total sales	479,490	15.35	803,509	18.06
Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)				
	Total for Week	%	Total for Week	%
11/27/43	199,965		11/20/43	1,597,035
Short sales	5,410		7,890	
Other sales	736,665		1,129,840	
Total sales	742,075		1,129,840	
B. Round-Lot Transactions for the Account of Members:				
1. Transactions of specialists in stocks in which they are registered—				
Total purchases	53,950		87,175	
Short sales	2,560		5,645	
Other sales	63,070		84,920	
Total sales				

Changes In Holdings Of Reacquired Stock Of N. Y. Stock & Curb Listed Firms

The monthly compilation of companies listed on the New York Stock Exchange reporting changes in their holdings of reacquired stock was made available on Nov. 16. Following is the tabulation issued by the Stock Exchange:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
Allegheny Ludlum Steel Corp., common	446	2,546
American-Hawaiian Steamship Co., capital	75,700	76,600
American Ice Co., preferred	35,200	36,000
Associates Investment Co., common	39,032	39,525
Atlas Corp., common	9,928	14,035
Barker Bros., 5 1/2% cum. pfd.	12,519	13,226
Barnsdall Oil Co., common	35,200	35,224
Belding Heminway Co., common	57,532	58,032
Borden Co. (The), common	53,567	78,158
Case (J. I.) Co., preferred	114	116
Century Ribbon Mills, Inc., preferred	116	156
Crucible Steel Co. of America, 5% conv. pfd.	3,300	4,100
Friecheauf Trailer Co., common	1,348	1,548
5% convertible preferred	70	170
General Motors Corp., common	44,918	837,924
Gimbel Brothers, \$6 cum. preferred	6,111	6,911
Interstate Department Stores, Inc., preferred	5,706	6,121
Jones & Laughlin Steel Corp., common	---	---
5% cumulative preferred A	---	---
5% cumulative preferred B	---	---
Lehman Corp. (The), common	8,500	9,400
Madison Square Garden Corp., common	26,400	26,700
Mead Corp. (The), \$6 preferred "A"	100	140
\$5.50 preferred "B"	2,947	3,067
Nash-Kelvinator Corp., capital	84,410	84,411
National Cylinder Gas Co., common	6,812	7,312
National Department Stores Corp., 6% preferred	3,545	4,145
National Steel Corp., capital	2,155	1,955
Newport News Shipbuilding and Dry Dock Co.—	---	---
\$5 cumulative convertible preferred	17,900	19,200
Norfolk and Western Railway Co., adjustment pfd.	6,962	7,162
Oliver Farm Equipment Co., common	1,090	2,590
Pittston Co. (The), class A pref.	880	1,495
Plymouth Oil Co., capital	8,284	9,184
Radio-Keith-Orpheum Corp., 6% preferred	4,000	5,190
Real Silk Hosiery Mills, Inc., preferred	6,575	6,075
Rustless Iron and Steel Corp., common	5	6
Sheaffer (W. A.) Pen Co., common	2,749	2,748
Sinclair Oil Corp., common	330,922.05	339,838.15
Transamerica Corp., capital	1,209,031	1,210,992
Twentieth Century-Fox Film Corp., preferred	50,763	52,931
Virginia Iron Coal and Coke Co., preferred	4,112	4,192
White (The S. S.) Dental Mfg. Co., capital	1,462	1,442
Willys-Overland Motors, Inc., 6% cum. conv. pfd.	66,395	75,895

NOTES

- (1) Acquired and disposed of during the month of October: 10 shares of common, 2 shares of 5% preferred A, and 2 shares of 5% preferred B.
- (2) Disposed of 200.
- (3) Acquired 19, disposed of 20.

The New York Curb Exchange has issued the following list of issuers of fully listed securities which have reported changes in their holdings of reacquired stock:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
All Investors, Inc., convertible preference	2,118	2,495
American General Corp., common	366,158	374,062
Cooper-Bessemer Corp., \$3 pref. preference	3,045	None
Crown Central Petroleum Corp., common	591	592
Dennison Manufacturing Co., A common	8,680	9,754
Equity Corp., \$3 convertible preferred	52,073	52,298
Esquire, Inc., capital	17,163	19,663
Hearn Department Stores, Inc., 6% preferred	23,944	24,164
Klein (D. Emil) Co., Inc., common	17,769	17,969
Knott Corporation, common	10,004	10,104
Ludwig Baumann & Co., 7% 1st preferred	1,380	6,000
Midland Oil Corp., \$2 convertible preference	10,115	10,315
Meeck, Judson, Voehringer Co., Inc., common	16,767	16,867
New Process Company, common	282	182
Selected Industries, Inc., \$5.50 div. pr. stock	None	500
United Cigar-Whelan Stores Corp., common	12,193	12,203
United Wall Paper Factories, Inc., common	42,150	17,000
Utility Equities Corp., \$5.50 div. pr. stock	10,500	10,700

Cotton Ginned from Crop of 1943 Prior to Dec. 1

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

Number of bales of cotton ginned from the growth of 1943 prior to Dec. 1, 1943, and comparative statistics to the corresponding date in 1942 and 1941.

State—	RUNNING BALES (Counting round as half bales and excluding linters)		
	1943	1942	1941
United States	10,559,989	11,534,702	9,592,229
Alabama	921,233	885,162	769,332
Arizona	69,021	80,072	107,787
Arkansas	1,041,377	1,350,094	1,351,186
California	213,252	199,942	242,207
Florida	14,111	14,437	14,663
Georgia	827,570	840,460	626,747
Illinois	1,869	3,749	5,362
Kentucky	10,456	14,271	16,678
Louisiana	696,455	570,478	309,017
Mississippi	1,737,722	1,867,606	1,379,118
Missouri	271,749	381,089	459,155
New Mexico	78,831	79,224	63,613
North Carolina	585,489	673,291	556,520
Oklahoma	351,470	623,998	561,367
South Carolina	676,100	681,229	398,198
Tennessee	462,145	574,448	565,451
Texas	2,583,179	2,671,649	2,143,224
Virginia	17,959	23,503	22,604

*Includes 107,353 bales of the crop of 1943 ginned prior to Aug. 1 which was counted in the supply for the season for 1942-43, compared with 48,626 and 1,969 bales of the crops of 1942 and 1941.

The statistics in this report include no round bales for 1943; none for 1942 and 846 for 1941. Included in the above are 40,194 bales of American-Egyptian for 1943; 39,423 for 1942 and 35,823 for 1941; also 269 bales Sea-Island for 1943; 712 for 1942 and 3,087 for 1941.

The statistics for 1943 in this report are subject to revision when checked against the individual returns of the ginners being transmitted by mail. The revised total of cotton ginned this season prior to Nov. 14 is 9,930,308 bales.

Consumption and Stocks — United States

Cotton consumed during the month of October, 1943, amounted to 846,209 bales. Cotton on hand in consuming establishments Oct. 31, was 2,203,829 bales, and in public storages and at compresses 12,264-

332 bales. The number of active consuming cotton spindles for the month was 22,599,426.

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

World Statistics

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

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

The New York Stock Exchange announced on Dec. 7 that as of the close of business Nov. 30, there were 1,235 stock issues aggregating 1,486,877,195 shares listed on the New York Stock Exchange, with a total market value of \$45,101,778,943. This compares with 1,235, stock issues aggregating 1,485,248,610 shares, with a total market value of \$48,178,040,869 on Oct. 30 and with 1,242 stock issues, aggregating 1,470,976,125 shares, with a total market value of \$37,374,462,460 on Nov. 30, 1942.

In making public the figures, the Stock Exchange further reported:

"As of the close of business Nov. 30, New York Stock Exchange member total net borrowings amounted to \$718,193,581 of which \$448,400,805 represented loans which were not collateralized by U. S. Government issues. The ratio of the latter borrowings to the market value of all listed stocks, on that date, was, therefore, 0.99%. As the loans not collateralized by U. S. Government issues include all other types of member borrowings, these ratios will ordinarily exceed the precise relationship between borrowings on listed shares and their total market value."

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

	Nov. 30, 1943—		Oct. 30, 1943—	
	Market Value	Average Price	Market Value	Average Price
Amusement	457,990,591	19.77	506,443,522	21.86
Automobile	3,663,731,068	30.39	3,903,097,902	32.38
Aviation	532,645,161	15.08	615,256,317	17.95
Building	518,097,375	24.95	556,838,588	26.90
Business and Office Equipment	373,522,260	31.67	400,908,611	33.99
Chemical	5,701,520,532	60.18	5,965,537,265	63.23
Electrical Equipment	1,515,844,224	37.06	1,599,961,477	39.12
Farm Machinery	713,393,492	54.46	756,777,160	57.78
Food	900,036,595	18.03	965,672,157	19.34
Garment	2,963,335,731	35.40	3,111,576,820	37.17
Land & Realty	42,106,264	25.18	45,289,220	27.07
Leather	229,651,235	5.53	28,998,621	5.96
Machinery & Metals	1,512,681,747	27.24	231,154,936	27.42
Mining (excluding iron)	1,293,088,481	21.64	1,645,862,101	23.89
Paper & Publishing	453,369,461	19.82	1,398,722,650	23.59
Petroleum	5,649,528,182	27.91	489,276,518	21.34
Railroad	3,349,981,675	29.72	6,139,280,628	30.25
Retail Merchandising	2,450,865,016	33.65	6,139,280,628	30.25
Rubber	516,869,990	48.88	3,670,616,747	32.56
Ship Building & Operating	87,046,237	15.78	100,669,523	18.25
Shipping Services	12,957,459	7.51	14,518,164	8.42
Steel, Iron & Coke	2,037,826,751	40.28	2,196,553,223	43.42
Textiles	454,175,676	31.96	481,937,663	33.91
Tobacco	1,144,167,337	42.02	1,225,717,804	45.02
Utilities:	---	---	---	---
Gas & Electric (Operating)	2,136,973,809	20.73	2,258,793,895	21.91
Gas & Electric (Holding)	1,035,588,947	10.81	1,120,953,539	11.70
Communications	3,571,091,569	85.13	3,660,048,984	87.38
Miscellaneous Utilities	105,064,660	14.25	107,393,248	14.56
U. S. Cos. Operating Abroad	712,658,671	20.95	770,351,295	22.65
Foreign Companies	792,207,331	19.58	899,249,024	22.22
Miscellaneous Businesses	146,858,869	25.02	150,175,347	25.58
All Listed Stocks	45,101,778,943	30.33	48,178,040,869	32.44

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

	1941—		1942—		1943—	
	Market Value	Average Price	Market Value	Average Price	Market Value	Average Price
Oct. 31	39,057,023,174	26.66	37,374,462,460	25.41	45,101,778,943	30.33
Nov. 29	37,882,316,239	25.87	38,811,728,666	26.39	---	---
Dec. 31	35,785,946,533	24.46	---	---	---	---
1942—	---	---	---	---	---	---
Jan. 31	36,228,397,999	24.70	41,410,585,043	28.16	---	---
Feb. 28	35,234,173,432	24.02	43,533,661,753	29.61	---	---
Mar. 31	32,844,183,750	22.36	45,845,738,377	31.20	---	---
Apr. 30	31,449,206,904	21.41	46,192,361,639	31.45	---	---
May 29	32,913,725,225	22.46	48,437,700,647	32.96	---	---
June 30	33,419,047,743	22.73	48,878,520,886	32.27	---	---
July 31	34,443,805,860	23.42	47,577,989,240	32.17	---	---
Aug. 31	34,871,607,323	23.70	47,710,472,858	32.04	---	---
Sept. 30	35,604,809,453	24.20	48,711,451,018	32.82	---	---
Oct. 31	37,727,599,526	25.65	48,178,040,869	32.44	---	---
Nov. 30	---	---	45,101,778,943	30.33	---	---

October Truck Freight Volume 2.4% Over 1942

The volume of freight transported by motor carriers in October increased 2% over September and 2.4% over October, 1942, according to reports compiled and released on Dec. 6 by the American Trucking Associations, Inc.

Comparable reports were received by ATA from 409 motor carriers in 44 States and the District of Columbia. The reporting carriers transported an aggregate of 3,696,916 tons in October, as against 3,624,238 tons in September, and 3,610,601 tons in October, 1942.

The ATA index figure, computed on the basis of the average monthly tonnage of the reporting carriers for the three-year period of 1938-1940 as representing 100, was 195.24. The September index was 193.72.

Approximately 70% of all ton-

nage transported in the month was hauled by carriers of general freight. The volume in this category increased 0.3% over September and 1.7% over October of last year.

Transporters of petroleum products, accounting for a little more than 20% of the total tonnage reported, showed an increase of 5.1% over September and 5.8% over October, 1942.

Haulers of iron and steel products reported about 4 1/2% of the total tonnage. The volume of these commodities increased 9.2% over September and 3.2% over October of last year.

Almost 5 1/2% of the total tonnage reported was miscellaneous commodities, including tobacco, milk, textile products, coke, bricks, building materials, cement and household goods. Tonnage in this class showed an increase of 8% over September, but decreased 1.3% under October, 1942.

Dec. 1 Cotton Report

A United States cotton crop of 11,478,000 bales of 500 pounds gross weight is forecast by the Crop Reporting Board of the United States Department of Agriculture based upon information as of Dec. 1. This is an increase of 36,000 bales from the forecast as of Nov. 1 and compares with 12,817,000 bales ginned in 1942 and 12,474,000 bales, the 10-year (1932-41) average. The indicated yield per acre for the United States, at 252.0 pounds, is 20.4 pounds below the 272.4 pounds produced in 1942 but 35.0 pounds above the 10-year average yield of 217.0 pounds.

The acreage of cotton in cultivation on July 1, 1943, is estimated at 22,151,000 acres. This acreage is 4.9% below the 23,302,000 acres planted in 1942. Acreage abandonment of the 1943 crop is estimated at 1.3% of the planted acreage, and acreage for harvest at 21,874,000 acres. Acreage abandonment of the 1942 crop, at 3.0% of the planted acreage made allowance for some acreage removed for compliance with the AAA program. Acreage destroyed for compliance purposes in 1943 was negligible.

The present estimate of cotton production for the United States is approximately 1,100,000 bales below that expected on Aug. 1, when the first forecast of the season was made. The crop got off to an unusually good start with stands much better than average and with weather sufficiently dry and hot to reduce the threat from weevils. Continued drought and excessive heat throughout August and early September, however, resulted in considerable deterioration of the crop, especially in Tennessee, Arkansas, Oklahoma, and Texas. Some further reduction occurred in the northern fringe of the Cotton Belt as the result of killing frosts during mid-October. The crop generally matured earlier than usual, and the amount still unpicked on Dec. 1 was less than average, except in the western irrigated States.

Production of American Egyptian cotton in 1943 is estimated at 68,300 bales on 145,900 acres for harvest. This compares with 75,300 bales and 180,700 acres harvested in 1942. The estimated yield per acre of the 225 pounds compares with 200 pounds produced in 1942.

Sea Island cotton production is estimated at only 300 bales, compared with 800 bales produced last year. Production of this crop has been sharply reduced during recent years.

ABA Membership Gains Totals 14,478 Banks

A total of 343 new members were added to the membership roll of the American Bankers Association between Sept. 1 and Nov. 30 of this year, it is announced by Robert L. Dominick, Chairman of the Association's Organization Committee, who is Vice-President of the Traders Gate City National Bank, Kansas City, Mo. The 343 new members constitute the largest gain in membership in a similar three-month period in more than a decade, and represent an increase of 120 banks over the number that joined in the same period of 1942, when 203 new members were added to the A.B.A.'s roster.

On Sept. 1, 1943, the Association's membership totaled 14,478 banks, or 89.16% of the total of banks eligible for membership.

The announcement states that in Louisiana and Idaho, where one new member was added in each state, the new members are new banks that opened for business recently, and their membership in the A.B.A. maintains the 100% A.B.A. membership record previously established in the two states.

Selected Income And Balance Sheet Items Class I Railways For September

The Bureau of Statistics of the Interstate Commerce Commission has issued a statement showing the aggregate totals of selected income and balance sheet items for class I steam railways in the United States for the month of September, 1943 and 1942, and the 9 months ending with September, 1943 and 1942.

These figures are subject to revision and were compiled from 132 reports representing 136 steam railways. The present statement excludes returns for class A switching and terminal companies. The report is as follows:

Income Items—	All Class I Railways			
	For the Month of September 1943	1942	For the 9 Months of 1943	1942
Net ry. operat. income	\$110,235,193	\$155,062,974	\$1,073,142,989	\$976,300,976
Other income	15,369,603	11,959,470	123,483,804	112,487,439
Total income	125,604,802	167,022,444	1,196,626,793	1,088,788,415
Miscellaneous deductions from income	2,691,268	4,417,086	22,197,822	24,162,778
Income available for fixed charges	122,913,534	162,605,358	1,174,428,971	1,064,625,637
Fixed charges:				
Rent for leased roads and equipment	14,430,151	17,598,338	130,072,117	134,816,618
*Interest deductions	35,409,450	36,894,311	324,740,448	332,636,036
Other deductions	130,126	119,113	1,113,091	1,060,684
Total fixed charges	50,021,727	54,617,562	455,925,656	468,513,338
Inc. after fixed charges	72,882,807	107,987,796	718,503,315	596,112,299
Contingent charges	2,905,992	2,310,324	21,059,231	20,272,633
†Net income	69,977,815	105,677,472	697,444,084	575,839,666
Depreciation (way and structures and equip.)	26,476,148	22,795,440	236,993,876	183,252,977
Amortization of defense projects	11,760,704	8,357,959	100,736,405	57,081,776
Federal income taxes	127,963,087	*88,315,417	1,073,657,058	549,124,373
Dividend appropriations:				
On common stock	9,348,745	7,178,586	95,765,200	81,845,993
On preferred stock	637,908	1,064,204	20,407,175	19,395,665
†Ratio of income to fixed charges	2.46	2.98	2.58	2.27

Selected Asset Items—	All Class I Railways		Class I Railways Not in Receivership or Trusteeship	
	Balance at end of September 1943	1942	Balance at end of September 1943	1942
Investments in stocks, bonds, etc., other than those of affiliated companies	\$570,651,166	\$508,661,918	\$543,185,016	\$485,239,026
Cash	1,047,209,233	991,896,200	774,864,233	744,645,098
Temporary cash investments	1,637,944,586	443,671,303	1,219,083,560	386,751,633
Special deposits	173,037,833	147,878,309	132,073,753	105,304,660
Loans and bills receivable	246,611	998,003	243,485	946,907
Traffic and car-service balances (Dr.)	35,920,462	40,935,933	27,852,767	34,311,676
Net balance receivable from agents and conductors	171,071,317	141,689,523	135,506,433	115,754,371
Miscellaneous accounts receivable	634,758,511	385,020,067	505,729,190	308,719,022
Materials and supplies	523,546,132	522,560,019	424,521,657	418,562,093
Interest and dividends receivable	23,140,864	21,744,450	20,941,324	20,404,186
Rents receivable	1,632,066	1,261,232	1,251,720	939,193
Other current assets	54,033,972	13,619,410	39,973,063	9,847,386
Total current assets	4,308,691,593	2,711,274,445	3,283,041,245	2,146,186,135
Selected Liability Items—				
Funded debt maturing within six months	80,898,616	105,393,440	60,214,136	75,395,500
Loans and bills payable	15,006,866	16,851,200	1,000,000	1,705,850
Traffic and car-service balances (Cr.)	152,433,570	105,351,625	105,573,925	70,309,109
Audited accounts and wages payable	384,013,838	318,302,370	312,103,810	255,969,257
Miscellaneous accounts payable	113,837,828	68,506,848	88,374,993	49,233,913
Interest matured unpaid	55,950,042	53,777,164	50,033,928	48,147,897
Dividends matured unpaid	15,154,565	13,647,535	14,812,492	13,299,612
Unmatured interest accrued	65,026,053	71,214,483	59,048,063	60,568,282
Unmatured dividends accrued	7,475,602	9,756,703	7,475,602	9,756,703
Unmatured rents accrued	23,744,900	22,008,805	20,097,530	19,492,787
Accrued tax liability	1,614,126,419	838,614,159	1,384,788,240	765,937,062
Other current liabilities	73,720,908	59,799,382	49,095,049	46,732,199
Total current liabilities	2,520,490,591	1,577,830,274	2,092,403,632	1,341,152,671

Analysis of accrued tax liability:
 U. S. Government taxes, 1,452,729,370
 Other than U. S. Government taxes, 161,397,049
 *Represents accruals, including the amount in default. †For railways not in receivership or trusteeship the net income was as follows: September, 1943, \$51,521,114; September, 1942, \$84,651,037; for the nine months ended September, 1943, \$534,686,545, nine months ended September, 1942, \$464,903,476. ‡Includes payments of principal of long-term debt (other than long-term debt in default) which will become due within six months after close of month of report. †For railways in receivership and trusteeship the ratio was as follows: September, 1943, 2.47; September, 1942, 2.67; nine months, 1943, 2.44; nine months, 1942, 2.02. §Includes obligations which mature not more than one year after date of issue.

The English Gold And Silver Markets

We print the following from the quarterly letter of Samuel Montagu & Co. of London, written under date of Oct. 1, 1943:

The amount of gold held in the Issue Department of the Bank of England during the months of July, August and September was unaltered at £241,718.

The Bank of England's buying price for gold remained unchanged at 168s/- per fine ounce, at which figure the above amount was calculated.

The gold output of the Transvaal for the months of June, July and August, 1943, are given below together with figures for the corresponding months of 1942 for the purpose of comparison:

1943		1942	
Fine Ounces		Fine Ounces	
June	1,064,572	June	1,199,569
July	1,089,708	July	1,220,154
August	1,059,932	August	1,182,437

Silver

During the past three months the London market presented no new features and the price of 23½d. for both cash and two months' delivery remained unaltered throughout the period. There was a steady absorption of silver by war industries and this demand continued to be met from official stocks.

In Bombay prices ranged between Rs.101.0.0 per 100 tolas on

July 20 and Rs.123.12.0 on Sept. 25. The decline to the low level mentioned followed a new Defence of India rule under which the Central Government may prohibit or restrict the making of advances of money on the security of such commodities, including bullion, as may be specified in the order. As a measure of control of speculative operations, the Government of India announced on Aug. 5 that it had modified its definition of a forward contract in bullion so as to include any contract for delivery more than four days from the date of the contract; toward the end of September the period was further reduced to more than two days. Prior to the August announcement, forward delivery was defined for delivery more than 12 days after the date of the contract.

Recent news from America indicated that Mexico's silver coinage requirements of some 20,000,000 ounces would decrease correspondingly her exports of silver to the United States. As the latter badly needed this silver it was suggested instead that Mexico should release all her supplies to the United States war industries and meet coinage requirements under lease-lend terms from United States Treasury silver which under existing legislation could not be sold for industrial uses. It was reported subsequently, however, that the U. S. War Production Board had issued a regulation translating into practice the provisions of the Green Law, under which sales of Treasury silver may now be made for consuming purposes. The price fixed by the Green Law as the limit under which Treasury silver must not be sold is 71.11 cents per ounce .999 fine, the same as that paid by the Treasury for newly-mined domestic silver. To minimize the inequality between this price and the 45 cents per ounce for foreign silver, the Treasury has agreed to repurchase, on the basis of 71.11 cents, any of its former silver which may remain in the stocks of industrial users.

Quotations in London

(Bar Silver Per Ounce Standard)

	Cash Delivery	Two Months' Delivery
July, 1943	23½d.	23½d.
August, 1943	throughout	throughout
September, 1943	23½d.	23½d.

Quotations in the U. S. A. (per Ounce .999 Fine)

U. S. Treasury Price	New York Market Price
35¢	44¾¢

The official dollar rates fixed by the Bank of England during July, August and September, 1943, were as follows:

Buying	\$4.03½
Selling	4.02½

Market Value Of Bonds On N. Y. Stock Exchange

As of the close of business Nov. 30, there were 1,098 bond issues aggregating \$90,969,856,933 par value listed on the New York Stock Exchange with a total market value of \$90,076,888,558, the Stock Exchange announced on Nov. 9. This compares with 1,108 bond issues, aggregating \$91,003,711,823 par value, with a total market value of \$90,501,768,934 on Oct. 30, 1943.

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

Group—	Nov. 30, 1943		Oct. 30, 1943	
	Market Value \$	Average Price	Market Value \$	Average Price
U. S. Government (incl. N. Y. State, Cities, etc.)	73,949,210,192	103.32	74,060,153,318	103.55
U. S. companies:				
Automobile	10,596,509	100.42	10,751,252	101.88
Building	13,201,250	100.77	13,220,000	100.92
Business and office equipment	15,712,500	104.75	15,825,000	105.50
Chemical	47,094,000	102.16	49,207,188	102.84
Electrical equipment	36,281,250	103.66	36,450,000	104.14
Financial	54,708,777	103.16	56,891,945	103.33
Food	265,706,217	104.81	268,125,996	105.77
Land and realty	11,250,518	85.50	11,317,151	84.23
Machinery and metals	37,360,663	101.99	37,277,048	101.76
Mining (excluding iron)	89,279,644	62.23	91,991,417	64.12
Paper and publishing	38,887,317	103.26	40,154,288	102.79
Petroleum	588,944,574	103.63	592,179,791	104.20
Railroad	7,238,107,742	72.75	7,451,440,403	74.56
Retail merchandising	11,808,723	85.52	12,069,148	87.40
Rubber	70,663,295	102.90	71,154,941	103.62
Ship building and operating	12,059,940	105.13	11,859,180	103.62
Shipping services	21,725,313	60.91	22,018,185	81.75
Steel, iron and coke	463,231,098	101.57	489,246,607	102.02
Textiles	37,830,069	104.40	37,919,113	104.65
Tobacco	172,319,902	105.03	173,344,401	105.72
Utilities:				
Gas and electric (operating)	3,257,394,991	107.64	3,315,650,188	108.46
Gas and electric (holding)	59,180,000	105.68	59,660,000	106.54
Communications	1,215,304,854	109.47	1,229,371,340	110.65
Miscellaneous utilities	98,022,535	67.57	100,230,470	69.09
U. S. companies oper. abroad	138,456,348	77.30	137,345,280	76.37
Miscellaneous businesses	30,904,236	104.66	31,424,925	106.42
Total U. S. companies	14,056,032,265	85.09	14,366,125,257	86.52
Foreign government	1,332,839,530	64.94	1,330,999,257	64.85
Foreign companies	738,806,571	89.17	744,491,102	89.85
All listed bonds	90,076,888,558	99.02	90,501,768,934	99.45

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

1941—	Market Value \$	Average Price	1942—	Market Value \$	Average Price
Oct. 31	55,106,635,894	95.25	Nov. 30	64,543,971,299	96.11
Nov. 29	54,812,793,945	94.80	Dec. 31	70,583,644,622	96.70
Dec. 31	55,033,616,312	94.50	1943—		
Jan. 31	56,261,398,371	95.24	Jan. 30	71,038,674,932	97.47
Feb. 28	57,584,410,504	95.13	Feb. 27	71,346,452,852	97.79
Mar. 31	58,140,382,211	95.97	Mar. 31	71,575,183,604	98.24
Apr. 30	57,923,553,616	95.63	Apr. 30	71,857,596,488	98.69
May 29	59,257,509,674	95.64	May 29	81,048,543,830	99.47
June 30	59,112,072,945	95.50	June 30	80,704,321,646	99.64
July 31	61,277,620,883	95.76	July 31	80,352,221,151	99.35
Aug. 31	62,720,371,752	96.08	Aug. 31	80,109,269,964	99.23
Sept. 30	62,765,776,218	96.18	Sept. 30	80,149,558,292	99.37
Oct. 31	64,843,877,284	96.48	Oct. 30	90,501,768,934	99.45
			Nov. 30	90,076,888,558	99.02

National Bank Assets And Deposits Higher

The total assets of national banks on Oct. 18, 1943 amounted to more than \$66,000,000,000, it was announced on Dec. 7 by Comptroller of the Currency Preston Delano. Returns from the call covered the 5,058 active national banks in the United States and possessions. The assets reported were greater by \$7,000,000,000 than those reported by the 5,066 national banks on June 30, 1943, the date of the previous call, and an increase of \$11,000,000,000 over the amount reported by the 5,087 active banks on Dec. 31, 1942.

The Comptroller's announcement further stated: "The deposits of the national banks on Oct. 18, 1943, were nearly \$62,000,000,000, an increase since June 30, 1943 of \$7,000,000,000, and an increase since Dec. 31 last year of \$11,000,000,000. Included in the current deposit figures are demand and time deposits of individuals, partnerships and corporations of \$30,901,000,000 and \$9,501,000,000, respectively, United States Government deposits, including War loan and Series E bond accounts of \$10,847,000,000, deposits of States and political subdivisions of \$2,600,000,000, postal savings of \$6,000,000, deposits of banks of \$7,314,000,000, and certified and cashiers' checks, cash letters of credit and travelers' checks outstanding of \$614,000,000.

"Loans and discounts were \$10,775,000,000, an increase of \$1,585,000,000, or 17%, since June 30, 1943, and an increase of \$575,000,000, or nearly 6%, since Dec. 31, 1942.

"Investments in United States Government obligations, direct and guaranteed, of \$35,710,000,000, showed an increase of \$5,519,000,000, or over 18%, since June 30, 1943, and an increase of \$1,884,000,000, or nearly 50%, since December 1942. Other bonds, stocks and securities held of \$3,397,000,000, which included obligations of States and political subdivisions of \$1,984,000,000, decreased \$142,000,000 since June and \$261,000,000 since December last year.

"Cash of \$813,000,000, balances with other banks, including cash items in process of collection, of \$6,734,000,000, and reserves with Federal Reserve banks of \$7,876,000,000, a total of \$15,423,000,000, increased \$196,000,000 since June but showed a decrease of \$827,000,000 under the amount reported in December last year.

"The unimpaired capital stock of the banks on Oct. 18, 1943, was \$1,496,000,000 including \$132,000,000 of preferred stock. Surplus of \$1,511,000,000; undivided profits of \$636,000,000, and reserves of \$275,000,000, a total of \$2,422,000,000, increased \$95,000,000 since June and \$187,000,000 since December 1942.

"The percentage of loans and discounts to total deposits on Oct. 18, 1943, was 17.44, in comparison with 16.78 on June 30, 1943, and 20.14 on Dec. 31, 1942."

U. S. Gold Reserve Declines

Observing that the Nation's gold supply is declining at a \$2,000,000-a-day rate—without worrying any one. Associated Press advices from Washington Dec. 1 added:

Wholesale Commodity Index Advanced 0.2% During Week Ended Dec. 4, Labor Dept. Reports

The U. S. Department of Labor announced on Dec. 9 that the Bureau of Labor Statistics' index of commodity prices in primary markets rose 0.2% during the week ended Dec. 4, led by higher prices for livestock, hides and coal. The advance brought the all-commodity index to 102.8% of the 1926 average. Notwithstanding the increase, average prices for these commodities are slightly below the early November level and 2.7% higher than at this time last year.

The Department's announcement further said:

"Farm Products and Foods"—Average prices for farm products in primary markets rose 0.5% during the week largely because of a 2.9% advance in prices for livestock. Quotations were higher for cattle, hogs, sheep and for live poultry in the Chicago market. Prices were also higher for hay, eggs and for milk in the Chicago market. Most grains declined, ranging from less than one-half of 1% for wheat and barley to 5% for oats. Prices for cotton, apples, citrus fruits, onions and for potatoes in most markets (except Portland, Oregon) declined.

"Largely because of lower markets for fruits and vegetables and for rye flour, prices for foods fell 0.2%. Prices moved higher for milk and eggs in some cities.

"Industrial Commodities"—Office of Price Administration action in allowing higher ceiling prices for coal and coke to compensate for increased production costs with more overtime brought the index for fuel and lighting materials up 0.5%. Following the sharp decline which began in October, prices for sheepskins reacted during the week ended Dec. 4 and caused the index for hides and leather products to rise 0.5%. Higher prices were reported for radiation. Quotations were lower for rosin, turpentine and shellac. Prices for some types of pine lumber advanced fractionally while others declined.

The following notation is made:

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

The following table shows index numbers for the principal groups of commodities for the past three weeks, for Nov. 6, 1943 and Dec. 5, 1942, and the percentage changes from a week ago, a month ago and a year ago:

Commodity groups—	(1926=100)						Percentage changes to Dec. 4, 1943 from—		
	1943	11-27	11-20	11-6	12-5	11-27	11-6	12-5	
All commodities	102.8	*102.6	*102.6	*102.9	100.1	+0.2	+0.1	+2.7	
Farm products	121.8	121.2	121.2	122.8	110.6	+0.5	+0.8	+10.1	
Foods	105.6	105.8	105.6	105.7	103.3	-0.2	-0.1	+2.2	
Hides and leather products	117.5	116.9	118.4	118.4	118.4	+0.5	+0.8	+0.6	
Textile products	97.2	97.2	97.2	97.2	96.6	0	0	+0.6	
Fuel and lighting materials	82.1	81.7	81.6	81.6	79.8	+0.5	+0.6	+2.9	
Metals and metal products	*103.9	*103.8	*103.8	*103.8	103.9	+0.1	+0.1	0	
Building materials	113.1	113.0	113.0	113.0	110.0	+0.1	+0.1	+2.8	
Chemicals and allied products	100.4	100.4	100.4	100.4	99.6	0	0	+0.8	
Housefurnishing goods	104.2	104.2	104.2	104.2	104.1	0	0	+0.1	
Miscellaneous commodities	93.0	93.0	93.0	92.9	90.0	0	+0.1	+3.3	
Raw materials	111.7	111.1	111.3	112.1	103.7	+0.5	-0.4	+7.7	
Semimanufactured articles	92.9	92.9	92.9	92.9	92.5	0	0	+0.4	
Manufactured products	*100.4	*100.3	*100.3	*100.3	99.7	+0.1	+0.1	+0.7	
All commodities other than farm products	*98.7	*98.6	*98.6	*98.6	97.8	+0.1	+0.1	+0.9	
All commodities other than farm products and foods	*97.6	*97.5	*97.5	*97.5	96.1	+0.1	+0.1	+1.6	

Civil Engineering Construction \$34,652,000 For Week; Private Work Gains Over Last Week

Civil engineering construction volume in continental United States totals \$34,652,000 for the week. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 34% below last week and 59% lower than the total reported to "Engineering News-Record" for the corresponding week last year. The report made public on Dec. 9 added:

Private construction tops the preceding week by 108%, and is 430% above the 1942 week. Public construction, however, is 58% under a week ago, and down 77% from a year ago.

The current week's construction brings 1943 volume to \$2,972,217,000, an average of \$60,657,000 for each of the 49 weeks of the period. On the weekly average basis, 1943 construction is 67% below the \$9,120,618,000 for the 50-week 1942 period. Private construction, \$474,066,000, is 12% lower than last year, and public construction, \$2,498,151,000, is down 70% when adjusted for the difference in the number of weeks.

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

	Dec. 10, 1942	Dec. 2, 1943	Dec. 9, 1943
Total U. S. construction	\$85,268,000	\$52,181,000	\$34,652,000
Private construction	3,058,000	7,787,000	16,180,000
Public construction	82,210,000	44,394,000	18,472,000
State and municipal	2,387,000	3,814,000	1,209,000
Federal	19,823,000	40,580,000	17,263,000

In the classified construction groups, gains over last week are in industrial and commercial buildings. Increases over the 1942 week are in bridges and industrial and commercial buildings. Sub-totals for the week in each class of construction are: waterworks, \$525,000; sewerage, \$337,000; bridges, \$923,000; industrial buildings, \$10,260,000; commercial buildings, \$5,790,000, and public buildings, \$8,547,000; earthwork and drainage, \$93,000; streets and roads, \$1,166,000, and unclassified construction, \$7,011,000.

New capital for construction purposes for the week totals \$931,000, and is made up entirely of State and municipal bond sales. New construction financing for the 49 weeks of 1943, \$3,067,283,000, is 69% below the \$10,211,597,000 reported for the 50-week 1942 period.

National Fertilizer Association Commodity Price Index Declines Fractionally

The weekly wholesale commodity price index, compiled by The National Fertilizer Association and made public on Dec. 13 declined to 135.0 in the week ending Dec. 11 from 135.2 in the preceding week. A month ago this index stood at 134.8 and a year ago at 130.6, based on the 1935-1939 average as 100. —The Association's report added:

The all-commodity price index noted a slight recession due primarily to lower quotations in the foods and farm products groups. Potatoes and eggs were lower in the foods group while reduced prices for wheat, eggs, cattle, heavy hogs, and poultry caused a decline in the farm products group. The only prices to rise in this group were barley, rye, and cotton. The textiles group advanced fractionally as cotton noted a slight upward trend. The fuels group advanced almost 1%, reaching a new level for this year. This was due to higher quotations for anthracite coal. Tennessee phosphate rock advanced slightly causing a fractional rise in the phosphates group but not sufficient to change the index number for total fertilizer materials. The all-commodity index is 0.2% higher than a month ago and 4.0% higher than a year ago.

During the week 3 price series advanced and 8 declined, the same as in the preceding week. In the second preceding week there were 10 advances and 5 declines.

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

% Each Group Bears to the Total Index	Group	Latest Preceding Week		Month Ago	Year Ago
		Dec. 11, 1943	Dec. 4, 1943		
25.3	Foods	140.1	140.6	139.9	134.3
	Fats and Oils	145.6	145.6	146.1	148.8
	Cottonseed Oil	159.6	159.6	161.3	164.7
23.0	Farm Products	151.4	152.9	151.7	143.6
	Cotton	185.6	185.0	186.8	186.3
	Grains	162.5	162.5	157.7	123.2
	Livestock	142.3	144.8	143.8	141.3
17.3	Fuels	123.7	122.8	122.8	119.3
10.8	Miscellaneous commodities	131.4	131.4	131.4	129.1
8.2	Textiles	149.7	149.6	149.9	148.9
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	152.4	152.4	152.4	151.4
1.3	Chemicals and drugs	127.7	127.7	127.7	127.6
.3	Fertilizer materials	117.7	117.7	117.7	117.5
.3	Fertilizers	119.8	119.8	119.8	115.3
.3	Farm machinery	104.2	104.2	104.2	104.1
100.0	All groups combined	135.0	135.2	134.8	131.0

*Indexes on 1926-1928 base were: Dec. 11, 1943, 105.2; Dec. 4, 105.3; and Dec. 12, 1942, 102.0.

Non-Ferrous Metals - Quicksilver Declines - Antimony Released From Allocations Jan. 1

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

"E. & M. J. Metal and Mineral Markets," in its issue of Dec. 9, stated: "Evidence of an easier supply situation in metals is accumulating. During the last week, WPB announced that antimony is to be freed from allocation beginning with 1944. A movement is on foot to release molybdenum from allocation. Buyers of quicksilver showed comparatively little interest in acquiring the metal for use next year, and the price situation continues easy. The New York market for quicksilver dropped \$2 per flask. Producers believe that the emergency stockpiles in copper and zinc will increase at a higher rate from now on unless some way can be found to divert larger tonnages for civilian consumption." The publication further went on to say in part as follows:

Copper
Excepting that consumers are expected to ask for less copper in January, the industry sees little that is new in the general situation. A cutback in brass production and uncertainty in reference to cancellation of contracts tend to make for a more cautious attitude among fabricators.

During the last week it was announced that the first of the new units at Phelps Dodge's Morenci property started operating Dec. 1. The additional facilities were financed by the Government.

Lead
Books were opened by producers for January shipment lead and sales improved appreciably. The tonnage sold during the last week exceeded the preceding seven-day period by 42%. There were no price developments.

In commenting on the recent meeting of the advisory group, WPB states that production of lead from domestic mines promises to decline in 1944, owing to labor shortages, but every effort will be made to maintain present production. Domestic mine output accounts for about 40% of total consumption, with the deficit made up from imports and secondary lead. Imports may increase somewhat during the coming year, but recovery of secondary lead is likely to be hampered

by labor shortages. A certain degree of control is to be maintained to balance supply and demand.

Zinc

With the war program likely to absorb less zinc after the turn of the year, owing to a scheduled reduction in brass production, the industry looks for the stockpile to grow steadily unless civilian consumption is increased. Whether production will be permitted to decline to offset a contraction in demand depends largely on the Government's views of over-all supply situation, continuation of premium payments, imports and manpower problems, trade authorities believe.

Tin

Exports of tin concentrates from Bolivia have been holding at about the same rate as in 1942, with Patino accounting for roughly one-half of the tonnage shipped. The tin content of concentrates exported during the first 10 months of 1943, with comparable figures for 1942, in metric tons, was as follows:

	Jan.-Oct. 1942	1943
Patino	15,837	16,743
Other producers	17,450	16,452
Totals	33,287	33,195

Straits quality ton for shipment, in cents per pound, follows:

	Dec.	Jan.	Feb.
Dec. 2	52.000	52.000	52.000
Dec. 3	52.000	52.000	52.000
Dec. 4	52.000	52.000	52.000
Dec. 6	52.000	52.000	52.000
Dec. 7	52.000	52.000	52.000
Dec. 8	52.000	52.000	52.000

Chinese, or 99% tin, continued at 51.125¢ per pound.

Antimony

The position of antimony has eased sufficiently to release the metal from allocation, effective

Jan. 1. An amended order (M-112), provides that deliveries of antimony may be made by any person without specific authorization from WPB. However, quarterly reports will be required to permit the Board to observe the position of the metal.

OPA established a base ceiling price of 14½¢ per pound for 99 to 99.8% antimony, to simplify price control in this field by translating the existing "freeze date" ceiling prices into a regulation covering the metal. OPA left undisturbed the customary practice of selling on the basis of Laredo, Texas, plus freight. The price order, effective Dec. 9, leaves quotations unchanged.

A ceiling of 15¢ per pound is set for 99.8% and higher grades of antimony with maximum arsenic content of not more than 0.05% and no other single impurity to be in excess of 0.1%.

Antimony metal that does not meet the standards for 99% and higher grades is to be sold on the basis of 13¼¢ per pound of antimony.

Producers or producers' agents may add one-quarter cent a pound for amounts from 10,000 pounds up to a carload lot; one-half cent a pound for 224 pounds to 10,000 pounds, and 2¢ a pound for amounts less than 224 pounds.

Quicksilver

Quicksilver for immediate delivery was offered in New York at \$190 per flask, a reduction of \$2. Prices named during the last week ranged from \$190 to \$193 per flask, depending on quantity involved. Until more is known on probable demands for early next year, most buyers are limiting purchases to a minimum. Unless consumption continues at a high rate, production of quicksilver will have to be reduced sharply in 1944 to maintain prices, trade authorities contend.

Silver

During the last week the silver market in London has been quiet and unchanged at 23½d. The New York Official for foreign silver was unchanged at 44¾¢.

Daily Prices

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

Calif. Business Declines

Business activity in California in October, as measured by the business index compiled by the Wells Fargo Bank & Union Trust Co. of San Francisco, showed a slight recession from the high level of September. The Bank's October Index, graphed in its current "Business Outlook" was 251.6% of the 1935-39 average as compared with a revised figure of 255.1% in September and 214.1% in October a year ago.

Department store dollar volume in the state in October was 14% greater in October, 1942, according to the index which reports year-to-date sales up 21%. In the same period, inventories were down 4%. Newspaper advertising lineage in four major California cities showed an increase of 18% over October a year ago and a gain of 23% for the January-October period.

Egypt Will Adhere To Atlantic Charter

The Egyptian Government's decision to adhere to the terms of the Atlantic Charter and to proceed with negotiations leading to Egypt's inclusion among the United Nations was recently announced by Premier Mustafa Nahas Pasha.

Daily Average Crude Oil Production For Week Ended Dec. 4, 1943 Declined 29,400 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Dec. 4, 1943 was 4,384,250 barrels, a decrease of 29,400 barrels per day from the preceding week, and 40,850 barrels less than the daily average figure recommended by the Petroleum Administration for War for the month of December, 1943. The current figure, however, was 550,000 barrels per day in excess of production in the week ended Dec. 5, 1942. Daily output for the four weeks ended Dec. 4, 1943 averaged 4,412,200 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,331,000 barrels of crude oil daily and produced 13,325,000 barrels of gasoline; 1,455,000 barrels of kerosine; 4,714,000 barrels of distillate fuel oil, and 8,348,000 barrels of residual fuel oil during the week ended Dec. 4, 1943; and had in storage at the end of that week 71,040,000 barrels of gasoline; 10,889,000 barrels of kerosine; 45,357,000 barrels of distillate fuel, and 61,603,000 barrels of residual fuel oil. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

State	*P. A. W. Recommendations	*State Allowables	Actual Production		4 Weeks Ended	Week Ended
			Week Ended	Change from Previous Week		
Oklahoma	330,000	315,000	322,600	+ 3,200	325,700	363,950
Kansas	285,000	269,800	267,100	- 6,100	277,650	285,950
Nebraska	1,500		11,700		1,700	3,000
Panhandle Texas			90,600	+ 5,100	86,750	92,200
North Texas			143,200	+ 1,300	142,250	135,550
West Texas			356,950	- 2,800	359,050	208,900
East Central Texas			133,650	- 9,300	138,150	99,600
East Texas			369,500	- 6,900	374,650	357,500
Southwest Texas			293,200	- 4,900	296,850	174,200
Coastal Texas			521,100	- 3,500	523,750	312,900
Total Texas	1,892,000	1,888,938	1,908,200	-21,000	1,921,450	1,380,850
North Louisiana			78,700	- 100	78,750	92,750
Coastal Louisiana			274,100	+ 1,900	272,650	223,700
Total Louisiana	353,700	375,700	352,800	+ 1,800	351,400	316,450
Arkansas	76,900	77,891	79,400	+ 950	78,700	74,000
Mississippi	48,000		49,650		49,650	62,500
Illinois	215,000		221,850	+ 3,750	217,700	246,900
Indiana	14,400		12,700	- 800	12,950	16,100
Eastern (Not incl. Ill., Ind. and Ky.)			70,050	+ 200	70,500	68,750
Kentucky	25,500		23,950	- 600	23,550	20,200
Michigan	57,000		50,100	- 3,650	53,650	59,100
Wyoming	100,000		102,550	- 300	101,800	91,950
Montana	23,500		21,300	- 200	21,300	22,600
Colorado	7,000		7,100	- 250	7,300	6,750
New Mexico	110,600	110,600	112,900		112,800	95,800
Total East of Calif.	3,617,100		3,603,950	-29,200	3,627,800	3,114,850
California	808,000	\$808,000	780,300	- 200	784,400	719,400
Total United States	4,425,100		4,384,250	-29,400	4,412,200	3,834,250

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

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m. Dec. 2, 1943. †This is the net basic allowable as of Dec. 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 3 to 12 days, the entire state was ordered shut down for 9 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 9 days shut-down time during the calendar month. †Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED DEC. 4, 1943

(Figures in Thousands of Barrels of 42 Gallons Each)

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

District	Daily Refining Capacity	% Re-Porting	Crude Runs to Still	% Operated	Production		Stocks of Gasoline	Stocks of Fuel Oil	Stocks of Residual Fuel Oil
					Gasoline	Distillate			
District—									
*Combin'd. East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,444	88.7	2,205	90.2	6,558	32,427	23,067	18,195	
Appalachian—									
District No. 1	130	83.9	97	74.6	303	1,614	1,001	149	
District No. 2	47	87.2	47	100.0	147	1,086	90	170	
Ind., Ill., Ky.	824	85.2	787	95.5	2,575	13,653	6,399	2,845	
Okl., Kans., Mo.	416	80.1	342	82.2	1,252	7,045	2,293	1,085	
Rocky Mountain—									
District No. 3	8	26.9	9	112.5	31	66	22	36	
District No. 4	141	58.3	87	61.7	336	1,225	416	732	
California	817	89.9	757	92.7	2,123	13,924	12,069	38,391	
Tot. U. S. B. of M. basis Dec. 4, 1943	4,827	86.4	4,331	89.7	13,325	71,040	45,357	61,603	
Tot. U. S. B. of M. basis Nov. 27, 1943	4,827	86.4	4,261	88.3	12,638	69,980	46,187	62,143	
U. S. Bur. of Mines basis Dec. 5, 1942			3,744		11,040	71,872	49,273	75,980	

*At the request of the Petroleum Administration for War. †Finished, 60,863,000 barrels; unfinished, 10,177,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,455,000 barrels of kerosine, 4,714,000 barrels of gas oil and distillate fuel oil and 8,348,000 barrels of residual fuel oil produced during the week ended Dec. 4, 1943, which compares with 1,417,000 barrels, 4,379,000 barrels and 8,633,000 barrels, respectively, in the preceding week and 1,265,000 barrels, 4,088,000 barrels and 7,246,000 barrels, respectively, in the week ended Dec. 5, 1942.

Notes.—Stocks of kerosine at Dec. 4, 1943 amounted to 10,889,000 barrels, as against 11,257,000 barrels a week earlier and 12,299,000 barrels a year before. District No. 1 inventory indices are: Gasoline, 41.3%; kerosine, 49.4%; gas oil, 66.6%, and residual fuel oil, 75.9% of normal.

Weekly Coal And Coke Production Statistics

The Solid Fuels Administration for War, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended Dec. 4, 1943 is estimated at 12,650,000 net tons, an increase of 200,000 tons over the Thanksgiving week preceding, and compares with 12,700,000 tons produced in the week ended Nov. 20, 1943. Output of soft coal in the week ended Dec. 5, 1942 amounted to 11,331,000 tons. Production for the current year to date was 0.4% in excess of that for the corresponding period last year.

The U. S. Bureau of Mines estimated that the total output of Pennsylvania anthracite for the week ended Dec. 4, 1943 was 1,231,000 tons, a decrease of 30,000 tons (2.4%) from the preceding week. When compared with the production in the corresponding week of 1942 there was, however, an increase of 123,000 tons, or 11.1%. The calendar year to date shows a decrease of 0.7% when compared with the same period last year.

The Bureau of Mines also reported that the estimated output of by-product coke in the United States for the week ended Dec. 4, 1943 showed an increase of 13,400 tons when compared with the production for the week ended Nov. 27, 1943. The quantity of coke from beehive ovens increased 2,200 tons during the same period.

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

Type of Coal	Week Ended		January 1 to Date	
	Dec. 4, 1943	Nov. 27, 1943	Dec. 4, 1943	Dec. 4, 1942
Bituminous coal and lignite	12,650	12,450	541,670	539,681
Total, incl. mine fuel	12,650	12,450	541,670	539,681
Daily average	2,108	2,147	1,889	1,899

*Subject to current adjustment. †Average based on 5.8 days. Nov. 25, Thanksgiving Day, weighted as 0.8 of a normal working day.

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

Type of Coal	Week Ended		Cal. Year to Date	
	Dec. 4, 1943	Nov. 27, 1943	Dec. 4, 1943	Dec. 4, 1942
Penn. anthracite	1,231,000	1,261,000	56,168,000	56,571,000
Total, incl. coll. fuel	1,231,000	1,261,000	56,168,000	56,571,000
Commercial production	1,182,000	1,211,000	53,921,000	54,308,000
By-product coke	1,264,200	1,250,800	58,792,800	57,767,800
United States total	1,264,200	1,250,800	58,792,800	57,767,800
Beehive coke	173,800	171,600	7,395,100	7,719,300
United States total	173,800	171,600	7,395,100	7,719,300

*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 loadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

State	Week Ended					Nov. average
	Nov. 27, 1943	Nov. 20, 1943	Nov. 28, 1942	Nov. 29, 1942	Nov. 27, 1942	
Alabama	426	410	328	341	210	409
Alaska	5	6	6	6	5	6
Arkansas and Oklahoma	104	86	85	86	91	100
Colorado	174	179	167	199	177	236
Georgia and North Carolina	1,514	1,620	1,182	1,316	1,120	1,571
Illinois	572	608	495	597	362	536
Indiana	45	50	72	80	96	128
Kansas and Missouri	207	193	158	164	149	175
Kentucky—Eastern	1,004	960	922	932	568	724
Kentucky—Western	298	308	252	257	178	218
Maryland	31	35	28	41	30	35
Michigan	2	3	6	7	12	26
Montana (bituminous and lignite)	108	134	92	92	80	83
New Mexico	39	37	34	30	29	62
North and South Dakota (lignite)	87	76	75	83	73	85
Ohio	647	713	612	708	433	764
Pennsylvania (bituminous)	2,915	2,973	2,566	2,651	1,525	2,993
Tennessee	155	142	134	145	102	117
Texas (bituminous and lignite)	5	6	9	7	17	29
Utah	143	146	125	115	69	112
Virginia	432	428	382	417	227	217
Washington	40	26	37	41	40	72
West Virginia—Southern	2,375	2,344	2,134	2,288	1,377	1,271
West Virginia—Northern	926	1,002	777	910	418	776
Wyoming	194	214	187	182	134	184
Other Western States	1	1	1	1	1	1
Total bituminous and lignite	12,450	12,700	10,866	11,695	7,520	10,878
Pennsylvania anthracite	1,261	1,207	1,163	838	957	1,896
Total all coal	13,711	13,907	12,029	12,533	8,477	12,774

*Includes operations on the N. & W. C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona, 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.

October Hotel Sales Higher

The December issue of "The Horwath Hotel Accountant," monthly bulletin published by Horwath & Horwath, New York public accountants, reports that all increases in total sales over the same month of last year fall decidedly short both of those in September and the average gains for the year to date. The only figure which does measure up is the percentage of occupancy; the country-wide average for October was 86% while that for the 10 months is 84%. The publication adds:

"The increase in total sales was 19% compared with one of 26% the month before and an average of 30% for the year to date. And none of the cities or sections matched its September sales improvements over last year in any respect except Chicago, which had a larger increase in beverage sales, and Cleveland, which had a bigger one in room sales this month and the same increase in food sales. Actually there is one decline from last year in our October tabulation, and actually it is in the national capital—2% in room sales; minus signs have been completely absent for some time."

OCTOBER, 1943, COMPARED WITH OCTOBER, 1942

City	Sales, Increase or Decrease				Occupancy		Room Rate† Increase or Decr.
	Total	Rooms	Restaurant	Food Beverages	Oct. 1943	Oct. 1942	
New York City	+23%	+21%	+24%	+27%	89%	82%	+11%
Chicago	+17	+11	+25	+23	87	85	+8
Philadelphia	+29	+23	+36	+38	91	83	+12
Washington	+4	-2	+7	+5	91	94	+1
Cleveland	+18	+4	+13	+13	90	80	+10
Detroit	+10	+4	+18	+21	91	90	+3
Pacific Coast	+21	+22	+20	+7	92	84	+11
Texas	+16	+12	+21	+20	87	81	+4
All Others	+19	+11	+26	+25	84	78	+3
Total	+19%	+14%	+24%	+22%	86%	80%	+6%

Year to Date +30% +24% +35% +33% +38% 84% 73% +7%
 †The term "rates" wherever used refers to the average sales per occupied room and not to scheduled rates. *Rooms and restaurant only.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Dec. 13 a summary for the week ended Dec. 4 of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

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

Week Ended Dec. 4, 1943

Category	Total for Week
Odd-Lot Sales by Dealers (Customers' purchases)	16,664
Number of orders	458,895
Number of shares	17,708,126
Dollar value	
Odd-Lot Purchases by Dealers (Customers' Sales)	
Number of Orders:	
Customers' short sales	305
Customers' other sales	16,328
Customers' total sales	16,633
Number of Shares:	
Customers' short sales	8,548
Customers' other sales	423,595
Customers' total sales	432,143
Dollar value	14,445,273
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	20
Other sales	104,630
Total sales	104,650
Round-Lot Purchases by Dealers—	
Number of shares	146,790

*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."

Revenue Freight Car Loadings During Week Ended Dec. 4, 1943 Increased 42,677 Cars

Loading of revenue freight for the week ended Dec. 4, 1943, totaled 362,759 cars, the Association of American Railroads announced on Dec. 9. This was an increase above the corresponding week of 1942 of 103,028 cars, or 13.6%, and an increase over the same week in 1941 of 29,384 cars or 3.5%.

Loading of revenue freight for the week of Dec. 4, increased 42,677 cars, or 5.2% over the preceding week.

Miscellaneous freight loading totaled 392,933 cars, an increase of 24,515 cars above the preceding week, and an increase of 25,929 cars above the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 105,940 cars, an increase of 9,817 cars above the preceding week, and an increase of 16,789 cars above the corresponding week in 1942.

Coal loading amounted to 185,844 cars, an increase of 4,032 cars above the preceding week and an increase of 24,393 cars above the corresponding week in 1942.

Grain and grain products loading totaled 56,351 cars an increase of 5,462 cars above the preceding week and an increase of 12,073 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of Dec. 4, totaled 37,631 cars, an increase of 4,859 cars above the preceding week and an increase of 7,283 cars above the corresponding week in 1942.

Live stock loading amounted to 19,750 cars, an increase of 3,709 cars above the preceding week, and an increase of 1,437 cars above the corresponding week in 1942. In the Western Districts alone loading of live stock for the week of Dec. 4 totaled 14,831 cars, an increase of 2,712 cars above the preceding week, and an increase of 1,039 cars above the corresponding week in 1942.

Forest products loading totaled 46,043 cars, an increase of 4,138 cars above the preceding week and an increase of 6,982 cars above the corresponding week in 1942.

Ore loading amounted to 40,743 cars, a decrease of 8,909 cars below the preceding week but an increase of 14,520 cars above the corresponding week in 1942.

Coke loading amounted to 15,155 cars, a decrease of 87 cars below the preceding week, but an increase of 905 cars above the corresponding week in 1942.

All districts reported increases compared with the corresponding week in 1942. All districts reported increases compared with 1941 except the Eastern.

	1943	1942	1941
5 weeks of January	3,530,849	3,858,479	3,454,409
4 weeks of February	3,055,640	3,122,942	2,866,565
4 weeks of March	3,073,426	3,174,781	3,066,011
4 weeks of April	3,136,253	3,350,996	2,793,630
5 weeks of May	4,149,708	4,170,548	4,160,060
4 weeks of June	3,151,146	3,385,655	3,510,057
5 weeks of July	4,307,406	4,185,135	4,295,457
4 weeks of August	3,554,446	3,487,905	3,581,350
4 weeks of September	3,545,823	3,503,383	3,540,210
5 weeks of October	4,518,244	4,511,609	4,553,007
4 weeks of November	3,304,776	3,236,584	3,423,038
Week of December 4	362,759	759,731	833,375
Total	40,190,476	40,747,748	40,077,169

The following table is a summary of the freight carloading for the separate railroads and systems for the week ended Dec. 4, 1943. During this period 96 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—	1943	1942	1941	1943	1942
Ann Arbor	266	299	631	1,563	1,172
Bangor & Aroostook	2,527	1,719	1,497	252	168
Boston & Maine	7,040	5,788	8,618	15,919	13,588
Chicago, Indianapolis & Louisville	1,464	1,370	1,586	2,208	1,983
Central Indiana	35	20	27	47	47
Central Vermont	1,081	938	1,363	3,127	2,009
Delaware & Hudson	5,870	5,923	5,513	12,536	10,943
Delaware, Lackawanna & Western	8,151	6,757	8,955	10,532	8,794
Detroit & Mackinac	233	397	483	101	137
Detroit, Toledo & Ironton	2,138	1,456	2,537	1,583	1,233
Detroit & Toledo Shore Line	322	283	349	3,806	3,037
Erle	12,713	10,706	14,315	19,194	15,148
Grand Trunk Western	3,820	3,928	5,897	8,787	7,257
Lehigh & Hudson River	176	196	227	2,614	2,280
Lehigh & New England	1,906	1,724	1,811	1,581	1,684
Lehigh Valley	9,447	7,840	8,221	13,683	12,013
Maine Central	2,328	2,003	3,030	3,954	3,079
Monongahela	6,006	5,877	6,128	433	339
Montour	2,613	2,165	1,746	9	17
New York Central Lines	50,882	42,966	50,277	59,742	50,173
N. Y., N. H. & Hartford	9,117	12,332	20,441	15,824	15,824
New York, Ontario & Western	1,131	819	1,017	2,774	2,222
New York, Chicago & St. Louis	6,822	6,678	6,745	16,512	15,190
N. Y., Susquehanna & Western	629	448	565	2,404	1,753
Pittsburgh & Lake Erie	7,718	7,008	8,751	7,831	7,754
Pere Marquette	5,090	4,792	6,804	8,357	5,879
Pittsburgh & Shawmut	809	496	510	17	12
Pittsburgh, Shawmut & North	287	280	362	291	184
Pittsburgh & West Virginia	1,142	821	940	2,934	2,186
Rutland	414	327	580	1,069	824
Wabash	6,475	5,581	6,207	11,724	12,174
Wheeling & Lake Erie	5,045	4,510	4,625	4,528	4,013
Total	165,129	143,232	172,649	240,553	203,116
Allegheny District—	1943	1942	1941	1943	1942
Akron, Canton & Youngstown	812	655	679	1,410	1,104
Baltimore & Ohio	43,321	35,363	39,300	29,606	24,972
Bessemer & Lake Erie	4,511	5,047	5,571	1,552	1,898
Buffalo Creek & Gauley	396	297	303	42	7
Cambria & Indiana	1,678	1,740	1,884	6	7
Central R. R. of New Jersey	7,641	6,696	7,260	20,926	18,182
Cornwall	612	613	567	64	48
Cumberland & Pennsylvania	253	217	346	9	7
Ligonier Valley	175	129	130	31	65
Long Island	1,346	1,179	813	3,229	2,903
Penn-Reading Seashore Lines	1,776	1,884	1,666	2,803	2,007
Pennsylvania System	82,415	68,438	83,384	63,977	55,807
Reading Co.	15,179	13,928	15,228	29,114	24,998
Union (Pittsburgh)	19,994	19,832	19,202	6,394	6,338
Western Maryland	4,392	3,669	4,444	13,549	11,009
Total	184,501	159,687	180,777	172,712	149,338
Poconantas District—	1943	1942	1941	1943	1942
Chesapeake & Ohio	29,921	26,246	27,615	13,155	11,182
Norfolk & Western	23,980	21,069	23,782	7,271	6,277
Virginia	5,028	4,549	4,623	2,569	2,219
Total	58,929	51,864	56,020	22,995	19,678

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Southern District—	1943	1942	1941	1943	1942
Alabama, Tennessee & Northern	287	354	356	333	232
Atl. & W. P.—W. R. R. of Ala.	816	679	879	3,251	2,715
Atlanta, Birmingham & Coast	737	680	796	1,391	1,472
Atlantic Coast Line	13,520	13,614	11,478	11,675	10,289
Central of Georgia	3,802	3,994	4,411	4,458	4,624
Charleston & Western Carolina	390	420	451	1,903	1,360
Clinchfield	1,704	1,549	1,802	3,123	2,924
Columbus & Greenville	274	411	281	248	470
Durham & Southern	117	109	183	741	351
Florida East Coast	2,482	1,766	952	1,355	1,518
Gainesville Midland	46	50	37	96	94
Georgia	1,291	1,217	1,564	3,142	2,499
Georgia & Florida	461	360	427	591	552
Gulf, Mobile & Ohio	4,398	4,040	4,311	4,165	4,944
Illinois Central System	29,300	26,205	26,958	16,432	15,577
Louisville & Nashville	25,767	23,328	24,104	12,564	11,029
Macon, Dublin & Savannah	196	220	182	904	866
Mississippi Central	361	310	137	560	566
Nashville, Chattanooga & St. L.	3,635	2,882	3,452	4,946	4,342
Norfolk Southern	1,088	1,083	1,350	1,896	1,443
Piedmont Northern	450	372	554	1,512	1,280
Richmond, Fred. & Potomac	434	393	451	10,730	10,028
Seaboard Air Line	11,172	10,675	11,453	9,771	8,304
Southern System	23,843	21,108	24,897	25,729	23,210
Tennessee Central	521	409	577	1,273	904
Winston-Salem Southbound	159	114	148	966	837
Total	127,251	116,342	122,191	123,755	112,430

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Northwestern District—	1943	1942	1941	1943	1942
Chicago & North Western	16,073	14,384	18,427	14,561	13,095
Chicago Great Western	2,765	2,330	2,783	3,381	2,937
Chicago, Milw., St. P. & Pac.	22,394	19,237	22,556	10,228	8,994
Chicago, St. Paul, Minn. & Omaha	3,947	3,789	4,475	3,733	3,537
Duluth, Missabe & Iron Range	18,426	6,473	12,625	206	268
Duluth, South Shore & Atlantic	715	523	724	513	570
Elgin, Joliet & Eastern	8,241	7,652	10,861	11,264	9,975
Ft. Dodge, Des Moines & South	390	410	568	132	105
Great Northern	16,431	13,393	15,620	5,350	5,145
Green Bay & Western	550	486	530	790	758
Lake Superior & Ishpeming	773	209	706	68	51
Minneapolis & St. Louis	2,168	1,924	1,989	2,379	2,033
Minn., St. Paul & S. S. M.	6,135	4,758	6,066	2,950	2,802
Northern Pacific	12,023	10,512	11,813	5,251	4,613
Spokane International	117	122	82	688	522
Spokane, Portland & Seattle	2,390	1,815	2,227	3,395	3,148
Total	113,538	88,017	112,052	64,889	58,553

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Central Western District—	1943	1942	1941	1943	1942
Atch., Top. & Santa Fe System	24,416	22,694	23,745	12,133	11,666
Alton	3,254	2,916	3,322	4,174	4,262
Bingham & Garfield	550	603	533	83	114
Chicago, Burlington & Quincy	21,220	18,657	18,845	12,972	10,297
Chicago & Illinois Midland	2,757	2,490	2,672	994	670
Chicago, Rock Island & Pacific	12,521	11,982	13,038	11,402	11,130
Chicago & Eastern Illinois	2,944	2,378	2,809	6,526	3,299
Colorado & Southern	1,192	1,263	1,183	2,087	1,826
Denver & Rio Grande Western	4,425	5,271	3,890	6,119	5,654
Denver & Salt Lake	776	774	682	18	9
Fort Worth & Denver City	880	1,031	1,573	1,551	1,170
Illinois Terminal	2,059	1,507	2,033	1,882	1,204
Missouri-Illinois	1,168	1,049	1,165	536	391
Nevada Northern	1,774	2,052	2,023	123	114
North Western Pacific	930	994	869	758	583
Peoria & Pekin Union	14	32	22	0	0
Southern Pacific (Pacific)	30,989	29,195	26,717	14,270	12,000
Toledo, Peoria & Western	406	272	438	1,828	1,341
Union Pacific System	19,301	18,060	18,413	18,552	14,273
Utah	703	618	513	11	1
Western Pacific	2,444	2,735	2,142	4,407	3,342
Total	135,223	126,573	126,627	100,426	83,346

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Southwestern District—	1943	1942	1941	1943	1942
Burlington-Rock Island	249	166	172	166	

Items About Banks, Trust Companies

Gordon S. Rentschler, Chairman of the Board of The National City Bank of New York, announced on Dec. 14 that the directors had voted to increase the surplus of the bank by \$25,000,000 by the transfer of \$17,500,000 from unallocated reserves and \$7,500,000 from undivided profits account. After this transfer the capital stands unchanged at \$77,500,000, surplus at \$110,000,000, undivided profits account at about \$23,000,000, and there will still remain unallocated reserve values of approximately \$40,000,000. This, it is pointed out, is the second change in the surplus account of The National City Bank this year. On June 9 the board authorized the addition of \$7,500,000 to the account, increasing it from \$77,500,000 to \$85,000,000; this was referred to in our issue of June 17, page 2298.

Frank K. Houston, President of the Chemical Bank & Trust Co., New York City, announces that the Board of Directors on Dec. 9 declared the regular quarterly dividend of 45 cents per share on the capital stock of the bank, payable Jan. 3 to stockholders of record Dec. 15. The directors also approved the payment of a bonus on annual salaries to all officers and employees, amounting to 5% on the first \$5,000, with an additional 3½% on the next \$5,000, and an additional 2% on all salaries above \$10,000. This payment will also be made to officers and employees in military service. The Chemical Bank has paid a Christmas bonus continuously each year, with one exception, since 1870.

At a meeting of the Board of Directors of the Bank of the Manhattan Company, New York City, held Dec. 7, a quarterly dividend at the rate of 20 cents a share and a special dividend at the rate of 10 cents a share on the capital stock of the company were declared, both payable Jan. 3, to stockholders of record on Dec. 16. The transfer books will not be closed.

These are the 332nd and 333rd dividends paid by the Bank of the Manhattan Co. since its organization in 1799.

The annual report to the stockholders by J. Stewart Baker, Chairman of the Board, was referred to in these columns on Dec. 9, page 2313.

At a regular meeting of the Board of Trustees of Central Hanover Bank and Trust Company of New York held on Dec. 7 the following appointments were confirmed: Assistant Secretaries—William B. Nauts, Lloyd P. Roberts; Assistant Treasurers—Francis J. Henkel, James J. Shannon, George A. Wolf; Assistant Manager Foreign Dept.—William A. Johnston.

At the annual meeting of stockholders of the Commercial National Bank and Trust Co. of New York, to be held on Jan. 11, stockholders will be asked to take action upon a proposal to change the present par value of the capital stock of \$100 per share to \$20 per share. There are at present 70,000 shares outstanding, which will become 350,000 shares. This proposed change in par value will not, it is announced, affect the capital account of the bank, which at the last published statement, Oct. 18, 1943, showed capital of \$7,000,000, surplus of \$7,000,000 and undivided profits of \$3,047,000.

Harry E. Ward, Chairman of the Board of Irving Trust Company of New York, announced on Dec. 10 the appointment of Kenneth M. McGhee as Assistant Secretary of the Company. Mr. McGhee is a graduate of the University of Minnesota and the War-

ton School of Finance and Commerce, of the University of Pennsylvania. He is stationed at the Irving's 48th Street office, 48th Street at Rockefeller Plaza.

Arthur S. Kleeman, President of Colonial Trust Company of New York, announces the election of Frederick H. Zimmer as Vice-President. Mr. Zimmer, who is in charge of the 57 William Street office, joined the bank at its organization in 1929 and has been an Assistant Vice-President since 1941.

R. H. Brownell, Vice-President and Real Estate Officer of the Union Square Savings Bank, New York City, has been elected to the bank's Board of Trustees.

The East River Savings Bank of New York announces that Miss Dorcas Campbell, Director of Public Relations, and the Service Departments, has been appointed an Assistant Secretary of the bank.

Norborne P. Gatling, former Vice-President of the Chatham Phenix National Bank & Trust Co., New York City, died on Dec. 9 at his home in Amherst, Va. He was 74 years old.

Born in Raleigh, N. C., Mr. Gatling began his career in the publishing business in Virginia, later joining the Merchants National Bank of Philadelphia as its Southern representative. He came to New York in 1912 as an Assistant Cashier in the Chatham Phenix National Bank, where he remained until his retirement as Vice-President in 1928.

Checks for an 11th and final liquidating dividend of 6.44% were mailed Dec. 11 to Series II shareholders of Bankers Loan & Investment Co., it is announced by Elliott V. Bell, New York, Superintendent of Banks. In addition, a first and final liquidating dividend of 55.24% is to be distributed to the Series I shareholders of this Association. The Bankers Loan and Investment Co. was closed on April 12, 1933. The announcement states: "The dividends now being distributed represent a payment of approximately \$186,230. Including this present dividend, Series II shareholders of the Association have received total dividends of 63.44%, representing a total of \$1,828,494.

"There are 8,500 shareholders of the closed Association, but only 5,600 dividend checks are being mailed out, for the present addresses of approximately 3,000 shareholders are unknown to the Banking Department. The total of unclaimed dividends being held for shareholders of the closed Association is now \$56,300. Of this amount, \$49,873 is represented by 884 items of \$10 and over."

In addition to the regular quarterly dividend of 25 cents a share, an extra dividend of 12½ cents a share was declared by the Board of Directors of the County Trust Co., of White Plains, N. Y., at its December meeting. This dividend is payable Jan. 3 to stockholders of record Dec. 16.

The Washington Irving Trust Co., Port Chester, N. Y., has been granted authorization by the State Banking Department to reduce its capital stock from \$600,000 to \$500,000. The capital will consist of 25,000 shares of common stock having a par value of \$20 each, instead of 10,000 shares of common with a par value of \$10 and 5,000 shares of preferred stock having a par value of \$100.

MacNaughton Miller, Vice-President of the National Commercial Bank and Trust Co., Albany, N. Y., died on Dec. 4 at his home in Albany. Mr. Miller, who was

70 years old, recently celebrated his 50th anniversary in the banking business. He rose from assistant bookkeeper of the National Commercial Bank in 1892 to Vice-President in 1920, a position he held since that time.

The Citizens Bank of Attica, N. Y., has been admitted to membership in the Federal Reserve System, it was announced on Dec. 13 by the Federal Reserve Bank of New York. The new member bank, which was organized in 1911, has total assets in excess of \$1,300,000.

The election of George H. Feltnier as a member of the Board of Directors of the Farmers National Bank, Hudson, N. Y., was announced on Dec. 6.

Dexter P. Rumsey, President of the Erie County Savings Bank, Buffalo, N. Y., announces the election of Reginald B. Taylor and Daniel W. Streeter as Trustees of the bank. Mr. Taylor is Vice-President and Assistant Treasurer of the Sterling Engine Co., and Mr. Streeter is President of the Buffalo Civil Service Commission.

William S. Innis, First Vice-President of the Rhode Island Hospital Trust Co., and the Rhode Island Hospital National Bank, Providence, died on Dec. 2 in that city. He was 51 years old.

A special meeting of stockholders of the First National Bank of Roselle, N. J., will be held on Dec. 27 for the purpose of voting on a proposal to pay a 100% stock dividend, raising the bank's capital stock from \$100,000 to \$200,000. John Dalrymple, President of the bank, said the dividend would be paid out of undivided profits.

The Long Branch Banking Co., Long Branch, N. J., has joined the Federal Reserve System, it was announced on Dec. 7 by the Federal Reserve Bank of New York. The bank was organized in 1872 and on June 30 had total deposits of \$4,300,000. Walton Sherman is President.

Shareholders of the First National Bank of Philadelphia, at the annual meeting on Jan. 11 will vote on a proposal to merge the bank and the First Trust Co. of Philadelphia.

Edward F. Berlinger, President of Quaker City Gear Works, has been elected a director of Northern Trust Co. of Philadelphia.

The First National Bank & Trust Co., Easton, Pa., was closed on Dec. 10 by direction of the Comptroller of the Currency, according to Easton advices to the Philadelphia "Inquirer." Leo T. Crowley, Chairman of the Federal Deposit Insurance Corp., it is stated, announces that depositors whose accounts up to \$5,000 are insured by the FDIC, will receive their funds without delay. Deposit liability of the institution, which was founded in 1851, are estimated at over \$4,000,000, of which about 90% are fully covered by insurance. Francis B. Kelly of the FDIC has been appointed as liquidator of the bank.

Stockholders of the Security Savings & Commercial Bank, Washington, D. C., approved on Dec. 6 a plan to increase the capital stock from \$300,000 to \$500,000. F. G. Addison, Jr., President of the bank, explained that when the plan is completed the bank will have capital of \$500,000, surplus of \$400,000 and undivided profits of about \$100,000. The capital stock plan provides for issuing of rights to buy one share of new stock at \$150 for each three shares now owned. Plans for this change were noted in our Nov. 25 issue, page 2148.

Julien H. Hill, Chairman of the Board of the State-Farmers Bank

and Trust Co., Richmond, Va., died on Dec. 1.

The Kirkwood Bank, Kirkwood, Mo., became a member of the Federal Reserve System on Dec. 10, it is announced by the Federal Reserve Bank of St. Louis. The new member, chartered in 1920, has a capital of \$100,000, surplus of \$20,000, and total resources of \$2,509,600. Its President is E. R. Riemer.

The Security State Bank of Pecos, Texas, was admitted to membership in the Federal Reserve System on Dec. 10.

The Security Trust & Savings Bank of San Diego, Calif., recently observed the 50th anniversary of its founding. The bank operates four branch offices and has deposits in excess of \$25,000,000. The bank's history dates back to November, 1893, when the Blochman Banking Co., forerunner of the present institution, was started by Abraham Blochman with a capital of \$20,000. The end of the first year of business saw \$90,000 on the bank's books—this figure stood at \$27,000,000 at the close of business on Nov. 15, 1943.

Only four men have occupied the President's office during the 50-year history of the institution. Mr. Blochman remained as active head until 1912, when his son Lucien bought out his interest and reorganized the company as the Blochman Banking Co., later changed to Security Commercial & Savings Bank. He was President until 1917 when he was succeeded by Willet S. Dorland, who came to the bank as cashier in 1913. Upon Mr. Dorland's retirement, Charles H. Martin, present head, assumed direction in 1927. Mr. Martin, in association with Claus Speckels, Hamilton Lindley and other prominent San Diegans, had purchased the controlling interest in the institution early in February of that year.

According to cable advices received at the office of the New York Agent, Directors of Barclays Bank, Ltd., London, has recommended final dividends of 4% actual on the cumulative preference stock and 3½% actual on the "A" stock and "B" shares, thus making a total distribution for the financial year ending Sept. 30, 1943, of 8% per annum on the preference stock and 6½% per annum on the "A" stock and "B" shares, subject to deduction of British income tax in each case, adjusted in relation to taxes payable in the British territories overseas where the bank operates. The dividends now declared are the same as for the year 1942 and are payable Dec. 30, 1943.

Barclays Bank (Dominion, Colonial and Overseas) operates in South, East and West Africa, Egypt, and The Sudan, Palestine, the Mediterranean and the British West Indies.

From Washington

(Continued from first page)

so. We can leave aside any high-minded objections they had on constitutional grounds and let it go on the grounds that they were fearful, to say the very least, that the next Presidential election was headed for a contest either in the Supreme Court or in the House. They were fearful, too, and justifiably so, that the proposal made for a gigantic stealing of the election. Regardless of their fears, it would seem to an objective observer, that there is certainly an awful mess ahead regardless of how the matter is subsequently worked out, if the millions in the armed forces are to be brought into the campaign. Assuming that Mr. Roosevelt is the New Deal candidate, would the Republican Presidential candidate, and the opponents of the present Congressional incumbents, Democrat or Republican, be permitted to

tour the battlefields and tell the soldiers about themselves and what they stand for. Mr. Roosevelt very likely would take off at the last minute for a global inspection trip. Would his rival be permitted to go along with him? Or should there be a gentleman's agreement that everybody stay at home and let the election turn on an "agin" vote. You are either for the incumbents, Presidential and Congressional, or you aren't. Personally, I don't see why the "outs" wouldn't be willing to take it on this basis, but it would be an awful way to have an election.

Briefly, it is difficult to imagine anything more demoralizing to our troops than to throw them into the campaign. It is easy to visualize one candidate making the promise that if he is elected he will vote immediately to bring them home. Stalin had an experience in mixing politics with his troops. They were utterly hamstrung in their earlier Finnish campaign by the activity of the political commissars who went right along with the military officers. Stalin got wise and withdrew the political commissars and his troops have been doing better ever since.

But to get back to the Republican Senators, this writer does not intend to vote for the bill after it had been made as near fraud proof as possible. Those that voted against it did so after the insurrection developed on the part of the Southern Democrats.

Out of this the CIO Political Action Committee prepared a speech for Senator Guffey charging there had been an "unholy alliance" of Southern Democrats and Northern Republicans. There is not the slightest base for this charge as a check of the vote will reveal. Nevertheless, the radical commentators and the Communists have jumped to the guns with the Action Committee, which is Communist-tinged and dominated by Eastern European ideology, and together they are stirring up an awful agitation. The armed forces, from the letters pouring in on the Congressmen, have become excited. There is a strong feeling on Capitol Hill now that, Constitution or no Constitution, demoralization of the troops or no demoralization; the Federal Government must provide a way for the armed forces to vote.

The plain fact is that outside of the Solid South, with one exception, there is no reason why the State Legislatures cannot be called into extra session and take care of the matter. The one exception is Kentucky which would have to amend its Constitution. The soldier vote in the other Southern States would have no effect on the Presidential elections anyway inasmuch as they are conceded to the Democrats, and the Presidential election seems to be all the agitators are concerned about.

But regardless of whether it's done on Constitutional or unconstitutional grounds, if the next campaign is to be carried to the armed forces we are in for an awful mess. It might be noted that there are a lot of veterans of the last war who recall having been "denied their right to vote." Didn't squawk about it either.

Portland (Ore.) Joint Stk. Land Bank Dividend

George B. Guthrie, receiver of the Oregon - Washington Joint Stock Land Bank of Portland, announces that a further dividend equal to 10% of the outstanding principal of farm loan bonds and unmatured interest accrued thereon up to April 30, 1936, has been declared as of the close of business Dec. 1. The dividend, distributed from the proceeds derived from the liquidation of pledged assets of the bank, is payable only to persons who have proved and filed claims against the bank.