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The Financial Situation

It now begins to appear quite possible that "reconversion," about which so much has been written and said during the past year, may be a thing quite different from what most people have imagined. For a good while after discussion of the problems likely to surround the task of getting back to a peace basis commenced, it was for the most part assumed that peace would come about as suddenly as war fell upon us, and that we should be about as unready to return industry to the production of peace time goods as we had been to "convert" to the production of planes, tanks, guns, and the rest. Then it began to appear likely that the war would be over in Europe some considerable period of time before it ended in the East. Ideas about "reconversion" were altered accordingly, upon the assumption that to carry on the war against Japan, once Germany and Italy were out of it, would not, no matter how vigorously we proceeded with the task, require the entire force and strength of American industry—the less so since we, along with our Allies, should meanwhile have built large "stock piles" of all sorts.

"Reconversion" Now

Now it appears that in a real sense, reconversion has already begun. "Cutbacks" in various directions, and downward revisions of calculated needs in many others, have not been fully offset by "raised sights" in other fields with the result that the schedule of war production in toto is not as great as originally expected, and may be more substantially below that figure than is now generally realized. There can not be very much doubt that the authorities are very reluctant to call such matters to the attention of the public—probably lest the "complacency" so much feared in official quarters be encouraged. Some of the general statements

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From Washington Ahead Of The News

By CARLISLE BARGERON

Our first reaction to Mr. Roosevelt's return from Cairo, Teheran and intermediate stops, was that he always seems unduly impressed by the extensive arrangements which have to be made to insure his personal safety. For example, when he returned from Casablanca the thing he seemed to want most to talk about was the various devices the Secret Service men took.

Then when he returns from his recent trip the main thing he has to tell the waiting public was of the discovery of a plot on the part of the Germans to capture him, Churchill and Stalin. Mr. Stalin's men discovered the plot and although Mr. Roosevelt emphasized he didn't take it too seriously, Mr. Stalin was very much perturbed and insisted that Mr. Roosevelt come and stay in the Russian embassy.

We took this at first as but another example of how the relatively little things of these momentous and historic gatherings seem to impress Mr. Roosevelt most. But ah, in this instance, it had a deeper and graver significance, we are now being assured Mr. Roosevelt, we are assured, deliberately put out this story to ward off criticism for his having lived in the Russian embassy. We had heard of no such criticism, and we doubt that any was coming up. As we understand it, the American people have finally been taught to be so grateful to Stalin that they measure their own public servants and those seeking to become their public servants by the cordiality of their relations with the Soviet boss. But presumably there are those who thought otherwise. And it is a fact that among our alien minded vote there are a lot of pitfalls for the Fourth Term campaign which did not exist for the Third Term one. The lines were fairly well defined then.

This time, Mr. Roosevelt's political ill-wishers are in high glee over what his wooing of Stalin at the expense of Poland is likely to do to him among the Polish-American vote. He had this vote last time. Willkie, on the other hand, had the Italian-American vote. In '44 this latter vote is expected to go to the President, but to exact a high price for their relatives back home in doing so. Already the Allied Military Government is showing a disposition to handle the conquered Italians with kid gloves. We are apparently in for the spectacle of a vanquished nation, that part of it which we have, sitting amazingly pretty. These people haven't had any voice in their own country but they have one in ours, and it may be expected that in the next few months they will cash in on it heavily.

It's a commentary on something or other.

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Financing The War And Post-War Readjustment Discussed By Under Secretary Of Treasury Bell

Daniel W. Bell, Under Secretary of the Treasury, declared on Dec. 16 that the greatest task of economic statesmanship in the post-war world will be "to help society achieve more fully the promise of abundance implicit in our capacity to produce, to help maintain output and employment at a level more nearly corresponding to our true productive potential, and to secure this at a price that a peaceful democracy can pay."

Daniel W. Bell

Speaking before the Worcester (Mass.) Economic Club, on "Financing the War and the Post-War Readjustment," Mr. Bell asserted that while "it is clear that the money costs of the war should be met as far as possible by taxes, and so be paid for once and for all by today's civilians at the same time that the men in the services are paying their much higher price in human cost on the fighting fronts, exceptions from this rule should be permitted only when clearly justified by special circumstances."

Mr. Bell pointed out that "there are a number of these special circumstances, and it is because of them that the Treasury Department has never recommended to Congress that the whole cost of the war should be paid for out of current taxation." "But," he went on to say, "it is these exceptions, and not the general rule, which need special justification; and I should like to explain to you tonight, not why the Treasury has recommended to Congress additional taxes, which if enacted would only provide sufficient revenue to cover about one-half of total Federal expenditures, but rather why it has not asked for taxes to cover the full cost."

Continuing, Mr. Bell said:

"The use of borrowing, to the extent that it is justified by special circumstances, makes for a smoother working of our war economy than would the exclusive use of taxation. What are these circumstances under which borrowing is thus the superior instrument of war finance?

"In the first place, the burden of a tax—or of any other compulsory levy, even if it is subsequently reimbursable—must be levied according to fixed rules. These rules can take but little account of individual circumstances. It requires considerable time for many individuals to adjust their living standards and commitments to the new and lower levels which would be dictated by all-out wartime taxation.

"While some individuals are revising their living standards downward, other individuals, whose incomes have been increased by the war to levels considerably above those required to meet their former standards of living, are ready and willing to lend a substantial proportion of their increased incomes to the Government in order to insure their future security.

"Ultimately, if the war should last long enough, these adjustments might be continued under a steadily increasing burden of taxation until each person's standard of living and financial commitments had become adjusted to his place in the war economy. This is unlikely to occur, except in a very long war; and, in the meantime, a considerable proportion of the total war cost must be borrowed in order to avoid unnecessary disruption in the economy.

"In the next place, the magnitude of our war effort is fixed by our full gross product, rather than by our net national income. This means that during war-time replacements and repairs on plant and equipment must be postponed, as far as possible, so that the manpower and materials which they would otherwise have absorbed can be thrown into the war effort. Producers, as well as consumers, are asked by their Government to 'Use it up; wear it out; make it do, or do without.'

"This means that during the war period the capital assets of most business firms are wearing out more rapidly than they are being replaced, and the depreciation reserves set aside to offset this wear and tear are piling up in cash. At the same time the

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GENERAL CONTENTS

W. Randolph Burgess Analyzes Human Side Of Inflation

Sees Savings Minded Attitude Of People Explaining Why Prices Have Risen No Faster—Urges Reduction Of Inflationary Gap By Taxes, Government Economy, Etc.

"The human side of the bond campaign in which we are privileged to have a part," was dwelt upon in an address on Dec. 3 by W. Randolph Burgess, Vice-President of the American Bankers Association and Vice-Chairman of the Board The National City Bank of New York, who went on to state that "it provides opportunity for public expression of the noblest emotions and ideals of the people."

W. R. Burgess

Mr. Burgess' remarks were made before the Chicago District of the Illinois Bankers Association, at which time he took occasion to state that "there was, and there still is, grave danger of inflation; yet so far the inflation has been less than we had every reason to expect." Mr. Burgess pointed to "the interesting and curious fact" that today so many people are saving money instead of spending it." "Good estimates," he said, "place the peole's savings today at an annual rate not far from $40,000,000,000"; and "this," he stated, "is the basic reason prices have risen no faster." The speaker observed that "in World War I the greatest inflation came after the war," and in asking "what ought to be done about all this?" he noted that "we ought to keep down the mechanical causes of inflation as much as possible, reduce the inflationary gap by taxes, by Government economy, by encouraging production of civilian goods as promptly as feasible." And he also reminded his hearers that "... we as bankers.... have at our hands the greatest instrument there is for the encouragement of a savings habit of mind among the people," viz., "the sale of Govern-

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The State Of Trade

The heavy industries showed declines generally last week. Electric production was a strong exception, however, reaching another historic peak. The retail trade also made a disappointing showing last week, a number of causes contributing to the declines that were shown. Advance buying in November, a growing shortage in gift lines and the severe cold wave were contributing factors in the drop in sales, authoritative sources state.

The production of electricity reached a second successive historic peak in the week ended Dec. 11, totaling 4,566,905,000 kilowatt hours, against 4,560,158,000 in the preceding period, according to the Edison Electric Institute. This was 16% above the year-ago total of 3,937,524,000 and represented the smallest year to year gain since Sept. 18.

Consolidated Edison Co. of New York reports system output of 223,800,000 kilowatt hours, an increase of 37.7% over the year-ago total of 162,600,000. Local distribution was 220,500,000, against 160,000,000.

Carloadings of revenue freight for the week ended Dec. 11 totaled 823,211 cars, according to the Association of American Railroads. This was a decrease of 39,548 cars from the preceding week this year, 79,028 cars more than the corresponding week in 1942 and 15,986 cars above the same period two years ago.

This total was 123.70% of average loadings for the corresponding week of the ten preceding years.

Owing to observance of the Christmas holiday by some plants, steel ingot production in the United States will decline to 93% of capacity this week, against 99.3% last week, according to the American Iron & Steel Institute.

At 93%, output of ingots and castings would be 1,620,900 net tons for the week, compared with 1,730,700 in the preceding week and 1,678,200 tons in the 1942 Christmas week.

For the first time in three years American steel plants are making plans to permit workers time off for the observance of the Christmas holiday, reflecting lessened urgency of certain phases of the steel war production program, it was learned recently.

At Pittsburgh, largest producing center, ingot production will be cut back to 92% of rated capacity, the low of the year. The district finished last week at 97 against the previously scheduled rate of 102.5 and operations at 103.5% a month ago. Many finishing departments as well as open hearth furnaces, it was reported, will be included in the holiday curtailment.

In the meantime, steel producers report that they are getting more cut-backs in war orders and have reached the point where they are able to ship more material to civilian customers if permitted to do so. Steelmakers, however, are advising customers for sheets and some other materials to get priorities from the War Production Board. So far as can be ascertained, no such priorities have been granted.

Department store sales on a country-wide basis were down 1% for the week ended Dec. 11, compared with the like week a year ago, according to weekly figures released by the Federal Reserve System. Sales for the four weeks ended Dec. 11 were up 9%, compared with the like period last year.

Business in New York City's department stores has been running at levels well under a year ago during the last two weeks. The decrease in the week ended Dec. 18 was 11%, according to preliminary figures issued by the New York Federal Reserve Bank. The decline in the previous week ended Dec. 11, was 7%, according to revised figures issued by the bank.

Merchants are at a loss to explain the severity of the drop to business. They realize that a good part of the holiday buying had been moved ahead into November, making it the best November in history for many stores. The November gain in dollar sales over the comparative 1942 month was 20%, according to the Federal Reserve Bank.

Business this week, however, undoubtedly will show an increase, inasmuch as there are five business days before Christmas, whereas in the comparative week a year ago there were four days before Christmas. Moreover, most stores were closed on the Saturday after Christmas last year, which means that there will be an extra business day this week. This combination should make for an increase, but merchants hesitate at this time to guess whether it will be enough to put business ahead of a year ago for the Christmas period.

McCormack Charges Bricker With "Playing Politics"

Representative McCormack of Massachusetts, Democratic leader in the House, on Dec. 14 accused Gov. John W. Bricker of Ohio, a candidate for the Republican Presidential nomination, of "playing politics" while, he said, President Roosevelt "is brilliantly and courageously performing his grave task of winning the war."

Mr. McCormack's views were given out in a statement relating to Governor Bricker's speech on Dec. 11 in New York before the Pennsylvania Society of New York, which address was given in our issue of Dec. 16, page 2413.

The following regarding Mr. McCormack's statement was reported in Associated Press Washington advices of Dec. 14:

He [Mr. McCormack] called that speech Governor Bricker's "first Presidential effort" and assailed it as "nothing but petty criticism based on incorrect premises, an expression of slogans and high-sounding phrases."

He asserted that the speech "shows he has only one policy—attack everything that President Roosevelt has done."

"As a matter of fact," he added, "that is the only policy, outside of Mr. Willkie's, that all actual and prospective candidates for the Republican nomination have."

Mr. McCormack referred to Governor Bricker as "a consistent isolationist" and "still an isolationist," and stated:

"It was a speech designed only to please the big interests who control and run the Republican Party. . . .

"The group that controlled the Republican National Convention in 1920 and nominated a safe man in the late President Harding, are out to do the same thing in 1944. They feel they are in the saddle again. With the war on they are engaging in the most vicious type of politics, preparing to spend many millions of dollars to smear President Roosevelt. . . . While this group has not as yet selected its man to support in the coming Republican convention, such a plan is definitely under way."

Extend Time Limit For Pearl Harbor Trials

A resolution extending for a period of six months after the cessation of hostilities with Japan the time limit affecting the prosecution of military or civil persons who were deemed derelict in their duty at Pearl Harbor was passed by the Senate on Dec. 7. The legislation was approved by the House on Dec. 6 for a one-year period but the Senate amendment, reducing the time to six months, was accepted by the House on Dec. 7.

The measure, sponsored by Representative Short (Rep., Mo.), preserves the right to court-martial or prosecute any persons connected with the Pearl Harbor disaster of Dec. 7, 1941. This measure was enacted because the statute of limitations, wherein such prosecutions must commence, was due to expire.

It was stated in Washington advices Dec. 6 to the New York "Times" that Admiral H. E. Kimmel and General Walter C. Short (who had charge of operations at Pearl Harbor) and others had long since waived the statute of limitations, Representative Short reminded the House, but the question as to whether this waiver might at some future date be claimed invalid inspired the introduction of the legislation.

Rail Unions Set Strike For Dec. 30—Overtime Plan Rejected

The five railroad operating unions, representing approximately 350,000 workers, and leaders of the 15 non-operating railway labor unions, representing 1,100,000 employees, on Dec. 15 and Dec. 21, respectively, voted to set Dec. 30 as the date for a nationwide railway strike, Associated Press dispatches state. The operating brotherhoods this week rejected a plan put forward by President Roosevelt as a basis for settlement of the wage dispute. This plan was based on overtime pay, after 40 hours. About 97.7% of the members of the Big Five and 98% of the members of the 15 non-operating unions have voted in favor of the walkout.

Representatives of the operating unions, according to dispatches, have appointed a subcommittee to draft counter-proposals expected to include demands for vacation pay, lay-over expenses at terminals away from home, and pay at the rate of time and one-half for work over 40 hours in a week.

Setting a joint nationwide walkout date for the third time in history, the Big Five established Dec. 30 and the three succeeding days for a "progressive strike" which the National Mediation Board immediately sought to prevent, the dispatches added.

The operating employees have asked wage increases of 30% in proceedings which began last January, and object to an award by the Emergency Board for increases of four cents an hour under the "Little Steel" formula, which permits increases only up to 15% above the Jan. 1, 1941, level. The non-operating employees had been awaiting final Congressional action on a resolution which would have given them a raise of eight cents an hour,—the same amount vetoed by Stabilization Director Vinson after it was recommended last May by an Emergency Board.

NYU Offers Courses On Fed. Income Taxes

Problems arising in the preparation of Federal tax returns on 1943 incomes will be considered in two short evening courses which will begin at New York University the last week of December, it was announced on Dec. 18 by Paul A. McGhee, acting director of the University's Division of General Education. Intended primarily for accountants, attorneys and corporate executives, these courses have been scheduled so that they will be completed before March 15, the last date for filing Federal tax returns.

One of the courses, to be held Monday evenings beginning Dec. 27, will be exclusively devoted to excess profits taxes. It will be conducted by J. K. Lasser, certified public accountant, author of several works on tax problems, and Chairman of New York University's Institute on Federal Taxation.

The other course, scheduled to begin Dec. 30, will be given by David B. Chase, member of the New Jersey bar and author of "Your Personal Income Tax Guide." Mr. Chase will discuss income taxes from the point of view of the various functions which produce income subject to tax.

Peacetime vs. Wartime Business

"For more than three years American industry has been living in an artificial atmosphere, and during the past two years that has been largely true of almost all kinds of business. The chief characteristic of the period has been that the demand for almost everything has exceeded the supply. As a result there have developed shortages of labor and of housing, of materials and of fabricating capacity, of transportation and of fuel. Almost everything has become scarce except money.

"During the past two war years large sections of American business have had only one important customer, and that was the government. It has bought goods and services in huge amounts, and it has paid whatever prices were necessary to obtain speed and quantity. Its payments have been so huge that they have affected every kind of business activity. Now we are experiencing a business boom exceeding in intensity any period of that sort that we have ever had in our previous history. Like all war booms it is different in character from peacetime prosperities.

"There are records in Washington showing the numbers of man hours required in different plants to produce the same sorts of ships and weapons, planes, and engines. The differences in efficiency are almost incredible. Many plants produce several times as much per worker as do others making the same products. The government buys the outputs of the efficient makers and those of the inefficient ones alike because it has to have the munitions. Peacetime competition has no customers like that, and before long we are going to make a partial return to peacetime competition."—The Cleveland Trust Company.

If only the powers that be understood this situation as well as the business community does.

Kuhn, Loeb Position On Competitive Bidding Explained To ICC

Kuhn, Loeb & Co. of New York, investment bankers, wrote on Dec. 14 to J. Haddon Alldredge, Chairman of the Interstate Commerce Commission, that they were not bidding competitively now on public utility issues of securities, although they had done so in the past, "because the number of bidders for competitive issues will inevitably be reduced and the prices offered for such issues lowered in conformity with the increased risk involved." The fewer bidders, they said, would result from "difficult market conditions."

In indicating this, a Washington dispatch, Dec. 14, to the New York "Times" further said:

The bankers wrote to deny charges made by Robert J. Bulkley, counsel for Halsey, Stuart & Co. of Chicago, made in a letter to the Commission early this month, that "major Eastern investment banking houses" had staged a "sit-down strike" against the recent competitive offering of $15,000,000 of bonds of the Atlanta & Charlotte Air Line Railway Co. The letter charged, moreover, that these houses "deliberately refrained from bidding in the hope that the sale would be a failure."

Kuhn, Loeb & Co. denied flatly that they had refrained from bidding on this specific issue in the hope that it would be a failure, stating that as a matter of policy they never bid on competitively offered railway issues.

Despite their feeling that compulsory competitive bidding for such issues "would not be in the public interest or in the interest of the railroads, the investors or the security dealers," the bankers added:

"We believe that any railroad should have the right to sell securities by competitive bidding if it so desires. We, therefore, had no reason to hope that the recent sale of Atlanta & Charlotte bonds would be a failure. We would have preferred to see it a success, even from a purely selfish standpoint, because of the beneficial effect of successful sales on general railroad credit."

Kuhn, Loeb & Co. said they had not been bidders for three utility issues marketed competitively since Nov. 15.

In a further letter to Mr. Alldredge, on Dec. 15, Mr. Bulkley described Kuhn, Loeb's letter as a confirmation of his charges, according to a New York "Times" Washington dispatch, which went on to say:

"Writing to Mr. Alldredge, Mr. Bulkley said that Kuhn, Loeb's statement that it never bid for railroad bonds offered competitively, although it sometimes bid for utility bonds on that basis, constituted confirmation of his charge that Kuhn, Loeb and other New York firms purposely stayed out of the Atlanta & Charlotte bidding in the hope that the marketing of the issue would fail.

"Mr. Bulkley told the Chairman that the point of his earlier letter, answered by Kuhn, Loeb, was that 'the New York banking houses of the group which usually participates in Morgan and Kuhn, Loeb railroad underwritings now compete freely for public utility issues offered under the SEC rule requiring competitive bidding but refrain from competing for railroad securities because of their continuing hope that they can persuade your Commission that competitive bidding is not practicable.'"

Bill For United Nations (World) Bank For Reconstruction And Development Introduced

Treasury's Outline Of Proposal

Congressional action toward the creation of the proposed world bank has been brought under way with the introduction in the House by Representative Patman of Texas (Dem.) of a bill calling for the establishment of a United Nations' Bank for post-war reconstruction and development with an authorized capital of $10,000,000,000. Associated Press advices from Washington Dec. 17 reported that the United States would appropriate "such amounts as may be necessary to enable it to subscribe for such number of shares as may be appropriate, taking into account the national income and international trade of the nation and other relevant factors."

The Treasury Department's tentative draft of a plan for a United Nations Bank for Reconstruction and Development was made public by the Department on Nov. 23, and in a reference thereto in our issue of Nov. 25, page 2125, it was indicated that announcement had been made by Secretary Morgenthau that the draft was then being sent to the Foreign Ministers of the various countries for consideration.

The Treasury's preliminary draft outline of the proposed bank has since come to us, and we are making room here for the Nov. 23 statement of Mr. Morgenthau, the outline of the proposal, and a memorandum bearing on the resumption, with the return to peace, of long-term international investment. These several emissions by the Treasury Department follow:

Statement by Sec. Morgenthau

"When the Treasury made public the tentative proposal for an International Stabilization Fund, I said that we were studying means of encouraging and facilitating international investment for reconstruction and development. A few weeks ago I appeared before the Congressional Committees and summarized for them the principles which we believe should guide us in the establishment of a United Nations Bank for Reconstruction and Development.

"The technical staffs of the Treasury and other interested departments and agencies have now prepared a tentative proposal for such a Bank. This tentative proposal is being sent to the Finance Ministers of the United Nations and the countries associated with them, for consideration and for study by their technical staffs. The Finance Ministers have been informed that this tentative proposal does not represent the official views of this Government but it is an indication of the views held by our technical staffs.

"We are releasing for publication the tentative proposal for a United Nations Bank for Reconstruction and Development and a covering memorandum on the problem of international investment. These two documents, sent to the Finance Ministers, are being released to make them available for public discussion. It is our intention to discuss the tentative proposal with business, banking and other interested groups in this country.

"The technical staffs of the Treasury and other departments of this Government are of the opinion that an International Stabilization Fund and a Bank for Reconstruction and Development could help provide a sound financial foundation on which private enterprise can build a prosperous world economy.

A United Nations Bank For Reconstruction and Development

"One of the important international economic and financial problems which will confront the United Nations at the end of the war will be the unprecedented need for foreign capital. In the areas devastated by war or plundered and ravaged by the enemy, factories and mines, public utilities and railroads, public buildings and public works will have to be repaired or restored. In all of the United Nations, industries now producing war goods will require capital for reconversion to peacetime production. Finally, in many areas of the world, large investment will be needed for industrial, agricultural and commercial development.

"Countries whose productive capacity has been seriously impaired by war will find that their industries cannot provide the capital goods and their people cannot provide the savings they require for reconstruction. Most non-industrial countries will of necessity be dependent upon foreign investment to acquire the funds for the purchase of machinery, equipment, and other capital goods for development. And even in those countries where a considerable part of the need for capital can be met locally, there will be some need for foreign capital to supplement the funds that can be raised at home.

"With the return of an assured peace, private financial agencies may be expected to supply most of the needed short-term foreign capital. When the shipping situation is improved and peacetime industry here and abroad has recovered, many business firms will be eager to sell their products abroad on reasonable and even generous credit terms. And banks likewise will hasten to expand their foreign business, reopening and establishing branches abroad, and assisting in the financing of international trade.

"It is not unreasonable to hope that with the return of peace there will also be a gradual resumption of long-term international investment, particularly in the form of the establishment of foreign branch plants and the acquisition of shares in established foreign enterprises. With the growth of confidence in monetary stability, foreign investments will gradually assume the form of publicly floated loans to governments and municipalities, and to public utilities and other industries.

"This flow of private capital to war stricken countries will be encouraged by an adequate program of international relief and rehabilitation which helps to quickly restore to a working basis the economic life of those countries. Another, and possibly even more important, stimulant to foreign investments, would be the existence of an international agency, such as the International Stabilization Fund, designed to promote stability of foreign exchange rates and freedom from restrictions on the withdrawal of earnings. Such an agency could do much to enhance the attractiveness of foreign investments.

"While there will undoubtedly be substantial amounts of long-term foreign investment even in the early post-war period, the flow of capital to countries greatly in need of foreign capital is likely to be inadequate for many years to come. Private capital will understandingly hesitate to venture abroad in anything like the required volume. It has suffered too many losses from war, from depreciating currencies, from exchange restrictions, and from business failures and defaults. There is little evidence to justify the hope that in the years immediately after the war investors will lend the large sums that can be economically used in foreign countries.

"Obviously, it would be desirable to encourage in every way, the provision of capital for productive purposes through the usual private investment channels, and to the extent that private investment is inadequate, to provide supplemental facilities. The problem is fundamentally an international problem and only an international governmental agency equipped with broad powers and large resources can effectively encourage private capital to flow abroad in adequate amounts and provide a part of the capital not otherwise available.

"The primary aim of such an agency should be to encourage private capital to go abroad for productive investment by sharing the risks of private investors and by participating with private investors in large ventures. The provision of some of the capital needed for reconstruction and development, where private capital is unable to take the risk, is intended to remain secondary in the operations of such an agency. It should, of course, scrupulously avoid undertaking loans that private investors are willing to make on reasonable terms. It should perform only that part of the task which private capital cannot do alone.

"The need for foreign capital will be so great and the provision of adequate capital so important that it would be extremely short-sighted to neglect this urgent international problem. If private capital should suffice there would then be little for an international agency to do, beyond encouraging private investment. If, however, private capital were to prove unable fully to meet the needs, then such an international agency would be able to fill the breach until private capital again flowed freely and the demand for foreign capital throughout the world became less urgent.

"It is imperative that we recognize that the investment of productive capital in undeveloped and in capital-needy countries means not only that those countries will be able to supply at lower costs more of the goods the world needs, but that they will at the same time become better markets for the world's goods. By investing in countries in need of capital, the lending countries, therefore, help themselves as well as the borrowing countries. If the capital made available to foreign countries would not otherwise have been currently employed, and if it is used for productive purposes, then the whole world is truly the gainer. Foreign trade everywhere will be increased; the real cost of producing the goods the world consumes will be lowered; and the economic well-being of the borrowing and lending countries will be raised.

"One great contribution that the United Nations can make to sustained peace and world-wide prosperity is to make certain that adequate capital is available on reasonable terms for productive uses in capital-poor countries. With abundant capital, the devastated countries can move steadily toward rehabilitation and a constantly improving standard of living. Nothing could be more conducive to political stability and to international collaboration. Without adequate supplies of capital, however, recovery in Europe and Asia will be slow and sporadic; and economic discontent and international bitterness will in time assume disturbing proportions. To spend hundreds of billions to fight a war thrust upon us, and then to balk at investing a few billions to help assure peace and prosperity would appear to be a singularly unwise policy.

"Accompanying this memorandum is a draft proposal for a Bank for Reconstruction and Development of the United and Associated Nations. The draft was prepared by the technical staff of the United States Treasury in consultation with the technical staffs of other departments of this Government. The proposal has neither official status nor the approval of any department of this Government. It is in outline form touching on the more important points and is intended only to stimulate thoughtful discussion of the problem in the hope that such discussion will call forth constructive criticism, suggestions, and alternative proposals for possible later submission to the appropriate authorities and to the public.

"A United Nations Bank for Reconstruction and Development is proposed as another international agency needed to help attain and maintain world-wide prosperity after the war. It is designed as a companion agency to an International Stabilization Fund. Each agency could stand and function effectively without the other; but the establishment of such a Bank would make easier the task of an International Stabilization Fund, and the successful operation of an International Stabilization Fund would enhance the effectiveness of the bank. Together, the two institutions could help provide a sound financial foundation on which private enterprise can build a prosperous world economy.

"HENRY MORGENTHAU, JR.,
"Secretary of the Treasury.
"Washington, D. C., November, 1943."

Preliminary Draft Otuline Of A Proposal For A United National Bank For Reconstruction And Development

Preamble

1. The provision of foreign capital will be one of the important international economic and financial problems of the post-war period. Many countries will require capital for reconstruction, for the conversion of their industries to peacetime needs, and for the development of their productive resources. Others will find that foreign investment provides a growing market for their goods. Sound international investment can be of immense benefit to the lending as well as to the borrowing countries.

2. Even in the early post-war years it may be hoped that a considerable part of the capital for international investment will be provided through private investment channels. It will undoubtedly be necessary, however, to encourage private investment by assuming some of the risks that will be especially large immediately after the war and to supplement private investment with capital provided through international cooperation. The United Nations Bank for Reconstruction and Development is proposed as a permanent institution to encourage and facilitate international investment for sound and productive purposes.

3. The Bank is intended to cooperate with private financial agencies in making available long-term capital for reconstruction and development and to supplement such investment where private agencies are unable to meet fully the legitimate needs for capital for productive purposes. The Bank would make no loans or investments that could be secured from private investors on reasonable terms. The principal function of the Bank would be to guarantee and participate in loans made by private investment agencies and to lend directly from its own resources whatever additional capital may be needed. The facilities of the Bank would be available only for approved governmental and industrial projects which have been guaranteed by national governments. Operating under these principles, the bank should be a powerful factor in encouraging the provision of private capital for international investment.

4. By making certain that capital is available for productive uses on reasonable terms, the Bank can make an important contribution to enduring peace and prosperity. With adequate capital, countries affected by the war can move steadily toward reconstruction, and the newer countries can undertake the economic development of which they are capable. International investment for these purposes can be a significant factor in expanding trade and in helping to maintain a high level of business activity throughout the world.

I. The Purposes of the Bank

1. To assist in the reconstruction and development of member countries by cooperating with private financial agencies in the provision of capital for sound and constructive international investment.

2. To provide capital for reconstruction and development under conditions which will amply safeguard the Bank's funds, when private financial agencies are unable to supply the needed capital for sucn purposes on reasonable terms consistent with the borrowing policies of member countries.

3. To facilitate a rapid and smooth transition from a wartime economy to a peacetime economy by increasing the flow of international investment, and thus to help avoid serious disruption of the economic life of member countries.

4. To assist in raising the productivity of member countries by helping to make available through international collaboration long-term capital for the sound development of productive resources.

5. To promote the long-range balanced growth of international trade among member countries.

II. Capital Structure of the Bank

1. The authorized capital shall be equivalent to about $10,000,000,000 consisting of shares having a par value equal to $100,000.

2. The shares of the Bank shall be non-transferable, non-assessable, and non-taxable. The liability on shares shall be limited to the unpaid portion of the subscription price.

3. Each Government which is a member of the International Stabilization Fund shall subscribe to a number of shares to be determined by an agreed upon formula. The formula shall take into account such relevant data as the national income and the international trade of the member country.

Such a formula would make the subscription of the United States approximately one-third of the total.

4. Payments on subscriptions to the shares of the Bank shall be made as follows:

(a) The initial payment of each country shall be 20% of its subscription, some portion of which (not to exceed 20%) shall be in gold and the remainder in local currency. The proportions to be paid in gold and local currency shall be graduated according to an agreed upon schedule which shall take into account the adequacy of the gold and free foreign exchange holdings of each member country.

(b) The member countries shall make the initial payments within 60 days after the date set for the operations of the Bank to begin. The remainder of their respective subscriptions shall be paid in such amounts and at such times as the Board of Directors may determine, but not more than 20% of the subscription may be called in any one year.

(c) Calls for further payment on subscriptions shall be uniform on all shares, and no calls shall be made unless funds are needed for the operations of the Bank. The proportion of subsequent payments to be made in gold shall be determined by the schedule in II-4-a as it applies to each member country at the time of each call.

5. A substantial part of the subscribed capital of the Bank shall be reserved in the form of unpaid subscriptions as a surety fund for the securities guaranteed by the Bank or issued by the Bank.

6. When the cash resources of the Bank are substantially in excess of prospective needs, the Board may return, subject to future call, uniform proportions of the subscriptions. When the local currency holdings of the Bank exceed 20% of the subscription of any member country, the Board may arrange to repurchase with local currency some of the shares held by such a country.

7. Each member country agrees to repurchase each year its local currency held by the Bank amounting to not more than 2% of its paid subscription, paying for it with gold; provided, however, that:

(a) This requirement may be generally suspended for any year by a three-fourths vote of the Board.

(b) No country shall be required to repurchase local currency in any given year in excess of one-half of the addition to its official holdings of gold during the preceding year.

(c) The obligation of a member country to repurchase its local currency shall be limited to the amount of the local currency paid on its subscription.

8. All member countries agree that all of the local currency holdings and other assets of the Bank located in their countries shall be free from any special restrictions as to their use, except such restrictions as are consented to by the Bank, and subject to IV-13, below.

9. The resources and the facilities of the Bank shall be used exclusively for the benefit of member countries.

III. The International Monetary Unit

1. The monetary unit of the Bank shall be the Unitas of the International Stabilization Fund (137-1/7 grains of fine gold, that is, equivalent to $10 U. S.).

2. The Bank shall keep its accounts in terms of Unitas. The local currency assets of the Bank are to be guaranteed against any depreciation in their value in terms of Unitas.

IV. Powers and Operations

1. To achieve the purposes stated in Section I, the Bank may guarantee, participate in, or make loans to any member country and through the government of such country to any of its political subdivisions or to business or industrial enterprises therein under conditions provided below.

(a) The payment of interest and principal is fully guaranteed by the national government.

(b) The borrower is otherwise unable to secure the funds from other sources, even with the national government's guaranty of repayment, under conditions which in the opinion of the Bank are reasonable.

(c) A competent committee has made a careful study of the merits of the project or the program and, in a written report, concludes that the loan would serve directly or indirectly to raise the productivity of the borrowing country and that the prospects are favorable to the servicing of the loan. The majority of the committee making the report shall consist of members of the technical staff of the Bank. The committee shall include an expert selected by the country requesting the loan who may or may not be a member of the technical staff of the Bank.

(d) The Bank shall make arrangements to assure the use of the proceeds of any loan which it guarantees, participates in, or makes, for the purposes for which the loan was approved.

(e) The Bank shall guarantee, participate in or make loans only at reasonable rates of interest with a schedule of repayment appropriate to the character of the project and the balance of payments prospects of the country of the borrower.

2. In accordance with the provisions in IV-1, above, the Bank may guarantee in whole or in part loans made by private investors provided further:

(a) The rate of interest and other conditions of the loan are reasonable.

(b) The Bank is compensated for its risk in guaranteeing the loan.

3. The Bank may participate in loans placed through the usual investment channels, provided all the conditions listed under IV-1 above are met except that the rate of interest may be higher than if the loans were guaranteed by the Bank.

4. The Bank may encourage and facilitate international investment in equity securities by securing the guarantee of governments of conversion into foreign exchange of the current earnings of such foreign held investments. In promoting this objective the Bank may also participate in such investments, but its aggregate participation in such equity securities shall not exceed 10% of its paid in capital.

5. The Bank may publicly offer any securities it has previously acquired. To facilitate the placing of such securities, the Bank may, in its discretion, guarantee them.

6. The Bank shall make no loans or investments that can be placed through the usual private investment channels on reasonable terms. The Bank shall by regulation prescribe procedure for its operations that will assure the application of this principle.

7. The Bank shall impose no condition upon a loan as to the particular member country in which the proceeds of the loan must be spent; provided, however, that the proceeds of a loan may not be spent in any country which is not a member country without the approval of the Bank.

8. The Bank in making loans shall provide that:

(a) The foreign exchange in connection with the project or program shall be provided by the Bank in the currencies of the countries in which the proceeds of the loan will be spent and only with the approval of such countries.

(b) The local currency needs in connection with the project shall be largely financed locally without the assistance of the Bank.

(c) In special circumstances, where the Bank considers that the local part of any project cannot be financed at home except on very unreasonable terms, it can lend that portion to the borrower in local currency.

(d) Where the developmental program will give rise to an increased need for foreign exchange for purposes not directly needed for that program yet resulting from the program, the Bank will provide an appropriate part of the loan in gold or desired foreign exchange.

9. When a loan is made by the Bank it shall credit the account of the borrower with the amount of the loan. Payment shall be made from this account to meet drafts covering audited expenses.

10. Loans participated in or made by the Bank shall contain the following payment provisions:

(a) Payment of interest due on loans shall be made in currencies acceptable to the Bank or in gold. Interest will be payable only on amounts withdrawn.

(b) Payment on account of principal of a loan shall be in currencies acceptable to the Bank or in gold. If the Bank and the borrower should so agree at the time a loan is made, payment on principal may be in gold, or at the option of the borrower, in the currency actually borrowed.

(c) In event of an acute exchange stringency the Bank may in its judgment accept for periods not exceeding three years at a time the payments of interest and principal in local currency. The Bank shall arrange with the borrowing country for the repurchase of such local currency over a period of years on appropriate terms that safeguard the value of the Bank's holdings of such currency.

(d) Payments of interest and principal, whether made in member currencies or in gold, must be equivalent to the Unitas value of the loan and of the contractual interest thereon.

11. The Bank may levy a charge against the borrower for its expenses in investigating any loan placed, guaranteed, participated in, or made in whole or in part by the Bank.

12. The Bank may guarantee, participate in, or make loans to international governmental agencies for objectives consonant with the purposes of the Bank, provided that one-half of the participants in the international agencies are members of the Bank.

13. In considering any application to guarantee, participate in, or make a loan to a member country, the Bank shall give due regard to the effect of such a loan on business and financial conditions in the country in which the loan is to be spent, and shall accordingly obtain the consent of the country affected.

14. At the request of the countries in which portions of the loan are spent, the Bank will repurchase for gold or needed foreign exchange a part of the expenditures in the currencies of those countries made by the borrower from the proceeds of the loan.

15. With the approval of the representatives of the governments of the member countries involved, the Bank may engage in the following operations:

(a) It may issue, buy or sell, pledge, or discount any of its own securities and obligations, or securities and obligations taken from its portfolio, or securities which it has guaranteed.

(b) It may borrow from any member governments, fiscal agencies, central banks, stabilization funds, private financial institutions in member countries, or from international financial agencies.

(c) It may buy or sell foreign exchange, after consultation with the International Stabiliaztion Fund, where such transactions are necessary in connection with its operations.

16. The Bank may act as agent or correspondent for the governments of member countries, their central banks, stabilization funds and fiscal agencies, and for international financial institutions.

The Bank may act as trustee, registrar or agent in connection with loans guaranteed, participated in, made, or placed through the Bank.

17. Except as otherwise indicated the Bank shall deal only with or through:

(a) The governments of member countries, their central banks stabilization funds and fiscal agencies.

(b) The International Stabilization Fund and any other international financial agencies owned predominantly by member governments.

The Bank may, nevertheless, with the approval of the member of the Board representing the government of the country concerned, deal with the public or institutions of member countries in its (the Bank's) own securities or securities which it has guaranteed.

18. If the Bank shall declare any country as suspended from membership, the member governments and their agencies agree not to extend any financial assistance to that country without the approval of the Bank until the country has been restored to membership.

19. The Bank and its officers shall scrupulously avoid interference in the political affairs of any member country. This provision shall not limit the right of an officer of the Bank to participate in the political life of his own country.

The Bank shall not be influenced in its decisions with respect to applications for loans by the political character of the government of the country requesting a loan. Only economic considerations shall be relevant to the Bank's decisions.

V. Management

1. The administration of the Bank shall be vested in a Board of Directors composed of one director and one alternate appointed by each member government in a manner to be determined by it. The director and alternate shall serve for a period of three years, subject to the pleasure of their government. Directors and alternates may be reappointed.

2. Voting by the Board shall be as follows:

(a) The director or alternate of each member country shall be entitled to cast 1,000 votes plus one vote for each share of stock held. Thus a government owning one share shall cast 1,001 votes, while a government having 1,000 shares shall cast 2,000 votes.

(b) No country shall cast more than 25% of the aggregate votes.

(c) Except where otherwise provided, decisions of the Board of Directors shall be by simple majority of the votes cast, each member of the Board casting the votes allotted to his government. When deemed to be in the best interests of the Bank, decisions of the Board may be made, without a meeting, by polling the directors on specific questions submitted to them in such manner as the Board shall by regulation provide.

3. The Board of Directors shall select a President of the Bank, who shall be the chief of the operating staff of the Bank and ex-officio a member of the Board, and one or more Vice-Presidents. The President and Vice-Presidents of the Bank shall hold office for four years, shall be eligible for re-election, and may be removed for cause at any time by the Board. The staff of the Bank shall be selected in accordance with regulations established by the Board of Directors.

4. The Board of Directors shall appoint from among its members, an Executive Committee of not more than nine members. The President of the Bank shall be an ex-officio member of the Executive Committee.

The Executive Committee shall be continuously available at the head office of the Bank and shall exercise the authority delegated to it by the Board. In the absence of any member of the Executive Committee, his alternate on the Board shall act in his place. Members of the Executive Committee shall receive appropriate remuneration.

5. The Board of Directors shall select an Advisory Council of seven members. The Council shall advise with the Board and the officers of the Bank on matters of general policy. The Council shall meet annually and on such other occasions as the Board may request.

The members of the Advisory Council shall be selected from men of outstanding ability, but not more than one member shall be selected from the same country. They shall serve for two years, and the term of any member may be renewed. Members of the Council shall be paid their expenses and a remuneration to be fixed by the Board.

6. The Board of Directors may appoint such other committees as it finds necessary for the work of the Bank. It may also appoint advisory committees chosen wholly or partially from persons not regularly employed by the Bank.

7. The Board of Directors may at any meeting authorize any officers or committees of the Bank to exercise any specified powers of the Board except the power to make, guarantee or participate in loans. Such powers shall be exercised in a manner consistent with the general policies and practices of the Board. The Board may by a three-fourths vote delegate to the Executive Committee the power to make, guarantee or participate in loans in such amounts as may be fixed by the Board. In passing upon applications for loans, the Executive Committee shall act under the requirements specified for each type of loan.

8. A member country failing to meet its financial obligations to the Bank may be declared in default and it may be suspended from membership during the period of its default provided a majority of the member countries so decide. While under suspension, the country shall be denied the privileges of membership, but shall be subject to the obligations of membership. At the end of one year the country shall be automatically dropped from membership in the Bank unless it has been restored to good standing by a majority of the member countries.

If a member country elects to withdraw or is dropped from the Bank its shares of stock shall, if the Bank has a surplus, be repurchased at the price paid. If the Bank's books show a loss, such country shall bear a proportionate share of the loss. The Bank shall have five years in which to liquidate its obligations to a member withdrawing or dropped from the Bank.

Any member country that withdraws or is dropped from the International Stabilization Fund, shall relinquish its membership in the Bank unless three-fourths of the member votes favor its remaining as a member.

9. The yearly net profits shall be applied as follows:

(a) All profits shall be distributed in proportion to shares held, except that one-fourth of the profits shall be applied to surplus until the surplus equals 20% of the capital.

(b) Profits shall be payable in a country's local currency, or in gold at the option of the Bank.

10. The Bank shall collect and make available to member countries and to the International Stabilization Fund financial and economic information and reports relating to the operations of the Bank.

Member countries shall furnish the Bank with all information and data that would facilitate the operations of the Bank.

Boulware Named By WPB

Charles E. Wilson, Executive Vice-Chairman of the War Production Board, announced on Dec. 17 the appointment of Lemuel R. Boulware as WPB Operations Vice-Chairman. Mr. Boulware succeeds Hiland G. Batcheller, who resigned Nov. 25. The announcement also states:

"In his new capacity, Mr. Boulware will assume direction of all industry operations and divisions except the Steel, Copper, Aluminum and Magnesium Divisions, and the Minerals Bureau. These metals and minerals groups will subsequently be organized under a separate Vice-Chairman.

"Mr. Boulware has been with the WPB since March 30, 1942. Recently he has been deputy controller of shipbuilding.

"At the same time, Mr. Wilson announced that Vice-Chairman Donald D. Davis has been given charge of all WPB field operations, in addition to his present duties. Regional directors henceforth will report to Mr. Davis, who assumes all of the functions and responsibilities in respect to the field organization that previously were exercised by the operations Vice-Chairman."

W. Randolph Burgess Analyzes Human Side Of Inflation

(Continued from first page)

ment bonds." The subject of Mr. Burgess' address was "The Human Side of Government Finance," and an abstract of his remarks follows:

About the most frequent question the banker has been asked in the past decade has been, "what will be the result of this country's huge spending and swelling debt?" The questioner often goes on to ask whether the Government may not have to repudiate its bonds, though the bond market shows that few people really believe this.

You and I usually reply that nations seldom repudiate their internal debts, but pay them in the currency being used for money at that time. The normal result of unmanageable debt is price inflation, the result of printing, or otherwise creating money. Economic history is full of examples of the operation of this economic law.

But the dire forebodings of informed opinion were not realized in the '30s; prices rose very modestly, were still under 1926, and even since the gigantic deficits of the war the cost of living has risen only 26%. This is very disconcerting. Have economic laws been suspended or weren't they really economic laws at all?

Now the fact is that opinion really was informed when it warned of the danger of inflation. It was opinion based on many decades of economic experience. There was, and there still is, grave danger of inflation; yet so far the inflation has been less than we had every reason to expect. Since the war began the failure of prices to reflect inflation of money is partly explained by direct controls of prices and wages, but this is not an adequate explanation. We know how imperfect the controls have been and the number of uncovered areas. We need some further explanation. We need to explain also what happened in the '30s when inflation of money brought little inflation of prices.

To me the best explanation is found in the human side of inflation economics. For this problem has two aspects—the mechanical and the human. We are hearing much these days about the mechanics of inflation. It takes the form of discussion of the inflationary gap. The income of individuals is today at the rate of about $150,000,000,000 a year. We are currently producing only $90,000,000,000 worth of goods for consumers to purchase. Taxes absorb perhaps $20,000,000,000. That leaves a "gap" of expendable funds of $40,000,000,000 which are all ready to make mischief. That's the mechanical side. From this point of view we need to tax more to close the gap.

But there is the human side also. How do people actually use the extra money? The interesting and curious fact is that today so many people are saving money instead of spending it. There are some conspicuous spenders, but good estimates place the people's savings today at an annual rate not far from $40,000,000,000. This is the basic reason prices have risen no faster. This same tendency was present in the '30s; the people were slow to spend.

This human side of inflation needs analysis. Why, for example, is there so much savings? Some reasons are evident. We are still under the shadow of the great depression; we learned then the value of reserves and the danger of debt. Also, we can't get today just the things we would like to buy—autos, refrigerators, etc. Again taxes and possible further tax increases have made us cautious. But let's take a little credit also for having made a conscious, vigorous effort to encourage savings, especially through bond purchases.

We ought not, of course, to be too cheerful about all this. We have accumulated a huge mass of liquid funds in this country—currency and bank deposits. This is the material of which inflation is made. A little change is public feeling, a little real instead of theoretical fear of inflation, and the fire could be lit. Moreover, the party is not yet over. In World War I the greatest inflation came after the war.

What ought to be done about all this? First, of course, we ought to keep down the mechanical causes of inflation as much as possible, reduce the inflationary gap by taxes, by Government economy, by encouraging production of civilian goods as promptly as is feasible.

Second, we ought to think a lot about the human reactions. They will be influenced by the whole situation, by the action of Government, by the future outlook for employment and enterprise. But I wonder if we as bankers do not have at our hands the greatest instrument there is for the encouragement of a savings habit of mind among the people. I mean, of course, the sale of Government bonds.

I have been reading an address by George Spinney who was until recently Chairman of the War Loan Committee in Canada. He is greatly impressed by the place of war loans in influencing the ideas of the people. All of us who have been in the bond-selling organization have felt that same truth, and it has carried with it a great sense of responsibility.

When I started service with the New York War Finance Committee I thought I knew why people bought bonds. It was simple: to help win the war, to save money, to resist inflation. The longer I work at it the more I am impressed with the richness of human motives—the more I see the power of this great national movement for unifying our country at a time when the forces of disunity are strong.

These bond drives are one of the few activities in which the whole nation unites. There are no two parties; there is no opposition. They make possible both an emotional and intellectual appeal. They provide an opportunity not just to foster a habit of savings, but for the nation to rededicate itself to its noblest ideals.

Some months ago a competition was held for the best brief statement of why the writer was buying bonds. One bond buyer had been saving money to go to Texas to see her son receive his Silver Wings and a commission and has decided that it is more patriotic to stay on the job and buy an extra bond. Another is buying bonds because he was a member of the AEF in the First World War and never doubted then that the folks back home were doing their part. Another buys bonds because he has just been promoted to be a corporal. Still another wants to hold no slacker dollars. Another buys bonds because his wife and daughter are prisoners of the Japs. These are all very human reasons which cannot be defined in economic terms. I should like to read you in full one of these statements.

One of the best of these read:

"I am buying an extra war bond
because
When coming to this country
I met people with kind, smiling faces,
Faces I never want to see changed
Into Terror and Suffering
Like those I left behind.
Yes, they will keep on smiling,
If I do my share."

That is, after all, a way of saying in other words what Lincoln said when he spoke of a "new nation, conceived in liberty, and dedicated to the proposition that all men are created equal."

We are today engaged in a great "war testing whether that nation, or any nation so conceived and so dedicated, can long endure," the kind of nation where people can smile.

And again today we do well to "highly resolve that these dead shall not have died in vain; that this nation, under God, shall have a new birth of freedom, and that government of the people, by the people, and for the people, shall not perish from the earth."

This is the human side of the bond campaign in which we are privileged to have a part. It provides opportunity for public expression of the noblest emotions and ideals of the people.

The Financial Situation

(Continued from first page)

that have been issued in recent weeks would give the impression that next year's war production is scheduled to be a great deal larger than other fully as authentic figures would indicate. Most observers who have given the matter most careful thought are now convinced that American industry will all in all be asked to produce very substantially less next year than had originally been planned.

Materials Released

But such developments are not altogether still in the future. A number of critical materials have become so relatively abundant that they have been released for the manufacture of civilian goods. The number of manpower shortage areas has now been reduced, and apparently are on the decline rather than on the increase. Of course, it remains for the future to disclose the way in which all these things will work themselves out in the actual event, but there can be no doubt that the pressure upon machine tool makers has been declining for some little time past, and that there is good reason to believe that they will be in a position to go to work in part, at least upon civilian orders within a very few weeks. There is already talk, apparently well authenticated, of an early beginning in the manufacture of tools for making civilian automobiles again as soon as circumstances permit. In some informed circles it is expected that orders of this sort will very soon be placed, and work begun on them.

All this is encouraging, of course. There never was the slightest reason why civilian economy should have to suffer more than was absolutely necessary to press the war with the utmost vigor. There were, and quite possibly there still are, certain individuals who seemed to suppose that it was some sort of sin even to think of ordinary civilian goods or their production — apart from the barest of necessities. They succeeded in making it the fashion to preach self-abnegation for its own sake. The fact is, however, that it is far better all round to continue with full production of what the ordinary people want in their ordinary lives, war or no war, so long as that can be done, and in the degree that it can be done, without interfering with the war effort. Many problems, among them what is known as the inflation danger, are very much more amenable to control when production is ample than when supply is limited. There is reason to hope at least that this view of the matter is at length coming to prevail.

Reconversion Problems

Such developments as these, however, tend to place what have heretofore been termed "reconversion problems" upon our calendars for today, not a year or two from today. "Cutbacks" have already posed many questions which will be typical of the day when industrial demobilization takes place. The volume of business involved is, of course, nothing like so large, either absolutely or in relation to the total volume on hand, but the questions involved in closing out accounts, in determining balances due, and in expediting the entire procedure in order that the working capital of the enterprises concerned are not hopelessly and needlessly tied up for long periods of time—these and other allied problems are involved in "cutbacks" and they will be involved in the larger scale cancellations which must come when the fighting is over. They must be dealt with promptly, and in dealing with them now, we should be able to develop the technique necessary for handing the much larger volume of the same type of problems when peace comes.

The better we dispose of these difficulties now, and the more extensively we find it possible to begin now, or at the very least in a relatively short time to "reconvert" in some part at least to peacetime production, and to increase the volume of that production as time passes, the easier the final transition from peace to war will be, and the less the danger that having fought a hard and costly war presumably to save certain ideas and our "system" we shall lose them at home. An industry which has at least made a good beginning at getting under way when the soldiers return will be able to absorb the workers, and provide the opportunities and the goods that are needed very much more quickly than would otherwise be the case, and lighten and shorten the period during which confusion and uncertainty are likely to breed unrest and demand for wholly unsound ventures into forms of state socialism.

A Gradual Process

Such a beginning as we shall make during the next few months in reconversion will doubtless be followed by further development of the process when Germany is crushed and Japan remains as our only opponent. Thus a return to peacetime operations is now clearly to be a gradual one, rather than a sudden, dramatic, total shift from one type of economy to another. This being the case it would appear that the temptation to launch ourselves upon foolish schemes should be correspondingly reduced. It is one thing to slip gradually back to normal pursuits —quite possibly without full realization of what is going on—and quite another to find the necessity for the shift upon our door step some fine morning. The gradual, natural way of getting back to normalcy is likely to prove the best—particularly since circumstances beyond our control appear likely to dictate such a procedure.

Reconverting to peacetime pursuits will, naturally, be a distinctly different process from the shift to war production. In the first place, business entrprise will then be obliged to begin producing for a market, a market consisting not of one necessitous buyer, but many purchasers who have many choices among products or services they buy. The business community will once again be obliged not only to take orders and produce but to decide what to produce — in fine, make the best guess it can as to what the public wants and will pay for. Nor will pressure be so great that costs can be forgotten. It would be a most excellent thing if the return to this different situation can be made gradually rather than under great pressure for speed.

Amends Philippines Independence Bill

The Senate on Dec. 9 approved without debate and sent to the House legislation authorizing the President to advance from July 4, 1946, the statutory date for granting the Philippines full independence.

The measure, according to the United Press, would empower the President to proclaim full nationhood for the islands as soon as possible after the Japanese are driven out—if such an event occurs before 1946.

It also authorizes negotiations on use of military or naval bases which may be deemed necessary for mutual protection of the United States and the islands.

Holiday Observance To Reduce Steel Output—Cutback Situation Clearing — Backlogs Heavy

"Steel ingot production went into a very sharp decline this week, reflecting the growing surplus of raw steel over the nation," says "The Iron Age" in its issue of today (Dec. 23), further adding:

"Apparently acting upon authority from Washington, several steel companies adopted the policy of giving as many of their employees a holiday as possible, without interrupting production against directives. Thus, plate mills and other units whose output is vital to the war effort, will continue to roll at full speed, but the surplus of ingots, which is being studied by the WPB, will be cut down.

"The drop this week in national ingot production will not jeopardize to any great extent the steel industry's unprecedented output for 1943, expected to be around 89,000,000 net tons of ingots, only a few million tons short of equaling total steel production of the balance of the world.

"The steel industry's product mix continues unbalanced to a greater degree than at any time since Pearl Harbor. Delivery promises on flat-rolled products steadily are becoming more extended into 1944. Orders for bars, structural items and several other products, which were well distributed several months ago, are spotty as to sizes and grades.

"Despite the fact Maritime yards have been ordered onto a six-day week instead of a seven-day schedule, Maritime has told WPB it needs more steel than ever. It is possible that the scheduled increase of plates to the Maritime Commission to nearly 600,000 tons monthly by the new troop transport program accounts for the greater demand. WPB hopes plate production in first quarter will be 3,355,000 tons, an all-time-high mark.

"The melting of chrome and molybdenum grades of alloy steel has dropped sharply during the past year, while a steep rise in chrome-nickel-moly grades has taken place. During one recent month the melting of National Emergency steel accounted for 46% of total alloy steel production.

"At the same time the excess of alloy scrap has risen until 100,000 tons per month is being generated above consumption. This is despite the fact one-half of the nickel being melted comes from scrap and about one-quarter of the chrome and 40% of the molybdenum and about 70% of the tungsten used in high-speed steel.

"As the negotiations went forward at Pittsburgh last week upon the steel union's request for higher wage rates, the effect of a possible advance cast a shadow of a doubt over steel markets in that some mills were not anxious to accept orders carrying the stipulation that shipments will not be made against the order except at the current price without first consulting the customer.

"If the WLB does not take action one way or another on the retroactive stumbling-block before present contracts expire some observers look for another outbreak of outlaw strikes in steel.

"With the Government now distributing vast quantities of idle and excess steel, often at prices well below the levels prevailing for new material, steel warehouse operators have cause for concern even though specific losses of business have been uncovered only rarely so far. As a matter of fact, even some steel mill executives are perturbed at the implications of redistribution at low prices by numerous agencies."

The American Iron and Steel Institute on Dec. 20 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 93.0% of capacity for the week beginning Dec. 20, compared with 99.3% one week ago, 99.1% one month ago and 98.1% one year ago. The operating rate for the week beginning Dec. 20 is equivalent to 1,620,900 tons of steel ingots and castings, compared to 1,730,700 tons one week ago, 1,727,300 tons one month ago, and 1,678,200 tons one year ago.

"Steel," of Cleveland, in its summary of the iron and steel markets, on Dec. 20 stated in part as follows:

"Continued easing is apparent in the steel market, partially due to changed military programs and also to the approaching year end.

"While shifts in requirements have caused some disruption in steel mill schedules this situation is clearing and vacant spots caused by cancellations are being filled by other essential material. Plates and sheets continue in the spotlight and producers of both have heavy backlogs and will carry some scheduled tonnage over into next year.

"Scrap is in easier situation, though some tight spots remain. In general supply is sufficient and melters are not pressing for shipments, though usually taking in all steelmaking grades offered. Closing of a mill in Pennsylvania at the end of the year will make available several thousand tons monthly usually consumed there.

"Machine tool production this year is expected to fall about $100,000,000 short of the record valuation of 1942 and output for 1944 is estimated to be about 25% of that year's production. October machine tool shipments declined 8.8% from September and unfilled orders were also considerably reduced. Numerous cancellations were received in October, which more than balanced new orders.

"Lake Superior iron ore shippers have been given relief from the situation which has prevailed for several months and a price schedule based on $4.45 per gross ton delivered at lower lake ports; for Mesabi nonbessemer, has been allowed by OPA, usual differentials prevailing for other grades. This is the same ceiling as was set in 1941 as the highest price any producer could charge. However, the order fixing prices at that time caught numerous producers with contracts at considerably lower prices, but these figures were also frozen. This resulted in the average price realized being about $4.30 per ton. Rising expenses made this level unprofitable and the OPA has allowed all shippers to raise prices to the $4.45 ceiling, retroactive to the beginning of 1943.

"Office of Price Administration has afforded relief to a number of steel producers on showing that rising costs have caused losses at the existing ceilings. These actions are in line with the policy of the administration to grant concessions on proper showing."

Bolivia Reaffirms War On Axis Powers

Bolivia, which declared war on Germany, Italy and Japan by an Executive decree last April, reaffirmed on Dec. 4 its position with the approval of the Legislature. The country was summoned to war last April 7 by President Enrique Penaranda as was noted in these columns April 15, page 1381.

A decree was adopted on Dec. 4 after the Supreme Defense Council advised the government to "strengthen the international position of the country."

Financing The War And Post-War Readjustment Discussed By Under Secretary Of Treasury Bell

(Continued from first page)

accounts receivable of these firms are running down, which results also in piling up cash. These funds are all available to be lent to the Government; but they are not available to be taxed, since they represent capital, rather than income, of the firms possessing them, and represent very different proportions of the total capital of different firms, depending upon the type of business. A policy of borrowing these funds, rather than taxing them away, is, therefore, clearly indicated.

"In the third place, the great war-time expansion in the economy requires—even at a constant price level—a great increase in the available supply of currency and bank deposits; and this increase, under our existing institutions and under war-time conditions, can be supplied only by an increase in Government borrowing.

"Finally, it is necessary that some financial incentive be supplied to individuals to work long hours, and to corporations to operate with the utmost efficiency. If the whole of the extra incomes resulting from the overtime pay of individuals and the efficient management of business enterprises were taxed away, there would be no economic incentive to call forth these exertions."

Mr. Bell observed that the policies of the Treasury with respect to war-time borrowing have been dominated by the following considerations:

"First, we have tried to borrow as much as possible from investors other than commercial banks. This principle must be stated subject to some qualification. It would neither be possible nor desirable to do all of our borrowing outside of the banking system. I have already explained that one of the reasons for borrowing at all, rather than relying exclusively upon taxation, is that an expanding war-time economy needs—even at a constant price level—a greatly increased amount of currency and bank deposits. These can be obtained, under existing institutions and in wartime, only by a corresponding increase in the Government security holdings of commercial and Federal Reserve banks; and a sufficient amount of securities have to be sold to the banks to provide this necessary circulating medium, even if adequate markets exist for them elsewhere.

"The amount of Government securities which would thus have to be sold to the banks in any event is substantial; but, in practice, I must admit that this has proved little of a problem, since it has taken care of itself by the rapid expansion of the borrowing needs of the Federal Government and the slower development of non-banking sources for Federal borrowing.

"For this reason we have directed our main effort to the sale of securities to non-banking investors. During the past year we have sold to such investors, net after all switches and redemptions, about $40,000,000,000 of Government securities, as compared with about $30,000,000,000 absorbed by the banks.

"Second, we have tried to make the securities sold to the small investor as riskless as possible. The Treasury has considered itself the trustee of the inexperienced investor. It is with this in view that the Department's appeal to small investors has been confined to Series E bonds, which are nonnegotiable, payable on demand, and hence are guaranteed against fluctuations in market values."

As to financing the post-war adjustment, Mr. Bell had the following to say, in part:

"A price inflation is one of the hazards of the reconversion period. Stalking hand-in-hand with it goes the hazard of unemployment. Normally these two are never seen together, since unemployment usually rises from a lack of demand for goods and inflation from a shortage of goods. The unemployment of the reconversion period will be caused, however, not by a lack of demand for the finished products, but because the plants are not yet ready for mass reemployment, and so may go hand-in-hand with inflation.

"Once the period of reconversion is over and the tremendous potentialities of the American economy which have been demonstrated during the war period are directed to the production of the goods of peace, the main hazard of inflation will be over. . . .

"This evening I shall discuss only three aspects of fiscal planning for the reconversion period, and these briefly. They are, first, the cancellation of war contracts; second, the adequacy of corporate financial resources to carry on the work of reconversion, and third, the control of individual spending during the reconversion period.

"If the war should end today on all fronts there would be outstanding more than $75,000,000,000 of war contracts on which deliveries had not yet been made. Much of the material covered by these contracts would be of no use to the Government if it were delivered after the immediate emergency of this war had passed. This is because there are no goods with respect to which obsolescence runs faster than it does for the goods of war; so the best preparation for future wars consists in maintaining the skills and plant capacity necessary for the development, production and use of new war goods rather than in hoarding vast quantities of old ones.

"Part of the undelivered contracts would still exist merely in blue-prints in the hands of the contractors, while part would be represented by goods in process, some of which in turn could be converted into peace-time goods.

"In my opinion, all war contracts should be canceled immediately upon the passing of the military need for the goods contracted for. This is desirable for two important reasons. First, it avoids the tremendous waste of human and material resources involved in making goods which we will never use; and second, it gives the maximum stimulation to the men and management released from making such goods to seek employment in the production of goods for which there is a human need, and so hastens the process of reconversion.

"The abrupt cancellation of war contracts will give rise to two problems. These are: first, provision for the labor thrown out of employment, and second, compensation for the contractors.

"The first of these problems should be settled with liberality; the second, with the utmost of speed.

"A generous treatment of the labor displaced by contract cancellation is required, not merely by considerations of common humanity and fair dealing, but also by considerations of economy; for without it we are unlikely to secure abrupt cancellation at all, and there is no form of relief more expensive than the production of unneeded tools of war. We should be sure, however, that the treatment accorded labor displaced from war production is of such a character that it encourages, rather than slows down, its quest for peace-time employment.

"Payments to contractors should be just in accordance with a fixed standard of equity; that is, they should be enough to make the contractors and their sub-contractors whole for the losses they have sustained as the result of the contract cancellations.

"It is important, also, that payments to contractors should be prompt. This is not primarily for the benefit of the contractors themselves—although I have no doubt that they will appreciate it—but for the benefit of the country as a whole. . . .

"My second point with respect to the reconversion period relates to the adequacy of corporate financial resources to carry on the work of reconversion. The adequacy of these resources is important, not merely or even principally from the point of view of the corporations involved, but from the point of view of the whole economic system.

"We in the Treasury have given careful consideration to this matter, and believe that funds for the reconversion of war industry will be ample, provided that a prompt settlement is made of canceled war contracts. Our reasons for believing this are as follows:

"First, the war-time period has been a profitable one for American corporations as a whole.

"Second, in addition to their savings from undistributed earnings, American corporations have piled up a large volume of liquid assets as a result of repayment of receivables, and in some cases reduction in inventories, and the general inability to expend depreciation and depletion reserves which has been brought about by war-time conditions. . . .

"Third, generous carry-back and carry-forward provisions included in the corporation tax laws insure that corporations suffering losses during the reconversion period, or even earning incomes of less than their excess profits credit, will receive substantial refunds of the taxes paid in their prosperous years. These refunds—for the expediting of which the Treasury has made recommendations to the Congressional committees—will be available to carry on the work of reconversion. In addition, there is provided in the present law a post-war refund, irrespective of future tax status, of 10% of the excess profits tax paid in the war period."

Regarding the prospects for the control of individual spending, Mr. Bell said this problem must be planned to forestall the possibility of a post-war inflation, and he urged "that the direct controls, such as price ceilings, priorities, and rationing, should be kept in effect as long as necessary; and high income taxes as long as possible."

N. Y. Banking Board Codifies Regulations

Elliott V. Bell, New York State Superintendent of Banks, has distributed to banking institutions a compilation of the General Regulations of the Banking Board which are now in force and effect. Since "no compilation of the presently effective resolutions was available," Mr. Bell explained that the Banking Board reviewed the more than 375 resolutions as of Nov. 8, 1943, which had been adopted from its first meeting in May, 1932, until October, 1943, for the accommodation of the banks. Some of the resolutions the Banking Board has preserved intact, while others it has revised and codified.

Mr. Bell further stated:

"In the process of codification the Board has divided the resolutions into two categories—General and Special—and has designated them as regulations. The General Regulations are applicable to all or to particular types of institutions. The Special Regulations are applicable to individual institutions or to special situations."

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 Dec. 16. Following is the tabulation issued by the Stock Exchange:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report	
Allied Stores Corp., 5% preferred	412	2,212	
American-Hawaiian Steamship, capital	76,600	79,600	
American Hide and Leather Co., common	59,500	70,550	(1)
6% cumulative preferred	1,700	None	(1)
American Ice Co., preferred	36,000	43,200	
Associates Investment Co., common	39,525	41,522	
5% cumulative preferred	652	657	
Atlas Corp., common	14,035	31,543	
6% preferred	3	13	
Barker Bros., 5½% cumulative preferred	13,226	13,926	
The Borden Co., capital	78,158	87,958	
Burlington Mills Corp., common	5,665	7,766	
Century Ribbon Mills, Inc., preferred	156	226	
Chicago Pneumatic Tool Co., prior preferred	6,971	7,031	
Chicago Yellow Cab Co., capital	39,869	40,269	
Copperweld Steel Co., 5% cum. cv. preferred	7,629	8,659	
Davega Stores Corp., 5% cumulative preferred	----	3,325	
Flintkote Co. (The), $4.50 cumulative preferred	550	1,550	
Fruehauf Trailer Co., common	1,548	2,448	
5% convertible preferred	170	720	
General Motors Corp., common capital	837,924	848,524	
Gimbel Brothers, $6 cumulative preferred	6,911	8,211	
Goodyear Tire & Rubber Co. (The), $5 conv. pfd.	17,612	6,917	
Holly Sugar Corp., preferred	3,040	2,305	
Howe Sound Co., capital	33,591	33,691	
Jewel Tea Co., Inc., 4¼% cumulative preferred	1,075	1,400	
Common	2,584	2,546	
Lehman Corp. (The), common	9,400	14,700	
McKesson & Robbins, common	3,175	3,476	
Madison Square Garden Corp., capital	26,700	29,200	
Mead Corp. (The), $5.50 series "B"	3,067	3,217	
$6 preferred "A"	140	150	
National Cylinder Gas Co., common	7,312	8,112	
National Department Stores Corp., 6% preferred	4,145	4,845	
National Steel Corp., capital	1,955	1,730	
Newport News Shipbuilding and Dry Dock Co.— $5 cumulative convertible preferred	19,200	20,700	
Norfolk and Western Railway Co., adjustable preferred	7,162	7,212	
Plymouth Oil Co., capital	9,184	11,384	
Pullman, Inc., capital	----	15,500	
Radio-Keith-Orpheum Corp., 6% preferred	5,190	9,300	
Real Silk Hosiery Mills, Inc., preferred	6,075	6,105	
Reliable Stores Corp., common	52,005	52,011	
Safeway Stores, 5% cumulative preferred	87.1	89.5	
Schenley Distillers Corp., 5½% cumulative preferred	6,270	6,940	
Sinclair Oil Corp., common	339,838	440,838	
Squibb (E. R.) & Sons, common	22,743	4,394	
Transamerica Corp., capital	1,210,992	1,217,992	
United States Leather Co. (The), prior preference	6,902	6,922	
United States Rubber Co., common	14	17	
Vick Chemical Co., capital	19,100	20,600	
Virginia Iron Coal and Coke Co., preferred	4,192	4,682	
Willys-Overland Motors, Inc., 6% cum. cv. pfd.	75,895	97,695	

(1) 500 shares 6% preferred stock acquired during November, bringing to 2,200 the number of preferred shares held in Treasury, which were converted, during November, into 11,000 shares common.

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
Air Investors, Inc., convertible preference	2,495	2,835
American Cities Pw. & Lt. Corp., cv. A opt. div. ser.	650	783
American General Corp., common	374,062	382,569
American Writing Paper Corp., common	34,262	37,762
Automatic Products Corp., capital	25,700	26,100
Beau Brummell Ties, Inc., capital	800	1,000
Bourjois, Inc., common	100	22,100
Cooper-Bessemer Corp., $3 prior preference	None	208
Crown Central Petroleum Corp., common	592	593
Dennison Mfg. Co., debenture stock	None	500
Equity Corp., $3 convertible preferred	52,298	54,423
Esquire, Inc., capital	19,663	24,663
Gellman Mfg. Co., common	9,005	11,105
Hearn Dept. Stores, Inc., 6% preferred	24,164	24,324
Klein (D. Emil) Co., Inc., common	17,969	18,469
Knott Corp. (The), common	10,104	10,212
Midland Oil Corp., $2 convertible preference	10,315	10,465
Neptune Meter Co., A common	11,792	11,167
New Process Co., common	182	132
Seeman Bros., Inc., common	20,200	20,600
Selected Industries, Inc., $5.50 div. prior stock	500	1,500
United Cigar-Whelan Stores Corp., common	12,203	12,208
Utility Equities Corp., $5.50 div. prior stock	10,700	10,900

Electric Output For Week Ended Dec. 18, 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. 18, 1943, was approximately 4,612,994,000 kwh., compared with 3,975,873,000 kwh. in the corresponding week last year, an increase of 16.0%. The output of the week ended Dec. 11, 1943, was also 16.0% in excess of the similar period of 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended— Dec. 18	Dec. 11	Dec. 4	Nov. 27
New England	7.0	8.1	8.0	5.3
Middle Atlantic	16.3	17.4	17.3	18.1
Central Industrial	10.7	11.7	12.9	11.5
West Central	6.0	7.8	10.4	7.2
Southern States	19.4	17.0	17.9	18.5
Rocky Mountain	15.0	12.4	14.4	15.9
Pacific Coast	31.0	30.3	35.3	34.6
Total United States	16.0	16.0	17.5	16.9

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1943	1942	% Change 1943 over 1942	1941	1932	1929
Sep 4	4,350,511	3,672,921	+18.4	3,132,954	1,423,977	1,674,588
Sep 11	4,229,262	3,583,408	+18.0	3,322,346	1,476,442	1,806,259
Sep. 18	4,358,512	3,756,922	+16.0	3,273,375	1,490,863	1,792,131
Sep. 25	4,359,610	3,720,254	+17.2	3.273,376	1,499,459	1,777,854
Oct. 2	4,359,003	3,682,794	+18.4	3,330,582	1,506,219	1,819,276
Oct. 9	4,341,754	3,702,299	+17.3	3,355,440	1,507,503	1,806,403
Oct. 16	4,382,268	3,717,360	+17.9	3,313,596	1,528,145	1,798,633
Oct. 23	4,415,405	3,752,571	+17.7	3,340,768	1,533,028	1,824,160
Oct. 30	4,452,592	3,774,891	+18.0	3.380,488	1,525,410	1,815,749
Nov. 6	4,413,863	3,761,961	+17.3	3.368,690	1,520,730	1,798,164
Nov. 13	4,482,665	3,775,878	+18.7	3.347,893	1,531,584	1,793,584
Nov. 20	4,513,299	3,795,361	+18.9	3.247,938	1,475,268	1,818,169
Nov. 27	4.403,342	3,766,381	+16.9	3,339,364	1,510,337	1,718,002
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
Dec. 18	4,612,994	3,975,873	+16.0	3,495,140	1,554,473	1,860,021

Moody's Bond Prices And Bond Yield Averages

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

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

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Dec. 21	119.56	110.70	118.20	115.82	110.88	99.04	103.13	113.12	116.02
20	119.56	110.52	118.20	115.82	110.88	98.88	103.13	113.12	115.82
18	119.55	110.52	118.20	115.82	110.70	98.88	103.13	113.12	115.82
17	119.54	110.52	118.00	115.63	110.88	98.88	103.13	113.12	115.82
16	119.53	110.52	118.20	115.63	110.70	98.88	102.96	113.12	115.82
15	119.53	110.52	118.20	115.63	110.70	98.73	102.96	113.12	115.82
14	119.54	110.34	118.20	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	98.73	103.13	113.12	115.63
7	119.62	110.34	118.20	115.63	110.70	98.57	102.98	113.12	115.63
6	119.63	110.34	118.20	115.63	110.70	98.73	103.13	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	110.52	98.57	102.96	113.12	115.63
1	119.59	110.34	118.40	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	111.25	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	131.31	115.82
Apr. 30	118.36	109.79	118.00	115.43	110.34	97.00	101.31	113.12	115.63
Mar. 26	116.93	109.60	117.80	115.43	110.52	96.23	100.65	113.12	115.63
Feb. 26	117.11	109.24	117.60	115.43	110.15	95.47	100.00	112.93	115.43
Jan. 29	117.04	108.70	117.60	115.04	109.79	94.56	99.04	112.56	115.43
High 1943	120.87	111.44	119.41	117.00	111.81	99.36	103.47	114.27	117.40
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
High 1942	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
1 Year ago Dec. 21, 1942	116.78	107.27	116.80	113.89	108.88	92.28	96.85	111.81	114.46
2 Years ago Dec. 20, 1941	118.24	106.21	116.41	113.70	107.62	90.20	95.77	110.34	113.89

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

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate	Corporate by Ratings Aaa	Aa	A	Baa	Corporate by Groups R. R.	P. U.	Indus.
Dec. 21	1.86	3.13	2.74	2.86	3.12	3.81	3.56	3.00	2.85
20	1.86	3.14	2.74	2.86	3.12	3.82	3.56	3.00	2.86
18	1.86	3.14	2.74	2.86	3.13	3.82	3.56	3.00	2.86
17	1.86	3.14	2.75	2.87	3.12	3.82	3.56	3.00	2.86
16	1.86	3.14	2.74	2.87	3.13	3.82	3.57	3.00	2.86
15	1.86	3.14	2.74	2.87	3.13	3.83	3.57	3.00	2.86
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	381	3.56	2.96	2.82
22	1.81	3.11	2.70	2.82	3.09	3.81	3.55	2.96	2.82
15	1.82	3.11	2.69	2.82	3.10	3.81	3.55	2.96	2.82
8	1.80	3.12	2.70	2.83	3.10	3.83	3.56	2.96	2.83
1	1.80	3.12	2.70	2.84	3.11	3.83	3.56	2.96	2.84
Sept. 24	1.80	3.11	2.70	2.83	3.10	3.82	3.55	2.96	2.83
Aug. 27	1.83	3.10	2.69	2.81	3.09	3.82	3.56	2.96	2.79
July 30	1.84	3.09	2.68	2.80	3.08	3.81	3.55	2.95	2.79
Jun 25	1.82	3.13	2.71	2.84	3.11	3.87	3.60	2.97	2.82
May 28	1.88	3.15	2.74	2.86	3.12	3.89	3.61	2.99	2.86
Apr. 30	1.98	3.18	2.75	2.88	3.15	3.94	3.67	3.00	2.87
Mar. 26	2.08	3.19	2.76	2.88	3.14	3.99	3.71	3.00	2.87
Feb. 26	2.06	3.21	2.77	2.88	3.16	4.04	3.75	3.01	2.88
Jan. 29	2.06	3.24	2.77	2.90	3.18	4.10	3.81	3.03	2.88
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	1.79	3.09	2.68	2.80	3.07	3.79	3.54	2.94	2.78
High 1942	2.14	3.39	2.88	3.02	8.33	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. 21, 1942	2.08	3.32	2.81	2.96	3.23	4.26	3.95	3.07	2.93
2 Years ago Dec. 20, 1941	1.96	3.38	2.83	2.97	3.30	4.40	4.02	3.15	2.96

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

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

From Washington

(Continued from first page)

It would seem to be a fact that Mr. Roosevelt had some sort of purpose in putting out the story of the German plot. The fact is that he, Churchill and Stalin were so well guarded that a German army could not have gotten to them, much less a German spy or a group of spies. The first story put out as to why he went to the Russian embassy, incidentally, was to show Stalin's unusual cordiality. We only have a legation at Teheran; the Russians an embassy. Stalin was determined Mr. Roosevelt should enjoy the comforts of the larger place, we were told at first.

What is the Russian boss to think now, after the wonderful accomplishment of mutual good-will achieved at Teheran, for Mr. Roosevelt to be coming back and "explaining" why he accepted his hospitality. Sometimes it is difficult for us average people to understand the ways and wherefores of our world leaders.

* * *

Anyone who has been active as a newspaperman or writer in Washington the past 12 years has been exposed to every school of economics that was ever devised. On several occasions in these articles we have modestly belittled our authoritativeness as an economist but there is no escaping the fact that we have been saturated, in the natural course of our work, with every economic postulate and the reasoning and unreasoning behind it, that has been advanced.

One that sticks in our minds was advanced in the earlier days of the New Deal as a defense of Mr. Roosevelt's cutting the value of the dollar. Inflation, we were told at that time, is largely a state of mind. People get to thinking in terms of inflation, we were told, and act accordingly until their cumulative acts really bring on the inflation.

This being the case, the question now arises as to whether the political propagandists are not doing the country a tremendous disservice. They are keeping up a steady hue and cry about inflation. They din it into our heads from morning until night. We are convinced that perhaps one-third of it is based on economics and the other two-thirds on politics.

Ever since we entered the war, the Administration has used the threat of inflation to get what it wanted. Under the guise of preventing inflation the pinks of the OPA pressed „hundreds of small businesses to the wall, manipulated prices to effect business reforms and to create scarcities; Henry Morgenthau has used the inflation scare to gobble up every tax dollar he could lay his hands on; the inflation scare has been used to sell Government bonds. The Administration wanted to do a job on John L. Lewis "to prevent inflation." It didn't succeed; when then did the inflation start? If it doesn't have its way with subsidies, then we will have inflation, really this time; they were only kidding about John L. Lewis. We aren't saying serious trouble may not be ahead. What is apparent is that the Administration's propaganda has been badly handled; it has been overdone, and it has gotten so that few if any people pay any attention to the Administration's warnings.

The best informed observers here believe that the increased hue and cry now about inflation is mostly political: That the Administration is maneuvering to put the blame for inevitable price rises on its opponents. But in continually yelling inflation, isn't it likely to be bringing that very thing on?

Congress Delays Rise In Social Security Tax

A bill to freeze the Social Security payroll tax at the present rate of 1% each on employers and employees for the first two months of 1944 was approved by both the Senate and the House on Dec. 17 and sent to the White House.

This temporary extension of the present rate was voted to block a scheduled automatic increase in the rate to 2% on Jan. 1. It is designed as a stop-gap pending final action on the new general revenue bill which, as approved by the Senate Finance Committee, contains a provision to freeze current rates for all of 1944.

Senator Vandenberg (Rep., Mich.), who has led this postponement fight in the two previous years, had the temporary freeze attached as a rider to a resolution permitting the duty-free importation for 90 days of certain grain used for livestock feed.

Moody's Daily Commodity Index

Tuesday, Dec. 14	247.2
Wednesday, Dec. 15	247.4
Thursday, Dec. 16	247.4
Friday, Dec. 17	247.1
Saturday, Dec. 18	247.2
Monday, Dec. 20	247.4
Tuesday, Dec. 21	246.8
Two weeks ago, Dec. 7	246.7
Month ago, Nov. 20	244.5
Year ago, Dec. 21	238.7
1942 High, Dec. 22	239.9
Low, Jan. 2	220.0
1943 High, April 1	249.8
Low, Jan. 2	240.2

Trading On New York Exchanges

The Securities and Exchange Commission made public on Dec. 18 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Dec. 4, 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 Dec. 4 (in round-lot transactions) totaled 1,121,762 shares, which amount was 13.97% of the total transactions on the Exchange of 4,014,630 shares. This compares with member trading during the week ended Nov. 27 of 915,590 shares, or 15.35% of total trading of 2,983,260 shares. On the New York Curb Exchange, member trading during the week ended Dec. 4 amounted to 300,980 shares, or 15.75% of the total volume on that exchange of 955,620 shares; during the Nov. 27 week trading for the account of Curb members of 199,965 shares was 13.47% of total trading of 742,075 shares.

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

WEEK ENDED DEC. 4, 1943

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	102,610	
‡Other sales	3,912,020	
Total sales	3,014,630	
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	348,340	
Short sales	53,940	
‡Other sales	239,300	
Total sales	293,240	7.99
2. Other transactions initiated on the floor—		
Total purchases	157,570	
Short sales	8,900	
‡Other sales	128,500	
Total sales	137,400	3.67
3. Other transactions initiated off the floor—		
Total purchases	97,124	
Short sales	5,200	
‡Other sales	82,888	
Total sales	88,088	2.31
4. Total—		
Total purchases	603,034	
Short sales	68,040	
‡Other sales	450,688	
Total sales	518,728	13.97

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

WEEK ENDED DEC. 4, 1943

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	5,790	
‡Other sales	949,830	
Total sales	955,620	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	73,070	
Short sales	3,660	
‡Other sales	89,365	
Total sales	93,025	8.69
2. Other transactions initiated on the floor—		
Total purchases	39,790	
Short sales	1,300	
‡Other sales	26,975	
Total sales	28,275	3.56
3. Other transactions initiated off the floor—		
Total purchases	39,780	
Short sales	0	
‡Other sales	27,040	
Total sales	27,040	3.50
4. Total—		
Total purchases	152,640	
Short sales	4,960	
‡Other sales	143,380	
Total sales	148,340	15.75
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	43,117	
Total purchases	43,117	
*Total sales	31,280	

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

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

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

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

National Fertilizer Association Commodity Price Index Advances

The weekly wholesale commodity price index, compiled by The National Fertilizer Association and made public on Dec. 20, advanced to 135.4 in the week ending Dec. 18 from 135.0 in the preceding week. A month ago this index stood at 135.0 and a year ago at 131.7 based on the 1935-1939 average as 100. The Association's report continued as follows:

The slight upward trend in the general level of the all-commodity index may be attributed principally to higher quotations on all grains and livestock which in turn caused the farm products group to reach the highest peak in the last six-weeks period. The foods group declined as lower prices were noted for eggs and oranges. However, an advance in quotations for lard caused the fats and oils group to move into higher ground but still not reaching the level of the corresponding period of 1942. The only other group index to change was the textiles. This was due to rising prices for raw cotton.

During the week 13 price series advanced and 2 declined; in the preceding week there were 6 advances and 8 declines, the same as in the second preceding week.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association

1935-1939=100*

% Each Group Bears to the Total Index	Group	Latest Week Dec. 18, 1943	Preceding Week Dec. 11, 1943	Month Ago Nov. 20, 1943	Year Ago Dec. 19, 1942
25.3	Foods	139.7	140.1	140.6	134.9
	Fats and Oils	146.1	145.6	145.6	148.8
	Cottonseed Oil	159.6	159.6	159.6	164.7
23.0	Farm Products	153.1	151.4	152.3	145.6
	Cotton	187.9	185.6	188.9	187.0
	Grains	164.5	162.5	160.5	128.3
	Livestock	144.0	142.3	143.5	142.7
*17.3	Fuels	123.7	123.7	122.8	119.3
10.8	Miscellaneous commodities	131.4	131.4	131.4	129.5
8.2	Textiles	150.1	149.7	150.2	149.0
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	152.4	152.4	152.4	151.3
1.3	Chemicals and drugs	127.7	127.7	127.7	127.6
.3	Fertilizer materials	117.7	117.7	117.7	117.5
.3	Fertilizers	119.8	119.8	119.8	115.3
.3	Farm machinery	104.2	104.2	104.2	104.1
100.0	All groups combined	135.4	135.0	135.0	131.7

*Indexes on 1926-1928 base were: Dec. 18, 1943, 105.5; Dec. 11, 105.2, and Dec. 19, 1942, 102.6.

Weekly Coal Production Statistics

The Solid Fuel 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. 11, 1943 is estimated at 12,975,000 net tons, an increase of 245,000 tons, or 1.9%, over the preceding week, and 944,000 tons above that in the corresponding week of 1942. Production for the current year to date was 0.5% in excess of that for the same period last year.

ESTIMATED UNITED STATES PRODUCTION OF COAL

(In Net Tons—000 Omitted.)

Bituminous coal and lignite—	Week Ended Dec. 11, 1943	*Dec. 4, 1943	Dec. 12, 1942	January 1 to Date †Dec. 11, 1943	Dec. 12, 1942	Dec. 11, 1937
Total incl. mine fuel	12,975	12,730	12,031	554,725	551,712	423,811
Daily average	2,163	2,122	2,005	1,891	1,901	1,462

*Revised. †Subject to current adjustment.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

(In Thousands of Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

State	Week Ended Dec. 4, 1943	Nov. 27, 1943	Dec. 5, 1942	Dec. 6, 1941	Dec. 4, 1937	Dec. average ¶1923
Alabama	403	426	387	373	271	349
Alaska	5	5	3	4	2	**
Arkansas and Oklahoma	99	104	95	72	83	83
Colorado	183	174	188	168	165	253
Georgia and North Carolina	1	1	1	1	††	**
Illinois	1,602	1,514	1,300	1,135	1,209	1,535
Indiana	618	572	540	514	430	514
Iowa	51	45	70	86	94	121
Kansas and Missouri	206	207	168	163	178	159
Kentucky—Eastern	967	1,004	906	837	690	584
Kentucky—Western	310	298	278	231	205	204
Maryland	35	31	30	41	29	37
Michigan	5	2	9	8	22	21
Montana (bituminous and lignite)	117	108	102	88	72	64
New Mexico	40	39	33	28	31	56
North and South Dakota (lignite)	84	87	78	62	70	**27
Ohio	719	647	621	627	524	599
Pennsylvania (bituminous)	2,987	2,915	2,539	2,882	1,638	2,818
Tennessee	136	155	136	148	121	103
Texas (bituminous and lignite)	5	5	6	5	18	21
Utah	148	143	118	102	73	100
Virginia	420	432	356	393	277	193
Washington	35	40	39	41	46	57
*West Virginia—Southern	2,395	2,375	2,272	2,358	1,445	1,132
†West Virginia—Northern	960	926	863	894	491	692
Wyoming	198	194	193	154	135	173
‡Other Western States	1	1	††	††	1	**5
Total bituminous and lignite	12,730	12,450	11,331	11,415	8,320	9,900
§Pennsylvania anthracite	1,231	1,261	1,108	804	849	1,806
Total all coal	13,961	13,711	12,439	12,219	9,169	11,706

*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.

Supreme Court Declines To Review Decision In Reclassification Of Father

The U. S. Supreme Court refused on Dec. 13 to review a decision upholding a Selective Service Board's reclassification of a draft registrant from 3-A to 1-A after he had become a father. In its account of the action of the Supreme Court, Associated Press advices from Washington Dec. 13, said:

The action of the draft board was challenged by Mrs. Adolph Stanziale of Essex County, N. J., whose husband was inducted into the Army at Fort Dix last January. She sought to obtain his release by means of a writ of habeas corpus on the ground that the Board's action was "unlawful, arbitrary and capricious." She asserted the Board reclassified her husband without any new evidence except that he had become a father.

The discharge of Stanziale was ordered by the Federal District Court for New Jersey. This was reversed, however, by the Third Federal Circuit Court, and the Supreme Court today refused to review this decision. Mrs. Stanziale said the Circuit Court "in substantial effect decided that a Federal Court has no right to review the action of a local selective service board."

The Department of Justice said the Circuit Court's decision was "in effect no more than a holding that a Selective Service classification which is based upon evidence is final."

Auditors Elect Glass

Joseph E. Glass, Auditor of the Guaranty Trust Co. of New York, has been made Financial Secretary of the Institute of Internal Auditors, Inc., for the ensuing year.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Dec. 18 a summary for the week ended Dec. 11 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. 11, 1943

	Total for Week
Odd-Lot Sales by Dealers (Customers' purchases)	
Number of orders	19,572
Number of shares	558,436
Dollar value	21,700,541
Odd-Lot Purchases by Dealers— (Customers' Sales)	
Number of Orders:	
Customers' short sales	373
*Customers' other sales	19,537
Customers' total sales	19,910
Number of Shares:	
Customers' short sales	10,982
*Customers' other sales	524,148
Customers' total sales	535,130
Dollar value	17,517,674
Round-lot Sales Dealers—	
Number of Shares:	
Short sales	50
†Other sales	149,960
Total sales	150,010
Round-lot purchases by Dealers—	
Number of shares	196,330

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

Lumber Movement—Week Ended Dec. 11, 1943

According to the National Lumber Manufacturers Association, lumber shipments of 454 mills reporting to the National Lumber Trade Barometer were 1.5% below production for the week ended Dec. 11, 1943. In the same week new orders of these mills were 3.1% less than production. Unfilled order files in the reporting mills amounted to 98% of stocks. For reporting softwood mills, unfilled orders are equivalent to 37 days' production at the current rate, and gross stocks are equivalent to 35 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 7.2%; orders by 7.5%.

Compared to the average corresponding week of 1935-39, production of reporting mills was 31.0% greater; shipments were 39.9% greater; and orders were 19.1% greater.

Non-Farm Foreclosures Down In October

During October, the number of non-farm foreclosures in the United States dropped to the lowest figure since such records have been assembled, the Federal Home Loan Bank Administration reported on Dec. 11. The Board's advices added:

"The 1,765 foreclosures for the month were 44% below the total for October, 1942. The foreclosure index maintained by the Bank Administration (1935-1939 average equals 100) declined to 13.7, its lowest point.

"For the January-October period, foreclosures numbered 21,933, a decline of 40% from the comparable 1942 total. Each of the 12 Federal Home Loan Bank districts shared in the improvement. Declines ranged from 56% in the Indianapolis district (Indiana and Michigan) to 31% in the New York district (New Jersey and New York)."

Nov. Department Store Sales In New York Federal Reserve District 17% Above Year Ago

The Federal Reserve Bank of New York announced on Dec. 17 that November sales of department stores in the Second (New York) Fderal Reserve District increased 17% over a year ago. The combind sales for January through November are 7% higher than in the same period last year. Stocks of merchandise on hand in department stores at the end of November were 14% below November, 1942.

The apparel stores in the New York Reserve District reported a gain of 30% in net sales in November. Their stocks on hand at the close of the month were 7% above last year.

The following is the bank's tabulation:

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

	Percentage changes from a year earlier		
	Net Sales		
Department Stores—	Nov.	Jan. thru Nov.	Stock on hand, Nov. 30, 1943
New York City	+20	+ 8	—15
Northern New York State	+10	— 1	—20
*Newark	+10	0	—22
Westchester and Fairfield Counties	+ 9	— 2	— 8
Bridgeport	+ 6	— 5	—11
Lower Hudson River Valley	+24	+ 7	— 2
Poughkeepsie	+23	+ 9	--
Upper Hudson River Valley	+ 8	— 1	— 4
Albany	+ 9	— 4	--
Schenectady	+ 7	+ 4	— 3
Central New York State	+25	+12	— 7
Mohawk River Valley	+23	+13	—18
Utica	+30	+14	--
Syracuse	+27	+12	— 1
Northern New York State	+11	+ 3	--
Southern New York State	+20	+11	0
Binghamton	+23	+15	--
Elmira	+13	— 1	--
*Western New York State	+15	+10	— 7
Buffalo	+18	+11	— 5
*Niagara Falls	+17	+27	— 1
Rochester	+13	+ 7	—11
*All department stores	+17	+ 7	—14
*Apparel stores	+30	+21	+ 7

*Subject to revision, 25 shopping days, 1943; 24 shopping days, 1942.

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

	1942	1943		
	Nov.	Sept.	Oct.	Nov.
Sales (average daily), unadjusted	144	*126	137	163
Sales (average daily), seasonally adjusted	121	118	121	137
Stocks, unadjusted	*152	128	131	131
Stocks, seasonally adjusted	*135	123	119	114

*Revised.

Statutory Debt Limitation As Of Nov. 30, 1943

The Treasury Department made public on Dec. 6 its monthly report showing the face amount of public debt obligations issued under the Second Liberty Bond Act, (as amended) outstanding on Nov. 30, 1943, totaled $171,314,289,416, thus leaving the face amount of obligations which may be issued, subject to the $210,000,000,000 statutory debt limitation at $38,685,710,584. In another table in the report, the Treasury indicates that from the total face amount of outstanding public debt obligations ($171,314,289,416) should be deducted $6,325,845,506 (the unearned discount on savings bonds), reducing the total to $164,988,443,910, but to this figure should be added $1,169,956,325 (the other public debt obligations outstanding but not subject to the statutory limitation). Thus, the total gross debt outstanding as of Nov. 30, 1943, was $166,158,400,235.

The following is the Treasury's report for Nov. 30:

Statutory Debt Limitation as of Nov. 30, 1943

Section 21 of the Second Liberty Bond Act, as amended, provided that the face amount of obligations issued under authority of that Act, "shall not exceed in the aggregate $210,000,000,000 outstanding at any one time."

The following table shows the face amount of obligations outstanding and the face amount which can still be issued under this limitation:

Total face amount that may be outstanding at any one time			$210,000,000,000
Outstanding as of Nov. 30, 1943:			
Interest-bearing:			
Bonds—			
Treasury	$67,940,349,000		
*Savings (Maturity value)	33,022,858,825		
Depository	399,824,250		
Adjusted Service	719,672,907		
		$102,082,704,982	
Treasury notes	$27,687,610,400		
Certificates of Indebtedness	28,066,911,000		
Treasury bills (Maturity val.)	13,073,822,000		
		68,828,343,400	
		$170,911,048,382	
Matured obligations, on which interest has ceased		200,825,575	
Bearing no interest (U. S. Savings stamps)		202,415,459	
			171,314,289,416
Face amount of obligations issuable under above authority			$38,685,710,584

RECONCILEMENT WITH DAILY STATEMENT OF THE UNITED STATES TREASURY NOV. 30, 1943

Total face amount of outstanding public debt obligations issued under authority of the Second Liberty Bond Act		$171,314,289,416
Deduct unearned discount on Savings Bonds (difference between current redemption value and maturity value)		6,325,845,506
		$164,988,443,910
Add other public debt obligations outstanding but not subject to the statutory limitation:		
Interest-bearing (pre-war, etc.)	$195,942,720	
Matured obligations on which interest has ceased	7,936,840	
Bearing no interest	966,076,765	
		1,169,956,325
Total gross debt outstanding as of Nov. 30, 1943		$166,158,400,235

*Approximate maturity value. Principal amount (current redemption value) according to preliminary public debt statement $26,697,013,319.

October Mortgage Recordings Up Slightly

During October, recordings of non-farm real estate mortgages totaled $386,000,000, 1% above September activity and the highest aggregate for any month this year, the Federal Home Loan Bank Administration reported on Dec. 11. The advices also state:

"The October figure was 8% above October, 1942, but 14% under the level of the same month in 1941.

"For the first 10 months of 1943 mortgage recordings reached $3,176,700,000 or 7% below the January-October total in 1942. Savings and loan associations have increased their activity to date this year by 1%. Mortgages recorded in the name of "individuals" rose by 12%. All other classes of lenders showed declines in comparison with 1942.

"The number and amount of mortgages of $20,000 or less recorded for the January-October period this year, by type of lender, are as follows:

	Number	Amount	Per Cent
Savings and loan associations	351,632	$1,024,511,000	32
Insurance companies	47,294	234,563,000	7
Banks and trust companies	182,621	620,652,000	20
Mutual savings banks	31,906	125,001,000	4
Individuals	309,851	698,942,000	22
Other mortgagees	130,722	473,070,000	15
Totals	1,055,026	$3,176,739,000	100%

Non-Ferrous Metals—Lead Sales Large—Censorship Regulations On Statistics Relaxed

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. 16 stated: "Relaxation of censorship regulations now makes it possible to publish statistics on the position of copper, zinc, quicksilver, aluminum, and magnesium. Lead statistics were not under the ban, but the industry withheld its production figures because of some questions relating to the interpretation of the code. This uncertainty has been removed. The revised press code, dated Dec. 1 and effective 'immediately,' still imposes restrictions on data covering imports, exports, or Government stockpiles of tin, uranium, chromium, manganese, tantalum, tungsten, and platinum. So far as the market place is concerned, statistics at present exert no influence on prices. War demands, cancellation of contracts, and WPB policy on civilian consumption will determine price trends for some time to come, trade authorities believe." The publication continued in part as follows:

Copper

Though the Copper Institute has not yet released statistics for general distribution, the trade press obtained access to the figures and published the data for its news value. Import statistics, necessary to complete the picture, were not available.

Domestic production of crude copper for November was 99,155 tons, making the total for the first 11 months 1,095,956 tons, against 1,051,099 tons in the January-November period last year.

Domestic production of refined copper for November amounted to 102,136 tons. Production of refined for the January-November period totaled 1,102,227 tons, against 1,030,499 tons in the same period last year.

Deliveries of refined copper (domestic and foreign) amounted to 138,677 tons in November, or close to the monthly average for the year to date. The peak in deliveries this year was 150,451 tons in April. Deliveries for the 11 months' period this year came to 1,527,623 tons, against 1,469,733 tons in the same time in 1942.

Stocks of refined copper in the hands of the industry at the end of November totaled 52,231 tons, against 61,833 tons a year ago. Emergency stockpile figures obviously are not included.

January allocation certificates turned up in a few places yesterday.

Lead

Demand for lead continued active, sales for the week totaling 15,218 tons, against 10,792 tons in the preceding week. However, requests for foreign lead to supplement domestic metal in January may be smaller, some members of the industry believe.

WPB has cancelled its meeting with lead producers, scheduled for December 20, "because of travel difficulties." Allotments of foreign lead can be made in Washington on the basis of information available to the Tin-Lead Division. WPB announced that applications for allotments from Metal Reserve's stocks should reach Washington not later than December 17.

Zinc

The industry was concerned about the trend in consumption of zinc at war plants. Government-owned ordnance plants, carrying a total of about 10,000 tons of High Grade zinc on reserve, have been asked to consume this metal next month. This action will cut down buying from the plants involved until the zinc is used up. In other words, January allocations will be smaller.

Zinc statistics are expected to become available for publication in the near future.

Tin

The Office of Censorship has not changed its position in regard to tin. Under the revised code, tin is still classified among the critical or strategic materials on which information giving statistical data covering imports, exports, or stockpiles is not to be published.

Production of tin-plate in the United States during October amounted to 151,331 tons, against 112,934 tons in October last year, the American Iron and Steel Institute reports. Production for the first ten months totaled 1,841,393 tons, against 2,429,233 tons in the same period last year.

There were no price developments in tin last week.

Straits quality tin for shipment, in cents per pound, was as follows:

	Dec.	Jan.	Feb.
Dec. 9	52.000	52.000	52.000
Dec. 10	52.000	52.000	52.000
Dec. 11	52.000	52.000	52.000
Dec. 13	52.000	52.000	52.000
Dec. 14	52.000	52.000	52.000
Dec. 15	52.000	52.000	52.000

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

Quicksilver

The price situation in quicksilver remained about unchanged last week. The New York market for prompt material continued at $190 @ $193 per flask of 76 lb. Futures were largely nominal and open to negotiation where quantity business is involved. Manufacturers of mercurials are believed to be reducing their inventories sharply, owing to uncertainty that surrounds the price outlook for next year. Producers, on the other hand, hope that output will be reduced more than normal during the winter period.

Silver

Treasury silver made available to essential industries under the Green Act is being purchased in substantial volume for the production of engine bearings, brazing alloys, and solders. Purchase authorizations totaling some 25,000,000 ounces have been issued to date by WPB, it was stated officially last week. After a meeting of the advisory committee, it was revealed that all foreign silver currently imported is in the form of ores and concentrates, and barely in balance with the demands of those industries permitted to use foreign-origin metal. Newly mined domestic silver is also in close balance with permitted-use demand. The proposed Treasury agreement to purchase surplus inventories of Treasury silver in the hands of industry at the close of the war was commented on favorably at the meeting of the group.

The London market for silver continued at 23½d. The New York Official for foreign silver was 44¾¢.

Brooklyn Trust Joins N. Y. Clearing House

At a meeting of all the members of the New York Clearing House Association on Dec. 13, the Brooklyn Trust Company was admitted to membership in the Association.

The bank's clearing number will be 102, which is the number it formerly had while a member of the Clearing House from 1911 to 1922, when the institution voluntarily withdrew from membership.

"We believe that membership in the Clearing House will be distinctly advantageous to Brooklyn Trust Company," George V. McLaughlin, President of the company declared.

On the date Brooklyn Trust Co. left the Clearing House in 1922, it had deposits of $35,831,089 and capital funds of $4,521,994. It operated three branches. The trust company's latest statement, as of Sept. 30, 1943, showed deposits of $196,169,319 and capital funds of $14,362,489. The company now operates 23 branches.

The Brooklyn Trust Co. is the third new member of the Clearing House in the last two months. The last member admitted was the United States Trust Co. of New York, under date of Nov. 29, (referred to in our Dec. 2nd issue, page 2217) and previous thereto J. P. Morgan & Co., Inc., became a member on Oct. 29, noted in these columns Nov. 4, page 1800.

Nov. Living Costs Static

Living costs of wage earners and lower-salaried clerical workers in the United States were unchanged on the average from October to November, according to the National Industrial Conference Board.

The Board's announcement Dec. 14 further said:

"Clothing rose 0.3%, fuel and light 0.4%, and sundries 0.5%, but food declined 0.4%.

"The Board's index of the cost of living (1923=100) stood at 103.7 in November as it had in October, as compared with 103.1 in September and 100.5 in November, 1942.

"The level of living costs was 3.2% higher than that of a year ago. Food showed the greatest advance over November, 1942, with an increase of 5.4%. Other advances during the 12 months were: sundries, 2.7%; fuel and light, 2.8%; and clothing, 2.6%. Housing remained unchanged.

"The purchasing power of the dollar, on the basis of 100 cents to the dollar in 1923, which amounted to 97.0 cents in September, declined to 96.4 cents in October and remained at that figure in November. It stood at 99.5 cents in November, 1942."

Quota Of $911 Million For Individual Sales In N. Y. State Set For Fourth War Loan Drive

A quota of $911,000,000 for sale to individuals in New York State in the Fourth War Loan was announced on Dec. 9 by W. Randolph Burgess, Chairman of the War Finance Committee for New York State at a meeting of the group. This means says the announcement, that the citizens of New York State will be called upon to subscribe $60,000,000 more than during the Third War Loan when they actually purchased $850,000,000 of bonds, against a quota of $796,000,000. County and district goals are now being established. Total quotas including corporation purchases have not yet been announced. It was further stated:

"In successive drives the amount of sales to individuals has steadily increased. In the first War Loan in December 1942, sales to individuals in the state totaled $320,000,000 and in the Second War Loan in April, $598,000,000.

"It is estimated that the number of separate purchasers of War Bonds in the Third War Loan was 3,750,000 as compared with 2,640,000 in the Second War Loan.

"The whole plan of organization as discussed at the meeting of the War Finance Committee is centered around an increase in sales to individuals and the emphasis in this direction will be even more vigorous than in the Third War Loan. The first 13 days of the drive, from Jan. 18 to Feb. 1, will be concentrated on solicitation of individuals. All sales of E, F and G bonds during the whole of January and February will be included in the drive totals.

"Since the share to be raised from individuals is greater than ever before," Mr. Burgess explained to the committee, "the whole organization is being set up to obtain wider distribution of sales. There will be a larger number of workers for the Fourth War Loan than the Third although our records show that we had about a half million enrolled in that drive. But it has been proved that subscriptions go up in proportion to the number of persons solicited. For the country as a whole, about 47% of all people with income were asked to buy War Bonds in the Third War Loan as compared with 24% in the Second, with the result that sales directly to individuals amounted to $5,377,000,000 as compared with $3,290,000,000. It's the people who are called upon by our door-bell-ringing brigade that buy bonds.

"These drives have a much wider implication than the sale of bonds alone. They furnish the opportunity for the people of America to give expression to their loyalty and their ideals for their country.

"These bond drives are one of the activities in which the whole nation unites. They provide an opportunity not only to foster a habit of savings, but also for the nation to rededicate itself to its noblest ideals."

Three new members of the committee attended for the first time. They are Nugent Fallon, President of the Federal Home Loan Bank; Karl D. Gardner, former President of the W. T. Grant Co., and former director of procurement, Army Exchange Service, who has succeeded Walter H. Johnson, Jr. as head of the Community Sales Division in Manhattan; and Joseph A. Bower, Executive Vice President of the Chemical Bank & Trust Co., who has succeeded Eugene R. Black as director of the Banking and Investment Division. It is also announced that the general organization throughout the state will continue along the same lines as the Third War Loan. Bayard F. Pope is State Vice Chairman and Nevil Ford is Executive Manager.

To Redeem Egyptian 3½s

The Royal Egyptian Government has called for redemption on Jan. 16, 1944, at par and accrued interest all of the Egyptian Preference 3½% loan, including such bonds held outside of Egypt, whose holders do not exercise their privilege of conversion into the new 3¼% Egyptian National Loan maturing 1963-73. Arrangements have been made whereby bonds held in the United States may be deposited at the Agency of the Bank of Montreal, 64 Wall Street, New York City, for redemption in sterling at the Bank of England in London. Bonds held in Canada may be deposited with the Bank of Montreal in Montreal.

N. Y. Fact. Office Workers' Weekly Pay Is $43.82

Office workers in factories in New York State earn on the average $43.82, according to a statement issued Nov. 29 by the New York State Department of Labor. Men working in factory offices earned an average of $57.83 per week while women averaged $32.27. This variation in earnings is explained, in part, by the difference in the occupational distribution of jobs for the two sexes. These statements are based on a special survey of the earnings of office and clerical workers in factories for October 1943, made by the Division of Statistics and Information. The study is based on reports from 2,612 firms throughout the State and covers clerical and other non-supervisory salaried employees.

The Department's announcement further explained:

"Considerable variation is indicated in the earnings of office workers in different industries. The averages are highest for those industries composed mostly of large sized plants where the need for highly skilled office workers exists. Higher weekly earnings are evident also among war industries which operate on a comparatively long work week. Average weekly earnings in the metals and machinery group amounted to $48.09, and in miscellaneous manufacturing industries $45.95. Included in the latter group are manufacturers of professional and scientific instruments, photographic apparatus, and optical goods. Earnings for other industries ranged from $28.23 to $39.72.

"Shop employees averaged a little over $2.00 more per week than office workers. Some of this difference is due to the fact that office employees are composed of a higher percentage of women whose average earnings are lower than those for men. Considering each sex separately most industries show higher weekly earnings for office employees than for wage earners in the shop. Men in factory offices average $57.83 per week as against $54.62 for men in the shop. Women office employees average $32.27 as compared with $31.50 for women in the shop.

"Comparative data on the earnings of office workers for the year 1942 are available for women only. These figures show that during the past year, the average weekly earnings of women office workers increased $3.09. This represents a gain of 10.6% and compares with an increase of 23% for women shop employees. Increases in the earnings of women office workers were evident in all industries, although there was considerable variation in the amounts. Some of the increase in total earnings was due to a shift in employment from consumer goods industries with relatively low average earnings to war industries with the high average earnings.

"On an individual industry basis, firms in New York City have higher average earnings than those upstate, although the average for all industries combined is lower in the City. This is due to the greater relative importance of large plants and war industries in the upstate area. Earnings for office workers in New York City amounted to $40.57; men averaged $56.07 and women $31.69. Women's earnings in 1942 were $28.37.

November Business Failures Lower

November business failures are lower in both number and liabilities involved than in October this year and November, 1942. Business insolvencies in November, according to Dun & Bradstreet, Inc., totaled 155 and involved $2,402,000 liabilities as compared with 169 involving $3,785,000 in October and 585 involving $5,245,000 in November a year ago.

The decrease in the number of failures and liabilities in November from October took place in all of the divisions of trade into which the report is divided, except in the amount of liabilities involved there was an increase in the wholesale and retail divisions.

Manufacturing failures last month numbered 31, involving $1,211,000 liabilities, compared with 33 in October with $2,468,000 liabilities. Wholesale failures decreased to 11 from 12 but liabilities increased from $150,000 in October to $180,000 in November. In the Retail trade section insolvencies were lowered from 81 to 78 but liabilities were up from $544,000 to $658,000. Construction failures numbered 26 with $206,000 liabilities in November, which compares with 27 with $298,000 liabilities in October. Commercial Service failures amounted to 9 in November as compared with 16 in October and liabilities $147,000 in November against $325,000 in October.

When the country is divided into Federal Reserve Districts it is seen that all of the Districts had fewer failures in November than October, except the Cleveland, Richmond and Chicago Reserve districts which had more and the St. Louis Reserve District which had the same number. The Dallas Reserve District again enjoys the distinction of not having any failures when the amount of the liabilities is considered, the New York, Cleveland and Richmond Reserve districts had more liabilities involved in November than in October, and the Dallas Reserve District which we have already said did not have any, while all of the remaining districts has less liabilities involved in November than in October.

Russia And Czechoslovakia Sign Mutual Aid Pact

A 20-year treaty of friendship, mutual assistance and post-war collaboration between the Soviet Union and the Czechoslovak government-in-exile was signed in Moscow on Dec. 12.

The document was signed at the Kremlin in a ceremony attended by Premier Marshal Josef Stalin and Czech President Eduard Benes. Foreign Commissar Vyacheslav Molotov signed for the Soviet Union and Czech Ambassador Zdenek Fierlinger for his government-in-exile.

The agreement, it is reported, leaves the way open for Poland also to come in later.

In Associated Press Moscow advices of Dec. 13, it was stated:

"A major implication of the pact was that it brought the two States into direct collaboration, in opposition to the principle of a federation of small eastern European countries. British and United States representatives had no direct part in the negotiations of the pact, but it was believed they have been informed of the contents of the document and had approved.

"It was understood that the Soviet Union desired a similar accord with Poland, although relations between the Poles and Russians are now broken."

Cleveland Reserve Bank Arranges V And VT Credits Of $64,500,000

Arrangements have been completed for three Regulation V and VT loans totaling $64,500,000 and an additional $5,500,000 in loan credit is under negotiation for two other concerns in the Fourth Federal Reserve District, it was announced on Dec. 10 by Matthew J. Fleming, President of the Federal Reserve Bank of Cleveland. The largest credit is that extended the Crosley Corp. of Cincinnati for $30,000,000. It is the second largest Regulation V credit estabilshed so far in the Fourth District, according to the announcement from the Reserve Bank, from which we also quote:

"A VT credit of $20,000,000 has been made available to the National Supply Co. of Pittsburgh. The third credit of $14,500,000 will be announced later.

"Both the $30,000,000 and $20,000,000 credits, which are guaranteed substantially by the War Department, were made available through groups of banks in order to finance the huge war production of the two companies, Mr. Fleming said.

"'Victory Termination' credits are designed to increase protection for manufacturers of war material and to lessen the danger of frozen working capital as a result of terminated war contracts. This permits better planning for conventional conversion of production to peace-time manufacturing."

Mr. Fleming pointed out the fact that Crosley & National Supply have obtained revolving credits totaling $50,000,000 does not mean that they will immediately borrow this amount, or that they shall ever be required to do so.

The Fifth Third Union Trust Co. of Cincinnati is agent for itself and 12 other banks in handling the Crosley credit. The others are:

Central Trust Co. and First National Bank, Cincinnati; Cleveland Trust Co. and National City Bank, Cleveland;

Bankers Trust Co., Bank of the Manhattan Co. and New York Trust Co., New York; Continental Illinois National Bank & Trust Co., Chicago; Indiana National Bank of Indianapolis; Mercantile Commerce Bank & Trust Co., and Mississippi Valley Trust Co., St. Louis; and Union Trust Co. Pittsburgh.

It is further stated that the National Supply Co. credit was arranged through the Union Trust Co. of Pittsburgh and two other Pittsburgh banks, the Commonwealth Trust Co. and First National Bank, and four New York banks, Chase National Bank, Bankers Trust Co., Manufacturers Trust Co., and New York Trust Co. The Crosley Corporation credit will run until June 30, 1946, and the National Supply credit until Dec. 31, 1946.

Nov. Newsprint Output Up

The Newsprint Association of Canada reported on Dec. 11 North American production of newsprint paper in November amounted to 349,656 tons, against 346,708 tons in November, 1942, according to Canadian Press Montreal advices of Dec. 11, which further said:

"Canadian production was 256,333 tons and shipments 260,590 tons. United States mills made 66,465 tons and shipped 67,490 tons and Newfoundland's output was 26,855 tons and shipments 29,070 tons.

"Production in Canada for 11 months ended November 30 was 2,733,266 tons, against 2,993,001 in the like 1942 period, the Association said. United States production was 742,646 tons, against 877,961 tons, and Newfoundland's 213,516 tons, against 257,990 tons.

"Stocks of all North American manufacturers declined 7,494 tons in November and at the end of the month amounted to 121,973 tons.

Senate Votes Public Health Service Funds

The Senate appropriated on Dec. 8 $340,000 to be made available to the Public Health Service in an attempt to remedy the scarcity of physicians and dentists in the nation, particularly in the poorer communities of rural areas and in war-boom localities.

Under the legislation, which is part of the First Supplemental National Defense Appropriations bill, the Surgeon General would be authorized, on application of a local community, to pay the doctor or dentist the sum of $250 a month for three months and to pay his transportation expenses to the new community. It will be necessary for the requesting communities to contribute $100 to the total cost of such relocation allowance, travel and transportation expenses.

Senator Russell (Dem., Ga.) explained that the Federal Government has taken 50,000 doctors out of the communities and placed them in the Army and Navy and that the more remote areas are badly in need of medical attention. He also said that the measure could not be construed as pertaining to "socialized medicine" but Senator Revercomb (Dem., W. Va.), who opposed the legislation, expressed the belief that it was a close approach to it.

Marvin McIntyre Dead

Marvin H. McIntyre, Secretary to President Roosevelt since 1933 and a close friend of the President for 25 years, died on Dec. 13 in Washington. He was 65 years old.

President Roosevelt, on his way home from conferences in Cairo and Teheran, was notified of Mr. McIntyre's death and sent the following message to the White House:

"Another faithful servant is lost to the public service in the death of Marvin McIntyre. Despite the handicap of frail health in recent years, which would have defeated a less valiant spirit, he could not be persuaded by any consideration of self-interest to relax his devotion to the heavy and important duties and responsibilities which fell to him to discharge.

"To me personally his death means the severing of a close friendship of a quarter of a century. We at the White House shall miss him. We shall remember him as a public servant whose whole career emphasized fidelity and integrity in the performance of the many tasks which made up his busy day. We shall remember also his never failing humor, his cheerful spirit and his ever-ready helpfulness throughout these years."

Mr. McIntyre's long association with the President began when Mr. Roosevelt was Assistant Secretary of the Navy and he was in charge of press relations during the first World War. Mr. McIntyre served as Mr. Roosevelt's publicity representative during the Vice-Presidential campaign of 1920, and following this he was engaged in public relations work in Washington until 1932, when he became business manager and publicity representative for Mr. Roosevelt's Presidential campaign. When the President assumed office he immediately appointed Mr. McIntyre as his Secretary.

Sees Little Likelihood Of Changes In Tax Law To Ease Provisions On Pension Trusts

Predicting that a sympathetic attitude will be taken by officials of the Bureau of Internal Revenue in passing on the employee pension plans of corporations, Thomas N. Tarleau, New York attorney and member of the firm of Willkie, Owen, Otis, Farr & Gallagher, stated that there is now neither the need nor the likelihood of any Congressional action to ease the provisions of the current revenue act as it applies to corporation pension trusts.

Speaking at the fourth session of a three-day conference on pension and profit-sharing trusts being jointly sponsored by the School of Law and the Division of General Education of New York University, Mr. Tarleau reviewed the history of corporation pensions in this country and surveyed the current status of these pension plans in the light of recent legislation and administrative rulings.

"There was some talk when the Act was passed that amendments would have to be made by Congress in order to mitigate the severity of some of the statutory requirements," Mr. Tarleau said, commenting on the provisions of the present revenue act. "It was pointed out that a good many past pension plans that were bona fide might find it difficult, if not impossible, to qualify under the present statute." Mr. Tarleau went on to say:

"As the months passed, however, and Bureau rulings are issued and the body of precedents is built up, the desire for statutory change has lessened. The Congress has now extended the time for compliance by the old plans until Dec. 31, 1944. Generally speaking, these old plans have not yet been submitted for approval by the Department. In my opinion, if a properly sympathetic attitude is taken by Bureau officials in passing upon the validity of the old plans, it should be possible to separate those old plans which were really against public policy from those which were bona fide in their purpose. With proper administration, it is my opinion, that there is very little likelihood of any serious change at this time in the pension trust provisions of the Internal Revenue Code."

According to Mr. Tarleau, corporations are now turning to pension plans as a device to increase the compensation of employees without violating the provisions of the Wage and Salary Stabilization Law. In his remarks he said:

"The Wage and Salary Stabilization Law of Oct. 2, 1942, amended the Emergency Price Control Act to freeze wages and salaries in order to prevent or check the inflationary spiral. Under the Executive Order issued pursuant to the law, there is exempted from the definition of wages and salaries 'insurance and pension benefits in a reasonable amount.' Pensions, however, are now one of the few means whereby increased compensation can be given to employees without violating the Salary Stabilization Act. In times when the need for employees and employee cooperation is extremely great, pension trusts form an important method whereby the employer can give additional compensation to his help."

To Redeem Egyptian 4s

The Royal Egyptian Government has called for redemption on Jan. 1, 1944, at par and accrued interest all of the Egyptian Government 4% unified sterling bonds whose holders do not elect to exercise their privilege to convert into the new 3¼% Egyptian National Loan maturing 1963-73. Arrangements have been made whereby bonds held in the United States may be deposited at the agency of the Bank of Montreal, 64 Wall Street, New York City, for the redemption in sterling at the Bank of England in London. Bonds held in Canada may be deposited with the Bank of Montreal in Montreal.

Hull Urges Funds For Financing UNRRA

The House Foreign Affairs Committee on Dec. 7 opened hearings on a measure setting up legislative machinery for this nation's participation in the United Nations Relief and Rehabilitation Administration.

In urging that Congress authorize funds for "full and effective participation by this country," Secretary of State Hull in a letter read to the Committee by Dean Acheson, Assistant Secretary of State, said:

"This organization must begin its work close upon the heels of the armies of the United Nations. Not only to assure that the liberated peoples will live and be strengthened for the tasks of peace, but to assure that the end of the fighting brings peace and not disorganization and further conflict."

Mr. Hull's letter further stated: "The broad plans growing out of the Moscow conference, which Congress has so warmly indorsed, will need the work of this great organization to insure, in the words of the four-nation declaration, 'a rapid transition from war to peace.'"

Mr. Acheson, who is the United States member of the UNRRA Council, told the Committee of the importance of having the necessary funds appropriated so the organization can begin its operations.

The Committee concluded its hearings on the bill on Dec. 10 with Herbert H. Lehman, Director-General of the UNRRA, testifying. On the previous day (Dec. 9), Leo T. Crowley, Foreign Economic Administrator, outlined to the House group the proposed United States financial contribution.

Under the plan for financing the UNRRA there would be a $2,000,000,000 administrative fund contributed by member countries of the international relief agreement on the basis of 1% of each nation's national income. Although 44 United and associated nations signed the relief agreement only those countries which have not been occupied by the enemy are asked to contribute. The sum for the United States would come to about $1,500,000,000.

In a radio talk on Dec. 4, Mr. Lehman said the purpose and scope of the organization "are limited to an emergency period and are intended to care only for emergency needs." Mr. Lehman stressed as the agency's theme the principle of helping others to help themselves, explaining that the nations and peoples who have suffered most directly from this war will not easily or willingly become recipients of relief assistance." He noted, according to the Associated Press, the international harmony which prevailed in the recent UNRRA meeting at Atlantic City and said the program decided on there to help the victims of war will embrace emergency supplies and services coming under the following four main classifications:

Relief Supplies—"Meaning essential goods to meet immediate needs such as food, fuel, clothing, shelter and medical supplies."

Relief Services—"Such as health and welfare and assisting displaced persons in securing their repatriation or return."

Rehabilitation Supplies—"Such as seeds, fertilizers, raw materials, fishing equipment, machinery and spare parts."

And Fourth—"The pledge that UNRRA will assist in repairing public utilities such as light, water power, transportation, sanitation and communications to meet immediate needs."

The Atlantic City meeting was concluded on Dec. 1 and the work of organizing was transferred to the headquarters in Washington.

The four permanent supervisory bodies of the UNRRA—the committees on supplies, financial control, Europe and the Far East, elected their officers on Nov. 30. The member for the United States heads the financial group; the Canadian member, the supplies group; the British member, the European committee, and the Chinese member, the Far East group. The Russian delegation has the Vice-Chairmanship of the European and supplies committees.

A previous item regarding the conference was referred to in our issue of Nov. 25, page 2139.

FDR Proclaims Jan. 1 As Day Of Prayer

President Roosevelt has proclaimed Jan. 1 as a national day of prayer for "strength and guidance for the problems of widening warfare and for the responsibilities of increasing victory." The text of the proclamation was made public as follows by the White House:

"At the end of the year 1943, which has not only made manifest the devotion and courage of our nation's sons, but has also crowned their efforts with brilliant success on every battle front, it is fitting that we set aside a day of prayer to give thanks to Almighty God for His constant providence over us in every hour of national peace and national peril.

"At the beginning of the new year 1944, which now lies before us, it is fitting that we pray to be preserved from false pride of accomplishment and from willful neglect of the last measure of public and private sacrifice necessary to attain final victory and peace.

"May we humbly seek strength and guidance for the problems of widening warfare and for the responsibilities of increasing victory. May we find in the infinite mercy of the God of our fathers some measure of comfort for the personal anxieties of separation and anguish of bereavement.

"Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, do hereby appoint Saturday, the first day of January, 1944, as a day of prayer for all of us, in our churches, in our homes, and in our hearts, those of us who walk in the familiar paths of home, those who fight on the wide battlefields of the world, those who go down to the sea in ships, and those who rise in the air on wings."

FDR, Eisenhower Confer

President Roosevelt spent two days in conference with Gen. Dwight D. Eisenhower in the North African city of Carthage on the "new over-all strategy," the White House disclosed on Dec. 11.

In talking with the Allied Commander-in-Chief in the Mediterranean area, Mr. Roosevelt gave "details of the grand Mediterranean strategy determined upon in collaboration with Prime Minister Churchill and the combined British-American staffs," the White House said.

The days on which the President visited Carthage were not revealed by the White House. Participating in the talks with Gen. Eisenhower were his chief of staff, Major General Walter Smith, and Lieutenant General Carl Spaatz, Commanding General of the Northwest African Air Force.

N. Y. Chamber Urges Business Take Offensive Against Federal Attempts To Control Insurance

Citing the attempts at Federal control of insurance as "an example of the dangerous trend toward an all-powerful central government at the expense of States rights," the Chamber of Commerce of the State of New York at its monthly meeting on Dec. 2 adopted a report urging all business to take the offensive against Federal invasion of the field of private enterprise and the expansion of bureaucratic government. Only in this way, the report declared, could the American system of free enterprise be saved from ultimate destruction.

Drawn by the Committee on Insurance, of which Theodore M. Riehle is chairman, the report listed seven attacks of the Federal Government on the insurance business in the last five years and urged active support for the Bailey - Van Nuys bill under which Congress would definitely establish that the insurance business is not interstate commerce and would safeguard its continued regulation by the States.

As of Sept. 30 it was estimated that $36,600,000,000 was held in trust, in effect, for 67,000,000 policyholders "under the protective wing" of the legal reserve life insurance companies, the report said. Emphasizing that these assets are owned by the policyholders and not the companies and are under the supervision of the 48 State insurance departments, the report commented: "Imagine this fund under Federal control!"

The Government attacks referred to in the report follow:

1. The investigation of life insurance companies by the Temporary National Economic Committee which "disclosed nothing damaging concerning the basic operations, methods, aims and soundness" of the business.

2. The Department of Justice attempt to establish that stock fire insurance corporations are violating the Federal anti-trust laws.

3. The bill introduced by Senator McCarren (S-26) to set up a fund to bond Federal employees and employees of agencies or corporations owned or controlled by the Federal Government.

4. The delving into the experience of 500 companies writing accident and health insurance by the "bureau" of research and statistics of the Social Security Board.

5. Pending legislation in Congress (H.R. 1992) authorizing the Federal Government to enter the aviation insurance business.

6. The suggestion made by Secretary Morgenthau in September to allow a post-war credit or rebate on individual income taxes under the 1943 tax bill in the form of Government life insurance.

7. The Wagner bill (S-1161) which includes the establishment of a Unified National Social Insurance System and insurance benefits for workers permanently disabled among its many proposed social security benefits.

Commenting on the attack on the stock fire insurance companies by the Department of Justice, the report said:

"The goal is first to destroy State regulation of insurance, then to substitute Federal Government regulation, i.e., Federal Government control, and then to put the Federal Government in the insurance business, first to compete with individual enterprise in this field and then absorb it."

There is no public demand for the Federal Government to enter the insurance business, the report said, adding that the public has confidence in the stability and fairness of rates and treatment of American insurance companies under state regulation.

"The success it (the insurance business) has achieved because of service to its policyholders breeds governmental envy and jealousy," the report charged.

Declaring that the insurance business "is the soft underbelly of all business" and that it feared and distrusted Federal control or supervision, the report warned:

"Any legislation which will result in the Federal Government setting up another bureau in competition with private insurance enterprise will have its withering and deadly effect on the insurance business as we now know it, whether the form be stock or mutual companies, or otherwise."

The report said business "must take the offensive, one for all and all for one, attack and counter attack, if it expects to combat these Federal onslaughts" and hold back Governmental control.

"The American insurance business and all American business will answer its call to arms and defend itself against Federal control and ultimate destruction. Then there will be no doubt about the nature of the future of the American insurance business and all American business," the report concluded.

ABA Speakers Available For Bankers' Meetings

Bringing up to date another service of the American Bankers Association, its Speakers Bureau has sent to the A. B. A.'s official family and Secretaries of State Bankers Associations a booklet listing the members of the Association's staff whose services are available as speakers at bankers' meetings. The Association in making this known Dec. 14 also said:

"In all, 23 members of the A. B. A.'s staff are listed in the booklet, together with brief biographical sketches of each man, the topics and subjects they are prepared to discuss, and a synopsis of the material covered under each subject.

"In a brief foreword to the booklet, stress is laid on the fact that these speakers are available only to bankers' groups, such as State and county associations, clearing house associations, American Institute of Banking chapters, and meetings of similar organizations. Invitations cannot be accepted for addresses before service or community clubs and like groups.

"The foreword also places emphasis on the point that acceptance of engagements by these speakers is necessarily limited by war-time travel restrictions, previous engagements, and requirements of their other duties."

Record Import And Coastal Freight Handled In Nov.

There were 133,537 cars of export freight, excluding coal and grain, handled through United States ports in November compared with 75,767 cars in November last year, or an increase of 76% the Association of American Railroads reported on Dec. 13.

Export grain unloaded at the ports totaled 4,772, compared with 3,259 in November, 1942, or an increase of 46%.

In addition, the railroads handled 781 carloads of coastal freight in November this year, compared with 657 in the same month last year, or an increase of 19%.

The total of 139,090 cars of export and coastal freight, excluding coal, handled through the ports in November represented an average daily unloading of 4,636 cars, the highest on record. It slightly exceeds the previous high average of 4,592 cars established in September this year.

Industry Chairmen For Fourth War Loan Drive

Announcement of the acceptance of key businessmen to head the 13 sections of the Commerce and Industry Division of the Fourth War Loan Drive was made on Dec. 13 at a luncheon given by William E. Cotter, of the Union Carbide and Carbon Co., who is a Director of the Division, and also a Director of the War Finance Committee of New York.

Mr. Cotter outlined the program of the Commerce and Industry Division, stating that it was organized as a liaison group between business and the War Finance Committee to promote and stimulate the maximum purchase of bonds with special emphasis on executive and employee subscriptions. In this connection three new sections have been created for the purpose of a more complete coverage to personally bring home the message of the Fourth War Loan.

When organization is completed, Mr. Cotter said there will be serving under the 13 section chairmen, more than 200 chairmen of trade and professional groups, and approximately 2,000 committeemen. The latter will contact 30,000 commercial, industrial and professional firms having 2,500,000 employees in New York City.

W. Randolph Burgess, State Chairman of the War Finance Committee, and Walter S. Gifford, President of the American Telephone and Telegraph Co. spoke, outlining the details of the campaign and the necessity of the people of New York, and the nation, subscribing to the best of their ability. The Fourth War Loan bond sales will start Jan. 18 and continue through Feb. 15, with the emphasis during the first two weeks of the drive on sales to individuals.

The 13 section chairmen of the Commerce and Industry Division are:

Advertising, Graphic and Visual Arts—Bruce Barton, President of Batten, Barton, Durstine & Osborne, Inc.

Apparel—James J. Walker, impartial chairman, National Coat and Suit Recovery Board, Women's Section—co-chairmen are Morris W. Haft, President, Morris W. Haft & Bros., Inc., and Samuel Zahn, President, International Dress Co.

Beverages, Wines & Spirits and Tobacco—Seton Porter, President, National Distillers Products Corp.

Building — John C. Hegeman, President, Hegeman-Harris Co., Inc.

Commercial—B. G. Hines, Manager, Hotel Roosevelt.

Food—C. F. Bliss, Secretary, National Biscuit Co.

Industry—John A. Brown, President, Socony-Vacuum Oil Co., Inc.

Insurance — Gale F. Johnston, Vice-President, Metropolitan Life Insurance Co.

Merchandising — H. L. Brooks, President, Coty, Inc.

Professional and Special Services—Douglas Gibbons, President, Douglas Gibbons & Co.

Retail — J. Edward Davidson, President, James McCreery & Co.

State, Screen and Radio—Major Leslie E. Thompson, Vice-President, Radio-Keith-Orpheum.

Textiles—J. W. Schwab, President, Cohn-Hall-Marx Co.

Heads Brazil N. Y. Agency

The appointment of Romero Estellita as head of the Brazilian Treasury agency in New York was recently announced by President Getulio Vargas. Mr. Estellita, former General Director of National Finances, replaces Oscar Borman, who will proceed to London to arrange a plan for executing the tri-lateral plan for settlement of Brazil's foreign debt.

Individuals' Liquid Savings In Third Quarter

GROSS SAVINGS BY INDIVIDUALS IN THE UNITED STATES*
1940-1943. (Billions of dollars)

	1940	1941	1942	1943 Jan.-March	1943 April-June	1943 July-Sept.
Gross saving	15.8	25.0	38.7	10.8	11.4	11.9
†Liquid saving	4.0	10.6	29.5	9.0	9.2	9.9
Gross saving by type—						
1. Currency and bank deposits	+ 3.0	+ 5.0	+11.5	+ 3.8	+ 3.0	+ 2.7
2. Savings and loan associations	+ .2	+ .4	+ .3	+ .1	+ .2	+ .1
3. Insurance and pension reserves:						
a. Private insurance	+ 1.7	+ 2.1	+ 2.4	+ .8	+ .8	+ .7
b. Government insurance	+ 1.2	+ 1.8	+ 2.4	+ .8	+ 1.1	+ 1.0
c. Total	+ 2.9	+ 3.8	+ 4.9	+ 1.7	+ 1.8	+ 1.7
4. §Securities:						
a. U. S. savings bonds	+ .9	+ 2.8	+ 8.0	+ 2.6	+ 3.0	+ 3.4
b. Other U. S. government	— .4	+ .8	+ 1.9	0	+ 1.2	+ 2.1
c. State and local governments	— .1	— .2	— .1	0	0	+ .1
d. Corporate and other	— .5	— .5	+ .3	0	— .2	— .3
e. Total	— .1	+ 2.9	+10.1	+ 2.6	+ 4.0	+ 5.2
5. Non-farm dwellings:						
a. ‖Purchase	+ 2.5	+ 3.0	+ 1.6	+ .2	+ .2	+ .3
b. Change in debt	+ .9	+ .9	+ .1	— .2	0	0
c. Saving (a. minus b.)	+ 1.7	+ 2.1	+ 1.5	+ .4	+ .3	+ .2
6. **Automobiles and other durable consumers' goods	+ 9.3	+11.4	+ 7.6	+ 1.6	+ 1.9	+ 1.8
7. ††Liquidation of debt, not elsewhere classified	— 1.1	— .6	+ 2.8	+ .7	+ .2	+ .2

*Includes unincorporated business saving of the types specified. Does not include corporate or government saving.

†Gross saving excluding purchases of homes as well as of automobiles and other durable consumers' goods.

§Does not include net purchases by brokers and dealers or by other individuals financed by bank loans. In the third quarter of 1943 it is estimated that such purchases of U. S. Goverhment securities amounted to approximately $1,000,000,000 for brokers and dealers and $300,000,000 for other individuals.

‖New construction of one- to four-family nonfarm homes less net acquisition of properties by non-individuals.

**Purchases. Based on Department of Commerce data on commodity flow cur-

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

Gross and net earnings of the railroads of the United States for the month of September, while at high levels, did not reach the peak of $800,232,157 in gross and $332,944,921 in net, attained in August. Gross earnings in September were $776,539,717 as compared with $697,792,911 in the same month a year ago, an increase of $78,746,806, or 11.28%. As the ratio of expenses to earnings was higher, only a small portion of the gross increase was reflected in the net. Net earnings in September, 1943, amounted to $298,466,028, as against $298,087,633 in September, 1942, an increase of $378,395 or 0.13%.

The ratio of expenses to earnings was 61.56% in September as compared with 58.3% in August and 57.28% in September a year ago. We now give in tabular form the results for the month of September, 1943, as compared with the months of September, 1942.

Month of September—	1943	1942	Incr. (+) or Decr. (—) Amount	%
Milage of 132 roads	229,218	230,442	— 1,224	— 0.53
Gross earnings	$776,539,717	$697,792,911	+ $78,746,806	+11.28
Operating expenses	478,073,689	399,705,278	+ 78,368,411	+19.61
Ratio of expenses to earnings	(61.56%)	(57.28%)		
Net earnings	$298,466,026	$298,087,633	+ 378,395	+ 0.13

When the roads are arranged in groups, or geographical divisions, all of the districts—Eastern, Southern and Western, as also all the different regions grouped under these districts—record gains in gross. In the net earnings all districts showed increases except the three regions in the Eastern District, which disclose moderate recessions. In the corresponding month a year ago there were substantial gains in all districts in both gross and net earnings. Our summary by groups appears below. As previously explained, we group the roads to conform to the classification of the Interstate Commerce Commission. The boundaries of the different groups and regions are indicated in the footnotes to the table.

SUMMARY BY GROUPS—MONTH OF SEPTEMBER

District and Region	Gross Earnings 1943 $	1942 $	Inc. (+) or Dec. (—) $	%
Eastern District—				
New England region (10 roads)	26,659,666	24,846,346	+ 1,813,320	+ 7.30
Great Lakes region (23 roads)	124,545,818	114,011,741	+ 10,534,077	+ 9.24
Central Eastern region (18 roads)	153,517,508	139,528,919	+ 13,988,589	+10.03
Total (51 roads)	304,722,992	278,387,006	+ 26,335,986	+ 9.46
Southern District—				
Southern region (26 roads)	105,332,671	96,138,727	+ 9,193,944	+ 9.57
Pocahontas region (4 roads)	36,593,922	33,742,174	+ 2,851,748	+ 8.45
Total (30 roads)	141,926,593	129,880,901	+ 12,045,692	+ 9.27
Western District—				
Northwestern region (15 roads)	89,633,376	80,183,008	+ 9,450,368	+11.79
Central Western region (16 roads)	170,582,008	148,494,909	+ 22,087,099	+14.88
Southwestern region (20 roads)	69,674,748	60,847,087	+ 8,827,661	+14.51
Total (51 roads)	329,890,132	289,525,004	+ 40,365,128	+13.94
Total all districts (132 roads)	776,539,717	697,792,911	+ 78,746,806	+11.28

District and Region	Mileage 1943	Mileage 1942	Net Earnings 1943 $	1942 $	Incr. (+) or Dec. (—) $	%
Eastern District—						
New England region	6,597	6,639	8,951,630	9,534,189	— 582,559	— 6.11
Great Lakes region	25,626	25,865	39,644,025	42,567,474	— 2,923,449	— 6.87
Central East. region	23,998	24,195	52,017,621	54,207,079	— 2,189,458	— 4.04
Total	56,221	56,699	100,613,276	106,308,742	— 5,695,466	— 5.35
Southern District—						
Southern region	37,403	37,621	43,333,514	43,052,246	+ 281,268	+ 0.65
Pocahontas region	6,014	6,047	17,328,489	17,122,055	+ 206,434	+ 1.20
Total	43,420	43,668	60,662,003	60,174,301	+ 487,702	+ 0.81
Western District—						
Northwestern region	45,560	45,512	39,908,378	36,877,736	+ 3,030,642	+ 8.22
Central West. region	55,258	55,671	67,960,708	66,733,148	+ 1,227,558	+ 1.84
Southwestern region	28,759	28,892	29,321,663	27,993,706	+ 1,327,957	+ 4.74
Total	129,577	130,075	137,190,749	131,604,590	+ 5,586,159	+ 4.25
Total all districts	229,218	230,442	298,466,028	298,087,633	+ 378,395	+ 0.13

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

EASTERN DISTRICT

New England Region—Comprises the New England States.

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

Central Eastern Region—Comprises the section south of the Great Lakes Region east of a line from Chicago through Peoria to St. Louis and the Mississippi River to the mouth of the Ohio River, and north of the Ohio River to Parkersburg, W. Va., and a line thence to the southwestern corner of Maryland and by the Potomac River to its mouth.

SOUTHERN DISTRICT

Southern Region—Comprises the section east of the Mississippi River and south of the Ohio River to a point near Kenova, W. Va., and a line thence following the eastern boundary of Kentucky and the southern boundary of Virginia to the Atlantic.

Pocahontas Region—Comprises the section north of the southern boundary of Virginia, east of Kentucky and the Ohio River north to Parkersburg, W. Va., and south of a line from Parkersburg to the southwestern corner of Maryland and thence by the Potomac River to its mouth.

WESTERN DISTRICT

Northwestern Region—Comprises the section adjoining Canada lying west of the Great Lakes Region, north of a line from Chicago to Omaha and thence to Portland, and by the Columbia River to the Pacific.

Central Western Region—Comprises the section south of the Northwestern Region west of a line from Chicago to Peoria and thence to St. Louis, and north of a line from St. Louis to Kansas City and thence to El Paso and by the Mexican boundary to the Pacific.

Southwestern Region—Comprises the section lying between the Mississippi River south of St. Louis and a line from St. Louis to Kansas City and thence to El Paso, and by the Rio Grande to the Gulf of Mexico.

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

Month of Sept.	Gross Earnings Year Given	Year Preceding	Inc. (+) or Dec. (—)	%	Mileage Year Given	Year Preced'g
1909	$252,711,515	$242,562,898	+$10,148,617	+ 4.18	220,205	217,277
1910	236,874,425	211,281,315	+ 25,593,110	+12.11	233,428	229,161
1911	249,054,036	249,014,235	+ 39,801	+ 0.02	230,918	226,526
1912	272,209,629	252,318,597	+ 19,891,032	+ 7.88	237,591	235,140
1913	285,050,042	275,244,811	+ 9,805,231	+ 3.56	242,097	239,050
1914	272,992,901	285,850,745	— 12,857,844	— 4.50	242,386	238,698
1915	294,241,340	276,458,199	+ 17,783,141	+ 6.43	245,132	243,463
1916	332,888,990	294,333,449	+ 38,555,541	+13.10	248,156	247,466
1917	364,880,086	330,978,448	+ 33,901,638	+10.24	245,148	243,027
1918	487,140,781	357,772,850	+129,367,931	+36.16	232,186	232,378
1919	495,123,397	485,870,475	+ 9,252,922	+ 1.90	232,772	232,349
1920	594,192,321	480,408,546	+113,783,775	+23.68	226,955	224,922
1921	496,784,097	617,537,676	—120,753,579	—19.55	235,155	234,559
1922	498,702,275	496,978,503	+ 1,723,772	+ 0.35	235,280	235,205
1923	544,270,233	499,720,575	+ 44,549,658	+ 8.91	235,611	236,525
1924	539,853,860	544,970,083	— 5,116,223	— 0.94	235,178	235,640
1925	564,443,591	540,062,587	+ 24,381,004	+ 4.51	236,752	236,587
1926	588,948,933	564,756,924	+ 24,192,009	+ 4.28	236,779	235,977
1927	564,043,987	590,102,143	— 26,058,156	— 4.42	238,814	237,854
1928	554,440,941	564,421,630	— 9,980,689	— 1.77	240,693	239,499
1929	565,816,654	556,003,668	+ 9,812,986	+ 1.76	241,704	241,447
1930	466,826,791	566,461,331	— 99,634,540	—17.59	242,341	243,322
1931	349,821,538	466,895,312	—117,073,774	—25.08	242,815	242,593
1932	272,049,868	349,662,649	— 77,612,781	—22.20	242,292	242,143
1933	295,506,009	272,059,765	+ 23,446,244	+ 8.62	240,992	239,904
1934	275,129,512	291,772,770	— 16,643,258	— 5.70	238,977	240,563
1935	306,566,997	275,158,450	+ 31,408,547	+11.41	237,431	238,819
1936	356,633,472	306,552,878	+ 50,080,594	+16.34	236,686	236,525
1937	362,454,729	356,449,463	+ 6,005,266	+ 1.68	235,304	235,886
1938	322,107,807	362,454,728	— 40,346,921	—11.13	234,423	235,308
1939	380,437,001	322,055,751	+ 58,381,250	+18.13	233,378	234,236
1940	381,863,424	380,437,002	+ 1,426,422	+ 0.37	232,708	233,373
1941	488,975,757	382,028,588	+106,947,169	+27.99	232,110	232,749
1942	697,792,911	488,975,758	+208,817,153	+42.71	230,532	232,137
1943	776,539,717	697,792,911	+ 78,746,806	+11.28	229,218	230,442

Month of Sept.	Net Earnings Year Given	Year Preceding	Increase (+) or Decrease (—)	%
1909	$91,444,754	$78,939,440	+$12,505,314	+15.84
1910	90,191,439	94,307,971	— 4,116,532	— 4.36
1911	90,720,548	89,398,733	+ 1,321,815	+ 1.48
1912	96,878,558	90,842,946	+ 6,035,612	+ 6.64
1913	92,847,193	98,000,260	— 5,153,067	— 5.26
1914	92,022,947	91,274,033	+ 748,914	+ 0.82
1915	111,728,276	93,181,915	+ 18,546,361	+19.90
1916	124,447,839	111,875,296	+ 12,572,543	+11.24
1917	116,086,103	123,785,757	— 7,699,654	— 6.22
1918	117,470,621	114,280,071	+ 3,190,550	+ 2.79
1919	98,302,598	117,131,459	— 18,828,861	—16.08
1920	102,329,084	93,423,391	+ 8,905,693	+ 9.53
1921	120,604,462	109,232,938	+ 11,372,524	+10.41
1922	91,381,593	120,428,552	— 29,046,959	—24.12
1923	129,300,309	91,858,924	+ 37,441,385	+40.76
1924	165,049,184	134,911,897	+ 30,137,287	+22.34
1925	177,242,895	159,216,004	+ 18,026,891	+11.32
1926	191,933,148	176,936,230	+ 14,996,918	+ 8.48
1927	179,434,277	193,233,706	— 13,799,429	— 7.13
1928	180,359,111	178,647,780	+ 1,711,331	+ 0.96
1929	181,413,185	178,800,939	+ 2,612,246	+ 1.46
1930	147,231,000	183,486,079	— 36,255,079	—19.74
1931	92,217,886	147,379,100	— 55,161,214	—37.43
1932	83,092,939	92,153,547	— 9,060,608	— 9.83
1933	94,222,438	83,092,822	+ 11,129,616	+13.39
1934	71,781,674	92,720,463	— 20,938,789	—22.58
1935	88,955,493	72,390,908	+ 16,564,585	+22.88
1936	108,659,760	88,910,238	+ 19,749,522	+22.21
1937	100,395,949	108,622,455	— 8,226,506	— 7.57
1938	90,537,737	100,396,950	— 9,859,213	— 9.82
1939	129,871,715	90,543,128	+ 39,328,587	+43.44
1940	122,391,572	129,871,715	— 7,480,143	— 5.76
1941	176,738,626	122,441,917	+ 54,296,709	+44.35
1942	298,087,633	176,739,349	+121,348,284	+68.66
1943	298,466,028	298,087,633	+ 378,395	+ 0.13

Living Costs In Large Cities Advanced 0.4% Between Sept. 15-Oct. 15, Labor Dept. Reports

"Costs of miscellaneous goods and services rose 0.5% from Sept. 15 to Oct. 15. Increases were reported in medical services, such as charges for hospital care, obstetrical services, and prescriptions for medicine. Laundry prices and motion picture admissions continued to advance."

COST OF LIVING IN LARGE CITIES
Indexes, 1935-39=100*

Date—	All items	Food	Clothing	Rent	Fuel electricity and ice	House-fur-nishings	Miscel-laneous
1939: Aug. 15	98.6	93.5	100.3	104.3	97.5	100.6	100.4
1941: Jan. 15	100.8	97.8	100.7	105.0	100.8	100.1	101.9
1942: May 15	116.0	121.6	126.2	109.9	104.9	122.2	110.9
Sep. 15	117.8	126.6	125.8	108.0	106.2	123.6	111.4
Oct 15	119.0	129.6	125.9	108.0	106.2	123.6	111.8
1943: Sep. 15	123.9	137.4	132.5	108.0	107.7	126.3	117.0
Oct. 15	124.4	138.2	133.0	†	107.9	126.5	117.6

PERCENT OF CHANGE

Date—	All items	Food	Clothing	‡Rent	Fuel, elec-tricity and ice	House-fur-nish-ings	Miscel-laneous
Sep. 15, 1943 to Oct. 15, 1943	+ 0.4	+ 0.6	+ 0.4	†	+ 0.2	+ 0.2	+ 0.5
Oct. 15, 1942 to Oct. 15, 1943	+ 4.5	+ 6.6	+ 5.6	0	+ 1.6	+ 2.3	+ 5.2
Sep. 15, 1942 to Oct. 15, 1943	+ 5.6	+ 9.2	+ 5.7	0	+ 1.6	+ 2.3	+ 5.6
May 15, 1942 to Oct. 15, 1943	+ 7.2	+13.7	+ 5.4	—1.7	+ 2.9	+ 3.5	+ 6.0
Jan. 15, 1941 to Oct. 15, 1943	+23.4	+41.3	+32.1	+2.9	+ 7.0	+26.4	+15.4
Aug. 15, 1939 to Oct. 15, 1943	+26.2	+47.8	+32.6	+3.5	+10.7	+25.7	+17.1

*These indexes are based on changes in the cost of goods purchased by wage earners and lower-salaried workers in large cities.

†Rents surveyed at quarterly dates: March 15, June 15, Sept. 15, Dec. 15.

‡Changes through Sept. 15, 1943.

Bankers' Dollar Acceptances Outstanding On Nov. 30 Decline To $111,289,000

The volume of bankers' dollar acceptances outstanding on Nov. 30 amounted to $111,289,000, a decrease of $3,594,000 from the Oct. 30 total, according to the monthly acceptance survey issued Dec. 15 by the Federal Reserve Bank of New York. As compared with a year ago, the Nov. 30 total represents a decline of $4,778,000.

In the month-to-month comparison, credits for exports, domestic shipments and domestic warehouse credits were higher, while in the yearly analysis, only credits for imports and exports were higher.

The Reserve Bank's report follows:

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

Federal Reserve District—	Nov. 30, '43	Oct. 30, '43	Nov. 30, '42
1 Boston	$19,835,000	$20,114,000	$20,223,000
2 New York	65,458,000	65,254,000	66,732,000
3 Philadelphia	4,682,000	5,208,000	7,043,000
4 Cleveland	1,681,000	2,019,000	2,363,000
5 Richmond	2,026,000	2,014,000	1,412,000
6 Atlanta	2,578,000	3,345,000	1,689,000
7 Chicago	4,620,000	5,982,000	4,952,000
8 St. Louis	548,000	837,000	277,000
9 Minneapolis	54,000	174,000	57,000
10 Kansas City	------	------	------
11 Dallas	481,000	443,000	212,000
12 San Francisco	9,326,000	9,493,000	11,107,000
Grand Total	$111,289,000	$114,883,000	$116,067,000

Decrease for month $3,594,000 Decrease for year $4,778,000

ACCORDING TO NATURE OF CREDIT

	Nov. 30, '43	Oct. 30, '43	Nov. 30, '42
Imports	$59,495,000	$66,871,000	$57,466,000
Exports	11,150,000	9,290,000	6,404,000
Domestic shipments	8,414,000	7,593,000	12,895,000
Domestic warehouse credits	22,656,000	21,350,000	26,510,000
Dollar exchange	126,000	173,000	319,000
Based on goods stored in or shipped between foreign countries	9,448,000	9,606,000	12,473,000

BILLS HELD BY ACCEPTING BANKS

Own bills $52,531,000 Bills of others $35,316,000 Total $87,847,000
Increase for month $262,000

CURRENT MARKET RATES ON PRIME BANKERS ACCEPTANCES DEC. 15, 1943

Days	Dealers' Buying Rates	Dealers' Selling Rates
30	1/2	7/16
60	1/2	7/16
90	1/2	7/16
120	9/16	1/2
150	5/8	9/16
180	5/8	9/16

The following table, compiled by us, furnishes a record of the volume of bankers' acceptances outstanding at the close of each month since Dec. 31, 1940:

1940—	$	1941—	$	1942—	$
Dec. 31	208,659,000	Dec. 31	194,220,000	Dec. 31	118,039,000
1941—		1942—		1943—	
Jan. 31	212,777,000	Jan. 31	197,278,000	Jan. 30	119,682,000
Feb. 28	211,865,000	Feb. 28	190,010,000	Feb. 27	127,062,000
Mar. 31	217,312,000	Mar. 31	182,675,000	Mar. 31	129,818,000
Apr. 30	219,561,000	Apr. 30	177,293,000	Apr. 30	128,350,000
May 31	215,005,000	May 29	173,906,000	May 29	135,815,000
June 30	212,932,000	June 30	162,849,000	June 30	139,846,000
July 31	209,899,000	July 31	156,302,000	July 31	138,692,000
Aug. 30	197,472,000	Aug. 31	139,304,000	Aug. 31	130,244,000
Sept. 30	176,801,000	Sept. 30	123,494,000	Sept. 30	117,016,000
Oct. 31	184,806,000	Oct. 31	118,581,000	Oct. 30	114,883,000
Nov. 29	193,590,000	Nov. 30	116,067,000	Nov. 30	111,289,000

Cottonseed Receipts To November 30

On Dec. 13, the Bureau of Census issued the following statement showing cottonseed received, crushed, and on hand, and cottonseed products manufactured, shipped out, on hand, and exported for the three months ended Nov. 30, 1943 and 1942.

COTTONSEED RECEIVED, CRUSHED, AND ON HAND (TONS)

State—	*Received at mills Aug. 1 to Nov. 30 1943	1942	Crushed Aug. 1 to Nov. 30 1943	1942	On hand at mills Nov. 30 1943	1942
United States	3,309,771	3,710,483	1,884,351	2,074,615	1,514,196	1,714,639
Alabama	221,285	214,925	141,459	140,710	82,011	77,548
Arizona	29,413	32,160	17,121	20,544	12,295	12,007
Arkansas	328,052	413,427	164,275	189,660	173,360	235,642
California	63,680	68,062	26,355	32,870	44,221	36,367
Georgia	285,909	267,938	186,651	201,840	101,496	70,155
Louisianna	176,099	146,023	104,569	107,226	72,073	39,541
Mississippi	640,066	697,214	294,790	303,950	356,816	399,505
North Carolina	185,284	206,018	104,798	120,851	81,551	88,278
Oklahoma	91,312	184,031	63,060	101,749	30,044	86,746
South Carolina	156,256	155,241	105,947	118,590	52,902	36,598
Tennessee	245,384	339,070	133,999	151,553	114,651	196,704
Texas	798,824	862,880	503,631	533,411	339,862	362,424
All other states	88,207	123,494	37,696	51,661	52,914	73,124

*Does not include 90,336 and 81,928 tons on hand Aug. 1 nor 27,788 and 24,248 tons reshipped for 1943 and 1942 respectively. Does include 1,560 tons destroyed for 1943 and 3,157 for 1942.

COTTONSEED PRODUCTS MANUFACTURED, SHIPPED OUT, AND ON HAND

Item—	Season	On hand Aug. 1	Produced Aug. 1 to Nov. 30	Shipped out Aug. 1 to Nov. 30	On hand Nov. 30
Crude oil	1943-44	*23,283	575,722	522,075	*135,493
(thousand pounds)	1942-43	34,460	640,125	585,728	158,727
Refined oil	1943-44	†207,409	‡437,244	------	†219,244
(thousand pounds)	1942-43	310,191	465,361	------	258,821
Cake and meal	1943-44	18,542	865,355	818,544	65,353
(tons)	1942-43	190,100	912,999	985,659	117,440
Hulls	1943-44	11,964	439,483	412,293	39,154
(tons)	1942-43	44,118	500,583	472,853	71,848
Linters	1943-44	135,927	§560,659	437,313	§259,273
(running bales)	1942-43	43,295	618,143	509,999	151,439
Hull fiber	1943-44	556	10,527	9,354	1,729
(500-lb. bales)	1942-43	229	12,384	10,651	1,962
Grabbots, motes, &c.	1943-44	14,106	20,365	18,770	15,701
(500-lb. bales)	1942-43	23,644	24,979	15,684	32,939

*Includes 13,826,000 and 55,026,000 pounds held by refining and manufacturing establishments and 3,150,000 and 20,513,000 pounds in transit to refiners and consumers Aug. 1, 1943 and Nov. 30, 1943 respectively.

†Includes 3,196,000 and 2,956,000 pounds held by refiners, brokers, agents, and warehousemen at places other than refineries and manufacturing establishments and 3,734,000 and 5,064,000 pounds in transit to manufacturers of shortening, soap, etc. Aug. 1, 1943 and Nov. 30, 1943 respectively. Does not include winterized oil.

‡Produced from 460,741,000 pounds of crude oil.

§Total linters produced includes 131,261 bales first cut, 383,961 bales second cut and 45,437 bales mill run. Total held includes 48,520 bales first cut, 181,332 bales second cut and 29,421 bales mill run.

Exports and Imports of Cottonseed Products

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

Daily Average Crude Oil Production For Week Ended Dec. 11 Declined 7,550 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Dec. 11, 1943 was 4,376,700 barrels, a decrease of 7,550 barrels per day from the preceding week. Daily production for the four weeks ended Dec. 11, 1943 averaged 4,397,250 barrels.

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,144 barrels of crude oil daily and produced 12,570,000 barrels of gasoline; 1,273,000 barrels of kerosine; 4,636,000 barrels of distillate fuel oil, and 8,151,000 barrels of residual fuel oil during the week; and had in storage at the end of the week 71,937,000 barrels of gasoline; 10,725,000 barrels of kerosine; 45,510,000 barrels of distillate fuel, and 59,715,000 barrels of residual fuel oil. The above figures apply to the country as a while, and do not reflect conditions on the East Coast.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations December	*State Allowables Begin. Dec. 1	Actual Production Week Ended Dec. 11, 1943	Change from Previous Week	4 Weeks Ended Dec. 11, 1943	Week Ended Dec. 12, 1942
Oklahoma	330,000	315,000	†325,150	+ 2,550	325,050	349,300
Kansas	285,000	269,800	†273,500	+ 6,400	273,800	284,700
Nebraska	1,500	----	†1,700	----	1,700	2,900
Panhandle Texas			94,400	+ 3,800	89,000	93,200
North Texas			143,400	+ 200	142,600	135,800
West Texas			354,400	— 2,550	357,700	208,300
East Central Texas			115,100	—18,550	132,400	101,300
East Texas			364,300	— 5,200	371,650	358,600
Southwest Texas			290,800	— 2,400	295,050	174,850
Coastal Texas			520,500	— 600	522,700	313,200
Total Texas	1,892,000	‡1,888,938	1,882,900	—25,300	1,911,100	1,385,250
North Louisiana			78,600	— 100	78,700	92,300
Coastal Louisiana			275,500	+ 1,400	273,500	222,600
Total Louisiana	353,700	375,700	354,100	+ 1,300	352,200	314,900
Arkansas	76,900	77,891	79,850	+ 450	79,000	73,600
Mississippi	48,000		47,250	— 2,400	48,350	37,600
Illinois	215,000		225,350	+ 3,500	220,150	255,250
Indiana	14,400		14,200	+ 1,500	13,200	16,200
Eastern— (Not incl. Ill., Ind. and Ky.)	77,000		72,950	+ 2,900	71,000	75,700
Kentucky	25,500		26,450	+ 2,500	24,600	16,000
Michigan	57,000		52,900	+ 2,800	51,700	60,400
Wyoming	100,000		96,450	— 6,100	100,700	90,200
Montana	23,500		20,850	— 450	21,200	22,650
Colorado	7,000		7,600	+ 500	7,400	6,700
New Mexico	110,600	110,600	112,900	----	112,900	95,800
Total East of Calif.	3,617,100		3,594,100	— 9,850	3,614,050	3,107,150
California	808,000	§808,000	782,600	+ 2,300	783,200	774,000
Total United States	4,425,100		4,376,700	— 7,550	4,397,250	3,881,150

*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. 9, 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 STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED DEC. 11, 1943

(Figures in Thousands of barrels of 42 Gallons Each)

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

District—	Daily Refining Capacity Potential	% Reporting	Crude Runs to Stills Daily Average	% Operated	§Gasoline Production at Refineries Includ. Natural Blended	‡Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuels	‡Stocks of Residual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,444	88.7	2,071	84.7	5,968	32,739	23,392	16,992
Appalachian— District No. 1	130	83.9	94	72.3	326	1,658	901	159
District No. 2	47	87.2	42	89.4	177	1,078	123	199
Ind., Ill., Ky.	824	85.2	748	90.8	2,654	14,060	6,381	2,750
Okla., Kans., Mo.	416	80.1	335	80.5	1,167	6,770	2,304	1,028
Rocky Mountain— District No. 3	8	26.9	10	125.0	33	68	21	30
District No. 4	141	58.3	84	59.6	331	1,249	404	695
California	817	89.9	760	93.0	1,914	14,315	11,984	37,862
Tot. U. S. B. of M. basis Dec. 11, 1943	4,827	86.4	4,144	85.9	12,570	†71,937	45,510	59,715
Tot. U. S. B. of M. basis Dec. 12, 1943	4,827	86.4	4,331	89.7	13,325	71,040	45,107	61,420
U. S. Bur. of Mines basis Dec. 12, 1942			3,717		10,973	74,093	48,749	75,287

*At the request of the Petroleum Administration for War. †Finished 61,897,000 barrels; unfinished, 10,040,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,208,000 barrels of kerosine, 4,081,000 barrels of gas oil and distillate fuel oil and 7,201,000 barrels of residual fuel oil produced during the week ended Dec. 11, 1943, which compares with 1,455,000 barrels, 4,714,000 barrels and 8,348,000 barrels, respectively, in the preceding week.

Note.—District No. 1 inventory indices are: Gasoline, 42.0%; kerosine, 52.0%; gas oil, 73.0%, and residual fuel oil, 69.7% of normal.

Sale Of Treasury Silver By WPB Authorized

Authorization of the use of $25,000,000 worth of Treasury silver as a substitute for scarce metals in engine bearings, brazing alloys, solder and other war items was announced on Dec. 7 by the War Production Board. This decision was announced after a meeting with the Silver Industry Advisory Committee, at which several producers predicted that domestic silver output in 1944 would be somewhat less than in the present year, according to the Associated Press.

A previous item concerning the sale of "free" Treasury silver was given in our Nov. 25 issue, page 2134.

Price Control Act Upheld By Fed. Court

The constitutionality and validity of the Emergency Price Control Act and of Maximum Price Regulation 330 were upheld on Dec. 14 in a decision by Federal Judge Simon H. Rifkind in N. Y. District Court. The New York "Times" reports that the court's ruling left Office of Price Administration suits against four chainstore concerns to be decided on the single issue of whether each chain should be bound by one set of price ceilings or by as many standards as it has stores. From the "Times" of Dec. 15 we also quote further as follows:

The OPA had asked injunctions against W. T. Grant Co., J. J. Newberry Co., J. C. Penney Co. and McCrory Stores. It alleged violations of Regulation 330, which sets retail and wholesale prices for women's, girls' and children's outerwear garments. Under the agency's interpretation of this regulation each store is a separate unit, whose price ceilings and sales practices must be considered separately.

So construed, it sets differing prices for different stores of the same company, and prevents the sale of garments at price-lines higher than those dealt in before a specified time. Thus some stores, when unable to obtain merchandise of qualities sold in the past, would be prohibited from trading in more expensive goods. Challenging this theory, the Grant Co. had contended, in the words of the court:

"That the defendant operates its 492 stores as one seller, and as such one seller it is not now selling, nor has it at any time sold, any of the garments referred to in the regulation at prices in excess of the maximum prices permitted to the defendant as such one seller."

This answer, made in each of the four cases, was the only one of eight affirmative replies to the OPA complaint that Judge Rifkind allowed to stand. He ruled that the act was a valid use by Congress of its war power, that the delegation of authority to the OPA was valid and had been exercised properly in the adoption of Regulation 330, and that the restricted legal processes permitted to business people who wish to challenge the OPA was not a violation of the constitutional provision for "due process of law."

He specifically upheld the propriety of requiring obedience to OPA regulations while they are being attacked in the courts. This requirement, he held, was a considered move against inflation.

Defenses against the OPA's injunction suit which the Court rejected and struck out, as numbered by the court, were:

2. That MPR 330 acts to compel changes in the industry affected by it. 3. It is unfair, allowing competitors of the defendants to sell identical merchandise at higher prices. 4. It was adopted without consultation of members of the industry. 5. It establishes maximum prices not generally fair or of general application. 6. The act and the regulation are unconstitutional. 7. Both are arbitrary and capricious. 8. Both deny due process of law.

Patterson Heads ICC

The Interstate Commerce Commission announced on Dec. 14 the election of W. J. Patterson as its Chairman for 1944, succeeding J. Haden Alldredge. The ICC Chairmanship is rotated annually. John L. Rogers, who was in line for election, was unable to accept the additional duties because of his association with the Office of Defense Transportation.

Wholesale Commodity Index Advanced 0.1% During Week Ended Dec. 11, Labor Dept. Reports

The U. S. Department of Labor announced on Dec. 16 that commodity prices in primary markets moved moderately upward during the week ended Dec. 11, led by higher prices for fruits and vegetables, and for coal. The increase of 0.1% brought the Bureau of Labor Statistics' all-commodity index to 102.9% of the 1926 average. The price level for these commodities is 0.1% higher than at this time last month and approximately 2½% over the corresponding week of last year.

The Department's announcement further said:

"Farm Products and Foods—Prices for farm products in primary markets rose 0.2% during the week with sharp increases reported for wheat and cotton, for calves, steers, and sheep, and for apples, beans and onions. Quotations were lower for hogs as heavy shipments continued to arrive. Prices were also lower for oats, for poultry and eggs, and for citrus fruits and potatoes. Despite the recent advance, average prices for farm products are slightly lower than at this time last month and less than 9% above their level of mid-December 1942.

"The marked increase in prices for apples, beans and onions contributed in a large measure to an advance of 0.3% in prices for foods in primary markets. Flour advanced fractionally as did also butter in the San Francisco market. This week's index of food prices, 105.9% of the 1926 level, marks the highest point reached since early in August.

"Industrial Commodities — The upward adjustments in ceiling prices for coal, and higher prices for pine tar, which is now in strong demand, were the principal developments in industrial commodity markets during the week. Prices for lumber were steady as stocks continued low. A reduction in prices for calcium carbide early in November accounted for the decline in the chemicals and allied products group index. There was a decline of 2.5% in market prices for quicksilver although the index for metals and metal products as a group was unchanged. Paper and pulp products advanced fractionally as a result of higher prices for boxboard and quotations were also higher for neutral oil, a base for lubricants."

The following notation is made:

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

The following table shows index numbers for the principal groups of commodities for the past 3 weeks, for Nov. 13, 1943 and Dec. 12, 1942 and the percentage changes from a week ago, a month ago, and a year ago:

(1926=100)

Commodity groups—	12-11 1943	12-4 1943	11-27 1943	11-13 1943	12-12 1942	Percentage changes to Dec. 11, 1943 from— 12-4 1943	11-13 1943	12-12 1942
All commodities	*102.9	*102.8	*102.6	*102.8	100.5	+0.1	+0.1	+ 2.4
Farm products	122.0	121.8	121.2	122.1	112.0	+0.2	—0.1	+ 8.9
Foods	105.9	105.6	105.8	105.5	104.0	+0.3	+0.4	+ 1.8
Hides and leather products	117.5	117.5	116.9	118.4	118.4	0	—0.8	— 0.8
Textile products	97.2	97.2	97.2	97.2	96.6	0	0	+ 0.6
Fuel and lighting materials	82.4	82.1	81.7	81.6	80.0	+0.4	+1.0	+ 3.0
Metals and metal products	*103.9	*103.9	*103.8	*103.8	103.9	0	+0.1	0
Building materials	113.4	113.1	113.0	113.0	110.0	+0.3	+0.4	+ 3.1
Chemicals and allied products	100.3	100.4	100.4	100.4	99.5	—0.1	—0.1	+ 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	93.0	90.3	0	0	+ 3.0
Raw materials	112.1	111.7	111.1	111.7	104.7	+0.4	+0.4	+ 7.1
Semimanufactured articles	93.1	92.9	92.9	92.9	92.5	+0.2	+0.2	+ 0.6
Manufactured products	*100.4	*100.4	*100.3	*100.3	99.8	0	+0.1	+ 0.6
All commodities other than farm products	*98.8	*98.7	*98.6	*98.6	98.0	+0.1	+0.2	+ 0.8
All commodities other than farm products and foods	*97.8	*97.6	*97.5	*97.5	96.2	+0.2	+0.3	+ 1.7

*Preliminary.

Civil Engineering Construction Volume $26,792,000 For Week

Civil engineering construction volume in continental United States totals $26,792,000 for the week. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 23% lower than in the preceding week, and is 65% below the total reported to "Engineering News-Record" for the corresponding 1942 week, and made public on Dec. 16. The report continued as follows:

Public construction tops last week by 15%, but is down 71% compared with last year. Private work declines 66% from a week ago, but climbs 81 over a year ago.

The current week's construction brings 1943 volume to $2,999,009,000, an average of $59,980,000 for each of the 50 weeks of the period. On the weekly average basis, 1943 construction is 67% under the $9,196,157,000 for the 51-week period in 1942. Private construction, $479,646,000, is 11% lower than a year ago, and public construction, $2,519,363,000, 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. 17, 1942	Dec. 9, 1943	Dec. 16, 1943
Total U. S. construction	$75,539,000	$34,652,000	$26,792,000
Private construction	3,085,000	16,180,000	5,580,000
Public construction	72,454,000	18,472,000	21,212,000
State and municipal	2,668,000	1,209,000	2,188,000
Federal	69,786,000	17,263,000	19,024,000

In the classified construction groups, gains over last week are in sewerage, public buildings, and earthwork and drainage. Increases over the 1942 week are in bridges, industrial and commercial buildings, and earthwork and drainage. Subtotals for the week in each class of construction are: waterworks, $399,000; sewerage, $688,000; bridges, $190,000; industrial buildings, $2,122,000; commercial building and large-scale private housing, $2,535,000; public buildings, $14,684,000; earthwork and drainage, $1,490,000; streets and roads, $924,000; and unclassified construction, $3,760,000.

New capital for construction purposes for the week totals $1,185,000, and is made up of $685,000 in State and municipal bond sales and $500,000 in RFC loans for public improvements. The new financing total for the 50 weeks of 1943, $3,068,468,000, is 69% below the $10,214,049,000 reported for the 51-week 1942 period.

Fairchild Publications Retail Price Index Again Unchanged In November

On Dec. 1, the Fairchild Publications Retail Price Index remained at 113.1 (Jan. 2, 1931=100) for the third consecutive month. This is also unchanged from Dec. 1, 1942. On July 1, 1942, as a result of the over-all price ceilings placed on retail commodities, the index declined to 113.1 where it remained unchanged for eight consecutive months. Following that period only minor changes have been recorded. In comparison with the period just preceding the outbreak of the European War, the complete index shows a 27.2% increase.

Under date of Dec. 15, the Fairchild announcement further reported:

"The major groups with the exception of women's apparel have remained unchanged from the Nov. 1, 1943 level. As a result of the continuing advance of fur prices women's apparel increased 0.1% during the month. Women's apparel also recorded a 0.6% increase over Dec. 1, 1942. The only other major group to show a change from last year was infants' wear, which increased 0.1%. Piece goods has increased the most over the 1939 pre-war period, 33.1%, and infants' wear the least, 12.7%.

"Increases in the fur index have been recorded since April 1, 1943, and this month they continued their advance; the only individual commodity to record any change, they increased 0.2%. Women's hose is the only commodity which has decreased from last year, 5.2%. Increases were recorded in furs, men's hose, men's clothing, infants' socks and underwear, and floor coverings. Of these, furs advanced the most in comparison with last year, 6.5%, and the others each showed a 0.1% increase. Furs continue to show the largest increase over the 1939 pre-war period, 59.2%, and women's shoes the least, 6.8%.

"Any slight movements recorded by the index have been due to the setting of new price ceilings, or the allowance of individual adjustments of the ceiling prices. Prices will continue to show little or no movement in the near future, according to A. W. Zelomek, economist under whose supervision the index is compiled. It must be emphasized, however, that quality deterioration is not reflected in the index."

THE FAIRCHILD PUBLICATIONS RETAIL PRICE INDEX
JAN. 3, 1931=100
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	May 1, 1933	Dec. 1, 1942	Sep. 1, 1943	Oct. 1, 1943	Nov. 1, 1943	Dec. 1, 1943
Composite Index	69.4	113.1	113.1	113.1	113.1	113.1
Piece Goods	65.1	112.2	112.2	112.2	112.2	112.2
Men's Apparel	70.7	105.3	105.3	105.3	105.3	105.3
Women's Apparel	71.8	112.5	113.0	113.1	113.1	113.2
Infants' Wear	76.4	108.0	108.1	108.1	108.1	108.1
Home Furnishings	70.2	115.5	115.5	115.5	115.5	115.5
Piece Goods						
Silks	57.4	84.7	84.7	84.7	84.7	84.7
Woolens	69.2	108.0	108.0	108.0	108.0	108.0
Cotton Wash Goods	68.6	143.8	143.8	143.8	143.8	143.8
Domestics						
Sheets	65.0	126.8	126.8	126.8	126.8	126.8
Blankets & Comfortables	72.9	135.0	135.0	135.0	135.0	135.0
Women's Apparel						
Hosiery	59.2	94.1	89.2	89.2	89.2	89.2
Aprons & House Dresses	75.5	140.5	140.5	140.5	140.5	140.5
Corsets & Brassieres	83.6	111.2	111.2	111.2	111.2	111.2
Furs	66.8	134.3	141.7	142.6	142.7	143.0
Underwear	69.2	102.7	102.7	102.7	102.7	102.7
Shoes	76.5	92.4	92.4	92.4	92.4	92.4
Men's Apparel						
Hosiery	64.9	108.0	108.1	108.1	108.1	108.1
Underwear	69.6	114.8	114.8	114.8	114.8	114.8
Shirts & Neckwear	74.3	99.1	99.1	99.1	99.1	99.1
Hats & Caps	69.7	94.3	94.3	94.3	94.3	94.3
Clothing incl. Overalls	70.1	105.9	106.0	106.0	106.0	106.0
Shoes	76.3	109.6	109.6	109.6	109.6	109.6
Infant's Wear						
Socks	74.0	114.5	114.6	114.6	114.6	114.6
Underwear	74.3	103.6	103.7	103.7	103.7	103.7
Shoes	80.9	106.0	106.0	106.0	106.0	106.0
Furniture	69.4	129.2	129.2	129.2	129.2	129.2
Floor Coverings	79.9	146.8	146.9	146.9	146.9	146.9
Radios	50.6	66.8	66.8	66.8	66.8	66.8
Luggage	60.1	94.7	94.7	94.7	94.7	94.7
Electrical Household Appliances	72.5	93.5	93.5	93.5	93.5	93.5
China	81.5	110.6	110.6	110.6	110.6	110.6

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

Finished Steel Shipments By Subsidiaries Of U. S. Steel Corporation Fell Off In November

Shipments of finished steel products by subsidiaries of the United States Steel Corporation in November, amounted to 1,660,594 net tons, a decrease of 134,374 net tons from the preceding month, and 4,951 net tons less than in November, 1942.

November, 1943 deliveries averaged 63,869 net tons per day, compared with 69,037 net tons per day in October, and with 66,622 net tons for each of the 25 working days in November, 1942. There were 26 working days in October and November, 1943.

For the eleven months ended Nov. 30, last, shipments totaled 18,525,206 net tons, against 19,214,522 net tons for the like period of last year, a decrease of 689,316 net tons. As compared with the 18,612,901 net tons delivered in the first 11 months of 1941, this year's shipments recorded a decrease of 87,695 net tons.

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

	1943	1942	1941	1940	1939	1929
January	1,685,993	1,738,893	1,682,454	1,145,592	870,866	1,364,801
February	1,691,592	1,616,587	1,548,451	1,009,256	747,427	1,388,407
March	1,772,397	1,780,938	1,720,366	931,905	845,108	1,605,510
April	1,630,828	1,758,894	1,687,674	907,904	771,752	1,617,302
May	1,706,543	1,834,127	1,745,295	1,084,057	795,689	1,701,874
June	1,552,663	1,774,068	1,668,637	1,209,684	607,562	1,529,241
July	1,660,762	1,765,749	1,666,667	1,296,887	745,364	1,480,008
August	1,704,289	1,788,650	1,753,665	1,455,604	885,636	1,500,281
September	1,664,577	1,703,570	1,664,227	1,392,838	1,086,683	1,262,874
October	1,794,968	1,787,501	1,851,279	1,572,408	1,345,855	1,333,385
November	1,660,594	1,665,545	1,624,186	1,425,352	1,406,205	1,110,050
December	------	1,849,635	1,846,036	1,544,623	1,443,969	931,744
Total by mos.	------	21,064,157	20,458,937	14,976,110	11,752,116	16,825,477
Yearly adjust.	------	*449,020	*42,333	37,639	*44,865	*12,827
Total	------	20,615,137	20,416,604	15,013,749	11,707,251	16,812,650

*Decrease.

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

Market Transactions In Govts. For November

Market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net sales of $5,000,000 during November, Secretary of the Treasury Morgenthau announced on Dec. 15. In October there were no market transactions.

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

1941—	
November	No sales or purchases
December	$60,004,000 purchased
1942—	
January	$520,700 sold
February	29,980,000 purchased
March	5,814,450 purchased
April	300,000 purchased
May	16,625 purchased
June	250,000 sold
July	2,295,000 sold
August	8,446,000 sold
September	4,500,000 sold
October	1,000,800 sold
November	No sales or purchases
December	No sales or purchases
1943—	
January	$14,500,000 sold
February	90,300,000 sold
March	72,927,750 sold
April	400,000 purchased
May	35,200,000 sold
June	145,768,000 sold
July	67,757,200 sold
August	15,800,000 sold
September	2,651,600 sold
October	No sales or purchases
November	$5,000,000 sold

Treasury Revises Circular On Series C Savs. Notes

Allan Sproul, President of the Federal Reserve Bank of New York, announced on Dec. 13 that the Treasury has made its first revision in its circular relating to Treasury Savings Notes, Series C. This revision brings up to date, and make certain changes in, the provisions of the original circular, as amended. The principal changes resulting from the revision of the circular may be summarized as follows, according to the Treasury advices.

"Notes will be issued in denominations of $100 and $500 in addition to the previously authorized denominations of $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000.

"Notes may be inscribed in the name of one (but not more than one) individual, corporation, partnership, unincorporated association or society, fiduciary, town, city, county or other governmental body. Notes inscribed in the name of a person or entity which pays Federal income, estate or gift taxes will be received in payment of such taxes in the same manner as heretofore. Notes may also be purchased for investment whether or not the purchaser is a Federal taxpayer, but notes inscribed in the name of an entity which does not pay Federal income, estate or gift taxes as such (e.g., a partnership) will not be received in payment of taxes.

"Notes inscribed in the name of one spouse may be reissued in the name of the other, upon request of the one in whose name they are inscribed and surrender of the notes to the agent which issued them.

"Notes will be paid or reissued to the persons lawfully entitled upon the death of an individual owner, or upon the dissolution, consolidation or merger of a corporation or unincorporated body in whose name they are inscribed. Notes will be paid, but not reissued, to the persons lawfully entitled upon the bankruptcy or insolvency of the owner or as the result of other judicial proceedings in a court of competent jurisdiction."

Mr. Sproul said that the changes in the terms of the offering of Treasury Savings Notes, Series C, resulting from the revision of the circular, should add further to the attractiveness of such notes as an investment for tax reserves and currently idle cash balances.

Revenue Freight Car Loadings During Week Ended Dec. 11 Decreased 39,548 Cars

Loading of revenue freight for the week ended Dec. 11, 1943, totaled 823,211 cars, the Association of American Railroads announced Dec. 16. This was an increase above the corresponding week of 1942 of 79,028 cars, or 10.6%, and an increase over the same week in 1941 of 15,986 cars or two per cent.

Loading of revenue freight for the week of Dec. 11 decreased 39,548 cars, or 4.6% under the preceding week.

Miscellaneous freight loading totaled 379,751 cars, a decrease of 13,182 cars under the preceding week, but an increase of 21,383 cars above the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 104,002 cars, a decrease of 1,938 cars under the preceding week, but an increase of 13,315 cars above the corresponding week in 1942.

Coal loading amounted to 189,146 cars, an increase of 3,302 cars above the preceding week, and an increase of 22,919 cars above the corresponding week in 1942.

Grain and grain products loading totaled 53,426 cars a decrease 2,925 cars below the preceding week but an increase of 8,180 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of Dec. 11, totaled 36,131 cars, a decrease of 1,500 cars below the preceding week but an increase of 5,261 cars above the corresponding week in 1942.

Live stock loading amounted to 18,566 cars, a decrease of 1,184 cars below the preceding week, but an increase of 854 cars above the corresponding week in 1942. In the Western Districts alone loading of live stock for the week of Dec. 11 totaled 14,027 cars, a decrease of 854 cars below the preceding week, but an increase of 782 cars above the corresponding week in 1942.

Forest products loading totaled 45,165 cars, a decrease of 878 cars below the preceding week but an increase of 7,975 cars above the corresponding week in 1942.

Ore loading amounted to 17,439 cars, a decrease of 23,304 cars below the preceding week but an increase of 3,239 cars above the corresponding week in 1942.

Coke loading amounted to 15,716 cars, an increase of 561 cars above the preceding week, and an increase of 1,163 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 and Northwestern.

	1943	1942	1941
5 weeks of January	3,530,849	3,858,479	3,454,409
4 weeks of February	3,055,640	3,122,942	2,866,565
4 weeks of March	3,073,426	3,174,781	3,066,011
4 weeks of April	3,136,253	3,350,996	2,793,630
5 weeks of May	4,149,708	4,170,548	4,160,060
4 weeks of June	3,151,146	3,385,655	3,510,057
5 weeks of July	4,307,406	4,185,135	4,295,457
4 weeks of August	3,554,446	3,487,905	3,581,350
4 weeks of September	3,545,823	3,503,383	3,540,210
5 weeks of October	4,518,244	4,511,609	4,553,007
4 weeks of November	3,304,776	3,236,584	3,423,038
Week of December 4	862,759	759,731	833,375
Week of December 11	823,211	744,183	807,225
Total	41,013,687	41,491,931	40,884,394

The following table is a summary of the freight carloading for the separate railroads and systems for the week ended Dec. 11, 1943. During the period 104 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED DEC. 11

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Eastern District—					
Ann Arbor	273	285	640	1,517	1,335
Bangor & Aroostook	2,265	1,723	1,690	247	191
Boston & Maine	6,753	5,768	8,330	15,213	13,562
Chicago, Indianapolis & Louisville	1,472	1,492	1,621	2,221	1,895
Central Indiana	42	31	34	60	54
Central Vermont	1,110	1,030	1,417	3,079	2,138
Delaware & Hudson	6,098	6,019	5,146	12,835	11,508
Delaware, Lackawanna & Western	7,673	6,902	8,647	10,675	9,600
Detroit & Mackinac	203	479	390	122	131
Detroit, Toledo & Ironton	2,081	1,511	2,574	1,697	1,438
Detroit & Toledo Shore Line	300	293	353	3,771	3,414
Erie	12,221	10,703	14,131	20,225	16,183
Grand Trunk Western	3,621	3,911	5,417	9,270	8,023
Lehigh & Hudson River	176	203	212	2,662	2,761
Lehigh & New England	1,829	1,774	1,450	1,570	1,543
Lehigh Valley	8,543	7,613	8,904	12,362	12,315
Maine Central	2,239	2,226	3,250	3,997	2,948
Monongahela	6,294	5,807	6,131	360	409
Montour	2,694	2,371	2,341	27	23
New York Central Lines	49,694	43,028	47,978	59,802	52,889
N. Y., N. H. & Hartford	9,731	9,002	12,548	20,744	17,488
New York, Ontario & Western	1,238	1,069	1,056	3,022	1,951
New York, Chicago & St. Louis	6,389	6,346	6,330	16,996	15,801
N. Y., Susquehanna & Western	615	375	488	2,926	2,112
Pittsburgh & Lake Erie	7,625	7,122	8,426	7,924	7,686
Pere Marquette	4,781	5,073	6,251	8,637	7,748
Pittsburg & Shawmut	985	751	707	18	9
Pittsburg, Shawmut & North	322	282	376	264	240
Pittsburgh & West Virginia	1,254	1,029	785	2,768	2,950
Rutland	374	330	598	1,001	816
Wabash	5,928	5,319	6,547	12,356	12,613
Wheeling & Lake Erie	4,811	4,570	4,512	4,705	5,038
Total	159,634	144,437	169,280	243,073	216,812
Allegheny District—					
Akron, Canton & Youngstown	776	708	619	1,346	1,010
Baltimore & Ohio	43,103	35,944	38,236	29,538	25,511
Bessemer & Lake Erie	4,505	3,050	3,097	1,646	2,153
Buffalo Creek & Gauley	388	319	325	3	3
Cambria & Indiana	1,836	1,790	2,030	9	6
Central R. R. of New Jersey	7,224	6,847	7,183	20,517	19,812
Cornwall	464	609	558	47	61
Cumberland & Pennsylvania	247	220	337	13	16
Ligonier Valley	166	132	131	37	53
Long Island	1,344	1,138	832	3,565	3,051
Penn-Reading Seashore Lines	1,699	1,668	1,681	2,500	2,210
Pennsylvania System	79,652	69,555	81,617	66,285	61,858
Reading Co.	14,743	13,195	15,288	30,685	27,476
Union (Pittsburgh)	21,235	20,836	20,201	7,171	4,486
Western Maryland	4,310	3,773	4,224	14,330	12,240
Total	181,752	159,784	176,359	177,692	159,946
Pocahontas District—					
Chesapeake & Ohio	30,280	27,328	25,587	13,781	10,791
Norfolk & Western	24,175	21,266	21,599	7,590	6,630
Virginian	5,101	4,559	4,834	2,928	2,077
Total	59,556	53,153	52,020	24,299	19,498
Southern District—					
Alabama, Tennessee & Northern	355	382	370	384	223
Atl. & W. P.—W. R. R. of Ala.	794	641	842	2,877	2,503
Atlanta, Birmingham & Coast	726	671	784	1,412	1,488
Atlantic Coast Line	14,262	13,537	11,581	11,694	9,928
Central of Georgia	3,970	3,628	4,366	5,151	4,416
Charleston & Western Carolina	428	362	507	1,995	1,406
Clinchfield	1,626	1,623	1,915	3,530	2,858
Columbus & Greenville	315	292	281	256	266
Durham & Southern	94	78	196	684	561
Florida East Coast	2,815	1,526	1,031	1,432	1,634
Gainesville Midland	43	38	36	86	74
Georgia	1,277	1,077	1,542	2,926	2,330
Georgia & Florida	493	339	437	703	447
Gulf, Mobile & Ohio	4,342	3,604	4,324	4,426	4,325
Illinois Central System	28,064	26,067	29,442	17,393	16,056
Louisville & Nashville	26,376	23,751	24,774	12,700	10,448
Macon, Dublin & Savannah	214	186	182	1,030	959
Mississippi Central	351	147	142	510	470
Nashville, Chattanooga & St. L.	3,367	2,851	3,640	4,930	4,590
Norfolk Southern	1,054	963	1,169	2,003	1,450
Piedmont Northern	484	360	523	1,488	1,418
Richmond, Fred. & Potomac	422	356	457	11,834	9,929
Seaboard Air Line	11,590	10,111	10,987	9,727	8,955
Southern System	23,839	20,235	24,788	26,880	23,822
Tennessee Central	573	478	645	919	857
Winston-Salem Southbound	160	101	141	1,003	925
Total	128,034	113,404	125,102	127,973	112,338
Northwestern District—					
Chicago & North Western	15,393	14,736	17,303	14,636	13,332
Chicago Great Western	2,708	2,385	2,832	3,446	2,986
Chicago, Milw., St. P. & Pac.	21,977	19,207	22,645	10,423	9,677
Chicago, St. Paul, Minn. & Omaha	4,126	3,956	4,420	3,832	3,398
Duluth, Missabe & Iron Range	1,187	1,419	927	258	265
Duluth, South Shore & Atlantic	728	592	614	556	655
Elgin, Joliet & Eastern	8,516	7,595	10,273	11,146	10,804
Ft. Dodge, Des Moines & South	460	436	560	115	126
Great Northern	13,462	11,791	12,629	5,042	4,787
Green Bay & Western	493	533	568	852	792
Lake Superior & Ishpeming	305	237	261	60	50
Minneapolis & St. Louis	2,382	2,062	2,032	2,551	2,085
Minn., St. Paul & S. S. M.	5,770	4,484	5,709	3,043	3,112
Northern Pacific	10,881	10,505	11,929	5,238	4,410
Spokane International	142	122	102	683	587
Spokane, Portland & Seattle	2,376	1,861	2,416	3,477	3,093
Total	90,906	81,921	95,220	65,358	60,159
Central Western District—					
Atch., Top. & Santa Fe System	22,699	21,096	23,101	11,647	11,578
Alton	3,159	3,120	3,641	4,277	4,085
Bingham & Garfield	461	369	604	63	95
Chicago, Burlington & Quincy	21,021	18,226	18,657	12,617	10,841
Chicago & Illinois Midland	2,986	2,436	2,737	1,037	866
Chicago, Rock Island & Pacific	12,108	11,527	12,895	12,783	12,234
Chicago & Eastern Illinois	2,717	2,350	3,110	6,751	5,049
Colorado & Southern	714	1,069	1,252	2,221	1,477
Denver & Rio Grande Western	4,240	4,281	3,640	6,679	5,018
Denver & Salt Lake	905	790	711	22	9
Fort Worth & Denver City	*880	840	1,295	*1,551	1,071
Illinois Terminal	1,864	1,547	2,070	1,899	1,401
Missouri-Illinois	1,179	973	1,158	521	387
Nevada Northern	1,800	2,065	2,044	118	111
North Western Pacific	817	936	1,051	729	578
Peoria & Pekin Union	8	30	25	0	0
Southern Pacific (Pacific)	29,251	29,401	28,726	14,117	12,164
Toledo, Peoria & Western	327	305	110	2,057	1,634
Union Pacific System	18,311	17,552	17,695	17,604	15,357
Utah	704	692	507	5	8
Western Pacific	2,152	2,333	2,685	4,651	3,029
Total	128,303	121,938	127,714	101,349	86,992
Southwestern District—					
Burlington-Rock Island	*249	179	125	*166	285
Gulf Coast Lines	7,097	5,289	3,595	2,610	2,085
International-Great Northern	2,204	2,948	2,286	3,856	3,046
Kansas, Oklahoma & Gulf	257	377	320	1,258	1,054
Kansas City Southern	5,049	5,301	2,710	2,644	2,541
Louisiana & Arkansas	3,456	3,241	2,531	3,094	2,260
Litchfield & Madison	360	301	375	1,256	1,029
Midland Valley	845	677	617	226	230
Missouri & Arkansas	187	144	158	484	414
Missouri-Kansas-Texas Lines	5,491	6,058	4,848	6,086	4,976
Missouri Pacific	17,472	15,373	17,515	20,665	17,595
Quanah Acme & Pacific	68	137	152	221	307
St. Louis-San Francisco	8,510	8,679	9,561	8,864	7,985
St. Louis Southwestern	2,873	2,540	2,985	7,418	5,316
Texas & New Orleans	14,266	13,221	8,676	4,905	4,680
Texas & Pacific	6,556	4,961	4,897	7,843	7,426
Wichita Falls & Southern	71	104	153	119	38
Weatherford M. W. & N. W.	15	16	26	28	20
Total	75,026	69,546	61,530	71,743	61,287

*Previous week's figure.

Note—Previous year's figures revised.

Weekly Statistics Of Paperboard Industry

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

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

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period 1943—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity	
				Current	Cumulative
Sept. 4	177,766	150,943	598,255	97	93
Sept. 11	121,125	126,427	589,323	83	93
Sept. 18	153,708	157,082	583,714	98	93
Sept. 25	144,100	151,725	558,633	96	93
Oct. 2	164,954	152,479	579,800	97	93
Oct. 9	156,808	148,574	589,417	94	93
Oct. 16	156,044	148,293	595,257	95	93
Oct. 23	144,254	147,883	588,399	94	93
Oct. 30	144,413	143,686	587,324	93	93
Nov. 6	172,441	147,467	608,782	93	93
Nov. 13	153,126	149,295	608,893	95	93
Nov. 20	126,726	146,286	587,715	94	93
Nov. 27	134,959	142,136	578,434	91	93
Dec. 4	177,664	149,803	602,789	95	93
Dec. 11	146,662	148,826	600,323	96	93

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

Increased Payroll Quotas For Fourth War Loan Sought

In anticipation of the Fourth War Loan, the Payroll Savings Division of the War Finance Committee for New York State has evolved a new system under which workers on the payroll savings plan can begin to save now for the extra War Bonds they will be called upon to buy during the forthcoming campaign. The committee's announcement Dec. 17 said:

"Although the drive does not officially get under way until Jan. 18, team captains are now establishing quotas in each of the 2,000 companies in Manhattan with 100 or more employees.

"The quotas, which date from about Dec. 1 and embrace the period up to the end of the forthcoming drive Feb. 15, are determined on a sliding scale based upon the payroll savings participation and anticipated extra bond purchases of employees, employers and executives in each company approached. Experience has indicated that this is the most feasible method of reaching the individual wage-earner. By budgeting bond payments over a longer period, it is expected that increased participation will result. This plan is considered particularly appropriate for the Fourth War Loan drive which will emphasize individual participation, with a state quota of $911,000,000."

Hull Warns Balkans

The United States warned the governments of Bulgaria, Hungary and Rumania on Dec. 11 that they must share the "consequences of the terrible defeat that United Nations arms are so surely bringing to Nazi Germany."

This warning was contained in a formal statement by Secretary of State Hull, issued on the second anniversary of the declaration of war on the United States by the three Balkan "puppets of Hitler."

Senator Connally (Dem., Tex.), Chairman of the Senate Foreign Relations Committee, also issued a statement calling on the Axis satellites to get out of the war or "go down with the sinking German ship."

Mr. Hull's statement follows:

"It is just two years since the Governments of Bulgaria, Hungary and Rumania, having already become servile puppets of Hitler, obedient to the orders of their master, declared war against the United States.

"To what degree they have been counting on our magnanimity to spare their peoples the consequences of this rash step foredoomed to disaster we do not know.

"The fact is that whatever may be the sentiments of their peoples, the governments in power in these three countries have recklessly continued their participation in the war against us, strengthening with men and material resources the Nazi war machine.

"They must by this time realize that they will have to share the responsibility for the consequences of the terrible defeat that United Nations arms are so surely bringing to Nazi Germany."

Finland Pays On War Debt

Finland paid the United States $233,915.06 on Dec. 14 as another installment on money borrowed from this country after the first World War. The payment, according to the Associated Press, represented $84,000 in principal, a semi-annual interest payment of $136,220 on the outstanding aggregate debt of approximately $9,000,000 and $136,695.06 due on the payment which was postponed by Congress on June 12, 1941.

Items About Banks, Trust Companies

Herbert P. Howell, Chairman of The Commercial National Bank & Trust Co. of New York, announces that the bank's board of directors had voted to increase the bank's surplus account $2,000,000 by transferring that amount from undivided profits to surplus effective Dec. 31, 1943. After giving effect to this transfer, the bank's capital will be as follows: capital, $7,000,000; surplus, $9,000,000, and undivided profits approximately $1,200,000.

At a dinner given by the President to the officers of Central Hanover Bank & Trust Co., on Dec. 17, announcement was made of the election of Daniel A. Del Rio, James T. Harrigan and William R. McAlpin as Vice-Presidents and the appointment of Fred P. McKenzie, Robert G. Norwood and John P. Sullivan as Assistant Vice-Presidents.

Mr. Del Rio was appointed assistant manager of the foreign department of the Central Union Trust Co. in 1925 and Assistant Vice-President in 1927. Mr. McAlpin entered the employ of the Central Union Trust Co. in 1927 and has been in the personal trust department since 1928. Mr. Harrigan became associated with the bank in 1914 and has spent his entire banking career in the corporate trust department. Mr. McKenzie is in the personal trust department; Robert G. Norwood is in personnel, and John P. Sullivan is in the credit department.

Directors of the Trade Bank & Trust Co., New York City, have approved the transfer of $75,000 from reserves to surplus and have declared a stock dividend of one-fifteenth of a share of stock for every share now held, payable Dec. 22 to stock of record Dec. 10.

William F. Knox, Vice-President of the Greenwich Savings Bank, New York City, has been elected Vice-President and Treasurer of the bank. Mr. Knox is completing 35 years of continuous service with the institution.

The Bank for Savings in the City of New York has appointed Dolson Rauscher as property manager in charge of the bank's acquired real estate. Mr. Rauscher, who succeeds Charles H. Hayes, was for a number of years connected with the Prudential Insurance Co. of America.

At the meeting of the board of directors of the Federation Bank & Trust Co. of New York, held on Dec. 14, the company declared a regular semi-annual dividend of 50 cents per share, payable Dec. 28 to holders of record Dec. 21. In line with the increased cost of living, a semi-annual bonus of 4% was voted, making a total of 7½%, the same as paid to employees last year.

Myron G. Darby, senior partner in the investment firm of Darby & Co., has been elected a trustee of the Bronx Savings Bank.

George P. Kennedy, President of the Lafayette National Bank of Brooklyn in New York, announced on Dec. 15 that at the meeting of the board of directors, held on Dec. 14, the board unanimously voted to increase the bank's surplus by $50,000. President Kennedy also announces that the board of directors have approved payment of the usual Christmas bonus to all employees.

Chester A. Allen, Vice-President of Kings County Trust Co. of Brooklyn, N. Y., has been elected President of the Bankers Club of Brooklyn, succeeding Henry L. Genninger, Cashier of the Roosevelt Savings Bank. Other officers of the Bankers Club elected are: John J. Hickey, Vice-President of the Greater New York Savings Bank, as Vice-President; George P. Kennedy, President of the Lafayette National Bank, as Secretary, and Christian Mende, Assistant Secretary of the Green Point Savings Bank, as Treasurer.

John W. Hooper, Vice-President, Comptroller and a director of American Machine & Foundry Co., has been elected a trustee of the Lincoln Savings Bank of Brooklyn.

The Williamsburg Savings Bank of Brooklyn entertained at a Christmas party on Dec. 22 a group of children from neighboring schools—10 pupils having been selected from each of the schools. One of the bank's depositors acted as Santa Claus, and games and other gifts were distributed among the youngsters. Christmas carols, mouthorgan accompaniment featured the festival, at which ice cream was served to the children.

The Ridgewood Savings Bank of Queens, L. I., announced on Dec. 15 the election of Charles A. Tonsor, principal of the Grover Cleveland High School, to its board of trustees.

Roger W. Huntington, a director of the National Bank of Waterville (N. Y.) and the Waterville Savings and Loan Association, died on Dec. 13. He was 54 years old. Mr. Huntington was a prominent real estate operator and once served as President of the Real Estate Association of New York State. He also was an ex-Mayor of Waterville.

John E. Mahar, Vice-President of the Industrial Bank of Hartford (Conn.), died on Dec. 10. Mr. Mahar, who had been previously connected with the Prudential Insurance Co., had been a director of the Industrial Bank from the time it was organized until he became Vice-President five years ago.

George Munsick has been elected President of the Morristown (N. J.) Trust Co., succeeding Carl V. Vogt, who becomes Chairman of the Board. Mr. Vogt had served as President of the company since 1938, but due to illness requested to be relieved of these duties. Mr. Munsick served for a number a years as Financial Secretary of the Connecticut Mutual Life Insurance Co. and was at one time Trust Officer of the New York Trust Co.

At a meeting, on Dec. 17, of the board of directors of the Tradesmens National Bank & Trust Co. of Philadelphia Philip H. Cooney, investment manager of the Insurance Company of North America, was elected a director to fill the vacancy caused by the death of Philip S. Collins.

The following new appointments were also announced on Dec. 20 by the Tradesmens National Bank & Trust: Robert H. Wass, Jr., formerly Assistant to Vice-President in charge of trust department, has been appointed Assistant Trust Officer; H. Townsend Bongardt, formerly Statistician, has been appointed Trust Investment Officer.

A proposal to reduce the par value of the capital stock of the Munsey Trust Co., Washington, D. C., from $100 to $62.50 a share is scheduled to be voted on by stockholders at a meeting on Jan. 18, thereby reducing the company's capitalization by $750,000. This is learned from an account in the Washington "Post" of Dec. 13 by S. Oliver Goodman, from which we also quote the following:

"In a letter to stockholders, President C. H. Pope said that directors of the company had approved the step in order to accomplish these objectives:

"First, a reduction in the carrying value of the stock of the Munsey Realty Co. by $250,000, or a reduction from $1,900,000 to $1,650,000. Second, a charge-off on the company's books of approximately $350,000 of the carrying value of certain real estate mortgages.

"If the proposal to reduce par value of capital stock is approved by stockholders, capitalization would be changed from $2,000,000 to $1,250,000, thereby making $750,000 available on the books. The latter amount would be applied as follows: 1—$584,500 to the write-down of the realty company stock and the charge-offs of certain mortgages; 2—$139,600 to be added to surplus account to increase the latter from $1,110,400 to $1,250,000, thereby equalizing capital and surplus; 3—the $25,900 balance to be added to the reserve for contingencies."

The board of directors of the Virginia Trust Co. of Richmond declared, on Dec. 17, a stock dividend of 100%, thereby increasing the capital from $500,000 to $1,000,000. The declaration, says the Washington "Post," will have the effect of replacing the company's old stock of $50 par value to $100. In addition to the $1,000,000 capital, the company has a surplus of $300,000, undivided profits of $300,000, and reserves in excess of $200,000.

Stockholders of the Continental Illinois National Bank & Trust Co. of Chicago approved on Dec. 17 an increase in the bank's capital stock from $50,000,000 to $60,000,000 by the declaration of a 20% stock dividend. Also approved was an increase in surplus from $50,000,000 to $60,000,000. Both increases are to be effected by transfers from undivided profits. In Chicago advices to the "Wall Street Journal" it was stated:

"There will now be 1,800,000 shares outstanding of the bank's capital stock, compared with 1,500,000 shares formerly. Par value of the stock is $33⅓ a share. Under the plan each shareholder will receive one additional share of stock for each five shares now held. It is contemplated that the present $2 annual dividend rate will be continued on the increased stock."

Plans for the increase were noted in these columns Dec. 2, page 2244.

Stockholders of the First National Bank of Chicago approved on Dec. 20 an increase in the bank's capital stock from $30,000,000 to $50,000,000, to be brought about through a stock dividend of 66⅔%. The additional stock of $20,000,000 will represent a transfer from surplus account and will be distributed to shareholders. Approval by the Comptroller of the Currency was received Dec. 21. Edward E. Brown, President of the bank, said the directors have voted to transfer $10,000,000 from undivided profits to surplus on Dec. 29, which will raise the surplus to $40,000,000.

John Franklin Hagey, a Senior Vice-President of the First National Bank of Chicago, died on Dec. 12 in his Chicago home at the age of 67. Mr. Hagey had been connected with the First National Bank since 1901, when he entered its law department after graduating from the University of Chicago. He was successively the bank's assistant attorney, Assistant Cashier, and Vice-President in charge of the bank and bankers' division.

Shareholders of the National Boulevard Bank of Chicago at a special meeting on Dec. 14 approved a plan to increase the bank's total capitalization to $1,450,000 from $1,050,000, from accumulated earnings. According to the Chicago "Journal of Commerce" the capital will be increased to $750,000 from $500,000 by a 50% stock dividend, surplus to $600,000 from $500,000, and undivided profits to $100,000 from $50,000.

Plans for this dividend were noted in our Dec. 2 issue, page 2244.

Surplus of the Harris Trust & Savings Bank, Chicago, was increased by the directors on Dec. 8 from $9,000,000 to $12,000,000 by a transfer of $3,000,000 from undivided profits.

The Marine National Exchange Bank, Wilwaukee, Wis., recently transferred $700,000 from reserves for contingencies to surplus, making the surplus equal to the capital at $2,200,000. The capital account now consists of: capital $2,200,000; surplus, $2,200,000, and undivided profits of $1,000,000.

Crowley To Address N. Y. Bankers' Dinner

Leo T. Crowley, Foreign Economic Administrator, will be the principal speaker at the 16th annual midwinter dinner of the New York State Bankers Association at the Waldorf-Astoria, New York City, on Jan. 17, it was announced on Dec. 18 by E. Chester Gersten, the Association's President, who is also President of the Public National Bank & Trust Co. of New York.

The dinner at which Mr. Crowley will speak will follow a one-day meeting in the Federal Reserve Bank of New York, at which war-time banking problems and post-war plans will be discussed.

More than 800 representatives of the Association's 734 member banks will hear talks from Allan Sproul, President of the Federal Reserve Bank; Arthur J. White, Regional Wage and Hour Director; Dr. Lionel D. Edie, economist, and others. Emphasis will be placed on bank man-power, wage and salary control, and plans for meeting the credit needs of industry, agriculture, business, and the consumer now and after the war.

Mr. Crowley, who is also Chairman of the Board of the Federal Deposit Insurance Corporation and Alien Property Custodian, will talk to the bankers on the work of his agency in the fields of controlling United States foreign sales and purchases, supplying war materials to our allies, and supervising the relief of liberated nations.

At 12:30 o'clock Monday noon the bankers will be the guests of the Federal Reserve Bank of New York at a luncheon in the bank.

Nov. War Expenditures Totaled $7.8 Billions

United States war expenditures for the month of November went to a new high of $7,794,000,000, an increase of $689,000,000 over October, or nearly 10%, the War Production Board said on Dec. 15. November war expenditures exceeded the previous high of $7,688,000,000 in June by $106,000,000, or slightly more than 1%.

The WPB announcement added:

"The average daily rate of expenditures for war purposes was close to the $300,000,000 mark in November, $299,800,000, compared to $273,300,000 in October, and $295,700,000 in June. The daily rate is based on the 26 days in each month on which checks were cleared by the Treasury.

"Expenditures for war purposes by the United States Government from July 1, 1940, through Nov. 30, 1943, amounted to $146,000,000,000, $78,000,000,000 of which was expended in 1943, or 53%.

"These figures include checks cleared by the Treasury and payable from war appropriations and net outlays of the Reconstruction Finance Corporation and its subsidiaries for war purposes."

Insured N. Y. Savings Ass'ns Gain In Nov.

An increase of $1,055,040 in savings accounts was reported for November by the 28 savings association members of the Council of Insured Savings Associations of New York State, it was announced on Dec. 17. New savings for the month totaled $3,520,958, and withdrawals, including disbursements of over $350,000 on Christmas savings accounts, amounted to $2,515,918. At the close of November the total amount in savings accounts in these 28 insured associations was $117,663,854, an increase of 1% for November and 9% for the first 11 months. Total resources on that date were $137,951,502. The average savings account balance was $796.

Also in November these associations financed the purchase of 199 homes with loans totaling $844,840. Carl F. Distelhorst, President of the Council, pointed out that the average amount loaned had declined in each of the past four months, even though residential real estate prices in the same period had rising tendencies, which is indicative of the care which these associations are exercising in their appraisals and lending policies during this period of uncertainty.

A special Fourth War Loan Drive Committee has been set up in the Council, consisting of Gardner W. Taylor, President of the First Federal Savings and Loan Association of New York, Chairman; Willis J. Almekinder, President of the First Federal Savings and Loan Association of Rochester; Richard A. Greer, Secretary-Treasurer of the White Plains Federal Savings and Loan Association, and Harold C. Hahn, Secretary of the First Federal Savings and Loan Association of New York.

Leon Fleischmann, President of the Ninth Federal Savings and Loan Association, is Chairman of the Council's Committee on Construction Standards and Committee on Ethics; Gardner W. Taylor, President of the First Federal Savings and Loan Association, is Chairman of the Post-War Planning Committee and Fourth War Loan Drive Committee; A. G. Lampke, counsel for the First Federal Savings and Loan Association, is Chairman of the Housing Committee, and C. Harry Minners, President of the Bankers Federal Savings and Loan Association, is Chairman of the Committee for Development of Standard Mortgage Clauses.

Nov. Construction Contracts Down From Oct.

Construction contracts awarded during November total $184,399,000 in the 37 Eastern Sattes, according to F. W. Dodge Corporation, in a report made public on Dec. 22. This compares with $213,529,000 for the preceding month and $654,184,000 for November, 1942. 73% of the November volume was in public ownership projects. The report added:

Non-residential building valuation of $67,028,000 was 27% below October and only one-fourth of the November, 1942, total of $256,513,000. The hospital and institutional building classification was the only one to equal its prior month's total.

Valuation of residential building was 16% behind October and 63% behind the corresponding month last year, however, 15,279 new dwelling units were provided as compared with 20,081 in the preceding month and 18,616 in November, 1943. Private ownership projects provided 57% of the month's valuation.

Heavy-engineering contracts were let to the extent of $58,987,000 during the month. This was reduction of 7% from October and 74% from November last year.