

The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 158 Number 4242

New York, N. Y., Thursday, December 30, 1943

Price 60 Cents a Copy

The Financial Situation

The President would like to have the public cease to think of his regime as the New Deal Administration. Henceforth he would have his name and his Administration associated with winning the war. Perhaps no more encouraging indication has yet appeared of the trend of public sentiment away from the hodge-podge of reform (mingled with the grossest variety of politics and untouched and unblessed by any sense of realism) that has become popularly known as the New Deal! Otherwise—and apart from the fact that the President may well with his usual political cleverness make use of such an artful, if obvious, dodge to strengthen himself politically for an effort to return for another term to the White House—not very much significance is to be attached to this move by the master politician of the day.

To the Right?

It has already been hailed by a good many as further and perhaps conclusive evidence that the President has "turned definitely to the right," and is more or less through with such destructive maneuvers as those which characterized his earlier terms in office, particularly the first and second term. It has been repeatedly asserted in such quarters for a long while past that the President had so altered his point of view and his course. The fact is, however, that one would need a very substantial measure of naivete to accept such notions at face value. It probably is true that the President has, quite possibly more clearly than many of the rest of us, sensed a turn in the feelings of the rank and file and the consequent need of a shift in his own position. He is well known to be one of the keenest students of public psychology—and one of the most ready to change with the changing wind of popular feeling.

(Continued on page 2666)

From Washington Ahead Of The News

By CARLISLE BARGERON

Undoubtedly you have often wondered what the anonymity boys around the President do. Here is an example. Youngish Eugene Casey, one of them, was recently assigned to make a speech before the American Butter Institute at Chicago. After a few minutes the audience began snickering. He was embarrassed but he went on with his speech. It developed that at an earlier session, exactly the same speech, word for word, had been delivered by Dr. Thomas G. Stitts, of the dairy and poultry division of the War Food Administration.

The year 1944 will be one of the most momentous; it may be one of the most disastrous in this country's history. In spite of the gay mood of Mr. Roosevelt upon his return from Cairo and Teheran, in spite of his frequent utterances, in spite of the wishy-washiness of our domestic propaganda, the more realistic thinkers of Washington officialdom believe we are in an awful mess everywhere. It does little good to brag that the Jap fleet won't come out and fight us or to be favorably comparing our position today with that at the time of Pearl Harbor or with that of several months afterwards.

The realists are asking the question of just how close are we to licking Germany and Japan after two years of war and their answer to that question is that they have very little idea. After more than a year since our forces landed at Tunisia, where are we. Are we any closer to Germany? Realists in our military high command don't think we are. They never wanted the diversion in the first instance. We have a part of Italy.

What of it. It is rapidly proving more of a liability than an asset. Even after we became committed to the Mediterranean campaign, there is substantial reason to believe that our command wanted only to occupy sufficient of Italy's boot to protect the Mediterranean. Somehow we seem to have got a bear by the tail and can't turn loose. We are killing Germans in Italy which is to our account; Americans are being killed which is not. The Mediterranean is cleared; we have most of the Italian fleet. But the whole accomplishment must be measured as it relates to the collapse of Germany, and that is not yet in sight. Mussolini's downfall is supposed to have had a tremendous psychological effect on the satellite nations. Maybe so. It hasn't yet become apparent.

We have been keyed up for a break which hasn't come. It may come, of course, at any time.

On the other hand, there may be breaks against us. Washington is filled with disquieting reports that Messrs. Roosevelt and Churchill are not striking it off as well as they formerly did. Churchill seems manifestly never

(Continued on page 2666)

President Sees Peace Insured After Victory By Application Of Force If Necessary

President Roosevelt, in a world-wide Christmas Eve broadcast, expressed a "certainty" that we may look forward into the future with confidence that peace can be ensured "though the cost may be high and the time may be long."

The President revealed that General Dwight D. Eisenhower has been selected to lead the combined American and British forces in launching "a gigantic attack upon Germany" and that he will coordinate air, sea and land power.

Regarding his conferences in Teheran with Prime Minister Churchill of Great Britain and Marshal Stalin of Russia, Mr. Roosevelt said they agreed that "Germany must be stripped of her military might" but that the United Nations "have no intention to enslave the German people."

With respect to his Cairo talks with Generalissimo Chiang Kai-shek of China and Mr. Churchill, the President said that "definite military strategy" was settled for striking at Japan and that the principles for assuring peace in the Far East, involving the permanent elimination of the empire of Japan, were discussed.

The President stated that "Britain, Russia, China and the United States and their Allies represent more than three-quarters of the total population of the earth" and, he added, "as long as these four nations with great military power stick together in determination to keep the peace there will be no possibility of an aggressor nation



President Roosevelt

arising to start another world war." He went on to say:

"But those four powers must be united with and cooperate with all the freedom-loving peoples of Europe and Asia and Africa and the Americas. The rights of every nation, large or small, must be respected and guarded as jealously as are the rights of every individual within our own Republic."

Warning against over-confidence on the home front, the President said the end of the war "is not yet in sight" but is now reaching the stage "where we shall have to look forward to large casualty lists—dead, wounded and missing."

In conclusion the President, "on behalf of the American people," sent a Christmas message to those "in our armed forces" in which he said:

"In our hearts are prayers for you and for all your comrades in arms who fight to rid the world of evil."

"We ask God's blessing upon you—upon your fathers and mothers, wives and children—all your loved ones at home."

"We ask that the comfort of God's grace shall be granted to those who are sick and wounded, and to those who are prisoners

of war in the hands of the enemy, waiting for the day when they will again be free."

"And we ask that God receive and cherish those who have given their lives, and that He keep them in honor and in the grateful memory of their countrymen forever."

"God bless us all. God keep us strong in our faith that we fight for a better day for human kind—here and everywhere."

The President's address, delivered from the library at his Hyde Park (N. Y.) home, follows, according to the Associated Press:

Text of President's Radio Address

I have just returned from extensive journeyings in the region of the Mediterranean and as far as the borders of Russia. I have conferred with the leaders of Britain and Russia and China on military matters of the present—especially on plans for stepping up our successful attack on our enemies as quickly as possible and from many different points of the compass.

On this Christmas Eve there are over 10,000,000 men in the armed forces of the United States alone. One year ago 1,700,000 were serving overseas. Today, this figure has been more than doubled to 3,800,000 on duty overseas. By next July that number will rise to over 5,000,000.

That this is truly a world war was demonstrated when arrangements were made with our over-

(Continued on page 2668)

Business And Financial Outlook For 1944

By ROGER W. BABSON

Most firms are booked to capacity. If any more business were offered they would not be able to handle it for many months. This is roughly my forecast for 1944. The Babsonchart Index of the Physical Volume of Business for the final quarter of 1943 averaged 141 compared with 150.7 for the same period of 1942. The all-time high was reached in December, 1942, when my Index stood at 155.6. It is not possible that this record can be exceeded in 1944.

Commodity Prices

War developments will influence commodity prices during 1944. The collapse of Germany could result in a sharp, though temporary, reaction in leading wholesale indexes. If the going in Italy or elsewhere should prove unexpectedly hard—indicating a longer war—prices should firm. Cattle and hogs may bring lower average prices. Soybean and corn prices face the test of large marketings.



Roger W. Babson

They will do well to hold. Increased imports of coffee, cocoa and sugar will hold down their prices.

Continued heavy demand is indicated for most industrial commodities. To what extent efforts to roll back food prices to Sept. 15, 1942, levels will succeed is problematical. Mounting over-all shortages, unprecedented demand and the necessity for maximum output will tend to maintain strong upward pressure on most prices. Advancing parity prices, storage, insurance and black markets further tend to keep prices high. Subsidies will be granted certain producers during 1944.

Inventories

Businessmen should watch the Government's policy of disposing of its huge inventories of consumer merchandise. With supplies at a much higher level than in World War I, retailers, whole-

(Continued on page 2667)

GENERAL CONTENTS

Editorial	Page
Financial Situation.....	2661
Regular Features	
From Washington Ahead of the News	2661
Moody's Bond Prices and Yields.....	2671
Items About Banks and Trust Cos.....	2676
NYSE Odd-Lot Trading.....	2669
Trading on New York Exchanges.....	2669
State of Trade	
General Review	2662
Commodity Prices, Domestic Index.....	2674
Weekly Carloadings	2670
Weekly Engineering Construction.....	2674
Paperboard Industry, Statistics.....	2674
Weekly Lumber Movement.....	2671
Fertilizer Association Price Index.....	2672
Weekly Coal and Coke Output.....	2673
Weekly Steel Review.....	2671
Moody's Daily Commodity Index.....	2671
Weekly Crude Oil Production.....	2675
Non-Ferrous Metals Market.....	2672
Weekly Electric Output.....	2672
November Building Permits.....	2673
Commercial Paper Outstanding.....	2672
November Life Insurance Sales.....	2674
Cotton Ginned From 1943 Crop	2674
Prior to Dec. 13.....	2674
Federal Reserve November Business Indexes	2663, 2675

Political Fiction---Latest Style

"Before signing the executive order taking over the railroads the President rendered his decision as arbitrator of the disputes affecting the Brotherhood of Locomotive Trainmen and the Brotherhood of Locomotive Engineers. He affirmed the increase of 4 cents per hour which had previously been granted by the Stacy Emergency Board and had been approved by the Economic Stabilization Director.

"In addition, in considering claims not previously presented to the Stacy Board or the Economic Stabilization Director, he granted a further increase of 5 cents per hour effective immediately, in lieu of claims for time and a half for overtime in excess of 40 hours a week and for expenses while away from home.

"He also approved a vacation of one week a year with pay at the basic hourly rate of employment. Such a vacation is now received by the non-operating employes.

"The President directed that his award be effective for the duration of the war without prejudice to the rights of either party thereafter to request a change in the agreement.

"The President further stated that he had been advised by the Economic Stabilization Director that his decision was in conformity with the national stabilization program."—White House statement.

Obviously "the national stabilization program" has become remarkably "flexible."

Is further continuation of this fiction really worthwhile?

Or the various "labor boards," and similar organizations, which the unions, following Lewis tactics, have little trouble in discrediting?

The State Of Trade

The threatened railroad and steel strikes loomed large last week with latest reports indicating that the steel strike of 170,000 has been called off and that the railroads have been taken over by the government. It is clear that every effort will be made to keep these great war industries operating smoothly.

Nation-wide steel ingot production was off 5 points to 93% of estimated capacity last week, the lowest of the year except for the coal strike period in June. The slack was attributed by the magazine "Steel" to widespread observance of Christmas, the first since the beginning of the war. Fewer plant suspensions for New Year's weekend than for Christmas should create more active steel production, the trade publication said in its weekly summary of the industry.

Electric production continues to hold the spotlight on the business front. Electric power output again reached a new high of 4,612,994,000 kilowatt hours in the week ended Dec. 18, against the previous peak of 4,566,905,000 last week and 3,975,873,000 a year earlier, according to the Edison Electric Institute. This was 16% above last year. Consolidated Edison Co. reports system output of 232,400,000 kilowatt hours in the week ended Dec. 20, against 171,800,000 a year ago, a rise of 35.2%.

Carloadings of revenue freight for the week ended Dec. 18 totaled 759,288 cars, according to the Association of American Railroads. This was a decrease of 63,923 cars from the preceding week this year, 16,227 cars more than the corresponding week in 1942 and 39,580 cars below the same period two years ago.

This total was 123.13% of average loadings for the corresponding week of the 10 preceding years.

Based upon advance reports from Class I railroads, whose revenues represent 81.6% of total operating revenues, the Association of American Railroads estimated that railroad operating revenues in November, 1943, were 9% more than in the same month of 1942. This estimate, it was pointed out, covers only operating expenses, taxes, or final income results.

As concerns the retail trade, December business on a country-wide basis topped the peak holi-

day buying of last year, making for the best Christmas season in the nation's history, observers state. Estimates place the increase in retail trade thus far this month at 6% over comparative 1942 volume. This gain becomes all the more impressive when it is realized that it was achieved on top of a 13% sales increase registered during December, 1942, over December, 1941. Even though the national average for the Yuletide season was ahead of a year ago, December retail trade in several leading cities, notably New York and Philadelphia, did not equal 1942 figures. In other cities, including Boston, St. Louis, Detroit and Chicago, business was decidedly spotty, with some stores reporting gains and others declines.

Department store sales on a country-wide basis were down 4% for the week ended Dec. 18, compared with the like week a year ago, according to weekly figures of the Federal Reserve system. Sales for the four-week period ended Dec. 18 were up 3% compared with the corresponding period last year.

Department store sales in New York City in the week ended Dec. 25 were 21% larger than in the corresponding week of last year, according to a preliminary estimate issued by the New York Federal Reserve Bank. The week had five full shopping days this year compared with four last year, which accounted for the major portion of the increase, the bank pointed out. In the previous week ended Dec. 18 sales were down 11% from the comparative week a year ago.

The December issue of "Exchange," published by the New York Stock Exchange, adds 109 companies to the tabulation of corporation earnings with common stocks listed on the exchange. Net income of the 494 enterprises to report for the nine

ABA Savings Conference Speakers Cite Need For Return To Thrift Principles

Saver Must Be Encouraged To Save And Invest Dollars Through Channels Of Investment

Need for the American people to return again to the sound and time-tested principles and practice of thrift was voiced by both Fred. F. Lawrence, President of the Savings Division of the American Bankers Association, who is Treasurer of the Maine Savings Bank, Portland, Me., and Dr. Paul F. Cadman, the Association's economist, in addresses before the recent conference on savings banking held in Chicago by the division.

Both speakers pointed out that the nation is consuming its wealth in the war, and they asserted that only through genuine savings can the depletion of capital now going forward at a rapid rate be offset and the economic soundness of the future be preserved.

"Savings has been forced into the spotlight of public attention not by any initiative of ours but by the logic of events," Mr. Lawrence declared. "No longer than five years ago economists of no mean ability were warning of the dangers of excessive savings, and—what was probably of greater practical moment—too many citizens were finding their livelihood geared to the pace of individual and national extravagance." Continuing, Mr. Lawrence said:

"But when we found ourselves in a world conflict, where the economic front was destined to prove the decisive one, we learned that on that front, as on the military, no battles were to be won with tomorrow's weapons. So there was dinned into the public consciousness as never before the necessity for sacrificial saving as the price of victory. In that campaign the banks of the country have played a part that to the end of time will redound to their credit.

"But I venture the opinion that in all this effort we have merely been serving an apprenticeship for the real job that lies ahead. The mercurial temperament of the American people is proverbial. Nothing is more certain than that when the days of wartime privation are assumed to be at the end the sirens of the school of prosperity through spending will once again chant their alluring song, perhaps all too seductive to war-weary ears. Then will come the real challenge to the banker, one of whose highest functions is battling unhealthy economic trends. That lasting good-will for which we all strive is not attained by catering to human weakness, or drifting on the transient currents of a fickle public sentiment."

Dr. Cadman declared that an outstanding phenomenon of our present-day economic life "is the fact that we are not forming capital—we are consuming it.

"The fact is that the nation is growing poorer every day," he asserted. "A greater part of the production of our industry is being sunk in the seas, blown to pieces in the air, or stored for ultimate destruction. Our reserves of mineral ores, oil, lumber and coal are being consumed at a rate which could not be sustained without exhausting much of the available supply. This latter form of wealth cannot be restored." Dr. Cadman further stated:

"The national income is now calculated at \$140,000,000,000 a year, which is nearly twice the sum which any nation has ever enjoyed in the history of the world. The labor force in the United States is probably as fully employed as it has ever been or is likely to be in our lifetime. Our economy has all of the semblance of prosperity. Here is altogether convincing proof that neither money nor national income necessarily represent wealth.

"We are actually led to believe that we are creating and saving

wealth. This is a statistical illusion, the unreality of which is gradually coming home to the American mind. There is a slowly dawning consciousness that as long as our Government operates on a deficit basis and continues to borrow huge sums by the expansion of bank credit, it will not be possible to form capital.

"Normally, savings quicken the process of producing wealth through the channels of investment. In the current pronouncements on monetary procedures we are invited to invest in war bonds; but the war is not a productive enterprise. Strictly speaking, we cannot invest in it. Furthermore, governments are rarely productive agencies in the economic sense. Historically, they spend wealth and do not conserve it. Insofar as we invest in the Government's promises to pay in times like these, we are investing in the future taxing power of the Government. Modern governments do not have treasuries which have storehouses of wealth. They have only the power to tax and the power to borrow. Taxation is compulsory; lending to the Government could also be compulsory. But there are limits to both of these processes. In general, the limit of taxation is the point where the levy discourages both production and accumulation. Borrowing is limited by the confidence of the lenders in both the ability and the capacity of the Government to pay.

"Today the Government is paying interest and redeeming its promises by taxing or borrowing from one and paying to another. We are mortgaging the future heavily, piling up charges which cannot possibly be paid until real wealth begins again to be produced and saved.

"There is no hocus-pocus about capital formation—a large part of the present purchasing power must be invested, and a large supply of new and real saving must be accumulated. Our best hope for this is the ability of the individual to save out of that which he earns and that which he receives. Since the bulk of our economic transactions are in terms of dollars, the saver must again be encouraged to save dollars and to offer them freely through the channels of investment. It will be difficult to persuade them to do this in the volume necessary as long as the Government pursues the policy of deficit financing in which the supply of purchasing power is constantly increased. The individual cannot be expected to shovel sand against the rising tide. Our natural resources are being depleted; our capital goods are wearing out; depreciation and obsolescence proceed at an appalling rate. The reconversion and restoration of our productive machine will require vast sums. The homely virtue of saving which was so recently ridiculed and belittled is again coming into its own.

"The doctrine of the inexhaustible Treasury has been discredited. The nature of national income is under critical scrutiny. The theory that the size of the national debt is of no importance, since we owe it to each other, is under heavy fire. We are getting back to first principles and thrift is one of them."

Post-War Prosperity In U. S. And Canada Seen By ILO Official

Edward Phelan, Director of the International Labor Office, an arm of the League of Nations, declared on Dec. 27 that considerable prosperity rather than depression may be expected after the war in the United States and Canada.

Arriving in New York by clipper plane from London, where he attended a meeting of the ILO's governing Board, Mr. Phelan said also that post-war unemployment in other countries was "not inevitable."

In reporting his comments the New York "Times" of Dec. 28 stated:

He stressed the belief that post-war employment would be an international rather than a national problem.

"What we have to do is to get this part of the world running," he said, "but it won't keep running if the other countries are not brought along. You cannot have a world half prosperous and half poor. It would only lead to new difficulties."

Mr. Phelan expressed the belief that the democratic nations would continue to cooperate with Soviet Russia after the war, saying he saw no barriers to such cooperation because of their different social and political systems.

The ILO director said he hoped the Soviet Government would be present among the more than thirty nations to be represented at the ILO conference in Philadelphia on April 20. The representatives of the member governments, consisting of employer, labor and government spokesmen, will deal with present and post-war economic and social problems and will make recommendations to the respective governments.

Mr. Phelan said that the plans to be devised at the conference as well as proposals previously worked out by the ILO easily could be incorporated in the rehabilitation program that might be evolved by any international organization that may be established after the war along the lines of the old League of Nations.

One of the big post-war problems, he pointed out, would be that of rehabilitation of from 30,000,000 to 35,000,000 persons moved by the Germans from their homes during the war. However, he added, "we may not have to face that figure all at once inasmuch as Europe may be freed piecemeal," and adjustments can be made as each country is freed.

Sale Of War Stamps Over \$1 Billion Mark

The Office of War Information reported on Dec. 20 that sales of war stamps reached \$1,068,000,000 on Nov. 30, with a "particularly heavy" sale now in progress for Christmas gifts.

In Associated Press Washington advices, it was further stated that "almost one-fifth of the value of stamps sold since the program began in May, 1941, was still in the hands of purchasers. About \$720,782,000 worth of stamps had been converted into war bonds up to Oct. 31.

Youth organizations, including Boy and Girl Scouts and Camp Fire Girls will sell nearly \$1,000,000 worth of stamps and bonds this year, the report said, while sales in schools were expected to top \$500,000,000.

Newsboys were aiming at a total for the year of one billion ten-cent stamps and this goal, representing \$100,000,000, was "definitely in sight," the OWI declared.

Total November sales were \$39,565,000, about \$500,000 more than in November a year ago.

Federal Reserve Board Indicates Changes In Industrial Activity Maintained High Level Policy Respecting Reserves Money Viewed As Regulated In Open Market

A discussion of "Bank Reserves and Federal Reserve Policy" features the December issue of the Reserve Board's "Monthly Bulletin," in which it is noted that "during the war period, the major problem of the Federal Reserve system has been to keep the volume of bank reserves and the yields on Treasury issues consonant with the requirements of war finance." The Board adds that "the expansion in currency and the substantial growth of deposits have made it necessary for the system to supply a large volume of reserve funds to the market." "The currency demand," it adds, "has been particularly important in creating a need for reserves since its effect is to absorb reserve funds on a dollar-to-dollar basis, whereas deposit growth requires the replenishment of reserve balances only on a fractional basis."

In terms of the comments in the "Bulletin" as "an unusually plain-spoken review of the money and banking system in wartime," the New York "Sun" of Dec. 21 finds it as hinting "strongly that future supplies of additional reserves for banks will be provided through open market operations or rediscounting, rather than through any further lowering of member bank reserve requirements."

The "Sun" points out that the Reserve Board emphasizes that banks in New York and Chicago, the central Reserve cities, have "resumed the long dormant practice" of investing all available funds and of operating virtually without excess reserves—that banks in other Reserve cities are now down to \$300,000,000 of excess funds, but country banks still have \$800,000,000 of them. The ratio of excess to required reserves for the Reserve city banks, the Board indicates, has fallen to 7%, although the country banks maintain a 30% ratio. From the "Sun" we quote:

"As bankers interpret the pronouncement, the Board is suggesting that while any banks hold any excess reserves it will not provide more except by means other than changes in reserve requirements." The Board's concluding statement is considered significant:

"Under existing Federal Reserve policies, therefore, the large amounts of certificates, as well as of bills, now held by banks provide the means of obtaining at low rates any amount of additional reserves that banks may need."

Aside from the opening paragraph which we quoted above from the "Reserve Bulletin," the Board's remarks with respect to "Bank Reserves and Federal Reserve Policy" are taken from the "Bulletin" as follows:

"Since the end of 1941 the currency growth has amounted to \$8,000,000,000 and the amount of required reserves, notwithstanding some reduction in the proportions required against deposits, has increased by \$2,000,000,000. These needs have been met principally by an increase of \$8,000,000,000 in Reserve Bank holdings of Government securities and a decline of \$2,000,000,000 in excess reserves. The volume of excess reserves of all member banks is now, close to a billion dollars and most of this is at country banks."

"The elimination of reserve requirements against war loan balances in April of this year has removed the need for special reserve action during war loan drives but it has also had the effect of causing wide variations in required and excess reserves. Before this legislation, when war loan balances were subject to the same requirements as other deposits, the wide-scale shifting of accounts that characterized a period of Treasury financing and the increase in deposits resulting from bank purchases of Government securities, required the maintenance of ample and enlarged excess reserves so as to avoid random and unexpected pinches at individual banks or in selected areas. The effect of the present provision is actually to release reserves at the time of a war loan drive. During the September drive banks were so well provided with excess reserves that they made substantial purchases of Government securities in the open market."

"Although banks should have adequate reserves to meet wartime needs, the maintenance of a very large volume of excess reserves no longer seems necessary. The buying rate on bills established by the System, combined with the option to repurchase, works in the direction of giving banks great facility in the easy and precise management of their reserve funds. The fact that the broad level of prices of other Government securities is being maintained also endows these securities with a high degree of liquidity. Under these circumstances, excess reserves no longer have the special significance that has been attached to them in recent years."

"Many banks, in fact, have resumed the long dormant practice of investing all available funds and thus of holding no excess reserves. Since early this year almost all of the money market banks in New York and Chicago have been on a full investment basis and certain other banks have also come to this position. In general, however, most banks still continue to carry some volume of excess reserves and there appear to be a few that have the clear policy of not allowing their excess reserves to fall below certain fixed levels."

"Banks in New York City and Chicago, which together held \$1,250,000,000 of excess reserves at the end of 1941, have held practically no excess reserves since early this year. At reserve city banks excess reserves, which remained above a billion dollars during most of 1942, have declined steadily in recent months and are, now around \$300,000,000, or about 7% of requirements. Country banks have gained reserve funds as their requirements have grown and have generally maintained excess reserves of around \$800,000,000. The ratio of excess to required reserves for these banks is still above 30%."

"Another aspect of Federal Reserve policy has been the maintenance of prices of Government securities at levels which facilitate current Treasury financing. In general, the pattern of interest rates that became established in the pre-war period, when banks held a large volume of excess reserves, has been maintained. This has required at times the purchase of certain securities and at other times their sale. The general result of these operations and of those to supply reserves has been that the Reserve Banks have purchased from member banks short-term, low-rate securities—Treasury bills and certificates—and during this year have actually sold notes and bonds."

"Under existing Federal Reserve policies, therefore, the large amounts of certificates, as well as of bills, now held by banks provide the means for obtaining at low rates any amount of additional reserves that banks may need."

In November, Says Federal Reserve Board

The Board of Governors of the Federal Reserve System announced on Dec. 27 that industrial activity was maintained at a high level in November and the early part of December. Value of retail sales during the Christmas buying season has been larger than last year's record sales. The Board's summary of general business and financial conditions follows:

Industrial Production

"Industrial production in November was at 247% of the 1935-39 average, the same as in October and 2 points higher than in September according to the Board's seasonally adjusted index. Further increases in munitions production in November were offset in the total index by smaller output of coal and steel."

"The reduction in steel output from the high October rate was small and reflected partly a decline in war orders for some types of steel products. Activity in the machinery and transportation equipment industries continued to rise in November. The Board's machinery index, which had been stable from April to August, advanced 5% in the past 3 months as a result of increases in output of electrical equipment and other machinery, which includes aircraft engines."

"Total output of nondurable goods in November continued at the level of recent months. Activity in woolen mills showed little change as increased production of civilian fabrics, resulting from the lifting of restrictions on the use of wool, offset reduced output of military fabrics. Production of manufactured food products continued at a high level. Federally inspected meat production in November was one-fourth larger than a year ago. Newsprint consumption in November declined to a level 15% below the same month last year. Output in the rubber products and petroleum refining industries continued to increase."

"Coal production increased sharply in the latter part of November but for the month as a whole bituminous coal output was down 9% from October and anthracite 19%. In the early part of December output of bituminous coal was at the highest rate in many years."

Distribution

"Notwithstanding a reduced selection of merchandise, department store sales in November were about 10% greater than the large volume of sales in November, 1942, and in the first three weeks of December sales were about the same as a year ago. Value of department store stocks at the end of October was reported to be 9% smaller than a year ago and it is estimated that, contrary to the usual seasonal

movement, stocks declined in November."

"Freight carloadings were maintained in large volume in November and in the first half of December. Loadings of coal during the four weeks ending Dec. 11 were at the highest rate in many years, following a sharp drop in the first half of November. Shipments of grain and livestock were in unusually large volume for this time of year."

Commodity Prices

"Grain prices continued to advance from mid-November to mid-December and reached levels more than one-fourth higher than a year ago. Wholesale prices of other farm and food products showed a little change, while prices of various industrial commodities, including coal, were increased somewhat."

"The cost of living, which had increased 4% in October, declined 2% in November, according to the Bureau of Labor Statistics index."

Bank Credit

"Excess reserves at all member banks fluctuated around one billion dollars in November and December, maintaining an average level slightly below that which prevailed during the previous month. During the five weeks ending Dec. 2, reserve funds were absorbed by a pre-holiday rise in money in circulation of about \$800,000,000, and required reserves continued to increase as Treasury expenditures transferred funds from Government accounts to private deposits. Needed reserves were supplied to member banks through an increase of \$1,700,000,000 in Government security holdings at the Reserve Banks. Additions to Treasury bill holdings accounted for the larger part of the increase, but certificate holdings also rose substantially."

"During November and the first half of December, loans and investments at reporting member banks in 101 leading cities declined by around \$2,500,000,000, after increasing by \$6,250,000,000 in September and October. Holdings of all types of Government securities decreased. Bill holdings, mainly because of sales to the Reserve Banks showed the largest decline. Loans for purchasing or carrying securities continued to decline over the period."

Pan American Report Emphasizes Value Of Inter-American Cooperation

A comprehensive report prepared under the direction of the Executive Committee on Post-War Problems of the Governing Board of the Pan American Union, and just submitted to that body, sets forth the recent trends in inter-American economic cooperation and emphasizes the important contributions of the American Republics to the economic side of the war effort. The report is signed by the Ambassadors of Mexico, Ecuador,

Cuba, Uruguay, Guatemala and the Charges d'Affaires of Colombia and Brazil, and concludes with a recommendation that a Technical Economic Conference be convened at Washington in September, 1944, or earlier, to consider the economic problems that will confront the American Republics at the termination of the war. The advice from the Pan American Union further state:

"After presenting the basic principles of inter-American economic relations and the emergency measures of cooperation agreed upon at recent Pan American Conferences and meetings of the Ministers of Foreign Affairs of the American Republics, the

report sets forth the manner in which these principles and measures have been given practical application. Some of these measures, the report states, have been taken by specially organized emergency agencies, such as the Inter-American Financial and Economic Advisory Committee, the Inter-American Coffee Board, the Inter-American Maritime Technical Commission, and the Inter-American Development Commission; others have been carried out by bilateral agreements between governments. Although these latter arrangements have been principally between the United States and other Governments of the American Republics, the report points out a num-

ber of agreements of economic cooperation entered into between governments of Latin America.

"The bilateral arrangements, the report states, have covered a wide variety of subjects, including the establishment of credits to facilitate trade and for other purposes; measures of agricultural, mineral and industrial cooperation, to increase the production of strategic and essential materials; transportation, including the taking over of Axis vessels in American ports and the elimination of Axis-controlled airlines in the Americas; and public health and sanitation projects to make this expanded production possible."

"Although most of the measures taken in the last two years have been of an emergency character designed to meet the problems arising out of the war, the report emphasizes the large number of commercial treaties entered into between the American Republics in recent years. These treaties, the report declares, 'have sought to give concrete expression to the liberal principles of international trade enunciated at recent conferences.' Nearly all of them embody the unconditional most-favored-nation principle, thereby reversing the policy of trade restrictions which heretofore prevailed, and in that respect they should be a factor of the utmost value in the period following the war. * * *

"In commenting on the desirability of a conference to consider post-war economic problems, the report declares that the transition from war to peace will be difficult everywhere, but there are some problems that are peculiar to the nations of the Western Hemisphere. In many countries the production of certain commodities has been stimulated far beyond that which prevailed before the war; the adjustment of this expanded wartime production to possibly reduced peacetime demands will confront most of the countries of America. There will also arise the question of new industries that have been started as a consequence of the war, and the manner in which these industries are to function in anticipation of a resumption of trade with other producing areas now temporarily closed. Wartime developments in transportation and communication will also extend into the post-war period, and will influence the internal and international situation of the American Republics."

"These are basic problems," the report continues, "extending far beyond the immediate economic implications which they involve. On the spirit in which they are approached and the manner in which they are solved will depend the political and social, as well as the economic, order prevailing on the American Continent for many years to come. Their satisfactory solution will require the same spirit of cooperation, collaboration and mutual assistance that has characterized the conduct of the Americas in the war."

Signs Time Limit Bill For Pearl Harbor Trials

President Roosevelt was reported to have signed on Dec. 20 the resolution extending the statute of limitations as it applies to Army and Navy officers who were in charge of operations at Pearl Harbor on Dec. 7, 1941, the date of the Japanese attack.

The legislation extends for a period of six months after the cessation of hostilities with Japan the time limit for prosecution of military or civilian personnel who were deemed derelict in their duty at Pearl Harbor.

Passage of the measure, by the Senate on Dec. 7 and the House on Dec. 6 was noted in these columns Dec. 23, page 2558.

NAM Calls The Salesman "Forgotten Man" Who Will Lead To Post-War Jobs

The National Association of Manufacturers nominates the salesman for the role of "the forgotten man of the all-out war," who may yet lead the country into full post-war employment.

The salesman is proposed as the answer to a question put by the Post-war Committee of the NAM: "Granted that we can produce in the post-war years at an unrivaled rate, how shall we distribute this increased output?"

In the 1943 Post-War Report which is to be published within the next two weeks, NAM declares that "when production of consumer goods is resumed, the volume of trade again will be dependent upon salesmanship." The NAM advises state:

"A special section of the Post-War Report is devoted to distribution. It brings to its first formal expression in the NAM the fact that organized manufacturing enterprise, which makes the goods, is interesting itself more than ever in the distribution system."

"It is the marketing and distribution managers of America," the report continues, "in closest collaboration with production and research executives, who must and will undertake to provide for manufacturing industry in peacetime the outlet which the Government has supplied during war."

The first post-war step indicated by the report will be to get back the salesmen and distributors who are now in the armed forces or working to make things for one consumer—the Government. They will be needed to sell things. They do not constitute an unemployment problem, according to the NAM, but an employment solution. The report also says:

"The forced draft of war production has stimulated further progress in manufacturing. To furnish ample outlets for this will require the 'supercharging' of the industrial motive power by further stimulation of wants. Much attention has been directed at buying power, but it is wanting power, stimulated by salesmanship and advertising, that has nourished the tree of prosperity."

The report cites the far-reaching effect of the introduction of the automobile in America, and pointed out that this followed when "the hardy pioneers of the horseless carriage found other hardy enthusiasts who could induce people to buy the early products."

The NAM declares distribution executives "should and will rely

more heavily than ever before on the techniques of distribution research; when it is effectively teamed up with product research, it is industry's most effective and certainly its most modern machinery for measuring market possibilities and distribution efficiency."

The report concludes that "there is, however, no magic or obvious short cut to radically lower distribution costs; the basic elements of distribution costs in the past are the necessary elements of distribution costs in the future, and these cannot be reduced by wishful thinking."

The complete Post-War Report for 1943 is signed by Wilfred Sykes, Chairman of NAM's Post-War Committee and President of Inland Steel Co., Chicago. It represents a year's work by 150 manufacturers, constituting a cross-section of the country.

In introducing the distribution section of the Post-War Report, the NAM Distribution Subcommittee, headed by Howard E. Blood, President of the Norge Division of the Borg-Warner Corp., Detroit, wrote:

"Most of the past and current discussion of post-war conversion problems has been focused on the problems of production. Relatively little consideration has been applied to the problems of distribution. Mass production methods have come to be accepted as a peculiarly American achievement. But it is frequently overlooked that mass production methods could not have been realized without the development of mass distribution."

In accepting this report of the first Distribution Committee in its history, the NAM Board of Directors resolved that "distribution and production are equally important parts of manufacturing, and that the importance of distribution should be clearly and definitely recognized in the future work of the organization."

Sen. George Defends New Tax Bill Against Morgenthau Criticism

Senator George (Dem., Ga.), Chairman of the Senate Finance Committee, replied on Dec. 21 to Secretary of the Treasury Morgenthau's criticism of the new tax bill and particularly the proposed revision of the war contract renegotiation law.

Senator George declared that "Mr. Morgenthau knows nothing about the Contract Renegotiation Act and less about how it is actually administered."

He further said that he had "no apology" for the failure of the Finance Committee to accept the Treasury's program to raise \$10,500,000,000 additional revenue. The Senate group's bill, formally reported on Dec. 21, is estimated to raise \$2,275,600,000 a year.

Mr. George further defended the proposed freeze of Social Security tax rates at 1% each on employers and employees throughout 1944, saying there is no justification for increasing the rates at this time.

From Associated Press Washington advices Dec. 21 we also quote:

He declared Mr. Morgenthau's denunciation of the renegotiation sections came "with exceeding bad grace"; that the Secretary had "failed to take a position on renegotiation and had offered no suggestions or recommendations."

"Mr. Morgenthau not only has failed to take appropriate steps to protect the revenue," Mr. George said, "but has been of no help at all to the Finance Committee concerning renegotiation since it was absorbed into the revenue law."

"As a matter of fact, the renegotiation of contracts law is far more workable under the Senate amendments than it has been at any time heretofore."

Mr. George offered this explanation of why the Treasury's \$10,500,000,000 tax increase goal was not achieved:

"The Treasury proposed to raise a large part of this additional revenue by relieving from all taxes 11 million present taxpayers, and also to reduce the tax burden on a million or two more, shifting the load over to individual taxpayers with earnings of \$3,500 and up."

"The Treasury has consistently opposed any defensible savings program and has likewise consistently opposed every suggestion of a sales tax."

"On the contrary, the only suggestion made by the Treasury thus far, aside from the one mentioned above, is a spending tax that would be imposed on what the taxpayer spends, with very heavy excise taxes on many products, articles and services, and with high taxes on incomes."

"A spending tax did not commend itself to the Committee and I dare say would commend itself to few thoughtful men and women in the country."

As "a final suggestion," Mr. George said he thought it would be well for the Treasury and other departments of government to await the final action of the committee "before giving out information to their henchmen."

Germany And Bulgaria Renew Trade Pact

The German Official News Agency, D. N. B., said on Dec. 18 that Bulgaria and Germany had renewed their trade agreement after negotiations carried out "in the traditional spirit of mutual friendship," according to the New York "Herald Tribune" of Dec. 19, which further stated:

The wireless dispatch, directed to the press of Europe and reported by United States Government monitors, said the treaty would expire Sept. 30, 1944.

Price Ceilings And Food Rationing To Be Strictly Enforced, Says Woolley

Warning of an imminent program of rigorous enforcement of OPA rationing and price control regulations, was made by OPA Regional Administrator Daniel P. Woolley on Dec. 15 at the weekly Business Forum of the Commerce and Industry Association of New York broadcast over Station WMCA. Mr. Woolley's jurisdiction covers the States of New York, New Jersey, Pennsylvania, Delaware, Maryland and the District of Columbia. He said that his plans were now in the process of completion. Of them, he said, particular stress will be placed on enforcement of price ceilings on foods during periods of acute shortages.

"It is the primary function of OPA to protect the consumer and I mean to do everything I can to see that the rationing and price control regulations are rigorously enforced to assure that protection."

Stabilization of our economy is the most important issue confronting the home front today, in the opinion of John T. Burke, labor relations officer of OPA's Washington office, second speaker on the Business Forum. He said that without stabilization there would be inflation. "If inflation is permitted to run rampant, the morale of our citizens will sag, production will fall off, and the cost of waging the war will be so prohibitive that it will take generations to repay." He said organized labor, by virtue of it being the largest organized group of consumers in the country, was gravely aware of the dangers of inflation and had supported OPA from its inception.

Paul S. Willis, President of the Grocery Manufacturers of America, stated that in all probability there was no other single group in the country with as much at stake in the battle against inflation as the food industry. Long before the country entered the war, he said the food manufacturing industry called on the Government to establish fair and workable price controls. At the same time, he said, the rationing of scarce items so that everyone could get his share, was advocated. "Unfortunately," he said "our present price control machinery is neither practical nor thorough. In the field of retail food distribution, many of these regulations have the net effect of penalizing the honest, legitimate merchant. The grocer often finds he is caught in a squeeze between mounting operation costs and rigid price ceilings. It is essential we fight black markets, but it is equally important that we do not injure the corner grocer in the process."

Mr. Willis was optimistic about enough food to meet future needs. If the grower gets a weather break, he said that next year the food supply will be at least 5% greater than this year. He also predicted that the food industry would have enough men and machinery to pack and distribute the record supply expected.

Thomas Jefferson Miley, Association Secretary, was moderator of the Business Forum.

Savs. & Loan Institute To Hold Conference

The American Savings and Loan Institute will hold its national mid-winter conference in Chicago, Feb. 21-22, it is announced by Charles L. Plumb, national President of the organization, the national educational group of the savings and loan associations and cooperative banks. This will be the 20th annual get-together of the junior leadership in the business. Emphasis of the discussions will be personnel problems and policies of the thrift and home financing business and adjustment of the staffs of these institutions to meet wartime and post-war adjustments.

President Revises System For Handling Release Of War News

President Roosevelt, in an effort to prevent a recurrence of confusion relating to the release of official war news, instructed all branches of the Government on Dec. 19 to follow a new system for handling the release of information "having a security value."

In the future, the President said, such news will be given out "at the earliest moment consistent with national security for immediate publication and broadcast," instead of issuing it in advance, "for release to the public at some future hour."

Mr. Roosevelt referred to the "regrettable confusions" over the release of news of the Cairo and Teheran conferences, praising the loyalty shown by the American press and radio in observing the release dates on this information, which they had in advance. He also noted that "failures elsewhere" were most disappointing.

The release date on the news of the Cairo conference was not observed by Reuters, British news agency, nor by Tass, the official Soviet news agency, on the news of the Teheran meeting, it was said.

The President's statement was made in the following memorandum sent to Secretary of War Stimson, Secretary of the Navy Knox, and Elmer Davis, Director of the Office of War Information. "You are fully aware, I know, of the regrettable confusions which have arisen recently over the issuance of official news relating to the war, particularly in connection with the conferences at Cairo and Teheran."

"We may all be proud that American newspapers, news agencies and broadcasters kept the faith and observed the release dates which had been fixed by international agreement. It is most disappointing that such loyalty should have been penalized by failures elsewhere."

"I see no point in prolonging controversy over what is past; the important thing is that we take decisive action to prevent a recurrence. To that end, your Department and all other branches of the Government will be guided by the following:

"First, no information having a security value in connection with the war will be issued in advance, for release to the public at some future hour."

"Secondly, all such information will be given out instead at the earliest moment consistent with national security, for immediate publication and broadcast."

"The American people want promptly all the news which can be told safely, and they are entitled to have it without the interposition of artificial barriers."

House Passes Bill To Protect Beneficiaries

A bill to protect the rights of beneficiaries under the Longshoremen's and Harbor Workers' Compensation Act who are deprived of benefits by insolvency of the employer or the employer's insurance carrier, was passed by the House on Dec. 6.

The measure, according to the Associated Press, would authorize the Employee's Compensation Commission to make payments to such beneficiaries out of a special fund set up under the original act.

Nationalization Of Canadian Banking System Opposed By Presidents Of Canadian Banks

Strongly opposing the nationalization of the Canadian banking system, S. H. Logan, President of the Canadian Bank of Commerce, told shareholders at their annual meeting in Toronto on Dec. 14 that "free enterprise is the only road to full employment and better economic and social opportunities for all." Toronto advices to the New York "Herald Tribune" also quoted Mr. Logan as follows:

The other choice of bureaucratic or socialistic control, Mr. Logan asserted, "had elements of danger for all classes, as well as labor." In support of this statement, he quoted William Green, President of the American Federation of Labor, to the effect that labor would suffer most, if ever a system of governmental regimentation were adopted, and that labor, therefore, "should everlastingly maintain that owners and managers of business are entitled to a fair and just return."

If the Canadian banking system were nationalized, said Mr. Logan, the result would be monopolistic banking in the true sense of the word and each individual's account would be subject "to scrutiny by a representative of socialistic authority."

C. H. Carlisle, President of the Dominion Bank of Canada, addressing the stockholders at the annual meeting at Toronto on Dec. 8, stated that the plan of the Cooperative Commonwealth Federation political party to nationalize the chartered banks of Canada could result only in the

abolition of the facilities that these banks have established after years of continuous service. In reporting this in a Toronto dispatch the New York "Times" likewise indicated Mr. Carlisle as saying:

"In time of war," he said, "the chartered banks of the Dominion have rendered and are rendering special services. They have loaned the Government many of their key men, without remuneration to the banks, notwithstanding the fact that the banks were in dire need of these men."

"The chartered banks have been the principal purchasers of Treasury bills, and have purchased upward of \$300,000,000 at an average rate of 0.456%. These banks have also purchased deposit certificates and short-term notes at the lowest rates in the history of Canadian banking. These banks paid taxes aggregating \$15,453,700 in 1942. If these banks were nationalized, the Government would be deprived of this revenue."

Agricultural Department Report On Winter Wheat And Rye Acreage Sown In 1944 Crop

The Crop Reporting Board of the United States Department of Agriculture made public on Dec. 20, its report showing the acreage and condition of winter wheat and rye for the crop of 1944 as follows:

Winter Wheat

A return toward the larger acreages of winter wheat sown in earlier years was made in the fall of 1943 when 47,127,000 acres of winter wheat were sown for harvest in 1944. This is one-fourth more than was sown for the crop of either 1942 or 1943, and only 2% below the 1932-41 average. Included in the estimated acreage, as usual, is some still intended to be sown, some intended primarily for pasture and hay, as well as an allowance for volunteer acreage which will be harvested for grain. Much of the increase is due to removal of acreage limitations under the farm program and a response by farmers to the demand for increased production for food, feed, and industrial purposes.

Larger acreages of winter wheat than for the 1943 crop were sown in practically every State growing the crop, the only exception being Iowa where the acreage has been rapidly declining for several years. The sown acreage is larger than average in New York, Michigan, all South-eastern and most Great Plains and Western States. The important States of Kansas, Texas, and Idaho planted only slightly less than average, but in Arizona and California the acreage is much below average.

Much of the work of preparation of seedbeds and seeding was done under conditions unfavorable for the germination and growth of the crop. Only in the eastern Corn Belt States was the weather at all favorable; there the dry fall permitted rapid harvest of late crops and prolonged the period for seeding wheat. In nearly all other States there was some seeding in dry seedbeds or late seeding as farmers waited for a favoring rain. In most sections these awaited rains were received, promoting germination and growth and improving the condition of the crop. In much of the important Great Plains area, however, rainfall has been insufficient and condition of the crop is considerably below normal, so that it is going into the winter in a manner that indicates heavy abandonment and relatively low yields per seeded acre. The proportion of the 1944 crop which will not be harvested for grain is indicated at 21.9%, compared with 10.3 in 1943 and the 10-year average of 20.6%.

Production in 1944 is indicated at 526,957,000 bushels by factors which are now measurable and can be related to yields in previous years — reported condition of the crop, and rainfall and temperatures to date. While nearly equal to the 1943 crop, such a crop would be only three-fourths of the large 1942 crop and 4% less than the 1932-41 average. Average yield per seeded acre is indicated at 11.2 bushels, much lower than in 1943, and slightly below average.

Rye

The acreage of rye seeded in the fall of 1943 is estimated at 4,922,000 acres, 15% below the acreage seeded in the fall of 1942 and 19% below the 10-year (1932-41) seeded acreage of 6,101,000 acres. The reduction in seedings follows a substantial decrease last year. The seeded acreage includes that intended for hay and pasture, soil improvement purposes, as well as rye to be harvested for grain, and an allowance for spring seeding in States growing spring rye. Decreases were general and were largest in the important producing States of the North Central Area. The decrease was 59% in North Dakota, 25% in South Dakota, and 22% in Nebraska. In contrast, increases occurred in several South Atlantic and South Central States where over half the acreage is used for purposes other than grain. These increases were intended primarily for pasture and roughage supplement.

The acreage decreases resulted from a combination of factors. Probably the most important was a shift to winter wheat with the removal of AAA restrictions but weather was unfavorable at seeding time in some areas. Some decreases occurred because of high prices for seed rye. Rye is not a war crop and some acreage which might have been put to rye, was probably held out for planting of war crops in the spring.

The December 1, condition of rye is indicated at 76% of normal, 10 points below the condition a year ago but 1 point above the 10-year (1932-41) December 1 average. The current condition is below last year in all but a few minor producing States and from 3 to 23 points lower than a year ago in States from North Dakota, southward to Kansas—due primarily to unfavorable weather at seeding time.

More Time To Enforce Law On Bank Exchange Charges Asked Of Cong. By Ransom Of Fed. Res.

Ronald Ransom, Vice-Chairman of the Board of Governors of the Federal Reserve System, urged the House Banking and Currency Committee on Dec. 10 to give the Board more time to enforce the ban on absorption of exchange charges by big city banks for their country-bank customers. This is learned from Associated Press Washington advices, which further stated:

"We think we have the bear by the tail now and can stop the practice," Mr. Ransom said, admitting that the ban has been on the statute books since 1933 without successful enforcement, except for one case.

The Board announced a decision in one case in September, and Mr. Ransom said that was like "shooting into a tree for blackbirds."

"They all wanted to drop at once and collectively, but with reservations," he said. "Those reservations were that the Act be enforced in neighboring communities among competitors."

Mr. Ransom said he thought there was not a bank in the nation which would fail to find it

was violating the provision if it relied on the counsel of its lawyers. He expressed the opinion the enforcement in that one case had prompted country banks to put the pressure on Congress for a change in the law.

One alternative would be to permit the big city bank to pay its country-correspondent bank interest on demand deposits. Then the exchange charges could be paid outright by the country bank from the earnings on its account with the city bank, and the latter would be relieved from violating the present provision against absorption of interest payments.

Tax Bill Inadequate, Says Morgenthau; Opposes Renegotiation Changes and Payroll Tax Freeze

Secretary of the Treasury Morgenthau on Dec. 20 voiced his opposition to the Congressional action taken with respect to a new tax bill, criticizing the revenue yield and the proposed changes in the renegotiation law.

At a press conference, the Secretary said "the Treasury would be better off with no tax bill—but on that basis we would be awfully bad off."

Mr. Morgenthau's prepared statement follows:

"The revenue bill, as it now stands, after giving effect to the tentative decisions of the Senate Finance Committee, appears to promise about \$2,100,000,000 of additional revenue on an annual basis under war conditions.

"But this calculation leaves out of consideration the decision to freeze Social Security pay roll taxes and the changes the House and Senate have proposed to make in the law governing contract renegotiation.

"The revenue yield of the bill in its present form is naturally extremely disappointing to the Treasury Department. We had hoped both that the unfairness to future taxpayers, including the returning soldiers, of passing on to them war costs that we are able to meet now and the need for protecting ourselves against inflation would have made an appeal to the members of the committees.

"I regret that the Senate committee has voted to freeze pay roll taxes at the present rate of 1%. This will mean reducing Social Security collections by \$1,400,000,000 in the next year. The effect will be to increase the amounts the Government will have to raise in future years for that purpose. The increase ought to go into effect now when wages

are high and employment conditions good, when both employers and employees can afford to put aside money for security purposes.

"The changes in the renegotiation provisions which have been proposed will make renegotiation so complex as to be practically unworkable and also will certainly cost the Government large amounts. It is impossible to make any exact calculation of their money cost, but we know that it will be substantial and in many cases will involve refunds of admittedly excessive profits already paid into the Treasury by agreement.

"This is not their worst feature however. Their worst feature is that they open the way to truly extortionate profits. I predict that if they are enacted into law they will come back to plague not only the Congress but the war goods manufacturers who get temporary gain from them.

"They hold the seed of a national scandal. I refer to provisions such as those eliminating from renegotiation the makers of so-called standard articles and retroactive exemption of subcontractors whose goods do not enter into the final product. Other provisions of the bill would leave final settlements under renegotiation open for years to come."

Committee Named To Distribute Greater N. Y. Fund Campaign Proceeds

A committee of 23 community leaders, under the Chairmanship of Earl B. Schwulst, First Vice-President of the Bowery Savings Bank of New York, has been appointed by the Greater New York Fund to assist in distributing the proceeds of the Fund's annual campaign, Arthur A. Ballantine, Fund President, announced on Dec. 20. Appointment of this committee, which is composed of men and women representative of both contributors and beneficiaries, was authorized, Mr. Ballantine said, by changes in the Fund's by-laws voted by the Fund membership on Nov. 4. It will be known as the Committee on Agency Admission and Fund Distribution and its responsibilities include rules and regulations regarding admissions and policies on the distribution of money, including recommendations for specific amounts to be distributed among the participating agencies.

The Greater New York Fund appeals annually to the business community in behalf of 406 local voluntary hospitals, health and welfare agencies.

In the opinion of Mr. Ballantine, the appointment of the new committee "composed as it is of well qualified men and women, representative of a variety of authoritative viewpoints, will assure maximum benefits both for the community as a whole and for our participating agencies."

Mr. Schwulst, Chairman of the Committee, received his A. B. degree from Harvard in 1919 and pursued post-graduate studies at the University of London. He began his career as assistant to the statistician of J. P. Morgan & Co. and in 1928 went to the Philippines where, after filling several important posts, he served as First Banking Commissioner of the islands under Governors Davis, Stimson and Theodore Roosevelt. On his return to the United States he became successively special assistant to the board of directors of the Reconstruction Finance Corporation, president and director of the RFC Mortgage Company and director of the Commodity Credit Corporation. He has been First Vice-

President of the Bowery Savings Bank since 1936.

The 22 men and women who will serve with Mr. Schwulst on the Committee are: Mrs. F. Meredith Blagden; Charles Burlingham, partner, Burlingham, Veeder, Clark & Hupper; Bailey B. Burritt, chairman, executive council, Community Service Society; Dr. Jean A. Curran, dean, Long Island College of Medicine; Fred I. Daniels, executive director, Brooklyn Bureau of Charities; Homer Folks, Secretary, State Charities Aid Association; Lester B. Granger, Assistant Executive Secretary, The National Urban League for Social Service Among Negroes; Mrs. William Henry Hays, Dr. Maurice B. Hexter, Executive Vice-President, Federation for the Support of Jewish Philanthropic Societies of New York City, and Richard W. Lawrence, President, Bankers Commercial Corp.

Also David T. Leahy, partner Fletcher & Brown; Mrs. Oswald B. Lord, the Rev. James J. Lynch, director, Division of Finance, Catholic Charities of the Archdiocese of New York; Henry L. Moses, partner, Moscos & Singer; Dr. Willis G. Nealley, director, Brooklyn Hospital; Roy M. D. Richardson, partner, Root, Clark, Buckner & Ballantine; William J. Schmitt, lawyer; Mrs. E. M. Statler, Chairman of Board, Hotels Statler Co., Inc.; Fred M. Stein, Vice-President, C. F. Hathaway Co.; Clinton S. Van Cise, Assistant Treasurer, American Telephone & Telegraph Co.; Adrian Van Sinderen, partner, W. A. & A. M. White, and Edwin C. Vogel, chairman, executive committee, Commercial Invest. Trust Corp.

The activities of the committee will be carried on at Fund headquarters, 11 West 42nd St.

FDR Urges Better War Plant Facilities

President Roosevelt directed the War Production Board on Dec. 22 to make available the materials necessary for providing cafeterias, rest rooms and other facilities in war plants in order to prevent unnecessary loss of man hours and increase the employment of women.

The President further directed the War and Navy Departments and the Maritime Commission to provide the funds for the construction of such facilities.

Mr. Roosevelt's letter to Donald M. Nelson, Chairman of the WPB, follows:

"In order to recruit and keep manpower in war plants, and thereby maintain and increase production for war, it is necessary that proper cafeterias, rest rooms, toilets, and locker facilities be provided. This is particularly essential now because of the necessity of increasing the number of women employed in our war industries.

"I am informed that many war production plants are now badly in need of these facilities. As a consequence much production is being lost by loss of time during working hours and through induced absenteeism.

"Employment of an increasing number of women in war production makes it an even more important that such adequate and proper 'in-plant' facilities be installed soon.

"Therefore, in order to prevent unnecessary loss of man hours and productive effort in our essential industries and to increase the employment of women, it is my desire that your agency make the necessary materials available for such facilities as may appropriately be installed in the plants.

"I have directed separate letters to the Secretary of War, Secretary of the Navy and the Chairman of the Maritime Commission requesting that they provide funds and materials for such facilities in plants under their respective jurisdictions.

"It is my further request that the War Production Board immediately establish as its policy that such facilities are necessary and set up the necessary procedures for the prompt approval of such facilities when submitted by the War Department, Navy Department, or Maritime Commission."

Com. & Ind. Ass'n Names Committees

Neal Dow Becker, President of the Commerce and Industry Association of New York, announced on Dec. 18 the appointment of committees which will act in an advisory capacity to the Board of Directors of the Association throughout the coming year.

There are 34 standing committees, comprising in their membership approximately 400 leading New York City executives and professional men, virtually all of them specialists in the particular fields in which they will serve the Association. The special committees are seven in number with a membership of 77.

Canada Raises Legations

Elevation of the Canadian legations in the Soviet Union, China and Brazil to the rank of embassies was announced in Ottawa on Dec. 10 by Prime Minister W. L. Mackenzie King. Similar action will be taken with respect to these countries, legations in Ottawa.

The recent agreement between the United States and Canada raising their legations to embassies was referred to in our issue of Nov. 18, page 2024.

Transfer Certifying Authority For Tax Amortization Privileges To WPB Chairman

Following the White House announcement of Dec. 18 that the President had signed an Executive Order transferring the certifying authority for tax amortization privileges from the Secretaries of War and Navy to the Chairman of the War Production Board, Donald M. Nelson, WPB Chairman, said that with few exceptions the United States now has the capital of the war production program. "The effort today, therefore, is directed, not to further expansion of plant, but to full utilization of existing capacity," Mr. Nelson said. The announcement from the WPB on Dec. 18 also stated:

"In connection with the administration of the certifying authority the following points are of special interest:

"1. Taxpayers who wish to avail themselves of tax amortization privileges must hereafter file applications for necessity certificates from the WPB.

"2. Effective Dec. 17, 1943, where new facilities have not yet been acquired or construction is not yet begun, the application for a necessity certificate must thereafter be filed along with the application for specific authorization or for priority assistance. Issuance of necessity certificates will not be considered unless these applications are filed together.

"3. In such cases—where construction has not begun or facilities have not been acquired—applications for necessity certificates and applications for priority assistance should be filed with the agency with which the priority application itself would normally be filed.

"4. In cases where construction was begun or facilities were acquired prior to Oct. 5, 1943, applications for necessity certificates

should be filed only with the War Production Board.

"5. The Facilities Bureau of the War Production Board, under the supervision of Vice-Chairman Donald D. Davis, will handle the analysis of applications for tax amortization privileges. Roy W. Johnson, Director of the Facilities Bureau, has appointed Carman G. Blough as Deputy Director of the Facilities Bureau for Tax Amortization, with authority to approve necessity certificates for the War Production Board.

"Tax amortization privileges were written into the law in 1940, shortly after the start of the rearmament program, in order to encourage expansion of privately owned facilities of the national defense program. This was accomplished by insertion in the Internal Revenue Code of a new section—Section 124. The law as thus amended allowed taxpayers to write off the cost of facilities over a five-year period (or less should the emergency end sooner) instead of over the longer depreciation period normally used, in cases where the facilities were certified to be necessary in the interest of national defense.

"In the three years the law has been in existence, the War and Navy Departments have issued more than 29,000 necessity certificates for facilities having a value of approximately \$6,000,000,000."

From Washington

(Continued from first page)

to have been enthusiastic about an attack across the channel, and certainly it must be pretty generally apparent that the prevailing Allied strategy has been to try everything else first. Even now with the growing realization in Washington that it is necessary, Churchill seems cool and there would appear to be a degree of dilatoriness in the decision to change commanders from Marshall to Eisenhower just when we were telling the world that the shooting was about to begin. A commentary on the situation, too, would seem to be the flood of published stories that we must furnish 70% of the invading force. That certainly tends to add to our disquiet. In these days of controlled news, you wonder why encouragement is being given to the circulation of this discomfiting bit. It is bound to provoke discussion in Congress when it returns.

Several months ago Lord Mountbatten came here with considerable publicity fanfare to get his final orders for the Burma push. He hadn't been gone more than three weeks before correspondents here were told privately what a tremendous, almost impossible undertaking this was and not to expect anything too soon. Now, Churchill is represented as definitely throwing cold water on the project.

In brief, we have been getting more and more the picture of a cautious Churchill and a more dashing, adventurous Roosevelt.

What it is all about this writer would not undertake to say. There is no such thing as a real, genuinely reliable source of information these days. Our officials talk and even think in terms of propaganda.

There is this serious possibility, though: British officialdom may be coming to view the troubled scene in Europe in a different light than Mr. Roosevelt. Yugoslavia and Greece are torn with civil strife. Communism seems to be ready to take over as soon

as the war is over—in France, Germany, Eastern Europe generally. The Communists, for the most part, make up the vast underground upon which we are depending so much. Insofar as our Government is concerned, we have practically given Stalin the green light, not to the extent of his literally taking over the greater part of Europe, but of course, if any country wants to adopt Communism, if it wants to be in the Russian orbit, as the expression goes, then that's none of our business—that's our official attitude.

It may very well be that British officialdom is viewing the prospect with alarm. It is being rather authoritatively reported these days that Roosevelt's plan for treatment of Germany is to dismember it, tear out Prussia with its military caste. We had thought it was Hitler who started this war, rather than the old Prussian military caste, which we were told, started the other one.

Anyway, it may be that Britain doesn't look joyfully upon a destroyed Germany and a destroyed France in between her and a more powerful Russia. We don't know. It is really doubtful if anybody knows anything these days, and the situation isn't likely to clarify as the year grows on.

On our home front ideological agitation is increasing, not diminishing. There is something seriously wrong when we are confronted with a nationwide steel strike, or with the open defiance of our most conservative labor organizations, the railroad brotherhoods. There is a determination on the part of our radical forces with Mr. Roosevelt in the lead, to throw the political campaign into our armed forces, about as demoralizing a thing as one could imagine. Agitation to this end was the sole contribution of his much advertised Christmas "gift" to the nation. If you want to know just how much of this ideological agitation we are in for in the handling of our affairs, just consider the attack now taking place against the Senate Finance Committee for adopting amendments to the legislation dealing with renegotiation of war contracts.

The Financial Situation

(Continued from first page)

But beyond that it would be foolish to go. What the President quite evidently wishes to be rid of is the appellation "New Deal" and the political liability which attach to it—not the measure and the policies which constitute the New Deal. They are two quite different things. Indeed, the President (or his spokesmen) who would shuffle off this title now grown to be a liability, says in so many words that the New Deal is now largely a part and parcel of the laws of the land, and—by implication at least—can be expected to remain there. What is evidently wanted is that those who have suffered and smarted under the various measures and policies of the New Deal should now proceed to forget about their wrongs and their injuries and "unite"—whatever that means—for the task of winning the war and, perhaps, certain other things. "Unity"—an ideal long sought by the President but not yet found by him, is not likely to become an accomplished fact so long as he insists that the uniting be done solely on his terms and on no one else's.

If Only It Were True!

How helpful it would be if one could now count upon the President to stand on the side of sound sense in public affairs—and in opposition to such strange and harmful measures as those which comprise the New Deal! How encouraging it would be both as to matters that have to do with winning the war, and with our economic life after the war! Certainly he would not be a particularly good choice to formulate such policies or administer them. The country would be much better off with some other able man in the White House even in such circumstances, but with the wide and powerful influence of the President on the side of good sense it would be very much easier to be certain of sound policies when this war is over. But, alas! it would be more than foolish to count upon any such thing. It will be recalled that until about a year ago the Administration was spending large sums in an endeavor to saddle the country with the most ambitious and, generally speaking, the silliest kind of post-war plans. It will not have been forgotten by students of such matters that the President sent several voluminous reports in this category to Congress with his warm commendation. Nor will it be overlooked that the President did just about all that he could to have further large sums appropriated to the groups making these plans so that they might continue

with their planning. Congress, however, would have none of it, and the matter has apparently more or less dropped out of sight. But it must not be supposed that the President or those who work closely with him have forgotten all about the grandiose schemes which were hatched out and embodied in these voluminous reports of the National Resources Planning Commission. Nor is there any reason whatever to suppose that the President has any notion of changing the general tenor of his policies once this war is over provided public opinion does not oblige him to do so—assuming that he has anything to say about post-war matters.

Constructive Effort Needed

There are those who seem to suppose that we can get rid of the New Deal by merely forgetting about it. They seem to overlook the fact that the New Deal is now largely written upon the statute books. Thus those who seem to believe that a policy of letting matters stand would profit us greatly, or those who appear to bank upon a hostile Congress which would tie the hands of the President, would do well to remember that the two securities acts still stand upon the statute books and are being administered by men who are thoroughly imbued with the New Deal spirit—as recent events remind us; that the Social Security laws, the most unwholesome tax laws of our history, thoroughly vicious banking legislation, farm enactments which have not the slightest excuse for existence, and literally dozens of other laws of a similar sort await constructive attention.

What We Must Have

What we must have is a new deal! Not one, of course, which bears any resemblance to the Rooseveltian New Deal, but a thorough reformulation of policy and programs carefully designed to reinstate common sense and traditional American ideals of individual self-reliance and, it may be added, self-respect. Such a "reform" to end the New Deal type of reform would necessitate repeal of the larger part of the strange and disruptive legislation of the past decade and major modification of most of the remainder. It would in its very essence be a repudiation of the underlying theory (if there is one) of the New Deal, which the President now says in effect is a fait accompli to remain with us forever more. To suppose that the President is capable of formulating such a program would be about as unwarranted by the facts as

it would be to believe that he is willing to do so.

There is evidence enough that the President wants what he terms "unity," and it is more than probable that he senses the fact that his Administration and his attitude toward all opposition have been such that it has been impossible for him to obtain unity. He has during most of the time he has been in the White House made most of his appeals to the selfish interests of groups whose favor he sought, and has sponsored all their causes in a way to divide and embitter. He still wants the support of those whom he has constantly favored in the past—which as a practical matter in the conduct of the war he has not been able to obtain nearly so fully as he has had the co-operation of groups he has repeatedly held up to ridicule and often deeply injured. But he doubtless is much disturbed by the defections among many so-called independent elements in the population. He would like to pour oil upon the troubled waters.

But we must have much more than that.

President Expresses Gratitude To Veterans

President Roosevelt in a Christmas and New Year message transmitted on Dec. 21 to veterans in Government hospitals, assured them of the nation's gratitude for service "so bravely and honorably rendered."

The President's message follows:

"Now that we know in our hearts that ultimate victory is certain, we can face the long, hard struggle ahead with confidence and fortitude, and let the spirit of Christmas pervade our thoughts and bring us comfort and happiness."

"I know that I speak for the nation, as well as myself, when I assure you of our gratitude for the service you so bravely and honorably rendered and of our continued solicitude for your welfare and contentment. A Merry Christmas to each of you—may the New Year be for you and yours a happy one."

Senate Group Urges Outlawing Poll Taxes

The Senate Judiciary Committee, recommending passage of a House-approved bill to outlaw the payment of a poll tax as a requirement for voting, said on Dec. 21 that most poll taxes were written to prohibit the Negro and poor white from voting. This is learned from United Press Washington advices, which added:

The committee majority contended that a poll tax was illegal and unconstitutional, basing the statement on the Thirteenth and Fourteenth Amendments to the Constitution, which prohibit the States from denying citizens a vote because of race and from enforcing "any law which shall abridge the privileges or immunities of citizens of the United States."

A minority report contended that the only way to abolish poll taxes is by a Constitutional Amendment rather than by legislation.

Business And Financial Outlook For 1944

(Continued from first page)
salers, and manufacturers should insist there be no dumping on domestic markets. This could smash prices. Flooding the export markets could make it difficult to sell goods abroad at a fair profit. I hope a substantial portion of our surplus will be given to the peoples of Continental Europe and China.

Sales Prospects

I forecast that retail dollar sales will average 5% to 10% higher in 1944 than in 1943. Sales volume of consumer goods will again start to climb as smaller companies get the okay on post-war merchandise. I expect some decline from 1943 in the physical volume of retail sales due to scarcity of goods and less employment. Substitute merchandise has sold well but manufacturers and wholesalers are now wary of it. As good war news increases, consumers will wait for new post-war merchandise rather than buy synthetic war made goods. Merchants should keep a workable inventory. Do not over-stock.

The following ten States are tops for 1944: New York, Pennsylvania, Ohio, Indiana, Illinois, Missouri, Texas, California, Oregon and Washington. Of smaller volume States, I like: Georgia, Minnesota, Florida, Nebraska, Utah and Arizona. Florida may see a real boom. Outstanding sales cities are scarcer. A year ago it was simple to spot cities with expected gains of 40% to 50%. Now more cities will show gains of only 5% to 10% in 1944 over a year ago. Here is the pick of the lot: Detroit, Mich.; Jackson, Mich.; Knoxville, Tenn.; Phoenix, Ariz.; Portland, Ore.; San Diego, Calif.; Savannah, Ga.; Springfield, Mass.; Topeka, Kan.; and Wichita, Kan. It will make a difference in 1944 business whether Germany cracks in the early or latter part of the year. When this happens Washington will begin at once to cancel war orders, especially on the Atlantic Seaboard. The Army will accept no more recruits, may begin orderly demobilization. Navy men may be in for two or three years more. Army demobilization may start around election time in 1944. This should help retail trade.

Industries Differ

Expansion of airplane factories has been practically completed. Automotive industry during 1944 will gradually reconvert to normal. New car stockpile low. Look for relief only on trucks. The chemical industry has enjoyed great expansion. This may continue. Leaders in new drugs

should prosper. Heavy chemicals may not show any gain over 1943 volume. Building about the same level for total new building as in 1943. Relaxing restrictions on private construction will come in near future. Gains in 1944 will show in this category when compared with 1943. Am optimistic on post-war home building.

The shoe and clothing industries are beset by price ceilings and increased costs. These will continue through 1944. Woolen industry will remain very active. Rayon will continue at capacity output. Cotton textiles will be fairly active—nearly equal last year's level. With Germany out, consumer demand for these goods should quickly replace war orders. Dairy products will be scarce because of feed problems. Slaughter houses should do a big volume. Cereal products will do well. Canned goods will feel effects of sharply higher costs and lower output. Bituminous coal depends upon labor union policy, but I expect output to be at least 10% better in 1944 than in 1943.

Air transport will gain in equipment and efficiency. Manpower is far from solved. The trend of the industry is up for both air passengers and freight. Railroads will continue to suffer from equipment shortages. War peak of traffic is passed. Railroad needs are so acute that higher priorities for equipment will be forced. After the war, railroads will have a terrible slump. With much less to haul, they will face, as never before, competition from coastwise shipping, river transportation, new pipe lines, airplanes and trucks. Eastern roads will slump as soon as Germany collapses.

Electronics and television should boom. Heavy electrical equipment orders may decline slightly in 1944. Kilowatt output may be 10% better in 1944 than in 1943. Lumber volume will continue to be reduced. Backlog of machine tool orders is declining sharply. Subcontracts may help. Nonferrous metals are held down by acute manpower shortage. Paper and pulp will be affected by the cut in newsprint. Paperboard output in 1944 should equal 1943. Refinery petroleum output in 1944 will run 10% above 1943. Higher prices for crude probable. All-time peaks in steel output scheduled for 1944. Shipbuilding may not show further gains, but launchings will.

Outlook for Labor

Crux is whether sufficient skilled and unskilled workers can be channeled into critical war industries. It is estimated that

2,000,000 workers must be added to essential plants in the next few months. However, over 2,000,000 men and women reach age 18 every 12 months. Therefore, the labor situation may begin to ease. There will be many disputes but most upsets will be of short duration and small scope. Labor leaders must threaten strikes for publicity and to hold jobs. The cost-of-living situation will dictate the rise and fall of strikes. If rolling back prices is successful, pressure for higher wages will be considerably reduced. After Germany cracks, there will be no scarcity of labor. Labor's honeymoon is approaching its end. There will be no railroad strike in 1944.

Stock Market

The 1944 long-term trend of stock prices is definitely upward. A growing hoard of money seeks investment. Few new stocks are available. Present holders are less willing to let stocks go, except at higher prices. The rise from May, 1942, to July, 1943, was a long, unbroken advance. A period of consolidation, such as from July 14 to date, was in order. The next few months may still be marked by irregularity. This should not disturb real investors. Corporations are adjusted to wartime operations. Any material change in the war situation may create temporarily upsetting uncertainties. On the bullish side the market strengthened in the face of the largest War Bond Drive in our history.

Most listed companies are stronger than ever. Debts have been reduced, cash reserves increased. Companies doing well in war work may get new buildings and machinery for a song. War stocks have gradually given ground in spite of record earnings and growth in net current assets. Many peace stocks have forged ahead in spite of declines in earnings and lower dividend payments. It is possible the "war babies" may become oversold and the peace stocks overbought, but the total industrial averages will go higher sometime during 1944 than they are at present. In case a Republican President should be elected in November a big bull market could quickly develop.

What Stocks to Buy

Some industrial groups appear more attractive than others. Building stocks should benefit from the expected boom after the war. Johns-Manville, Lone Star Cement and Eagle-Picher Lead hold prospects for good post-war earnings and liberal dividends. Flexibility of merchandising companies makes their stocks favorites. I have recommended American Stores, McCrory Stores, Kroger, Jewel Tea, General Shoe, United Stores 6% Preferred and Preferred "A." The railroad and farm equipment groups ought to show better-than-average progress. Favorites include American Brake Shoe, General American Transportation, Baldwin and Harvester; although post-war prospects convince me that selected steel and iron issues hold appeal. U. S. Pipe Line & Foundry should benefit from building. Republic Steel \$5 Pfd. "A" offers liberal income. National Steel and Allegheny-Ludlum are sound issues. Electrical equipment should experience heavy post-war demand. General Electric is the outstanding leader.

Bonds, Interest Rates and Preferred Stocks

The Government forbids a corporation to manipulate the price of its securities but the Government is using artificial means to force down interest payments needed by widows, orphans and others dependent upon savings or life insurance. This is unfair. Government bonds dominate the high-grade field. Corporates are being called in increasing amounts. Institutional investors and trustees

have to bid very high on the few remaining corporates or buy Governments. In view of the relatively greater risk in corporates, I favor confining high-grade bond purchases to the E, F and G War Series, preferably E's. Otherwise, hold cash. Municipals are too high.

I expect no near-term shift in interest rates. They may remain low as long as Government financing must be carried on in large volume, or as long as restrictions are placed upon the expansion of business to meet civilian demands and the money hoard continues to grow. When the readjustment comes the investor should not be tied up in long-term, low-coupon bonds. Current yields on better-grade issues have been forced down too low. Investors looking for liberal income are, therefore, buying cumulative preferreds. Such issues are also in favor with investors skeptical over the general trend of common stocks; but the field is very selective. My usual advice is to buy only first mortgage bonds or else common stocks of companies with no cumulative preferreds.

Taxes

There may be a small increase in 1944 taxes. This increase will hurt only a few industries through increased excise taxes. Income taxes, inheritance taxes, gift taxes, and probably corporation taxes will remain about where they are or lowered. Furthermore, 1944 may be the last year of tax misery. Taxes should begin to decline in 1945. Investors should especially keep in mind that—when excess profit taxes are eliminated—many corporations can make more money and pay more dividends with much smaller gross earnings.

Post-War Jobs

Men and women who left jobs to enter the armed forces should have no trouble getting jobs when they return. Those who entered the "armchair" forces at Washington or elsewhere may have real trouble getting post-war jobs. Men who were unemployed when they entered the armed forces will get post-war jobs based on their war record and behavior. Character and habits will be an important consideration. Men and women who left employers in the lurch to get more money or thrills may be left "high and dry" when the war is over. There will not be a good job for everyone after Germany cracks. In fact, there will begin to be unemployment when Roumania, Bulgaria or Hungary give up, which I expect fairly soon.

Politics and Inflation

Unless Germany collapses before August, Roosevelt will be re-nominated, and, probably re-elected. It looks now as if Willkie would be nominated if the Republican leaders believe Roosevelt has the election in the bag. This would be a good way of getting rid of Willkie forever. Another possibility is that Willkie may accept second place on the Democratic ticket. The Republicans will put their efforts upon Congress. In November, 1944, they should secure a good majority of the House and six more Senators. When I look further ahead, 1948 seems now like a good Republican year with Gov. Dewey the victor, in case Willkie is not already President. During the 1948-52 term will come the next depression followed by a return of the Democrats in 1952. Then there will be more Socialist experiments and the real inflationary period. In the meantime, we will have slowly creeping inflation until 1948; but nothing radical. After Roosevelt is re-elected with a Vice President satisfactory to him, I should not be surprised to see him resign to accept the head of the new World Organization whatever this may be. This could take place as soon as Japan is whipped,—possibly in 1945.

How Long Will War II Last?

Intelligent forecasts of 1944 business should be based upon some assumption as to the length of the war. If Germany is to crack within a short time, 1944 may be a very different year than if Germany should hold out until after our Presidential elections in November, 1944. Germany may collapse early in the year, but consider the following:

(1) Churchill is very close to Roosevelt. He desperately wants him re-elected. Knowing that only a continuation of the European conflict through October, 1944, will assure this, he is not hurrying his Second Front.

(2) As the Republicans have not yet insisted upon "unconditional surrender," the German and Japanese people think their chances might be better with a Republican President,—which is a temptation for them to hold out.

(3) Stalin is definitely waiting until after Nov. 6, 1944, before making certain decisions, and this will delay Germany's collapse.

(4) Although the Washington New Deal group might do nothing to prolong the war merely to insure themselves another four years of power, yet they surely would not be averse to others doing so.

(5) Generally good war news should feature 1944. The battle-hardened Russians should continue to drive the German hordes back. As we enter 1944 the war has rounded second base and is on the way home. As, however, I stated in my 1942 and 1943 Annual Forecasts, we should not expect an ending of the War until gas, chemicals or bacteria bombs are used.

All of the above may be upset by the death or serious illness of Roosevelt, Churchill, Stalin, Chiang or perhaps even Hitler in 1944.

Needed: More Research and Religion

Businessmen are faced with three vitally important questions: (1) Is it time now to give up seeking war contracts and prepare plans for civilian goods output? (2) Should subcontracting be reduced by approximately 50% so as to be ready for civilian goods production? (3) Is all-out war production to utmost capacity the best course to pursue? My advice is: Continue to take all war subcontracting you can get provided it will not tie your plant up beyond Election Day next year. Stop further expansion plans now. Work research and post-war planning departments overtime. Give orders now for reconversion equipment.

Finally, 1944 will see a continuation of the conflict between those two philosophical theories which are splitting civilization today. These may be expressed by the eternal question of whether man (1) is a spiritual being to be guided by the Ten Commandments; or (2) is an evolutionary animal permitted to follow the rules of the jungle even when possessing a college diploma and dressed in a tuxedo. If our first assumption, the one for which our churches stand, is adopted as a goal, the coming year can be the beginning of a glorious future. If the second, which too many educators are teaching, is allowed to grow, then World War II may have been in vain. In the end, spiritual forces must overcome the material forces or civilization is sunk. The hope of a better post-war world lies with greater research and more religion.

Brown Elected Trustee

The Board of Governors of the New York Stock Exchange elected Thatcher M. Brown, partner in Brown Brothers, Harriman & Co., as a Trustee of the Gratuity Fund to fill the vacancy caused by the retirement of Fiarman R. Dick.

Thumbnail Outlook For 1944

- General:** Year 1944 should be divided into two parts: (a) From Jan. 1 to date of Germany's collapse; and (b) from said date to Dec. 31.
- Production:** Babsonchart Index will average around 130, about 12% below 1943.
- Commodities:** Strength in various commodities should be followed by renewed weakness.
- Sales:** Retail sales dollar volume will average higher for entire year, but physical volume will be down 10%.
- Labor:** Pressure for higher wage rates will continue throughout the year with more labor troubles and more wage increases than in 1943.
- Stocks:** If the market is low when Germany cracks it will then go up; but if then high, it will go down.
- Bonds:** Good and medium-grade bonds will hold close to present levels throughout the year.

President Sees Peace Insured After Victory By Application Of Force If Necessary

(Continued from first page)

seas broadcasting agencies for time to speak today to our soldiers, sailors, Marines and merchant seamen in every part of the world. In fixing the time for the broadcast we took into consideration that at this moment here in the United States and in the Caribbean and on the northeast coast of South America it is afternoon. In Alaska and in Hawaii and the mid-Pacific it is still morning. In Iceland, in Great Britain, in North Africa, in Italy and the Middle East it is now evening.

In the southwest Pacific, in Australia, in China and Burma and India, it is already Christmas Day. We can correctly say that at this moment, in those Far Eastern parts where Americans are fighting, today is tomorrow.

But everywhere throughout the world—throughout this war which covers the world—there is a special spirit which has warmed hearts since our earliest childhood—a spirit which brings us close to our homes, our families, our friends and neighbors—the Christmas spirit of "Peace on earth, goodwill toward men."

During the past years of international gangsterism and brutal aggression in Europe and in Asia, our Christmas celebrations have been darkened with apprehension for the future. We have said, "Merry Christmas—Happy New Year," but we have known in our hearts that the clouds which have hung over our world have prevented us from saying it with full sincerity and conviction.

And even this year, we still have much to face in the way of further suffering and sacrifice, and personal tragedy. Our men, who have been through the fierce battles in the Solomons, the Gilberts, Tunisia and Italy know, from their experience and knowledge of modern war, that many bigger and costlier battles are still to be fought.

But—on Christmas Eve this year—I can say to you that at least we may look forward into the future with real, substantial confidence that, however great the cost, "Peace on earth, goodwill toward men," can be, and will be realized and ensured. This year I can say that. Last year I could not do more than express a hope. Today I express a certainty—though the cost may be high and the time may be long.

Within the past year—within the past few weeks—history has been made, and it is far better history for the whole human race than any that we have known, or even dared to hope for, in these tragic times through which we pass.

A great beginning was made in the Moscow conference in October by Mr. Molotov, Mr. Eden and our own Mr. Hull. There and then the way was paved for the later meetings.

At Cairo and Teheran we devoted ourselves not only to military matters, we devoted ourselves also to consideration of the future—to plans for the kind of world which alone can justify all the sacrifices of this war.

Of course, as you all know, Mr. Churchill and I have happily met many times before, and we know and understand each other very well. Indeed, Mr. Churchill has become known and beloved by many millions of Americans, and the heartfelt prayers of all of us have been with this great citizen of the world in his recent serious illness.

The Cairo and Teheran conferences, however, gave me my first opportunity to meet the Generalissimo, Chiang Kai-shek, and Marshal Stalin—and to sit down at the table with these unconquerable men and talk with them face to face. We had planned to talk to

each other across the table at Cairo and Teheran; but we soon found that we were all on the same side of the table. We came to the conferences with faith in each other. But we needed the personal contact. And now we have supplemented faith with definite knowledge.

It was well worth traveling thousands of miles over land and sea to bring about this personal meeting, and to gain the heartening assurance that we are absolutely agreed with one another on all the major objectives—and on the military means of obtaining them.

At Cairo, Prime Minister Churchill and I spent four days with the Generalissimo, Chiang Kai-shek. It was the first time that we had had an opportunity to go over the complex situation in the Far East with him personally. We were able not only to settle upon definite military strategy, but also to discuss certain long-range principles which we believe can assure peace in the Far East for many generations to come.

Those principles are as simple as they are fundamental. They involve the restoration of stolen property to its rightful owners, and the recognition of the rights of millions of people in the Far East to build up their own forms of self-government without molestation. Essential to all peace and security in the Pacific and in the rest of the world is the permanent elimination of the empire of Japan as a potential force of aggression. Never again must our soldiers and sailors and Marines be compelled to fight from island to island as they are fighting so gallantly and so successfully today.

Increasingly powerful forces are now hammering at the Japanese at many points over an enormous arc which courses down through the Pacific from the Aleutians to the jungles of Burma. Our own Army and Navy, our Air Forces, the Australians and New Zealanders, the Dutch, and the British land, air and sea forces are all forming a band of steel which is closing in on Japan.

On the mainland of Asia, under the Generalissimo's leadership, the Chinese ground and air forces augmented by American Air Forces are playing a vital part in starting the drive which will push the invaders into the sea.

Following out the military decisions at Cairo, Gen. Marshall has just flown around the world and has had conferences with Gen. MacArthur and Admiral Nimitz—conferences which will spell plenty of bad news for the Japs in the not too far distant future.

I met in the Generalissimo, a man of great vision and great courage, and remarkably keen understanding of the problems of today and tomorrow. We discussed all the manifold military plans for striking at Japan with decisive force from many directions, and I believe I can say that he returned to Chungking with the positive assurance of total victory over our common enemy. Today we and the Republic of China are closer together than ever before in deep friendship and in unity of purpose.

After the conference, Mr. Churchill and I went by airplane to Teheran. There we met with Marshal Stalin. We talked with complete frankness on every conceivable subject connected with the winning of the war and the establishment of a durable peace after the war.

Within three days of intense and consistently amicable discussions we agreed on every point concerned with the launching of a gigantic attack upon Germany.

The Russian Army will continue its stern offensives on Germany's eastern front, the Allied Armies

in Italy and Africa will bring relentless pressure on Germany from the south, and now the encirclement will be complete, as great American and British forces attack from other points of the compass.

The commander selected to lead the combined attack from these other points is Gen. Dwight D. Eisenhower. His performances in Africa, Sicily and Italy have been brilliant. He knows by practical and successful experience the way to coordinate air, sea and land power. All these will be under his control. Lieut.-Gen. Carl D. Spaatz will command the entire American strategic bombing force operating against Germany.

Gen. Eisenhower gives up his command in the Mediterranean to a British officer whose name is being announced by Mr. Churchill. We now pledge that new commander that our powerful ground, sea and air forces in the vital Mediterranean area will stand by his side until every objective in that theater is attained.

Both of these new commanders will have American and British subordinate commanders, whose names will be announced in a few days.

During the last two days at Teheran, Marshal Stalin, Mr. Churchill and I looked ahead to the days and months and years which will follow Germany's defeat. We were united in determination that Germany must be stripped of her military might and be given no opportunity within the foreseeable future to regain that might.

The United Nations have no intention to enslave the German people. We wish them to have a normal chance to develop, in peace, as useful and respectable members of the European family. But we most certainly emphasize that word "respectable"—for we intend to rid them once for all of Nazism and Prussian militarism and the fantastic and disastrous notion that they constitute the "master race."

We did discuss international relationships from the point of view of big, broad objectives, rather than details. But on the basis of what we did discuss, I can say even today that I do not think any insoluble differences will arise among Russia, Great Britain and the United States.

In these conferences we were concerned with basic principles—principles which involve the security and the welfare and the standard of living of human beings in countries large and small.

To use an American and ungrammatical colloquialism, I may say that "I got along fine" with Marshal Stalin. He is a man who combines a tremendous, relentless determination with a stalwart good humor. I believe he is truly representative of the heart and soul of Russia; and I believe that we are going to get along well with him and the Russian people—very well indeed.

Britain, Russia, China and the United States and their Allies represent more than three-quarters of the total population of the earth. As long as these four nations with great military power stick together in determination to keep the peace there will be no possibility of an aggressor nation arising to start another world war.

But those four powers must be united with and cooperate with all the freedom-loving peoples of Europe and Asia and Africa and the Americas. The rights of every nation, large or small, must be respected and guarded as jealously as are the rights of every individual within our own republic.

The doctrine that the strong shall dominate the weak is the doctrine of our enemies—and we reject it.

But, at the same time, we are agreed that if force is necessary to keep international peace, international force will be applied—for as long as it may be necessary.

It has been our steady policy—and it is certainly a common sense policy—that the right of each nation to freedom must be measured by the willingness of that nation to fight for freedom. And today we salute our unseen Allies in occupied countries—the underground resistance and the armies of liberation. They will provide potent forces against our enemies, when the day of invasion comes.

Through the development of science the world has become so much smaller that we have had to discard the geographical yardsticks of the past. For instance, through our early history the Atlantic and Pacific oceans were believed to be walls of safety for the United States. Time and distance made it physically possible for us and for the other American Republics to obtain and maintain our independence against infinitely stronger powers. Until recently very few people, even military experts, thought the day could ever come when we might have to defend our Pacific Coast against Japanese threats of invasion.

At the outbreak of the first world war relatively few people thought that our ships and shipping would be menaced by German submarines on the high seas or that the German militarists would ever attempt to dominate any nation outside of central Europe.

After the armistice in 1918, we thought and hoped that the militaristic philosophy of Germany had been crushed; and being full of the milk of human kindness we spent the next 15 years disarming, while the Germans whined so pathetically that the other nations permitted them—and even helped them—to rearm.

For too many years we lived on pious hopes that aggressor and warlike nations would learn and understand and carry out the doctrine of purely voluntary peace.

Well-intentioned but ill-fated experiments of former years did not work. It is my hope that we will not try them again. No—that is too weak. It is my intention to do all that I humanly can as President and commander-in-chief to see to it that these tragic mistakes shall not be made again.

There have always been cheerful idiots in this country who believed that there would be no more war for us, if everybody in America would only return into their homes and lock their front doors behind them. Assuming that their motives were of the highest, even they have shown how unwilling they were to face the facts.

The overwhelming majority of all the people in the world want peace. Most of them are fighting for the attainment of peace—not just a truce, not just an armistice—but peace that is as strongly enforced and as durable as mortal man can make it. If we are willing to fight for peace now, is it not good logic that we should use force if necessary, in the future, to keep the peace?

I believe, and I think I can say, that the other three great nations who are fighting so magnificently to gain peace are in complete agreement that we must be prepared to keep the peace by force. If the people of Germany and Japan are made to realize thoroughly that the world is not going to let them break out again, it is possible, and, I hope, probable, that they will abandon the philosophy of aggression—the belief that they can gain the whole world even at the risk of losing their own souls.

I shall have more to say about the Cairo and Teheran conferences when I make my report to the Congress in about two weeks' time, and, on that occasion I shall also have a great deal to say about certain conditions here at home.

But today I wish to say that in all my travels, at home and abroad, it is the sight of our soldiers and sailors and their magnificent achievements which have

given me the greatest inspiration and the greatest encouragement for the future.

To the members of our armed forces, to their wives, mothers and fathers, I want to affirm the great faith and confidence we have in Gen. Marshall and Admiral King who direct all of our armed might throughout the world. Upon them falls the great responsibility of planning the strategy of determining when and where we shall fight. Both of these men have already gained high places in American history, which will record many evidences of their military genius that cannot be published today.

Some of our men overseas are now spending their third Christmas far from home. To them and to all others overseas or soon to go overseas, I can give assurance that it is the purpose of their Government to win this war and to bring them home at the earliest possible date.

And we here in the United States had better be sure that when our soldiers and sailors do come home they will find an America in which they are given full opportunities for education, rehabilitation, social security, employment and business enterprise under the free American system—and that they will find a Government which, by their votes as American citizens, they have had a full share in electing.

The American people have had every reason to know that this is a tough, destructive war. On my trip abroad, I talked with many military men who had faced our enemies in the field. These hard-headed realists testify to the strength and skill and resourcefulness of the enemy generals and men whom we must beat before final victory is won. The war is now reaching the stage where we shall have to look forward to large casualty lists—dead, wounded and missing.

War entails just that. There is no easy road to victory. And the end is not yet in sight.

I have been back only for a week. It is fair that I should tell you my impression. I think I see a tendency in some of our people here to assume a quick ending of the war—that we have already gained the victory. And, perhaps as a result of this false reasoning, I think I discern an effort to resume or even encourage an outbreak of partisan thinking and talking. I hope I am wrong. For, surely our first and foremost talks are all concerned with winning the war and winning a just peace that will last for generations.

The massive offensives which are in the making—both in Europe and the Far East—will require every ounce of energy and fortitude that we and our Allies can summon on the fighting fronts and in all the workshops at home. As I have said before, you cannot order up a great attack on a Monday and demand that it be delivered on Saturday.

Less than a month ago I flew in a big Army transport plane over the little town of Bethlehem, in Palestine.

Tonight, on Christmas Eve, all men and women everywhere who love Christmas are thinking of that ancient town and of the star of faith that shone there more than 19 centuries ago.

American boys are fighting today in snow-covered mountains, in malarial jungles and on blazing deserts. They are fighting on the far stretches of the sea and above the clouds, and the thing for which they struggle is best symbolized by the message that came out of Bethlehem.

On behalf of the American people—your own people—I send this Christmas message to you who are in our armed forces:

In our hearts are prayers for you and for all your comrades in arms who fight to rid the world of evil.

We ask God's blessing upon you—upon your fathers and mothers,

wives and children — all your loved ones at home.

We ask that the comfort of God's grace shall be granted to those who are sick and wounded, and to those who are prisoners of war in the hands of the enemy, waiting for the day when they will again be free.

And we ask that God receive and cherish those who have given their lives, and that He keep them in honor and in the grateful memory of their countrymen forever.

God bless us all. God keep us strong in our faith that we fight for a better day for humankind—here and everywhere.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Dec. 27 a summary for the week ended Dec. 18 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. 18, 1943

Odd-Lot Sales by Dealers (Customers' purchases)	Total for Week
Number of orders	19,810
Number of shares	530,202
Dollar value	21,543,629

Odd-Lot Purchases by Dealers (Customers' Sales)

Number of Orders	Customers' short sales	Customers' other sales	Customers' total sales
357	18,423	18,780	18,780

Number of Shares:

Customers' short sales	Customers' other sales	Customers' total sales
8,817	493,223	502,040

Dollar value

Customers' short sales	Customers' other sales	Customers' total sales
17,288,880	136,860	17,425,740

Round-lot Sales by Dealers

Number of Shares	Short sales	Other sales	Total sales
550	136,860	137,410	137,410

Round-lot purchases by Dealers

Number of shares	Total sales
172,450	172,450

*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."

Waste Paper Drive Started In N. Y. C.

A waste paper collection drive was launched in New York City on Dec. 16 with Donald M. Nelson, Chairman of the War Production Board, warning that the inventory of the country's paper mills was at "alarmingly low levels."

In his message read to the organizational meeting, Mr. Nelson stressed "the constantly growing demand for paper by our armed forces for the production of hundreds of military items" that has resulted in the present shortage. He also said:

"Because the situation is so desperate, we have again asked the newspaper publishers of America to exert the tremendous influence of the daily press so that every man, woman and child in America may be conscious of this urgency and may participate actively by collecting all waste paper and disposing of it through waste paper dealers or donating it to some charitable organization."

Mr. Nelson indicated that the New York campaign, "must continue until the urgency is passed," and that Government officials in Washington looked "to the people of our nation's largest city to lead the way by producing the greatest results in the collection of waste paper."

Effect on Stabilization Task Of War Price Trend Reviewed by Guaranty Trust Co. Finds Wholesale Price Rise In Current War 37% Compared With 100% In Last War

The persistent upward pressure on wages and prices is making the task of stabilization authorities increasingly difficult, it is stated by the Guaranty Trust Company of New York in the Dec. 28 issue of "The Guaranty Survey," its monthly review of business and financial conditions.

The Survey states that "Congressional sentiment is clearly against the use of subsidies as a wartime stabilization device, but only time can reveal whether this sentiment is strong enough to override the apparent determination of the Administration to continue the use of the subsidy method." It adds: "Even if subsidies are given up, however, and even if the price stability of recent months is not fully maintained, there is still reason to hope that general price control, reinforced by high tax rates and the large flow of savings into Government bond purchases, will hold the price advance within much narrower limits than it was held during the last war. And any sacrifice of price stability that might result from the abandonment of subsidies would perhaps be more than compensated for by the avoidance of the dangers and known evils that lie in the use of this device."

The Survey finds that "Congress shows a strong tendency to insist on higher farm prices in preference to food subsidies and will probably pass a tax bill providing only a fraction of the additional revenue asked by the Treasury. On every front, Government agencies charged with the duty of maintaining price stability face conditions that raise questions as to whether they can continue to show the considerable measure of success that has rewarded their efforts thus far."

Discussing "Wages and Prices," the Survey says:

"Events since the signing of the agreement between the Government and the miners' representatives have provided a striking illustration of the interaction between wages and prices that has come to be known as the 'wage-price spiral.' Promptly upon the conclusion of the agreement a group of mine operators submitted to the Economic Stabilization Director a memorandum declaring that producers of 40% of the nation's coal tonnage face ruin unless the price of coal is raised to compensate for higher costs and the expenses of Government operation. The United Steel Workers quickly announced a drive to lift the wage ceiling established by the 'Little Steel' formula, and the President of the organization predicted that other unions would take similar action. Early this month the President of the United States Steel Corporation issued a statement to the effect that, if employment costs are to be further increased, the company has 'no recourse other than to seek a compensating increase in steel prices.'"

"In addition to specific problems, authorities are concerned over the broad threat to price stability arising from the rapid increase in individual incomes at a time when the quantity of goods and services for which those incomes can be spent is steadily shrinking. Estimates of the amount of this so-called 'inflationary gap' have appeared at such frequent

intervals, have varied so widely and have been calculated on so many different bases that the figures probably have little meaning for most readers. It may be doubted whether the problem is statistically measurable except in broadest outline. It is beyond question, however, that the trends of individual incomes on the one hand and of the production of consumers' goods on the other hand have moved in opposite directions and have created a wide disparity between purchasing power and supply. This gap, which constitutes the greatest threat to stability of the price level, has been only partly closed by such offsetting influences as higher taxes, purchases of war bonds, and debt repayments."

Presenting a comparison with the last war, the Survey has the following to say:

"The degree of price stability that has been maintained in the face of such obstacles compares very favorably with the advance that took place during the last war. The present war has already continued longer than World War I and has resulted in vastly greater industrial and financial readjustments and dislocations, particularly in the United States, where the industrial mobilization of 1917 and 1918 appears small in comparison with the huge productive capacities now devoted to war purposes. Yet the general wholesale price level has risen only 37% since August, 1939, as against an advance of more than 100% in the period of approximately equal length that marked the duration of the last war."

"The contrast is due to the different behavior of prices of non-agricultural commodities. During World War I, the price movements of farm products and other commodities were roughly parallel; each group approximately doubled in price. Thus far during the present war, farm products have risen almost as sharply as they did from 1914 to 1918, while other commodities have advanced less than a third as much. The rise of 37% in the general price level since August, 1939, reflects an advance of 100% in prices of farm products and one of only 27% in prices of other commodities. The non-farm group has risen only 6% during the two years since Pearl Harbor."

"Price movements during the two wars show one interesting similarity: in each case there was an initial period of more than a year of approximate stability, followed by a strong upward surge that began rather suddenly and tended gradually to level off. During the present war, however, the initial period of stability continued longer; the ensuing advance was more moderate and of shorter duration, and the leveling-off has been more marked."

Central Reconstruction Fund For Rehabilitation And Currency Stabilization Proposed

Representative Dewey (Rep., Ill.), introduced in the House on Dec. 17 a joint resolution to provide for a central reconstruction fund to be used in joint account with foreign governments for rehabilitation, stabilization of currencies and reconstruction.

Mr. Dewey, a former Assistant Secretary of the Treasury in the Coolidge Administration and United States financial adviser in Poland on currency stabilization from 1927 to 1930, testified before the House Foreign Affairs Committee on Dec. 17, urging adoption of his new international plan. He

proposed it as an amendment to the bill under consideration which provides for U. S. participation in work of the United Nations Re-

Trading On New York Exchanges

The Securities and Exchange Commission made public on Dec. 27 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. 11, 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. 11 (in round-lot transactions) totaled 1,936,999 shares, which amount was 17.20% of the total transactions on the Exchange of 5,627,970 shares. This compares with member trading during the week ended Dec. 4 of 1,121,762 shares, or 13.97% of total trading of 4,014,630 shares. On the New York Curb Exchange, member trading during the week ended Dec. 11 amounted to 323,025 shares, or 13.49% of the total volume on that exchange of 1,197,470 shares; during the Dec. 4 week trading for the account of Curb members of 300,980 shares was 15.75% of total trading of 955,620 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. 11, 1943			
	Total for Week		%
A. Total Round-Lot Sales:			
Short sales	165,230		
Other sales	5,462,740		
Total sales	5,627,970		
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	533,380		
Short sales	75,350		
Other sales	450,150		
Total sales	525,500	9.40	
2. Other transactions initiated on the floor—			
Total purchases	314,850		
Short sales	19,300		
Other sales	236,440		
Total sales	255,740	5.07	
3. Other transactions initiated off the floor—			
Total purchases	158,034		
Short sales	20,700		
Other sales	128,795		
Total sales	149,495	2.73	
4. Total—			
Total purchases	1,006,264		
Short sales	115,350		
Other sales	815,385		
Total sales	930,735	17.20	

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

WEEK ENDED DEC. 11, 1943			
	Total for Week		%
A. Total Round-Lot Sales:			
Short sales	11,185		
Other sales	1,186,285		
Total sales	1,197,470		
B. Round-Lot Transactions for the Account of Members:			
1. Transactions of specialists in stocks in which they are registered—			
Total purchases	93,380		
Short sales	6,335		
Other sales	84,500		
Total sales	90,835	7.69	
2. Other transactions initiated on the floor—			
Total purchases	36,145		
Short sales	800		
Other sales	29,170		
Total sales	29,970	2.76	
3. Other transactions initiated off the floor—			
Total purchases	39,105		
Short sales	400		
Other sales	33,190		
Total sales	33,590	3.04	
4. Total—			
Total purchases	168,630		
Short sales	7,535		
Other sales	146,860		
Total sales	154,395	13.49	
C. Odd-Lot Transactions for the Account of Specialists:			
Customers' short sales	0		
Customers' other sales	56,561		
Total purchases	56,561		
Total sales	28,966		

*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 sales which are exempted from restriction by the Commission rules are included with "other sales."

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

lief and Rehabilitation Administration.

The following regarding Mr. Dewey's plan was reported in Associated Press Washington advices Dec. 17:

The central reconstruction fund would go "joint account" with any other interested nations within amounts appropriated by Congress for rehabilitation, currency stabilization and long term credits or credit guarantees.

The U. S., whose participation would be limited to 50% of the total cost, would act independently, deciding to what extent it should participate. A board of governors of the fund would be created composed of two State Department members, two from the Treasury, two from the Re-

construction Finance Corporation, two Senators, two House members and two governors of the Federal Reserve Board. The chairman, named by the President with Senate consent, could be dismissed by the President.

The governors would prepare an annual budget of needs and might borrow amounts not to exceed 10% of the budget estimate from the Treasury.

Initial provision would be made for placing \$500,000,000 from the currency stabilization fund into a revolving fund which would be used exclusively for undertakings with foreign governments in joint account projects. Congress would appropriate money for administration expenses of the organization.

Revenue Freight Car Loadings During Week Ended Dec. 18, 1943, Decreased 63,923 Cars

Loading of revenue freight for the week ended Dec. 18, 1943, totaled 759,288 cars, the Association of American Railroads announced on Dec. 24. This was an increase above the corresponding week of 1942 of 16,227 cars, or 2.2%, but a decrease under the same week in 1941 of 39,580 cars or 5%.

Loading of revenue freight for the week of Dec. 18 decreased 63,923 cars, or 7.8% under the preceding week.

Miscellaneous freight loading totaled 349,010 cars, a decrease of 30,741 cars under the preceding week and a decrease of 9,873 cars below the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 58,719 cars, a decrease of 5,283 cars under the preceding week, but an increase of 11,528 cars above the corresponding week in 1942.

Coal loading amounted to 177,079 cars, a decrease of 12,067 cars below the preceding week, but an increase of 13,556 cars above the corresponding week in 1942.

Grain and grain products loading totaled 48,564 cars, a decrease of 4,862 cars below the preceding week but an increase of 876 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of Dec. 18 totaled 33,468 cars, a decrease of 2,663 cars below the preceding week but an increase of 669 cars above the corresponding week in 1942.

Livestock loading amounted to 17,063 cars, a decrease of 1,503 cars below the preceding week but an increase of 1,403 cars above the corresponding week in 1942. In the Western Districts alone loading of livestock for the week of Dec. 18 totaled 12,607 cars, a decrease of 1,420 cars below the preceding week but an increase of 1,205 cars above the corresponding week in 1942.

Forest products loading totaled 41,737 cars, a decrease of 3,428 cars below the preceding week but an increase of 239 cars above the corresponding week in 1942.

Ore loading amounted to 12,357 cars, a decrease of 5,082 cars below the preceding week and a decrease of 1,498 cars below the corresponding week in 1942.

Coke loading amounted to 14,759 cars, a decrease of 957 cars below the preceding week and a decrease of four cars below the corresponding week in 1942.

All districts reported increases compared with the corresponding week in 1942, except the Southern, Central Western and Southwestern. All districts reported decreases compared with 1941 except the Pocahontas & Central West and Southwestern.

	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
4 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
4 weeks of July	4,307,406	4,185,135	4,295,457
4 weeks of August	3,554,445	3,487,905	3,581,350
4 weeks of September	3,545,823	3,503,383	3,540,210
4 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	833,735
Week of December 11	823,211	744,183	807,225
Week of December 18	759,288	743,061	798,868
Total	41,772,975	42,234,992	41,683,262

The following table is a summary of the freight carloading for the separate railroads and systems for the week ended Dec. 18, 1943. During the period 71 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS) WEEK ENDED DEC. 18

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
Eastern District—	1943	1942	1941	1943	1942
Ann Arbor	258	247	589	1,506	1,304
Bangor & Aroostook	1,826	1,616	1,624	214	198
Boston & Maine	6,629	5,450	8,295	13,722	12,570
Chicago, Indianapolis & Louisville	1,314	1,409	1,467	2,120	1,999
Central Indiana	33	31	24	48	54
Central Vermont	1,028	1,006	1,528	2,429	1,965
Delaware & Hudson	5,756	5,760	6,173	11,845	11,525
Delaware, Lackawanna & Western	7,250	6,779	9,100	9,956	9,114
Detroit & Mackinac	163	298	438	102	120
Detroit, Toledo & Ironton	2,033	1,544	2,471	1,654	1,629
Detroit & Toledo Shore Line	304	244	335	3,514	3,495
Erie	11,626	10,808	14,471	17,472	16,357
Grand Trunk Western	3,412	3,500	5,057	8,501	8,445
Lehigh & Hudson River	195	201	190	2,485	2,686
Lehigh & New England	1,400	1,687	1,753	1,565	1,626
Lehigh Valley	8,210	8,118	9,082	11,565	11,286
Maine Central	2,024	2,052	3,258	3,469	3,097
Monongahela	5,814	5,874	6,113	488	361
Montour	2,514	2,302	1,716	18	19
New York Central Lines	44,111	41,300	47,437	55,123	52,477
N. Y., N. H. & Hartford	9,008	8,165	12,325	17,908	16,235
New York, Ontario & Western	1,102	889	1,082	2,621	2,033
New York, Chicago & St. Louis	5,943	6,456	6,518	16,202	16,039
N. Y., Susquehanna & Western	606	407	537	2,522	2,006
Pittsburgh & Lake Erie	6,751	7,108	8,271	8,163	7,567
Pere Marquette	4,479	4,994	5,756	8,614	7,393
Pittsburgh & Shawmut	863	717	601	10	23
Pittsburgh, Shawmut & North	308	317	392	266	263
Pittsburgh & West Virginia	1,091	934	823	2,240	3,466
Rutland	325	271	540	1,015	833
Wabash	5,673	5,301	6,232	11,905	12,738
Wheeling & Lake Erie	4,513	4,909	4,515	4,169	5,490
Total	146,562	140,674	168,713	223,431	214,413
Allegheny District—					
Akron, Canton & Youngstown	776	705	581	1,346	1,021
Baltimore & Ohio	38,352	35,286	37,760	26,093	27,089
Bessemer & Lake Erie	2,220	2,479	2,960	1,349	1,935
Buffalo Creek & Gauley	295	290	331	4	5
Cambria & Indiana	1,765	1,756	1,991	5	6
Central R. R. of New Jersey	6,513	6,344	7,426	18,132	20,089
Cornwall	391	624	570	53	51
Cumberland & Pennsylvania	219	231	327	10	23
Ligonier Valley	138	124	114	32	50
Long Island	1,188	1,013	788	3,404	3,108
Penn-Reading Seashore Lines	1,468	1,547	1,741	2,260	2,057
Pennsylvania System	74,282	68,696	78,751	62,062	57,256
Reading Co.	13,125	13,496	16,079	26,157	27,763
Union (Pittsburgh)	19,706	20,119	20,514	4,178	3,960
Western Maryland	4,299	3,538	4,391	12,232	12,999
Total	164,737	156,248	174,324	157,317	157,412
Pocahontas District—					
Chesapeake & Ohio	28,028	26,293	25,135	11,805	10,878
Norfolk & Western	22,619	21,260	22,367	7,165	6,532
Virginian	4,664	4,616	4,792	2,308	2,283
Total	55,311	52,169	52,294	21,278	19,693

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Southern District—					
Alabama, Tennessee & Northern	298	404	447	387	294
Atl. & W. P.—W. R. R. of Ala.	714	691	863	2,593	2,427
Atlanta, Birmingham & Coast	711	659	788	1,458	1,608
Atlantic Coast Line	11,595	13,438	11,974	9,890	9,656
Central of Georgia	3,478	3,831	4,328	4,848	4,235
Charleston & Western Carolina	345	387	475	1,820	1,527
Clinchfield	1,708	1,303	1,912	3,152	3,091
Columbus & Greenville	257	372	284	262	270
Durham & Southern	107	92	187	802	435
Florida East Coast	2,404	1,967	1,097	1,408	1,521
Gainesville Midland	46	44	32	102	72
Georgia	1,023	1,312	1,427	2,306	2,317
Georgia & Florida	297	343	386	612	535
Gulf, Mobile & Ohio	3,649	3,798	4,165	3,885	4,280
Illinois Central System	26,552	26,378	28,526	16,131	17,010
Louisville & Nashville	24,706	24,442	25,510	11,508	10,859
Macon, Dublin & Savannah	*214	191	210	*1,030	940
Mississippi Central	324	166	165	451	401
Nashville, Chattanooga & St. L.	3,246	3,137	3,722	4,610	4,299
Norfolk Southern	881	824	1,061	1,755	1,432
Piedmont Northern	394	334	488	1,389	1,303
Richmond, Fred. & Potomac	459	363	561	10,137	10,010
Seaboard Air Line	9,916	10,396	10,796	9,060	9,138
Southern System	22,119	21,518	25,393	24,751	24,470
Tennessee Central	739	552	664	844	737
Winston-Salem Southbound	128	127	138	954	880
Total	116,310	117,069	125,599	116,145	113,747

Northwestern District—	1943	1942	1941	1943	1942
Chicago & North Western	14,241	14,319	17,551	13,742	13,669
Chicago Great Western	2,574	2,456	2,962	3,183	3,264
Chicago, Milw., St. P. & Pac.	20,129	19,385	22,685	10,138	9,652
Chicago, St. Paul, Minn. & Omaha	3,939	3,754	4,619	3,498	3,511
Duluth, Missabe & Iron Range	1,008	1,142	972	265	291
Duluth, South Shore & Atlantic	737	635	655	489	553
Elgin, Joliet & Eastern	8,125	8,078	10,943	9,675	10,080
Ft. Dodge, Des Moines & South	390	451	515	118	112
Great Northern	12,280	11,905	12,968	4,912	5,368
Green Bay & Western	545	445	564	801	802
Lake Superior & Ishpeming	243	243	272	45	36
Minneapolis & St. Louis	1,959	2,040	1,972	2,456	2,137
Minn., St. Paul & S. S. M.	5,444	4,944	5,884	2,949	3,172
Northern Pacific	10,560	10,690	11,625	5,438	4,936
Spokane International	100	122	83	691	643
Spokane, Portland & Seattle	2,397	1,851	2,545	3,266	3,296
Total	84,671	82,460	96,815	61,666	62,622

Central Western District—	1943	1942	1941	1943	1942
Atch., Top. & Santa Fe System	21,490	22,364	22,056	10,766	11,643
Alton	2,744	3,176	3,562	3,772	4,731
Bingham & Garfield	594	773	584	75	84
Chicago, Burlington & Quincy	19,263	17,882	18,110	11,703	11,266
Chicago & Illinois-Midland	2,864	2,444	2,804	940	917
Chicago, Rock Island & Pacific	11,427	12,173	12,676	12,082	12,072
Chicago & Eastern Illinois	2,392	2,433	2,878	6,033	5,339
Colorado & Southern	695	1,048	712	2,300	1,811
Denver & Rio Grande Western	4,089	4,142	3,618	6,263	5,237
Denver & Salt Lake	867	749	678	16	9
Fort Worth & Denver City	627	1,040	1,231	1,653	1,184
Illinois Terminal	1,777	1,646	2,016	1,756	1,680
Missouri-Illinois	1,002	977	1,104	462	450
Nevada Northern	1,741	2,152	1,910	132	104
North Western Pacific	853	995	847	754	619
Peoria & Pekin Union	16	11	33	0	0
Southern Pacific (Pacific)	27,967	28,537	25,711	15,407	11,706
Toledo, Peoria & Western	293	434	338	1,705	1,850
Union Pacific System	16,887	15,716	16,088	15,975	14,601
Utah	671	678	505	11	2
Western Pacific	2,152	2,488	2,217	4,651	3,571
Total	120,411	121,858	119,658	96,456	88,876

Southwestern District—	1943	1942	1941	1943	1942
Burlington-Rock Island	367	164	186	184	280
Gulf Coast Lines	6,212	5,484	3,565	2,989	2,215
International-Great Northern	2,134	3,383	1,996	3,265	2,975
Kansas, Oklahoma & Gulf	271	450	218	1,092	963
Kansas City Southern	5,001	4,800	2,852	2,337	2,713
Louisiana & Arkansas	3,196	4,027	2,653	2,766	2,175
Litchfield & Madison	302	288	417	1,153	985
Midland Valley	778	856	648	193	250
Missouri & Arkansas	173	126	192	366	359
Missouri-Kansas-Texas Lines	5,795	6,296	5,023	5,711	5,098
Missouri Pacific	16,302	16,384	18,049	19,485	18,981
Quanahe & Pacific	69	114	175	218	230
St. Louis-San Francisco	8,107	9,007	9,386	8,448	8,308
St. Louis Southwestern	2,971	2,832	3,305	6,972	5,486
Texas & New Orleans	13,564	12,944	8,267	4,796	4,921
Texas & Pacific	5,929	5,328	4,379	7,207	7,673
Wichita Falls & Southern	83	86	143	139	34
Weatherford M. W. & N. W.	22	14	11	49	37
Total	71,286	72,583	61,465	67,370	63,683

*Previous week's figure.

Note—Previous year's figures revised.

October Employment Drops 150,000 For First Decline In 1943

For the first time this year total employment declined in October, according to the regular monthly survey of the National Industrial Conference Board, made available Dec. 21. The reduction in the number at work or in the armed forces amounted to 150,000 persons, leaving the total for October at 64,400,000, against the wartime peak of 64,600,000 in September. The Board reports that civilian non-farm employment had begun to fall off slowly two months earlier, and in October stood for the second consecutive month below the corresponding figure a year earlier. In October, for the first time this year, this decline more than offset further net additions to the military forces.

The Board's announcement further stated:

"The pattern of future labor requirements is now less clear than at any time since our entry into the war, the Board finds. Official forecasts of employment in the munitions industries are almost a million below midyear estimates, but may be further scaled down, the Board believes, as supply requirements are readjusted by additional cutbacks and unanticipated surpluses, or by favorable developments in the

European war theater. Sharp curtailments have recently been made in employment in the manufacture of small arms, several durable goods manufacturers have been permitted to resume production for civilian markets, and restrictions on a number of essential materials have been relaxed. It is pointed out. The number of labor shortage areas has declined from 77 to

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	Avg. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*				
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.		
Dec. 28	119.52	110.70	118.20	116.22	110.88	99.04	103.30	113.31	116.02		
27	119.55	110.70	118.20	116.02	110.88	99.04	103.30	113.12	116.22		
25	STOCK EXCHANGE CLOSED.										
24	119.55	110.70	118.20	116.02	110.88	99.04	103.13	113.12	116.22		
23	119.55	110.52	118.20	115.63	110.88	99.04	103.13	113.12	116.02		
22	119.56	110.52	118.20	115.63	110.88	99.04	103.13	113.12	116.02		
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		
19	119.55	110.52	118.20	115.82	110.70	98.88	103.13	113.12	115.82		
18	119.54	110.52	118.00	115.63	110.88	98.88	103.13	113.12	115.82		
17	119.53	110.52	118.20	115.63	110.70	98.73	102.96	113.12	115.82		
16	119.53	110.52	118.20	115.63	110.70	98.73	102.96	113.12	115.82		
15	119.54	110.52	118.00	115.63	110.52	98.73	102.96	113.12	115.82		
14	119.56	110.52	118.20	115.63	110.52	98.88	102.96	113.12	115.82		
13	119.57	110.52	118.20	115.63	110.70	98.73	103.13	113.12	115.82		
12	119.57	110.52	118.20	115.63	110.70	98.73	103.13	113.12	115.82		
11	119.57	110.52	118.20	115.63	110.70	98.73	103.13	113.12	115.82		
10	119.57	110.52	118.20	115.63	110.70	98.73	103.13	113.12	115.82		
9	119.59	110.52	118.20	115.63	110.70	98.73	103.13	113.12	115.82		
8	119.62	110.52	118.20	115.63	110.70	98.73	103.13	113.12	115.82		
7	119.62	110.52	118.20	115.63	110.70	98.57	102.96	113.12	115.82		
6	119.63	110.52	118.20	115.63	110.70	98.57	102.96	113.12	115.82		
5	119.63	110.52	118.20	115.63	110.70	98.57	102.96	113.12	115.82		
4	119.63	110.52	118.20	115.63	110.70	98.57	102.96	113.12	115.82		
3	119.63	110.52	118.20	115.63	110.70	98.57	102.96	113.12	115.82		
2	119.63	110.52	118.20	115.63	110.70	98.57	102.96	113.12	115.82		
1	119.59	110.52	118.20	115.63	110.70	98.57	102.96	113.12	115.82		
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	113.31	115.82		
Apr. 30	118.36	109.79	118.00	115.43	110.34	97.00	101.31	113.12	115.82		
Mar. 26	116.93	109.60	117.80	115.43	110.52	96.23	100.65	113.12	115.82		
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. 28, 1942	116.78	107.44	117.00	113.89	108.88	92.20	97.00	111.81	114.46		
2 Years ago											
Dec. 27, 1941	117.21	105.86	115.82	113.50	107.27	89.64	95.62	109.97	113.31		

MOODY'S BOND YIELD AVERAGES† (Based on Individual Closing Prices)										
1943— Daily Averages	U. S. Govt. Bonds	Avg. Corpo- rate	Corporate by Ratings				Corporate by Groups			
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.	
Dec. 28	1.86	3.13	2.74	2.84	3.12	3.81	3.55	2.99	2.85	
27	1.86	3.13	2.74	2.85	3.12	3.81	3.55	3.00	2.84	
25	STOCK EXCHANGE CLOSED.									
24	1.86	3.13	2.74	2.85	3.12	3.81	3.56	3.00	2.84	
23	1.86	3.14	2.74	2.87	3.12	3.81	3.56	3.00	2.85	
22	1.86	3.14	2.74	2.87	3.12	3.81	3.56	3.00	2.85	
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	3.83	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	3.81	3.56	2.96	2.82	
22	1.81	3.11	2.70	2.82	3.09	3.81	3.55	2.96	2.82	
15	1.82	3.11	2.69	2.82	3.10	3.81	3.55	2.96	2.82	
8	1.80	3.12	2.70	2.83	3.10	3.83	3.56	2.96	2.83	
1	1.80	3.12	2.70	2.84	3.11	3.83	3.56	2.96	2.84	
Sept. 24	1.80	3.11	2.70	2.83	3.10	3.82	3.55	2.96	2.83	
Aug. 27	1.83	3.10	2.69	2.81	3.09	3.82	3.56	2.96	2.79	
July 30	1.84	3.09	2.68	2.80	3.08	3.81	3.55	2.95	2.79	
Jun. 25	1.82	3.13	2.71	2.84	3.11	3.87	3.60	2.97	2.82	
May 28	1.88	3.15	2.74	2.86	3.12	3.89	3.61	2.99	2.86	
Apr. 30	1.98	3.18	2.75	2.88	3.15	3.94	3.67	3.00	2.87	
Mar. 26	2.08	3.19	2.76	2.88	3.14	3.99	3.71	3.00	2.87	
Feb. 26	2.06	3.21	2.77	2.88	3.16	4.04	3.75	3.01	2.88	
Jan. 29	2.06	3.24	2.77	2.90	3.18	4.10	3.81	3.03	2.88	
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93	
Low 1943	1.79	3.09	2.68	2.80	3.07	3.79	3.54	2.94	2.78	
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02	
Low 1942	1.93	3.30	2.79	2.94	3.23	4.23	3.91	3.05	2.92	
1 Year ago										
Dec. 28, 1942	2.08	3.31	2.80	2.96	3.23	4.26	3.94	3.07	2.93	
2 Years ago										
Dec. 27, 1941	2.04	3.40	2.86	2.98	3.32	4.44	4.03	3.17	2.99	

Non-Ferrous Metals—Zinc Stocks Up Sharply In 1943—Domestic Copper Moves First In Jan.

"E. & M. J. Metal and Mineral Markets," in its issue of Dec. 23, stated: "Zinc statistics were released for publication during the last week. The official figures revealed a substantial increase in stocks on hand, but producers pointed out that much of the surplus consists of metal owned by Metals Reserve Co. Revised procedure in moving copper stipulates that in a month of lean deliveries the output of domestic producers is to receive first consideration. The tin market remained calm in the face of a political upheaval in Bolivia." The publication went on to say in part as follows:

Copper

Allocations of copper for January will be smaller than in recent months, and, because of this development, domestic metal is to receive prior consideration in deliveries to consumers. This means that most of the receipts of foreign copper will be available for the stockpile.

WPB lifted restrictions on the use of copper and copper base alloys for production of lubrication equipment subject to the provisions of M-9-c and other materials orders. Restrictions on the number of models and sizes of such equipment were postponed until some undetermined date.

Lead

The Tin-Lead Division allotted some 17,000 tons of foreign metal for January shipment, or about 10,000 tons less than in the current month. About one-half was common lead.

Sales for the week in the domestic market amounted to 6,114 tons, against 15,218 tons in the preceding week. The decline in volume was normal for "allotment" week.

Production of refined lead in the United States during November was 50,448 tons, making the total for the first 11 months 492,426 tons, against 580,265 tons in the Jan.-Nov. period last year. Shipments by domestic refiners amounted to 49,548 tons in November, against 51,045 tons in November last year. Stocks at the end of November amounted to 27,996 tons, against 35,602 tons a year ago. Stocks do not include Metals Reserve metal.

Zinc

The American Zinc Institute yesterday released figures on production and shipments of zinc by producers represented in the membership of the association. The statistics, commencing with 1940, reflect production from domestic as well as foreign ore. A summary of the figures, in tons, follows:

	Prod.	Dom.	Shipments—	Export	Total
1940	706,100	674,615	88,165	762,780	
1941	863,955	751,276	106,195	857,471	
1942	929,770	733,918	151,650	885,568	
1943:					
Jan.	83,870	45,735	10,296	56,031	
Feb.	76,667	66,552	8,210	74,762	
March	83,787	66,111	9,922	76,033	
April	81,057	73,131	5,650	78,781	
May	82,399	75,225	4,201	79,426	
June	78,865	68,271	5,920	74,191	
July	80,249	67,549	3,229	70,778	
August	79,736	68,953	2,857	71,810	
Sept.	79,361	68,180	980	69,160	
Oct.	83,066	69,845	2,101	71,946	
Nov.	80,579	73,364	1,769	75,133	

Stocks of zinc at the end of 1940 amounted to 17,582 tons; 1941, 24,066 tons; 1942, 68,268 tons; November, 1943, 159,853 tons.

Most of the gain in stocks of zinc occurred this year. The total on hand consists largely of metal owned by Metals Reserve Co. and stored at producers' plants and warehouses.

Tin

Interest centered in developments in Bolivia. A national revolutionary movement, led by Victor Paz Estenssoro, a former finance minister, on Dec. 20 overthrew the government of President Penaranda. The new regime announced that "internal policy will be directed, as rapidly as possible, to improving the welfare of the working class." Also, it was stated, a policy of cooperation with the United States will prevail in the foreign field.

During the first 10 months of 1943 the exports of tin by Bolivia totaled 33,195 metric tons, about one-half of which was consigned to the Texas smelter and the remainder to the United Kingdom.

With the price fully controlled, the market continued unchanged. Straits quality tin for shipment, in cents per pound, was as follows:

	Jan.	Feb.	March
Dec. 16	52.000	52.000	52.000
Dec. 17	52.000	52.000	52.000
Dec. 18	52.000	52.000	52.000
Dec. 20	52.000	52.000	52.000
Dec. 21	52.000	52.000	52.000
Dec. 22	52.000	52.000	52.000

Chinese, or 90% tin, continued at 51.125¢ all week.

Aluminum

Ceiling prices on aluminum scrap and secondary ingot were reduced by OPA to the extent of 1½¢ a pound on the standard grades, effective Dec. 23, 1943. This action was taken after extensive discussion with members of the industry, and it is hoped that the new level will facilitate the movement of both scrap and secondary ingot. The new base price for ingot is 12½¢ a pound. (Primary ingot is 15¢.) Contracts entered into on or before Dec. 23 may be executed at prices up to the former ceiling through Jan. 21, 1944.

Prevailing market prices are expected to remain unchanged, as secondary aluminum products have been selling for some time at or below the new ceiling levels.

To prevent contamination, WPB is restricting the flow of certain high-zinc-alloy aluminum scrap. After Dec. 31, 1943, the scrap may be sold only to dealers, the Aluminum Company of America, and the National Smelting Co. The two companies named, WPB states, are the only ones willing to handle this type of scrap.

Quicksilver

With consumers marking time, pending developments that may influence prices after the turn of the year, the market for quicksilver remains inactive. Quotations on forward material are viewed as wholly nominal. The prompt position in New York remains unchanged at \$190 to \$193 per flask of 76 pounds.

Silver

The London market for silver was quiet and the price unchanged at 23½d.

The New York Official for foreign silver continued at 44¾¢, with domestic metal at 70¾¢. The Treasury's price was unchanged at 35¢.

Daily Prices

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

\$30,000,000 To Veterans

The Veterans Administration reported on Dec. 19 that it has paid out more than \$30,000,000 on account of disability and death in the present war. According to the Associated Press, Brig. Gen. Frank T. Hines, administrator of veterans affairs, said that of this sum, \$8,223,000 was paid on disability pensions and \$8,443,000 on death pensions to Nov. 30. In addition \$13,392,000 has been paid to beneficiaries of National Service life insurance policies to Oct. 31.

National Fertilizer Association Commodity Price Index Advances

The weekly wholesale commodity price index, compiled by The National Fertilizer Association and made public Dec. 27, advanced to 136.8 in the week ending Dec. 25, from 135.4 in the preceding week. A month ago this index stood at 135.0 and a year ago at 132.2, based on the 1935-1939 average as 100. The index has risen 4.4% since January 1, 1943, and is 17.3% above the corresponding week of 1941. The Association's report went on to say:

The all-commodity index continued to advance last week as three of the eleven principal group indexes advanced and none declined. The farm products group continued its upward trend as higher quotations were noted for rye, choice cattle, hogs, and poultry. Lower prices for cotton, wheat, lambs, and ewes were not sufficient to hold this group to the previous week's level. The fuels group again moved into higher ground due to a sharp rise in the price of bituminous coal. The fractional decline in raw cotton was not sufficient to change the index number for the textiles group. The slight advance in the foods group was caused by higher quotations for potatoes. All other group indexes remained at the previous week's level.

During the week 8 price series advanced and 5 declined; in the preceding week there were 13 advances and 2 declines; and in the second preceding week there were 6 advances and 8 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association
1935-1939=100*

%	Each Group	Latest	Preceding	Month	Year
	Sears to the	Week	Week	Agg	Agg
	Total Index	Dec. 25,	Dec. 18,	Nov. 27,	Dec. 26,
		1943	1943	1943	1942
25.3	Foods	139.8	139.7	140.8	135.8
	Fats and Oils	146.1	146.1	145.6	148.8
115	Cottonseed Oil	159.6	159.6	159.6	164.7
23.0	Farm Products	154.1	153.1	152.3	147.0
	Cotton	137.8	137.9	135.4	137.9
	Grains	144.3	144.3	144.2	144.8
	Livestock	145.5	144.0	144.2	144.8
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	150.1	149.7	149.2
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	152.4	152.4	152.4	151.4
1.3	Chemicals and drugs	127.7	127.7	127.7	127.6
.3	Fertilizer materials	117.7	117.7	117.7	117.6
.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	136.8	135.4	135.0	132.2

*Indexes on 1926-1928 base were: Dec. 25, 1943, 106.6; Dec. 18, 105.5; and Dec. 26, 1942, 103.0.

Commercial Paper Outstanding

The Federal Reserve Bank of New York announced on Dec. 22 that reports received by the bank from commercial paper dealers show a total of \$201,900,000 of open market paper outstanding on Nov. 30. This was an advance of \$14,100,000, or 8%, from the Oct. 30 total of \$187,800,000, but a decline of \$58,700,000, or 23%, from the Nov. 30, 1942 total of \$260,600,000.

Following are the totals for the last two years:

1943—	\$	1942—	\$
Nov. 30	201,900,000	Nov. 30	260,600,000
Oct. 30	187,800,000	Oct. 31	271,400,000
Sep. 30	169,500,000	Sep. 30	281,800,000
Aug. 31	156,200,000	Aug. 31	297,200,000
July 31	149,800,000	July 31	305,300,000
June 30	143,300,000	June 30	315,200,000
May 29	159,600,000	May 29	354,200,000
Apr. 30	178,900,000	Apr. 30	373,100,000
Mar. 31	200,600,000	Mar. 31	384,300,000
Feb. 27	209,100,000	Feb. 28	388,400,000
Jan. 30	220,400,000	Jan. 31	380,600,000
1942—		1941—	
Dec. 31	229,900,000	Dec. 31	374,500,000

Electric Output For Week Ended Dec. 25, 1943, Shows 18.7% 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. 25, 1943, was approximately 4,340,000,000 kwh., compared with 3,655,926,000 kwh. in the corresponding week last year, an increase of 18.7%. The output of the week ended Dec. 18, 1943, was also 16.0% in excess of the similar period of 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

	Week Ended	Dec. 25	Dec. 18	Dec. 11	Dec. 4
Major Geographical Divisions—					
New England		18.0	17.0	17.0	17.0
Middle Atlantic		16.3	17.4	17.4	17.4
Central Industrial	avail-	10.7	11.7	11.7	12.9
West Central	able	6.0	7.8	7.8	10.4
Southern States		19.4	17.0	17.0	17.9
Rocky Mountain		15.0	12.4	12.4	14.4
Pacific Coast		31.0	30.3	30.3	35.3
Total United States		18.7	16.0	16.0	17.5

*Subject to revision.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended	1943	1942	% Change 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	3,273,375	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	1,815,749
Oct. 30	4,452,592	3,774,891	+18.0	3,380,488	1,525,410	1,798,164
Nov. 6	4,413,863	3,761,961	+17.3	3,368,690	1,520,730	1,798,584
Nov. 13	4,482,665	3,775,878	+18.7	3,347,893	1,531,584	1,793,630
Nov. 20	4,513,299	3,795,361	+18.9	3,247,938	1,475,268	1,818,169
Nov. 27	4,403,342	3,766,361	+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	4,612,934	3,975,873	+16.0	3,495,140	1,554,473	1,850,021
Dec. 25	4,340,000	3,655,926	+18.7	3,234,128	1,414,710	1,637,683

*Subject to revision.

New York City Exceeds Nat'l War Fund Goal

The New York City goal of \$17,000,000 for the National War Fund's campaign to raise \$125,000,000, in behalf of American war services and United Nations relief, has been exceeded, it was announced on Dec. 17 by Emil Schram, President of the New York Stock Exchange, who was chairman of the New York Committee of the Fund.

At a "victory" luncheon held at the Hotel Pennsylvania, Mr. Schram reported that the total amount contributed totaled \$17,110,913. New York City's share of the national goal was \$14,875,000, while the balance will go to finance the work of certain other local war-related agencies.

Mr. Schram made it known that the sum raised was approximately twice as much as was secured by the agencies in separate campaigns last year.

The luncheon was attended by diplomatic representatives of all 12 of the United Nations whose relief agencies are members of the National War Fund, who joined the campaign workers in applauding announcements of the fund-raising achievements of the several divisions of the Committee, many of which exceeded their goals. In expressing the committee's compliments to the division chairmen and workers, Mr. Schram said that he marvelled at the tremendous strides made in marshalling manpower, acquainting the public with the War Fund program and in translating the humanitarian impulses of New York's millions of people into millions of dollars.

The 17 member agencies of the National War Fund include: Belgian War Relief Society, British War Relief Society, French Relief Fund, Friends of Luxembourg, Greek War Relief Association, Norwegian Relief, Polish War Relief, Queen Wilhelmina Fund, Refugee Relief Trustees, Russian War Relief, United China Relief, United Czechoslovak Relief, U. S. Committee for Care of European Children, United Yugoslav Relief Fund, USO (United Service Organizations), United Seamen's Service, and War Prisoners Aid. Also participating in the New York campaign are nine local war agencies, as follows: New York City Defense Recreation Committee, C.D.V.O.—Community Services, Officers Service Committee, New York City Women's Council, Navy League of the U. S., American Women's Voluntary Services, English Speaking Union, New York City Nursing Council for War Service, Ships' Service Committee, and Soldiers and Sailors Club.

Glenn Reelected Head Of Latin-American Group

John B. Glenn, President of Pan American Trust Co., has been re-elected Chairman of the Latin-American Section of the New York Board of Trade and Hal F. Lee has been re-elected Secretary and Treasurer.

Other officers named are: Robert P. Holt, Vice-President of Amsinck, Sonne & Co., First Vice-Chairman; Arthur Rocke, President of Rocke International Electric Co., Second Vice-Chairman, and Marshall Walton, of Arthur G. McKee & Co., Third Vice-Chairman.

New Executive Committee members of the Latin-American Section are D. H. Bellamore, Export Manager of Republic Steel Corp.; Floyd Jefferson, President of Iselin Jefferson & Co.; Donald Hilton, of E. R. Squibb & Co.; W. C. Keeley, of Air Reduction Sales Co.; G. McK. Roberts, of International General Electric Corp.; John W. White, of Westinghouse International Co., and G. H. Michler, of Standard Oil Co. of New Jersey.

Weekly Coal And Coke Production Statistics

The Solid Fuels Administration for War, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended Dec. 18, 1943, is estimated at 12,175,000 net tons, a decrease of 875,000 tons, or 6.7% from the preceding week. Soft coal output in the week ended Dec. 19, 1942, amounted to 11,815,000 tons. Production in the current year to date was 0.6% in excess of that for the corresponding period last year.

The U. S. Bureau of Mines estimated that total output of Pennsylvania anthracite for week ended Dec. 18, 1943, was 1,127,000 tons, a decrease of 88,000 tons (7.2%) from the preceding week. When compared with the output in the corresponding week of 1942 there was, however, an increase of 6,000 tons, or 0.5%. The calendar year to date shows a decrease of 0.5% when compared with the same period last year.

The Bureau of Mines also reported that the estimated output of byproduct coke in the United States for the week ended Dec. 18, 1943, showed an increase of 5,000 tons when compared with the production for the week ended Dec. 11, 1943. The quantity of coke from beehive ovens increased 4,100 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL

	Week Ended			January 1 to Date		
	1943	1943	1942	1943	1942	1937
and lignite—	Dec. 18,	Dec. 11,	Dec. 19,	Dec. 18,	Dec. 19,	Dec. 18,
Bituminous coal	12,175	13,050	11,815	566,975	563,527	432,950
Total incl. mine fuel	12,175	13,050	11,815	566,975	563,527	432,950
Daily average	2,029	2,175	1,969	1,894	1,903	1,465

*Revised. †Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

	Week Ended			Cal. Year to Date		
	1943	1943	1942	1943	1942	1929
Penn. anthracite—	Dec. 18,	Dec. 11,	Dec. 19,	Dec. 18,	Dec. 19,	Dec. 21,
Bituminous coal	1,127,000	1,215,000	1,121,000	58,510,000	58,800,000	72,015,000
Commercial production	1,082,000	1,166,000	1,076,000	56,169,000	56,448,000	66,830,000
Byproduct coke—						
United States total—	1,273,000	1,268,000	1,228,400	61,333,100	60,415,400	†
Beehive coke—						
United States total—	171,400	167,300	162,100	7,733,800	8,049,600	6,368,800

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

ESTIMATED WEEKLY PRODUCTION OF COAL BY STATES

	Week Ended					
	Dec. 11,	Dec. 4,	Dec. 12,	Dec. 13,	Dec. 11,	Dec.
	1943	1943	1942	1941	1937	1923
Alabama	418	403	380	382	303	349
Alaska	—	—	—	—	—	—
Arkansas and Oklahoma	94	99	95	81	109	83
Colorado	194	183	197	174	204	253
Georgia and North Carolina	1	1	1	1	1	—
Illinois	1,606	1,602	1,348	1,279	1,525	1,535
Indiana	597	618	540	526	532	514
Iowa	48	51	70	78	105	121
Kansas and Missouri	191	206	183	157	207	159
Kentucky—Eastern	1,050	967	943	807	838	584
Kentucky—Western	318	310	302	252	329	204
Maryland	35	35	27	38	36	37
Michigan	5	5	9	7	19	21
Montana (bituminous and lignite)	106	117	101	90	72	64
New Mexico	41	40	33	32	33	56
North and South Dakota (lignite)	78	84	78	75	75	**27
Ohio	748	719	669	683	631	599
Pennsylvania (bituminous)	3,080	2,987	2,884	2,955	2,089	2,818
Tennessee	160	136	144	147	136	103
Texas (bituminous and lignite)	5	5	6	5	18	21
Utah	141	148	127	102	93	100
Virginia	423	420	389	366	295	193
Washington	51	35	37	44	37	57
*West Virginia—Southern	2,426	2,395	2,371	2,161	1,719	1,132
*West Virginia—Northern	1,045	960	887	850	723	692
Wyoming	204	198	200	158	148	173
†Other Western States	1	1	††	1	††	**5
Total bituminous and lignite	13,050	12,730	12,031	11,457	10,346	9,900
§Pennsylvania anthracite	1,215	1,231	1,108	863	1,130	1,806
Total all coal	14,265	13,961	13,139	12,320	11,476	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.

November Building Permit Valuations Down 20% From October, Secretary Perkins Reports

One-fifth less building construction was started in urban areas during November than during October, 1943, Secretary of Labor Frances Perkins reported on Dec. 25 (Saturday). "Federal building contract awards declined 38% while all types of private building decreased 9%," she said. "New non-residential construction decreased 33%, new residential 18%, and additions, alterations and repairs 6% from October to November, 1943. New non-residential was the only class of private building construction to show an increase for the period, 27%, while all classes of Federal building construction declined."

Secretary Perkins further stated:

"Total building construction valuations were 3% higher in November, 1943, than in November, 1942, due to an increase of 57% in additions, alterations and repairs. The dollar volume of new residential buildings started during November, 1943, declined 6% and new non-residential buildings 10%. Federal construction contracts awarded were about two-thirds of the November, 1942, valuations. Permit valuations for other building construction increased 37%."

	Percentage change from					
	Oct. 1943 to Nov. 1943			Nov. 1942 to Nov. 1943		
	Total	Federal	Other	Total	Federal	Other
All building construction	-20.8	-8.8	-38.4	+2.5	+33.8	-33.8
New residential	-17.7	-21.5	-9.0	+6.0	+2.2	-18.5
New non-residential	-33.2	+27.4	-55.6	-9.5	+148.9	-46.0
Additions, alterations and repairs	-5.9	-5.9	-6.2	+57.0	+63.0	-14.9

The Labor Department's announcement further explained: "The 17,166 family dwelling units for which permits were issued or contracts awarded during November, 1943, represents a decline

of 2% from the total for October, 1943, and a 15% increase over the total for November, 1942. About 45%, or 7,754 units, were in Federal housing projects for war workers. This is 39% more than the number of Federally financed units started during October, 1943, and an increase of one-third over the number started during November, 1942. The number of privately financed dwelling units started during November was 21% less than during the previous month but 3% more than during November, 1942.

"The cumulative dollar value of building construction started in urban areas of the United States thus far in 1943 was \$1,179,000,000 or 54% less than the total for the same period of 1942. The volume of new non-residential building declined 69%; of residential building 39%, and of additions, alterations and repairs 19%. The value of Federal building construction contracts awarded during the first 11 months of 1943 was 64%, less than the value of such contracts awarded during the same months of 1942, while the dollar volume of non-Federal work declined 39% from the corresponding 1942 total.

	Total First 11 Months			Federal First 11 Months		
	1943	1942	% change	1943	1942	% change
Class of construction—	(In thousands of dollars)	(In thousands of dollars)		(In thousands of dollars)	(In thousands of dollars)	
All construction	1,179,365	2,545,880	-53.7	535,181	1,498,297	-64.3
New residential	530,535	872,765	-39.2	183,366	294,747	-37.8
New non-residential	432,464	1,405,793	-69.2	337,576	1,169,687	-71.1
Additions, alterations and repairs	216,366	267,322	-19.1	14,239	33,863	-58.0

"The figures on building construction cover the entire urban area of the United States, which, by Census definition, includes all incorporated places with a 1940 population of 2,500 or more and by special rule, a small number of unincorporated civil divisions. The volume of privately financed construction is estimated from the building permit data received from a large majority of all urban places; and these estimates are combined with data on building construction contracts awarded as furnished by Federal and State agencies. All figures for the current month are preliminary. Upward revisions in Federally financed non-residential construction may be expected due to late notifications of contracts awarded.

"Principal centers of various types of building construction for which permits were issued or contracts were awarded in November, 1943, except projects which have been excluded because of their confidential nature were: Stamford, Conn., 4 apartments providing 55 units to cost \$200,000; Hoboken, N. J., one pier to cost \$450,000; Allentown, Pa., 236 one-family dwellings to cost \$708,000; Dearborn, Mich., 60 one-family dwellings to cost \$282,000; Detroit, Mich., 359 one-family dwellings to cost \$1,797,280 and 52 units in two-family dwellings to cost \$244,500; Cleveland, Ohio, 66 one-family dwellings to cost \$351,500; Euclid, Ohio, 59 one-family dwellings to cost \$326,300 and 2 apartments providing 94 families to cost \$421,000; Milwaukee, Wis., 52 one-family dwellings to cost \$228,050 and 56 units in two-family dwellings to cost \$224,200 and eight apartments providing 50 units to cost \$155,800, also one factory building to cost \$450,000; Washington, D. C., five apartments providing 72 units to cost \$207,000; Jacksonville, Fla., 81 one-family dwellings to cost \$208,920; St. Petersburg, Fla., one public works and utility building to cost \$200,000; Baltimore, Md., 110 units in two-family dwellings to cost \$275,000; Oklahoma City, Okla., 192 one-family dwellings to cost \$938,800; Dallas, Texas, 254 one-family dwellings to cost \$421,525 and 122 units in two-family dwellings to cost \$233,800; Fort Worth, Texas, 132 one-story dwellings to cost \$227,700 and 142 units in two-family dwellings to cost \$250,600; Galena Park, Texas, 228 one-family dwellings to cost \$933,048; Houston, Texas, 111 one-family dwellings to cost \$239,200; Salt Lake City, Utah, 64 one-family dwellings to cost \$285,600; Cheyenne, Wyo., 64 one-story dwellings to cost \$256,000; Los Angeles, Calif., 70 one-family dwellings to cost \$179,250 and 22 apartments providing 97 units to cost \$229,510; Long Beach, Calif., 279 one-family dwellings to cost \$997,700; Oakland, Calif., 170 one-family dwellings to cost \$635,450 and 160 units in two-family dwellings to cost \$463,950; San Diego, Calif., 133 one-family dwellings to cost \$491,300; Inglewood, Calif., 50 one-family dwellings to cost \$198,000; Sunnyvale, Calif., 160 one-family dwellings to cost \$712,000; Portland, Ore., 81 one-family dwellings to cost \$409,000 and 11 apartments providing 88 units to cost \$327,500; Seattle, Wash., 170 one-family dwellings to cost \$752,550; Spokane, Wash., 239 one-family dwellings to cost \$1,177,100.

"In addition, contracts were awarded during November, 1943, for the following Federally financed projects containing the indicated number of housekeeping units: Waterbury, Conn., \$335,848 for 140 units; South Portland, Me., \$184,934 for 60 units; Detroit, Mich., \$482,274 for 234 units; Akron, Ohio, \$2,594,000 for 1,000 units; Berea, Ohio, \$1,212,000 for 400 units; Cleveland, Ohio, \$1,054,000 for 500 units; Hastings, Neb., \$709,800 for 260 units; Gastonia, N. C., \$142,827 for 60 units; Tusculum, Ala., \$238,361 for 100 units; Grenada, Miss., \$90,846 for 40 units; Coeur d'Alene, Idaho, \$157,894 for 60 units; Berkeley, Calif., \$2,884,589 for 1,896 units; Long Beach, Calif., \$1,823,549 for 1,000 units; Los Angeles, Calif., \$1,686,767 for 900 units; Richmond, Calif., \$1,881,104 for 1,104 units.

"Federal contracts were also awarded for dormitory accommodations for 72 persons at Stockton, Calif., to cost \$54,792."

N. Y. State Factory Jobs Steady—Payrolls Up

The sharp upward trend in employment of factory wage earners in New York State has levelled off during the past eight months according to a statement issued Dec. 15 by Industrial Commissioner Edward Corsi. Since March of this year there has been very little change in the total volume of employment. Although war industries in New York City continue to hire additional workers, those upstate are for the most part limiting their hirings to replacements for men entering the armed services.

The Department further stated: "The October to November change in total factory employment was extremely slight, an increase of less than one-tenth of

1%. Contributing factors were decreases in the food, apparel and lumber industries offset by moderate increases in the furniture, printing, chemical and stone, clay and glass groups and a very slight increase in metals and machinery group. Factory payrolls advanced 1.7% during the past month, with increases in all of the major industrial groups except petroleum.

"Employment for November was 161.2% of the 1935-39 average and 5% above the figure for November 1942. Payrolls this month were 304.7% of the 1935-1939 base and 20.5% more than November a year ago. Average weekly earnings were \$47.09 this month compared with \$46.10 in October and \$40.80 in November 1942. The above statements are based on preliminary tabulations covering reports from 3,173 factories throughout the State. The data are compiled by the Division of Sta-

tistics and Information under the direction of Dr. E. B. Patton."

An employment drop of 1.4% in the food group was caused by seasonal decreases in canneries, ice cream plants and breweries. Increases were reported by producers of flour, baked goods, candy and soft drinks. Payrolls were 1.4% higher for the group. Seasonal slackness in the men's tailoring and shirt firms as well as in the women's dress, suit, coat and skirt, millinery, fur and lingerie branches of the industry accounted for decreased employment in the apparel group. Manufacturers of men's neckwear, women's blouses and children's clothing hired additional workers this month. Many firms which observed the holidays in October worked a full week in November thus increasing their payrolls and hours.

Employment increases in other civilian goods industries notably tobacco, furniture, printing, and stone, clay and glass ranged from 1.5% to 2.9%, while payroll gains ranged from 1.8% to 12.6% in these industries.

War plants in general maintained the same employment level as last month. A few additional workers, however, were hired for the manufacture of fire control apparatus, machined shell, and communication equipment. Employment dropped slightly in aircraft and shipbuilding plants, as well as in steel mills. A strike in a large steel plant caused a payroll drop in that industry. Payrolls advanced in other war industries. The increases for the metals and machinery group as a whole were 0.3% in employment and 1.2% in payrolls.

New York City

Employment gains in war plants and most civilian goods industries in the City more than counterbalanced a drop of 1.5% in the apparel industry. Payrolls increased in all industries except petroleum, resulting in an advance of 2.6% for total payrolls in manufacturing industries. In the apparel group, the same seasonal patterns were evident in the various branches of the industry in New York City as appeared for the State as a whole, except that men's tailoring firms in the City expanded employment slightly, while those upstate curtailed it. Manufacturers of men's furnishings and women's clothing suffered seasonal losses, but those making children's wear took on additional help. Payrolls were slightly higher for the group.

Among the war industries which hired additional workers were aircraft, shipbuilding, and electrical and communication equipment. Payrolls were correspondingly higher in these industries and advanced 2.2% in the metals and machinery group as a whole, while employment was 0.9% greater.

Employment changes in the upstate districts were very small this month, ranging from a decrease of 1% in Buffalo to an increase of 0.8% in the Kingston-Newburgh-Poughkeepsie area. Payrolls were higher in all seven of the upstate industrial areas. In the Binghamton-Endicott-Johnson City area, an employment gain of 0.7% was the result of an increase in the metals and machinery group and a slight decrease in the shoe industry. Payrolls, however, were almost 5% greater in the shoe industry and slightly higher in the war industries; for all industries combined the gain was 3.2%.

Employment remained practically the same this month in the Albany-Schenectady-Troy and Utica districts. Slight decreases among war plants and clothing factories in the former area offset gains in the textile, paper and printing industries so that total employment increased only 0.1%. Payrolls, however, were 1.7% greater.

Wholesale Commodity Index Remains Unchanged During Week Ended Dec. 18, Labor Dept. Reports

The U. S. Department of Labor announced on Dec. 23 that during the week ended Dec. 18, commodity prices in primary markets were comparatively steady. The Bureau of Labor Statistics' all-commodity index remained unchanged at 102.9% of the 1926 average. The price level was 0.3% higher than for the corresponding week a month ago and slightly more than 2% above a year ago. The Department's announcement further stated:

"Farm Products and Foods"—Continued weakness in market prices for certain fruits and vegetables together with lower quotations for livestock was largely responsible for the 0.2% decline in the index for farm products. Grain markets were strong with higher prices for barley, oats and wheat. Quotations were lower for calves, cows, steers and hogs, and for apples, lemons, onions and white potatoes in the Chicago market. The general average of farm product prices in mid-December was 0.5% higher than mid-November and 7½% above the corresponding week of December, 1942.

"Moderately higher prices for flour and sweet potatoes were more than offset by sharply lower prices for fruits and vegetables. Quotations for rye and wheat flour and oatmeal sharply advanced and sweet potatoes were 11% above the previous week. The average decline for food prices during the week was 4.2%." They were fractionally higher than a month ago and approximately 1½% above this time last year.

"Industrial Commodities"—Further upward adjustments in ceiling prices for coal and higher prices for goatskins, rosin and wooden bedroom furniture were the principal developments in industrial commodity markets for the week. Quotations for other major products, except for white oak lumber and turpentine, which declined slightly, remained unchanged from the week before. Continued demand and low stocks caused most commodities to move at ceiling prices.

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 three weeks, for Nov. 20, 1943 and Dec. 19, 1942, and the percentage changes from a week ago, a month ago and a year ago:

Commodity groups—	(1926=100)			Percentage changes to		
	12-18	12-11	12-4	12-11	11-20	12-19
All commodities	102.9	102.9	102.8	100.7	0	+0.3 + 2.2
Farm products	121.8	122.0	121.8	121.2	113.3	-0.2 +0.5 + 7.5
Foodstuffs	105.7	105.9	105.6	105.6	104.2	-0.2 +0.1 + 1.4
Hides and leather products	117.9	117.5	117.5	118.4	118.4	+0.3 -0.4 -0.4
Textile products	97.2	97.2	97.2	97.2	96.6	0 0 +0.6
Fuel and lighting materials	82.6	82.4	82.1	81.6	79.9	+0.2 +1.2 + 3.4
Metals and metal products	103.9	103.9	103.9	103.9	103.9	0 +0.1 0
Building materials	113.4	113.4	113.1	113.0	110.0	0 +0.4 + 3.1
Chemicals and allied products	100.3	100.3	100.4	100.4	99.5	0 -0.1 +0.8
Housefurnishing goods	104.4	104.2	104.2	104.2	104.1	+0.2 +0.2 + 0.3
Miscellaneous commodities	93.0	93.0	93.0	93.0	90.4	0 0 + 2.9
Raw materials	112.1	112.1	111.7	111.3	105.4	0 +0.7 + 6.4
Semimanufactured articles	93.1	93.1	92.9	92.9	92.5	0 +0.2 + 0.6
Manufactured products	100.4	100.4	100.4	100.3	99.8	0 +0.1 + 0.6
All commodities other than farm products	98.9	98.8	98.7	98.6	98.0	+0.1 +0.3 + 0.9
All commodities other than farm products and foods	97.8	97.8	97.6	97.5	96.2	0 +0.3 + 1.7

Civil Engineering Construction \$34,655,000 For Week

Civil engineering construction in continental U. S. totals \$34,655,000 for the week. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 30% higher than in the preceding week, and exceeds the \$33,377,000 reported to "Engineering News-Record" for the holiday-shortened 1942 week and made public on Dec. 23. The report added:

Public work is 43% above a week ago as a result of the 48% increase in Federal work. Private construction, however, is 21% below last week.

The current week's construction brings 1943 volume to \$3,033,664,000, an average of \$59,484,000 for each of the 51 weeks of the period. On the weekly average basis, 1943 construction is 66½% under the \$9,229,534,000 for the 52-week period in 1942. Private construction, \$484,043,000, is 11% lower than last year, and public construction, \$2,549,621,000, is down 70% when adjusted for the difference in the number of weeks.

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

	12-24-42 (4 Days)	12-16-43 (5 Days)	12-23-43 (5 Days)
Total U. S. Construction	\$33,377,000	\$26,792,000	\$34,655,000
Private Construction	513,000	5,580,000	4,397,000
Public Construction	32,864,000	21,212,000	30,258,000
State and Municipal	813,000	2,188,000	2,185,000
Federal	32,051,000	19,024,000	28,073,000

In the classified construction groups, gains over last week are in sewerage, bridges, commercial and public buildings, streets and roads, and unclassified. Increases over the short 1942 week are in sewerage, bridges, industrial, commercial and public buildings, earthwork and drainage, and streets and roads. Subtotals for the week in each class of construction are: waterworks, \$232,000; sewerage, \$729,000; bridges, \$320,000; industrial buildings, \$1,114,000; commercial building and large scale private housing, \$3,233,000; public buildings, \$16,530,000; earthwork and drainage, \$356,000; streets and roads, \$1,955,000; and unclassified construction, \$10,186,000.

New capital for construction purposes for the week totals \$4,414,000, and is made up of \$4,211,000 in state and municipal bond sales, and \$203,000 in corporate security issues. New construction financing for the 51 weeks of 1943, \$3,072,882,000, is 69% lower than the \$10,219,111,000 reported for the 52-week 1942 period.

Cotton Ginned from Crop of 1943 Prior to Dec. 13

The census report issued on Dec. 20, compiled from the individual returns of the ginners is shown below:

Number of bales of cotton ginned from the growth of 1943 prior to Dec. 13, 1943, and comparative statistics to the corresponding date in 1942 and 1941.

State—	RUNNING BALES		
	(Counting round as half bales and excluding linters)		
United States	1943	1942	1941
	*10,774,805	*11,744,992	*9,914,549
Alabama	927,323	887,887	771,870
Arizona	78,444	96,045	120,250
Arkansas	1,062,233	1,359,480	1,366,575
California	252,006	246,146	262,094
Florida	14,112	14,448	14,796
Georgia	835,671	845,783	631,702
Illinois	1,958	3,796	5,445
Kentucky	10,725	14,319	16,927
Louisiana	704,952	571,359	309,646
Mississippi	1,766,414	1,874,847	1,384,289
Missouri	279,892	382,733	466,556
New Mexico	83,845	86,477	72,528
North Carolina	598,668	693,925	563,572
Oklahoma	361,622	635,474	615,644
South Carolina	683,558	686,756	402,719
Tennessee	470,511	578,387	569,929
Texas	2,624,409	2,742,134	2,316,504
Virginia	18,462	24,996	23,503

*Includes 107,553 bales of the crop of 1943 ginned prior to Aug. 1 which was counted in the supply for the season for 1942-43, compared with 48,626 and 1,969 bales of the crops of 1942 and 1941.

The statistics in this report include no round bales for 1943; none for 1942 and 863 for 1941. Included in the above are 44,800 bales of American-Egyptian for 1943; 45,281 for 1942 and 42,284 for 1941; also 306 bales Sea-Island for 1943; 751 for 1942 and 3,289 for 1941.

The statistics for 1943 in this report are subject to revision when checked against the individual returns of the ginners being transmitted by mail. The revised total of cotton ginned this season prior to Dec. 8 is 10,561,337 bales.

Consumption and Stocks — United States

Cotton consumed during the month of November, 1943, amounted to 858,813 bales. Cotton on hand in consuming establishments Nov. 30, was 2,388,772 bales, and in public storages and at compresses 12,936,375 bales. The number of active consuming cotton spindles for the month was 22,623,406.

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

World Statistics

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

Weekly Statistics Of Paperboard Industry

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

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

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity
1943—Week Ended				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
Dec. 18	139,654	148,431	589,659	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.

November Life Insurance Sales Advance

The sale of ordinary life insurance in the United States in November amounted to \$645,275,000, a 39% increase over the amount sold in the same month of 1942, according to the monthly survey issued by the Life Insurance Sales Research Bureau, Hartford, Conn. The total sales, volume for the first 11 months of 1943 aggregated \$6,614,063,000, a 10% increase over the same period of 1942.

The sales volume and the ratios for all sections are reported by the Bureau as follows:

	NOVEMBER, 1943		YEAR TO DATE	
	Sales Volume In \$1,000	Ratios '43-'42 All Cos.	Sales Volume In \$1,000	Ratios '43-'42 All Cos.
U. S. Total	\$645,275	139%	\$6,614,063	110%
New England	49,933	136	504,007	105
Middle Atlantic	168,647	134	1,719,114	108
E. N. Central	142,685	135	1,468,351	108
W. N. Central	65,415	142	667,728	113
S. Atlantic	65,498	140	676,668	115
E. S. Central	23,687	132	262,936	108
W. S. Central	40,634	134	459,970	110
Mountain	19,567	148	192,301	124
Pacific	69,209	161	662,988	117

Mustering-Out Pay Voted By Senate

A bill to provide mustering-out pay for all members of the armed forces passed the Senate on Dec. 17 by a voice vote. The measure, which covers all branches of the Army and Navy, proposes a sliding scale of payments ranging from \$200 to \$500, depending on length and place of service.

Sponsored by Senators Austin (Rep., Vt.) and Bridges (Rep., N. H.) in collaboration with Senator Barkley (Dem., Ky.), the bill provides that these sums be paid: \$500 for those who served 18 months or more outside the continental United States; \$400 for those serving one year to 18 months overseas; \$300 for overseas service of less than one year; \$300 for service in the United States for one year or more, and \$200 for less than one year's service in the United States.

The bill also provides payment up to the rank of Colonel in the Army and corresponding ranks in other branches. It was estimated that the ultimate cost would be not less than \$4,000,000,000.

President Roosevelt had urged on Nov. 23 to provide "reasonable" mustering-out pay on a monthly instalment basis, as was noted in these columns Dec. 2, page 2231.

Senator Barkley at that time introduced his bill providing for a straight payment of \$300 regardless of the length of time anyone had been in the service. The Senate Military Affairs Committee on Dec. 10 revised the schedule of payments, according to the proposals of Senators Austin and Bridges.

The Senate measure was sent to the House, but final approval will have to wait until the new year, since both branches of Congress adjourned on Dec. 18 until Jan. 10.

Congress Warned Against Inflation

Representative McCormack (Dem., Mass.), House majority leader, warned Congress on Dec. 13 against releasing the floodtides of inflation as the House and Senate tackled a batch of legislation directly affecting President Roosevelt's anti-inflation-stabilization program. The Associated Press, in reporting this from Washington, went on to say: With the Administration program for controlling wages and prices, subsidies and taxes under fire, Mr. McCormack bluntly asserted that the pressure groups are operating.

"Inflation, if it comes," he said, "will have a serious effect on the conduct of the war and simultaneously will deal a devastating blow to the fixed-income group, particularly the dependents of service men."

His statement came as:

1. The House prepared to act on a bill shifting control of oil and coal prices from the Office of Price Administration to Interior Secretary Harold Ickes.

2. The House Interstate Committee called a public hearing on a measure to give more than 1,000,000 non-operating railroad workers a pay boost amounting to eight cent an hour. Despite sharp opposition from the Chief Executive's stabilization director, this resolution has received Senate approval by the overwhelming vote of 74 to 4.

3. House agriculture members demanded immediate action on their measure to create an overall food czar, with control over prices as well as production and distribution. Passage of this bill would reduce OPA to a skeleton.

At stake, too, in the Senate were the proposed ban on consumer subsidies and the measure to increase taxes by approximately \$2,000,000,000.

Federal Reserve November Business Indexes

The Board of Governors of the Federal Reserve System issued on Dec. 27 its monthly indexes of industrial production, factory employment and payrolls, etc. At the same time, the Board made available its customary summary of general business conditions. The indexes for November, together with comparisons for a month and a year ago, are as follows:

	BUSINESS INDEXES					
	1935-39 average = 100 for industrial production and freight-car loadings;			1939=100 for factory employment and payrolls;		
	1923-25 average = 100 for all other series					
	Adjusted for Seasonal Variation—			Without Seasonal Adjustment—		
	Nov. 1943	Oct. 1943	Nov. 1942	Nov. 1943	Oct. 1943	Nov. 1942
Industrial production—						
Total	247	247	220	247	249	220
Manufactures—						
Total	267	266	236	268	269	236
Durable	377	375	319	378	376	319
Nondurable	178	178	163	179	181	168
Minerals	132	136	130	131	140	132
Construction contracts, value—						
Total	48	49	198	43	47	174
Residential	32	34	90	31	33	86
All other	61	61	286	52	58	246
Factory employment—						
Total	170.7	170.0	161.5	170.7	170.4	161.9
Durable goods	233.8	232.0	210.2	234.0	232.2	210.4
Nondurable goods	120.9	121.1	123.2	120.9	121.7	123.8
Factory payrolls—						
Total	333.4	333.4	280.4	333.4	332.8	280.4
Durable goods	470.3	470.3	382.8	470.3	470.3	382.8
Nondurable goods	199.6	199.6	180.3	199.6	199.6	180.3
Freight-car loadings—	139	137	136	142	147	140
Department store sales, value	152	140	138	173	150	157
Department store stocks, value	107	105	105	120	122	122

*Preliminary or estimated. †Data not yet available.

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

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

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

INDUSTRIAL PRODUCTION

(1935-39 average = 100)

	Adjusted for Seasonal Variation—					
	Nov. 1943			Without Seasonal Adjustment—		
	Nov. 1943	Oct. 1943	Nov. 1942	Nov. 1943	Oct. 1943	Nov. 1942
Manufactures—						
Iron and steel	209	214	204	209	214	204
Pig iron	200	202	201	200	202	201
Steel	235	241	224	235	241	224
Open hearth	184	190	182	184	190	182
Electric	592	607	527	592	607	527
Machinery	464	458	392	464	458	392
Transportation equipment	788	782	600	788	782	600
Non-ferrous metals & products	289	289	233	289	289	233
Lumber and products	134	128	132	132	133	130
Lumber	123	115	125	120	124	123
Furniture	154	152	142	154	152	142
Stone, clay, & glass products	171	170	170	178	175	175
Plate glass	54	47	33	54	47	35
Cement	107	107	172	124	186	186
Clay products	125	124	144	131	131	150
Gypsum and plaster products	192	194	192	196	199	194
Abrasive and asbestos products	329	326	270	329	326	270
Textiles and products	151	152	159	151	152	159
Cotton consumption	153	156	171	153	156	171
Rayon deliveries	191	186	177	191	186	177
Wool textiles	182	182	161	182	182	161
Leather products	106	109	117	108	110	119
Tanning	103	103	125	104	104	130
Cattle hide leathers	102	102	139	103	103	144
Calf and kip leathers	77	77	94	78	78	97
Goat and kid leathers	95	95	81	95	95	79
Sheep and lamb leathers	173	173	163	173	172	172
Shoes	108	113	111	108	113	111
Manufactured food products	147	142	140	148	151	141
Wheat flour	128	117	125	129	124	126
Meat packing	187	168	140	209	168	166
Other manufactured foods	141	140	139	147	156	145
Processed fruits and vegetables	118	121	122	109	155	112
Tobacco products	148	139	138	151	144	141
Cigars	101	100	117	101	100	117
Cigarettes	186	173	163	190	179	167
Other tobacco products	100	93	94	103	99	97
Paper and products	141	141	137	141	137	137
Paperboard	151	148	137	151	148	137
Newsprint production	86	83	102	87	83	103
Printing and publishing	107	110	116	111	112	121
Newsprint consumption	90	96	106	98	101	115
Petroleum and coal products	210	206	157	210	206	157
Petroleum refining	217	211	155	217	211	155
Gasoline	122	122	110	122	122	110
Fuel oil	151	151	138	151	151	138
Lubricating oil	134	134	114	134	134	114
Kerosene	113	113	110	113	113	113
Coke	164	169	166	164	169	166
Byproduct	155	158	156	155	158	156
Beehive	469	532	503	469	532	503
Chemicals	391	398	330	393	400	331
Rayon	227	225	187	227	225	187
Industrial chemicals	401	396	310	401	396	310
Rubber	238	234	200	238	234	200
Minerals—						
Fuels	133	138	130	133	138	130
Bituminous coal	131	144	154	131	144	154
Anthracite	102	127	124	102	127	124
Crude petroleum	138	137	121	138	137	121
Metals	123	123	133	123	123	143
Iron ore	223	223	211	199	310	229

FREIGHT-CAR LOADINGS

(1935-39 average = 100)

	Nov. 1943	Oct. 1943	Nov. 1942	Nov. 1943	Oct. 1943	Nov. 1942
Coal	127	140	139	127	140	139
Coke	186	195	186	186	191	186
Grain	161	167	126	157	167	124
Livestock	132	119	114	166	183	143
Forest products	150	137	140	147	144	138
Ore	191	191	130	193	274	206
Miscellaneous	147	140	145	153	153	150
Merchandise, l.e.l.	67	64	58	68	66	59

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

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

Daily Average Crude Oil Production For Week Ended Dec. 18, 1943 Declined 12,750 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Dec. 18, 1943, was 4,363,950 barrels, a decrease of 12,750 barrels per day from the preceding week, and 61,150 barrels less than the daily average figure recommended by the Petroleum Administration for War for the month of December, 1943. The current figure, however, was 472,450 barrels in excess of production in the week ended Dec. 19, 1942. Daily output for the four weeks ended Dec. 18, 1943, averaged 4,384,650 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,146,000 barrels of crude oil daily and produced 12,240,000 barrels of gasoline; 1,383,000 barrels of kerosine; 4,387,000 barrels of distillate fuel oil; and 8,291,000 barrels of residual fuel oil during the week ended Dec. 18, 1943; and had in storage at the end of that week 72,725,000 barrels of gasoline, 10,479,000 barrels of kerosine, 44,117,000 barrels of distillate fuel and 58,272,000 barrels of residual fuel oil. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations December	*State Allowables Begin. Dec. 1, 1943	Actual Production Week Ended Dec. 18, 1943	Change from Previous Week	4 Weeks Ended Dec. 18, 1943	Week Ended Dec. 19, 1942
Oklahoma	330,000	315,000	325,800	+ 650	324,850	357,150
Kansas	285,000	269,800	271,800	+ 1,700	271,400	305,700
Nebraska	1,500	---	1,600	— 100	1,650	3,000
Panhandle Texas	---	---	94,400	---	91,250	93,200
North Texas	---	---	143,400	---	142,950	139,900
West Texas	---	---	354,400	---	356,350	209,300
East Central Texas	---	---	126,900	+ 11,800	129,650	101,500
East Texas	---	---	364,300	---	368,650	358,600
Southwest Texas	---	---	290,800	---	293,200	174,000
Coastal Texas	---	---	520,500	---	521,700	313,650
Total Texas	1,892,000	1,888,938	1,894,700	+ 11,800	1,903,750	1,390,150
North Louisiana	---	---	78,550	---	78,650	90,150
Coastal Louisiana	---	---	275,500	---	274,350	223,000
Total Louisiana	353,700	375,700	354,050	---	353,000	313,150
Arkansas	76,900	77,891	78,200	— 1,650	79,000	73,700
Mississippi	48,000	---	47,600	+ 350	48,550	59,100
Illinois	215,000	---	210,700	— 14,650	219,000	239,000
Indiana	14,400	---	11,850	— 2,350	13,050	14,700
Eastern (Not incl. Ill., Ind. and Ky.)	---	---	---	---	---	---
Kentucky	77,000	---	67,500	— 5,450	70,100	72,800
Michigan	25,500	---	21,000	— 5,450	24,000	16,000
Wyoming	57,000	---	53,100	+ 200	52,450	58,900
Montana	100,000	---	89,050	— 7,400	97,700	91,300
Colorado	23,500	---	20,350	— 500	20,950	22,650
New Mexico	7,000	---	6,550	— 1,050	7,150	6,350
Total East of Calif.	3,617,100	---	3,566,750	— 27,350	3,599,550	3,117,000
California	808,000	808,000	797,200	+ 14,600	785,150	774,500
Total United States	4,425,100	---	4,363,950	— 12,750	4,384,650	3,891,500

*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. 16, 1943.

‡This is the net basic allowable as of Dec. 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 3 to 12 days, the entire state was ordered shut down for 9 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 9 days shut-down time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE, STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED DEC. 18, 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		Crude at Re-		\$Gasoline	\$Stocks	\$Stocks	
		Poten-	% Re-	Runs to	at Re-	Finished	of Gas	of Re-	
		tential	porting	Daily	% Op-	Un-	Oil and	sidual	
		Rate		Average	erated	Natural	Distillate	Fuel	
						Blended	Gasoline	Oil	
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana—Arkansas and Inland Texas—		2,444	88.7	2,110	86.3	5,767	33,499	22,957	16,494
Appalachian—									
District No. 1-----		130	83.9	97	74.6	309	1,733	853	158
District No. 2-----		47	87.2	41	87.2	148	1,079	123	194
Ind., Ill., Ky.-----		824	85.2	739	89.7	2,396	14,115	6,136	2,677
Okl., Kans., Mo.-----		416	80.1	328	78.8	1,141	6,767	2,203	971
Rocky Mountain—									
District No. 3-----		8	26.9	11	137.5	29	67	22	29
District No. 4-----		141	58.3	88	62.4	286	1,254	380	661
California-----		817	89.9	732	89.6	2,164	14,211	11,443	37,088

At the request of the Petroleum Administration for War, finished, 62,658,000 barrels; unfinished, 10,067,000 barrels. †At refineries, at bulk terminals, in transit and in pipe lines. ‡Not including 1,383,000 barrels of kerosine, 4,387,000 barrels of gas oil and distillate fuel oil and 8,291,000 barrels of residual fuel oil produced during the week ended Dec. 18, 1943, which compares with 1,273,000 barrels, 4,636,000 barrels and 8,151,000 barrels, respectively, in the preceding week and 1,208,000 barrels, 4,081,000 barrels and 7,201,000 barrels, respectively, in the week ended Dec. 19, 1942.

Notes—Stocks of kerosine at Dec. 18, 1943 amounted to 10,479,000 barrels, as against 10,725,000 barrels a week earlier and 11,140,000 barrels a year before.

District No. 1 inventory indices are: Gasoline, 42.4%; kerosine,

Items About Banks, Trust Companies

The Board of Directors of the Chase National Bank of New York on Dec. 22 authorized an increase of \$13,000,000 in the surplus of the bank, raising it to \$134,730,000. This is the second time the surplus has been enlarged this year. On Sept. 22 last the Board authorized an increase of \$21,460,000 to raise the surplus from \$100,270,000 to \$121,730,000. These increases in surplus, it is announced, were made possible as a result of recoveries, improved earnings, and profits on securities sold (which profits were largely of a non-recurring nature).

A comparative table of the bank's capital funds at the end of last year and as of Dec. 31, 1943, after giving effect to the current action (with undivided profits estimated for Dec. 31, 1943, after semi-annual dividend of \$5,180,000 declared Dec. 22) follows:

	Dec. 31, '42	Dec. 31, '43
Capital	\$100,270,000	\$100,270,000
Surplus	100,270,000	134,730,000
Undivided profits	45,049,000	37,500,000
Total	\$245,589,000	\$272,500,000

It is estimated that the reserve for contingencies as of Dec. 31, 1943, will amount to approximately \$6,000,000 compared with \$11,810,000 on Dec. 31, 1942.

As announced on Dec. 8, the shareholders of the bank will vote at the annual meeting Jan. 11 on a proposal to transfer \$10,730,000 from surplus to capital. If this proposal is adopted and the transfer made, capital of the bank will be increased from \$100,270,000 to \$111,000,000 and the par value of the capital stock will be increased from \$13.55 to \$15.00 per share. The surplus will then be reduced from \$134,730,000 to \$124,000,000.

Plans for this change were noted in our issue of Dec. 9, page 2356.

Charles C. Clough, who has been Comptroller of Manufacturers Trust Company of New York since 1929, has been elected a Vice-President and now holds the title of Vice-President and Comptroller. Mr. Clough began his banking career with the Title Guarantee & Trust Company. A year later he accepted a position with the Bank of Long Island, which was subsequently merged into the Bank of the Manhattan Company. Several years after that he was named Assistant Manager of the company's Woodhaven office. Mr. Clough became affiliated with Manufacturers Trust Company in 1921, and three years later he was elected an Assistant Secretary. In 1929 he was elected Comptroller. Mr. Clough is a Director of the Security Banknote Company of Philadelphia, and of Manufacturers Safe Deposit Co. He is Director and Treasurer of the Hotel New Yorker, and also Director and Treasurer of the 261 Fifth Avenue Corporation. In addition, he serves as Secretary and Treasurer of the Central Liquidating Agency Corp.

Eugene W. Stetson, President of the Guaranty Trust Company of New York, announced on Dec. 24 the appointment of two new Vice-Presidents of the company, Jere D. Buckley and William R. Parvin, and eleven other official appointments and promotions. The announcement states:

"Mr. Buckley and Mr. Parvin are associated with the Guaranty Trust Company's Fifth Avenue Office, at 44th Street. Mr. Buckley has been with the company, principally in credit work, since 1919, and in recent years has been Second Vice-President at the Fifth Avenue Office. Born in Pittsburgh in 1898, he was graduated from Carnegie Institute of Technology in 1918, and before coming to New York was associated with the United States Steel Corporation in Pittsburgh.

"Mr. Parvin has also been with the Guaranty Trust Company since

1919, and served in various departments at the Main Office prior to his assignment to the Banking Department at the Fifth Avenue Office in 1934. He was appointed Assistant Treasurer at that office in 1934, and Second Vice-President in 1936. Mr. Parvin was born in Philadelphia in 1897 and was educated there and in Plainfield, N. J. He received his first banking experience with the Plainfield Trust Company."

It is added that: "Newly appointed Second Vice-Presidents are Alan C. Abeel, Fifth Avenue Office; Alexander N. Gentes and Philip F. Swart, Jr., Foreign Department; Lawrence D. Scheu and William J. Weig, Trust Department.

"Other appointees are Ralph E. Kimpel, Assistant Manager, and John Heemsath, Assistant Secretary, Foreign Department; Temple E. Dalrymple, Assistant Treasurer, Banking Department; Clarence H. Thorn, Assistant Trust Officer, and G. Kenneth Crowther and Carl H. Johnson, Assistant Credit Managers."

At a meeting of the Trustees of the United States Trust Company of New York held Dec. 23, the following were appointed Assistant Vice-Presidents: Lawrence C. Marshall, Ferdinand G. von Kummer, H. John Simmen and Frederick M. E. Puelle; at the same time the following were appointed Assistant Secretaries: Frederick N. Goodrich, Elmo P. Brown and Frank J. Keeler.

The Commercial National Bank and Trust Company of New York announced on Dec. 27 the following official changes, effective Jan. 1: John M. Budinger, Vice-President, to become Senior Vice-President; Charles E. Wolff, Cashier, to become Vice-President and Cashier; R. L. Armstrong, Lauriston C. Lake, Miller Moore and Charles Summers, Assistant Vice-Presidents, to become Vice-Presidents; Herbert W. Tinsley, Assistant Cashier, to become Assistant Vice-President.

At its meeting Dec. 14 the Board of Directors of Federation Bank and Trust Company of New York approved the transfer of \$100,000 from undivided profits to surplus, making surplus \$1,175,000. The bank has added to its surplus account from undivided profits various sums totaling \$500,000 during the past several years.

The last remaining asset of the defunct Bank of United States, New York—a six-story office building in Lynbrook, L. I.—was offered for sale at public auction on Dec. 21. The New York "Herald Tribune" noted that the scheduled sale of the property occurs thirteen years after the bank was closed and its assets taken over by the State Banking Department. At the time, the Bank of United States had \$188,750,000 on deposit and 400,000 depositors. Following the sale of the Lynbrook property, Elliott V. Bell, Superintendent of Banks, said that the final dividend to be paid to the bank's creditors will be computed. Up to now depositors have received 75% of claims. Mr. Bell announced that the final dividend is expected to be paid in about three months.

Incident to last week's Christmas festivities of the Williamsburg Savings Bank of Brooklyn, arranged for the entertainment of pupils from neighboring schools, a typographical error occurred in our reference thereto in our issue of a week ago, page 2572, and we here take occasion to state that the Christmas carols, which featured the festival, were rendered with organ accompaniment.

Frank W. Breitbach has been elected President of the South Shore Trust Co., Rockville Cen-

tre, L. I., succeeding the late George W. Loft. Mr. Breitbach had been Executive Vice-President of the institution for the last three years. Douglas F. Frisby was elected a director to succeed Mr. Loft, whose death was noted in these columns Nov. 11, page 1932.

The Bank of Malverne, Malverne, L. I., has received authorization from the State Banking Department to increase its capital stock from \$25,000, consisting of 2,500 shares with a par value of \$10 each, to \$75,000, made up of 7,500 shares with a par value of \$10.

The purchase of the Central National Bank, New Rochelle, N. Y., by the First National Bank of that city, was announced on Dec. 21 by Louis R. Smith, President of the Central National, and Ernest H. Watson, President of the First National. The purchase transaction, which has been approved by stockholders, will give the First National total assets in excess of \$11,500,000. The Central National was established in 1924 and has deposits of \$3,500,000, while the First National was organized in 1934 and has deposits in excess of \$7,000,000.

The Manufacturers and Traders Trust Co., Buffalo, N. Y., has been authorized by the State Banking Department to operate personal loan departments at its main and branch offices.

The Board of Directors of the National State Bank, Newark, N. J., on Dec. 23 voted a special dividend of \$2 a share in addition to the regular semi-annual dividend of \$10. At the same time the Board approved transfer of \$500,000 from undivided profits to surplus account, making the latter figure \$3,000,000.

Directors of National Newark & Essex Banking Co., Newark, N. J., have declared a dividend of \$3 per share on \$3,000,000 capital, payable Jan. 3 to stockholders of record as of Dec. 23. The dividend had been \$2. The directors also voted to transfer \$250,000 from undivided profits to surplus, making the latter item \$1,750,000, an increase of \$375,000 during the year.

The Girard Trust Co., Philadelphia, announces the promotion of G. Wilbur Hornsby, Jr., and T. Wesley Matthews from Trust Officers to Assistant Vice-Presidents. The bank also announces, according to the Philadelphia "Inquirer," that James C. Butt was promoted to Trust Officer in administrative division, and W. Taylor Vallier, in charge of supervised agency accounts, was made Trust Investments Officer. William F. Blackman, inheritance tax specialist in tax division, was designated Assistant Trust Officer; John P. Adams was made Personnel Officer, and Walter F. Baker and S. Hulme Browne, Jr., both estate administrators, were promoted to Assistant Trust Officers.

Depositors of the old Commerce Guardian Trust & Savings Bank, Toledo, Ohio, now in liquidation, have been granted a final dividend of 20%, amounting to \$970,473. This payment, to 3,376 remaining depositors, brings to 100 cents on the dollar the payment on original balances. When the old bank was closed Aug. 15, 1931, it had 55,188 depositors and total deposits of \$22,431,132.

The resignation of Albert H. Crosby as Vice-President of the Farmers & Mechanics Savings Bank, Minneapolis, was announced on Dec. 22 by Henry S. Kingman, President of the bank.

Directors of the Bank of America (National Trust & Savings Association), San Francisco, have authorized the transfer of \$13,000,-

Congress Postpones Food Subsidy Issue— Votes Temporary Extension Of CCC

A decision on the controversial food subsidy issue was deferred by Congress on Dec. 18 when both branches agreed to continue the life of the Commodity Credit Corporation and the present subsidy program until Feb. 17. The Senate had adopted on Dec. 17 a resolution for a 60-day (to Feb. 29) extension of the CCC and its authority to finance the subsidies but the House resolution favored extension only for 35 days, or until Feb. 29.

a joint conference committee compromised on the Feb. 17 date.

President Roosevelt was reported to have signed the measure on Dec. 24.

The House had previously (Nov. 23) voted to continue the CCC to July 1, 1945, but banning payment of food subsidies. However, the Senate Banking and Currency Committee, which had been considering the issue for some time, refused on Dec. 16 to accept the flat subsidy repeal bill or a compromise proposal, and approved the 60-day extension. The compromise proposal offered by Senator Taft (Rep., Ohio) would have permitted subsidies up to \$600,000,000 a year under certain limitations.

Delay in settling the food subsidy issue was opposed by Marvin Jones, War Food Administrator, on the grounds that planning for 1944 farm production would be hampered.

Deferment of action on the subsidy question until February was proposed by subsidy advocates, but War Food Administrator Marvin Jones favors a decision now so that price control agencies and farmers can make their 1944 production plans accordingly. Mr. Jones made this appeal for Congressional action on Dec. 6, in testifying before the Senate Committee, and renewed his plea on Dec. 12. In his latter statement, Mr. Jones said the subsidy fight had "clouded" other needs of the farmer, such as machinery, parts, labor and feed, and added:

"The farmer will produce if we see that he gets the tools and then get out of his way. We continue this fight for months while production waits. The farmer needs to know now so that his production plans can be made."

Mr. Jones said he wanted "selective" subsidies continued and also would like "the chance to continue the use of a support price to assure the producer through the planting, harvesting and marketing season against the added hazards and risks of expanded production."

The Senate Committee had conducted public hearings on the subsidy issue from Nov. 30 to Dec. 9 and has been in executive session since. The question was referred to a subcommittee but this group failed on Dec. 4 to reach any compromise.

J. B. Hutson, President of the CCC, told the Senate group on Dec. 6 that he was of the same opinion as Mr. Jones.

In Associated Press advices from Washington, it was reported: "Like other Administration witnesses, Mr. Jones and Mr. Hutson

000 from undivided profits to surplus account, increasing the surplus from \$62,000,000 to \$75,000,000.

H. D. Ivey, President, Citizens National Trust & Savings Bank of Los Angeles, Cal., announced on Dec. 23 that H. H. Christensen, Assistant Vice-President of the American Trust Co., San Francisco, has been appointed head of a department of consumer credit, automobile and installment loans with Citizens National Bank, and will take over on Jan. 1. Mr. Christensen has had continuous banking experience since 1910, with the exception of 1917 to 1919, when he served with the United States Marines. Considered an authority on matters pertaining to installment credit, he has been with American Trust Co. for the past 21 years, and has been active in credit men's affairs in San Francisco.

condemned the provisions of the House bill that would require food prices to be raised, in lieu of subsidies, as certain to result in a general food price inflation and a shattering of President Roosevelt's hold-the-line policy.

"If prices are raised on even a few selected food items on which prices now are being supported through subsidies, you are going to be confronted with pressures to raise them all along the line," Mr. Jones asserted.

It is reported that attempts are being made to work out a compromise plan which would permit outlay of subsidy funds for a limited period and a restricted amount.

On Dec. 3, Mayor F. H. La Guardia of New York City and mayors from several other cities warned the Senate Committee that withdrawing subsidies will cause living costs to soar. Mr. La Guardia also suggested that wages and prices be adjusted.

Opposition to Government food subsidies was voiced on Dec. 7 by a spokesman of the National Council of Farmer Cooperatives.

At the opening of the Senate group's hearings on Nov. 30, Albert S. Gross, Master of the National Grange, and Edward A. O'Neal, President of the American Farm Bureau Federation, said that subsidies act as a brake on increased farm production and are a disguised wage increase for labor.

On Dec. 1 spokesmen for labor organizations testified in favor of the subsidy program and on Dec. 2 Price Administrator Chester A. Bowles urged the Senate group to continue the program. Mr. Bowles warned that living costs may be expected to rise 10% if Congress abolishes food subsidies, and also said that termination would threaten the Government wage as well as food price controls by unloosing "terrific pressures" for increases all along the line.

In Associated Press Washington advices, it was stated:

Under Committee questioning, Mr. Bowles said he personally didn't like subsidies, but added that he believed they were essential to keep living costs in line during war time.

In comparing a cost-of-living rise to a Federal sales tax, he emphasized his view that no one could predict accurately how high living costs would go if subsidy controls on foodstuffs were eliminated.

Mr. Bowles said the Government now is paying subsidies at the rate of \$1,100,000,000 a year, and argued that they are cheaper to the Federal taxpayers than higher living costs would be if they are removed. He thought, however, they should be "definite limitations" on subsidy payments, but did not elaborate on this point.

Food prices, he said, have been held approximately stable since last March. He asserted that the OPA soon would put ceilings on certain fruits and winter vegetables that would bring the prices of those items down substantially.

Passage of the anti-subsidy bill by the House was reported in our issue of Nov. 25, page 2131.