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The Financial Situation

Those who have taken the trouble to examine the uniform contract-termination provisions which, according to announcement early this week, have been adopted by the authorities in Washington as applying to fixed-price contracts, are for the most part probably more impressed with the complexity of the situation to which these clauses are intended to apply than with anything else. One can scarcely read the lengthy and detailed account of how the various items are to be dealt with and the procedures to be applied when these war contracts are terminated (chiefly, although not exclusively, at the end of the war) without realizing at once that the task of reaching a reasonable settlement of thousands of such contracts running perhaps in the aggregate to \$75 billion or more will of necessity be one which would tax any group of men, no matter how capable or well intentioned.

Promptness Essential

The student will likewise, we believe, quickly come to the conclusion that the promptness with which it is possible to settle the bulk of the payments due the holders of Government contracts is scarcely less important than the terms of final settlement. Such promptness will, one suspects, depend as much upon the spirit and good sense with which Government agents go about their tasks as upon the formal rules laid down to govern the final disposition of the cases. It would appear that preliminary settlements which would protect the Government and yet free the larger part of the working capital of the holders of the contract would be about the most important immediate objective in the process. Whatever its merits, the text of the provisions for termination of such contracts certainly does not assure any such desirable result. It doubtless was not intended to do so. It may well be that no formal contract clause could do so.

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From Washington Ahead Of The News

By CARLISLE BARGERON

Mr. Roosevelt would seem to have come to that political stage which was Mr. Hoover's after 1930. The Democrats had won the Congressional elections. Mr. Hoover's advisers became panicky. They were forever after him to "assert his leadership." And they were forever proposing all sorts of ways for him to do this. Apparently, asserting one's leadership in Washington is to do something dramatic, issue a bellowing statement, "show firmness" or something of the kind. Never is the pageantry of Washington so fascinating as when a President is by way of "asserting his leadership."

As we said, Mr. Roosevelt, who has heretofore enjoyed a charmed political existence, is now in the fix Mr. Hoover was in. His advisers, his political lieutenants are panicky; they are on his neck all the time to "assert his leadership"; "to take the situation in hand." As in Mr. Hoover's case, you may rest assured, everything he does under the circumstances will be the wrong thing to do. He will please nobody; he will make enemies instead. And we may expect his advisers and his actions, as a result of their advice, to become more panicky from now on.

His current advice is to "spank" labor. The people of the country are demanding this, he is being told; the armed forces are demanding it. He is backing and filling in the process. He raises his hand threateningly; then he cautiously withdraws it. This was his dilemma in the threatened railroad strike. There was no crisis in this instance. He and the railroad brotherhood leaders had

a very definite understanding. At least 25 members of Congress had very definite assurances there would be no strike. In stepped Advisor Jimmy Byrnes, who is in charge of the pageantry of the President's swinging from the "left" to the "right," a dramatic spectacle for anybody's money, and insisted that he had to "assert his leadership" over labor. His idea of doing this was to "seize" the railroads. He hasn't really done it. Nothing has happened to the railroads except that a lot of young lieutenants, mistaking the spirit of the thing, are making nuisances of themselves in many railroad offices. What isn't generally realized apparently is that the railroad workers got a raise over what Economic Stabilizer Vinson had previously authorized. Three organizations are now getting it and the other organizations involved are to get it as soon as their leaders can calm down. There has been an awful rigamarole. Out of it the President, so far as we can determine, has not benefited himself with the public at large, and the railroad brotherhood leaders are bitter

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President Calls On Congress To Enact National Service Law and "Realistic" Tax Measure

Urges Reenactment Of Stabilization Statute, Cost of Food Law And Denies Any Secret War Commitments

President Roosevelt, in his annual State-of-the-Union message to Congress, urged on Jan. 11 enactment of a national service law "which, for the duration of the war, will prevent strikes, and, with certain appropriate exceptions, will make available for war production or for any other essential services every able-bodied adult in this nation."

The President explained that, although he believes "that we and our Allies can win the war without such a measure, I am certain that nothing less than total mobilization of all our resources of manpower and capital will guarantee an earlier victory, and reduce the toll of suffering and sorrow and blood."



President Roosevelt

Declaring that "national service is the most democratic way to wage a war," Mr. Roosevelt said he had hesitated for three years to recommend this law, but is now "convinced of its necessity" and had received a joint recommendation for it from the heads of the War and Navy Departments and the Maritime Commission. He added that "national service is an issue which transcends politics" and urged Congress to be "wholly non-partisan" in determining the machinery for the legislation.

The National Service Law was one of five measures which the President recommended Congress adopt, the others being:

1. A realistic tax law — which will tax all unreasonable profits, both individual and corporate, and reduce the ultimate cost of the war to our sons and daughters.

2. A continuation of the law for the renegotiation of war contracts—which will prevent exorbitant profits and assure fair prices to the Government. For two long years I have pleaded with the Congress to take undue profits out of war.

3. A cost of food law—which will enable the Government (a) to place a reasonable floor under the prices the farmer may expect for his production; and (b) to place a ceiling on the prices a consumer will have to pay for the food he buys. This should apply to neces-

sities only; and will require public funds to carry out. It will cost in appropriations about 1% of the present annual cost of the war.

4. Early reenactment of the stabilization statute of October, 1942. This expires June 30, 1944, and if it is not extended well in advance the country might just as well expect price chaos by summer. We cannot have stabilization by wishful thinking. We must take positive action to maintain the integrity of the American dollar.

The President, who recently suffered an attack of influenza, did not follow his custom of previous years in delivering the message in person to Congress but transmitted it to that body. However, the same night he delivered over the radio an abbreviated version of the message to the nation "in order that the American people be given an opportunity to hear what I have recommended to the Congress for this very fate-

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Why Roosevelt Is Hedging

Babson Discusses Post-War Employment

I am much interested in President Roosevelt's plea that we forget the "New Deal" until after election next November. The general belief is that he is saying this at the urgent demands of certain Southern and other Democrats who fear defeat. My hunch is that Winston Churchill has begged him to change his tune. Churchill is tremendously anxious for Roosevelt's reelection to a Fourth Term and has been giving him some good economic advice.

Churchill's Cure for Unemployment

Both Roosevelt and Churchill know there may be a terrific unemployment problem both in the United States and throughout the British Commonwealth after World War II. Churchill argues that the governments of these nations cannot then continue their present "middle-of-the-road" policy of trying to please both leftists and rightists. He believes that the returning soldiers will insist upon employment, but that to give such means either taking the present shackles off employers and investors, or else following Russia and making our industries state-owned. There can be no half-way compromise.

Naturally, President Roosevelt does not like such advice; but he has great confidence in Churchill. Roosevelt is a great compromiser and has hoped to bring us out of postwar unemployment by continuing to play to employers, labor leaders and consumers. Churchill, however, insists that such a course



Roger W. Babson

is suicidal. Apparently, Roosevelt is, at the moment, taking Churchill's advice; but whether Roosevelt will continue to do so after November sixth is a different question.

What About Policing the World?

Another factor bothering the New Dealers is the desire of both the drafted and enlisted men to get back to their homes and their old jobs at the earliest possible moment after Germany and/or Japan collapses. None of our men want to remain abroad to police the world. Furthermore, Roosevelt naturally is fearful of leaving the policing job to Great Britain and Russia to do. Hence, it looks just now as if "policing-the-world" is out of the window and that the Washington bureaucrats will have to provide jobs at home in the United States for the 1,000,000 men they have been planning to leave abroad.

Here is another reason that is knocking this "policing-the-world" idea sky-high. The only thing necessary to prevent Germany, Japan and Italy from rearming is to ration the amount of iron, coal, oil and other essential raw materials which these countries must import in order to rearm. This cannot be accomplished by treaties or agreements as such would develop great international bootlegging enterprises which would surely lead to another war. Hence, the only practical means of rationing these raw materials would be to police Sweden,

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NOTE—General Crop Report of Department of Agriculture for 1943 appeared in our issue of Monday, Jan. 10, on page 149.

Precisely!

"A second, and even more basic, objection to the compensatory budget idea is that it vastly oversimplifies the problem of maintaining economic stability. It would be a fine thing indeed if all that was needed to keep the economic machine hitting on all cylinders at just the right pace would be turning on and off the stream of funds from the public treasury. But it would be well to pause and think a moment of the full implications of this doctrine.

"What it means, first of all, is applying a single specific—Government spending—to all the ills to which the economic system may fall victim. No need to bother about the particular cause of the trouble—whether it be some basic disturbance or unbalance in vital parts of the economy. No need to bother whether exorbitant demands of particular groups are blocking the channels of trade; no matter about international trade barriers, or wrong exchange rates, or bad tax laws, or other short-sighted actions and policies of individuals and governments which, in varying degree, may be responsible for interrupting the even flow of economic activity. For all these, the prescription is the same—more Government spending.

"What it means, secondly, is attempting to shift to the Government responsibilities that in a democratic society must rest primarily with the people. Putting everything up to the Government means weakening the responsibility of the individual. Why should individual groups concern themselves with making adjustments, or place restraints upon their actions? The lid is off for pressure groups, whether they be labor, business, agriculture, or any other, if the Government is responsible for keeping everyone employed. Why should anyone worry when the Government underwrites everything?

"The fact is that society cannot function under a system that encourages irresponsibility and indiscipline, and which protects everyone from the consequences of making mistakes."—The National City Bank of New York.

The State Of Trade

The weekly trend of business was upward, with most of the outstanding heavy industries showing gains last week. Power production was up, with carloadings showing gains. Steel output was reported on the uptrend. Retail trade volume underwent its normal post-holiday recession last week, according to the trade review issued by Dun & Bradstreet, Inc.

Production of electricity is estimated to have been 4,300,000,000 kilowatt hours in the week ended Jan. 1st, according to the Edison Electric Institute. This compares with a revised total of 4,295,010,000 kilowatt hours for the week ended Dec. 25th. The latest figure is 13.8% above the year-ago total of 3,779,993,000 kilowatt hours. Consolidated Edison Company of New York reports system output of 219,400,000 kilowatt hours in the week ended Jan. 2nd, an increase of 39.5% over the year-ago total of 157,200,000 kilowatt hours.

Carloadings of revenue freight for the week ended Jan. 1st, totaled 643,474 cars, according to the Association of American Railroads. This was an increase of 2,106 cars above the preceding week, 22,301 cars more than the corresponding week in 1943 and 33,060 cars below the same period two years ago. This total was 109.07% of average loadings for the corresponding week of the ten preceding years.

Steel production for the current week is scheduled at 99.6% of rated capacity, an increase of 3.7 points from last week and about 8 points above the low touched in the week between Christmas and New Year's, according to the American Iron & Steel Institute. The 99.6% output of steel ingots and castings for the week is indicated at 1,731,300 net tons, against 1,667,000 last week and 1,698,700 in the like 1943 week. The steel production-distribution pattern over the next six months is expected to be closer to normal than at any time since the start of the war, the magazine "Iron Age" states. Output of ingots, ac-

According to the trade publication, will be lower during 1944 than the record 1943 production of about 89,000,000 tons. One development emphasizing the easier situation in metals, it was pointed out, is the recently announced closing of four aluminum pot lines owned by the government, with a total output of 12,000,000 pounds a month.

Appraising 1944 business prospects for the machine tool industry, the publication states that expectations are that total dollar volume will be \$350,000,000 to \$375,000,000, including some \$50,000,000 worth of lend-lease contracts. This is a very sharp decline from the \$1,200,000,000 figure of 1943, it is pointed out, and by mid-1944 shipments and new orders may be equal.

Retail trade volume underwent its normal post-holiday recession last week, according to the trade review issued by Dun & Bradstreet, Inc. Clearances were less numerous and attractive this year and failed to net their usual volume, but they were an important factor in ready-to-wear sales totals.

Wholesale activity picked up in the week as January markets opened. Buyers were reported anxious not only to place orders and reorders on spring goods, but to obtain fill-ins on popular seasonal lines. Supplies were adequate in the better priced and moderately priced lines, but shortages were still in evidence in the lower-priced fields.

Department store sales on a country-wide basis were down 6% for the week ending Jan. 1st, compared with the like week a

year ago, according to the Federal Reserve System. Sales for the four-week period ended Jan. 1st, were up 3% compared with the like period last year.

Department store sales in New York City in the week ended Jan. 8th, were off 11%, compared with the corresponding 1943 week, according to a preliminary estimate issued by the New York Federal Reserve Bank. In the previous week ended Jan. 1st, sales of this group of stores were 4% under the comparative week of the previous year. Reports from 2,428 wholesalers representing most kinds of business throughout the country showed sales for November up 10% over those of November 1942, according to J. C. Capt, Director of Census. For the first eleven months of last year, dollar volume was 4% higher than that of the corresponding period of 1942, but for this November, compared with the preceding month, sales dropped back 2%.

Suggests Policy For Recognition Of New Regimes

The Inter-American Committee for Political Defense published on Dec. 25 the text of a message, sent to the Foreign Ministers of all of the American Republics which have declared war against or broken off relations with the Axis, in which the committee recommended that all exchange information before recognizing any new regime "constituted by force."

The message, according to the Associated Press, explicitly stated that it does not refer to any particular case—despite the fact the originator of the recommendation, Vice-President Alberto Guani of Uruguay, said his idea was started when General Pedro Pablo Ramirez took over the Argentine government and was developed by the recent overthrow of the Bolivian government by a revolutionary junta.

The text of the message as reported by the Associated Press follows:

"Whereas, notwithstanding the failure of its aims to annul the contribution made by the American peoples to the war effort and the political defense of the continent in accordance with agreements in force, it is evident that the Axis continues to make efforts to realize such aims, with the serious danger that totalitarian elements may take over by force the government of American republics to separate them from the principles of union and solidarity adopted in the face of the common enemy and from their support of the cause of the united and associated nations;

"Whereas, from such agreements there result some rights and duties which consecrate the solidarity that must exist between said republics for the defense of the continent against the danger previously indicated;

"Whereas, the third consultative meeting of Foreign Ministers creating this committee entrusted it with a mandate to advise on the adoption of measures referring to problems related with all aspects to the defense of the continent against political aggression from the Axis,

"It is recommended to the American governments which declared war on the Axis powers or broke relations with them that while the present world conflict continues they should not proceed to the recognition of any new government constituted by force before consulting one another with the purpose of determining whether such a government is carrying on its international commitment and about the circumstances which determined the creation of such a government."

FDR Reports Lend-Lease Aid \$18.6 Billion— Says Program Hastens Defeat Of Enemy

President Roosevelt, in his 13th lend-lease report to Congress, disclosed on Jan. 6 that operations of the program from its inception in March, 1941, through November, 1943, totaled \$18,608,000,000 and declared that 1944 "will be a year of decisive actions in the war."

The President's report said that of the total, \$10,356,000,000 was accounted for in the first 11 months of 1943, compared with \$7,009,000,000 in the full year 1942, with the aid reaching a peak last August and lessening somewhat since. Up to the end of November, the program took 13.5 cents out of every dollar of American war expenditures.

The actual exports under the program amounted to \$13,844,000,000 through October with Russia getting \$3,550,000,000 and the United Kingdom \$5,980,000,000. Munitions accounted for \$4,674,000,000, an increase of 142% over the corresponding ten months of 1942.

In his letter transmitting the report to Congress, the President said:

"The coming year will be a year of decisive actions in the war. By combining their strength, the United Nations have increased the power of the common drive to defeat the Axis. We have already beaten back our enemies on every front on which we are engaged.

"At Teheran and Cairo, plans were agreed upon for major offensives, which will speed the day of victory. With the closer unity there achieved, we shall be able to strike ever-increasing blows until the unconditional surrender of the Nazis and Japanese.

"Whether food and war supplies should be transferred by one of the United Nations to another or retained for its own forces depends on the strategic military necessities of war.

"Our common objective is that all the planes and all the tanks and all the food and other equipment that all the United Nations together can produce should be used as effectively as possible by our combined forces to hasten the defeat of the enemy.

"The United Nations enter the New Year stronger and more firmly united than ever before. Germany and Japan will both soon learn that to their sorrow.

The following regarding Mr. Roosevelt's report is from Associated Press accounts:

A considerable part of the report apparently was designed to answer criticism—some of it by members of a globe-circling committee of five Senators who visited major war theaters.

One section for instance complete with reproductions of labels, hammered at the theme that lend-lease items are well marked to show that they originated in the United States of America. Some critics had said that the British were redistributing lend-lease goods under their own labels.

Another section evidently was aimed at reports that civilians in North Africa were burning up a lot of American gasoline while motorists in this country were compelled to skimp. It said all oil products, upon arrival in the area, are allocated by Allied headquarters and that essential civilian services in the first eight months of last year got less than a fourth of the gasoline normally consumed.

None of the fuel, the report said was allocated for pleasure driving or non-essential services, and even essential users, like doctors, got less gasoline on the average than A-card holders in the United States.

The report noted that many private cars had been requisitioned in North Africa and added: "Since these cars in many cases are not clearly marked as military vehicles they may lead a casual observer to believe that more cars are using gasoline for civilian purposes than is the fact."

Only a minute fraction of 1% of America's coal production has

moved into lend-lease channels, the report said, and none has gone to Britain. Russia, it said, is the only country on the list for lend-lease butter and has received 33,500 tons. At the time, American forces in the Pacific got 8,250 tons of butter through reverse lend-lease from Australia and New Zealand.

From January through October, 1943, the report said the average American consumed eleven pounds of butter, whereas only six and two-fifths ounces per capita were lend-leased.

Lend-lease aid to Russia in the first ten months of last year was up 63% over all of 1942, with aircraft, ordnance and other munitions constituting 56% of the export value.

"The lend-lease aid we have furnished," the report asserted, "has been effectively used in the Red Army's advances in the Ukraine and White Russia. Through October we sent to the U. S. S. R. nearly 7,000 planes, more than to any other lend-lease country; more than 3,500 tanks and 195,000 motor vehicles, including trucks, jeeps, motorcycles and other vehicles."

Exports of foodstuffs to the Soviet Union included 343,000 tons of wheat and flour, 277,000 tons of sugar, 324,000 tons of canned meat, 441,000 tons of fats and oils, 136,000 tons of dried fruits and vegetables and 38,000 tons of dried eggs.

Munitions comprised 48% of lend-lease exports to Britain in the first ten months of 1943. The report told how lend-lease planes and bombs are helping to devastate German industries and mentioned tremendous offensives to be launched from Britain.

Obviously taking cognizance of demands that have arisen in this country that America be allowed to retain airfields she has built abroad after the war, the report said lend-lease equipment installed in the fields would be taken into account in final lend-lease settlements.

"The question of the future use of airfields in all parts of the world, both for strategic and commercial purposes," it said, "involves many other factors besides lend-lease, of course. The final and complete answer can be found only through the continuing and successful collaboration of the United Nations in international commerce after the war and the development of a system of general military security in which the interests of both the United States and the other United Nations are fully protected."

New South Wales Water Bond Tenders

Holders of Metropolitan Water, Sewerage and Drainage Board, State of New South Wales, Australia, 20-year 5½% sinking fund gold bonds due April 1, 1950, are being notified that City Bank Farmers Trust Co. of New York, as fiscal agent, desires to receive tenders of such bonds at prices not exceeding 100% of the principal and interest to Jan. 23, 1944, in the amount sufficient to exhaust funds available in the sinking fund.

Offers will be received at the Corporate Trust Department, City Bank Farmers Trust Co., New York City, on or before 12 o'clock noon Jan. 26.

Senator George Thinks Limit In New Taxes Has Been Reached

The belief that the limit in raising additional Federal revenue through taxes has been reached was voiced on Jan. 7 by Senator George (Dem., Ga.), Chairman of the Senate Finance Committee.

In a radio broadcast discussing the differences between Congress and the Administration on the pending \$2,100,000,000 tax bill, Senator George said that to raise \$8,000,000,000 more, as recommended by the Treasury Department, without resort to compulsory savings, a general retail sales levy or other new methods opposed by Congress, would disrupt the country's economy not only for the present but for the post-war period.

"Many in Congress," he said, "believe that an additional tax burden of \$8,000,000,000 upon the same taxpayers would shatter the public morale."

Regarding his further remarks, a Washington dispatch of Jan. 7 to the New York "Times" from which the above is quoted, stated: The mood of the Finance Committee, the Chairman indicated, was to resist further recommendations from the Administration, possibly in the President's annual message on the state of the Union, for increases in direct taxes beyond the potential yield of the pending measure.

"Any suggestion that taxation become a political issue, or that tax policies either within the Congress or within the departments, be considered as such," Mr. George said, "must necessarily make it extremely difficult, if not impossible, to arrive at a constructive or equitable tax program, particularly in time of war."

Since 1940, he remarked, Federal tax collections have risen about 600% or from \$5,925,000,000 to about \$41,000,000,000 for this fiscal year.

"In the period from 1936 to 1939, prior to the start of our defense and war programs," he continued, "a married person with two dependents having a net income of \$4,000 paid an annual income tax of \$12.

"Today such an individual pays

\$484.97 on the same size income. For the years 1944 and 1945, assuming no change in income, the tax will amount to \$532.22, because of the required payment of the unforgiven tax. This represents an increase of \$520.22, or approximately 4,335%.

"A married person with no dependents and having a net income of \$3,000 paid an annual tax of \$8 in the period 1936-39. If we include the unforgiven tax payable in 1944 and 1945 and assume no change in net income, this individual will be paying a tax of \$445.78 in each of these years, or an increase of 5,472% over what he paid in each year from 1936 to 1939 inclusive."

Few persons realized, Mr. George said, that with the carry-over of the 1942 or 1943 tax required to be paid in 1944 and 1945, "no individual, no matter how high his income," will have left more than \$25,000, assuming his income remains constant and that his uncanceled tax is paid out of current income.

"When we give account as we should to Federal and State income, excise and sales taxes, State property taxes and taxes of political subdivisions," he said, "it is obvious that the general Federal individual income tax is extremely burdensome.

"If the individual income tax rates recommended to the Congress recently by the Treasury Department had been adopted no individual no matter how high his income, would have left after taxes in 1944 and 1945 more than approximately \$12,000."

Ukrainian and White Russian neighbors.

4. "The Soviet government again declares that it is striving to establish friendship between the Soviet Union and Poland on the basis of firm, good-neighborly relations and mutual respect," and "joining Poland to the Czechoslovak-Soviet treaty of friendship, mutual assistance and post-war collaboration would help in this task."

The following text of the declaration on the Russian-Polish border issue, as reported by the Federal Communications Commission from a Moscow broadcast appeared in the New York "Times" of Jan. 11:

On Jan. 5, a declaration of the exiled Polish Government on the question of Soviet-Polish relations was published in London. It contained a number of erroneous affirmations, including an erroneous affirmation concerning the Soviet-Polish frontier.

As is known, the Soviet Constitution established a Soviet-Polish frontier corresponding with the desires of the population of the Western Ukraine and Western White Russia, expressed in a plebiscite carried out on broad democratic principles in the year 1939. The territories of the Western Ukraine, populated in an overwhelming majority by Ukrainians, were incorporated into the Soviet Ukraine, while the territories of western White Russia, populated in an overwhelming majority by White Russians, were incorporated into Soviet White Russia.

The injustice caused by the Riga Treaty in the year 1921, which was forced on the Soviet Union in relation to Ukrainians inhabiting the western Ukraine and White Russians inhabiting western White Russia, was thus rectified. The entry of the western Ukraine and western White Russia into the Soviet Union not only did not interfere with the interests of Poland but, on the contrary, created a reliable basis for a firm and permanent friendship between the Polish people and the neighboring Ukrainian, White Russian and Russian peoples.

The Soviet Government has repeatedly declared that it stands for the re-establishment of a strong and independent Poland and for friendship between the Soviet Union and Poland. The Soviet Government declares that it is striving toward the establishment of friendship between the U.S.S.R. and Poland on the basis of firm good-neighborly relations and mutual respect, and should the Polish people so desire, on the basis of an alliance of mutual assistance against the Germans as the principal enemies of the Soviet Union and Poland. Poland's adherence to the Soviet-Czechoslovak treaty of friendship, mutual assistance and post-war cooperation could assist in the realization of this task.

The successes of Soviet troops on the Soviet-German front speed day by day the liberation of the occupied territories of the Soviet Union from the German invaders. The selfless struggle of the Red Army and the fighting operations of our Allies that are unfolding bring the rout of the Hitlerite war machine nearer and bring liberation to Poland and other nations from the yoke of the German invaders.

In this war of liberation the Union of Polish Patriots in the U. S. S. R. and the Polish army corps created by it and operating on the front against the Germans hand in hand with the Red Army are already fulfilling their gallant tasks.

Now an opportunity for the restoration of Poland as a strong and independent State is opening. But Poland must be reborn, not by the occupation of Ukrainian and White Russia territories, but by the return of territories seized from Poland by the Ger-

mans. Only thus can confidence and friendship among the Polish, Ukrainian, White Russian and Russian peoples be established. The eastern borders of Poland can be fixed by agreement with the Soviet Union.

The Soviet Government does not consider the frontiers of the year 1939 to be unchangeable. The borders can be corrected in favor of Poland on such lines that districts in which the Polish population predominates be handed over to Poland. In such case the Soviet-Polish border could approximately follow the so-called Curzon line, which was adopted in the year 1919 by the Supreme Council of Allied Powers and which provided for the incorporation of the western Ukraine and western White Russia into the Soviet Union.

Poland's western borders must be extended through the joining to Poland of age-old Polish lands taken away from Poland by Germany, without which it is impossible to unite the whole of the Polish people in its own state, which thus will acquire a necessary outlet to the Baltic Sea.

The just striving of the Polish people for complete unity in a strong and independent state must receive recognition and support. The emigre Polish Government, cut off from its people, has proved incapable of establishing friendly relations with the Soviet Union. It has proved equally incapable of organizing an active struggle against the German invaders in Poland itself. Moreover, with its wrong policy, it frequently plays into the hands of the German invaders. At the same time, the interests of Poland and the Soviet Union lie in the establishment of firm and friendly relations between our two countries and in the unity of the Soviet and Polish peoples in the struggle against the common outside enemy, as the common cause of all the Allies requires.

Spain Paying On U. S. Commercial Debt

Payments of Spanish commercial indebtedness of several million dollars to about a thousand American creditors have commenced under the plan announced by the National Foreign Trade Council in a circular to the creditors, says Eugene P. Thomas, President of the Council, in a statement released Jan. 1. "Under this arrangement," says Mr. Thomas, "the Spanish Foreign Exchange Institute provides dollar exchange on approved accounts of American creditors for goods shipped to Spain prior to the outbreak of the Spanish Civil War on July 18, 1936. Payments are being made through banking channels, as promptly as individual authorizations are received from the Institute in Spain." Mr. Thomas added:

"Declarations of arrears of Spanish commercial indebtedness were made through the National Foreign Trade Council and forwarded to Spain. The Spanish Foreign Exchange Institute subsequently issued instructions indicating the procedure to be followed by Spanish banks in Spain in applying for exchange—such application to be checked against the declarations filed through the Council.

"In its circular of Oct. 22, the Council advised that the Spanish Institute would provide dollars on approved accounts to the extent of 100% of debts amounting to less than \$1,000 each and 50% of debts in excess of that amount; the remaining 50% payments on debts in excess of \$1,000 each is expected at an early date."

Plans for these payments were referred to in our issue of July 8, page 126.

Supreme Court Hears Arguments On Validity Of OPA

The U. S. Supreme Court heard on Jan. 7 argument challenging the validity of the legislation setting up the price control system. In defending the Office of Price Administration, Solicitor General Charles Fahy asserted that there is "no constitutional guaranty against bankruptcy" or of the right to make a profit.

The tribunal also heard Paul A. Freund, special assistant to the Attorney General, defend the constitutionality of the OPA rent control program.

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

Mr. Fahy asserted that the OPA administrators had made "a valiant, good-faith, intelligent effort" to solve their problems in a way to protect the consumer and to guard against inflation. He mentioned as "casualties" former Administrators Leon Henderson and Prentiss M. Brown and General Counsel David Ginsberg, now in the Army.

This produced a comment by Chief Justice Harlan F. Stone that the Court was more interested in whether "they acted within the law and the Constitution."

And Justice Felix Frankfurter remarked that making a "valiant" effort "did not disprove violation of the law."

The Solicitor General explained that he had referred to the activities of the administrators because of attacks he said had been made upon them in briefs filed by opposing counsel.

Price control legislation was challenged during the argument by three Boston lawyers—Joseph Kruger, Leonard Poretzky and William H. Lewis—on the ground that it was an unconstitutional delegation to the Price Administrator of legislative power.

They also contended that the legislation denied the right to attack the validity of price regulations in criminal proceedings and required instead that such attacks be taken to the United States Emergency Court of Appeals.

The attorneys represented two Boston meat dealers—Benjamin Rottenberg and Albert Yakus—convicted of selling wholesale cuts of beef at prices in excess of the OPA maximum.

The lawyers said that the meat dealers had been prevented from making any profit by the price ceilings and that this had put many of them out of business.

Dec. Living Costs Up 0.2%

Living costs of wage-earners and lower-salaried clerical workers in the United States rose on the average of 0.2% from November to December, according to the National Industrial Conference Board.

The Board's announcement Jan. 7 further stated:

"Food declined 0.2%, but clothing rose 0.2%, fuel and light 1.9% and sundries 0.8%.

"The Board's index of the cost of living (1923=100) stood at 103.9 in December against 103.7 in November and 101.1 in December, 1942.

"The level of living costs was 2.8% higher than that of a year ago. Fuel and light showed the greatest advance over December, 1942, with an increase of 4.7%. Other advances during the twelve months were: food, 3.4%; sundries, 3.6%, and clothing, 2.8%. Housing remained unchanged.

"The purchasing power of the dollar, on the basis of 100 cents to the dollar in 1923, which amounted to 96.4 cents in October and remained at that figure in November, declined to 96.2 in December. It stood at 98.9 cents in December, 1942."

Russia Suggests Border Agreement With Poland — 1939 Frontier Would Stand

The Moscow radio broadcast on Jan. 11 an offer for the restoration of Poland "as a strong and independent State" under which the eastern borders of Poland would follow the Curzon line of 1919, providing for the incorporation of the Ukrainian and White Russian territories into the Soviet Union, and that Poland expand on the west by the return of territories seized by Germany.

In United Press advices from London, Jan. 11, as given in the New York "Herald Tribune," it was stated:

"Since the Curzon line is nearly the same as the line by which Germany and Russia divided Poland in 1939, except for a bulge in the latter to the west near East Prussia, the effect of the offer is that Russia wants most of the territory she gained by the 1939 agreement. Russia, proposes, however, that Poland expand on her western side, at the expense of Germany, so that she would have a firm outlet on the Baltic Sea.

Presumably this would involve the cession of East Prussia, traditional center of German Junkerism, to a new Poland.

Poland's eastern frontier as Russia suggests it would run from the Lithuanian frontier southward, through Brest-Litovsk, thence along the Bug River, as proposed in 1919 by the Marquess of Curzon, then British Foreign Secretary. Russia would give to Poland the bulge which extends westward of the Curzon line to East Prussia.

Russia has no diplomatic relations with Poland, having severed them last year when the Poles accepted as possibly true German allegations that the Red Army had executed thousands of Polish officers and prisoners. Hence the Russian offer was broadcast by Moscow and recorded here, in the form of a Soviet government

statement issued by the official news agency Tass.

The statement invited Poland to join the new Russo-Czechoslovak alliance aimed at making impossible a future German drive to the east, and to make of Poland a strong ally against Germany as the main enemy of both Russia and Poland.

But the statement denounced the present Polish government-in-exile and by implication made it plain that it sought its agreement with the democratic elements of the Polish nation.

Points in the Plan

The Russian statement made the following points:

1. A Polish government statement issued here Jan. 5, demanding implicitly the restoration of the pre-war frontier, contains a series of incorrect assertions.

2. The territories of the western Ukraine and western White Russia, peopled overwhelmingly by Russians, have become part of the Soviet Union; "the injustice done by the Treaty of Riga of 1921, forced upon the Soviet Union, in relation to Ukrainians inhabiting the western Ukraine and White Russians inhabiting western White Russia was thus corrected."

3. However, the restoration of a proper frontier in 1939 did not affect the real interests of Poland, but instead established a basis for solid and permanent friendship between the Poles and their

The Financial Situation

(Continued from first page)

How important this situation may well prove to be a few figures will amply demonstrate. From June, 1940 to July, 1943 war contracts placed in the State of Michigan, for example, totaled \$16.2 billion. The total manufacturing production of that State plus investment in plant and facilities in the year 1939 amounted to \$4.5 billion. In the State of Connecticut war orders during that period amounted to \$5.5 billion, against 1939 manufacturing output plus plant investment of some \$1.3 billion. Figures for a few of the other more important States are: New Jersey, \$9.4 billion and \$3.5 billion; Kansas, \$2.7 billion and \$0.5 billion; Ohio, \$10.6 billion and \$4.7 billion; Washington, \$3.6 billion and \$0.7 billion, and California, \$12.9 billion and \$2.9 billion. There is no way of knowing precisely how large a part of these contracts still remains unfilled, or what amount will be left unfilled when the war comes to a close, but it may be taken for granted that the volume of outstanding contracts in these and all the other important industrial centers of the nation will be large enough to be of vital importance to many branches of industry, particularly those which have been obliged to undergo extensive conversion to war production and which must presently undergo a similarly drastic reconversion to peacetime production.

War Plant

More or less related to this matter of termination of war contracts is the question of the so-called war plant financed and owned by the Government. Of this somewhat over \$15.5 billion has been authorized, most of it now completed, and much the larger part of the remainder scheduled for completion during the current year. A considerable part of this enormous total is, of course, designed for the manufacture of engines of war which will, we must all hope, have relative little demand when peace returns. These facilities are for the most part presumably not well suited for the production of peacetime goods, and it is most certainly to be hoped that none of the day dreamers in Washington will conceive the idea of virtually remaking them into facilities for the production of goods which can be made very much less expensively by other processes or with other tools.

But very substantial amounts of this plant and of these facilities are designed for the manufacture of goods which do have peacetime demand. In many cases, facilities for the production of such

goods are ample without these expensive and often poorly located plants born of war necessities and war urgencies. But the plant will be there, and in some cases at least will be worth a reasonable price even if it is used to take the place of older and less efficient plant. What is to be the policy of the Government regarding these plants and facilities? The Government has invested, or is investing, nearly \$3.2 billion in facilities for the production of airplanes, engines, parts and accessories. It has sunk over \$2.1 billion in facilities for the building and repair of ships. It has invested more than \$1.2 billion in facilities to make iron and steel products, and nearly \$1.2 billion in facilities for the manufacture of non-ferrous metals and their products. In several other fields its investment has been quite substantial — indeed quite large in relation to the total of private investments in the same fields.

What Policy?

What, in general, is to be the policy of the Government concerning these plants? To dispose of them promptly and reasonably to private industry where they have economic value, and to dismantle others — except, of course, where their maintenance appears to be necessary or wise for reasons of national defense? Such a course certainly would appear to be the part of wisdom. It ought, however, to be determined as a national policy at once and announced without delay. Not only would such a course be conducive in the highest degree to general confidence on the part of American industry, and hence most helpful in making possible definite planning for post-war activities, but it is very nearly essential for still other reasons. Many, indeed most, of these plants are being operated by private business concerns under contracts which permit the operators to become the owners upon some mutually agreeable terms when the war is over.

But in a great many instances the matter of buying one of these plants is not something that can be decided in the afternoon and effected in the course of the next forenoon. Many of them are larger, far larger than any plants ever known or dreamed of in private business. Even where not of exceptional size as measured by the usual or average size of other plants in the industry, they often are large enough to present a problem of some difficulty to the operator who may want to purchase them. Financial arrangements, to say nothing of various operational plans,

have to be perfected. Until such time as industry can obtain some fairly definite idea as to how difficult the Government is going to be to deal with in these matters it will not know in what degree it will be profitable to spend time and energy in working out plans involving these plants.

Unwanted Competition

Not only that, but the whole question of the possibility of having some of these plants to compete with after the war, is one that must be faced and dealt with promptly. Information vouchsafed to the public makes it clear that they range in size up to close to \$200,000,000 in cost of construction. There is little doubt that they have often cost much more to build than they should have, and are often placed quite disadvantageously as regards economical peacetime operation. Such considerations may or may not be of great significance, however, when the Federal Government is the owner and possibly the operator. They should count heavily, and business should be given early assurance that they will.

Federal Competition With Banks Criticized By Prof. Ebersole

Criticizing the competition of Government lending agencies with banks, J. Franklin Ebersole, Professor of Banking and Financing at the Harvard School of Business Administration, says in the winter Harvard "Business Review" that the time has come for these Government agencies and bureaus "to ascertain their total actual operating costs."

In indicating this, the New York "Journal of Commerce" of Jan. 5 also quoted Prof. Ebersole as saying:

"Such calculated costs should include losses as well as an allowance for the taxes that would be paid if these were not Government agencies, since tax exemption is in itself a form of Government subsidy."

"The fact that such calculations have not been made and published by any one of these Government agencies suggests the possibility that such figures would be an embarrassment to those who wish, for other reasons than economical operation, to extend the operation of such agencies or to make them permanent."

Writing on the theme that Government could help banks make more jobs, Prof. Ebersole said expansion of bank loans would be encouraged by setting up by banks of a new form of loss reserves.

Brazil Envoy To Canada

The appointment of Ciro Freitas Vale, Brazilian Director of the Foreign Trade Council, as Ambassador to Canada was announced on Jan. 6 by President Getulio Vargas. Reporting this, United Press accounts Jan. 6 from Rio Janeiro said:

"Mr. Freitas Vale was Ambassador to Berlin when Brazil declared war on Germany in August, 1942. He was Acting Foreign Minister in 1939 and is a former secretary general of the Ministry of Foreign Affairs."

1943 Rise In Wholesale Prices And Cost Of Living Smaller Than Any Year Since 1940

The price rise in 1943 was smaller than in any year since 1940, Secretary of Labor Perkins reported on Jan. 2 in reviewing the price situation for the year. At the year's end the general level of prices in wholesale markets was 2% higher than at the close of 1942, and the prices of staples that families buy in retail markets for everyday living were up about 3½%, her report, based on a Bureau of Labor Statistics survey, showed.

The slowing up of the price advance was shown in the following table:

Year—	Per cent Increase Wholesale Prices	Per cent Increase Cost of Living
Dec., 1939 to Dec., 1940	1	1
Dec., 1940 to Dec., 1941	17	10
Dec., 1941 to Dec., 1942	8	9
Dec., 1942 to Dec., 1943	2	3½

"It may be noted that the most rapid rise in prices came before Pearl Harbor," the report said. "The 1943 rise in wholesale prices and in the cost of living was much smaller than the rise of 17% in wholesale prices and 10% in the cost of living during 1941. The slowing up of the price advance in 1943 reflected the development of firmer price control and rationing measures."

"Taking the period of the war as a whole, prices are up much less than in the first World War. Price increases in the two war periods compare as follows:

	World War I July, 1914 to Nov., 1918	World War II Aug., 1939 to Dec., 1943
Wholesale prices	103	37
Cost of living	62	26

"In 1943 there were important price advances for farm products and for food and clothing bought by civilians in retail markets, and for some of the services which they use."

"In wholesale markets the principal increases were almost 7% in farm prices and 1½% in foods. Industrial prices were generally stable except for a few moderate price rises, such as those for coal and lumber. These changes are summarized in the following table:

Percent Increase	December, 1942 to December, 1943 (Estimated)
Wholesale prices, total	1.9
Farm products	6.7
Foods	1.4
All other commodities	1.6

"In retail markets, food and clothing prices went up more than any other part of the family budget—by an average of about 5%. The costs of coal and services also rose, but rents and rates for electricity and gas were generally stable, as shown in the following table:

Per cent of Increases in Principal Elements in the Cost of Living	November, 1942 to November, 1943
Food	4.7
Clothing	5.6
Rent (September, 1943)	0
Fuel, electricity and ice	1.7
Housefurnishings	2.3
Miscellaneous goods and services	4.4

"Prices rose during the first part of the year to a peak in the late spring, and then came down during the summer and autumn as larger supplies of foodstuffs came into the markets and the subsidy program and 'cut backs' by the Office of Price Administration in retail food markets became effective."

"By the end of 1943 prices were at about the same levels as in the mid-1920's. In primary markets—that is, on the exchanges for raw materials and at factories or manufacturing goods—they were 3% above the averages for 1926, and the prices of every-day articles at retail were just below their 1926 average. Thus, it is not the level of prices that makes this wartime rise so important, but the rapidity of the price rise since early 1941, and the consequent necessity for very rapid readjustment of family budgets and of manufacturers' and retailers' trading operations."

"The small rise in prices during 1943 is an especially good record, in view of the fact that income paid to individuals in the United States increased by \$27,000,000,000

—from the already high level of \$115,000,000,000 in 1942 to an estimated \$142,000,000,000 in 1943—and that civilian goods became scarcer as the year went on. Ordinarily such buying pressure, which was only partially offset by taxes and purchases of war bonds, would lead to a much more rapid price rise than that which actually occurred. Rationing, price control, and the cooperation of many manufacturers and dealers in voluntarily holding their prices contributed to this stability.

"Most people have the impression of a much greater rise than actually occurred in the general level of prices, taking markets as a whole. The greatest price rises of the year were in retail prices of foods and in the cost of civilian clothing and services, which are bought frequently by everyone. Moreover, the existence of some black market transactions, shortages, and the obvious changes in quality of certain civilian goods helped to heighten this impression. These retail price advances reflected higher prices in primary markets for farm products and some rise in labor costs in manufacturing and distribution."

U. S., Britain Create Caribbean Agency

Creation of a West Indian Conference as an advisory group under the Anglo-American Caribbean Commission was announced on Jan. 4 by the State Department in Washington.

The purpose of the conference is to promote the cooperative handling of social and economic problems which may arise from time to time in the islands. Members of the body will include two delegates from each United States territory and each British colony or group of colonies in the Caribbean area. Other countries may also be invited to participate in the discussions.

The first session of the conference is expected to be held early this year with the subjects of discussion according to Washington accounts to the New York "Herald Tribune" pertaining to the questions of obtaining supplies for the islands, stabilizing prices, maintaining local food production after the war and continuing research and development of fishery resources and health and quarantine problems.

The Anglo-American Caribbean Commission was created in March, 1942, for the purpose of strengthening social and economic cooperation between the two countries in these regions.

Garrison Named To WLB

Appointment of Lloyd K. Garrison, General Counsel of the War Labor Board, as the Board's first alternate public member was announced on Jan. 2 by President Roosevelt. The Associated Press also reports that the board also announced these appointments:

Jesse Freidin of New York, WLB Associate General Counsel, as General Counsel; Theodore W. Kheel, Chairman of the Second Regional WLB in New York, as Executive Director of the national board; Frederick H. Bullen, disputes director of the fifth regional board, Cleveland, as deputy executive Director, and Thomas L. Norton, Vice Chairman of the Second Regional Board, as Acting Chairman of the New York board.

U. S. Communists Quit Political Party Status And Drop Socialistic Goals To Foster Unity

Following the disclosure on Jan. 9 that the American Communist Party will abandon its political status, Earl Browder, General Secretary of the organization, announced on Jan. 10 that the Communists have decided not to raise the issue of Socialism in the post-war period "in such a form and manner" as to weaken national unity. He also explained that the new program called for peaceful settlement of internal differences rather than for interclass violence.

In indicating this, the New York "Times" of Jan. 11, further stated: "These decisions, reached over the week-end by the National Committee of the Communist Party, have as their purpose the promotion of political unity in the United States so that the policies agreed upon by leaders of the United Nations in conferences at Cairo, Moscow and Teheran can be put into effect, Mr. Browder explained.

Addressing a Communist rally last night at Madison Square Garden, which commemorated the 20th anniversary of the founding of "The Daily Worker" and the 20th anniversary of Lenin's death, Mr. Browder asserted that the joint policy agreed upon at the recent international conferences in which President Roosevelt, Prime Minister Churchill and Premier Stalin took part, carries "with it the duty jointly to exert all influence to minimize and if possible to eliminate the use of violent struggle for the settlement of inner problems, except in the defeat of Axis forces and their quislings."

"It is my considered judgment that the American people are so ill prepared, subjectively, for any deep-going change in the direction of socialism that post-war plans with such an aim would not unite the nation but would further divide it. And they would divide and weaken precisely the democratic and progressive camp, while they would unite and strengthen the most reactionary forces in the country. In their practical effect, they would help the anti-Teheran forces to come to power in the United States.

"If the national unity of the war period is to be extended and even strengthened in the post-war period then we must recognize that in the United States this requires from the Marxists the reaffirmation of our wartime policy that we will not raise the issue of socialism in such a form and manner as to endanger or weaken that national unity."

Fifteen thousand persons attended the rally and not all of them stayed to hear Mr. Browder finish his talk. About the middle of his address, after he had told them that Socialism and the class struggle were being postponed, a

few began to leave singly and in pairs. From then until the end there was a steady trickle moving through the exits.

The speech itself was not greeted with the volume of applause that has marked previous talks by Mr. Browder at Communist rallies in the Garden. Throughout there was only polite handclapping, never enough to halt the speaker. At the end there was a somewhat larger outbreak of applause.

Mr. Browder had praise for Philip Murray, President of the Congress of Industrial Organizations, and the part that labor groups under his leadership have played in supporting war production. But he also declared that the whole wage policy of the Administration required serious review, since it had created an open field for "disrupters and provocateurs, the worst offenders being the reactionary element among the employers, ably seconded by John L. Lewis and his admirers within the labor movement."

But "the absence of such a common sense wage policy is no justification for strikes," the Communist leader added.

Present organized efforts by labor toward effective political action must be deepened and strengthened "to guarantee the continuation of Roosevelt's policies and to change the political complexion of Congress to make it a help instead of a hindrance in winning the war and establishing a stable peace," he declared.

Mr. Browder asserted that it was obvious that the broadest democratic progressive united front must be maintained in America to realize the promise of Teheran.

"Equally obviously, the Communists will be a part and a small minority part of that united front," Mr. Browder told his audience. "The Communist organization will be in a long-term alliance with forces much larger than itself."

Two resolutions were adopted at the rally. One was addressed to President Roosevelt and called for cancellation of the outstanding deportation order against Mrs. Browder. The other, addressed to Governor Dewey, asked for the release of Morris U. Schappes, former City College instructor, from prison, where he is serving a term for perjury.

Doughton Calls Tax Law Revision No. 1 Job

Simplification of Federal tax laws as the No. 1 job for the House Ways and Means Committee was stressed on Jan. 8 by Representative Doughton (Dem., N. C.), Chairman of the Committee. Mr. Doughton voiced the hope that ways could be found to collect through the withholding levy the total tax for some 30,000,000 persons, thus removing the necessity of their filing any tax returns. However, this would not affect the returns due March 15.

In Associated Press Washington advices, as given in the New York "Times," he was further reported as saying:

"Above everything, simplification of the tax laws is what I want to do while I'm in Congress," said the Chairman. "The Committee will go into the matter promptly, cautiously and thoroughly. We're not asleep on it. We're wide awake.

"But," he added, "I don't want to shoot before I draw a bead on the thing."

Mr. Doughton said the Congressional staff of tax experts already was seeking a method of simplification, and that the field men with the Bureau of Internal Revenue who deal directly with taxpayers had been requested to submit suggestions.

The Chairman will call the Committee to begin its studies soon after Congress reconvenes.

Just before Mr. Doughton disclosed his plans Representative Forand of Rhode Island, a committee member, proposed a fifteen-member commission to undertake the job of simplifying the tax laws. The group would be composed of two Representatives, two Senators, three Treasury representatives, two lawyers, three economists and three accountants.

He and Representative Carlson of Kansas have suggested making the withholding levy the total actual tax so that millions of taxpayers would not have to compute formal returns. The Rhode Island member said he wanted the tax laws rewritten into "everyday English."

There appeared a unanimity of determination by the 25 Ways and Means members to tackle the simplification problem, intensified this year by added computations resulting from pay-as-you-go legislation and by the fact that many more millions are paying income taxes.

The committee, which proposes all tax legislation, will be tied up for several days after Congress reconvenes getting the second wartime revenue bill out of the way. This measure, approved by the House, is pending in the Senate.

Morgenthau Praises Retail Workers For Bond Sales

Secretary of the Treasury Morgenthau, in a radio address on Dec. 29, appealed to the 5,000,000 employees of the nation's retail stores to support the Fourth War Loan drive for \$14,000,000,000 which gets under way on Jan. 18.

Describing these workers as "among the Treasury's best salesmen in our war-bond campaigns," Mr. Morgenthau said, according to the United Press, that success of the Fourth War Loan would give assurance to members of our armed forces abroad that "we on the home front are fighting the war too."

The money from the next loan is needed at this time, he said, because "the leaders of the United Nations have drawn up plans for the all-out attack. It will be the greatest attack in history, and it will require tremendous quantities of fighting equipment—the kind of equipment that your war-bond money buys."

Role Of State Department Discussed By Officials

The first of a series of broad-casts, titled "The Department of State Speaks", over the National Broadcasting Co. network took place on Jan. 8, with the participants including Edward R. Stettinius Jr., Under-Secretary of State, James C. Dunn, Political Adviser on European Affairs and other officers of the Department. The initial program was concerned principally with a discussion of events leading up to the recent Moscow conference with an interpretation of its long-range possibilities.

The following regarding the broadcast was reported in Washington advices of Jan. 8 to the New York "Times":

Mr. Dunn added several facts to public information regarding the Moscow Conference in a question-and-answer period conducted by Richard Harkness, capital reporter for the National Broadcasting Company.

Confirming that Mr. Hull took to Moscow the draft of the agreement to which the four powers subscribed, he said that the most important single question settled was "whether the Soviet Union, the United Kingdom, China and ourselves were determined to seek their, and the world's salvation, through international cooperation or whether they had other plans and designs for the future."

"These four nations committed themselves to a policy of continuing cooperation," he continued. "If they hadn't done so, the international future would indeed be a hopeless one.

"The dread certainty of a third World War would have settled on us even before World War II was finished."

He said that Secretary Hull "pointed out to Marshal Stalin and Foreign Minister Molotov that the nations represented at the conference and their leaders faced a greater responsibility for the future life, liberty and happiness of their own and all other peoples than any nations or statesmen had ever faced before."

"He made it quite clear that he would speak frankly in the national interests of the United States," Mr. Dunn added, "but he also said he was convinced there was sufficient common ground between the national interests of the countries to lay the basis for a better world."

Answering a question by Mr. Harkness, Mr. Dunn said he believed that the Russians liked Mr. Hull's approach.

Leo Pasvolosky, special assistant to the Secretary of State in charge of post-war planning, said that while people were talking about an international police force "nobody has as yet figured out what it means."

"There are many ways in which police power can be exercised to suppress aggression," he went on. "We are exploring several possibilities, but we cannot tell at this stage what precise arrangements the nations will be able to agree upon."

Expressing the conviction that "cooperation between peace and freedom-loving nations can be achieved in time of peace as it has been in time of war," he added: "To do this these nations must create certain facilities and instrumentalities for international action."

He said there must be "arrangements for settlement of international disputes by pacific means, rather than by recourse to war," but that even more, there needed to be means for suppressing aggression.

Reminded of what happened to the League of Nations, he said that there was a parallel, "up to a point, but this time, as Secretary Hull has long maintained, there must be the clear certainty for all concerned that breaches of the peace will not be tolerated—

that they will be suppressed—by force, if necessary."

Michael McDermott, chief of the Division of Current Information, said that the people of the United States made its foreign policy through the operations of a free press.

President Praises OPA Volunteer Aides

President Roosevelt congratulated on Jan. 4 the 276,000 volunteers serving with Office of Price Administration war price and rationing boards for the "fine job" they are doing.

In a message read by Chester Bowles, Price Administrator, on a radio program celebrating the second anniversary of the organization of ration boards, the President said he was certain that the overwhelming majority of citizens had "never lost respect and admiration" for the work of board members and their aides.

In Associated Press Washington advices, it was further stated:

The President remarked that some citizens at times had been impatient with their local boards because they had to stand in line or had got "no" to their request for more gasoline or ration points or higher ceiling prices.

"So," he went on, "they beefed a little, because that's the way Americans let off steam under pressure, but with rare exceptions they have complied with the law.

"The few chiselers who have turned up are objects of contempt to all good citizens. Whenever caught they will be punished and, whether caught or not, I am sure that they must always carry with them the knowledge that they have let our country down in this its greatest war."

It takes courage for board workers to say "no," the President said, adding that "we shall always remember their devotion and steadfastness to duty because we know that our local boards, by the fair administration of rationing and price control, have been protecting one of the very fundamentals of democracy—the greatest good for the greatest number."

Mexico Plans Bonds To Offset Inflation

In an effort to check the steadily rising Mexican cost of living, the Secretariat of Finance announced on Jan. 3 that it would sell highway and possibly railway bonds to the general public so as to siphon off circulation of an unspecified amount of currency; this was indicated in Mexico City advices of Jan. 3 to the New York "Times," which further said:

However, according to financial circles, the Banco de Mexico, which would be charged with the transaction, holds in its vaults about 200,000,000 pesos worth of highway bonds. By putting them on the market, it was said, it would therefore be able to withhold that much money out of the seriously inflated circulation, which was slightly in excess of 1,800,000,000 pesos in December.

Another financial operation said to be under study is the redemption of 1,000,000,000 pesos worth of railroad bonds in various issues, some of which date back to the Diaz regime, and which are almost exclusively in the hands of foreign investors.

If a proposal reportedly made is accepted, the Mexican Government will be in the position to redeem these bonds at one-fifth of their par value, discounting all interest.

Army Exchanges Plan To Train More Civilian Executives

The need for experienced civilian personnel to assist in executive duties of domestic Army exchanges is increasing rapidly, Col. Francis R. Kerr, Chief of the Army Exchange Service, told a group of 36 civilian employees of Army exchanges who began a period of four weeks' intensive training at New York University on Jan. 10. Col. Kerr stated that as more and more troops are sent overseas, military personnel who have been supervising the exchanges in this country will be needed abroad to set up exchange service for the men in foreign war zones.

"This situation," Col. Kerr explained, "will leave the burden of operating the post exchanges in the camps in this country largely in the hands of civilians."

In siphoning off experienced Army officers for overseas duty, he stated, only a minimum of exchange officers will remain in this country. Under regulations, exchanges are operated as agencies of the War Department with an officer always in command of both military and civilian exchange personnel.

Each of the nine service commands and the United States Military Academy at West Point are represented by the students attending the training program at

New York University. The majority are at present employed in some supervisory capacity in an Army Exchange.

This is the second group of Army Exchange civilian employees who have been sent to New York University for training in the operation of post exchanges. The course will include instruction in merchandising, accounting, personnel and restaurant management. Lecturers are drawn from officers in the Army Exchange Service and in the Service Commands, and from the New York University School of Retailing faculty.

Dr. Norris A. Brisco, dean of the University's School of Retailing, and Colonel R. Parker Kuhn, deputy chief of the Army Exchange Service, are in charge of the training program.

National Thrift Group Offers 10-Point Wartime Program For Individual

A 10-point wartime thrift program for the individual will be stressed in the nation-wide observance of National Thrift Week which begins Monday next, Jan. 17 (Benjamin Franklin's birthday), and continues through the 23rd, J. Robert Stout, Chairman of the National Thrift Committee, announced on Jan. 11. "Thrift Week of 1944 will be more important than any previous celebration because it marks the opening of the Fourth War Loan Drive on Jan. 18," said Mr. Stout. "With high income taxes and previous war bond commitments, people will want guidance in further tightening their budgets to make room for greater saving." Mr. Stout went on to say: "National Thrift Week has always been the financial check-up period of the year for the thrifty; and for the un-thrifty, as an annual reminder of the steady passing of time and opportunity, it has been a stimulus to economy and frugality. In this great war which constantly is reaching deeper into our homes, the National Thrift Committee believes Thrift Week 1944 should be dedicated to the thrifty who by their War Bonds and savings, in addition to their taxes, carry the super-load on the home front and still want to do more! So the week borrows their slogan, "Budget, Buy War Bonds, Economize and Save," and for their convenience—and satisfaction—in checking up on their war effort, and as a guide to possibly even greater thrift on their part, the committee offers this 10-Point Wartime Thrift Program for the Individual:

1. Analyze living expenses in relation to income; buy only what you need. Plan economies, and do not raise your standard of living

2. Budget; anticipate periodic expenses and possible emergencies with temporary savings out of every pay check.

3. Pay debts; reduce or complete installment contracts. Buy only what you can pay for.

4. Continue regular additions to your savings account—these indicate your financial progress.

5. Buy war bonds and stamps regularly out of current income, not with savings. Hold war bonds until they mature.

6. Survey your life insurance program in connection with social security provisions. Clear life insurance loans now, if any exist.

7. Protect your home ownership by promptly meeting payments; step up amortization payments if increased income permits.

8. Seek advice of local financial institutions for special guidance on any of the foregoing points.

9. Conserve goods, services and material; limit buying to things needed for health and vigor of family. Adjust demands to supply of goods available; adopt substitutes.

10. Conserve your health with sensible food, rest and relaxation.

Capehart Sees New Deal Beaten In November Says Any Good Republican Can Defeat Roosevelt

Homer E. Capehart, Indianapolis industrialist who has announced his candidacy for the Republican nomination for United States Senator from Indiana, predicted on Jan. 4 that the New Deal Administration would be beaten in the November elections.

In an interview in New York City, Mr. Capehart said he believed "any good Republican" could defeat President Roosevelt should he seek a fourth term. Among the Republican possibilities, Mr. Capehart listed Governor Thomas E. Dewey, Wendell L. Willkie, General Douglas MacArthur and Governor John W. Bricker of Ohio, but he declined to express a personal preference.

The following regarding the interview was reported in the New York "Herald Tribune" of Jan. 5.

"The American people are sick and tired of the New Deal," said Mr. Capehart. "I think they weakened their position by changing their name from the New Deal. It is an admission that the New Deal is a failure. If I were Mr. Roosevelt, I, too would want to change that name. I doubt if the people in New York realize the extent of the revolt in Indiana and the Middle West against the New Deal."

Mr. Capehart described the dissatisfaction with the New Deal as having been caused by "the bungling of economy on the home front and the fact that the American people like a change every so often." He added that the people of Indiana were "quite favorable" toward the conduct of the war.

"My feeling," he continued, "is that we will have some form of national socialism unless we stop the philosophy of the New Deal."

He declared he was certain a good peace treaty would be written, but expressed concern "whether we will enforce the peace treaty as written." He asserted there would be no war today if the last peace treaty had been enforced.

"I think we should do everything in our power to help other nations maintain world peace to the extent of doing everything which is for the best interest of, first, America, and second, the rest of the world," said Mr. Capehart. "We cannot sell to our people unless they are all working

explained, are United States Government deposits of \$93,194,261 which represent book credits resulting from subscriptions by both the company and its customers to war loans and other offerings of United States Government securities. At the end of 1942, such Government deposits amounted to \$99,619,588. These deposits are of a temporary nature, it was explained, being drawn out as needed by the Treasury Department.

Holdings of Government obligations totaled \$381,441,910 as of the end of the year, the report showed, an increase of \$54,459,973 over 1942. The average maturity to first call date of the bank's present portfolio, said Mr. Bierwirth, was 46 months and to maturity date 63 months. The report disclosed that 32.32% of the bank's Government holdings matured in less than one year; 38.86% in from one to five years, and 28.82% had maturities of more than five years. Other bonds and securities amounted to \$23,001,161, a decrease of \$2,116,569, as against 1942.

"Loans and discounts amounting to \$158,771,343 are \$18,170,114 larger than a year ago," Mr. Bierwirth stated. "The increase consists of \$5,871,675 in commercial loans and \$12,298,438 in loans to brokers and dealers in United States Government securities. As was the case in 1942, commercial loans continued to be primarily used by companies engaged in the production of war materials. During the year, the company had substantial participations in Regulation V and VT loans."

Mr. Bierwirth's report further stated:

"Commercial banks of the country have been taking an increased part in assisting in the prosecution of the war during the past year. In addition to the granting of credit to companies engaged in war production, banks have participated in the sale and distribution of Government securities at the times of the several War Loans, have assisted in handling payroll deduction plans for corporations whose employees are purchasing War Bonds, operated ration banking accounts and performed various other unusual functions.

"We have shared in this work in every way possible and our increased holdings of Government securities and the increased loans to industry give tangible evidence of this. It will continue to be our policy to assist our Government and industry in the requirements and problems still to be faced for the balance of the war, and in the period to follow."

Steel Employment Off In November

The number of employees in the steel industry continued to decline in November, 1943, according to a report released on Jan. 7 by American Iron and Steel Institute, showing that 611,000 employees were on the payrolls of the industry during that month, as compared with 615,000 in October, 1943, and 632,000 in November, 1942.

Steel industry payrolls during November, 1943, amounted to \$141,437,000, compared with \$144,937,000 in the longer month of October and with \$122,816,000 in November, 1942.

Earnings of wage-earning employees in the industry averaged 116.4 cents per hour during November, 1943, the highest average hourly earnings on record. By comparison, steel wage earners earned 115.8 cents per hour in October, 1943, and 109.3 cents per hour in November, 1942.

Wage earners worked an average of 44.8 hours per week in November, 1943, as against 44.6 hours per week in October, 1943, and 39.4 hours per week in November, 1942.

From Washington

(Continued from first page)

towards him. Their bitterness, strangely enough, is not on the matter of wages. It is because while they were playing a little game with the President, as they look at it, he double-crossed them in the seizure of the railroads. They have been put in the worst light imaginable in the eyes of the public and in the eyes of their membership.

You've got to understand that the conductors and engineers, to particularize, among the railroad workers, are among the country's most substantial citizens. Except for the densely populated East and even here in many instances, their homes are in smaller communities in which they take a leading part. They are the pillars of their respective churches; high up in the fraternal orders. They can't be drinking men. They have to live as upright lives as a bank teller. They have had to work long on the railroads to get their present jobs, and with a mistake, they are very apt to lose them.

Yet these men are now being subjected to such as the following which we witnessed ourselves:

On a train between Baltimore and Washington, a conductor was taking up tickets. He was a man 60 or so years old and, as we learned later, has three sons in the armed forces. But the soldiers on the train got to razzing him:

"Oh, so you've decided not to strike after all. Didn't you have the guts? Suppose we go on strike."

This man literally burned up, but kept his thoughts to himself. But he's still burning up over the men who so handled his affairs as to put him in this predicament. He is burning up over the officers of his brotherhood; they, in turn, are burning up over the President; and the men, themselves, are burning up over him.

The funny thing about it is that Mr. Roosevelt is also being blamed for General Marshall's celebrated statement. It is a statement with which he had absolutely nothing to do and he hasn't been able to make up his mind since whether he wanted to get in on that statement or to run from it. One day Steve Early said it seemed as though the President had been thinking along the same lines; the following day he wasn't so sure whether the President had or had not.

In view of all this, speculation was feverish as to how he would deal with labor in his message to Congress. He did it in the same old slick way which promptly registered far more indignation than approval in Congress. He "showed firmness" towards labor by asking for a vague national service act, but tied it up with so many other things, particularly greatly increased taxes and subsidies, that he knew in advance he wouldn't get it.

For some reason or another, it never occurs to politicians when they get in such a mess, to use a little common honesty. Mr. Roosevelt's predicament, in which he finds himself rapidly losing the more conservative labor vote, and not gaining anywhere else, is due to a dishonest thinking all the way through. When a year ago John L. Lewis told the astonished Senate Truman Committee that he had been released from his no-strike pledge he was telling the absolute truth. At the outbreak of war, Mr. Roosevelt exacted the no-strike pledge from the labor leaders. In turn he was to set up a board similar to the one in the first World War headed by William Howard Taft. This was a board to handle labor's problems; make wage readjustments, etc. Subsequently, the planners sold Mr. Roosevelt on the idea that in addition to giving the country a victory in the war, it would be splendid also to give them a

frozen economy to "prevent inflation." At no period does a nation's economy move faster, or a man's life move faster than in war. The world turns upside down; formerly successful men are utterly lost; ne'r-do-wells find something in which they can excel. The village barber turns out to be a better soldier than he was a civilian and gets to be a major. Men die faster, live faster. Lieutenant colonels of two years ago with little or no responsibility become major generals with the destiny of thousands of men in their hands.

Freezing an economy under these circumstances would seem to be difficult even if for avowedly laudable purposes. But be this as it may, it undoubtedly withdrew the labor adjustment board which the labor leaders were given for their no-strike pledge. More important, however, is that when it came to dealing with Lewis, Mr. Roosevelt was persuaded that a settlement or a working out of an understanding with him was not the thing. For political reasons he had to crush Lewis. He didn't succeed.

The only accomplishment from all of the shenanigans is to increase the bitterness between the armed forces and the workers, and from experience this writer can testify that the bitterness is working both ways, not just one way as so many people apparently would like. It's making for a pretty pickle, indeed.

Why Roosevelt Is Hedging

(Continued from first page)

France, Arabia, Brazil and other neutral nations. In other words, the victorious nations need policing instead of the vanquished nations!

What the U. S. Should Demand

My own guess is that Russia will dominate and protect all East of Germany; while England will dominate and protect all West of Germany and that both England and Russia will have free access to the North Atlantic, to the Mediterranean and to the Indian Ocean. Through agreeing to protect Holland, Belgium and France, England will indirectly get control of the Dutch East Indies and the African Colonies of Belgium and France. The United States will get nothing but the privilege of paying the bills!

I do not feel badly to have the above happen. It may be best in the long run for us to leave the Eastern Hemisphere to Russia and the British Commonwealth with one proviso: This is that we insist on free and open markets in Asia, Africa and South America for our products. To the extent these markets are necessary to keep our people employed, they must never be shut against us. Secretary Hull has the right solution for the postwar employment problem.

Praises Secretary Hull

The greatest statesman in the United States is Cordell Hull. He alone holds the key both to world peace and postwar employment. I wish he might be elected President in November. Otherwise, if Mr. Roosevelt insists upon running, perhaps Mr. Hull would consider being Vice President AND Secretary of State. There is no reason why he could not hold both offices. Then, whether Roosevelt resigned or continued in office, the country would be safe so long as Secretary Hull is at the helm.

F. S. Readers are asking, "What are the chances of government ownership of the railroads after the war?" My answer is that most investors would probably welcome it, but the decision will rest with organized labor. I don't know what labor will want.

New York Trust Co. Net Income \$3,905,875

Net operating income of the New York Trust Company amounted to \$3,905,875 for 1943, as compared with \$3,030,392 for the previous year, according to the report covering the year's operations by John E. Bierwirth, President, made public on Jan. 6. The annual stockholders meeting was held yesterday.

Gross operating income for 1943 stood at \$9,697,432, an increase of \$1,563,249 over 1942. The substantial increase in gross income, Mr. Bierwirth said, resulted from a much greater investment in United States Government securities in 1943 as well as larger income from loans and investments. Other items of income were substantially the same as in 1942.

The company's gross deposits as of Dec. 31, 1943, aggregated \$689,208,446, an increase of \$60,431,145 over the total shown at the end of the previous year. Included in the gross deposits, Mr. Bierwirth

Uniform Policy Set On Commission Employees During 1944 Under Stabilization Program

Judge Fred M. Vinson, Director of Economic Stabilization, announced on Dec. 30 a uniform policy for treatment of commission employees under the stabilization program during 1944. The announcement was made in a letter to the Commissioner of Internal Revenue authorizing and directing him to apply the same stabilization rule to commission earnings and certain related methods of compensation as is now applied by the National War Labor Board.

The statement explained as follows:

"This authorization follows a recommendation by the Commissioner that this action should be taken if the National War Labor Board's commission rule is continued. Under the National War Labor Board's rule, applicable to commission salesmen earning less than \$5,000 per annum, no approval for any increase or decrease in total annual commission earnings is required so long as the commission rate on the individual transaction is not increased or decreased. Any change in commission rate and any change from salary to commission basis requires the approval of the Commissioner of Internal Revenue or the National War Labor Board, depending on which agency has jurisdiction.

"The restrictions under the stabilization program on changes of basic hourly piecework or salary rates are equally applicable to changes in commission rates.

"This action announced today does not involve any change in the policy on the salesman's own sales. Although regulations were issued by the Commissioner on Sept. 4, 1943, designed in general to limit total commission earnings to those of the previous year, this regulation was subsequently suspended as to commissions on the salesman's own sales. That suspension harmonized the commission rule applied by the Commissioner with those of the National War Labor Board with re-

spect to direct commissions. The action approved by the Economic Stabilization Director today unifies the principles to be administered in 1944 not only for direct commissions, but as well for compensation based on a percentage of the sales of others, a percentage of profits and other like arrangements. With respect to these latter employment contracts, the Director's action taken pursuant to the Commissioner's recommendation modifies the restriction on increases in total earnings administered by the Commissioner of Internal Revenue during 1943.

"In connection with the commission rule applied by the National War Labor Board, the Economic Stabilization Director, in his letter to the Commissioner stated: 'I am satisfied the commission rule applied by the National War Labor Board is not in conflict with the basic principles of the stabilization program and further that it rests on sound considerations of administrative necessity. I shall not, on the basis of present information, direct any change in the principle applied by the National War Labor Board with respect to commission earnings. Accordingly, I am moved by your recommendation to conclude that the same principle should apply for the calendar year 1944 to commission earnings and related methods of compensation subject to your jurisdiction. You are authorized and directed to take appropriate action to effectuate this policy.'

ABA Head Asks 15,000 Banks To Support Fourth War Loan Drive

The nation's 15,000 banks were urged to place their full support behind the Fourth War Loan Drive, in which the Treasury will seek \$14,000,000,000 to help finance the war, in a letter sent on Jan. 7 to all banks throughout the country by A. L. M. Wiggins, President of the American Bankers Association.

As in the previous war financing drives, the banks have been asked by the Government to play a vigorous role in promoting the Fourth War Loan Drive, which begins on Jan. 18. In his letter to the banks, Mr. Wiggins, who is President of the Bank of Harts-ville, S. C., urges them to redouble their efforts in the forthcoming drive, particularly in helping the Treasury place \$5,500,000,000 of the \$14,000,000,000 quota of Government bonds in the hands of individual investors. In his letter, Mr. Wiggins said:

"In this campaign the Government will not only attempt to obtain funds to maintain the victorious drive of America and her Allies but will also seek to erect a barrier against some of the destructive forces of inflation. It will endeavor to do this by placing \$5,500,000,000 of the national quota in the hands of individual investors—the men and women of the communities served by your banks."

From Mr. Wiggins' letter we also quote:

"In the coming campaign I urge every banker in every community to redouble his efforts to reach the individual investor. By so doing you will exert a powerful influence in reducing the threat of inflation created by the existence of large sums of uninvested, spendable cash.

"In addition to this vital factor, there are other compelling reasons why every man, woman, and child and every business, institution, and organization should buy

United States War Bonds to the limit of their capacity.

"First, the money is urgently needed to maintain our armed forces at the present high point of battle efficiency. This means that they must always have an adequate supply of arms and ammunition, ships and planes, equipment and tanks that will enable them to emerge from this total war with a victory no less total than the struggle itself.

"Second, it is the most direct and tangible contribution that most of us on the home front can make toward achieving that victory. General Eisenhower, as he prepared to take command of the invasion forces, placed this challenge squarely before us when he declared, 'The only thing needed for us to win the European war in 1944 is for every man and woman, all the way from the front line to the remotest hamlet of our two countries, to do his or her full duty.'

"Third, with the purchase of War Bonds we not only help finance the war but we build a backlog of personal financial security in the peace to come. . . .

"There is a tremendous job to do and it will require all your energy, experience, facilities, and skill. This is America's critical hour and this is America's most urgent need. I am confident that you will meet the challenge and accept the responsibility fully, quickly, and with high patriotism. Such action will lead to victory."

Life Insurance Holdings Up \$8.7 Billion 68 Million Policyholders Now Own \$139 Billions

American families increased their aggregate holdings of life insurance by \$8,700,000,000 during 1943, the largest gain in family protection ever recorded for a single year, Holgar J. Johnson, president of the Institute of Life Insurance, declared on Jan. 1 in reviewing the activities of the life insurance business in the past year.

According to the announcement the 68,000,000 policyholders of the United States now own \$139,000,000,000 of life insurance, the Institute estimates. This, says the Institute is \$14,000,000,000 more than the total owned when America entered the war and represents a threefold benefit to the nation's war economy: Greater current protection for American families; greater reserve strength for the postwar need; and a contribution to the anti-inflation battle through the sums diverted from spending to this type of saving.

It is added that life insurance funds supporting this protection at the year end amounted to \$37,675,000,000, an increase of more than \$5,000,000,000 since Pearl Harbor. Since these assets it is noted are for the most part represented by policyholder reserves, the major portion of this increase is reflected in policy values and the strengthening of the security base of the nation's families.

The Institute's announcement further said:

"Financing aid to the war program reached a new high point during the year. Purchases of U. S. Government securities by life insurance companies exceeded by a substantial margin the companies' premium income and at the year end the investment of policyholder funds in government bonds amounted to \$12,600,000,000, an average of \$380 per family. One-third of all life insurance assets are now invested in U. S. Government securities.

"While approximately 75% of all life insurance funds available for investment was put into U. S. Government securities, the financing aid to the home front economy

through investment in business securities and in real estate mortgages was substantially maintained. Of particular significance in this connection was the increased flow of money into mortgages on city homes, including apartments, which accounted for more than \$400,000,000 of the year's investment. Substantial progress was made in the sale of both farm and urban properties that had been taken under foreclosure during the depression.

"The flow of benefit payments in 1943 continued at approximately the same rate as in 1942, constituting an effective stabilizing force on the home front economy. Payments of all kinds to policyholders and beneficiaries during the year amounted to \$2,400,000,000. Death benefit payments were nearly \$100,000,000 greater than in the previous year, but emergency calls for cash values decreased by more than \$150,000,000 to an all time low rate, half that of prewar 1941. The aggregate of other payments to policyholders and beneficiaries increased somewhat with both annuities and matured endowments above 1942, and dividends to policyholders changed little.

"A factor in the increased death benefit payments was the rise in claims resulting from the deaths of men of the armed forces. These claims were handled expeditiously under the system worked out by representatives of the services and the International Claims Association, representing the companies."

Bricker Says People Should Direct Government In Order To Preserve Free Atmosphere

Gov. John W. Bricker of Ohio declared on Jan. 7 that the election issue would be whether to have a Government subservient to the people or a people subservient to the Government.

In an address before a Republican rally in Detroit, Mr. Bricker, who is seeking the Republican Presidential nomination, said America and her Allies were fighting the war to destroy tyranny in the world and then added:

"A Republican victory (in next fall's election) will be an assurance that, in freeing the world from tyranny, we shall also free our people of unnecessary governmental domination. . . ."

In Associated Press Detroit advices of Jan. 1, Gov. Bricker's remarks were further reported as follows:

"Victory for the Republicans he said, will mean that the 'policy making power of government will be taken from the bureaucrats and placed in the hands of the elected representatives of the people.'"

"The question for America to decide, simply stated," he said, "is this: Shall Government direct the lives of our people or shall the people direct the Government so that it may aid them, individually and hopefully, to find their own way?"

"Are we going to continue our march toward totalitarianism or are we going to preserve the free atmosphere which our people have breathed since our country was founded? Shall we maintain a great governmental structure to which people are subservient or shall we maintain those conditions which have led to the development of a great self-reliant people to whom the Government is subservient?"

Gov. Bricker said the "greatest discouragement for the future lies in the fear of people that the burdens of government may not be lessened when the war is won

and that arrogant bureaucracy will not be curbed."

"Let no one be misled or be led to believe," he said, "that the attack on business in this country, the subordination of local government, the suppression of the individual, the growth of bureaucracy, are solely a part of the war program. They are essentially a part of the New Deal philosophy. . . ."

He made a sharp reference to President Roosevelt's recent remark, about the Democratic "Win the War" administration, as distinguished from the "New Deal." "Every American citizen today has the right," he said, "to resent any political leadership that assumes to take unto itself credit for winning the war. The motto 'Win the War' became the motto of every real American on December 7, 1941. . . ."

In his closest approach to a statement on post-war foreign policy, Gov. Bricker said: "Military victory is not enough. America must collaborate with those who want a world at peace."

NYA Liquidated After 8 1/2 Years' Existence

The National Youth Administration, which Congress voted in July to liquidate, passed out of existence on Jan. 1, thus ending its eight and a half years as part of the New Deal. The NYA was created in July, 1935, to train

young people for employment and to help needy boys and girls through school. The agency's training programs during the latter part of its life were in connection with war work.

In Associated Press Washington advices of Jan. 1, it was reported that with the abolishment of the NYA, it will leave to the Treasury \$700,000, the unused portion of \$4,500,000 Congress provided for the job of liquidation. These advices further stated:

It also has given to the Treasury its 300 tons of old records, to be sold as waste paper.

When the "cease" legislation, was enacted NYA had 64,923 persons on its payroll. Within ten days it had dropped 53,373 youths, leaving 11,555 administrative employees. Today NYA has 46 on its payroll.

Chester Lund, who was called in from St. Paul to succeed Aubrey Williams as administrator on Sept. 10, said NYA has done a notably fast job of liquidating itself. Congress gave it six months and one day to get out of business. Last October, two and a half months ahead of schedule, the agency had inventories, assembled and turned over to the Treasury 816 units of property, valued at \$75,000,000, throughout the United States, Alaska, Hawaii and Puerto Rico.

Urban Land Institute To Meet On Jan. 19

The annual conference of officers and members of the Urban Land Institute, a national organization in the field of city planning and land development policy, will be held in Washington at the Mayflower Hotel on Jan. 19, according to Hugh Potter, President.

Sponsored by the Urban Land Institute, the Neighborhood Development proposal, S. 1163, also known as the Wagner Bill, seeks the reclamation of land in deteriorated urban areas through the extension of Federal credit to municipalities. This is proposed as a means of opening the field of neighborhood redevelopment to private builders. According to the Institute, prominent in the deliberations will be the consideration of an alternate plan to the Wagner Bill calling for local financing rather than Federal credit in the rehabilitation of run-down urban areas. The basic need for stimulating urban redevelopment, Herbert U. Nelson, Secretary, said, is the perfection of an effective formula for land recovery. The alternate proposal features local rather than Federal financing of land assembly, a stimulant to private rebuilding of worn-out city areas.

The formulation of the Institute's program for 1944 including city surveys, the extension of Institute services and the development of studies to be undertaken by individual cities with the advice and counsel of the Institute, will be discussed.

Salter To Aid UNRRA

Herbert H. Lehman, Director General of the United Nations Relief and Rehabilitation Administration, announced on Dec. 30 that Sir Arthur Salter, who recently resigned as head of the British Merchant Shipping Mission in Washington and as joint Parliamentary Secretary of the British Ministry of War Transportation, would assist him in the organizational period of UNRRA before returning to England.

Mr. Lehman said that he had invited Sir Arthur to aid him in view of his earlier international administration. Because the work is temporary, it was explained Sir Arthur will retain his seat in the House of Commons.

President Calls On Congress To Enact National Service Law And "Realistic" Tax Measure

(Continued from first page)

ful year in our history—and the reasons for those recommendations.

The legislative program suggested by Mr. Roosevelt was proposed "in order to concentrate all our energies and resources on winning the war, and to maintain a fair and stable economy at home."

In urging passage of a national service law, the President explained:

"It does not mean reduction in wages. It does not mean loss of retirement and seniority rights and benefits. It does not mean that any substantial numbers of war workers will be disturbed in their present jobs. Let these facts be wholly clear.

Experience in other democratic nations at war—Britain, Canada, Australia and New Zealand—has shown that the very existence of national service makes unnecessary the widespread use of compulsory power. National service has proven to be a unifying moral force—based on an equal and comprehensive legal obligation of all people in a nation at war.

It is argued that we have passed the stage in the war where national service is necessary. But our soldiers and sailors know that this is not true. We are going forward on a long, rough road—and, in all journeys, the last miles are the hardest. And it is for that final effort—for the total defeat of our enemies—that we must mobilize our total resources. The national war program calls for the employment of more people in 1944 than in 1943.

It is my conviction that the American people will welcome this win-the-war measure which is based on the eternally just principle of 'fair for one, fair for all.'

At the start of his message, Mr. Roosevelt asserted that "we are united in determination that this war shall not be followed by another interim which leads to new disaster—that we shall not repeat the tragic errors of ostrich isolationism—that we shall not repeat the excesses of the wild '20s when this nation went for a joy ride on a roller coaster which ended in a tragic crash."

Regarding the Moscow, Cairo and Teheran conferences, the President assured "some suspicious souls" that "there were no secret treaties or political or financial commitments." He explained that the one supreme objective for the future which was discussed was "security"—physical, economic, social and moral.

Mr. Roosevelt criticized a "noisy minority" at home which maintains "an uproar of demands for special favors for special groups," saying that such selfish agitation can be "highly dangerous in war time." He called for subordinating "individual or group selfishness to the national good" and warned that over-confidence and complacency are among our deadliest enemies.

Mr. Roosevelt also urged Congress to take speedy action to give members of the armed forces the right to vote.

As a so-called "second bill of rights," on which to base security and prosperity, the President listed the following:

"The right to a useful and remunerative job in the industries or shops or farms or mines of the nation;

The right to earn enough to provide adequate food and clothing and recreation;

The right of every farmer to raise and sell his products at a return which will give him and his family a decent living;

The right of every business man, large and small, to trade in an atmosphere of freedom from un-

fair competition and domination by monopolies at home or abroad; The right of every family to a decent home;

The right to adequate medical care and the opportunity to achieve and enjoy good health;

The right to adequate protection from the economic fears of old age, sickness, accident and unemployment;

The right to a good education; All of these rights spell security. And after this war is won we must be prepared to move forward, in the implementation of these rights, to new goals of human happiness and well-being."

Following the account to the New York "Times" from Washington by John H. Crider, of the President's message to Congress, it was pointed out by that paper that:

"President Roosevelt, in his fireside speech last night, added to the proposals he had put before Congress earlier in the day an endorsement of simplified Federal taxation.

"In his message the President had asked enactment of 'a realistic tax law' as the first item on his five-point legislative program. Speaking to the citizens he used precisely the same words with regard to taxes, with the exception that he requested 'a realistic and simplified tax law.'"

His remarks on this subject, as on the other items of his program, were brief, save in his plea for national service, to which he devoted several paragraphs of his broadcast address.

In his plea for a national service act, he omitted only the statement, made in his message to Congress, that such universal service was already required by law in Britain, Canada, Australia and New Zealand, and a closing declaration that, with the armed services meeting their responsibilities, Congress faced the responsibility "for taking those measures which are essential to national security in this, the most decisive phase of the nation's greatest war.

Other points made by the President in his message to Congress but not included in his address to the people dealt in general with home-front complacency and the possibility of national disunity. In his message, Mr. Roosevelt warned that the country had not always presented a united front in time of war, citing the disagreements of the Revolution, the War of 1812, the war between the States, and the signs of internal conflict in the final months of the first World War.

These references were not included in the radio address, nor was the President's reference, in the Congressional message, to "overconfidence and complacency" as "among our deadliest enemies." In this connection the President also omitted from his broadcast speech a statement that over-confidence last spring, after the notable victories at Stalingrad and Tunisia, caused war production to fall off with a loss of "more than a thousand airplanes that could have been made" in June and July of 1943.

Such alterations as the President made consisted of verbal changes in his text and the omission of some introductory, transitional and summarizing sentences, apparently for the purpose of bringing his text within the half-hour limit of his broadcasting time.

Text of Address

The text of President Roosevelt's annual message to Congress was as follows:

To the Congress of the United States:

This nation in the past two years has become an active part-

ner in the world's greatest war against human slavery.

We have joined with like-minded people in order to defend ourselves in a world that has been gravely threatened with gangster rule.

But I do not think that any of us Americans can be content with mere survival. Sacrifices that we and our Allies are making impose upon us all a sacred obligation to see to it that out of this war we and our children will gain something better than mere survival.

We are united in determination that this war shall not be followed by another interim which leads to new disaster—that we shall not repeat the tragic errors of ostrich isolationism—that we shall not repeat the excesses of the wild twenties when this nation went for a joy ride on a roller coaster which ended in a tragic crash.

When Mr. Hull went to Moscow in October, and when I went to Cairo and Teheran in November, we knew that we were in agreement with our allies in our common determination to fight and win this war. But there were many vital questions concerning the future peace, and they were discussed in an atmosphere of complete candor and harmony.

In the last war such discussions, such meetings, did not even begin until the shooting had stopped and the delegates began to assemble at the peace table. There had been no previous opportunities for man-to-man discussions which lead to meetings of minds. The result was a peace which was not a peace.

As to 'Commitments.'

That was a mistake which we are not repeating in this war.

And right here I want to address a word or two to some suspicious souls who are fearful that Mr. Hull or I have made "commitments" for the future which might pledge this nation to secret treaties, or to enacting the role of Santa Claus.

To such suspicious souls—using a polite terminology—I wish to say that Mr. Churchill and Marshal Stalin, and Generalissimo Chiang Kai-shek are all thoroughly conversant with the provisions of our Constitution. And so is Mr. Hull. And so am I.

Of course, we made some commitments. We most certainly committed ourselves to very large and very specific military plans which require the use of all Allied forces to bring about the defeat of our enemies at the earliest possible time.

But there were no secret treaties or political or financial commitments.

The one supreme objective for the future, which we discussed for each nation individually, and for all the United Nations, can be summed up in one word: security.

And that means not only physical security which provides safety from attacks by aggressors. It means also economic security, social security, moral security—in a family of nations.

In the plain down-to-earth talks that I had with the Generalissimo and Marshal Stalin and Prime Minister Churchill, it was abundantly clear that they are all most deeply interested in the resumption of peaceful progress by their own peoples—progress toward a better life. All our Allies want freedom to develop their lands and resources, to build up industry, to increase education and individual opportunity, and to raise the standards of living.

One Recognized Fact.

All our Allies have learned by bitter experience that real development will not be possible if they are to be diverted from their purposes by repeated wars—or even threats of war. China and Russia are truly united with

Britain and America in recognition of this essential fact:

The best interests of each nation, large or small, demand that all freedom-loving nations shall join together in a just and durable system of peace. In the present world situation, evidenced by the actions of Germany, Italy and Japan, unquestioned military control over disturbers of the peace is as necessary among nations as it is among citizens in a community. And an equally basic essential to peace is a decent standard of living for all individual men and women and children in all nations. Freedom from fear is eternally linked with freedom from want.

There are people who burrow through our nation like unseeing moles, and attempt to spread the suspicion that if other nations are encouraged to raise their standards of living, our own American standard of living must of necessity be depressed.

The fact is the very contrary. It has been shown time and again that if the standard of living of any country goes up, so does its purchasing power—and that such a rise encourages a better standard of living in neighboring countries with whom it trades. That is just plain common sense—and it is the kind of plain common sense that provided the basis for our discussions at Moscow, Cairo and Teheran.

Returning from my journeyings, I must confess to a sense of "let-down" when I found many evidences of faulty perspectives here in Washington. The faulty perspective consists in over-emphasizing lesser problems and thereby under-emphasizing the first and greatest problem.

The overwhelming majority of our people have met the demands of this war with magnificent courage and understanding. They have accepted inconveniences; they have accepted hardships; they have accepted tragic sacrifices. And they are ready and eager to make whatever further contributions are needed to win the war as quickly as possible—if only they are given the chance to know what is required of them.

Noisy Minority Active.

However, while the majority goes on about its great work without complaint, a noisy minority maintains an uproar of demands for special favors for special groups. There are pests who swarm through the lobbies of Congress and the cocktail bars of Washington, representing these special groups as opposed to the basic interests of the nation as a whole. They have come to look upon the war primarily as a chance to make profits for themselves at the expense of their neighbors—profits in money or in terms of political or social preference.

Such selfish agitation can be highly dangerous in wartime. It creates confusion. It damages morale. It hampers our national effort. It muddles the waters and therefore prolongs the war.

If we analyze American history impartially, we cannot escape the fact that in our past we have not always forgotten individual and selfish and partisan interests in time of war—we have not always been united in purpose and direction. We cannot overlook the serious dissensions and the lack of unity in our war of the revolution, in our war of 1812, or in our war between the States, when the survival of the Union itself was at stake.

In the first World War we came closer to national unity than in any previous war. But that war lasted only a year and a half, and increasing signs of disunity began to appear during the final months of the conflict. In this war, we have been compelled to learn how interdependent upon each other are all groups and sections of the population of America.

Increased food costs, for exam-

ple, will bring new demands for wage increases from all workers, which will in turn raise all prices of all things including those things which the farmers themselves have to buy. Increased wages or prices will each in turn produce the same results. They all have a particularly disastrous result on all fixed income groups.

Where Inflation Hits.

And I hope you will remember that all of us in this Government represent the fixed income group just as much as we represent business owners, workers and farmers. This group of fixed-income people include: Teachers, clergy, policemen, firemen, widows and minors on fixed incomes, wives and dependents of our soldiers and sailors, and old age pensioners. They and their families add up to one-quarter of our one hundred and thirty million people. They have few or no high pressure representatives at the capital. In a period of gross inflation they would be the worst sufferers.

If ever there was a time to subordinate individual or group selfishness to the national good, that time is now. Disunity at home—bickerings, self-seeking partisanship, stoppages of work, inflation, business as usual, politics as usual, luxury as usual—these are the influences which can undermine the morale of the brave men ready to die at the front for us here.

Those who are doing most of the complaining are not deliberately striving to sabotage the national war effort. They are laboring under the delusion that the time is past when we must make prodigious sacrifices—that the war is already won and we can begin to slacken off. But the dangerous folly of that point of view can be measured by the distance that separates our troops from their ultimate objectives in Berlin and Tokio—and by the sum of all the perils that lie along the way.

Over-confidence and complacency are among our deadliest enemies. Last spring—after notable victories at Stalingrad and in Tunisia and against the U-boats on the high seas—over-confidence became so pronounced that war production fell off. In two months, June and July, 1943, more than a thousand airplanes that could have been made and should have been made were not made. Those who failed to make them were not on strike. They were merely saying, "the war's in the bag—so let's relax."

That attitude on the part of any one—Government or management or labor—can lengthen this war. It can kill American boys.

The Lessons of 1918.

Let us remember the lessons of 1918. In the summer of that year the tide turned in favor of the Allies. But this Government did not relax. In fact, our national effort was stepped up. In August, 1918, the draft age limits were broadened from 21-31 to 18-45. The President called for "force to the utmost," and his call was heeded. And in November, only three months later, Germany surrendered.

That is the way to fight and win a war—all out—and not with half-an-eye on the battlefronts abroad and the other eye-and-a-half on personal, selfish, or political interests here at home.

Therefore, in order to concentrate all our energies and resources on winning the war, and to maintain a fair and stable economy at home, I recommend that the Congress adopt:

1. A realistic tax law—which will tax all unreasonable profits, both individual and corporate, and reduce the ultimate cost of the war to our sons and daughters. The tax bill now under consideration by the Congress does not begin to meet this test.

2. A continuation of the law for the renegotiation of war con-

tracts—which will prevent exorbitant profits and assure fair prices to the Government. For two long years I have pleaded with the Congress to take undue profits out of war.

3. A cost of food law—which will enable the Government (a) to place a reasonable floor under the prices the farmer may expect for his production; and (b) to place a ceiling on the prices a consumer will have to pay for the food he buys. This should apply to necessities only; and will require public funds to carry out. It will cost in appropriations about 1 per cent of the present annual cost of the war.

4. Early re-enactment of the stabilization statute of October, 1942. This expires June 30, 1944, and if it is not extended well in advance, the country might just as well expect price chaos by summer.

We cannot have stabilization by wishful thinking. We must take positive action to maintain the integrity of the American dollar.

5. A national service law—which, for the duration of the war, will prevent strikes, and, with certain appropriate exceptions, will make available for war production or for any other essential services every able-bodied adult in this nation.

Service Law Conditional.

These five measures together form a just and equitable whole. I would not recommend a national service law unless the other laws were passed to keep down the cost of living, to share equitably the burdens of taxation, to hold the stabilization line, and to prevent undue profits.

The Federal Government already has the basic power to draft capital and property of all kinds for war purposes on a basis of just compensation.

As you know, I have for three years hesitated to recommend a national service act. Today, however, I am convinced of its necessity. Although I believe that we and our Allies can win the war without such a measure, I am certain that nothing less than total mobilization of all our resources of man power and capital will guarantee an earlier victory and reduce the toll of suffering and sorrow and blood.

I have received a joint recommendation for this law from the heads of the War Department, the Navy Department and the Maritime Commission. These are the men who bear responsibility for the procurement of the necessary arms and equipment and for the successful prosecution of the war in the field. They say:

"When the very life of the nation is in peril the responsibility for service is common to all men and women. In such a time there can be no discrimination between the men and women who are assigned to producing the vital materials essential to successful military operations. A prompt enactment of a national service law would be merely an expression of the universality of this responsibility."

I believe the country will agree that those statements are the solemn truth.

National service is the most democratic way to wage a war. Like selective service for the armed forces, it rests on the obligation of each citizen to serve his nation to his utmost, where he is best qualified.

It does not mean reduction in wages. It does not mean loss of retirement and seniority rights and benefits. It does not mean that any substantial numbers of war workers will be disturbed in their present jobs. Let these facts be wholly clear.

Experience in other democratic nations at war—Britain, Canada, Australia and New Zealand—has shown that the very existence of national service makes unnecessary the widespread use of compulsory power. National service

has proved to be a unifying moral force—based on an equal and comprehensive legal obligation of all people in a nation at war.

Millions Not in the War

There are millions of American men and women who are not in this war at all. It is not because they do not want to be in it. But they want to know where they can best do their share. National service provides that direction. It will be a means by which every man and woman can find that inner satisfaction which comes from making the fullest possible contribution to victory.

I know that all civilian war workers will be glad to be able to say many years hence to their grandchildren: "Yes, I, too, was in service in the great war. I was on duty at an airplane factory, and I helped make hundreds of fighting planes. The Government told me that in doing that I was performing my most useful work in the service of my country."

It is argued that we have passed the stage in the war where national service is necessary. But our soldiers and sailors know that this is not true. We are going forward on a long, rough road—and, in all journeys, the last miles are the hardest. And it is for that final effort—for the total defeat of our enemies—that we must mobilize our total resources. The national war program calls for the employment of more people in 1944 than in 1943.

It is my conviction that the American people will welcome this win-the-war measure which is based on the eternally just principle of "fair for one, fair for all."

It will give our people at home the assurance that they are standing four-square behind our soldiers and sailors. And it will give our enemies demoralizing assurance that we mean business—that we, 135,000,000 Americans, are on the march to Rome, Berlin and Tokio.

I hope that the Congress will recognize that, although this is a political year, national service is an issue which transcends politics. Great power must be used for great purposes.

As to the machinery for this measure, the Congress itself should determine its nature—but it should be wholly non-partisan in its make-up.

Service Men's Ballot

Our armed forces are valiantly fulfilling their responsibilities to our country and our people. Now the Congress faces the responsibility for taking those measures which are essential to national security in this the most decisive phase of the nation's greatest war.

Several alleged reasons have prevented the enactment of legislation which would preserve for our soldiers and sailors and Marines the fundamental prerogative of citizenship—the right to vote. No amount of legalistic argument can becloud this issue in the eyes of these ten million American citizens. Surely the signers of the Constitution did not intend a document which, even in wartime, would be construed to take away the franchise of any of those who are fighting to preserve the Constitution itself.

Our soldiers and sailors and Marines know that the overwhelming majority of them will be deprived of the opportunity to vote, if the voting machinery is left exclusively to the States under existing State laws—and that there is no likelihood of these laws being changed in time to enable them to vote at the next election. The Army and Navy have reported that it will be impossible effectively to administer forty-eight different soldier-voting laws. It is the duty of the Congress to remove this unjustifiable discrimination against the men and women in our armed

forces—and to do it as quickly as possible.

It is our duty now to begin to lay the plans and determine the strategy for the winning of a lasting peace and the establishment of an American standard of living higher than ever before known. We cannot be content, no matter how high the general standard of living may be, if some fraction of our people—whether it be one-third or one-fifth or one-tenth—is ill-fed, ill-clothed, ill-housed, and insecure.

Second Bill of Rights

This republic had its beginning, and grew to its present strength, under the protection of certain inalienable political rights—among them the right of free speech, free press, free worship, trial by jury, freedom from unreasonable searches and seizures. They were our rights to life and liberty.

As our nation has grown in size and stature, however—as our industrial economy expanded—these political rights proved inadequate to assure us equality in the pursuit of happiness.

We have come to a clear realization of the fact that true individual freedom cannot exist without economic security and independence. "Necessitous men are not free men." People who are hungry and out of a job are the stuff of which dictatorships are made.

In our day these economic truths have become accepted as self-evident. We have accepted, so to speak, a second bill of rights under which a new basis of security and prosperity can be established for all—regardless of station, race or creed.

Among these are:

The right to a useful and remunerative job in the industries or shops or farms or mines of the nation.

The right to earn enough to provide adequate food and clothing and recreation.

The right of every farmer to raise and sell his products at a return which will give him and his family a decent living.

The right of every business man, large and small, to trade in an atmosphere of freedom from unfair competition and domination by monopolies at home or abroad.

The right of every family to a decent home.

The right to adequate medical care and the opportunity to achieve and enjoy good health.

The right to adequate protection from the economic fears of old age, sickness, accident and unemployment.

The right to a good education.

Rights That Spell Security

All of these rights spell security. And after this war is won we must be prepared to move forward, in the implementation of these rights, to new goals of human happiness and well-being.

America's own rightful place in the world depends in large part upon how fully these and similar rights have been carried into practice for our citizens. For unless there is security here at home there cannot be lasting peace in the world.

One of the great American industrialists of our day—a man who has rendered yeoman service to his country in this crisis—recently emphasized the grave dangers of "rightist reaction" in this nation. All clear-thinking business men share his concern. Indeed, if such reaction should develop—if history were to repeat itself and we were to return to the so-called "normalcy" of the 1920's—then it is certain that even though we shall have conquered our enemies on the battlefields abroad, we shall have yielded to the spirit of Fascism here at home.

I ask the Congress to explore the means for implementing this economic bill of rights—for it is definitely the responsibility of

the Congress so to do. Many of these problems are already before these committees of the Congress in the form of proposed legislation. I shall from time to time communicate with the Congress with respect to these and further proposals. In the event that no adequate program of progress is evolved, I am certain that the nation will be conscious of the fact.

Our fighting men abroad—and their families at home—expect such a program and have the right to insist upon it. It is to their demands that this Government should pay heed rather than to the whining demands of selfish pressure groups who seek to feather their nests while young Americans are dying.

The foreign policy that we have been following—the policy that guided us at Moscow, Cairo and Teheran—is based on the common sense principle which was best expressed by Benjamin Franklin on July 4, 1776: "We must all hang together, or assuredly we shall all hang separately."

I have often said that there are no two fronts for America in this war. There is only one front. There is one line of unity which extends from the hearts of the people at home to the men of our attacking forces in our farthest outposts. When we speak of our total effort, we speak of the factory and the field and the mine as well as of the battleground—we speak of the soldier and the civilian, the citizen and his government.

Each and every one of us has a solemn obligation under God to serve this nation in its most critical hour—to keep this nation great—to make this nation greater in a better world.

FRANKLIN D. ROOSEVELT.
The White House,
January 11, 1944.

President Returns To White House Following Allied Conference

President Roosevelt returned to the White House on Dec. 17 from his historic conferences in the Middle East. The President had been away from Washington since Nov. 11 and in the interim had conferred with Prime Minister Churchill of Great Britain, Generalissimo Chiang Kai-shek of China, Premier Joseph Stalin of Russian and President Ismet Inonu of Turkey.

On his return to the Capital, Mr. Roosevelt was greeted by a large group of officials, including members of the Cabinet and many Senators and Representatives. He conferred with Congressional leaders on the possibility of giving a report of his trip to a special session, but it was decided that he would not appear before Congress until early next year when he delivers his annual message on the state of the Union. However, the President is scheduled to deliver a Christmas Eve broadcast to the armed forces and the public in which he will give a brief report of his conferences.

At his meeting with the press on Dec. 17, Mr. Roosevelt said he considers the Cairo-Teheran conferences as a success from the war's standpoint and from the point of evolving a durable peace. The President also disclosed that the reason for his moving from the American Legation in Teheran to the Soviet Embassy was that the Russians warned him there was a Nazi plot endangering his life.

The Teheran conferences were noted in our issue of Dec. 9, page 2312, and a reference to the Moscow agreement appeared on page 2339 of the same issue.

ABA Country Bank Div. Inaugurates Bulletin

Inaugurating a practice of sending at occasional intervals a letter or bulletin to its country bank members telling them of the activities of its Commission on Country Bank Operations, the American Bankers Association has forwarded the first of a series of such letters to approximately 12,000 country banks. In making this known on Dec. 14 the Association said:

"The letter describes the scope of the Commission's work, and outlines its current activities in the fields of cost analysis, government bonds, special banking studies, and bank merchandising methods.

"In addition the letter points out that the Commission wants to serve as a clearing house for information on country bank management and business methods. The Commission is anxious to receive information from individual banks, which it will relay to country banks generally, on improvements in operating methods, special services which have increased earnings, activities that are effective in meeting competition, customer relations activities, advertising and publicity copy, work with 4-H Clubs and similar farm youth organizations, and useful publications issued by individual banks to their communities.

"The Commission points out in its letter that it has already received numerous requests for information on many phases of country bank operations, promotion, and management, and urges all banks to forward to A. B. A. headquarters in New York any information or material on these subjects that would be helpful to other country banks."

Heads OPA Legal Group

It was announced in Washington, Dec. 6, according to a "Journal of Commerce" dispatch, that a legal advisory committee to the Price Administrator is being established, it was made known by the OPA.

The advice also stated: The Chairman of the committee will be E. Barrett Prettyman of Washington, who has accepted the appointment made by Chester Bowles, Administrator.

Mr. Prettyman is a member of the law firm of Hewes, Prettyman, Awalt & Smiddy of Washington. Formerly he was general counsel for the Bureau of Internal Revenue in Washington and Corporation Counsel for the District of Columbia. He is a former President of the District of Columbia Bar Association.

At the same time Richard H. Field of Weston, Mass., was appointed legal adviser and acting general counsel.

The appointment of the three other members of the committee will be announced shortly.

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

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

Moody's Bond Prices And Bond Yield Averages

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

Table with columns for dates (1944-1943), U.S. Govt. Bonds, Corporate by Ratings (Aaa, Aa, A, Baa), and Corporate by Groups (R.R., P.U., Indus.).

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*These prices are computed from average yields on the basis of one "typical" bond (3 1/2% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations.

President Foresees World Oil Pool With Equal Access For All Countries

A post-war international agreement to accord all nations "equal access" to the world oil supply, based on the needs of each, was foreseen by President Roosevelt on Jan. 6, in his thirteenth lend-lease report to Congress.

treatment in commerce, and the reduction of trade barriers, will assure to the United States and other nations fair and equal access to the petroleum produced in all parts of the world.

Declaring that French North Africa with its 16,000,000 people and covering an area one-third the size of Continental United States is totally dependent on imported oil and gasoline, the report said the Allies allocate petroleum there to military and civilian uses "strictly on the basis of need."

The report said the French pay for all American gasoline allocated for essential civilian uses.

Special advices from Washington to the "Wall Street Journal" of Jan. 7 said in part:

"The President's report gives support to studies which have been made quietly by officials interested in shaping post-war trade. Secretary of Interior Ickes, the Petroleum Administrator for War, has a plan for an international oil pool. While no official standing is claimed for it, it appears to fit, at least in part, into the policy outlined by Mr. Roosevelt. The Ickes plan provides oil for all peaceful countries and denies it to any power with warlike intentions. It would create a formal pool, while Mr. Roosevelt apparently would open oil resources by removing trade bars."

H. N. Davis Elected To British Mech. Inst.

Dr. Harvey Nathaniel Davis, President of Stevens Institute of Technology and Director of the War Production Board's Office of Production Research and Development, has been elected an honorary member of the Institution of Mechanical Engineers in England, it was announced at the College on Jan. 3. He recently returned from England where he went on a war mission for the OPRD and the Combined Production Resources Board, composed of representatives of Great Britain, Canada and the United States.

Dr. Davis, who has cabled his acceptance of the honor, has been invited, when it is possible to visit England again, to receive his certificate of membership in person and to sign the Honorary Members' book which the letter of notification termed "one of the treasures of the Institution."

Dr. Davis is the fourth American now on the roll of honorary members of the British Institution. Henry Ford and Professor A. G. Christie of Johns Hopkins University were elected in 1939 and Orville Wright in 1942.

Professor Christie of the Department of Mechanical Engineering of Johns Hopkins University is well known in the United States and Canada as an educator and as one of the leading American specialists on steam turbines and central power plants.

The Institution of Mechanical Engineers, with headquarters at Storey's Gate, St. James's Park, London, chooses its honorary members by unanimous election of its Council, or governing body. It was founded nearly a century ago, in 1847, and was incorporated by Royal Charter in 1930.

NYSE Borrowings Show Decrease

The New York Stock Exchange announced on Jan. 7 that the total of money borrowed as reported by Stock Exchange member firms as of the close of business Dec. 31 was \$682,773,543, a decrease of \$35,425,038 under the Nov. 30 total of \$718,198,581.

exchanges: (1) on direct obligations of or obligations guaranteed as to principal or interest by the United States Government, \$234,215,073; (2) on all other collateral, \$448,558,470, reported by New York Stock Exchange member firms as of the close of business Dec. 31, 1943, aggregated \$682,773,543.

The total of money borrowed, compiled on the same basis, as of the close of business Nov. 30, 1943, was: (1) on direct obligations of or obligations guaranteed as to principal or interest by the U. S. Government, \$269,797,776; (2) on all other collateral, \$448,400,805; total, \$718,198,581.

NYSE Short Interest Lower On Dec. 31

The New York Stock Exchange announced on Jan. 10 that the short interest as of the close of business on the Dec. 31, 1943, settlement date, as compiled from information obtained by the Exchange from its members and member firms, was 737,042 shares, compared with 760,166 shares on Nov. 30, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of the Dec. 31 settlement date, the total short interest in all odd-lot dealers' accounts was 33,027 shares, compared with 42,864 shares on Nov. 30.

The Exchange's announcement further said: "Of the 1,237 individual stock issues listed on the Exchange on Dec. 31 there were 36 issues in which a short interest of more than 5,000 shares existed, or in which a change in the short position of more than 2,000 shares occurred during month. The number of issues in which a short interest was reported as of Dec. 31, exclusive of odd-lot dealers' short positions, was 542 compared with 585 on Nov. 30, 1943."

In the following tabulation is shown the short interest existing at the close of the last business day for each month of 1943:

Table with columns for months (Jan. 29 to Dec. 31) and Shares (579,394 to 737,042).

NAM Health Guide For War Plants

A wartime guide to the industrial health and staying powers of the millions of America's war workers, a problem regarded by industry equally as important as its own great battle of production, was published on Jan. 7 by the National Association of Manufacturers in a comprehensive study of workers' health.

The booklet, entitled "Health on the Production Front," is the result of related surveys and studies made of the health problem within the nation's plants, factories and shops in the past year. It was prepared under the direction of Dr. Victor G. Heiser, internationally known medical authority and medical consultant to the NAM.

In its 80 pages, the booklet covers every plant health problem from absenteeism to vitamins. It points up the job industry faces in rehabilitation and expands on such details as the value of "music while you work."

A release issued by the Association says in part: "Actually, it offers neither panacea nor pretified cure-alls for the ever-present problem of improving the worker's health. What it does do is to suggest to industrial management the most effective methods, tested by the trial-and-error system, to utilize existing manpower to the fullest extent known—and in the healthiest way possible."

Among the plants visited prior to the preparation of the booklet were the Eastman Kodak Co., Rochester, N. Y.; Cadillac Motor Car Division, General Motors Corp., Detroit, Mich.; Ford Motor Co., Willow Run bomber plant, Ypsilanti, Mich.; The Kellogg Co., Battle Creek, Mich.; Woodward Governor Co., Rockford, Ill.; Westinghouse Electric & Manufacturing Co., Pittsburgh, Pa.; Oliver Iron & Steel Corp., Pittsburgh, Pa.; Precision Grinding Wheel Co., Philadelphia, Pa.; Radio Corporation of America, Camden, N. J.; Keasbey & Mattison Co., Ambler, Pa.

"In peacetime, the health program pays off in terms of dollars and cents," Dr. Heiser said. "In wartime, the industrial health program pays not only in terms of dollars and cents, but, what is more important, it pays in terms of health conserved and weapons produced on time, which means peace at an earlier date."

Dr. Heiser wrote in the publication's foreword that the information is keyed largely to the small plant, because "the health of the worker in the small plant is obviously of paramount importance, since, in the total manpower picture, he comprises the bulk of the nation's army of industrial war production, now some twenty million strong."

The booklet contains a detailed check list whereby the busy executive can quickly determine where the weak as well as strong points are in his own industrial health program.

Chicago Home Loan Bank Div. \$150,063

Continuing for the fifth consecutive year a dividend rate of 1 1/2% per annum, the Federal Home Loan Bank of Chicago announced on Jan. 4 its declaration of a dividend for the last half of 1943. A total of \$150,063 is being distributed to 454 member savings, building and loan associations in Illinois and Wisconsin, and to the Reconstruction Finance Corporation, A. R. Gardner, President, reported.

The advices from the bank state that breakdown of the dividend total shows that \$43,758.32 will be paid to stockholding thrift and home financing institutions, and \$106,304 to the RFC which now holds the stock originally purchased at the time of the bank's inception by the U. S. Treasury. The distribution for the last half of the year will bring up to \$85,813.04 the total 1943 earnings of the combined member associations on their Federal Home Loan Bank stock, the largest amount this group has received in any full year of the bank's history. They now hold the largest amount of the regional bank's stock which they have ever held, Mr. Gardner pointed out.

It is added that the RFC's total return on its stock in this regional bank for 1943 will be \$212,608, making a total of \$2,441,252 which the Government has received since it first became a stockholder in the bank, which serves Illinois and Wisconsin.

Moody's Daily Commodity Index

Table with columns for dates (Tuesday, Jan. 4 to Low, Jan. 5) and index values (247.4 to 247.0).

Selected Income And Balance Sheet Items Class I Railways For October

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

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

Income Items—	All Class I Railways			
	For the Month of October 1943	For the Month of October 1942	For the 10 Months of 1943	For the 10 Months of 1942
Net ry. operat. income.....	\$113,083,848	\$164,779,810	\$1,188,410,000	\$1,161,080,786
Other income.....	17,770,039	13,047,453	141,253,842	125,534,893
Total income.....	130,853,887	197,827,263	1,329,663,842	1,286,615,679
Miscellaneous deductions from income.....	3,099,387	4,551,673	25,297,207	28,714,448
Income available for fixed charges.....	127,754,500	193,275,590	1,304,366,635	1,257,901,231
Fixed charges:				
Rent for leased roads and equipment.....	13,496,722	18,265,433	143,568,838	153,082,051
Interest deductions.....	35,712,080	36,842,594	360,452,529	369,478,631
Other deductions.....	123,193	121,982	1,236,284	1,182,666
Total fixed charges.....	49,331,995	55,230,009	505,257,651	523,743,348
Inc. after fixed charges.....	78,422,505	138,045,541	799,108,984	734,157,883
Contingent charges.....	2,395,947	2,313,768	23,579,479	22,707,800
Net income.....	76,026,558	135,731,813	775,529,505	711,450,083
Depreciation (way and structures and equip.).....	26,440,285	23,114,458	263,434,158	206,367,434
Amortization of defense projects.....	13,608,927	8,629,145	114,345,332	65,710,922
Federal income taxes.....	108,529,540	84,847,936	1,180,070,069	633,972,309
Dividend appropriations:				
On common stock.....	2,134,561	5,783,609	97,899,761	87,629,602
On preferred stock.....	4,781,378	6,375,080	25,188,553	25,773,745
Ratio of income to fixed charges.....	2.59	3.50	2.58	2.40

Selected Asset Items—	All Class I Railways		Class I Railways Not in Receivership or Trusteeship	
	Balance at end of October 1943	Balance at end of October 1942	Balance at end of October 1943	Balance at end of October 1942
Investments in stocks, bonds, etc., other than those of affiliated companies.....	\$587,068,549	\$504,636,914	\$544,606,008	\$478,688,416
Cash.....	1,213,174,598	1,066,958,777	903,329,483	795,434,452
Temporary cash investments.....	1,654,199,107	598,695,486	1,246,770,157	529,975,342
Special deposits.....	163,217,348	133,791,924	119,655,455	92,251,374
Loans and bills receivable.....	240,452	985,170	237,371	934,423
Traffic and car-service balances (Dr.).....	37,395,727	40,114,587	29,881,277	33,402,899
Net balance receivable from agents and conductors.....	166,373,706	145,322,532	132,687,329	118,434,653
Miscellaneous accounts receivable.....	649,686,440	400,792,281	519,098,715	316,533,432
Materials and supplies.....	528,861,920	515,739,830	423,856,600	414,271,907
Interest and dividends receivable.....	25,369,119	24,084,793	23,086,809	22,505,856
Rents receivable.....	1,637,409	1,277,006	973,864	921,291
Other current assets.....	57,724,631	14,440,937	44,555,658	10,787,544
Total current assets.....	4,497,880,457	2,942,203,323	3,444,132,718	2,335,453,173

Selected Liability Items—	All Class I Railways		Class I Railways Not in Receivership or Trusteeship	
	Balance at end of October 1943	Balance at end of October 1942	Balance at end of October 1943	Balance at end of October 1942
Funded debt maturing within six months.....	80,409,344	162,056,422	58,907,533	129,524,955
Loans and bills payable.....	21,006,866	16,850,651	7,000,000	1,705,300
Traffic and car-service balances (Cr.).....	150,431,110	114,414,478	108,100,229	77,388,212
Audited accounts and wages payable.....	406,344,997	325,887,574	331,590,950	260,886,109
Miscellaneous accounts payable.....	114,706,519	67,077,672	88,665,284	48,061,835
Interest matured unpaid.....	57,578,917	47,653,751	35,578,327	34,435,113
Dividends matured unpaid.....	2,916,854	2,284,392	2,574,781	1,932,129
Unmatured interest accrued.....	68,690,555	77,179,640	63,643,548	66,734,808
Unmatured dividends declared.....	11,801,709	20,965,237	11,801,709	20,965,237
Unmatured rents accrued.....	28,873,972	27,113,217	24,776,327	24,592,547
Accrued tax liability.....	1,735,283,902	932,168,335	1,482,525,569	845,657,719
Other current liabilities.....	76,391,941	63,938,929	49,617,661	49,133,370
Total current liabilities.....	2,674,077,342	1,695,533,877	2,205,874,385	1,431,492,379

Analysis of accrued tax liability:	U. S. Government taxes.....			
	1943	1942	1943	1942
U. S. Government taxes.....	1,578,714,265	788,901,369	1,358,569,189	730,248,798
Other than U. S. Government taxes.....	156,569,637	143,266,967	123,956,380	115,408,921

*Represents accruals, including the amount in default. †For railways not in receivership or trusteeship the net income was as follows: October, 1943, \$57,306,924; October, 1942, \$108,307,485; for the ten months ended October, 1943, \$594,052,332; ten months ended October, 1942, \$573,089,557. ‡Includes payments of principal of long-term debt (other than long-term debt in default) which will become due within six months after close of month of report. †For railways in receivership and trusteeship the ratio was as follows: October, 1943, 2.48; October, 1942, 3.20; ten months, 1943, 2.44; ten months, 1942, 2.14. †Includes obligations which mature not more than one year after date of issue.

National Fertilizer Association Commodity Price Index Declines Fractionally

The weekly wholesale commodity price index, compiled by The National Fertilizer Association and made public on Jan. 10, declined fractionally to 136.4 in the week ending Jan. 8 from 136.5 in the preceding week. A month ago this index stood at 135.0 and a year ago at 133.4, based on the 1935-1939 average as 100. The Association's report added:

The all-commodity index noted a slight downward trend due principally to lower quotations for farm products and foods. Although there were advancing prices for sheep and lambs, lower quotations for both light and heavy hogs and poultry caused a decline in the livestock group. There were higher prices on rye, but lower prices on wheat were sufficient to cause a recession in the grains group. Cottonseed oil and white potatoes declined slightly causing the foods group to register a slight decline. Higher quotations for

cotton caused the textiles group to advance fractionally. Industrial commodities remained at the same level as the preceding week.

During the week 5 price series advanced and 7 declined; in the preceding week there were 8 advances and 2 declines; and in the second preceding week there were 8 advances and 5 declines.

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

Each Group Bears to the Total Index	Group	Latest Preceding Week		Month Ago	Year Ago
		Jan. 8, 1944	Jan. 1, 1944		
25.3	Foods.....	129.7	139.8	140.1	137.8
	Fats and Oils.....	146.1	148.4	145.6	150.2
	Cottonseed Oil.....	159.6	160.7	159.6	164.7
23.0	Farm Products.....	154.2	154.7	151.4	150.2
	Cotton.....	190.8	189.8	185.6	193.9
	Grains.....	164.6	165.5	162.5	132.2
	Livestock.....	145.1	145.8	142.3	147.5
17.3	Fuels.....	127.6	127.6	123.7	119.3
10.8	Miscellaneous commodities.....	131.4	131.4	131.4	129.4
8.2	Textiles.....	150.5	150.4	149.7	150.1
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.....	119.9	119.8	119.8	115.8
.3	Farm machinery.....	104.2	104.2	104.2	104.1
100.0	All groups combined.....	136.4	136.5	135.0	133.4

*Indexes on 1926-1928 base were: Jan. 8, 1944, 106.3; Jan. 1, 1944, 106.3, and Jan. 9, 1943, 103.9.

Electric Output For Week Ended Jan. 8, 1944, Shows 15.6% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Jan. 8, 1944, was approximately 4,567,959,000 kwh., compared with 3,952,587,000 kwh. in the corresponding week a year ago, an increase of 15.6%. The output of the week ended Jan. 1, 1944, was 14.7% in excess of the similar period of 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended			
	Jan. 8	Jan. 1	Dec. 25	Dec. 18
New England.....	6.0	5.9	10.2	7.0
Middle Atlantic.....	16.1	14.9	18.5	16.3
Central Industrial.....	8.3	8.2	10.1	10.7
West Central.....	4.6	5.9	9.4	6.0
Southern States.....	20.1	18.8	20.7	19.4
Rocky Mountain.....	18.1	15.4	15.6	15.0
Pacific Coast.....	32.9	30.7	34.5	31.0
Total United States.....	15.6	14.7	17.5	16.0

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1943		% Change			
	1943	1942	over 1942	1941	1932	1929
Oct. 2.....	4,359,003	3,682,794	+18.4	3,330,582	1,506,219	1,819,276
Oct. 9.....	4,341,754	3,702,299	+17.3	3,355,440	1,507,503	1,806,403
Oct. 16.....	4,382,268	3,717,360	+17.9	3,313,596	1,528,145	1,798,633
Oct. 23.....	4,415,405	3,752,571	+17.7	3,340,768	1,533,028	1,824,160
Oct. 30.....	4,452,592	3,774,891	+18.0	3,380,488	1,525,410	1,815,749
Nov. 6.....	4,413,863	3,761,961	+17.3	3,368,690	1,520,730	1,798,164
Nov. 13.....	4,482,665	3,775,878	+18.7	3,347,893	1,531,584	1,793,584
Nov. 20.....	4,513,299	3,795,361	+18.9	3,247,938	1,475,268	1,818,169
Nov. 27.....	4,403,342	3,766,381	+16.9	3,339,364	1,510,337	1,718,002
Dec. 4.....	4,560,158	3,883,534	+17.4	3,414,844	1,518,922	1,806,225
Dec. 11.....	4,566,905	3,937,524	+16.0	3,475,919	1,563,384	1,840,663
Dec. 18.....	4,612,994	3,975,873	+16.0	3,495,140	1,554,473	1,860,021
Dec. 25.....	4,295,100	3,655,926	+17.5	3,234,128	1,414,710	1,637,683

Week Ended—	1944		% Change			
	1944	1943	over 1943	1942	1932	1929
Jan. 1.....	4,337,387	3,779,993	+14.7	3,288,685	1,619,265	1,542,000
Jan. 8.....	4,567,959	3,952,587	+15.6	3,472,579	1,602,482	1,733,810

Steel Output Continues To Rise, Nearly Back To Capacity—Tin Plate Program Enlarged

"Many uncertainties were cleared away this week for metals producers and users with the adoption of the Baruch-Hancock uniform war contract termination clause, framed in less than two months following a long controversy between procurement agencies," states "The Iron Age," in its issue of today (Jan. 13), further adding:

"Steel for 10,000 domestic freight cars to be made in the first quarter has been provided for and material has been assigned for 10,000 more cars for second quarter. Passenger cars may be built in third quarter and close to 40,000 freight cars may be purchased for use abroad. Rail orders are heavy, and mills look for a 20% increase in output this year over 1943.

"With controls revised through Order M-81, output of tin plate in second quarter will exceed last year's output and may be 100,000 tons above estimated production this quarter. The tentative setup for second quarter calls for about 720,000 tons.

"Steel plate shipments, which set up a new peak in December and rose to an all-time high mark of 13,382,390 net tons in 1943, are continuing heavy. The Maritime Commission's current inventory is estimated at 2,500,000 tons, or about five months' supply, and by the end of June shipyards may have all the steel they need for 1944, and they may be thinking about disposing of excess material.

"The steel plate situation is worthy of attention not only because it is one of the few remaining tight spots, but because of its widespread ramifications. As has happened previously in other

recognize the necessity for a further adjustment in prices. Meanwhile, negotiations between steel companies and the union were continuing, with a good possibility that the union might drop its demand for a supplemental contract. The WLB soon will be handed the case. Several companies have rejected the wage demands.

The American Iron and Steel Institute on Jan. 10 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 99.6% of capacity for the week beginning Jan. 10, compared with 95.9% one week ago, 99.3% one month ago and 98.1% one year ago. This represents an increase of 3.7 points or 3.9% from the preceding week. The operating rate for the week beginning Jan. 10 is equivalent to 1,731,300 tons of steel ingots and castings, compared to 1,667,000 tons one week ago, 1,730,700 tons one month ago, 1,698,700 tons one year ago.

"Steel," of Cleveland, in its summary of the iron and steel markets, on Jan. 10, stated in part as follows: "Recovery from the usual year-end lull and labor interruptions is under way, though not yet complete. Demand is spotty and production is not yet back to levels of late 1942.

"Tonnage is moving more freely in some directions but is being specified less freely in others. Ship work still dominates as to tonnage, mainly for cargo ships and landing craft. Some plate mills went into the new year with a larger carryover from the prior month than at any time since the beginning of the war and with order books full for first half in some instances. Tightness in plates is reflected also in bars, shapes and heavy sheets. The landing craft program has been felt especially in shapes, which needed some stimulus.

"In spite of revisions in type of construction aircraft demand continues to expand, involving a wide diversity of special steels. The heavy shell program is being increased, stimulating demand for heavy rounds, deliveries on which are receding. Steel for light ammunition, tanks, machine tools and building construction continues to decline. Greater diversion of steel to essential civilian needs, where manpower for the war effort will not be jeopardized, is predicted in many trade quarters.

"Plate shipments in December established an all-time record with 1,169,196 tons, compared with the prior high of 1,167,679 tons in March, 1943, and 1,060,039 tons in December, 1942, according to announcement by the War Production Board.

"War Production Board has allocated an estimated total of 1,900,000 tons of prime tin plate for the 1944 quota compared with 1,550,000 tons in 1943. The Board also has issued a list of 169 products that may be packaged in metal containers, including 22 items that could not be so packaged last year.

"Although sheet buying has not been resumed after the turn of the year producers are heavily booked, vacancies on schedules caused by cancellations being filled at once and deliveries generally being about midyear. Cold-finished sheets are easier at the moment and may be booked for May delivery.

"Scrap supply is easy in nearly all grades and melters are accepting all offerings, except in alloys, which continue to be a burden. Now that pig iron is in better supply melters feel more confidence in the situation. Industrial scrap is the main reliance and smaller supply from general collections is of less importance than last year."

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 Jan. 1, 1944 is estimated at 10,500,000 net tons, an increase of 980,000 tons, or 10.3%, over the preceding week. Soft coal output in the week ended Jan. 2, 1943 amounted to 9,300,000 tons.

The total production of soft coal in the calendar year 1943 is estimated at 589,000,000 net tons. Compared with the estimated total of 580,000,000 tons for the year 1942, this shows an increase of 9,000,000 tons, or 1.6%. Note that the estimate for the year 1943 is not the total of the weekly figures published, but instead represents over-all year-end adjustments.

The U. S. Bureau of Mines estimated that the total production of Pennsylvania anthracite for the week ended Jan. 1, 1944 was 896,000 tons, a decrease of 33,000 tons (3.6%) from the preceding week. When compared with the output in the corresponding week a year ago there was, however, an increase of 100,000 tons, or 12.6%. For the calendar year 1943 the estimated production amounted to 60,327,000 tons.

The Bureau of Mines also reported that the estimated output of byproduct coke in the United States for the week ended Jan. 1, 1944 showed a decrease of 62,900 tons when compared with the production for the week ended Dec. 25, 1943. The quantity of coke from beehive ovens decreased 10,000 tons during the same period.

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

	Week Ended			
	Jan. 1, 1944	Dec. 25, 1943	Jan. 2, 1944	Jan. 2, 1943
Bituminous coal and lignite—	10,500,000	9,520,000	9,300,000	9,141,000
Total, including mine fuel—	1,842,000	1,904,000	1,850,000	1,792,000
Daily average				
*Time worked on Jan. 1 weighted as 0.7 of a working day. Average based on 5.7 days.				
†Average based on 5 working days. †Average based on 5.1 working days.				

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

	Week Ended			Cal. Year to Date		
	Jan. 1, 1944	Dec. 25, 1943	Jan. 2, 1944	Jan. 1, 1944	Jan. 2, 1943	Jan. 5, 1929
Penn. anthracite—	896,000	929,000	796,000	10,000	52,000	917,000
*Total incl. coll. fuel—	860,000	892,000	764,000	10,000	50,000	851,000
†Commercial production						
‡Byproduct coke—	1,185,800	1,248,700	1,198,700	169,400	342,500	†
United States total—	145,000	156,000	121,700	20,900	34,800	84,100

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

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES (In Thousands of Net Tons)

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

State	Week Ended					Dec. average 1923
	Dec. 25, 1943	Dec. 18, 1943	Dec. 26, 1942	Dec. 27, 1941	Dec. 25, 1937	
Alabama	314	404	255	206	187	349
Alaska	5	3	7	6	2	**
Arkansas and Oklahoma	86	93	68	52	86	83
Colorado	162	191	164	162	174	253
Georgia and North Carolina	1	1	1	1	††	**
Illinois	1,291	1,533	1,212	1,107	991	1,535
Indiana	485	564	487	465	342	514
Iowa	47	45	59	62	83	121
Kansas and Missouri	150	172	134	151	168	159
Kentucky—Eastern	670	990	594	498	456	584
Kentucky—Western	256	318	210	204	148	204
Louisiana	24	33	23	33	20	37
Michigan	5	4	5	7	12	21
Montana (bituminous and lignite)	102	113	88	69	58	64
New Mexico	33	40	29	26	26	56
North and South Dakota (lignite)	52	72	70	50	60	**27
Ohio	491	645	483	484	313	599
Pennsylvania (bituminous)	2,366	2,905	2,033	2,368	1,376	2,818
Tennessee	114	145	92	95	57	103
Texas (bituminous and lignite)	5	5	6	5	16	21
Utah	114	138	99	89	81	100
Virginia	285	414	260	229	184	193
Washington	27	37	29	32	37	57
* West Virginia—Southern	1,554	2,245	1,525	1,298	1,143	1,132
† West Virginia—Northern	709	898	634	634	262	692
Wyoming	171	200	170	135	118	173
‡ Other Western States	1	2	1	1	††	**5
Total bituminous and lignite	9,520	12,210	8,738	8,469	6,405	9,900
§ Pennsylvania anthracite	923	1,129	773	871	941	1,806
Total all coal	10,443	13,339	9,511	9,340	7,346	11,706

*Includes operations on the N. & W.; C. & O.; Virginia; K. & M.; B. O. & 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.

Civil Engineering Construction \$21,597,000 For Week—Private Work 40% Over First 1943 Week

Civil engineering construction volume for the opening 1944 week totals \$21,597,000. This continental U. S. volume, not including the construction by military engineers abroad, American contractors outside the country, and shipbuilding, is 23% lower than in the preceding week, and 66% below the volume reported to "Engineering News-Record" for the corresponding week in 1943. The report made public on Jan. 6 continued as follows:

Private construction for the week is 40% higher than in the 1943 week, but is 1% lower than a week ago. Public construction is 75% lower than a year ago, and is down 31% compared with last week. State and municipal construction declines 69% from the 1943 week, but is up 70% compared with a week ago. Federal volume is 76 and 38% lower, respectively, than last year and last week.

Civil engineering construction volumes for the opening 1943 week, last week, and the current week are:

	Jan. 7, 1943	Dec. 30, 1943	Jan. 6, 1944
Total U. S. Construction	\$63,928,000	\$28,180,000	\$21,597,000
Private Construction	5,117,000	7,255,000	7,183,000
Public Construction	58,811,000	20,925,000	14,414,000
State and Municipal	6,877,000	1,251,000	2,126,000
Federal	51,934,000	19,674,000	12,288,000

In the classified construction groups, gains over the opening 1943 week are in commercial building and large-scale private hous-

ing, and earthwork and drainage. Increases over last week are in sewerage, bridges, commercial buildings, and streets and roads. Sub-totals for the week in each class of construction are: waterworks, \$15,000; sewerage, \$798,000; bridges, \$844,000; industrial buildings, \$782,000; commercial buildings, \$5,532,000; public buildings, \$7,797,000; earthwork and drainage, \$779,000; streets and roads, \$1,489,000; and unclassified construction, \$3,561,000.

New capital for construction purposes for the week totals \$133,113,000. It is made up of \$90,832,000 in Federal construction appropriations from the First Deficiency Appropriation Act of 1944, \$42,000,000 in corporate security issues, and \$281,000 in state and municipal bond sales. The current week's new construction financing volume compares with \$524,000 for the opening 1943 week.

Non-Ferrous Metals—Aluminum Production Being Reduced—Quicksilver Price Off

"E. & M. J. Metal Markets," in its issue of Jan. 6, 1944, stated: "With supplies of various strategic metals accumulating, interest naturally centers in measures taken to bring supply and demand more in balance. During the last week it was stated officially that production of aluminum is due to decline further. In fact, several potlines have ceased operating. Buyers of copper and zinc were described as cautious. Inventories are being kept down. Quicksilver, which staged a marked price advance in 1940 and 1941, now is confronted with both a supply and price problem. During the last week the price declined \$10 per flask of 76 lb." The publication further went on to say in part:

Copper
Production of copper from domestic ores increased slightly from 1,087,991 tons, valued at \$256,776,000, in 1942, to about 1,090,000 tons, valued at \$257,000,000 in 1943, according to an estimate by the Bureau of Mines. Manpower shortages kept production from making a better record during the last year.

The copper contract covering the sale to Metals Reserve through the Wartime Metals Corporation of Canada of the production of Granby Consolidated, operating in British Columbia, which expired Dec. 31, 1943, has not been renewed. Granby is negotiating with the Foreign Economic Administration for a new contract for at least part of its output.

Lead
Buying of lead during the last week was in good volume. Demand was largely for February shipment metal. The January position is more than 70% covered. Sales for the last week involved 7,729 tons, which compares with 3,124 tons in the week previous. The price situation in lead remains unchanged.

Aluminum
Production of aluminum in the United States during 1943 was 920,000 tons, against 521,106 tons in 1942, according to the Bureau of Mines. During the last quarter of the year the metal was produced at the rate of 1,128,000 tons a year, and it was evident that an oversupply existed. Operation of three newly completed potlines has been suspended, and indications are that 6 to 10 additional potlines will be closed, the Bureau stated.

Domestic production of bauxite increased from 2,768,343 tons in 1942 to 7,166,000 tons in 1943. Imports of South American bauxite totaled nearly 1,500,000 tons. The bauxite supply greatly exceeded requirements and stockpiles of more than 4,000,000 were accumulated, it was stated officially.

Magnesium
Magnesium production in 1943 was estimated by the Bureau of

Mines at about 185,000 tons, which compares with 47,420 tons in 1942. The supply exceeded consumption during 1943, and industry stocks increased markedly.

Quicksilver
Production of quicksilver in the United States during 1943 amounted to about 53,546 flasks of 76 pounds each, figures released by the Bureau of Mines reveal. This compares with production of 50,846 flasks in 1942. Output in 1943 was the highest on record since 1881. Requirements for 1944 will be on a reduced scale, and production is expected to decline.

The turn of the year brought out a lower selling basis for quicksilver in the New York market. Metal was offered at \$180 per flask, a reduction of \$10. February quicksilver sold at an even lower level.

Silver
Quotations in London and New York were unchanged throughout the week.

Zinc
WPB last week relaxed its restriction on a number of minor items into which zinc normally flows, but real tonnages were not involved in the changes announced so far. Little is heard about curtailing the production of zinc. The program calling for the conversion of ordinary zinc into High Grade is expected to be dropped completely before long. The stockpile of zinc continues to grow.

Tin
There were no new developments in the Bolivian situation. The Department of State as yet has taken no action in regard to the status of the new regime. Quotations for Straits quality tin remained unchanged. Forward material was as follows, in cents per pound:

	Jan.	Feb.	March
Dec. 30	52.000	52.000	52.000
Dec. 31	52.000	52.000	52.000
Jan. 1	HOLIDAY		
Jan. 3	52.000	52.000	52.000
Jan. 4	52.000	52.000	52.000
Jan. 5	52.000	52.000	52.000

Chinese, or 99% tin, continued at 51.125c. a pound all week.

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.

YEARLY AVERAGE PRICES—1939-1943 (E. & M. J. Averages)

	1939	1940	1941	1942	1943
Copper, domestic, f.o.b. refinery	10.965	11.296	11.797	11.775	11.775
Copper, export, f.o.b. refinery	10.727	10.770	10.901	11.684	11.700
Lead, common, New York	5.053	5.179	5.793	6.481	6.500
Lead, common, St. Louis	4.903	5.329	5.643	6.331	6.350
Zinc, Prime Western, St. Louis	5.110	6.335	7.474	8.250	8.250
Tin, Straits, New York	50.323	49.827	52.018	52.000	52.000
Silver, foreign, New York	39.082	34.773	34.783	38.333	44.750
Quicksilver (per flask 76-lb.)	\$103.940	\$176.855	\$185.023	\$196.346	\$195.208
Antimony, domestic, New York	12.359	14.000	14.000	15.559	15.928
Platinum, refined	36.748	37.924	36.000	36.000	35.083
Cadmium (producer's quotation)	59.180	79.920	88.443	90.000	90.000
Aluminum, 99 plus percent	20.000	18.691	16.500	15.000	15.000
Antimony, domestic, bulk, New York					15.365

President Names Rail Racial Labor Body

President Roosevelt named on Jan. 3 a three-man committee to investigate a dispute involving the Fair Employment Practices Committee, railway labor organizations and 16 Southern railroads over the question of racial discrimination.

The members are Judge Walter P. Stacy, of the Supreme Court of North Carolina, as Chairman; Judge William H. Holly of the United States District Court, Chicago, and Mayor Frank J. Lausche of Cleveland.

In reporting on the matter, Associated Press Washington advices of Jan. 3 said:

The railroads involved had declined to abide by an order of the FEPC for greater employment of Negroes and the agency referred the dispute to the President. Stephen Early, White House secretary, said that the committee of three did not supersede the FEPC, but merely would explore and investigate the situation for the Chief Executive.

Mr. Roosevelt in identical letters of appointment told the committee members he planned to ask the committee to meet in Washington in the very near future with representatives of carriers and labor organizations.

"Obviously," Mr. Roosevelt wrote, "in such a complicated structure as the transportation industry we cannot immediately attain perfect justice in terms of equal employment opportunities for all people.

"I am sure, however, that you agree with me that all Americans at this time should be anxious to see to it that no discriminations prevent the fullest use of our man power in providing the strength essential to the major military offensives now planned. Indeed, hardly anything in America now seems so important as such a unity based upon justice as will make possible the best use of all our human resources in this year of supreme national effort."

The President said he was sure that agreements shaped in good sense and good will can be reached.

Discharged Veterans Free To Choose Jobs

Paul V. McNutt, Chairman of the War Manpower Commission, declaring that returning veterans must be given every possible assistance, made it clear on Dec. 23 that honorably discharged servicemen don't have to take war jobs if they don't want to.

Associated Press Washington advices Dec. 23, reporting this added:

Regardless of local man power programs which give essential war plants first call on workers, the veterans will be helped to find jobs to their liking, he said.

That goes for both men and women. About 100,000 now are being discharged every month.

"It can be assumed that the majority of returning veterans will prefer war jobs but no restriction must be placed on any one who chooses to accept other work, particularly work promising greater permanency," Mr. McNutt said.

All offices of the United States Employment Service have been instructed that, on the request of a veteran, they shall refer him to any job in which he is interested, and for which he is qualified.

The same freedom of choice continues for 60 days after the veteran has accepted his first civilian job. In other words, if he doesn't like the first job, he has the privilege, for 60 days, of seeking other work.

Trading On New York Exchanges

The Securities and Exchange Commission made public on Jan. 8 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. 24, 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. 24 (in round-lot transactions) totaled 1,078,010 shares, which amount was 15.41% of the total transactions on the Exchange of 3,497,540 shares. This compares with member trading during the week ended Dec. 18 of 1,580,146 shares, or 17% of total trading of 4,047,760 shares. On the New York Curb Exchange, member trading during the week ended Dec. 24 amounted to 206,710 shares, or 12.79% of the total volume on that exchange of 808,130 shares; during the Dec. 18 week trading for the account of Curb members of 248,100 shares was 12.55% of total trading of 988,565 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. 24, 1943		Total for Week	%
A. Total Round-Lot Sales:			
Short sales	74,490		
Other sales	3,423,050		
Total sales	3,497,540		
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	283,630		
Short sales	32,650		
Other sales	221,960		
Total sales	254,610		7.70
2. Other transactions initiated on the floor—			
Total purchases	200,580		
Short sales	6,700		
Other sales	139,960		
Total sales	146,660		4.96
3. Other transactions initiated off the floor—			
Total purchases	91,030		
Short sales	16,350		
Other sales	85,150		
Total sales	101,500		2.75
4. Total—			
Total purchases	575,240		
Short sales	55,700		
Other sales	447,070		
Total sales	502,770		15.41
Total Round-Lot Stock Sales on the New York Curb Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)			
WEEK ENDED DEC. 24, 1943		Total for Week	%
A. Total Round-Lot Sales:			
Short sales	7,120		
Other sales	801,010		
Total sales	808,130		
B. Round-Lot Transactions for the Account of Members:			
1. Transactions of specialists in stocks in which they are registered—			
Total purchases	58,730		
Short sales	6,195		
Other sales	64,035		
Total sales	70,230		7.98
2. Other transactions initiated on the floor—			
Total purchases	18,350		
Short sales	100		
Other sales	13,975		
Total sales	14,075		2.01
3. Other transactions initiated off the floor—			
Total purchases	23,440		
Short sales	200		
Other sales	21,685		
Total sales	21,885		2.80
4. Total—			
Total purchases	100,520		
Short sales	6,495		
Other sales	99,695		
Total sales	106,190		12.79
C. Odd-Lot Transactions for the Account of Specialists—			
Customers' short sales	0		
Customers' other sales	38,968		
Total purchases	38,968		
Total sales	23,343		

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

WEEK ENDED DEC. 24, 1943		Total for Week	%
A. Total Round-Lot Sales:			
Short sales	7,120		
Other sales	801,010		
Total sales	808,130		
B. Round-Lot Transactions for the Account of Members:			
1. Transactions of specialists in stocks in which they are registered—			
Total purchases	58,730		
Short sales	6,195		
Other sales	64,035		
Total sales	70,230		7.98
2. Other transactions initiated on the floor—			
Total purchases	18,350		
Short sales	100		
Other sales	13,975		
Total sales	14,075		2.01
3. Other transactions initiated off the floor—			
Total purchases	23,440		
Short sales	200		
Other sales	21,685		
Total sales	21,885		2.80
4. Total—			
Total purchases	100,520		
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Other sales	99,695		
Total sales	106,190		12.79
C. Odd-Lot Transactions for the Account of Specialists—			
Customers' short sales	0		
Customers' other sales	38,968		
Total purchases	38,968		
Total sales	23,343		

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

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

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

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

Wholesale Commodity Prices Advanced 0.1% During Week Ended Jan. 1, Labor Dept. Reports

The U. S. Department of Labor announced on Jan. 6 that the Bureau of Labor Statistics' index of commodity prices in primary markets rose 0.1% during the week ended Jan. 1 as a result of higher prices for grains and livestock. The slight advance brought the all-commodity index to 103.0% of the 1926 average. The index is 0.2% higher than at this time last month. In the past year it has risen less than 2%.

The Labor Department's announcement further said:

"Farm Products and Foods—In the farm products group, higher prices for rye, wheat, and cotton, for hogs and steers, and for white potatoes more than counterbalanced sharp declines in prices for eggs, apples, citrus fruits and sweet potatoes with the result that the group index advanced 0.1%.

"Average prices for foods in primary markets dropped 0.6% because of marked declines in prices for fresh fruits and vegetables, and for eggs. Higher prices were reported for cottonseed oil, as ceiling prices were adjusted upward by OPA.

"Industrial Commodities—There were few changes in industrial commodity markets during the week. Sheepskins and rosin declined,

while bituminous coal was slightly higher in some areas, and butyl acetate rose following the advance in ceiling prices for corn."

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

The following table shows index numbers for the principal groups of commodities for the past 3 weeks, for Dec. 4, 1943 and Jan. 2, 1943, and the percentage changes from a week ago, a month ago, and a year ago:

Commodity groups—	(1926=100)						Percentage changes to Jan. 1, 1944 from—		
	1-1 1944	12-25 1943	12-18 1943	12-4 1943	1-2 1943	12-25 1943	12-4 1943	1-2 1943	
All commodities	103.0	102.9	102.9	102.8	101.2	+0.1	+0.2	+1.8	
Farm products	122.1	122.0	121.8	121.8	115.4	+0.1	+0.2	+5.8	
Foods	105.1	105.7	105.7	105.6	104.2	-0.6	-0.5	+0.9	
Hides and leather products	117.9	117.9	117.9	117.5	118.4	0	+0.3	-0.4	
Textile products	97.2	97.2	97.2	97.2	96.7	0	0	+0.5	
Fuel and lighting materials	82.6	82.6	82.6	82.1	79.9	0	+0.6	+3.4	
Metals and metal products	103.9	103.9	103.9	103.9	103.9	0	0	0	
Building materials	113.5	113.5	113.4	113.1	110.0	0	+0.4	+3.2	
Chemicals and allied products	100.3	100.3	100.3	100.4	99.5	0	-0.1	+0.8	
Housefurnishing goods	104.4	104.4	104.4	104.2	104.1	0	+0.2	+0.3	
Miscellaneous commodities	93.0	93.0	93.0	93.0	90.4	0	0	+2.9	
Raw materials	112.3	112.2	112.1	111.7	106.7	+0.1	+0.5	+5.2	
Semimanufactured articles	93.1	93.1	93.1	92.9	92.5	0	+0.2	+0.6	
Manufactured products	100.3	100.4	100.4	100.4	100.1	-0.1	-0.1	+0.2	
All commodities other than farm products	98.9	98.9	98.9	98.7	98.2	0	+0.2	+0.7	
All commodities other than farm products and foods	97.8	97.8	97.8	97.6	96.2	0	+0.2	+1.7	

Chicago Reserve Bank Net \$5,759,353 In 1943

The Federal Reserve Bank of Chicago reports for the calendar year 1943 net earnings of \$5,759,353, as compared with \$1,197,161 in 1942. Total earnings for the year just ended were \$8,738,325, against \$6,590,508 in the previous year. Operating expenses in 1943 were \$4,794,018 and total net expenses \$5,850,233, leaving current net earnings at \$2,888,092. In 1942 operating expenses amounted to \$4,186,456, total net expenses were \$5,177,403 and current net earnings \$1,413,105. Total additions to current net earnings in 1943 were \$4,137,334, nearly all (\$4,135,904) representing profits on sales of U. S. Government securities, and compared with additions in 1942 of \$386,849, of which \$378,311 was profits on securities. The total deductions from current net earnings in 1943 were \$1,266,073, incident to requirements under the retirement system and the reserve for losses on industrial advances, as against deductions of \$602,793 in 1942.

The bank's comparative statement of earnings and expenses follows:

	1943
Earnings	\$ 8,738,325.32
Expenses:	
Operating expenses	4,794,017.64
Assessment for Board of Governors	294,208.73
Cost of Federal Reserve Currency	762,007.20
Total net expenses	5,850,233.57
Current net earnings	2,888,091.75
Additions to current net earnings:	
Profit on sales of U. S. Government Securities	4,135,903.91
Other additions	1,430.59
Total additions to current net earnings	4,137,334.50
Total current net earnings and additions to current net earnings	7,025,426.25
Deductions from current net earnings:	
Retirement system (increased benefits to members)	986,400.18
Retirement system (interest base adjustment)	279,673.00
Reserves for losses on industrial advances	
Total deductions from current net earnings	1,266,073.18
Net earnings	5,759,353.07
Distribution of net earnings:	
Paid United States Treasury (section 13B)	50.21
Dividends paid	993,684.20
Transferred to surplus (section 7)	4,765,618.66
Total	5,759,353.07

SURPLUS ACCOUNT (SECTION 7)

Surplus Jan. 1	22,924,752.06
Transferred to surplus	4,765,618.66
Transferred from surplus to reserves for contingencies	1,200,000.00
Surplus Dec. 31	26,490,370.72

In its statement of condition as of Dec. 31, 1943, the Reserve Bank reported total assets of \$5,588,042,012, compared with resources of \$4,753,969,031 at the end of 1942. Total deposits in the current statement are given as \$2,157,766,279, consisting of \$1,943,250,348 in the member bank-reserve account, \$56,515,396 in the U. S. Treasurer-general account, and \$158,000,535 of other deposits. Other liabilities included \$3,163,199,895 of Federal Reserve notes in actual circulation and \$55,717,285 in the capital account.

Dividends By Savings, Building & Loan Ass'ns Total \$79.5 Million In Last Half Of 1943

The semi-annual distribution of earnings by savings and loan associations and cooperative banks has been completed with dividends totaling approximately \$79,500,000 being paid by these institutions located all over the country. This was pointed out on Dec. 26 by the United States Savings and Loan League, Chicago, nationwide organization of the business, through its Executive Vice-President, Morton Bodfish.

Thousands of the recipients of the dividends are members of the armed forces, many of whom have been adding to their share accounts regularly out of their service pay, and many others of whom already had substantial accounts before they went away. In a majority of the cases where dividends are paid to these men, it was stated, they were credited on their share accounts to help

with that of mid-years, is noted because of a substantial increase in the share capital of these institutions during the past six months, Mr. Bodfish said. Thus the total distribution went up, in spite of the lowered dividend rates of some of the associations due to greater emphasis upon reserve positions and to lowered earnings now that larger percentages of assets than ever before are invested in Government bonds.

"Easily several hundred thousand persons are receiving this Dec. 31 the first savings and loan association earnings they have ever had," Mr. Bodfish pointed out. "Along with these new investors of the past six months are an equally large group which have been receiving such dividends for the past twenty or twenty-five years."

About half the amount it is indicated is paid out in cash return to the holders of income shares in these institutions, but such transactions count for a relatively small proportion of the full number of dividend payments to individuals and to institutions. The much greater number of people with money in savings and loan institutions are building up their holdings by periodic additions to the sum, and are receiving their dividends semi-annually as credits on the share accounts, just as the majority of the men in service.

Living Costs Up In 37 Industrial Cities

The cost of living for wage earners and lower-salaried clerical workers in November rose in 37 of 70 industrial cities surveyed by the National Industrial Conference Board. Living costs were lower in 28 of the cities, and remained unchanged in 5 of them.

Under date of Dec. 27, the Board also said:

"The largest increase, 1.1%, occurred in Saginaw. There was an increase of 1.0% or more in 2 other cities. The largest decline, 1.5%, occurred in Duluth. In nine other cities living costs declined 1.0% or more. For the United States as a whole, the cost of living remained unchanged.

"Living costs were higher this November than in November, 1942, in all cities for which comparable figures are available. Sacramento recorded the largest increase during the twelve-month period with an advance of 5.9%. The smallest was shown in Fall River, where it rose only 0.9%. The cost of living for the United States as a whole stands 3.2% higher than a year ago, and 20.6% above January, 1941."

Coykendall Again Heads Columbia Trustees

Re-election of Frederick Coykendall as Chairman of the Board of Trustees of Columbia University is announced by Dr. Nicholas Murray Butler, President of the University. Mr. Coykendall, who is the nineteenth incumbent of the Chairmanship since Columbia was founded in 1754 as King's College by grant of George II of England, enters upon his twelfth term. In 1933 he succeeded General William Barclay Parsons, who died in 1932 after 15 years of service.

Marcellus Hartley Dodge of the class of 1903 and a trustee since 1907 has been elected clerk of the Board of Trustees for his 22nd term. Mr. Dodge is the 12th clerk in the corporate history of Columbia. George E. Warren of the class of 1903 and a trustee since 1935 was elected associate clerk for the 6th time.

Members of Standing Committees were chosen as follows:

Education, Ward Melville; Buildings and Grounds, Joseph P. Grace; Finance, Albert W. Putnam; Honors, Willard V. King; Legal Affairs, John G. Jackson.

Finished Steel Shipments By Subsidiaries Of U. S. Steel Corporation Higher In December

Shipments of finished steel products by subsidiaries of the United States Steel Corporation in December amounted to 1,719,624 net tons, an increase of 59,030 tons over the preceding month. As compared with December, 1942, when shipments were 1,849,635 net tons, last month's total recorded a decrease of 130,011 net tons.

For the 26 working days in December the daily average shipments were 66,139 net tons. This compared with 63,689 net tons per day in November, 69,037 net tons in October, and 68,505 net tons daily in December, 1942.

The December deliveries brought the total of shipments for the full year 1943 to 20,244,830 net tons, which represented a decline of 370,307 tons from the all-time peak deliveries of 20,615,137 tons for 1942.

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

	1943	1942	1941	1940	1939	1929
January	1,685,993	1,738,893	1,682,454	1,145,592	870,866	1,364,801
February	1,691,592	1,616,587	1,548,451	1,009,256	747,427	1,388,407
March	1,772,397	1,780,938	1,720,366	931,905	845,108	1,605,510
April	1,630,828	1,758,894	1,687,874	907,904	771,752	1,617,302
May	1,706,543	1,834,127	1,745,295	1,084,057	795,689	1,701,874
June	1,552,663	1,774,068	1,668,637	1,209,684	607,562	1,529,241
July	1,660,762	1,765,749	1,666,667	1,296,387	745,364	1,500,281
August	1,704,289	1,788,650	1,753,665	1,455,604	885,636	1,262,874
September	1,664,577	1,703,570	1,664,227	1,392,838	1,086,683	1,450,008
October	1,794,968	1,787,501	1,851,279	1,572,408	1,345,855	1,333,385
November	1,660,594	1,665,545	1,624,186	1,425,352	1,406,205	1,110,050
December	1,719,624	1,849,635	1,846,036	1,544,623	1,443,969	931,744
Total by mos.	20,244,830	21,064,157	20,458,937	14,976,110	11,752,116	16,825,477
Yearly adjust.		*449,020	*42,333	37,639	*44,865	*12,827
Total		20,615,137	20,416,604	15,013,749	11,707,251	16,812,650

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

Market Value Of Stocks On New York Stock Exchange Higher On Dec. 31

The New York Stock Exchange announced on Jan. 7 that as of the close of business Dec. 31, 1943, there were 1,237 stock issues aggregating 1,489,367,030 shares listed on the Stock Exchange, with a total market value of \$47,607,294,582. This compares with 1,235 stock issues, aggregating 1,486,877,195 shares, with a total market value of \$45,101,778,943 on Nov. 30 and with 1,238 stock issues, aggregating 1,470,502,630 shares, with a total market value of \$38,811,728,666 on Dec. 31, 1942.

In making public the figures, the Stock Exchange further said: "As of the close of business Dec. 31, 1943, New York Stock Exchange member total net borrowings amounted to \$682,773,543 of which \$448,558,470 represented loans which were not collateralized by U. S. Gov't. issues. The ratio of the latter borrowings to the market value of all listed stocks, on that date, was, therefore, 0.94%. As the loans not collateralized by U. S. Gov't. issues include all other types of member borrowings, these ratios will ordinarily exceed the precise relationship between borrowings on listed shares and their total market value."

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

	Dec. 31, 1943		Nov. 30, 1943	
	Market Value	Average Price	Market Value	Average Price
Amusement	511,347,113	22.07	457,990,591	19.77
Automobile	3,954,881,877	32.76	3,663,731,068	30.39
Aviation	563,815,051	15.96	532,645,161	15.08
Building	546,473,186	26.29	518,097,375	24.95
Business and Office Equipment	419,503,966	32.52	373,522,260	31.67
Chemical	5,930,863,928	62.34	5,701,520,532	60.18
Electrical Equipment	1,605,450,249	39.24	1,515,844,224	37.06
Farm Machinery	782,777,276	57.21	713,393,492	54.46
Financial	957,855,284	19.17	900,036,595	18.03
Food	3,099,959,157	36.96	2,963,335,731	35.40
Garment	43,901,859	26.25	42,106,264	25.18
Land & Realty	30,167,237	6.20	26,902,347	5.53
Leather	232,807,375	27.61	229,651,235	27.24
Machinery & Metals	1,606,669,432	23.32	1,512,681,747	21.96
Mining (excluding iron)	1,354,525,174	21.95	1,293,088,481	21.64
Paper & Publishing	489,959,404	21.41	453,369,461	19.82
Petroleum	5,976,678,312	29.47	5,649,528,182	27.91
Railroad	3,542,806,110	32.86	3,349,981,675	29.72
Retail Merchandising	2,598,073,859	35.67	2,450,865,016	33.65
Rubber	560,805,159	53.04	516,869,990	48.88
Ship Building & Operating	96,047,301	17.41	87,046,237	15.78
Shipping Services	14,060,912	8.15	12,957,459	7.51
Steel, Iron & Coke	2,103,647,325	41.58	2,037,826,751	40.28
Textiles	491,137,704	34.42	454,175,676	31.96
Tobacco	1,203,714,737	44.20	1,144,167,337	42.02
Utilities:				
Gas & Electric (Operating)	2,224,385,638	21.58	2,136,973,809	20.73
Gas & Electric (Holding)	1,175,076,790	11.93	1,035,588,947	10.91
Communications	3,634,438,882	86.61	3,571,091,569	85.13
Miscellaneous Utilities	113,405,233	15.38	105,064,860	14.25
U. S. Cos. Operating Abroad	745,575,737	21.92	712,658,671	20.95
Foreign Companies	852,733,543	21.07	792,207,331	19.58
Miscellaneous Businesses	149,749,782	25.34	146,858,869	25.02
All Listed Stocks	47,607,294,582	31.96	45,101,778,943	30.33

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

	Market Value	Average Price	Market Value	Average Price
1941—				
Nov. 29	37,882,316,239	25.87	Dec. 31	38,811,728,666
Dec. 31	35,785,946,533	24.46	1943—	
1942—			Jan. 30	41,410,585,043
Jan. 31	36,228,397,999	24.70	Feb. 27	43,533,661,753
Feb. 28	35,234,173,432	24.02	Mar. 31	45,845,738,377
Mar. 31	32,844,183,750	22.36	Apr. 30	46,192,361,639
Apr. 30	31,449,206,904	21.41	May 29	48,437,700,647
May 29	32,913,725,225	22.40	June 30	48,876,520,886
June 30	33,413,047,743	22.73	July 31	47,577,989,240
July 31	34,443,805,860	23.42	Aug. 31	47,710,472,858
Aug. 31	34,871,607,323	23.70	Sept. 30	48,711,451,018
Sept. 30	35,604,809,453	24.20	Oct. 30	48,178,040,869
Oct. 31	37,727,599,526	25.65	Nov. 30	45,101,778,943
Nov. 30	37,374,462,460	25.41	Dec. 31	47,607,294,582

Daily Average Crude Oil Production For Week Ended Jan. 1, 1944 Decreased 5,200 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Jan. 1, 1944, was 4,357,300 barrels, a decline of 5,200 barrels per day from the preceding week, and 67,800 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 486,700 barrels in excess of the daily average crude oil output for the week ended Jan. 2, 1943. Daily production for the four weeks ended Jan. 1, 1944 averaged 4,365,100 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 4,453,000 barrels of crude oil daily and produced 13,192,000 barrels of gasoline; 1,557,000 barrels of kerosine; 4,575,000 barrels of distillate fuel oil, and 9,141,000 barrels of residual fuel oil during the week ended Jan. 1, 1944; and had in storage at the end of that week 76,302,000 barrels of gasoline; 9,474,000 barrels of kerosine; 42,431,000 barrels of distillate fuel, and 57,330,000 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	Actual Production Week Ended Jan. 1, 1944	Change from Previous Week	4 Weeks Ended Jan. 1, 1944	Week Ended Jan. 2, 1943
Oklahoma	330,000	315,000	327,150	-1,900	326,800	354,000
Kansas	285,000	269,800	265,750	-4,150	270,200	288,350
Nebraska	1,500		1,500		1,600	2,850
Panhandle Texas			94,400		94,000	90,500
North Texas			143,400		143,400	138,600
West Texas			354,400		354,400	206,750
East Central Texas			126,900		123,950	101,300
East Texas			368,000	+ 3,700	365,250	350,600
Southwest Texas			290,800		290,800	177,500
Coastal Texas			520,500		520,500	311,100
Total Texas	1,892,000	1,888,938	1,898,400	+ 3,700	1,892,700	1,376,350
North Louisiana			78,050		78,300	93,150
Coastal Louisiana			275,500		275,500	223,000
Total Louisiana	353,700	375,700	353,550		353,800	316,150
Arkansas	76,900	77,891	79,600	+ 400	79,200	75,000
Mississippi	48,000		46,700	- 750	47,250	56,850
Illinois	215,000		208,600	- 4,950	214,550	254,600
Indiana	14,400		11,800	- 1,450	12,750	15,700
Eastern—						
(Not incl. Ill., Ind. and Ky.)	77,000		72,950	+ 4,250	70,500	77,000
Kentucky	25,500		22,600	+ 600	23,100	16,300
Michigan	57,000		44,200	- 6,600	50,250	59,300
Wyoming	100,000		85,400	- 700	89,250	85,750
Montana	23,500		20,350		20,450	22,550
Colorado	7,000		7,350	+ 450	7,100	6,500
New Mexico	110,600	110,600	112,900		112,900	93,350
Total East of Calif.	3,617,100		3,558,800	-11,200	3,572,400	3,100,600
California	808,000	808,000	798,500	+ 6,000	792,700	770,900
Total United States	4,425,100		4,357,300	- 5,200	4,365,100	3,870,600

*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. 30, 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 JAN. 1, 1944

(Figures in Thousands of barrels of 42 Gallons Each)

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

District	Daily Refining Capacity	Potential % Rate	Crude Runs to Still Daily Average	Production of Gasoline	Stocks of Gasoline	Stocks of Gas Oil	Stocks of Residual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,444	88.7	2,280	93.3	6,428	34,497	22,336
Appalachian—							
District No. 1	130	83.9	96	73.8	313	1,851	959
District No. 2	47	87.2	54	114.9	166	1,153	48
Ind., Ill., Ky.	824	85.2	782	94.9	2,513	15,406	6,155
Okl., Kans., Mo.	416	80.1	361	86.8	1,339	7,115	2,000
Rocky Mountain—							
District No. 3	8	26.9	10	125.0	36	67	21
District No. 4	141	58.3	96	68.1	326	1,410	349
California	817	89.9	774	94.7	2,071	14,803	10,563
Tot. U. S. B. of M. basis Jan. 1, 1944	4,827	86.4	4,453	92.3	13,192	176,302	42,431
Tot. U. S. B. of M. basis Dec. 25, 1943	4,827	86.4	4,185	86.7	12,597	74,024	43,791
U. S. Bur. of Mines basis Jan. 2, 1943			3,716		10,599	80,472	44,833

*At the request of the Petroleum Administration for War. †Finished, 65,569,000 barrels; unfinished, 10,733,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,557,000 barrels of kerosine, 4,575,000 barrels of gas oil and distillate fuel oil, and 9,141,000 barrels of residual fuel oil produced during the week ended Jan. 1, 1944, which compares with 1,449,000 barrels, 4,457,000 barrels, and 8,689,000 barrels, respectively, in the preceding week, and 1,366,000 barrels, 4,079,000 barrels and 7,240,000 barrels, respectively, in the week ended Jan. 2, 1943.

Notes—Stocks of kerosine at Jan. 1, 1944 amounted to 9,474,000 barrels, as against 10,129,000 barrels a week earlier and 9,972,000 barrels a year before.

District No. 1 inventory indices are: Gasoline, 42.5%; kerosine, 50.8%; gas oil, 84.1%, and residual fuel oil 68.0% of normal.

Credits For Sales Of Securities In Fourth War Loan Drive

Attention is called by Allan Sproul, President of the New York Federal Reserve Bank, to advices recently received from the Treasury by the Reserve Banks regarding the rules which will govern the geographical distribution of credits for sales of securities during the Fourth War Loan Drive. The following is a summary of the rules established by the Treasury, as made available on Dec. 20 by Mr. Sproul:

"In the absence of a specific request for allocation elsewhere, credit for sales of 2 1/2% Treasury Bonds of 1965-70, 2 1/4% Treasury Bonds of 1956-59, 7/8% Treasury Certificates of Indebtedness of Series A-

Revenue Freight Car Loadings During Week Ended Jan. 1, 1944, Increased 2,106 Cars

Loading of revenue freight for the week ended Jan. 1, 1944, totaled 643,474 cars, the Association of American Railroads announced on Jan. 7. This was an increase above the corresponding week of 1943 of 22,301 cars, or 3.6%, but a decrease below the same week in 1942 of 33,060 cars, or 4.9%.

Loading of revenue freight for the week of Jan. 1, increased 2,106 cars, or 0.3% above the preceding week.

Miscellaneous freight loading totaled 298,813 cars, a decrease of 6,334 cars below the preceding week, and a decrease of 6,850 cars below the corresponding week in 1943.

Loading of merchandise less than carload lot freight totaled 88,248 cars, an increase of 3,691 cars above the preceding week, and an increase of 12,591 cars above the corresponding week in 1943.

Coal loading amounted to 147,221 cars, an increase of 10,347 cars above the preceding week, and an increase of 13,240 cars above the corresponding week in 1943.

Grain and grain products loading totaled 40,719 cars, a decrease of 1,009 cars below the preceding week but an increase of 798 cars above the corresponding week in 1943. In the Western Districts alone, grain and grain products loading for the week of Jan. 1, totaled 28,736 cars, an increase of 131 cars above the preceding week and an increase of 1,548 cars above the corresponding week in 1943.

Live stock loading amounted to 11,592 cars, an increase of 238 cars above the preceding week, but a decrease of 18 cars below the corresponding week in 1943. In the Western Districts alone loading of live stock for the week of Jan. 1, totaled 7,793 cars, a decrease of 108 cars below the preceding week, and a decrease of 377 cars below the corresponding week in 1943.

Forest products loading totaled 29,788 cars, a decrease of 7,144 cars below the preceding week but an increase of 3,447 cars above the corresponding week in 1943.

Ore loading amounted to 11,810 cars, an increase of 411 cars above the preceding week but a decrease of 1,747 cars below the corresponding week in 1943.

Coke loading amounted to 15,283 cars, an increase of 1,906 cars above the preceding week, and an increase of 840 cars above the corresponding week in 1943.

All districts reported increases compared with the corresponding week in 1943, except the Southwestern. All districts reported decreases compared with 1942 except the Pocahontas and Southwestern.

	1944	1943	1942
Week of January 1	643,474	621,173	676,534

The following table is a summary of the freight carloading for the separate railroads and systems for the week ended Jan. 1, 1944. During the period 85 roads showed increases when compared with the corresponding week a year ago.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED JAN. 1

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1944	1943	1942	1944	1943	1942
Eastern District—						
Ahn Arbor	238	232	524	1,284	1,029	
Bangor & Aroostook	2,040	1,936	1,867	198	211	
Boston & Maine	5,816	4,944	7,606	13,010	12,693	
Chicago, Indianapolis & Louisville	1,035	1,154	1,262	1,840	1,748	
Central Indiana	35	20	24	41	41	
Central Vermont	958	709	1,227	2,231	1,579	
Delaware & Hudson	4,136	4,770	4,667	12,379	9,798	
Delaware, Lackawanna & Western	6,295	5,568	7,431	10,382	10,437	
Detroit & Mackinac	101	255	223	103	92	
Detroit, Toledo & Ironton	1,794	1,450	1,618	1,467	1,160	
Detroit & Toledo Shore Line	249	232	252	2,698	2,376	
Erle	9,502	9,239	11,872	16,437	15,529	
Grand Trunk Western	2,946	3,286	3,623	7,990	7,679	
Lehigh & Hudson River	151	118	163	2,058	2,511	
Lehigh & New England	1,410	1,238	1,247	1,085	1,336	
Lehigh Valley	6,686	5,607	6,753	13,411	11,379	
Maine Central	2,044	1,950	3,061	2,937	2,963	
Monongahela	4,300	6,263	5,534	263	374	
Montour	1,918	1,705	2,022	21	20	
New York Central Lines	38,775	38,609	39,856	44,786	42,414	
N. Y. N. & Hartford	8,224	7,704	10,756	17,136	15,710	
New York, Ontario & Western	1,126	1,176	853	2,297	2,176	
New York, Chicago & St. Louis	5,670	5,899	5,657	13,016	14,246	
N. Y., Susquehanna & Western	384	511	466	1,470	1,975	
Pittsburgh & Lake Erie	6,513	6,226	8,364	5,776	6,288	
Pere Marquette	3,849	4,449	3,981	6,956	5,826	
Pittsburgh & Shawmut	792	482	568	9	15	
Pittsburgh, Shawmut & North	267	238	359	238	204	
Pittsburgh & West Virginia	949	617	763	1,986	2,792	
Rutland	266	202	477	720	701	
Wabash	4,547	4,379	5,291	10,403	10,666	
Wheeling & Lake Erie	3,763	4,497	4,055	3,431	4,236	
Total	126,779	125,685	142,422	198,059	190,204	
Allegheny District—						
Akron, Canton & Youngstown	613	602	534	1,002	924	
Baltimore & Ohio	33,246	28,854	33,657	23,854	22,232	
Bessemer & Lake Erie	2,042	2,655	3,087	1,118	1,963	
Buffalo Creek & Gauley	301	334	386	6	6	
Cambria & Indiana	1,416	1,603	1,749	2	2	
Central R. R. of New Jersey	5,358	4,934	6,465	18,355	17,320	
Cornwall	541	514	508	51	49	
Cumberland & Pennsylvania	172	163	266	9	9	
Ligonier Valley	141	114	148	33	53	
Long Island	968	713	703	3,022	2,568	
Penn-Reading Seashore Lines	1,343	1,239	1,482	2,241	2,032	
Pennsylvania System	64,877	58,518	69,548	53,900	48,001	
Reading Co.	11,493	10,294	13,544	24,640	22,256	
Union (Pittsburgh)	18,403	20,411	19,943	3,480	4,715	
Western Maryland	3,436	2,907	3,857	12,803	10,004	
Total	144,350	133,935	155,877	144,514	132,135	
Pocahontas District—						
Chesapeake & Ohio	24,341	20,836	20,799	8,768	8,235	
Norfolk & Western	18,053	17,011	19,233	6,247	5,520	
Virginian	4,061	3,539	4,159	1,895	1,935	
Total	46,455	41,386	44,191	16,910	15,690	

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1944	1943	1942	1944	1943	1942
Southern District—						
Alabama, Tennessee & Northern	215	242	306	290	184	
Atl. & W. P.—W. E. R. of Ala.	583	548	664	2,111	1,989	
Atlanta, Birmingham & Coast	577	531	575	1,190	1,088	
Atlantic Coast Line	9,716	11,375	10,432	8,586	8,667	
Central of Georgia	2,739	2,711	3,548	3,698	3,260	
Charleston & Western Carolina	285	302	410	1,251	1,198	
Clinchfield	1,498	1,409	1,681	2,547	2,292	
Columbus & Greenville	243	290	214	132	233	
Durham & Southern	92	93	168	446	364	
Florida East Coast	2,092	2,069	1,239	1,479	1,693	
Gainesville Midland	40	30	47	110	72	
Georgia	882	985	1,116	2,036	2,047	
Georgia & Florida	385	324	373	532	403	
Gulf, Mobile & Ohio	3,114	2,958	3,327	2,948	4,031	
Illinois Central System	23,949	22,085	24,554	13,969	14,839	
Louisville & Nashville	21,247	19,938	21,001	9,549	8,809	
Macon, Dublin & Savannah	86	143	191	601	694	
Mississippi Central	248	128	121	381	324	
Nashville, Chattanooga & St. L.	2,467	2,456	3,041	3,802	4,003	
Norfolk Southern	567	689	784	1,249	1,175	
Piedmont Northern	333	332	480	1,350	972	
Richmond, Fred. & Potomac	224	287	405	9,065	8,481	
Seaboard Air Line	6,639	7,759	9,144	7,432	6,949	
Southern System	18,012	16,571	21,380	19,674	18,229	
Tennessee Central	493	403	554	703	756	
Winston-Salem Southbound	93	91	95	754	672	
Total	97,479	94,749	105,850	95,885	93,344	
Northwestern District—						
Chicago & North Western	12,764	12,211	13,415	12,379	11,170	
Chicago Great Western	2,150	1,974	2,203	2,899	2,828	
Chicago, Milw., St. P. & Pac.	17,094	16,366	17,492	9,309	8,223	
Chicago, St. Paul, Minn. & Omaha	3,367	3,316	3,574	3,119	2,923	
Duluth, Missabe & Iron Range	989	894	947	207	237	
Duluth, South Shore & Atlantic	619	490	502	431	504	
Elgin, Joliet & Eastern	8,041	7,901	9,795	8,946	9,630	
Ft. Dodge, Des Moines & South	346	301	285	105	85	
Great Northern	9,184	9,223	9,280	4,582	4,460	
Green Bay & Western	420	396	522	788	675	
Lake Superior & Ishpeming	158	156	260	37	41	
Minneapolis & St. Louis	1,948	1,685	1,352	2,026	1,718	
Minn., St. Paul & S. S. M.	4,384	3,847	4,661	2,638	2,480	
Northern Pacific	7,376	8,535	8,137	4,501	3,472	
Spokane International	72	63	67	450	423	
Spokane, Portland & Seattle	1,597	1,223	1,841	2,467	2,794	
Total	70,509	68,587	74,333	54,884	51,672	
Central Western District—						
Atch., Top. & Santa Fe System	17,548	16,848	18,427	9,677	10,889	
Alton	2,611	2,928	3,045	3,137	4,448	
Bingham & Garfield	511	927	552	71	78	
Chicago, Burlington & Quincy	16,338	14,333	14,645	10,382	8,870	
Chicago & Illinois Midland	2,735	2,510	2,664	863	751	
Chicago, Rock Island & Pacific	8,351	9,175	9,902	10,469	10,493	
Chicago & Eastern Illinois	2,259	2,001	2,456	5,281	5,230	
Colorado & Southern	571	873	633	1,929	1,701	
Denver & Rio Grande Western	3,085	3,324	3,475	5,513	4,506	
Denver & Salt Lake	717	645	814	37	11	
Fort Worth & Denver City	598	852	1,077	1,168	961	
Illinois Terminal	1,748	1,458	1,630	1,727	1,547	
Missouri-Illinois	867	937	1,001	482	458	
Nevada Northern	1,710	2,158	2,005	101	112	
North Western Pacific	560	532	731	48	510	
Peoria & Pekin Union	21	0	27	0	0	
Southern Pacific (Pacific)	22,797	23,044	21,910	12,282	11,611	
Toledo, Peoria & Western	297	267	152	1,767	1,502	
Union Pacific System	13,345	12,795	13,744	13,981	11,807	
Utah	548	572	508	6	1	
Western Pacific	1,688	1,740	1,711	4,032	2,590	
Total	99,503	97,930	101,109	82,952	78,135	
Southwestern District—						
Burlington-Rock Island	261	383	177	127	226	
Gulf Coast Lines	5,227	4,885	3,886	2,162	2,128	
International-Great Northern	1,347	2,519	1,504	2,927	2,793	
Kansas, Oklahoma & Gulf	292	314	325	959	901	
Kansas City Southern	4,725	4,678	2,732	2,126	2,386	
Louisiana & Arkansas	2,882	3,944	2,165	2,286	1,826	
Litchfield & Madison	231	223	327	1,057	901	
Midland Valley	791	552	678	349	320	
Missouri & Arkansas	121	94	137	309	303	
Missouri-Kansas-Texas Lines	4,059	4,805	4,410	4,077	4,684	
Missouri Pacific	13,369	12,213	14,908	16,392	14,797	
Quannah Acme & Pacific	46	65	119	264	197	
St. Louis-San Francisco	6,348	6,800	7,859	6,532	6,432	
St. Louis Southwestern	2,656					

Items About Banks, Trust Companies

J. C. Traphagen, President of the Bank of New York, in submitting the Statement of Condition of the bank as of Dec. 31, 1943, called stockholders' attention to two decisions of the Board of Trustees affecting the undivided profits account, viz.:

Out of the current year's earnings it was decided to set aside the sum of \$250,000 for post-war reemployment and development. This fund has been included in reserve for contingencies. After making this transfer, and after paying dividends of \$840,000, the undivided profits account was increased by \$625,268 as a result of the year's operations. The Trustees further decided to transfer the sum of \$5,000,000 from undivided profits to surplus. This brings surplus to \$14,000,000, leaving undivided profits at \$1,538,228.

The Fulton Trust Co. of New York reports total deposits of \$31,789,394 and total assets of \$37,069,631 in its statement of Dec. 31, 1943, compared with deposits of \$30,804,814 and assets of \$36,032,884 on Dec. 31, 1942. Capital and surplus showed no change in total at \$4,000,000, but undivided profits increased to \$1,033,680, after dividend payable Jan. 3, 1944, as compared with \$962,721 shown on Dec. 31, 1942. Cash, U. S. Government securities and demand loans secured by collateral amount to \$33,120,642, against \$31,002,532 a year ago.

The statement of condition of the Savings Banks Trust Co., which is wholly owned by the savings banks in New York State, shows that as of Dec. 31, 1943, total assets were \$557,910,560 and aggregate deposits \$517,115,340. Total assets at the close of 1942 were \$290,204,963, and deposits amounted to \$192,099,591. Capital funds as of Dec. 31, 1943, were \$39,953,121, reflecting a net addition to surplus fund and undivided profits of \$538,751, which compared with \$525,518 added in 1942. The trust company acts as depository for mutual savings banks and their instrumentalities, such as The Savings Banks Association of the State of New York, the Savings Banks Life Insurance Fund, and Institutional Securities Corporation.

The Colonial Trust Co., New York City, reported as of Dec. 31, 1943, total deposits including official and certified checks outstanding, of \$31,890,752, and total assets of \$33,553,630, compared, respectively, with \$24,045,524 and \$25,586,340 on Dec. 31, 1942. Cash on hand and due from banks amounted to \$9,031,828 against \$7,112,563; holdings of United States Government securities to \$14,655,000 against \$10,084,391, and loans and bills purchased to \$9,191,056 against \$7,713,212. Capital was unchanged at \$1,000,000, and surplus and undivided profits were \$508,602, against \$417,079 at the end of 1942.

The Land Title Bank & Trust Co., Philadelphia, in 1943, showed net profits of \$1,007,558 as compared with \$1,135,288 previous year, Percy C. Madeira, Jr., President, announced in his annual report to the bank's stockholders. Of these profits, \$558,898 was income from ordinary operations and \$448,660 from non-operating profits. After deducting from income from ordinary operations, \$131,250 for dividends paid or reserved for preferred stock, balance of \$427,648 was equal to \$5.70 a share on the 75,000 shares of outstanding common stock, as against \$5.72 in 1942.

Land Title Bank, according to Mr. Madeira, closed 1943 with largest demand deposits, exclusive of U. S. Treasury deposits, in its history. Total resources as of Dec. 31, 1943, of \$76,840,668 were

33 1/3% greater than previous Dec. 31, while deposits increased, exclusive of Treasury deposits, \$5,132,275, bringing present total deposits to \$50,124,536.

During 1943, Land Title Bank completed retirement of an additional \$750,000 of its preferred stock, reducing total to \$4,000,000 as against original issue of \$7,500,000. "It is expected," the report said, "that application will be made to retire another substantial amount of these shares on Aug. 1, 1944, annual date on which such retirement may be effected."

The report declared that asset valuation reserves, set up to meet any future depreciation of assets and not shown on published statements of the bank, totaled \$1,417,587. Mr. Madeira said present book value of the common stock, excluding these asset reserves, is \$80.82 per share as against \$76.38 last year. Reserve for addition to common stock or for other corporate purposes, set up in 1940 as intermediate step toward restoring to common stock \$1,875,000 reduction effected in June of that year, now amounts, Mr. Madeira reported, to \$1,350,000.

Mr. Madeira also reported that the bank's holding of U. S. Government bonds increased almost 90% during the year. As of Dec. 31, 1943, the bank held \$37,996,000 of these obligations, 43% payable within five years and 41% due or callable in 10 years. In addition, he said, the bank, in its fiduciary capacity and as agent for other customers, arranged for the purchase of \$43,000,000 of Government obligations for 1943 for itself and others to \$61,000,000.

In its condition statement as at the close of business Dec. 31, 1943, the Mellon National Bank, Pittsburgh, shows total resources of \$546,427,478 and total deposits of \$490,628,294, comparing, respectively, with \$512,765,591 and \$459,237,958 on Dec. 31, 1942. The principal items comprising the resources in the latest statement are: United States obligations, \$370,115,709 (compared with \$294,219,394); cash and due from banks, \$122,014,956 (against \$165,291,391); and loans and discounts, \$40,165,067 (compared with \$39,484,738). The bank's capital remains unchanged at \$7,500,000, but surplus is now \$32,500,000, against \$30,000,000 on Dec. 31, 1942, and undivided profits stand at \$4,481,166, compared with \$4,941,623 at the end of 1942.

The Harris Trust and Savings Bank, Chicago, in its statement of condition as of Dec. 31, 1943, reports total deposits of \$447,286,229 and total assets of \$476,111,484, comparing, respectively, with \$386,924,649 and \$413,586,001 on Dec. 31, 1942. The chief items comprising the resources in the current statement are: Cash on hand and due from banks, \$109,117,270 (against \$104,137,227 a year ago); loans and discounts, \$105,572,144 (compared with \$80,067,135); United States Government securities, \$193,500,629 (against \$148,538,161); State and municipal securities, \$28,905,765 (compared with \$37,401,109), and other bonds and securities, \$36,786,897 (against \$41,681,740). During the year the bank's capital remained unchanged at \$6,000,000 but surplus was increased from \$9,000,000 to \$12,000,000 by a transfer of \$3,000,000 from undivided profits, which stood at \$2,277,408 on Dec. 31, 1943, as against \$4,472,368 at the end of 1942.

The statement of condition of the Hibernia National Bank in New Orleans, as of Dec. 31, 1943, shows deposits of \$88,037,000, compared with \$81,937,000 on Dec. 31, 1942. The bank's cash and Government holdings amount, at the latest date, to \$70,395,000, against \$64,780,000 at the end of 1942, while loans now total \$16,-

261,000, compared with \$14,549,000 a year ago. The capital funds and reserves at the end of 1943 are \$5,287,000, against \$4,844,000 on Dec. 31, 1942.

The Wells Fargo Bank & Union Trust Co. of San Francisco statement of condition as of Dec. 31, 1943, shows increases for the year in deposits and in United States Government securities held. Deposits of \$449,051,875 were \$59,238,927 in excess of those on Dec. 31, 1942. Of the total, demand deposits of \$310,042,480 compare with \$259,205,829 a year earlier; time deposits of \$108,504,905 compare with \$111,049,554 a year ago; and public funds of \$30,144,489, which are substantially temporary deposits of the United States Government, compare with \$19,557,564 in December, 1942. United States Government securities now totaling \$288,066,830 compare with \$240,480,957 a year ago. Loans showed a decline for the year, from \$45,838,025 to \$38,194,735. Capital funds of \$18,558,400 showed an increase for the year of \$256,145.

Earnings of the bank, it is announced, were the largest reported since 1929. The annual report shows net profits from operations of \$1,596,144 before reserve of \$170,000, equal to \$17.73 a share. This compares with a net profit of \$1,267,660, or \$14.08 a share in 1942. Operating income was \$5,978,336 against \$5,518,658. During the year deposits increased from \$389,812,948 to \$449,051,875.

At the annual stockholders' meeting on Jan. 7, all directors and officers were reelected. A. W. Kohner, formerly Cashier, was made a Vice-President; R. H. Rebele was promoted from Assistant Vice-President to Vice-President, and R. L. Wallace was advanced to Cashier.

In the year-end financial statement submitted to the Comptroller of Currency as per official call of Dec. 31, 1943, the United States National Bank of Portland, Ore., showed deposits of \$390,055,771 compared with deposits at the close of 1942 of \$294,702,267, a gain of \$95,353,504. Resources as compared between the two year-end periods were \$407,357,315 against \$307,742,191, an increase of \$99,615,124. During the year capital structure also underwent enlargement, being increased from \$12,392,483 to \$16,370,089. A large part of the capital increase was due to the issuance early in December of 75,000 shares of new capital stock which brought an additional \$3,000,000 into the capital structure.

The Bank of New York announced on Jan. 5 the appointment of Earl C. Randles as an Assistant Vice-President. Mr. Randles was formerly Vice-President of the American National Bank of Indianapolis, Ind.

The Manufacturers Trust Co., New York City, has announced the following promotions:

Richard P. Wilson, Branch Loan Administration, Main Office, formerly Assistant Vice-President, has been elected a Vice-President.

John P. Gatehouse, at the bank's office at Fifth Avenue, corner 43rd St., New York, formerly Assistant Secretary, has been elected an Assistant Vice-President.

Andrew K. Scharps, Securities Department, Main Office, formerly Assistant Secretary, has been elected an Assistant Vice-President.

William Vanek, Banking Department, Main Office, formerly Assistant Secretary, has been elected an Assistant Vice-President.

Announcement was made on Jan. 12 of the election of James J. Gallagher and Alfred N. Wheeler as Vice-Presidents of The Marine Midland Trust Company of New York. It was also an-

nounced that William H. Keeler of the Coal and Iron Office was elected an Assistant Treasurer. Mr. Gallagher entered the banking business in the International Bank in 1918. In recent years he has been in charge of the 45th St. Office, and presently is in charge of the Chambers St. Office of The Marine Midland Trust Co. Mr. Wheeler, who served in the Ambulance Service in the last war and was graduated from Yale in 1923, started in the banking business with the Rhode Island Hospital Trust Co. of Providence. He became identified with The Marine Midland Trust Co. in 1929; is in charge of Whitehall Office.

William T. Kelly, Vice-President of the Bank of the Manhattan Co., New York, died on Jan. 15 after a brief illness at Peabody, Mass. After early experience in the leather business Mr. Kelly joined the First National Bank of Boston. On April 1, 1921, he came to New York to enter the Credit Department of the International Acceptance Bank then in process of organization, and became Credit Manager. In 1925 he was appointed an Assistant Vice-President and in 1928 Vice-President. Upon the merger of the International Acceptance Bank with the Bank of the Manhattan Co., Mr. Kelly became a Vice-President of the bank in charge of its cotton accounts and other customers' contact work in the southern territory.

At the annual meeting of stockholders of the Brooklyn Trust Co. held Jan. 10, at the main office of the company, 177 Montague St., Brooklyn, N. Y., six trustees whose terms expired were re-elected for three-year terms. They were George A. Barnewall, Jackson A. Dykman, Clifford E. Paige, Robert L. Pierrepoint, Richardson Pratt, and Adrian Van Sinderen.

Robert S. Judd, Vice-President of the Southern New England Telephone Co., has been added to the Board of Directors of the New Haven (Conn.) Bank N.B.A.

We are advised that the following have been elected members of the Board of Directors of the Tradesmen's National Bank & Trust Co. of Philadelphia:

L. A. Estes, President, South Chester Tube Co. and Chester Tidewater Terminal, Inc.; Theodore P. Scott, Vice-President, Lehigh Coal & Navigation Co. and Treasurer, Lehigh & New England R. R. Co.

J. Wilson Steinmetz has been elected President of the Ninth Bank & Trust Co., of Philadelphia. Mr. Steinmetz has been with the bank 34 years, 20 of these as Vice-President. An active member of the Robert Morris Associates since April, 1920, he has served on numerous committees climaxing this activity with a fine administration as President from June, 1942, to October, 1943. He still continues his activities, now as Chairman of the Research Committee.

The proposed merger of the Union Bank of Commerce and the National City Bank of Cleveland was recently defeated, it is understood, through failure to obtain a two-thirds majority of stockholders of both institutions to approve the consolidation. More than the necessary two-thirds of the stockholders of the National City Bank voted approval of the proposal on Dec. 17 but the plan, it is said, was opposed by holders of the Union Bank of Commerce stock. The plans for the merger were mentioned in these columns Nov. 25, page 2148.

The new main office of the Manufacturers National Bank of Detroit was opened on Jan. 3 in what was formerly the Peoples State Bank Building. The only

official ceremony, which was attended by scores of bankers from Chicago, Cleveland, New York, Boston and other cities, was the opening of the bank doors to the public by Henry H. Sanger, Chairman of the Board, and Richard Dwyer, head of the bank's police force. When Manufacturers started business on Aug. 10, 1933, both men took part in a similar ceremony. The remodeled building, in which the new main office is located, was erected at the beginning of this century and is regarded as one of the most attractive banking structures in the country. It had not been used as a bank for the last ten years. Advice from the bank stated:

"With the exception of cleaning, little has been done to the exterior of the building. But the interior has been streamlined and modernized. Heavy bronze grilles have been torn out and brilliant but shadowless illumination provided. From either entrance, a visitor now has an unobstructed block-long view.

"All of the marble—and the building contains tons of it—has received a detergent treatment which has restored its original sheen. The detergent was applied in much the same way as a facial mud-pack. After hardening, it was removed and it carried with it the stain and grime of years."

"Our problem," said Charles A. Kanter, President of the bank, "was to modernize a well-built structure in wartime without using an appreciable amount of critical materials. To do this, we have substituted wood, glass and marble for metal wherever possible. We have sacrificed a few modern conveniences—air conditioning, for example—but the building is so designed that they can be installed quickly after we win the war. During the remodeling we removed 110,000 pounds of metal which were made available for war use."

The opening was attended by many out-of-town bankers as guests, from various cities, including New York, Philadelphia, Boston, Chicago, Cleveland, as well as officials of various Michigan banks.

Junior Vice-President Charles J. Ritt, head of the Banks and Bankers department, Citizens National Trust & Savings Bank of Los Angeles, has returned to the bank after several months leave of absence due to illness.

William C. Butler, Chairman of the Board of the First National Bank, Everett, Wash., and of the Everett Trust & Savings Bank, died on Jan. 6 at his home in Everett. He was 78 years old. Mr. Butler was a founder of the First National Bank of Everett and was President of the institution for over 40 years. He was a brother of Nicholas Murray Butler, President of Columbia University.

President Praises Fliers For Aid To China

President Roosevelt sent on Jan. 6 a radioed citation to Lieut. Gen. Joseph W. Stilwell, Commander in Chief of United States Army Forces in the China-Burma-India theatre, honoring the India-China wing of the Air Transport Command for "exceptionally outstanding performance in the face of almost insurmountable odds in moving vast quantities of military supplies by air to China."

This was reported in United Press New Delhi, India, advices, which further said:

"It has been a great source of satisfaction to me," the President's message said. "The goals have been high, the route dangerous, due to both mountains and enemy action as well as treacherous weather. Only teamwork and outstanding devotion to duty made this accomplishment possible."