

The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 159 Number 4254

NEW YORK, N. Y., THURSDAY, FEBRUARY 10, 1944

Price 60 Cents a Copy

The Financial Situation

On the West Coast last Sunday the Vice-President told an audience that "in 1943 we produced more than \$190 billion of goods and services," and that "with such an income we can carry the interest on our war debt and still have a whole lot more left over than we had at the top of the boom in 1929." Proceeding further along the same general line, he added that "we can enjoy the things we have always wanted and thereby create such prosperity in the post-war era that we can carry the national debt easily; or we can pinch and save and bring on a depression, and let the national debt crush us."

Only a few days earlier Henry J. Kaiser, pleading for large post-war public expenditures, told a Congressional committee that "keeping up the momentum is the big objective. If we can do that, we needn't worry about the war debt and any post-war public expenditures we may have to make. Production will pay it off." Preceding Mr. Kaiser by only one day, Wendell Willkie in an address in New York, had turned to this same general subject in these words: "We shall (in the post-war years) have to undertake a truly dynamic social security program for the purpose of increasing the health and effectiveness of those of our citizens whose usual standard of living is too low. All this and many other things will make a budget of a minimum of \$20 billion, at 1942 prices absolutely inescapable. A rise in prices will, necessarily, increase this budget. . . . There is indeed only one way in which we can legitimately meet the demands of a budget of \$20 billion or more. This is through increased productivity. The national income, which is now reaching the \$160 billion mark, to meet such a budget should never fall below \$120 billion at 1942 prices."

Debt Misconceptions

Why should so many of us become so childish when (Continued on page 622)

Common Man Comes First: Wallace

Vice-President Declares Business, Labor and Agriculture Must Recognize The General Welfare Of The Common Man—Warns Against Post-War Struggle Bringing Fascism To This Country

Henry A. Wallace, speaking at Los Angeles on Feb. 4 at a win-the-war rally, warned that returning service men would be incensed by a spectacle of special interests, scrambling for preferment, and that "disgrace" inspired in service men by pressure-group politics could, "if wrongly channelled," lead to a new kind of Fascism. Mr. Wallace also warned that a post-war struggle for power among "the big three—big business, big labor and big agriculture"—might bring Fascism to this country.



Henry A. Wallace

Mr. Wallace said: "To work together without slipping into an American Fascism will be the central problem of post-war democracy." He declared that "our dominant want is for an efficiently functioning economy—full employment of labor, capital and technologies; a balanced development of all regions; the preservation of genuine free enter-

prise and competition to assure progress and a rising standard of living; the avoidance of business ups and downs, and no exploitation of labor, capital or agriculture."

Mr. Wallace predicted a "serious conflict" of "the big three" unless they all recognize "the superior claims of the general welfare of the common man." He further stated:

"Each of the 'big three' has unprecedented power at the present time. Each is faced with serious post-war worries. Each will be tempted to try to profit at the expense of the other two when the post-war boom breaks. Each can save itself only if it learns to work with the other two, and with Government, in terms of the general welfare."

Making the statement that "some (Continued on page 624)

Willkie Advocates Taxing Ourselves Beyond Any Limit Imagined Possible—Urges Taxes Double Those Proposed By Treasury—Suggests Peacetime Revision of Taxes, Including Dropping Of Excess Profits Levy

The levying of higher taxes was advocated by Wendell L. Willkie, the 1940 Republican candidate for President, at a meeting in New York City on Feb. 2 arranged by the New York "Times" under the direction of Mrs. Arthur Hays Sulzberger. The meeting was the first of a series of three, under the title "America Plans and Dreams," the two others being scheduled for March 16 and April 20.



Wendell Willkie

Mr. Willkie called attention to the nation's huge public debt, stating that "in the four years from fiscal 1941 through fiscal 1944 this country will have obligated itself on account of the war to the extent of \$307,000,000,000. We cannot predict how long these vast expenditures must continue," he said, "but we can say with certainty that at the conclusion of the war our total public debt will be not less than \$250,000,000,000. In my opinion, this figure is low."

He noted that "at present the interest on our public debt averages almost exactly 2%" and he added that "it is, I believe, optimistic to hope that we can keep the interest rate that low indefinitely; yet even if we do, the service charge on \$300,000,000,000 of debt will be \$6,000,000,000 per year." According to Mr. Willkie, "it is that contemplated debt and that charge which must determine our fiscal policy, from this day forward, whether in peace or in war," and he declared that "as we look toward the future today we face ironically this tremendous risk: that we shall lose in debt the

victory we have gained in blood."

Mr. Willkie went on to say "in order to prevent this we have a single duty: to tax ourselves now beyond any limit that we have hitherto imagined possible. . . . There is only one principle to apply to war taxation, and that is a hard principle: we must tax to the limit every dollar, corporate and individual, that is capable of bearing a tax, particularly those corporate and individual earnings which are created by the war itself. That limit is reached only when the war effort itself is threatened. All else must be sacrificed and all must share the sacrifice to the bone."

Mr. Willkie asserted that "in taxing ourselves to pay for the war up to the limit of our capacity we shall automatically combat inflation. But in taxing ourselves only to combat inflation, with the idea of refunding the money later, we shall not pay for the war to the limit of our capacity." It was noted by Mr. Willkie that "last month the President called for a 'realistic' tax program. Since he did not specify in his statement either the size or the nature of a 'realistic' program, we must assume that his

idea of realism is represented by the recommendations of his Secretary of the Treasury."

With respect to the tax bill agreed upon by the conferees of the House and Senate, proposing a yield of \$2,315,800,000 in revenue Mr. Willkie compared this with the Treasury's proposal for a yield of an additional \$8,000,000,000, saying:

"Now I know that in the opinion of Congress, as evidenced by the bill on which the Senate and House Conference Committee has agreed, the \$8,000,000,000 Treasury proposal is too high. If we are to be realistic, it is far too low. If we are to be realistic, we should aim to raise in additional taxes more than double that proposal."

As to peace time taxation, Mr. Willkie said that because of the "difference between wartime and peacetime needs and methods, our wartime taxation program, both corporate and individual, must be completely revised when peace comes." He continued: "The corporation tax should consist simply of a single, ungraded tax applicable to the net income of all corporations earning more than a given amount per year—say \$25,000 or \$50,000. The rate on corporations earning less than \$25,000 or \$50,000 should be somewhat lower."

"This single corporation tax (Continued on page 620)

From Washington Ahead Of The News

By CARLISLE BARGERON

One of the most beautiful spots in the Washington panorama of bickering and backbiting has been the lovey-doveyness of Harold Ickes and the big oil operators. As we have long understood it, nobody could get along with Ickes and nobody could ever get along with the big oil operators. But the way they have got along together since the first gas shortage controversy back there in the summer of 1941 has been something glorious to behold.

Bets have been made around

here on the question of who would rook whom, whether Ickes would end up with the oil industry under his governmental wing, or the oil industry would end up with Ickes under its wing. As it is the amazing friendship seems to be going along as nicely as ever. Most industries are scared to death of Washington bureaucracy. But the oil industry seemingly would think nothing of letting Ickes go. You get the impression that he is their candidate for President.

Now, we see Ickes, representing the Government, in joint partnership with the oil companies in the development of the rich find in the Persian Gulf area. My, how far we have come, and what an amazing evolution in Liberalism it is, Mr. Ickes being one of the foremost apostles of Liberalism.

Manifestly when war comes, as it periodically does, to our midst, it makes no difference what nationals own a particular oil property. It is the country's army that gets there first that counts. So,

this government now being co-holder of the Persian Gulf property, will undoubtedly use its army to protect that property.

Here is the amazing flop in Liberalism. It was one of the first creeds of our Liberals, as far back as this correspondent's mind can go, to denounce any Government that supported the holdings of our citizens in foreign lands. As a matter of fact, one of the first bits of agitation ever to come to our ears, when we were still in swaddling clothes was that Standard Oil was responsible for our eternally sending missionaries to the heathen Chinese, and the great challenging question down over the years was: "Are we going to use the Army to defend Standard Oil (in China, in Mexico, anywhere else)?"

But you don't have to go back so far to realize what a tremendous shift in Liberal thinking this Persian Gulf business entails. We seem to recall under this very same New Deal that the Cardenas (Continued on page 621)

GENERAL CONTENTS

Editorial	Page
Financial Situation	617
Special Article in Section 1	
A Post-War Tax Program, by Harley L. Lutz	
Regular Features	
From Washington Ahead of the News	617
Moody's Bond Prices and Yields	627
Items About Banks and Trust Cos.	629
NYSE Odd-Lot Trading	629
Trading on New York Exchanges	630
State of Trade	
General Review	618
Commodity Prices, Domestic Index	630
Weekly Carloadings	631
Weekly Engineering Construction	629
Paperboard Industry Statistics	631
Weekly Lumber Movement	631
Fertilizer Association Price Index	628
Weekly Coal and Coke Output	629
Weekly Steel Review	628
Moody's Daily Commodity Index	627
Weekly Crude Oil Production	629
Non-Ferrous Metals Market	630
Weekly Electric Output	627
New York Reserve Bank Suspends Production and Trade Indexes	626
December Building Permits	628
Living Costs, Index for Large Cities	627
Nov. 15-Dec. 15	627

A Sober Warning

"The tendency to disregard precedents in the decision of cases like the present has become so strong in this court of late as, in my view, to shake confidence in the consistency of decision and leave the courts below on an uncharted sea of doubt and difficulty without any confidence that what was said yesterday will hold good tomorrow, unless indeed a modern instance grows into a custom of members of this court to make public announcement of a change of views and to indicate that they will change their votes on the same question when another case comes before the court.

"The evil resulting from overruling earlier considered decisions must be evident. In the present case, the court below naturally felt bound to follow and apply the law as clearly announced by this court.

"If litigants and lower Federal courts are not to do so, the law becomes not a chart to govern conduct but a game of chance instead of settling rights and liabilities it unsettles them. Counsel and parties will bring and prosecute actions in the teeth of the decisions that such actions are not maintainable on the not improbable chance that the asserted rule will be thrown overboard.

"Defendants will not know whether to litigate or to settle, for they will have no assurance that a declared rule will be followed. But the more deplorable consequence will inevitably be that the administration of justice will fall into disrepute. Respect for tribunals must fall when the bar and the public come to understand that nothing that has been said in prior adjudication has force in a current controversy.

"Of course the law may grow to meet changing conditions. I do not advocate slavish adherence to authority where new conditions require new rules of conduct. But this is not such a case."—Justices Owen J. Roberts and Felix Frankfurter.

This may well be a thought new to some members of the Supreme Court, but it is one they should ponder well.

As has not been the case for many long years past that tribunal is on trial in the minds of the public.

The State Of Trade

Most of the heavy industries sent in favorable reports the past week. Electric power production, however, fell off from the previous week's figures, but this was more than offset by the showing in steel and the gain in carloadings. Retail trade reports were also favorable.

Production of electricity dropped to 4,523,763,000 kilowatt hours in the week ended Jan. 29th, from 4,531,662,000 in the preceding week, according to the Edison Electric Institute. The latest total was 13.8% above the year-ago generation of 3,976,844,000. Consolidated Edison Co. of New York reports system output of 220,800,000 kilowatt hours in the week ended Jan. 30th, an increase of 29% over the 171,100,000 distributed in the 1943 week.

Carloadings of revenue freight for the week ended Jan. 29, totaled 811,062 cars, according to the Association of American Railroads. This was an increase of 12,340 cars from the preceding week this year, 76,392 cars more than the corresponding week in 1943 and 4,503 cars below the same period two years ago. This total was 124.48% of average loadings for the corresponding week of the ten preceding years.

Steel production for the current week has risen to 100.2% of the industry's rated capacity against 99.8% last week, according to the American Iron & Steel Institute. At 100.2%, output of steel ingots and castings for the week is indicated at 1,741,800 net tons against 1,734,800 last week and 1,698,700 in the like 1943 week. The all-time high was recorded in the weeks beginning Sept. 7, and Oct. 4, 1943. In each of these periods operations were at 100.8% and production 1,756,900 tons.

Greater activity may develop in the steel industry at any time, the magazine "Steel" declared recently, citing, among other

things, the changing character of military demands.

More orderly conditions were the rule last month, it was stated, in contrast with the unsettlement which prevailed in December. Indicative of the shifting needs of the armed forces, the trade paper noted "further restrictions in light ammunition are likely to be offset by an increased program for heavy shells. Heavy artillery production is being increased, and other ordnance items are scheduled for production, but are not yet an important factor."

The Government's locomotive program has been cut back, says "Steel," but increased allotments are definitely scheduled for domestic railway needs. The industry looks for demand to be well sustained at least until the European invasion is well along. American railroads have filed orders for more than 60,000 freight cars to aid them in solving the nation's transportation problem, it was announced recently. The War Production Board will allow all the materials needed, it was stated. The number of orders represents the amount that can be turned out with the facilities not utilized for armament work and the manpower available. Cost of the car-building program is estimated at \$200,000,000.

Reports from the retail trade this week show gains of 5 to 9% over last year's sales because of

early consumer interest in advanced spring styles and better weather, according to Dun & Bradstreet, Inc. The following increases were reported: New England 3 to 6%; East, 6 to 9%; Middle West, up to 3%; Northwest, 5 to 7%; South, 8 to 12%; Southwest, 10 to 13%, and Pacific Coast, 9 to 13%.

Department store sales on a country-wide basis were up 8% for the week ended Jan. 29, compared with the like week a year ago, according to the Federal Reserve System. Sales for the four-week period ended Jan. 29, were up 6%, compared with the like period last year. Department store sales in New York City in the week ended Feb. 5, were 1% larger than in the corresponding week last year, according to a preliminary estimate issued by the Federal Reserve Bank of New York. In the previous week ended Jan. 29, sales of this group of stores were 11% higher than in the like 1943 week.

Fine Firm For Alleged Illegal Wage Payments

A War Labor Board decision on Feb. 4 said "punishment of employers who make wage payments in violation of wage stabilization laws is a fundamental part of the national wage stabilization program and constitutes an indispensable ingredient in the successful effectuation of the national policy formulated by the Congress." Reporting this, an Associated Press dispatch from Washington, on Feb. 4, also had the following to say:

Public member George W. Taylor wrote the opinion in a case involving the Howard Menu Service, Inc., of 345 West 49th Street, New York, which the Regional War Labor Board found to have granted wage increases in violation of stabilization laws. The National Board upheld the finding and recommended economic sanctions against the company amounting to \$8,237.

These sanctions will be imposed by disallowing that amount when the company computes its deductions under the Federal tax laws.

Dr. Taylor pointed out that the program to stabilize wages and prices is bound to fail if unlawful wage or salary adjustments are to go undetected and unpunished and added that it would furthermore be manifestly unjust to the great majority of employers and employees who have complied with the letter and spirit of the stabilization program to permit the relatively few who have chosen to ignore the wartime needs of the anti-inflation program to violate the law with impunity.

Find City Youths Healthier Than Farm

Dr. A. R. Mangus, rural sociologist at Ohio State University, said at Columbus, Ohio, on Jan. 29, that the popular belief that farm youths are healthier than their city cousins has been refuted by Selective Service figures and urged the farm population to do something about it. This was reported in an Associated Press dispatch from Columbus, Ohio, on Jan. 29, which also said:

"Rejection of farm workers in the 18 and 19-year-old age bracket is running 62% above the average for other registrants, and is higher than any other major occupational group in the nation," Dr. Mangus said.

"In a report outlining possible correctives, he said the defects which caused the greatest number of rejections in this age group were bad vision, lack of mental balance, muscular or bone abnormalities, heart disease, hearing deficiencies and hernia."

National City Sees Heavy Currency Demand Requiring Study Of Factors Affecting Trend

Pointing out that "until about a year ago there was a close correlation between the trends of currency circulation and wage and salary payments—which comprise about 70% of national income," the National City Bank of New York finds that "recently there has been a divergence of trends, suggesting that new factors may be coming into the situation that need to be taken into account in projecting currency trends." Discussing the subject in its February monthly "Letter," under the caption, "New Factors in Currency Demand," the bank states that "in addition to heavy legitimate uses, there is evidence of growing demands for currency from 'black market' operators who are reported to deal in many different articles at prices above the OPA ceilings, and who naturally try to avoid bank records of their dealings." Continuing, the bank says:

"At the same time, some of the merchants doing an extensive business in used automobiles, furniture, antiques, old jewelry, etc., are reputed to deal strictly on a cash basis in both buying and selling, with only a minimum of bookkeeping records, in order to evade taxation. In fact, the extremely high income tax rates now prevailing afford to large numbers of people a high premium on evading taxes on any income not reported to the Treasury at the source.

"With the lowering of income tax exemptions, many people not having bank accounts have adopted the practice of storing up currency for the payment of their taxes. Moreover, many people have misunderstood the frequent proposals for 'forced savings' (of a portion of income, through taxes and post-war refunds) to mean confiscation of savings accounts, and some owners of refugee money fear special taxes, or a 'freezing' of bank deposits because of foreign connections.

"A feature of the wartime currency expansion is the large increase that have occurred in bills of the larger denominations. While the grand total increased between August, 1939, and November, 1943, by 178%, the \$10s, \$20s, \$50s, and \$100s increased by about 200% or more, but the \$1s, \$2s, and \$5s by 100% or less. The \$10s, and \$20s alone make up more than half of the total circulation, and accounted for more than half of the total increase, as will be seen from the following summary":

CURRENCY IN CIRCULATION, BY DENOMINATION				
(In Millions of Dollars)				
	Outstanding	Aug. 1939	Nov. 1943	Change—
		1939	1943	Amount Percent
Coin	\$566	\$1,006	+ 440	+ 78
\$1s.	521	886	+ 365	+ 70
\$2s.	34	68	+ 34	+ 100
\$5s.	966	1,950	+ 984	+ 102
\$10s.	1,681	5,127	+ 3,446	+ 205
\$20s.	1,487	5,561	+ 4,074	+ 274
\$50s.	433	1,416	+ 983	+ 222
\$100s.	857	2,761	+ 1,904	+ 227
\$500s.	180	388	+ 208	+ 116
\$1,000s.	405	729	+ 324	+ 80
\$5,000s.	17	10	— 7	— 41
\$10,000s.	30	19	— 11	— 37
Total	\$7,171	\$19,918	+ 12,747	+ 178

"Since 1939 the circulation of \$1,000 bills increased by 80%, which was less than the overall average, yet a very substantial dollar amount. Although \$1,000 banknotes are hardly a common medium of exchange, there are more than 700,000 of them in circulation today, an increase of more than 300,000 since the outbreak of war. The \$100 bills are in greater demand today than ever before. Since the war started the number in use has risen from 8,000,000 to 27,000,000, an extraordinary total considering that currency has always been looked upon as the 'small change' of business payments.

"It remains to be seen whether currency expansion will continue this year at its prevailing high rate if business should level off and if the mobilization of our armed forces should be practically completed. If the demand for

money should continue to soar, it will call for a re-examination of all factors influencing the currency trend. It may be that tax evasion and black market operations have become more important influences in money supply than had been realized. In that case the tax program, instead of concentrating still heavier burdens upon present taxpayers, might intensify efforts to reach large income which is apparently evading taxes. Some of this money might be reached through more rigid tax enforcement, and some might be reached through sales or excise taxes that would apply when such money was spent."

Smaller War Plants Corp. Announces New Loan Policy

Limit Increased From \$100,000 To \$250,000

A new loan policy effective Feb. 1, 1944, was announced on Feb. 2 by Maury Maverick, Chairman of the Smaller War Plants Corporation. This new policy increases the amount that banks are permitted to carry under a deferred participation from \$100,000 to \$250,000 where the bank takes a direct participation in the loan of 10% or more. Mr. Maverick in his announcement added:

"Interest up to 6% per annum is allowed on that part of the loan which the bank carries at its own risk and on the balance, which is carried under a deferred participation, interest of 4% is charged with the bank paying to SWPC a graduated fee of from one-half of 1% to 1% per annum, depending on the percentage of the bank's participation."

Mr. Maverick also stated: "This new policy will enable the small manufacturer to obtain financing more quickly and make possible his continued dealing with local bank, which in turn will be able to service its customers on loans which otherwise may have been beyond its legal limits. It brings into even closer harmony the banks of the country, and SWPC, which have been working hand in hand to aid small business."

The SWPC reports Mr. Maverick as stating that "nothing in this new procedure shall be interpreted as modifying previously established policy of having all loans first made available to the applicant's local bank under such bank's normal standards. Neither does this new policy affect the present 100% repurchase plan on loans up to \$25,000 nor the Regional Loan Agent's authority to approve direct loans in the same amount.

It is further announced that all firms engaged in the production of war material or essential civilian items who require financing can obtain details of this new procedure at the nearest SWPC field office.

William Kannard Retires

After 25 years as a member of the Federal Land Bank of Louisville legal department, William T. Kannard retired on Jan. 27. The Louisville "Courier-Journal" states that Mr. Kannard celebrated his 70th birthday on Jan. 27, and has the distinction of being the first employee retired under a new compensation plan.

America Can Realize Full Prosperity And Employment After War Says Ford

Henry Ford said on Feb. 5 that America could realize full prosperity and employment after the war "if we think straight, use our own men and machines wisely and teach our young people to do things for themselves." He is confident of the world's future today as he was of the ultimate success of motor vehicle transportation more than 50 years ago. Advices to this effect were contained in United Press accounts from Dearborn, Mich., given in the New York "Times," which further quoted Mr. Ford as follows:

"There is a lot of talk nowadays of what industry, especially our industry, is going to do after the war," he said. "All of us are busy now—busy doing the things we have been asked to do to help our country. But at the same time we are thinking of things we should do in the future."

"First, we want to build the best products we can—whether they be automobiles, tractors or cargo planes. Secondly, we want to provide as many jobs as we can. We especially want to help the boys coming back."

"There has been a lot of loose talk on what the cars will be like when this world-wide mess is over. Our company has built some 30,000,000 cars and trucks and we probably know something about making them. The first cars we build after the war will look pretty much like the last ones we made. Our V-8 engine has proved to be the best we ever made and we are likely to stick with it."

"Of course, we are going to make our cars lighter. We're going to use more plastics. We are going to improve them as much as we can. One thing we don't believe in is standing still."

"We believe that competition is necessary for healthy progress."

Ever since the Selden patent suit we've been fighting for the survival of competition. One of the things behind this present war is the desire of certain greedy people to destroy competition."

Mr. Ford cited that there was "still another reason" it was necessary to go back to the 1942 models, which "we spent years perfecting."

"We've got some 190,000 men and women on our payrolls, including those at the Willow Run bomber plant owned by the Government," he stated, "and we want to keep as many of them as we can. We want to help the soldiers and sailors when they get back. We can't do enough for those fellows. We're going to help teach them things that will be useful."

He declared that there was no reason why we should have large-scale unemployment after the war.

"No one should be idle," he asserted, "if we keep our feet on the ground, think straight and learn to work things out for ourselves without relying too much on the Government. We have the men, the machines and the knowledge to build good products. Our people here, those in Canada, South America, Europe and elsewhere will be eager for them. If industry can keep busy there will be jobs and security for all."

Russia's New 16-State Plan Seen As Move For Greater Weight In Allied Council

Russia's opportunity to swing great weight in Allied councils, was seen on Feb. 2 by foreign diplomats examining the Soviet Union's reconstruction of its relationships of its 16 republics with the outside world, it was stated in an Associated Press dispatch from Moscow.

The previous day (Feb. 1) the Supreme Soviet (Russian Parliament) adopted unanimously a proposal by Foreign Commissar Vyacheslav M. Molotov giving the 16 individual republics within the Soviet Union their own Commissariats of National Defense and Foreign Affairs, with the right to raise their own army formations and deal directly with other countries.

According to the Moscow Associated Press advices that day this history-making reconstruction of the Soviet Union, the first since the adoption of the constitution in 1936, was achieved after a four-hour debate. It was further stated in these advices, as given in the New York "Herald Tribune":

"The Supreme Soviet also elected Nikolai Shvernik, Secretary of the Trade Unions, as first Vice-Chairman of its Presidium, an office amounting to Vice-President of the country. His name was proposed by President Mikhail Kalinin, who said a Vice-Chairman was needed to help handle the increased work of the Presidium in foreign affairs, interpretation of domestic law and bestowal of decorations."

"The foreign-affairs and national-defense reorganization was described as reconstituting further progress toward the settlement of the numerous nationalities in the Soviet Union by permitting each republic to satisfy its own requirements."

"Extension of the new rights to the 16 republics," Commissar Molotov said, "marked a new step forward in the solution of the nationality question."

"The reforms," he said, "made changes necessary in the 1936 Constitution, which reserved for the Government of the U. S. S. R. the right to handle international

like that enjoyed by the British Commonwealth of Nations.

"(Such a representation would give Russia, long denied membership in the League, 16 seats.)"

"There are diplomatic authorities here who feel the Russians have pulled off a brilliant piece of work in international diplomacy, no matter what are the immediate developments."

United Press advices from Washington on Feb. 2 had the following to say regarding Russia's new plan:

The Soviet Union's decision to give her 16 states an independent voice in foreign affairs was interpreted today as a Russian move to match the votes which the United States and Great Britain could count on in any future world organization.

The decision was believed in most diplomatic quarters to be directed primarily at Great Britain which, in the League of Nations, enjoyed the added advantage of a vote for each member of the British Commonwealth. Russia had only one.

Separate votes for states or countries controlled by Moscow and London would appear to put the United States at a decided disadvantage in any future league where, presumably, important decisions would be made by majority vote.

(Foremost is the question of how Moscow's revolutionary move may work to Soviet advantage in winning recognition of her asserted right to political control of the Balkan States—Latvia, Lithuania and Estonia—and other border areas, the Associated Press pointed out.

(Secretary of State Hull, apparently reflecting the uncertainty of American diplomats about the full significance of Russia's new reorganization, declined today to attempt any evaluation of the move.

(His most specific comment was that he sees no connection between it and the Polish border dispute and that such a reorganization is a matter that comes under the exclusive jurisdiction of the Soviet government.)

A United States parallel to the Soviet action would be to give each of the 48 states separate voice on foreign policy. But this would require amendment of the Constitution which now places full responsibility for foreign affairs in the hands of the President.

Dr. George C. Hass Sees \$36 Billion Inflationary Gap

Dr. George C. Hass, Director of the Treasury's Division of Research and Statistics, told the House Appropriations Committee, on Feb. 4 that the potentialities making for inflation are very great. An Associated Press dispatch from Washington, on Feb. 4, from which the above was taken, gave other remarks of Dr. Hass, as follows:

"We estimate income payments for the fiscal year 1944 at \$148,000,000,000. We estimate that individuals will pay direct taxes to both Federal, State and local governments of \$22,000,000,000. That leaves \$126,000,000,000 which we call disposable income which people will have to spend on goods and services, if they so choose."

"We estimate that there will be available during the fiscal year 1944 around \$90,000,000,000 of goods and services. So you have that difference between the purchasing powers available for people to spend, if they choose to spend, of \$126,000,000,000 and the goods and services at present prices which are available for civilian consumers amounting to \$90,000,000,000. This difference of \$36,000,000,000 must be saved if prices are not going to go up."

Allies Working To Keep Spain Neutral; U. S., Britain Suspend Oil Shipments To Spain

President Roosevelt made known on Feb. 4 that Great Britain and the United States are working together to see that Spain remains neutral in the true sense of the word. On the previous day, Feb. 3, Associated Press accounts from Madrid reported that the Spanish Cabinet ratified that night a policy of strict neutrality and announced it would demand the strictest conformity not only from its own nationals but from foreign subjects. The advices from Madrid (Associated Press) as given in the New York "Times," continued:

"Furthermore," a communique said "the Government has discussed all precautionary measures that may be necessary to see that Spanish neutrality is respected."

The communique declared that Generalissimo Francisco Franco's Government "is prepared to submit to no pressure under any circumstances whatever against its right to maintain firmly such a position of neutrality."

"Every country is obliged to respect this attitude as an act of indisputable sovereignty," it added.

"Spain's good-will, which she has shown on as many occasions as she was able, toward cooperating in preventing this great world conflict from spreading, constitutes a guarantee that she will face with the maximum serenity of patriotism any obstacles that she may find in her way. In doing so she trusts her Government, which fully shares the unanimous wish of the country—namely, to see that our sovereignty and dignity are respected."

Recently the United States suspended oil shipments to Spain, pending, it was indicated by the Associated Press, a thorough review of the Spanish attitude; from Washington Jan. 27, the Associated Press had the following to say in the matter: "The United States has suspended oil shipments from the Caribbean area to Spain for the month of February, it was learned on excellent authority tonight."

"The step is understood to be part of a general reconsideration by this Government of Spain's over-all position with regard to the war."

"Spain has received a limited amount of fuel oil and gasoline from the Caribbean area, virtually her only source of supply. The agreed quotas supply most essential needs, but make it virtually impossible for Spain to assemble any reserves."

"Matters involved in reconsideration of Spain's position regarding the war include her failure to release Italian ships interned in her ports, to control adequately German agents operating on her territory and to reduce export of war materials to Germany."

"The climactic step on Spain's part was the negotiation recently of an agreement with Germany providing 400,000,000 pesetas credit (about \$40,000,000) to Germany as payment for debts incurred during the Spanish civil war. This was a severe blow at Allied efforts to reduce strategic German imports, since during the last six months Germany has received little from Spain because of lack of pesetas."

"On Jan. 29 advices to the effect that it was authoritatively learned that Great Britain was joining the United States in embargoing shipments of petroleum products to Spain, were contained in London Associated Press accounts Jan. 29, which said:

"An Associated Press dispatch from Madrid said yesterday that the planned suspension by the United States of oil shipments from the Caribbean area to Spain during February had no political significance and was concerned rather with negotiations of a purely commercial character."

(The dispatch was received shortly before the State Department announced in Washington that the shipments had been suspended pending reconsidera-

tion of general relations between Spain and the United States in the light of trends in Spanish policy.)

"The suspension of American shipments was interpreted by the British press as a final showdown. News of the embargo was not published in Spain, the Madrid dispatch said."

The sending of oil to Spain by the United States was discussed on Jan. 22 by Dean Acheson, Assistant Secretary of State, and Charles P. Taft, Director of the State Department's Office of War-time Economic Affairs, during the third of a series of four broadcasts over NBC entitled "The State Department Speaks." Other participants were Adolf A. Berle, Assistant Secretary of State, and Harry Hawkins, Director of the Office of Economic Affairs.

A report on oil shipments sent to Spain was referred to in these columns April 1, 1943, page 1221.

Regarding their remarks, a Washington dispatch of Jan. 22, to the New York "Times" stated in part:

"Mr. Acheson explained that oil was allowed to go to Spain as part of the bargaining done with neutral countries to keep them from supplying the enemy with what he wants from them. Such bargaining, he emphasized, was hard bargaining."

"If they say they have to sell the war material to Germany in order to live, we are willing to buy it from them. Sometimes we really want the material and sometimes we don't, but we don't care about that—the big point is to keep the valuable war material away from the enemy whether we need it or not."

Mr. Taft rounded out Mr. Acheson's statement with an explanation that the oil going from this hemisphere to Spain does not come from continental United States but from the Caribbean area and is carried not in American but in Spanish ships. These tankers, he said, were checked at the port of landing and again at the port of discharge by our own observers. A staff of observers whose sole duty was to watch the distribution and use of this oil was maintained in Spain.

On the general subject of oil, Mr. Hawkins said that "we cannot continue to use our American oil even at the rate we have used it in the past without exhausting our supplies. We know that we will have to look abroad for oil. We will need oil for expanded commercial aviation, greater industrial output, more automobiles, more fuel oil furnaces, more oil-burning ships. The Atlantic Charter provides that all countries shall have equal access on equal terms to the world's raw materials. That doesn't apply just to foreign countries. It applies to us as well."

"Americans are already developing great fields abroad. The State Department welcomes and wants to encourage this development. The department will certainly see to it that the interests of American nationals in foreign oil resources will get an even break."

Willkie Advocates Taxing Ourselves Beyond Any Limit Imagined Possible

(Continued from first page)

would supplant the peaceable growths which make up the present tax structure. It would permit a sane, simplified tax structure. The wartime excess profits tax should be repealed. It would be well to recognize in peacetime that excess profits taxes of all kinds frequently punish the competent in comparison with the incompetents, and have a way of creating inequitable competitive advantages and disadvantages which retard industrial advance and cost the economy as a whole more dollars than they yield to the Treasury.

"We should also repeal the so-called 'guessing game tax,' which consists of two parts, the Declared Value Excess Profits Tax and the Capital Stock Tax. These achieve no constructive purpose.

"We must devise ways and means of encouraging venture capital to flow into new enterprises, and this means that we must find a practical way of relieving new enterprises from crippling taxation for a reasonable period.

"And, finally, we should thoroughly inquire into all forms of incentive taxation by which business and industry can be stimulated to adopt policies that will expand employment and advance the welfare of society."

Mr. Willkie's address, as given in the New York "Times" follows:

The address of Mr. Willkie as given in the New York "Times" follows in full:

The struggle in which we are engaged has imposed on all of us a number of extraordinary duties. One of the most important of these is a duty toward the future. The nature of the victory that we gain depends greatly on our ability to look ahead clearly.

It is in the fulfillment of this duty, I take it, that The New York "Times" has inaugurated the present series of conferences under the title of "America Plans and Dreams."

The editors have asked me tonight to discuss "America as a World Power." For, whether we like it or not, the United States has become a world power. The future peace and prosperity of the earth depend in large measure upon policies originated here.

First, however, we must be clear as to what we mean by power. The fact is that the United States has always been a world power. Even when our Union was first formed in 1789, when our population was only 4,000,000 and we were in debt and all but defenseless, we were yet one of the mightiest powers on earth.

Our power in those days, however, was neither financial nor military; we were of small account in the diplomatic councils of the world. Our power resided in an Idea—the Idea of self-government by free men; of self-government by men whose future would depend, not upon the will of kings or the plans of dictators, but upon their own innate courage and abilities. This American Idea changed the whole course of history. No riches, no navy, no army had ever exercised such power over the destinies of mankind.

The American Idea, which our forefathers undertook as a dangerous but exciting experiment, has now proved itself. Our free society has made us the richest nation on earth. Out of those riches, in this hour of test between our ideas and those of totalitarian powers, we have created the greatest navy in history, the greatest air force, and one of the world's great armies.

Today we are a world power in a sense other than ideological. And the great responsibility that we shoulder is the maintenance,

work, or even survive. So, in our economic system, whose cells are 135,000,000 American citizens, the fiscal bloodstream must flow freely. It must flow under even and proper pressures. And it must provide the cells with the economic rewards and incentives necessary for their well-being. An economic bloodstream composed largely of debt will eventually starve all the cells in the body.

Thus the destiny of our people rests upon the fiscal policy of their Government. In order to assume our proper responsibilities in the world and play the role there indispensable to our welfare at home, in order even to survive in the gigantic world struggle for existence, we must have a fiscal policy that squarely faces the economic realities.

Moreover, we are dependent upon our fiscal policy, now and in the future, for the realization of all the economic and social aims that we want to achieve after the war. Without a realistic fiscal policy we cannot have full employment. Without such a policy we cannot finance the enlargement of social security. Without it we cannot attain higher standards of living, or better housing, or broader education, or sounder health.

All these depend for their fulfillment upon the economic bloodstream, which will either starve us or support us in health.

Any discussion of fiscal policy at the present time is inevitably complicated by the fact that we are engaged in war. For, as examination shows, the fiscal requirements of war are, in almost every instance, the opposite of the fiscal requirements of peace. If we were to apply a designated fiscal policy for war in time of peace we should ruin our American system of individual initiative and opportunity.

On the other hand, if we use peacetime taxation methods and principles for raising wartime revenue we will obtain an inadequate amount and thereby we will transfer such a load of debt to the future as to jeopardize the very things for which we fight. This distinction, I believe, has not been made sufficiently clear. And yet without it we shall fall into grievous—indeed, fatal—errors of fiscal policy.

I do not want to spend all my time this evening on the question of war taxation. Nevertheless our tax legislation is now in a state of confusion—a confusion for which both the Administration and the Congress are to blame.

In order to discuss intelligently our future peacetime fiscal policy it is necessary for a moment to consider our wartime policy and to look behind the political masquerading which has characterized some of it.

There is an old political adage: Vote for every appropriation; vote against every tax measure. That is dubious counsel in ordinary times. It is fatal in these times. Whatever the political risk, the political leader is not worth his salt who shirks the responsibility of presenting wartime necessities to the people. We have been following a fiscal primrose path. It will not lead to a solution of our problems. It is time for us to face up.

The fact is that if we solve this problem realistically—as all who have studied it agree—we must actually materially lower the American standard of living during the war. And this not merely by submitting to rationing and restricted use of gasoline and minor discomforts, or by decreasing the amounts which we have hitherto saved, but by actual reduction of our standards—the change of our habits to the use of those things that constitute necessitous living.

In the four years from fiscal 1941 through fiscal 1944 this country will have obligated itself

on account of the war to the extent of \$307,000,000,000. We cannot predict how long these vast expenditures must continue, but we can say with certainty that at the conclusion of the war our total public debt will be not less than \$250,000,000,000. In my opinion, this figure is low.

Moreover, immediately after the war there must follow a period in which the Government will incur extraordinary expenditures. There will be the cost of liquidation of the war. There will be the vital expenditures for soldier rehabilitation. If we include the costs of this period among our war costs I believe that we shall face the peace with a public debt of over \$300,000,000,000.

At present the interest on our public debt averages almost exactly 2%. It is, I believe, optimistic to hope that we can keep the interest rate that low indefinitely; yet even if we do, the service charge on \$300,000,000,000 of debt will be \$6,000,000,000 per year.

That is a staggering charge—only a little less than our whole Federal budget as recently as 1934. And it is that contemplated debt and that charge which must determine our fiscal policy from this day forward, whether in peace or in war.

For as we look toward the future today we face ironically this tremendous risk: that we shall lose in debt the victory we have gained in blood.

In order to prevent this we have a single duty: to tax ourselves now beyond any limit that we have hitherto imagined possible. Every dollar of war cost that we pass on to the future thins the fiscal blood stream of the future. There is only one principle to apply to war taxation, and that is a hard principle: we must tax to the limit every dollar, corporate and individual, that is capable of bearing a tax, particularly those corporate and individual earnings which are created by the war itself. That limit is reached only when the war effort itself is threatened. All else must be sacrificed and all must share the sacrifice to the bone.

Of course, the war effort is threatened if we destroy our human resources by taxing them below the level of necessity; but we are talking about real necessity and not comfortable peacetime habits.

It is likewise threatened if we tax our corporate structure to a point that spells insolvency or to a point that prevents business from springing to action immediately after the war, converting to peacetime production, and providing jobs for the returning soldiers and the war workers.

Beyond the precautions necessary to preserve our effective manpower and womanpower, and the industrial structure by which they live, every other dollar in every income group, corporate and individual must be taxed, and ruthlessly taxed, for the preservation of the American future.

Now, we have not done this. We are not doing it. And neither Congress nor the Administration expresses any intention of doing it. Last month the President called for a "realistic" tax program. Since he did not specify in his statement either the size or the nature of a "realistic" tax program, we must assume that his idea of realism is represented by the recommendations of his Secretary of the Treasury.

Yet, surely, in the light of a probable \$300,000,000,000 debt, the Treasury program broached last fall cannot be described as "realistic." That program purported to raise an additional \$10,600,000,000. But this was a misleading figure because the program included a provision to refund some \$2,700,000,000 of that amount after the war. The next expectant increase proposed by the Treasury was, therefore, only \$8,000,000,000. The Treasury program is also

unrealistic because of the argument it puts forward as to the principal reason for higher taxes. This argument illustrates that lack of understanding of fiscal affairs which has characterized the Administration's whole tenure of office.

According to Mr. Morgenthau, the chief reason why we must bear high taxes during the war is to combat the danger of inflation. I am well aware that inflation is a danger, yet it is certainly not the chief reason for high taxes. The chief reason we need big taxes is to pay for a big war without mortgaging our future more than is necessary. If we pay for the war to the extent of our ability as it goes on, the problem of inflation will be largely taken care of.

The Treasury refund provision is a disguised forced-savings program. I am not against forced savings as such; but I am for forced savings only after we have fulfilled our tax duties. Indeed, this refund provision is, one suspects, a political gesture, for the whole inflation argument upon which it is predicated is obviously misleading.

In taxing ourselves to pay for the war up to the limit of our capacity we shall automatically combat inflation. But in taxing ourselves only to combat inflation, with the idea of refunding the money later, we shall not pay for the war to the limit of our capacity.

Moreover, many experts are agreed that the real danger of inflation will come after the war. If, at that time, large refund obligations are hanging over the economy, inflation control will become even more difficult, if not impossible. Thus, in proposing refunds the Treasury is endangering the post-war future for the sake of a measure of political advantage in the present.

Now I know that in the opinion of Congress, as evidenced by the bill on which the Senate and House Conference Committee has agreed, the \$8,000,000,000 Treasury proposal is too high. If we are to be realistic it is far too low. If we are to be realistic we should aim to raise in additional taxes more than double that proposal.

Many will exclaim that in making any such suggestion we are being wholly unrealistic. Yes, of course. If we insist upon maintaining in war the comforts and conveniences of peace it is unrealistic. For have no illusions concerning the effect of raising such a sum on every man, woman and child in the United States. It cannot be raised by petty sacrifices. It will require major and, in some cases, dangerous sacrifices. The habits of every member of every group will have to change.

Those are the facts that we must face. And they all add up to this one fact that we have not faced: that if we are going to save our standard of living in the future our standard of living today must go down.

There are 10,000,000 men, the physical pick of the nation, in our armed forces; 10,000,000 young men who have suffered a dislocation in their habits, their comforts, and their living standards far more profound than any tax can create. There can be very few Americans who haven't some relative, some close friend among them. By the end of the year, we are told, three-quarters of them will be overseas. And we do not yet know how many of them will stay there forever.

The boys who come home will be hungry for the occupations and rewards of peace. What shall we say to them if, while they are gone, we have rolled up a debt so vast that they will be saddled all the rest of their lives with interest on money that we at home have refused to pay? What shall we say to men who have faced in their persons the

hazards of war, if we have codded ourselves, at their eventual expense, by clinging to the living standards of peace?

Shall we say: "We are sorry?" Shall we say: "It seemed more important to us to live in our accustomed manner than to reduce the debt that you boys will have to pay?"

So-called political experts tell you that the American people will never stand for a tough tax program. I do not agree with those so-called experts. Give the people an understanding of the issues involved, and they will do their duty by their country, however incredibly painful it may be. All this talk about inflation has not clarified the issue for our people. It has obscured it.

The Administration has counted too little on the people's sense of obligation.

It is but natural that individual citizens occupied with everyday matters should put aside the problem of the country's fiscal future. It is likewise natural that they should fail to realize the deadly serious nature of the armed conflict now facing us. Particularly, when our governmental leaders do not make the issues clear, but, on the contrary, confuse us with conflicting statements—some optimistic, some pessimistic.

If, however, it is brought home that something more than mere dollars is involved in the country's fiscal policy, that our whole future way of living is at stake; if the people are permitted to know that in the impending invasion of the European continent—so essential to our victory—we are undertaking one of the most stupendous and hazardous operations of military history, possibly involving untold loss of life; if the stark facts are presented to them, they will rise to any sacrifice and they will do so steadfastly.

But while I sincerely believe that the people will accept these burdens if the issues are made clear, I know that they will at the same time demand an economy in Government of a severity equal to their sacrifice. They will demand that the war shall not be used as an excuse for the continued extravagant waste of their money; they will demand that the administration of the war effort at home shall be untouched with politics and conducted with competence, efficiency and singleness of purpose.

I hope I have made clear my profound conviction that we should pay now for as much of the war as we possibly can. And I hope I have made clear the fiscal reason for imposing on ourselves such a heavy burden, namely, the preservation of the future which is precious to every American.

A formidable fact that looms up when we face that future is the size of the Federal budget. It is extremely improbable that in our lifetime we shall ever see a Federal budget under \$20,000,000,000, measured in 1942 prices. In any such estimate there are, of course, incalculable factors.

We do not know, for instance, how big a military establishment we are going to have to maintain—and as I have so often pointed out, one of the important reasons for an international organization is that a joint force would help to keep the enormous item down. There are many other items that we cannot easily foresee; yet we can see easily enough that the total figure is going to be breathtaking.

As already stated, the interest on our debt will be a minimum of \$6,000,000,000. If we allow \$7,000,000,000 for the military and naval establishment (a figure that might easily be doubled), we have \$13,000,000,000 of necessary expenditures to start with.

I do not think it would be realistic to attempt to itemize other Government requirements at this

distance, yet it is difficult to see how they can total less than \$7,000,000,000. The normal non-military cost of Government should be ground down to a minimum. But aid and rehabilitation of veterans must be many times larger than the pre-war figure.

We shall have to undertake a truly dynamic social security program for the purpose of increasing the health and effectiveness of those of our citizens whose usual standard of living is too low. All this and many other things will make a budget of a minimum of \$20,000,000,000, at 1942 prices, absolutely inescapable. A rise in prices will, necessarily, increase this budget.

Of course we could take care of the debt by inflation, or repudiation. But either of these courses would lead to the ruin of our political system and our social structure.

There is indeed only one way by which we can legitimately meet the demands of a budget of \$20,000,000,000 or more. This is through increased productivity. The natural income, which is now reaching toward the \$160,000,000,000 mark, to meet such a budget should never fall below \$120,000,000,000 at 1942 prices.

If the price level continues above that of 1942 the low limit of national income should increase proportionately. Or to state the matter another way: the wheels of industry must turn, and markets must be developed big enough so that every worker has a chance of a job at good pay. Now in a real sense the objective of our post-war tax program must be identical with the objective of our wartime tax program—namely, the preservation of the idea upon which we were founded: self-government by men whose future depends upon their own innate courage and abilities.

But, as I indicated at the beginning, the fiscal policy that will achieve this objective in peacetime will be almost the exact opposite of that necessary in wartime. After the war, in order to stimulate the flow of goods and services, the taking of risks, the creation of millions of jobs, taxes must be minimized rather than maximized. We must solve the post-war tax problem not by imposing the biggest possible rates on our income but by creating the biggest possible income on which to impose relatively modest rates.

For, properly managed and with encouragement to expand, our peacetime economy will yield more tax income from relatively low rates, both individual and corporate, than from relatively high ones.

The difference lies in the fact that today, in war, our incentives are provided for us in our relentless pursuit of the enemy; whereas tomorrow, in peace, we must create our incentives from the energies and aspirations of our citizens.

In order to accomplish this transition we must arouse once more in men the hope of reward; not unlimited and consequently ruthless reward, but fair, sufficient reward that will drive us ahead.

It is only by the application of this principle that we can eventually solve our fiscal problems and at the same time fulfill our manifold economic and social responsibilities.

In wartime all of our major industries are primarily engaged in producing for the Government, and according to Government specifications. And those that are engaged in the manufacture of civilian products, in view of priorities, rationing and restricted markets, are not concerned with the ordinary problems of peacetime growth.

Today the incentive, the energy, the imagination that normally are the very yeast of our economy are being devoted to the gigantic needs of wartime production and distribution. But in

peacetime, if we are to have anything approaching full employment, those qualities must be stimulated into channels which provide jobs.

Because of this difference between wartime and peacetime needs and methods, our wartime taxation program, both corporate and individual, must be completely revised when peace comes.

The corporation tax should consist simply of a single, ungraded tax applicable to the net income of all corporations earning more than a given amount per year—say \$25,000 or \$50,000. The rate on corporations earning less than \$25,000 or \$50,000 should be somewhat lower.

This single corporation tax would supplant the peacetime growths which make up the present tax structure. It would permit a sane, simplified tax structure. The wartime excess profits tax should be repealed. It would be well to recognize in peacetime that excess profits taxes of all kinds frequently punish the competent in comparison with the incompetents, and have a way of creating inequitable competitive advantages and disadvantages which retard industrial advance and cost the economy as a whole more dollars than they yield to the Treasury.

We should also repeal the so-called "guessing game tax," which consists of two parts, the Declared Value Excess Profits Tax and the Capital Stock Tax. These accomplish no constructive purpose.

We must devise ways and means of encouraging venture capital to flow into new enterprises, and this means that we must find a practical way of relieving new enterprises from crippling taxation for a reasonable period.

And, finally, we should thoroughly inquire into all forms of incentive taxation by which business and industry can be stimulated to adopt policies that will expand employment and advance the welfare of society.

In the interests of stability we should also, in my opinion, liberalize the present provisions by which businesses are entitled to carry forward losses for a period of two years only. In order not to penalize businesses subject to cyclical fluctuations, this period should be extended.

There is one problem in the present tax structure which impinges on both the corporation and the individual taxpayer and which may prove somewhat difficult of solution. As things now stand, corporation dividends suffer a double tax, one at their source in the form of a corporation income tax and the other at their outlet in the form of the individual income tax. On the other hand, interest payable on bonds is a deductible item in the corporation income statement before taxes. The effect of this arrangement is to encourage corporations to finance themselves by debt rather than by equity.

And such financing has evil results because it builds up a large debt structure which greatly aggravates depressions and increases the danger of bankruptcy. Also it discourages new-venture capital.

This situation should be corrected by eliminating the present double tax on dividend payments. The various possible methods for doing this raise complicated technicalities. But the objective of all the methods is simple enough—to stimulate equity financing and thus to make our entire system more flexible.

There is one item I should like to add to this tax program, and this is an item for the immediate attention of the Congress. During the conversion period after the war many thousands of men and women whose long hours of work have been indispensable to the war effort may well find them-

selves, at least temporarily, without jobs.

The Government, of course, must guarantee their subsistence; yet they—and indeed our whole society—will be much better served if private industry provides them with adequate severance pay. In order to encourage this, appropriate legislation should be passed at once to enable employers to set up reserves earmarked for this purpose.

In addition, I believe that other measures should be explored by which to encourage business to convert itself rapidly to peacetime production and to mitigate the losses of conversion.

The post-war will bring the need for changes not only in business taxes but also in taxes on individuals. When our economy is adjusted to peacetime production our post-war aims of full employment, full consumption and full production require a lowering of all taxes affecting the people's power to consume. For in order to maintain the economy at a high level of production and so provide the maximum number of jobs, it is essential to plan a post-war tax program that will take away as little as possible of the money normally spent by individuals on consumer goods and services.

This means a reduction, and in some instances the elimination of excise taxes on non-luxuries. In addition, it means a lowering of the individual income tax, particularly in the lower and middle brackets.

I have put forward these tax suggestions, not as a comprehensive plan but as illustrations of the kind of measures I believe to be necessary, now and in the future, in order to preserve for ourselves, our fighting men and our children a system operated by free men on their own initiative. A system that will unleash the energies of our citizens, that will give them a chance to get ahead, that will allow the establishment of new industries that will raise the living standards of the people.

If we want to preserve this system we must pay for it, and pay for it now. Corporations and individuals alike must pour into the Federal Treasury every dollar that can be spared from the hard back-breaking business of fighting the biggest war in history.

Of course, this will mean hardship; of course, this will mean discomfort. But the long future is worth all the sacrifice.

There is not much comfort in a foxhole. There's little comfort waist-deep in the mud of Guadalcanal. It is not comfortable to crash-land a flaming plane. There is small comfort in the cold sea; there is no comfort as a prisoner of the Japs. Why should we be comfortable?

Motor Carrier Revenue Shrinks

The trucking industry's margin between profit and loss continued to narrow in November, with operating expenses almost 98% of revenues, according to figures compiled by the American Trucking Associations.

Based on reports from 274 Class I carriers of property in 43 States and the District of Columbia, the study showed that November revenues shrank 1.4% from October, while expenses decreased 0.8%.

November revenues represented a gain of 7.6% over a year earlier, but costs meanwhile were 12.5% higher.

The ratio of expenses to revenues was 97.7 in November, as compared with 97.1 in October and 93.5 in November, 1942.

Ninety-nine of the 274 reporting carriers, representing 36.1% of the aggregate revenues, suffered operating losses in November, 76 showed operating deficits for October, and 55 reported losses for November of last year.

From Washington

(Continued from first page)

Government of Mexico kicked our oil producers all over the place, took their properties and told them they could go hang. Of course, American owned oil fields in near-by Mexico are much closer than those in the Persian Gulf area and one should think, they would be more easy to protect.

We did nothing to protect Standard Oil and Sinclair in this instance, though. A great Liberal, Proletarian Government in this country was working hand-in-glove with a great Liberal, Proletarian Government in Mexico. Our oil companies got caught in this cross-tide of Liberalism. We aren't quite sure, but we seem to recall there was pretty much of a parallel with regard to Bolivia.

Anyway, as regards the oil companies and Mexico, there was an awful Liberal outcry here in Washington. Why, our oil companies had been robbing those people to the South for generations and it would be unheard of for our Liberal Government to give any protection to them. And insofar as Mr. Roosevelt was concerned, this policy prevailed. Cordell Hull, who is more a stickler for orderliness in his State Department than any ideologues, wrote periodical notes to Cardenas; very firm ones, too. As fast as he did so, the Mexican ambassador here would receive word from the Sumner Welles crowd that the Mexican Government was not to pay any attention to Hull at all. The Mexican Government didn't do it either.

Sometime ago we read in the papers that Sinclair had finally got some of his money; we don't know how Standard Oil ever came out. Neither got anything like its full claims. But as we say, we suppose there will be no question about our troops protecting American holdings in the Persian Gulf area. That will be more involved. Probably that's the explanation.

Posted on the bulletin board at the White House every week day is a list of the President's engagements for the day—diplomats, Government officials, out of town visitors, etc. The other day there was this notation:

2:30 p. m.—Mrs. Roosevelt. It was not disclosed whether she, presumably passing through town, just dropped by to pay her respects or whether her engagement had to do with State business. Undoubtedly it could be explained that they have known each other for a long time.

Mr. Roosevelt's ears are probably burning this week. Throughout the country the Republicans are having Lincoln Day meetings, more than 2,000 of them. The theme of all the speeches seems to stress Lincoln's humility and to point out that he would have been grieved had any large number of Americans looked upon him as an indispensable man. Not bad.

Money In Circulation

The Treasury Department in Washington has issued its customary monthly statement showing the amount of money in circulation after deducting its moneys held in the United States Treasury and by Federal Reserve Banks and agents. The figures this time are less for Dec. 31, 1943 and show that the money in circulation at that date (including of course, that held in bank vaults of member banks of the Federal Reserve System) was \$20,449,387,607 as against \$19,918,176,489 on Nov. 30, 1943 and \$15,410,130,365 on Dec. 31, 1942, and compares with \$5,698,214,612 on Oct. 31, 1920. Just before the outbreak of the first World War, that is on June 30, 1914, the total was \$3,459,434,174.

The Financial Situation

(Continued from first page)

public debt is under discussion? The general doctrines here expressed by the Vice-President and Messrs. Kaiser and Willkie are, of course, not new. In one form or another, at times quite directly and at others more by implication, these same ideas have repeatedly found expression among many public commentators during the past two or three years—often by men who should have known and should know much better.

Yet the absurdity of the claim that mere volume of production guarantees even a lightening of the debt load, to say nothing of making it more bearable, is easily demonstrable. Indeed, we need go no farther than the origin of this very debt that is the cause of all this discussion. Most of it has been incurred, or is being incurred, during a period when production in this country is far beyond anything in our history, indeed, far beyond anything most of us had ever dreamed of. During these years, too, national income is making new records from year to year, almost from month to month. The President, and, in even more extreme form, Mr. Willkie, have been pleading for more and more taxes—the increases in revenue collections proposed in themselves far exceeding the total of collections of any peace year in our history. Yet neither the President nor Mr. Willkie supposes for a moment that all our enormous volume of expenditures will or can be met wholly out of taxes. On the contrary, both—and every other commentator whose ideas have come to our attention—confidently expect the upward trend in the national debt to continue through to the end of the war.

Producing What?

Of course, those who talk in this way of the post-war public debt problem would quickly point out that a very large part of our national production at this time takes the form of goods which do not minister unto the economic needs of the people—tanks, guns, jeeps, military planes, and the like. True enough. No one would be inclined to deny that if we must go heels over head into debt, it would be much more desirable to do so for the purpose of providing the public with goods with which to satisfy their natural wants than to manufacture and employ instruments of death on all sides—that is, if any choice were left to us. But the subject here under discussion is the volume of production and the size of the national income in relation to public debt and the servicing of pub-

lic debt. If it is not possible—as appears to be generally conceded—to take in taxes enough of current income payments to meet the full load of public expenditures—if it is not possible to do so at a time when the scarcity of consumer goods available to the public is great, then by what line of reasoning are we to arrive at the conclusion that it would be possible to do so when—as is apparently generally assumed—there is a great abundance of consumer goods in the markets? After all, is there as much difference, considered from the standpoint of economics, as is commonly supposed between expending man-hours upon tanks and devoting the same amount of time, energy and capital to digging a virtually worthless canal across the State of Florida, or the construction of a waterpower project which could not even meet its operating cost?

There is often an unwillingness among the professional spenders to make it explicit whether they believe that they could make these enormous public outlays "pay their way" or whether they would expect the public debt to move upward indefinitely. Some months ago, however, Professor Hansen, one of the most ardent of the public spenders, made it clear beyond cavil that he at any rate, and in his opinion most of his fellow travelers, really expect public debt to continue upward indefinitely under such a regime. They, apparently, are not much concerned about being able to service it by means of large production. Indeed, it would appear reasonable to say that they seriously doubt this theory that by stimulating production it would be possible to carry the load of public debt without feeling it. They would during most of the years evidently simply borrow in part to service the debt. So far as it goes it would appear to be a more realistic attitude.

Other Debt Fallacies

The trouble is that they then proceed with follies of their own. They revive the ancient argument that we merely owe it to ourselves, and that hence the amount of the national debt is of little consequence. This argument has been demolished many times in the past. No one perhaps ever did a much better job at it than did Adam Smith more than 150 years ago. But the idea still flourishes in the minds of many—it is so enticing, it makes it appear so harmless to take the easy attitude, that many of us want to take in any event! But what is known as economic law, or natural law,

Highest Standard Of Living In Post-War Period Predicted By Vice-President Wallace

Henry A. Wallace, Vice President in an address at a mass meeting in the Civic Auditorium, in San Francisco, on Feb. 6 said that the American people could pay the interest on their gigantic war debt and still have a post-war standard of living at least 50% higher than during the decade of the Nineteen Thirties. He was quoted thus in a special dispatch from San Francisco to the "New York Times," by Laurence E. Davies, which continued:

The great test of post-war statesmanship, Mr. Wallace asserted would be "our ability to maintain the maximum useful employment over a long period of years and at the same time preserve our democratic liberties."

But with "reasonably full employment," he said, we could have a national yearly income of more than \$130,000,000,000 and we could produce \$170,000,000,000 of goods and services annually.

"This is no dream, for in 1943 we produced more than 190 billion dollars of goods and services," he went on. "With such an income we can carry the interest on our war debt and still have a whole lot more left over than we had at the top of the boom in 1929."

"The interest charge on all debts, private and government, in 1944 will represent only 7% of our national income, or no more than in the decade of the Nineteen Twenties."

In this second West Coast speech Mr. Wallace discussed "What America Can Have." In Seattle he will speak on "How America Can Get It." Tonight he said that the 10,000,000 poorest families "can get it" and "must be given jobs."

But before listing the things which, in his opinion, the country can have, the Vice President sought to "kill the myth" that the war debt would stand in the way of their realization. The one way to treat the war debt, he said, was "to remember that it can be carried easily if all of us are able to work hard and to use natural resources and human skills to the maximum."

"The goods produced when we work hard and are fully employed will find market if we raise our standard of living by 40%," he declared. "We can enjoy the things we have always wanted and thereby create such prosperity that we can carry the national debt easily; or we can pinch and save and bring on a depression, and let the national debt crush us."

"Farmers, workers and business men can all prosper provided they are all willing to cooperate with each other and with the Government in furnishing the American people the things they

ought to have, and then in buying and using the things that are offered for sale."

Mr. Wallace put health first among "the things we can have," following it with good housing, rural electrification, improved agriculture and better schools.

He called for more hospitalists and a "commonsense public health program," asserting that "we ought to be spending four times as much on hospitals and doctors and nurses as we are now spending, and we should be getting at least ten times as much good out of the medical profession as we are now getting."

His post-war housing program called for the building of "at least a million houses a year until such time as we have completely modernized ourselves." Farm houses especially, he said, were out of date and seriously run down.

He envisaged during the next ten or 20 years the reallocation of millions of families "on small acreages within driving distance of the factory or business where the man of the house works."

This, he said, would result from extension of rural electrification to supply three-fourths of the housewives with "quick-freeze or deep-freeze machines to carry garden stuff and meat over from the time of seasonal plenty to the time of scarcity."

Mr. Wallace asserted that the future farm economy could "easily feed the 50,000,000 undernourished people better, provided they were well employed."

In an appeal for better schools, especially in rural areas, he asserted that "the prevention of youth erosion is even more important than the prevention of soil erosion."

Mr. Wallace warned that "salvation or damnation of the country depended largely on how efficiently we could keep at work 'the ten million families at the bottom of the pile,' families which had 'demonstrated during the past two years that they can do a good work, provided they have enough to eat and the opportunity to get good training.'"

The families at work would buy about a million automobiles and furnish a market for at least 100,000 homes annually, Mr. Wallace estimated, while their womenfolk would buy nearly two billion dollars worth of clothing and household furnishings.

Russia Reported To Have Asked Finland To Drop Out Of War

Finland is reported to have received a virtual ultimatum from Russia demanding that she get out of the war within six weeks or face the consequences, according to a United Press dispatch from Stockholm on Feb. 2, which added:

The report, current in diplomatic circles, bears more than the usual earmarks of authenticity, although it is not certain just what method the Soviets used to convey the demand to Finland.

If the report is true, it can logically be assumed that the Foreign Affairs Committee of the Finnish Diet, now in session, will give the matter immediate attention.

[President Risto Ryti told the Diet that "Finland is still able to make independent decisions but the country's position has again become serious," the Finnish radio said in a broadcast reported by United States Government monitors.]

The Russians presumably would accept nothing less than the 1940 Russian-Finnish frontiers, with the occupation of Hangoe possibly left open to negotiation.

It is obvious that the smashing Russian advance toward the Baltic is making Finland's military position more precarious daily. Soviet occupation of the Baltic States would put Finland in danger. It is only 53 miles from Tallin to Helsinki, and Russian planes based in Estonia along the Gulf of Finland could wreak havoc on the Finnish capital and its sea and rail communications.

In connection with the changing military situation, there also are reports here that an unknown number of Soviet submarines based on Kronstadt and Leningrad have broken into the Baltic.

E. L. Bernays Gift To N. Y. Library Public Relations Collection

The New York Public Library announced on Jan. 17 through Franklin F. Hopper, Director, the gift of a fund for the purchase of books to be known as "The Edward L. Bernays Collection on Public Relations," a presentation by Edward L. Bernays, Counsel on Public Relations. According to Mr. Hopper, the collection will comprise works on public relations published all over the world. The announcement stated "The gift made by Mr. Bernays is \$1,000. Books purchased from it will be added to similar material already in the Library and will be marked with a special bookplate. It is estimated that the Library now has 98% of the books, pamphlets and periodicals listed in public relations bibliographies, but it is known that important recent publications in Europe and Latin America are lacking, and a special effort will be made to secure these through the Bernays gift. According to Mr. Hopper, "As soon as possible after the cessation of hostilities, we shall send one man, perhaps two, to Europe and I should like to be able to include in his list of desiderata all propaganda and related titles."

"Mr. Bernays is widely known as U. S. publicist No. 1. He is the author of "Propaganda," "Crystallizing Public Opinion," "Speak Up for Democracy," and the editor of "An Outline of Careers." Mr. Bernays was instrumental in creating the profession of counsel on public relations.

Senator Glass Says Bill To Amend Reserve Act Would 'Emasculate' The Statute

Senator Glass said in a letter, on Feb. 1, to Chairman Wagner of the Senate Banking Committee that a bill offered by Senator Maybank (Dem., S.C.) to amend the Federal Reserve Act prohibition against payment of interest on demand deposits would "emasculate" the statute. We quote an Associated Press dispatch from Washington, on Feb. 1, which went on to say:

Senator Maybank proposed that the Act be amended to permit the absorption of exchange or collection charges, a provision Senator Glass said would authorize Fed-

is as implacable as it is irrevocable by the politicians. We can not afford to pass these matters by lightly, or to suppose that they are merely academic in their import.

Least of all, should we permit ourselves to be misled by the reputations of public men who should know better than they apparently do.

eral Reserve Bank members to pay interest on demand deposits through the guise of absorbing exchange charges made by a comparatively small number of institutions which do not pay their checks at par.

"The bill is rankly discriminatory and lacking in frankness," Senator Glass wrote. "Its enactment could have vicious and far-reaching effects upon the Federal Reserve System, both in the number of member banks and in the perpetuation of a par clearance system which has saved the nation's industry, commerce and agriculture millions upon millions of dollars. I am unalterably opposed to the bill."

Five Guides To Post-War Preparation Issued By NAM As Aid To Transition

Every company in this country, even those not producing war goods, will face new problems in the transition from war to peace, according to a series of five guides to post-war preparation being issued by the National Association of Manufacturers. In a foreword to the first two guide booklets appearing Jan. 31 Norman W. Wilson, President of Hammermill Paper Co. and Chairman of the Corporation Peacetime Planning Committee of the NAM, which produced the guides, says:

"Rapid technological progress and new processes have made many old products and methods obsolete; marked changes will take place in the labor force as men are mustered out of the armed services and many women, aged, and young workers leave industrial jobs; new competitors will appear as new and expanded companies which have been producing for war seek outlets for peacetime products. These and many other factors will make it impossible for any industrial company to escape post-war adjustment problems.

"The effectiveness of management in meeting these problems will determine not only the competitive positions of individual companies, but to a large extent the smoothness of our transition from war to peace."

The first booklet, entitled "Guide to Internal Organization for Corporation Postwar Planning," is offered as a summary of the experiences of more than 350 representative manufacturing companies and suggests a step-by-step program of action. The subcommittee which produced this guide to internal post-war organization, composed of Marvin Bower, Partner, McKinsey & Co., New York; Colman O'Shaughnessy, The Stanley Works, New Britain, Conn.; and F. Sparre, director, Development Department, E. I. duPont, de Nemours & Co., Inc., Wilmington, Del., concluded:

"Realistic management is coming increasingly to recognize that the primary objective of post-war planning for any corporation management is self-analysis to determine whether or not it is operating its business as effectively as it should; and if not, what steps should be taken to put the business on a basis that will enable it to earn maximum profits and provide maximum long-term employment. Our study shows a surprising repetition among leading executives of such phrases as 'getting our house in order'."

They found that company post-war preparation is significant and of future consequence only where it has "the active interest and support of the chief executive."

The second booklet, entitled

"Guide to Post-War Sales Planning," attacks such problems as the building or rebuilding of a distributor organization, the building of a sales story about wholly new products, the hiring and training of a new sales staff.

The subcommittee which produced this guide to post-war sales planning, composed of R. P. Healy, American Chain Division, American Chain & Cable Co., York, Pa.; Joseph O. Allina, Secretary, Thonet Brothers, Inc., New York; T. L. Briggs, Business Counselor, New York; William H. Ingersoll, Ingersoll Plastic Co., New York; and P. W. Meyerling, Vice-President, Hercules Powder Co., Inc., Wilmington, Del., concluded:

"Many companies are reporting that a major new requirement for a salesman is technical knowledge of the product, the means by which it is produced, and its method of operation."

They emphasized the importance of market research in answering a series of questions which they proposed for each company interested in fitting its sales plans to the situation which the war will leave.

"Beware," said this subcommittee of business men, "of the lure of further pastures which look greener. This is one of the most frequent admonitions of manufacturers who observed the scramble for new markets following the last war. There is always a tendency to believe that a new line will be easier to sell than the old one. Too often the belief comes from lack of familiarity with competitive conditions in the new field. The successful shoemaker sticks to his last, and the successful company does not drop its old lines to switch to new ones without extremely cautious study. 'In consumer lines especially, first sales after the war must be of old products, and sales policies in old companies should place major emphasis on the old standbys.'"

The remaining three publications of the series, are to appear under the titles of "Guide To Postwar Product Development," "Guide To Cost Study in Corporation Postwar Planning," and "Guide To Postwar Corporate Financial Planning."

Ga.), Committee Chairman, said that if Mr. Willkie would like to appear the Committee would be "happy to hear him," but added that the group is not likely to take up tax matters again until after the House acts on pending proposals to simplify the tax structure.

Senator George told the Senate that if Mr. Willkie's tax goal, mentioned in a New York speech, were achieved under the present structure, the withholding levy would have to be 40% on the lowest wage-earners.

"I don't think you can do that without destroying the morale of the American people," he said. "If we are to get a substantial increase in government income, we must consider new sources of revenue. We haven't been able to do that because of the Treasury's opposition."

Mr. Willkie's contention that insufficient taxes would be raised by a new \$2,300,000,000 bill on which a joint Senate-House conference committee has agreed, found some support with Senator Taft.

"I have always thought that there ought to be about \$5,000,000,000 more raised in taxes," Senator Taft said, "but the difficulty has been to agree on a method of getting it. I would be interested to know what Mr. Willkie proposes."

Central Federal Agency To Administer Wartime Labor Policies Asked For By Frey

John P. Frey, President of the Metal Trades Department of the American Federation of Labor, speaking on the weekly "Labor For Victory" program of NBC, on Feb. 6, called for a central Federal agency to administer wartime labor policies, and said the morale of industrial workers had been injured seriously by "an almost impossible administrative condition in Government," he likewise said that the home front was "drifting toward a dangerous division of viewpoint and purpose," according to United Press advices from Washington, on Feb. 6, which gave other remarks of Mr. Frey as follows:

"It is worse than folly to look to legislation to improve this situation, for legislation and its administration never have, and never will, make men brave, patriotic or united," he asserted. "What is gravely disturbing is that there are strikes, each of which reduces the necessary war-production program and which may well, at a critical moment, prevent the armed forces from having the material required for victory."

Strikes, or threats of strikes, were intolerable and indefensible, but profiteering and mismanagement of labor relations by management and government were equally indefensible, he asserted.

"It is not a few labor leaders calling strikes or issuing threats for the fun of it. The problem arises through millions of workers, men and women, in the war industries whose justified complaints at times have received no prompt or adequate consideration."

Most strikes, Mr. Frey contended, resulted from unnecessary irritation which he blamed on "an almost impossible administrative condition in our Government." He said there was no national policy for labor's guidance and that more than 25 governmental agencies were issuing regulations and decisions affecting conditions of employment.

Labor Leaders Challenged To Match Leadership Of Management On Public Policy

John A. Brown, President of the Socony-Vacuum Oil Co., in a special statement for the New York "World-Telegram" on business and union leadership, challenged labor leaders, on Jan. 31, to match the leadership of management "in subordinating special interest." Further remarks of Mr. Brown were given in the "World-Telegram" of Jan. 31, as follows:

"In my opinion," Mr. Brown declared, "American businessmen are taking the lead today in subordinating special interests to the public interest. They are acutely conscious of the need to maintain employment. They are opposed to monopoly. They accept reasonable government regulation and collective bargaining. They wage no campaign against unions. They go to great lengths to explain their operations to their stockholders, employees and the public."

"I suggest that union leadership should rise to this challenge and do likewise."

"Let the unions accept regulation. Let them publish financial reports. Let them be opposed to monopolistic union practices. Let them call strikes only by secret ballot. Let them permit the worker to decide for himself whether or not he wants to belong."

"In the public interest, such rules have long been applied to business. In the public interest they should now be accepted for labor organizations."

Mr. Brown called for an end of the campaign against business management under which business has been painted as a "public enemy by too many political reformers and union leaders."

Mr. Brown declared that the task of maintaining production and employment after the war will be simplified if the "warning camps" psychology is ended.

"We shall remove a great hazard from this country's post-war future," he asserted, "if management and the workers are allowed to deal with each other in a spirit of trust and good will."

Gov. Acts To Dispose Of War Housing

In the first move by the Federal Government to dispose of war housing, the Defense Homes Corporation made known on Jan. 26 that it was ready to consider offers to purchase any of 25 projects representing a total investment of more than \$71,000,000. An announcement to this effect came from Herbert Emmerich, President of the corporation and Commissioner of the Federal Public Housing Authority. The advices state that "offers to purchase will be considered if price and terms of payment are satisfactory to the Corporation and there is agreement to confine occupancy during the war to war workers in accordance with housing policies of the National Housing Agency where there is war need." This move, Commissioner Emmerich said, is made to take the Government out of a war emergency enterprise that is comparable to private endeavor in the character of its properties and management in contrast to other public housing.

From the advices from the National Housing Agency we also quote:

"Incorporated in 1940 to build urgently needed defense housing as a supplement to that being built privately, the Corporation has projects available for sale in 13 States and the Washington, D. C., area containing a total of 2,811 houses, 5,617 apartments and accommodations for 2,624 single men and women."

They extend from Jacksonville, Fla., to Portsmouth, N. H., and across the country to Bremerton, Wash. They range in size from 12 houses in Falls Church, Va.,

to the 3,442 unit Fairlington development in Fairfax and Arlington counties, Virginia.

"Four residence hall projects, with total capacity for 2,624 single persons, and three projects totaling 4,910 apartments comprise the properties in the Washington, D. C. area, while all but four projects in other States are composed of individual family dwellings. All were designed and built to be permanent assets to their respective communities."

"In selling individual houses the corporation will give occupants first opportunity to buy, unless a project is sold in its entirety. Should occupants not wish to buy, they may continue to rent. War workers eligible to buy private war housing will have preference in the sale of vacant houses. In the absence of such buyers and application by war workers to rent them, they will be for sale to others."

"Considering the rent levels and the permanent character of the corporation's properties," Mr. Emmerich said, "the directors favor making them available for private ownership as promptly as possible in the public interest and to the Government's financial advantage. It is essential, however, during the war that they continue to house war workers where the need exists. The corporation operates more or less like a private management company. It has maintained rents that meet operating expenses, including interest on and amortization of the financial loans. Also, it has made payments in lieu of taxes equal to full taxes on the properties in the respective localities."

It is added

"The corporation was organized October 23, 1940, by direction of the President, who allocated \$10,000,000 from his Emergency Fund to Jesse H. Jones, as Federal Loan Administrator, to purchase the capital stock. With this capital, and loans totaling more than \$60,000,000 from the Reconstruction Finance Corporation, the projects were built. All are completed except 963 units at Fairlington which will be finished in the next three or four months."

"When the President consolidated all Federal housing activities in the National Housing Agency in 1942, the capital stock of the corporation was transferred from the Federal Loan Administrator to John B. Blandford, Jr., National Housing Agency Administrator. DHC's functions, powers and duties, including those of its officers and board of directors, were transferred to the National Housing Agency to be administered by the Federal Public Housing Commissioner under the supervision and direction of the Administrator."

"In addition to Commissioner Emmerich, directors of the corporation include Administrator Blandford, Abner H. Ferguson, Commissioner of the Federal Housing Administration; John H. Fahey, Commissioner, Federal Home Loan Bank Administration; James L. Dougherty, representative of RFC; Leon Keyserling, General Counsel NHA; George B. Williams, Executive Vice-President, DHC; and David L. Krooth, General Counsel, Federal Public Housing Authority."

Roosevelt Agrees With Willkie On Need For Increased Taxation

Agreement with Wendell Willkie in his advocacy of higher taxes was expressed by President Roosevelt on Feb. 4. Asked for comment on Mr. Willkie's speech in New York on Feb. 2 in which he said the Administration's \$10,500,000,000 tax program was "unrealistic" and should be replaced by a program of at least \$16,000,000,000, Mr. Roosevelt [we quote from a Washington account to the New York "Herald Tribune"] said he didn't have the nerve to ask for \$16,000,000,000.

The "Herald Tribune" advices continued:

The President then added that Mr. Willkie had the same thing in mind as he did, however, in regard to mortgaging the next generation for the present generation's debts, as Mr. Willkie had put it. The President was referring to a position he was taking with regard to financing the war out of current national income, and siphoning off inflationary dollars at the same time. This program Mr. Willkie carried still farther in his address.

The Willkie speech provoked a challenge from Senator Arthur H. Vandenberg (R., Mich.), who told the Senate on Feb. 3 that "our tax consultants up and down the country who give advice ought

to be specific and tell us where to get the additional revenue."

This was indicated in Associated Press advices from Washington Feb. 3, which likewise stated:

Senator Vandenberg said that it also was simple to say that the tax structure should be simplified, as proposed in a resolution offered by Senator Alexander Wiley (R., Wis.).

On the same day (Feb. 3) Senator Robert A. Taft, of Ohio, a Republican member of the Senate Finance Committee, told a reporter that he, for one, would like to have Mr. Willkie state in detail how he thought additional revenues could be extracted from individuals and business firms. Further Washington Associated Press advices Feb. 3 said:

Senator Walter F. George (D.,

Common Man Comes First: Wallace

(Continued from first page)

of the business men who most want to serve the world in the post-war period are probably those who have rather recently graduated from the ranks of the small business men into handling large affairs in the war effort," Mr. Wallace said:

"Because of his unusual capacity, this kind of man has made large sums of money during the war, but has paid nearly all of his profits to the Government. He will come out of the war with large plant facilities. He wants to know how to reconvert as fast as possible.

His success has often depended largely upon his fine relationship with labor. Appreciating the loyalty of labor, he wants to give his workers jobs in the post-war period.

"I hope the post-war slump will not be so big when it finally comes as to make it possible for the large static corporations with huge reserves to take over the establishments which these energetic men have built so skillfully with the cooperation of loyal labor. Big business men must not have such control of Congress and the Executive branch of Government as to make it easy for them to write the rules of the post-war game in a way which will shut out the men who have made such a magnificent contribution to the productive power of America during the war."

The text of Mr. Wallace's address is given in full herewith:

On this trip to the West Coast I propose to talk about America tomorrow. Today I shall speak about what America wants. Later on at San Francisco and Seattle I shall discuss what America can have and how America can get it.

We want many different things and some of these are in conflict with others. But let me point out right at the start that the sum total of what we Americans can have is immense. Only a few years ago, when the President said he wanted fifty thousand war planes a year, some people thought he was being visionary. Today we know that the production of a hundred thousand war planes a year is a hard reality.

So I tell you we can have twice as much for civilian living after the war as we ever had before the war, and you know that is no dream. There are limits, but they are much higher than most people even yet realize.

But we cannot have all these things unless we use good sense and good management. If we try to grab too much all we shall get is another boom and another collapse. That is why I want us to think clearly about what each of us wants, and then about how our desires can be made to fit into a practical total, and finally how to get that total. This is the practical way of planning, creating and enjoying the common welfare.

The first and most important need has to do with the desire of plain folks who have to work for a living in the factories and the stores, in the schoolhouses and the Government offices. More than 50 million of these people with their wives and children have just one basic interest in life—the assurance of a steady job. They would like the assurance of an annual salary or, at any rate, the guarantee of two thousand hours of work a year.

Aims of Labor Pictured

Of course labor wants more than decent wages. It wants to be appreciated, to feel that it is contributing toward making this world a better place in which to live.

The workers of the United States want assurance that they can have jobs when the seven million service men and the ten

million war workers, who by their supreme efforts are saving us during this mighty conflict, find it necessary to get back into peacetime work.

They want a plan that will solve the problem when there are more workers than jobs. Nowhere is this situation so acute as right here on the West Coast. When men begin to hunt for jobs the bargaining power of labor begins to weaken and union funds begin to melt away. Workers everywhere know this and therefore are beginning to think in larger terms than merely bargaining for higher wages, shorter hours and better working conditions. They want to have a part in making those decisions, which will determine the future prosperity of the nation. They want to influence government and industry to bring about full use of manpower, full use of resources and full use of technological know-how.

With the United States producing in peace as it has been producing in war, the workers know that they can have opportunities for leisure and culture, and above everything else possibilities for the real education of their children.

Workers want better insurance against sickness, unemployment and old age. They want the Wagner Act, not as a substitute for full employment, but as an insurance against the accidents to which all of us are subject. When post-war contracts are canceled American labor wants work, not a dole. The Wagner Act can never be a substitute for jobs, but combined with jobs it is admirable.

Unions Have "Come of Age"

Organized labor has come of age. It has taken its place as a responsible partner of management in the operation of industry and trade. It has accepted responsibility in war for maintaining an increase in production. It has the right to ask for fair and honest treatment from the public.

As a responsible partner, labor wants an opportunity to make creative contributions to industry and to benefit therefrom. During the war hundreds of thousands of workers have submitted ideas for increasing efficiency, enlarging output, saving time and costs, and improving the quality of the product. Labor during the war has enjoyed cooperating with management in doing a real production job, and we must never again let such a rich source of national wealth go untapped.

The farmer has more wants than the worker because he himself is not only a worker but also a manager, a capitalist, a trader and a debtor. The farmer is exposed both to weather and markets beyond his control.

A farmer's first desire, therefore, is to remove the extraordinary hazards of his business. His first want is the assurance of decent markets, low freight rates and reasonable marketing costs. The farmers want low interest rates, a chance to buy farm machinery and fertilizer at low prices. As a purchaser, the farmer knows that he has long been victimized by monopolies both when he sells and when he buys. Farmers want good roads, good schools and rural electrification at low cost. Farmers love the soil and want to be able to handle it so as to leave it to their children better than they found it. Above all farmers want to produce abundantly, to see the fruits of their labor raise the living standards of mankind.

Trends Among Farmers

In recent years farmers have become more and more interested in getting legislation which would give them bargaining power equivalent to that enjoyed by labor and industry. Thousands of

farmers have become skilled Washington lobbyists. Having learned the Washington lobby game, they intend to use Federal power to hold up farm prices after the war.

Some false farm leaders used the farm lobbying power to help business against labor, just like some false union leaders use their lobbying power to help business against the consumer. But the best farm leaders realize that farm prices can be maintained in the post-war period only if labor is fully employed at high wages, just like the best labor leaders realize that good wages and full employment cannot be long enjoyed unless the farmers are prosperous. All farmers, like all workers, want stability and a rising standard of living.

Some, but not all, big business men want that type of control which will produce big profits. They want to put Wall Street first and the nation second. Want to put property rights first and human rights second. They will fight with unrelenting hatred through press, radio, demagogue and lobbyist every national and State government which puts human rights above property rights.

To its own conscience this selfish, narrow-visioned branch of big business puts its desires in mild-sounding phrases somewhat as follows: "We must have an economically sound government and a balanced budget. Government spending must be cut down. We must get rid of that 'so and so' in the White House. Then with government out of business and with Wall Street running the country again, we can have what we want—free enterprise. Yes, the free enterprise of old-fashioned America is what we really want."

"Freedom for Freebooters"

By free enterprise this type of big business means freedom for freebooters. By free enterprise this type of big business means the privilege of charging monopoly prices without interference by the Government; the privilege of putting competitors out of business by unfair methods of competition; the privilege of buying up patents and keeping them out of use; the privilege of setting up Pittsburgh plus price-fixing schemes; the privilege of unloading stocks and bonds on the public through insiders who know their way in and out, up and down, backwards and sideways.

Fortunately, not all big business men ask for these privileges or define free enterprise in the way I have just mentioned. Some of them are as deeply concerned with the problem of full employment as labor itself. They are anxious to see such modification in taxation laws as will place the maximum incentive on that type of business activity which will give full employment. Some of these larger business men have marvelous new inventions which they would like to put into volume production at the earliest possible moment.

Such men are oftentimes more interested in increasing production, and thereby serving humanity, than in making money for money's sake, but they know that even from the standpoint of serving humanity it is necessary to make a reasonable profit if this private enterprise economy of ours is to survive. Therefore they want the assurance of large and expanding markets.

The small business man is just as much interested in free enterprise as the big business man, but he means something quite different in his use of the word. Free enterprise to the little business man means the opportunity to compete without fear of monopoly controls of any kind. The small manufacturer wants free access to markets and the assurance that he will not suddenly find himself

crushed by some hostile financial power.

Small Business Man's Status

The small business man in his way is just as much a typical American as the small farmer. Some of his relatives may be workers, some may be farmers or one of them may actually be a big business man. The small business man is the source of a large part of the initiative of the United States. The small business man is humble, ambitious, confused and uncertain. He is not very happy because, in war and in peace, the rate of economic casualties among small businesses is so high.

Moreover, the small business man is not sure that the situation will be any better for him when peace comes than it is right now. The small business man wants a fair chance to compete in a growing market with fair access to raw materials, capital and technical research. These desires are not unreasonable but they will require some protection by the Government.

Some of the business men who most want to serve the world in the post-war period are probably those who have rather recently graduated from the ranks of the small business men into handling large affairs in the war effort. Because of his unusual capacity, this kind of man has made large sums of money during the war, but has paid nearly all of his profits to the Government. He will come out of the war with large plant facilities. He wants to know how to reconvert as fast as possible.

His success has often depended largely upon his fine relationship with labor. Appreciating the loyalty of labor, he wants to give his workers jobs in the post-war period, not so much from the standpoint of making money as from the standpoint of doing things both for his workers and for the country. Such men are in some ways the hope of America and of the world.

Possibilities of Slump

I hope the post-war slump will not be so big when it finally comes as to make it possible for the large static corporations with huge reserves to take over the establishments which these energetic men have built so skillfully with the cooperation of loyal labor. Big business men must not have such control of Congress and the Executive branch of Government as to make it easy for them to write the rules of the post-war game in a way which will shut out the men who have made such a magnificent contribution to the productive power of America during the war. We need them to furnish the jobs which are so important both to labor and to agriculture. Henry Kaiser, who sees this problem clearly, has recently suggested an interesting way to finance medium-sized business firms.

The big three—big business, big labor and big agriculture—in the struggle to grab Federal power for monopolistic purposes are certain to come into serious conflict unless they recognize the superior claims of the general welfare of the common man. Such recognition of the general welfare must be genuine, must be more than polite mouthing of high-sounding phrases.

Each of the big three has unprecedented power at the present time. Each is faced with serious post-war worries. Each will be tempted to try to profit at the expense of the other two when the post-war boom breaks. Each can save itself only if it learns to work with the other two and with Government in terms of the general welfare. To work together without slipping into an American Fascism will be the central problem of post-war democracy.

What the Far West Wants

Let us consider for a moment

what the Far West wants. It is prodigiously rich in natural resources which promise a greater future development for this region than for any other in the country.

To accomplish this development expeditiously the West will require investment capital, additional transportation facilities and more workers. It will require lower and non-discriminatory freight rates and access to technologies. It will need development of its hydro-power resources and great increases in irrigation to take care of the food requirements of a growing West and a wealthier country generally. The West looks forward to a future in which the trade of the Pacific will rival that of the Atlantic. The West wants and is entitled to more influence in Washington, D. C.

Looking to the broader interests of the nation, it is apparent that what is wanted is a balanced development of all the economic resources of all regions, that whatever raises the economic level of one region creates new markets for other regions.

As citizens of a great democracy, the most urgent want is to be accurately and intelligently informed on all the issues which confront us. There must cease to be secrecy in public affairs, except where military necessity requires. In a democracy public officials must trust the people.

The greatest responsibility, however, rests on the press and the other agencies of public information, a responsibility which the workers who gather and prepare the news will enjoy discharging if they are given the opportunity. The press, the radio and the other agencies of public information must take the lead and carry the major responsibility for our greatest assignment in mass education—the education of our people for political and economic democracy.

Demands for Education

As citizens of a democracy, we must all be vitally concerned with the adequacy of the education available. Many adults want opportunities to complete their educations, to prepare for better jobs, or to develop new interests. The training of our citizen army has demonstrated the potentialities of adult education to millions. When demobilized, they will demand comparable opportunities in peace.

The wants of the returning service men mean more to us right now than the wants of anyone else. In this year 1944 a grateful nation is determined not to let the service men down. These men are entitled to job priorities and mustering out pay.

They will want the same things as workers and farmers, but they will want more. During the war millions of them have learned to walk with death, pain and severe physical hardship. They have learned to love their country with a fierce patriotism. They forgot about money. Big profits, higher wages and higher prices for farm products meant nothing to them. Therefore they learned to hate pressure group warfare.

They may return to private life and become a pressure group for the general welfare. Their disgust with pressure group politics wrongly channeled could lead to a new kind of Fascism, but rightly directed it may result in a true general welfare democracy for the first time in history. These young men will run the country fifteen years hence.

As citizens, we want competent and honest government all the way from the local community to Washington. We want a government that uses its powers openly, intelligently and courageously to preserve equality of opportunity, freedom of enterprise and the maximum of initiative for all the people.

Summary of Goals

We want a government which will recognize those things which it can best provide in the interests

of all—security of persons and property, freedom of religion, of speech and of thought, education, public health, social insurance, minimum labor standards and fair standards of competition — and then effectively discharge its responsibilities.

As consumers, our wants merge into the general welfare. Our dominant want is for an efficiently functioning economy—full employment of labor, capital and technologies, a balanced development of all regions, the preservation of genuine free enterprise and competition to assure progress and a rising standard of living, the avoidance of business ups and downs, and no exploitation of labor, capital or agriculture.

We all want jobs, health, security, freedom, business opportunity, good education and peace. We can sum this all up in one word and say that what America wants is pursuit of happiness. Each individual American before he dies wants to express all that is in him. He wants to work hard. He wants to play hard. He wants the pleasure of a good home with education for his children. He wants to travel and on occasion to rest and enjoy the finer things of life.

The common man thinks he is entitled to the opportunity of earning these things. He wants all the physical resources of the nation transformed by human energy and human knowledge into the good things of life, the sum total of which spells peace and happiness. He knows he cannot have such peace and happiness if the means of earning peace and happiness are denied to any man on the basis of race or creed.

Warns of Faulty System

The common man means to get

what he is entitled to. Any failure to utilize our resources to the full will cause him to throw over any system which he thinks stands in his way. The impulse of humanity toward full use and full expression is now so intense as to be identical with life itself. We who love democracy must make it politically and economically a capable servant of the irresistible instincts of man and nature toward full use.

All of us want to be needed and appreciated. We want to feel that the world would be a poorer place if we died. We want to enjoy the world, contribute to the world and be appreciated by the world, each in his own little way.

The bitterness of the depression was that so many millions were cut off by unemployment. That is the bitterness we do not want to see again, when the war is over and the boys come home. We want reasonably full employment so that every American can feel himself a member of his country.

We have the materials to work with. We have the science and technical skills to direct our work. We have innumerable desires for goods and services that we are able to supply. All we need is good management and harmony, less grabbing for ourselves, and more cooperation for the general welfare. Legitimate self-interest can be realized in no other way. By working together for victory in war we have made a resounding success. By working together for the common good in peace we can get results beyond what most Americans have dared to hope.

Minister of the Treasury; Dr. Manuel Silveira, Minister of Public Works; Dr. Gustavo Manrique-Pacana, Attorney General; Commander Antonio Bicaudi, Chief of the Naval Division of the Ministry of War and Navy; Jesus Maria Herrera-Mendoza, President of the Central Bank of Venezuela; Dr. Manuel Perez-Guerrero, Acting Secretary to the President; Col. Alfredo Jurado and Ensign Elio Quintero-Medina, aides to the President.

U. S. Government officials attached to President Medina were: Dr. Frank P. Corrigan, U. S. Ambassador to Venezuela; Brig. Gen. Norman Randolph, U.S.A., and Capt. Henry R. Richter, U.S.N., military and naval aides, respectively; Stanley Woodward, Assistant Chief of the Protocol Division of the State Department; Col. Nicholas H. E. Campanoli, representative of the War Department, and Hamilton Osborne, State Department.

Thorpe Resigns As Editor And Publisher Of "Nation's Business"

The board of directors of the Chamber of Commerce of the United States announced on Jan. 26 the resignation of Merle Thorpe as editor and publisher of "Nation's Business." Mr. Thorpe desired to be relieved of the responsibilities of the editorial and business administration of the publication, which he has carried for more than 25 years. During this period, it is pointed out, "Nation's Business" has grown from nothing to a circulation of more than 400,000, and is now enjoying its greatest influence. Mr. Thorpe will continue his connection with "Nation's Business" in a consulting capacity. In accepting his resignation the board appointed him a member of the magazine's Governing Board. He will be succeeded as Editor by Lawrence F. Hurley, who for several years has been Assistant Editor.

The election of Mr. Thorpe to the board of the Cities Service Company and his appointment as director of business development was announced on Jan. 29 by W. Alton Jones, President.

In a formal resolution recording regret at the resignation of Mr. Thorpe, the directors of the U. S. Chamber said:

"In accepting with regret the request of Mr. Merle Thorpe that he be relieved of the responsibilities in connection with 'Nation's Business,' which he has carried for more than 25 years, the Board of Directors of the Chamber expresses its deep appreciation of the great service Mr. Thorpe has rendered. Through his sympathetic understanding and interpretation of the American business system he has been a real and living force in modern business. Because of his ability to perceive and to express the ideals and aspirations of everyday business, the 'Nation's Business' today enjoys great influence. The best wishes of the board go with Mr. Thorpe in his new field of endeavor."

Eric Johnston, President of the Chamber, in commenting on the action of the board, said in part:

"'Nation's Business' has been a most effective vehicle for arousing popular sentiment to preserve the free enterprise system in America. Its effectiveness has been primarily because of Merle Thorpe's understanding of business, its relation to government, and his unusual ability to present the case to the public. . . . He has presented the cause of the business men, big and little, with the sturdiest conviction, and through his work the Chamber has contributed greatly to the character and welfare of American business."

Before becoming Editor of "Nation's Business" Mr. Thorpe

Urge Legislation Establishing Permanent Fair Employment Practice Commission

The enactment of legislation for the establishment of a permanent Fair Employment Practice Commission, as proposed in the Scanlon-Dawson bill, with power to enforce its decisions, was urged by leaders of the National Council for a Permanent FEPC at a conference held on Feb. 1 in the offices of the International Ladies Garment Workers Union in New York City. This is learned from the New York "Times" of Feb. 2.

which states that David Dubinsky, President of the garment union, called upon the labor movement to get behind the measure as "essential to the preservation and extension of democracy in this country." The same advices note that the bill was introduced in the House of Representatives on Jan. 17 by Representative Thomas E. Scanlon, Democrat, of Pennsylvania, and Representative William A. Dawson, Democrat, of Illinois. It will be introduced within a few days in the Senate under bipartisan sponsorship, it was announced at yesterday's conference. In the "Times" it was further stated.

"The bill would ban discrimination in all employment relations subject to control of the Government, forbid discrimination because of race, color, creed, national origin or ancestry by any employer or labor union, and create a permanent Fair Employment Practice Commission of six members appointed by the President, with the consent of the Senate.

The Commission would order the hiring or reinstatement of employees with back pay if discrimination were found and obtain the aid of the Federal courts in enforcing orders. It could subpoena witnesses and evidence. Interference with the commission or its agents would be punishable by \$5,000 fine, a year's imprisonment, or both.

Urging adoption of the bill, the Rev. Charles Keenan, associate editor of "America," declared that the legislation was necessary "to

meet the challenge of those who say that the Government has no constitutional right to demand equal treatment for all citizens."

Rabbi Sidney E. Goldstein, President of the Central Conference of American Rabbis, urged adoption of the bill as a step toward the establishment in this country of a social and economic bill of rights.

Frank Crosswaith, Chairman of the Negro Labor Committee, declared that "unless this bill is passed and enforced we shall find ourselves in a serious social situation after the war."

Sam Barron, a member of the Joint Board of the Textile Workers Union, which is an affiliate of the Congress of Industrial Organizations, said forces in both the CIO and the American Federation of Labor favored the bill.

B. F. McLaurin, International Organizer of the Brotherhood of Sleeping Car Porters, AFL, declared that adoption or failure of the measure would be "the barometer by which we will measure the true worth of our democracy."

A meeting in support of the bill will be held in Town Hall on Feb. 7. Speakers will include Representatives Dawson and Scanlon, Senator William Langer, Republican of North Dakota; Roy Wilkins, editor of "The Crisis," Nathaniel M. Minkoff, Secretary-Treasurer of the New York Joint Board of the ILGWU, and the Rev. John LaFarge, editor of "America." The Rev. Allan Knight Chalmers will preside.

Post-War Venezuelan Development Discussed By President Medina During Visit To U. S.

Assures Treatment of Equity To Those Investing Capital Therein

General Isaias Medina Angarita, President of Venezuela, following an official visit to this country, left La Guardia field by plane on Jan. 31 en route to New Orleans and Miami before returning to Venezuela. General Medina arrived in Washington on Jan. 19, at which time he was met at Washington National Airport by Secretary Hull, who accompanied him to the White House where he was received by the President and Mrs. Roosevelt. Vice-President Wallace and other Cabinet members participated in the reception. On Jan. 20 he was received in the House and Senate, an address to the latter featuring his visit there.

Speaking in New York on Jan. 25 at a luncheon given in his honor by Thomas J. Watson, President of International Business Machines Corp., at the Union Club, President Medina declared that better distribution of wealth and a margin of economic security for all members of the community without eliminating private initiative will characterize the post-war period. He extolled the possibilities of development in Venezuela and assured "treatment of irreproachable equity" to those who invest their capital and initiative in that development. He spoke in Spanish. In part he said:

"We are, at the present time, the first oil exporting country of the world, and our reserves of this vital product assure a great development of its output. We possess some of the richest and largest iron ore deposits. We have enormous resources of hydraulic energy; wide territories which lend themselves to cattle raising and agriculture; and exceptionally favorable conditions for the fishing industry, as well as the mining of gold, diamonds and a great variety of ores.

"We are a nation which has barely initiated the development to be expected from our large resources, and to this end we welcome the cooperation of foreign technique and capital. We could not offer to anybody special priv-

ileges or unreasonable profits, but we can assure treatment of irreproachable equity to those who would bring their capital and initiative into association with ours, and with our labor, on an equal basis for the development of the country."

In discussing the post-war period, he said:

"It is by establishing practical and fair methods of economic cooperation that we can best strengthen continental solidarity, thus maintaining a sound balance between the different economies of the American countries. The present and the post-war periods offer extraordinary opportunities for this complementary action, but to secure this high level of cooperation strict principles of mutual equality, desirability and respect for sovereign rights and national interests are necessary."

President Medina was also the guest of the Pan American Society and the Venezuelan Chamber of Commerce of the United States at a dinner held at the Waldorf-Astoria Hotel on Jan. 26.

Frederick E. Hasler, President of the Society, presided and addresses were made by Bishop John F. O'Hara; Thos. W. Palmer, President of the Venezuelan Chamber, and President Medina. Other guests at the dinner, which was preceded by a reception, were General Medina's official party and officials of the Venezuelan Embassy and State Department at Washington and the Venezuelan consulate here.

President Medina's official party included: Rodolfo Rojas,

"Tapering Off" Of Mortgage Moratorium Law Urged By N. Y. Chamber Of Commerce

Urging a "tapering off" of the mortgage moratorium law, a report made public on Feb. 1 by the Chamber of Commerce of the State of New York declares that activity in the real estate field is "seriously hampered" by the moratorium law.

Drawn by the Special Committee on Certiorari Proceedings of which Lawrence B. Elliman is Chairman, the report which was adopted at the monthly meeting of the Chamber on Feb. 3 contains three suggestions for the gradual end of the moratorium law:

"(1) Require amortization payments of at least 2% upon the principal of the mortgage.

"(2) Require the reorganization or refinancing of mortgages where funds for that purpose are obtainable at reasonable rates.

"(3) Require the owners to maintain the premises in good condition."

Pointing out that in normal times real estate mortgages are important investments, the report continues:

"Activity in the real estate field is seriously hampered by the moratorium law. Experience shows that mortgages and real estate properties subject to a moratorium are not liquid assets. The result is that estates cannot be

taught at the Universities of Washington, California and Kansas, and it credited with having established the first school of journalism in the United States. He holds degrees from Stanford University, the University of Washington, Park College, the University of Pittsburgh and the National University Law School.

He is the author of several books, was contributing Editor of "Collier's," and his work has appeared in the "Saturday Evening Post," "Liberty," and other national publications. He is known also as a speaker, and was one of the earliest radio commentators.

Result Of Treasury Bill Offering

The Secretary of the Treasury announced on Feb. 8 that the tenders for \$1,000,000,000, or thereabouts, of 91-day Treasury bills to be dated Feb. 10 and to mature May 11, 1944, which were offered on Feb. 4, were opened at the Federal Reserve banks on Feb. 7. The details of this issue are as follows:

Total applied for, \$2,551,503,000. Total accepted, \$1,005,560,000 (includes \$77,734,000 entered on a fixed-price basis at 99.905 and accepted in full).

Average price, 99.905 + equivalent rate of discount approx. 0.374% per annum.

Range of accepted competitive bids: High, 99.910 equivalent rate of discount approx. 0.356% per annum; low, 99.905 equivalent rate of discount approx. 0.376% per annum. (25% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Feb. 10 in the amount of \$1,004,665,000.

Production And Trade Indexes Of N Y. Reserve Bank Are Suspended

With the figures for December published in its Feb. 1 Monthly Review, the Federal Reserve Bank of New York announces that, the monthly indexes of production and trade of the bank are being suspended. The Bank says: "The indexes stand in need of considerable revision, in the light of the radical shifts that have occurred in the economy during the war period, and it is not possible to undertake the work of revision under existing conditions. Suspension was chosen as an alternative to continuation on a basis that we did not consider satisfactory. We regret the inconvenience caused users of indexes by this necessary wartime curtailment."

With respect to production and trade, the February Review of the Bank states that "on the whole, the few indexes that are now available for January indicate a continuation of the narrow fluctuations in general industrial activity which have been characteristic of the past several months." The Bank also has the following to say in part:

"Total industrial output, after allowance for seasonal changes, was somewhat smaller in December than in November. Steel production declined moderately reflecting partial observance of the Christmas holiday and a brief strike that occurred toward the end of the month. Daily average production of pig iron showed a slight decline for the third consecutive month, and output of nonferrous metals such as copper and zinc (for which data have recently been made public) remained substantially unchanged, seasonal factors considered. Output of electric power, seasonally adjusted, declined for the first time since March 1942,

†Indexes of production and trade— (100 = estimated long term trend)			
	1942	1943	
Index of production and trade	Dec.	Nov.	Dec.
Production	123	125	*124
Producers' goods—total	136	133	*135
Producers' durable goods	171	167	*166
Producers' nondurable goods	207	195	*196
Consumers' goods—total	131	134	*132
Consumers' durable goods	91	87	*91
Consumers' nondurable goods	39	25	*25
Durable goods—total	108	107	*113
Nondurable goods—total	157	145	*146
Primary distribution	117	118	*121
Distribution to consumer	142	158	*149
Miscellaneous services	82	85	*90
Cost of living, Bureau of Labor Statistics— (100 = 1935-39 average)	147	171	*174
Wage rates—(100 = 1936 average)	120	124	*124
†Velocity of demand deposits—(100 = 1935-39 average)	146	157	*157
New York City	69	74	70
Outside New York City	82	81	76

Democrats Should Nominate Men Like Hull Says Harry H. Woodring

Former Secretary of War, Harry H. Woodring who was also formerly Governor of Kansas, in a speech at Chicago, on Feb. 4, proposed that the Democrats nominate some one like Secretary of State Hull for President and announced that he would call a national convention of "loyal" party members to consolidate their forces. Mr. Hull, if elected, said Mr. Woodring, could appoint President Roosevelt chief of the American delegation to the peace conferences. An Associated Press dispatch from Chicago in the New York "Sun" of Feb. 4, reporting this, went on to say:

He [Mr. Woodring] charged that this palace guard had usurped a leadership in our Federal administration, and that a wire-pulling Rasputin was sitting on the United States Supreme Court. The erstwhile Roosevelt Cabinet member, conferring with associates here on plans to bring together party members opposed to a fourth term for the President, defined his views in an address prepared for delivery before the Executives Club.

Mr. Woodring reported that he planned to summon all loyal Democrats to an early April meeting in a geographically convenient city, such as St. Louis. He stated that there was an increasing demand for a gathering "to re-examine the state of our party" among millions of Democrats who were out of sympathy with the palace guard and who preferred the 1932 type of leadership exem-

plified by James A. Farley, former national chairman.

He said that a determined bloc of loyal Democrats could approach the forthcoming campaign with a spirit of cooperation, might hold the balance of power, and could join any movement that has for its purpose the repudiation of the palace guard and its philosophy of government.

He proposed that the party unite in presenting to the nation as its nominee for the presidency such a candidate as the honorable Cordell Hull. He asserted that Mr. Hull's candidacy would be approved by every loyal Democrat and that it would regain support particularly in the South and the West. He added:

"With Senator Wheeler, James A. Farley, Gov. McNutt or Senator Gillette as his running mate, constitutional government America is secure.

"No man has handled the difficult foreign policies of our nation more illustriously than President Roosevelt. Where in America is there a man better fitted, better qualified, better experienced and more entitled to be appointed by President Hull to represent and

Steel Employment Decline Continued In December

sit at the head of the American delegation to the world peace councils than Franklin D. Roosevelt?"

Mr. Woodring said that the party's choice for the presidency was not restricted to any one man.

"A roll call," he gathered, "would present, in addition to Cordell Hull, such illustrious names as Harry F. Byrd, James A. Farley and the unpurged George of Georgia."

The Kansan maintained that tremendous gains have come to our citizenry through needed reforms in the administration of the humanitarian Roosevelt. He added:

"Franklin D. Roosevelt will go down in history as the father of the renaissance of the common man. I am proud to call him my friend."

But, he said, there had been a revolt at the polls since 1940. He held that it was not a revolt against the Democratic party, but against policies, administration and personalities, and against the power and influence of a group of fellow travelers.

The number of employees in the steel industry continued to decline in December, reaching a total of 605,000 for the month, the lowest number employed since February 1941, according to a report released on Feb. 8 by the American Iron and Steel Institute, from which the following is also taken:

The number employed in December compared with 611,000 employees in November and 633,000 in December, 1942. Over the whole of 1943, the industry employed an average of 626,000 as against average employment of 647,000 in 1942 and 633,000 in 1941.

Payrolls of the steel industry in December totaled \$140,203,000, bringing the year's total to the record figure of \$1,649,227,000. In 1942, steel payrolls totaled \$1,467,059,000 while in 1941 they amounted to \$1,301,348,000. The December payroll was slightly lower than the November total of \$141,467,000 but was substantially above December, 1942, when \$129,368,000 in payrolls were distributed to steel industry employees.

Wage-earning employees in the industry earned an average of 116.1 cents per hour in December as against 116.4 for November and 109.4 cents in December, 1942. Over the whole year 1943, wage earners averaged 113.5 cents per hour against an average of 105.6 cents per hour in 1942 and 95.9 cents per hour in 1941.

Wage earners worked an average of 43.2 hours per week in December, compared with 44.8 hours per week in November and 40.2 hours per week in December a year ago. Throughout 1943, the work-week averaged 43.0 hours as against 38.9 hours in 1942 and 38.6 hours in 1941.

Ryan Resigns From N. Y. State Bureau

Attorney-General Nathaniel L. Goldstein has announced the resignation of Assistant Attorney-General W. Gerard Ryan, who has been in charge of the Unemployment Insurance Bureau of the State Department of Law since Oct. 16, 1937. The resignation was effective Feb. 1. Mr. Ryan will resume practice of law in New York City with offices at 25 Broad Street. The announcement says: "He entered State service July 1, 1931, as a referee in the Workmen's Compensation Bureau in New York City, where he remained until his appointment on Oct. 16, 1937, as an Assistant At-

"Agricultural Yardsticks" Issued By N. Y. State Bankers: Revised Booklet

A definitive, revised edition of "Agricultural Yardsticks," a compilation of business and efficiency factors for measuring income from farms, has been released by the New York State Bankers Association. The booklet, prepared by the Association's Committee on Agriculture from data supplied by the New York State College of Agriculture, sets up working formulas for judging farm management by standards comparable to those used in analyzing other types of business.

Six criteria are used in evaluating farm efficiency:

- (1) Size of business. Moderately large farm businesses pay better than do small ones, because of the large volume of sales and more efficient use of labor and capital.
- (2) Production per animal. Successful farm businesses usually have rates of animal production of from one-fourth to one-half above average.
- (3) Crop yields. The more successful farm businesses usually have crop yields of from one-fourth to one-half above average yields.
- (4) Balance of business. A properly diversified or well-balanced farm business usually means from two to four important farm enterprises and enough of each one to give efficient operation and production.
- (5) Labor efficiency. Better labor efficiency on some farms is due to better use of labor-saving methods, better arrangement of fields and buildings, better size and balance of business, and better planning rather than to how hard men work.
- (6) Land class. Experience of

farmers, as indicated by farm-management surveys, shows that the higher the land class the higher the farm income.

The booklet shows, for different types of farming, both average and good rates of production and efficiency with respect to the six farm-management factors listed. The figures given for good standards represent about the average of the "upper third" of the farms with respect to the factor concerned. The Association points out that by measuring any farm against the "upper third," it is possible to determine whether or not the farm is a going, efficient business venture. Thus, the "Yardsticks" are of value to farmers, for the evaluating their own efforts; to banks, for determining the risk involved in various types of farm loans, and to dealers who sell to farm customers.

Copies of the booklet are available from the New York State Bankers Association at nine cents each. Prices of quantity lots, to be imprinted and distributed by individual banks, are available upon request to Harold J. Marshall, secretary, 33 Liberty Street, New York, 5, N. Y.

U. S. Chamber Issues New Publication Entitled "American Economic Security"

The Chamber of Commerce of the U. S. A. has inaugurated a new publication entitled "American Economic Security," the first issue of which has just appeared.

Ralph Bradford, General Manager of the Chamber, in an announcement on the cover page, says:

"The purpose will be to provide current information on social security, and a forum of opinion regarding it. The National Chamber will not necessarily agree with all viewpoints expressed in this and subsequent issues, but it believes that through the competition of ideas and programs a practical and adequate system of social insurance can be provided for the American people."

Mr. Bradford also states:

"While individual effort in providing for the future must always have a high place in a free society, recent trends have been toward underwriting some of the risks and uncertainties of life by group effort, either through voluntary or compulsory methods.

"Formal compulsory social insurances, administered by government, are of relatively recent origin in this country. Our national social security program is now only eight years old. There are many proposals for change respecting it, both from those who would expand the program and from those who oppose such expansion. In the post-war period we shall doubtless see further discussion of the extent, cost, coverage and administration of social security.

"In recognition of the great importance of this whole matter, the Chamber, with this issue of a new bulletin, is inaugurating a further social security service to its members and to the public."

The initial issue deals with

torney-General. In the latter position Mr. Ryan served as Counsel to the Industrial Commissioner on all legal matters arising under the Unemployment Insurance Law. He successfully prosecuted over 500 defendants for misdemeanors under the statute and in many outstanding cases supervised the proceedings from inception through referee and Appeal Board hearings and through the courts."

Swiss Bank Corp. Reports On 1943 Net

The Board of Directors of Swiss Bank Corporation at a meeting in Basle on Feb. 1, approved accounts for 1943, showing net profits including carryover of 10,241,943 francs, against 9,875,180 francs for 1942, and total assets of 1,473,255,671 francs, against 1,366,433,327 francs. It is also announced that at the general meeting on Feb. 25, the board of directors will propose a 4% dividend (same as last year), after which there would be a carryover of 3,841,942.81 francs against 3,475,180.57 francs. New appointments are as follows: Louis Gillieron, General Manager; Frederick Burkart, Deputy Manager with the General Management; Henri Gros and Charles Scherer, Deputy Managers with the Geneva Office; Hans Meyer, Sub-Manager with the Basle Office; Rennell Moretti and Robert Schaer, Sub-Managers with the Geneva Office, and Walter Preisig, Manager of the Hertsau Office.

Electric Output For Week Ended Feb. 5, 1944, Shows 14.2% 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 Feb. 5, 1944, was approximately 4,524,134,000 kwh., compared with 3,960,242,000 kwh. in the corresponding week a year ago, an increase of 14.2%. The output of the week ended Jan. 29, 1944, was 13.8% in excess of the similar period of 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Feb. 5	Jan. 29	Jan. 22	Jan. 15
New England.....	5.0	5.6	3.2	5.3
Middle Atlantic.....	14.3	11.9	13.0	14.5
Central Industrial.....	9.6	9.1	9.9	10.3
West Central.....	5.4	5.8	6.2	6.4
Southern States.....	16.9	15.8	16.7	17.4
Rocky Mountain.....	12.0	12.0	11.5	12.8
Pacific Coast.....	28.7	30.8	29.4	29.9
Total United States.....	14.2	13.8	14.0	14.8

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1943	1942	1941	1932	1929
Nov. 6.....	4,413,863	3,761,961	3,368,690	1,520,730	1,798,164
Nov. 13.....	4,482,655	3,775,878	3,347,893	1,531,584	1,793,584
Nov. 20.....	4,513,299	3,795,361	3,247,938	1,475,268	1,818,169
Nov. 27.....	4,403,342	3,766,381	3,339,364	1,510,337	1,718,002
Dec. 4.....	4,560,158	3,883,534	3,414,844	1,518,922	1,806,225
Dec. 11.....	4,566,905	3,937,524	3,475,919	1,563,384	1,840,863
Dec. 18.....	4,612,994	3,975,873	3,495,140	1,554,473	1,860,021
Dec. 25.....	4,295,100	3,659,926	3,234,128	1,414,710	1,637,683

Week Ended—	1944	1943	1942	1932	1929
Jan. 1.....	4,337,387	3,779,993	3,288,685	1,619,265	1,542,000
Jan. 8.....	4,567,959	3,952,587	3,472,579	1,602,482	1,733,810
Jan. 15.....	4,539,083	3,952,479	3,450,468	1,598,201	1,736,721
Jan. 22.....	4,531,662	3,974,202	3,440,163	1,588,967	1,717,315
Jan. 29.....	4,523,763	3,976,844	3,468,193	1,588,853	1,728,203
Feb. 5.....	4,524,134	3,960,242	3,474,638	1,578,817	1,726,161

Moody's Bond Prices And Bond Yield Averages

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

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

1944—	U. S. Govt. Bonds	Avg. Corporate rate*	Corporate by Ratings*	Corporate by Groups*
Daily Averages				
Feb. 8.....	118.73	111.25	118.40	111.25
7.....	119.68	111.25	118.40	111.25
6.....	119.50	111.25	118.40	111.25
5.....	119.45	111.25	118.40	111.25
4.....	119.41	111.25	118.40	111.25
3.....	119.41	111.25	118.40	111.25
2.....	119.41	111.25	118.40	111.25
1.....	119.42	111.25	118.40	111.25
Jan. 28.....	119.47	111.07	118.20	111.07
21.....	119.58	111.25	118.40	111.07
14.....	119.57	111.25	118.60	111.25
7.....	119.69	111.07	118.60	111.07
High 1944.....	119.73	111.25	118.80	111.25
Low 1944.....	119.41	110.70	118.20	110.88
High 1943.....	120.87	111.44	119.41	117.00
Low 1943.....	116.85	107.44	116.80	113.89
1 Year ago.....	117.08	108.88	117.60	115.24
Feb. 8, 1943.....	117.08	108.88	117.60	115.24
2 Years ago.....	117.01	106.92	116.22	113.70
Feb. 7, 1942.....	117.01	106.92	116.22	113.70

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

1944—	U. S. Govt. Bonds	Avg. Corporate rate*	Corporate by Ratings*	Corporate by Groups*
Daily Averages				
Feb. 8.....	1.84	3.10	2.73	2.84
7.....	1.85	3.10	2.73	2.84
6.....	1.86	3.10	2.73	2.84
5.....	1.87	3.10	2.73	2.84
4.....	1.87	3.10	2.73	2.84
3.....	1.87	3.10	2.73	2.84
2.....	1.87	3.10	2.73	2.84
1.....	1.87	3.10	2.73	2.84
Jan. 28.....	1.87	3.11	2.74	2.84
21.....	1.86	3.10	2.73	2.83
14.....	1.86	3.10	2.72	2.83
7.....	1.85	3.11	2.72	2.83
High 1944.....	1.87	3.13	2.74	2.84
Low 1944.....	1.84	3.10	2.71	2.83
High 1943.....	2.08	3.31	2.81	2.96
Low 1943.....	1.79	3.09	2.68	2.80
1 Year ago.....	2.06	3.23	2.77	2.89
Feb. 8, 1943.....	2.06	3.23	2.77	2.89
2 Years ago.....	2.06	3.34	2.84	2.97
Feb. 7, 1942.....	2.06	3.34	2.84	2.97

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

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

Living Costs In Large Cities Advanced 0.2% Between Nov. 15-Dec. 15, Labor Dept. Reports

"Retail prices for consumers' goods in large cities advanced 0.2% from mid-November to mid-December," Secretary of Labor Perkins reported on Jan. 21. "Costs of clothing and coal were higher, and rents moved up slightly from their November levels while food prices declined 0.1% over the month," she said. "The total cost of the budget of the moderate-income city family on Dec. 15, 1943, was 3.3% above the December, 1942, level and 23.4% higher than in January, 1941, the base date of the Little Steel formula. The cost of living index of the Bureau of Labor Statistics stood at 124.4% of the 1935-39 average in December and 124.2% in November. Miss Perkins further reported:

"Clothing costs advanced 0.8% from Nov. 15 to Dec. 15, to a point about 34% above the pre-war figure, largely because of the continuing trend towards replacement of low-cost merchandise by more expensive price lines. Retailers' stocks were depleted by early Christmas purchases and replacements generally reflected higher wholesale prices permitted under OPA pricing formulas for fall and winter clothing. Extremely limited supplies of children's clothing, men's work clothing, of cotton pajamas, and shorts were reported in most cities. Larger supplies of wool available for civilian use this

fall increased the volume of all-wool clothing, particularly men's suits and women's coats, and there were clearance sales of women's fur-trimmed wool coats in some cities in December.

"Permission to advance coal prices was granted by OPA after mid-November to cover higher labor costs involved in the wage settlement. The increases in retail prices from November to December ranged from 60 to 70 cents a ton for Pennsylvania anthracite and from 5 to 30 cents for bituminous coal.

"The decrease in food costs from November to December was primarily due to a 5% drop in egg prices, and to lower prices for pork, lard, peanut butter and oranges. The decline in egg prices was larger than usual at this time of year. The average price in December (64 cents per dozen) was 3 cents below the November average, with some stores advertising prices below the OPA ceilings. Pork prices in most cities were lower than in November with increased supplies on the market and an accompanying increase in the civilian ration. Prices were higher for fresh fish and flour, and most fresh vegetables were up seasonally.

"Slight advances in the average rental bill from September to December were reported from 21 of the 34 cities included in the Bureau of Labor Statistics' cost of living index, and the average for the large cities was up 0.1%. The rise reflected a number of adjustments in individual returns allowed by OPA under its rent regulations, principally for increased occupancy. There were declines in average rents from September to December in 4 cities. In some cities, owners were holding vacant properties for sale, thus adding to the shortage of homes available for rent.

"Shortages of furniture and the disappearance of cheaper furniture, towels and brooms resulted in higher costs for housefurnishings. Higher charges were reported in several cities for nursing care and hospital services, barber and beauty shop rates, motion picture admissions, newspapers, and household supplies. Popular brands of the five-cent cigar were hard to obtain in December, and dealers were rationing purchases to a half dozen cigars."

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

Date—	All items	Food	Clothing	Rent	Fuel, electricity and ice	House-furnishings	Miscellaneous
1939: Aug. 15.....	98.6	93.5	100.3	104.3	97.5	100.6	100.4
1941: Jan. 15.....	100.8	97.8	100.7	105.0	100.8	100.1	101.9
1942: May 15.....	116.0	121.6	126.2	109.9	104.9	122.2	110.9
Sep. 15.....	117.8	126.6	125.8	108.0	106.2	123.6	111.4
Dec. 15.....	120.4	132.7	125.9	108.0	106.3	123.7	112.8
1943: Oct. 15.....	124.4	138.2	133.3	108.0	107.9	126.7	117.6
Nov. 15.....	124.2	137.3	133.5	108.0	108.0	126.9	117.7
Dec. 15.....	124.4	137.1	134.6	108.1	109.5	127.9	118.1

PERCENT OF CHANGE

Date—	All items	Food	Clothing	Rent	Fuel, electricity and ice	House-furnishings	Miscellaneous
Nov. 15, 1943 to Dec. 15, 1943	+0.2	+0.1	+0.8	+0.1	+1.4	+0.8	+0.3
Dec. 15, 1942 to Dec. 15, 1943	+3.3	+3.3	+6.9	+0.1	+3.0	+3.4	+4.7
Sep. 15, 1942 to Dec. 15, 1943	+5.6	+8.3	+7.0	+0.1	+3.1	+3.5	+6.0
May 15, 1942 to Dec. 15, 1943	+7.2	+12.7	+6.7	+1.6	+4.4	+4.7	+6.5
Jan. 15, 1941 to Dec. 15, 1943	+23.4	+40.2	+33.7	+3.0	+8.6	+27.8	+15.9
Aug. 15, 1939 to Dec. 15, 1943	+26.2	+46.6	+34.2	+3.6	+12.3	+27.1	+17.6

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

January Business Failures Again Lower

January business failures are lower in both number and amount of liabilities involved than in December and in January, 1942. Business insolvencies in January, according to Dun & Bradstreet, Inc., totaled 120 and involved \$1,708,000 liabilities, as compared with 145 involving \$2,055,000 in December and 458 involving \$5,515,000 in January a year ago.

The decrease in the number of failures in January from December took place in all of the divisions of trade into which the report is divided except the manufacturing group, which had more, and the Commercial Service group, which had the same number of failures in January as in December. When the amount of liabilities is considered, the manufacturing and wholesale groups show larger liabilities involved in January than in December, while the remaining groups had smaller liabilities.

Manufacturing failures last month numbered 31, involving \$893,000 liabilities, compared with 28 in December, with \$39,000 liabilities. Wholesale failures decreased from 16 to 13, but liabilities increased from \$217,000 in December to \$223,000 in January. In the retail trade section, insolvencies were lowered from 68 to 50 and liabilities from \$561,000 to \$304,000. Construction failures numbered 13 with \$183,000 liabilities in January, which compares with 20 with \$247,000 liabilities in December. Commercial service failures numbered 13 in January, the same as in December, and liabilities \$105,000 in January against \$191,000 in December.

When the country is divided into Federal Reserve Districts it is seen that the Cleveland, Richmond and Atlanta Reserve Districts had more failures in January than in December, that the

Philadelphia, St. Louis and Minneapolis Reserve Districts had the same number, while the remaining districts all had less failures in January than in December. When the amount of liabilities is considered, it is learned that with the exception of the Philadelphia, Richmond, Atlanta, St. Louis and Kansas City Reserve Districts and the Minneapolis Reserve District, which had the same amount, all the Federal Reserve Districts had a smaller amount of liabilities involved in January than in December.

Al Smith Heads N. Y. City Economic Group

Former Governor Alfred E. Smith has accepted chairmanship of the Committee for Economic Development in New York City, and Clarence Francis, Chairman of the Board of General Foods, will be Vice-Chairman. The appointments were made on Feb. 4 by James H. McGraw, Jr., President of the McGraw-Hill Publishing Co., CED chairman for the State of New York.

Members of the National Committee present at the meeting with Mr. Smith included: Paul G. Hoffman, President of Studebaker Corp. and Chairman of the CED board of trustees; Carle C. Conway, Chairman of the Board, Continental Can Co., and Chairman of the CED finance committee; Harry Scherman, President, Book-of-the-Month Club, trustee; Sidney Weinberg, partner, Goldman, Sachs & Co., trustee; Beardsley Ruml, Treasurer, R. H. Macy Co., and Chairman of the Federal Reserve Bank of New York, trustee; R. A. Rich, regional manager of the CED for the State of New York, and R. B. Crispell, of the CED staff for the State of New York.

Rickenbacker Urges Greater Efforts On The Home Front

Capt. Eddie Rickenbacker at a War Bond rally at the Bankers Club, in New York City, on Feb. 6, said that in his opinion Russia will never sign a separate peace with Germany; that only through the closest post-war cooperation between the United States, Britain and Russia could a third world war be averted, and called for far greater efforts on the home front to back up our soldiers abroad. The New York "Sun" of Feb. 6, from which the foregoing is taken, also had the following to say regarding Capt. Rickenbacker's remarks:

In a characteristic fighting speech, the hero of an epic adventure in the Pacific warned that we have only been nibbling at the fringes of this war and that the real fight lies ahead of us. He predicted that after the hostilities cease in Europe it may take us another five years to completely subdue Japan, and said that the war may cost us sadness in 1,000,000 homes and a 400 or 500 billion dollar debt.

"But no matter how many billions of dollars it costs us to win the war," he said, "the cost will be insignificant in comparison to what we will pay if we lose this war."

Of Russia, Capt. Rickenbacker said he believed it to be the only all-out nation in this war today. "Every able-bodied man, woman and child in Russia is in the war," he declared in referring to his recent visit to the Soviets. "There is no such thing as an unessential industry. Either you're in the war or you're out of it. And if you're out of it the only thing you get is a chunk of bread a day."

He warned the American people not to be deceived by false propaganda about the Soviets, and said that Russia had lost too many millions of men and had too much at stake to sign a separate peace with the Nazis.

Capt. Rickenbacker said that he told a group of Russians that he had not seen in Russia the Communism that the "commies" in America had and yelled so about, and he asked the Russians if they knew what Americans said about Communism. He said that the Russians laughed and said that they had had to go through the same thing 20 years ago. "One old man said to me," the Captain related, "every dog has fleas and you've got most of our fleas in America."

Captain Rickenbacker said that he told the Russians that he didn't like their ideology, but that as long as they kept it on their side of the fence, it was their business and none of his. He added that while he didn't like Communism, we must get along with the Russians, and can do so if we try. "With due respect to our good friends, the English," he said, "the Russians are more like Americans than any other people." He declared that the South Pacific was the most terrible theatre of war today, that the Jap soldier was the lowest form of vermin we have to fight, and that our soldiers on all fronts were doing a magnificent job.

Moody's Daily Commodity Index

Tuesday, Feb. 1.....	248.6
Wednesday, Feb. 2.....	248.7
Thursday, Feb. 3.....	248.9
Friday, Feb. 4.....	248.9
Saturday, Feb. 5.....	248.8
Monday, Feb. 7.....	248.7
Tuesday, Feb. 8.....	248.8
Two weeks ago, Jan. 25.....	247.8
Month ago, Jan. 8.....	247.3
Year ago, Feb. 8.....	244.8
1943 High, April 1.....	249.8
Low, Jan. 2.....	240.2
1944 High.....	248.9
Low.....	247.0

December Building Permit Valuations 7% Lower Than November, Dept. Of Labor Reports

Building construction started in urban areas of the United States during 1943 was valued at \$1,297,000,000, Secretary of Labor Frances Perkins reported on Jan. 29. "This was less than half the 1942 total of \$2,661,000,000," she said. "Decreases occurred in all classes of construction from 1942 to 1943 with the greatest drop, 67%, in new nonresidential building. Federal construction contracts awarded were 62% less in 1943 than a year ago. Although the valuation of private additions, alterations and repairs decreased 9% from 1942, this type of construction represented 17% of the 1943 total of private construction as contrasted with 9% of the 1942 total."

Secretary Perkins further stated:

"The 209,745 new family dwelling units for which permits were issued or Federal construction contracts awarded during 1943 represent a decline of one-fourth from the total of 280,152 units started during 1942. About 90,000, or 43% of the units started in 1943, were in Federally financed war housing projects."

Class of construction—	Total		%	Federal		%
	1943 (In thousands of dollars)	1942 (In thousands of dollars)		1943 (In thousands of dollars)	1942 (In thousands of dollars)	
All construction	1,296,703	2,660,937	-51.3	592,655	1,558,105	-62.2
New residential	581,705	915,883	-36.5	206,536	313,859	-34.2
New nonresidential	477,023	1,464,054	-67.4	370,169	1,217,197	-69.6
Additions, alterations and repairs	237,970	280,960	-15.3	15,950	37,049	-57.0

December, 1943, permit valuations and Federal contract awards were 8% below those for November, 1943. New nonresidential construction increased 17%, while new residential construction and additions, alterations and repairs dropped 23% and 9%, respectively. Federal building contract awards declined 6% and total valuations for private building decreased 10%. New nonresidential was the only class of Federal building construction to show a rise for the period, 44%. All classes of private building construction declined from November to December, 1943.

The Labor Department's announcement added:

"Total building construction valuations were one-tenth less in December, 1943, than in December, 1942, although, additions, alterations and repairs increased by more than one-half. About one-third less new nonresidential construction was started in December, 1943, than in December, 1942, and new residential construction for this same period decreased 3%. Federal construction contracts were 39% less in December, 1943, than in December, 1942, while non-Federal permit valuations rose by almost one-third, with all classes of work sharing the increase."

Class of construction—	Percentage change from		Percentage change from		Total	Federal	Federal
	Nov. 1943 to Dec. 1943	Oth. than	Dec. 1942 to Dec. 1943	Oth. than			
All building construction	-7.9	-9.5	-5.5	-10.9	+32.3	-38.9	-38.9
New residential	-23.0	-5.9	-43.5	-2.7	+16.6	-26.9	-26.9
New nonresidential	+17.0	-18.4	+44.4	-32.5	+11.0	-42.3	-42.3
Additions, alterations and repairs	-8.5	-8.3	-11.3	+55.0	+90.3	-60.9	-60.9

The Department's report further stated:

The total of 14,340 family dwelling units started during December, 1943, was one-fourth below the total for the previous month and 12% less than that for December, 1942. Federal contracts were awarded for 5,878 units in December, or 40% less than in November, 1943, and 30% less than in December, 1942. The December, 1943, total of privately financed dwelling units was 10% below the November total but 6% higher than for December, 1942.

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

Principal centers of various types of building construction for which permits were issued or contracts were awarded in December, 1943, except projects which have been excluded because of their confidential nature, were: Boston, Mass., one factory building to cost \$100,000; Queens, N. Y., one public works and utility building to cost \$850,000; Philadelphia, Pa., 62 one-family dwellings to cost \$299,000; Scranton, Pa., three factories to cost \$850,000; Yeadon, Pa., 72 one-family dwellings to cost \$230,400; Chicago, Ill., 93 one-family dwellings to cost \$401,050 and 26 units in two-family dwellings to cost \$102,000; Melrose Park, Ill., 50 one-family dwellings to cost \$200,000; Indianapolis, Ind., 42 one-family dwellings to cost \$270,000; Detroit, Mich., 54 one-family dwellings to cost \$1,860,200; Cleveland, Ohio, 366 one-family dwellings to cost \$150,000; Milwaukee, Wis., 25 one-family dwellings to cost \$102,000 and 42 units in two-family dwellings to cost \$159,800; Washington, D. C., 41 one-family dwellings to cost \$149,100 and eight apartments providing 174 units to cost \$469,000; Baltimore, Md., 200 units in two-family dwellings to cost \$516,000; Baltimore County, Md., District No. 12, 64 apartments providing 500 units to cost \$1,334,400; Beaufort, S. C., 50 one-family dwellings to cost \$176,000; Arlington County, Va., 63 one-family dwellings to cost \$367,700 and five apartments providing 108 units to cost \$742,500; Birmingham, Ala., one factory building to cost \$124,251; Memphis, Tenn., 130 one-family dwellings to cost \$338,350; Oklahoma City, Okla., 237 one-family dwellings to cost \$1,138,000, 40 units in two-family dwellings to cost \$104,000 and five apartments providing 36 units to cost \$98,000; Dallas, Texas, 104 one-family dwellings to cost \$192,047 and 42 units in two-family dwellings to cost \$78,650; Houston, Texas, 95 one-family dwellings to cost \$273,006; San Antonio, Texas, 74 one-family dwellings to cost \$225,500; Springville, Utah, 75 one-family dwellings to cost \$225,000; Alameda, Calif., 79 one-family dwellings to cost \$316,000; Burbank, Calif., 48 one-family dwellings to cost \$157,710; Compton, Calif., 59 one-family dwellings to cost \$160,200; Hawthorne, Calif., 91 one-family dwellings to cost \$326,500; Los Angeles, Calif., 241 one-family dwellings to cost \$746,275 and 25 apartments providing 100 units to cost \$277,500; Oakland, Calif., 164 units in a two-family dwelling to cost \$493,900 and 12 apartments providing 44 units to cost \$111,300; San Diego, Calif., 49 one-family dwellings to cost \$190,320 and 32 units in two-family dwellings to cost \$102,400; San Francisco, Calif., 147 one-family dwellings to cost

\$472,750; San Leandro, Calif., 73 one-family dwellings to cost \$291,500; Santa Monica, Calif., 59 one-family dwellings to cost \$225,200; Seal Beach, Calif., 58 one-family dwellings to cost \$270,000; South Gate, Calif., 69 one-family dwellings to cost \$202,000; Portland, Ore., 189 one-family dwellings to cost \$1,016,050; Seattle, Wash., 183 one-family dwellings to cost \$811,500; Spokane, Wash., 116 one-family dwellings to cost \$529,300; Tacoma, Wash., 65 one-family dwellings to cost \$302,800.

In addition, contracts were awarded during December, 1943, for the following Federally financed projects containing the indicated number of housekeeping units: Trenton, N. J., \$439,168 for 120 units; Allentown, Pa., \$732,850 for 260 units; Benton Harbor, Mich., \$646,896 for 200 units; Flint, Mich., \$696,000 for 220 units; Pontiac, Mich., \$273,800 for 80 units; Cleveland, Ohio, \$1,360,000 for 440 units; Lima, Ohio, \$175,880 for 60 units; Kenosha, Wis., \$738,900 for 260 units; Anniston, Ala., \$96,897 for 38 units; Tusculum, Ala., \$238,361 for 100 units; Galveston, Texas, \$1,225,000 for 600 units; Oxnard, Calif., \$733,600 for 400 units; San Diego, Calif., \$5,264,942 for 2,500 units; Seattle, Wash., \$1,228,247 for 600 units.

Federal contracts were also awarded for dormitory accommodations for 108 persons at Newport News, Va., to cost \$125,617.

National Fertilizer Association Commodity Price Index Unchanged

There was no change in the general level of wholesale commodity prices last week, according to the price index compiled by The National Fertilizer Association and made public on Feb. 7. This index continued at 137.2, the same as in the preceding week. A month ago this index stood at 136.4 and a year ago at 134.1, based on the 1935-1939 average as 100. The current level of 137.2 shows a rise of 2.3% over the comparative 1943 figure of 134.1. The Association's report added:

Price changes during the week were comparatively slight. The foods group marked a decline due to lower quotations on oranges and eggs. However, the farm products group advanced as higher prices were quoted for cotton, good cattle, calves, light hogs, lambs and sheep. The grains group has remained at the same level for the third consecutive week as prices continued to show but fractional changes. Cotton again registered further gains, causing this index number to reach a new high for the period since August, 1943. The average of industrial commodities remained the same.

During the week five price series advanced and four declined; in the preceding week six advanced and three declined; and in the second preceding week seven advanced and two declined.

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

Each Group Bears to the Total Index	Group	Latest Week	Preceding Week	Month Ago	Year Ago
25.3	Foods	139.7	140.2	139.7	137.5
	Fats and Oils	146.1	146.1	146.1	148.5
	Cottonseed Oil	159.6	159.6	159.6	159.0
23.0	Farm Products	156.5	156.1	154.2	151.0
	Cotton	196.5	193.1	190.8	195.6
	Grains	164.8	164.8	164.6	164.5
	Livestock	147.5	147.6	145.1	120.9
17.3	Fuels	129.5	129.5	127.6	129.0
10.8	Miscellaneous commodities	131.4	131.4	131.4	131.4
8.2	Textiles	151.4	150.9	150.4	150.4
7.1	Metals	104.4	104.4	104.4	151.7
6.1	Building materials	152.4	152.4	152.4	127.6
1.3	Chemicals and drugs	127.7	127.7	127.7	117.6
1.3	Fertilizer materials	117.7	117.7	117.7	117.6
.3	Fertilizers	119.9	119.9	119.9	119.8
.3	Farm machinery	104.2	104.2	104.2	104.1
100.0	All groups combined	137.2	137.2	136.4	134.1

*Indexes on 1926-1928 base were: Feb. 5, 1944, 106.9; Jan. 29, 106.9, and Feb. 6, 1943, 104.5.

Steel Output Again Rises—Upward Trend Exceeds Expectations—Sheets Continue Tight

"Steel production continued rising this week," reports "The Iron Age" in its issue of today (Feb. 10), which further goes on to say: "While the recognition of new capacity as of Jan. 1 will result in downward corrections by a few points for this and the five preceding weeks, the upward trend has exceeded expectations. January total tonnage output at 7,595,202 tons was the highest since last October."

[During latter month total out-

put of steel ingot and castings totaled 7,819,061 tons.—Ed.]

"Steel order volume in general is exceptionally high with respect to shipments. Plate deliveries which set a record last year established a new mark last month at 1,173,164 tons. High pressure output will continue for weeks to come and will result in continued tightness of steel sheets which now are extended on mill order books into the latter part of this year and in a few cases into 1945. When and if plate demand eases, backlogs on sheets may be shortened considerably.

"A slight dent in the nation's two billion pound surplus of aluminum is being planned by WPB, which has offered 100,000,000 lb. to the Army for making landing mats. The latter has not reached a final decision on the matter, however.

"Recent steel allocations emphasize the fact that essential civilian needs (contrasted with regular civilian manufacture) haven't been completely forgotten in the hectic rush to provide invasion equipment for the armed forces. A program which will

require about 1,200,000 tons of carbon steel for farm machinery in the year starting next July 1 has been announced. Commitments on new domestic freight cars aggregating about 28,000 cars have been made, covering the first three quarters of this year. (Freight car makers, incidentally, are reported to be worried about rising costs of material and labor). There are indications that tin mill production may be expanded substantially as the permission to make steel beer cans for off-shore and foreign consumption will require a large tonnage. The open weather has caused high demand for wire products for farmers. Oil well drilling early this year will require much steel pipe. While details regarding requirements for construction of the projected 1250-mile trans-Arabian oil pipeline which the U. S. will build have not been announced, it is reported that the main line will be built of 24-in. or 26-in. seamless tubing and will involve approximately 120,000 tons.

"To prepare steel consumers for possible price revisions, OPA Ad-

ministrators Chester Bowles on Feb. 4 stated that there might be increases in some products, and decreases on others. No across-the-board action, blanketing all steel products, is contemplated. In some quarters, the Bowles statement was interpreted as a tipoff that the steel industry will not get as wide scale an increase as it might have expected, but producers generally remained confident that cost data which have been submitted amply support the need for higher prices in certain items, notably rails and semi-finished. OPA is making the most complete survey ever attempted of steel industry costs.

"Maritime Commission plans for disposing of its surplus materials are being followed with interest because of the large quantities that may be involved. Recently Maritime scrap has been moving to the Middle West from the Pacific Coast in large quantities, said to total around 100,000 tons."

The American Iron and Steel Institute on Feb. 7 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 100.2% of capacity for the week beginning Feb. 7, compared with 99.8% one week ago, 99.6% one month ago and 98.1% one year ago. The operating rate for the week beginning Feb. 7 is equivalent to 1,741,800 tons of steel ingots and castings, compared to 1,734,800 tons one week ago, 1,731,300 tons one month ago, and 1,698,700 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Feb. 7 stated in part as follows:

"After the unsettled conditions of December, when changes in war needs caused many orders to be cut down and steel tonnage to be cancelled, the market in January assumed a more orderly appearance and mill books were re-adjusted to conform to the new conditions.

"Buying recently has been slightly less brisk and somewhat irregular, due in large measure to shifts in the war program and, while gaps appear occasionally, deliveries on some products, flat-rolled in particular, are well extended, so far that consumers cannot plan their own programs that far ahead with any assurance.

"Greater activity may develop at any time. Further restrictions in light ammunition are likely to be offset by an increased program for heavy shells. Heavy artillery production is being increased and other ordnance items are scheduled for production but are not yet an important factor. A reduction has been made in the Government's locomotive program but more steel is definitely scheduled for domestic railroad account. Generally sustained demand is expected at least until the European invasion is well under way.

"Announcement has been made by Office of Price Administration that it will be in a position by the latter part of February to make its first determinations on whether price increases should be granted to the steel industry. Studies have been made of the current situation in steel prices, based on cost records supplied by 90% of the industry.

"Pig iron distribution without allocation has been adjusted without difficulty, and while smelters in general are adding to inventory there has been little speculative buying."

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. 29, 1944 is estimated at 12,830,000 net tons, an increase of 180,000 tons, or 1.4% over the preceding week. Output in the corresponding week of 1943 amounted to 11,500,000 tons. Total production for the current year to date is 9.7% in excess of that for the same period last year.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended Jan. 29, 1944 was estimated at 1,238,000 tons, an increase of 20,000 tons (1.6%) over the preceding week. When compared with the output in the corresponding week of 1943 there was, however, a decrease of 114,000 tons or 8.4%. The calendar year to date shows an increase of 5.5% when compared with the same period of 1943.

The Bureau of Mines also reported that the estimated output of byproduct coke in the United States for the week ended Jan. 29, 1944 showed a decrease of 2,500 tons when compared with the production for the week ended Jan. 22, 1944. The quantity of coke from beehive ovens decreased 1,300 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL (In Net Tons)

	Week Ended			January 1 to Date		
	Jan. 29, 1944	Jan. 22, 1944	Jan. 30, 1943	Jan. 29, 1944	Jan. 30, 1943	Jan. 30, 1937
Bituminous coal and lignite	12,830,000	12,650,000	11,500,000	51,710,000	47,129,000	41,438,000
Total, incl. mine fuel	12,830,000	12,650,000	11,500,000	51,710,000	47,129,000	41,438,000
Daily average	2,138,000	2,108,000	1,917,000	2,094,000	1,835,000	1,658,000

*Subject to current adjustment.

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

	Week Ended			Cal. Year to Date		
	Jan. 29, 1944	Jan. 22, 1944	Jan. 30, 1943	Jan. 29, 1944	Jan. 30, 1943	Feb. 2, 1929
Penn. anthracite	1,238,000	1,218,000	1,350,000	4,689,000	4,443,000	7,586,000
Total incl. coll. fuel	1,238,000	1,218,000	1,350,000	4,689,000	4,443,000	7,586,000
Commercial production	1,188,000	1,169,000	1,298,000	4,501,000	4,265,000	7,040,000
Byproduct coke	50,000	49,000	52,000	188,000	178,000	546,000
United States total	1,276,800	1,279,300	1,222,100	5,252,300	5,199,500	8,092,000
Beehive coke	166,600	167,900	155,400	664,100	649,400	552,600

*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 net tons)

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

State	Week Ended			Jan. 23, 1943
	Jan. 22, 1944	Jan. 15, 1944	Jan. 23, 1943	
Alabama	403,000	396,000	375,000	1937
Alaska	5,000	4,000	6,000	2,000
Arkansas and Oklahoma	103,000	83,000	89,000	107,000
Colorado	195,000	198,000	182,000	216,000
Georgia and North Carolina	1,000	1,000	1,000	1,000
Illinois	1,644,000	1,606,000	1,340,000	1,352,000
Indiana	550,000	593,000	493,000	348,000
Iowa	54,000	55,000	55,000	121,000
Kansas and Missouri	185,000	172,000	179,000	213,000
Kentucky—Eastern	980,000	1,003,000	935,000	726,000
Kentucky—Western	349,000	352,000	288,000	166,000
Maryland	33,000	39,000	33,000	39,000
Michigan	6,000	6,000	8,000	18,000
Montana (bituminous and lignite)	103,000	113,000	93,000	80,000
New Mexico	39,000	40,000	34,000	41,000
North and South Dakota (lignite)	78,000	79,000	71,000	68,000
Ohio	683,000	678,000	640,000	510,000
Pennsylvania (bituminous)	2,990,000	3,000,000	2,539,000	2,085,000
Tennessee	173,000	165,000	138,000	104,000
Texas (bituminous and lignite)	6,000	4,000	10,000	16,000
Utah	144,000	143,000	127,000	111,000
Virginia	417,000	429,000	394,000	291,000
Washington	35,000	36,000	29,000	56,000
West Virginia—Southern	2,990,000	3,000,000	2,538,000	2,085,000
West Virginia—Northern	982,000	1,007,000	855,000	619,000
Wyoming	209,000	207,000	192,000	168,000
Other Western States	1,000	1,000	††	††
Total bituminous and lignite	12,650,000	12,750,000	11,200,000	9,570,000
Pennsylvania anthracite	1,218,000	1,147,000	1,071,000	907,000
Total all coal	13,868,000	13,897,000	12,271,000	10,477,000

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona, California, Idaho, Nevada and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Less than 1,000 tons.

Civil Engineering Total \$35,523,000 For Week Private Volume Tops Last Week And Year Ago

Civil engineering construction volume for continental U. S. totals \$35,523,000 for the week. This volume, not including construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 7% higher than in the preceding week, but is 57% lower than the total for the corresponding 1943 week as reported to "Engineering News-Record" and made public on Feb. 3. The report continued as follows:

Private construction is 159% higher than a week ago, and 85% above a year ago as a result of increased activity in industrial buildings. Public work, however, is 37 and 77% lower, respectively, than last week and last year.

The current week's construction brings 1944 volume to \$214,541,000 for the five weeks, a decrease of 30% from the \$308,622,000 reported for the period in 1943. Private construction, \$43,736,000, is up 69% compared with last year, but public construction, \$170,805,000, is 40% lower due to the 30% decline in State and municipal work and the 40% decrease in Federal volume.

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

	Feb. 4, 1943	Jan. 27, 1944	Feb. 3, 1944
Total U. S. construction	\$81,798,000	\$33,241,000	\$35,523,000
Private construction	10,440,000	7,486,000	19,380,000
Public construction	71,356,000	25,755,000	16,143,000
State and municipal	1,354,000	3,379,000	1,786,000
Federal	70,002,000	22,376,000	14,357,000

In the classified construction groups, gains over last week are in waterworks, industrial buildings, and streets and roads. Increases over the 1943 week are in bridges, industrial buildings, commercial buildings, earthwork and drainage, and streets and roads. Subtotals

for the week in each class of construction are: waterworks, \$674,000; sewerage, \$573,000; bridges, \$236,000; industrial buildings, \$13,692,000; commercial building and large-scale private housing, \$4,525,000; public buildings, \$7,854,000; earthwork and drainage, \$401,000; streets and roads, \$1,916,000; and unclassified construction, \$5,652,000.

New capital for construction purposes for the week totals \$2,416,000, a gain of 166% over the total for the corresponding 1943 week. This week's new financing is made up of \$916,000 in State and municipal bond sales, and \$1,500,000 in RFC loans for industrial improvements.

New construction financing for 1944 to date, \$149,588,000, compares with \$5,406,000 for the opening five weeks of 1943.

Daily Average Crude Oil Production For Week Ended Jan. 29, 1944 Increased 20,250 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Jan. 29, 1944 was 4,409,450 barrels, a gain of 20,250 barrels per day over the preceding week, and 583,050 barrels per day more than recorded for the week ended Jan. 30, 1943. The current figure, however, was 20,150 barrels less than the daily average figure recommended by the Petroleum Administration for War for the month of January, 1944. Daily output for the four weeks ended Jan. 29, 1944 averaged 4,384,000 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 4,359,000 barrels of crude oil daily and produced 13,427,000 barrels of gasoline; 1,630,000 barrels of kerosine; 4,054,000 barrels of distillate fuel oil, and 8,889,000 barrels of residual fuel oil during the week ended Jan. 29, 1944; and had in storage at the end of that week 81,085,000 barrels of gasoline; 8,293,000 barrels of kerosine; 37,266,000 barrels of distillate fuel, and 52,857,000 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	*State Allowables	Actual Production	Change from Previous Week	4 Weeks Ended Jan. 29, 1944	Week Ended Jan. 30, 1943
Oklahoma	328,000	325,000	328,800	+ 1,000	327,350	347,750
Kansas	285,000	269,400	286,700	+ 5,650	276,800	291,800
Nebraska	1,300	—	1,150	— 350	1,350	2,350
Panhandle Texas	—	—	97,900	—	97,900	88,400
North Texas	—	—	140,200	—	140,200	136,700
West Texas	—	—	364,600	—	364,700	301,100
East Central Texas	—	—	116,400	—	116,400	101,600
East Texas	—	—	366,200	—	366,200	327,600
Southwest Texas	—	—	293,550	—	293,550	166,700
Coastal Texas	—	—	520,800	—	520,800	308,800
Total Texas	1,892,000	1,909,526	1,899,650	—	1,899,750	1,330,900
North Louisiana	—	—	76,850	— 650	77,400	91,850
Coastal Louisiana	—	—	280,900	—	280,900	247,700
Total Louisiana	343,700	368,200	357,750	— 650	358,300	339,550
Arkansas	76,900	77,891	78,300	+ 100	78,950	74,900
Mississippi	48,000	—	44,400	+ 1,300	45,650	55,300
Illinois	215,000	—	217,200	+ 12,500	209,900	229,550
Indiana	14,400	—	14,000	+ 1,350	12,950	16,600
Eastern (Not incl. Ill., Ind., Ky.)	73,900	—	73,600	+ 2,300	70,200	78,200
Kentucky	26,000	—	22,500	+ 50	22,450	16,300
Michigan	56,000	—	52,900	+ 1,300	51,900	60,800
Wyoming	100,000	—	97,050	+ 6,450	91,350	89,950
Montana	23,500	—	20,950	+ 150	21,050	22,300
Colorado	7,000	—	6,300	+ 1,200	7,350	6,350
New Mexico	110,600	110,600	113,000	+ 100	113,000	98,300
Total East of Calif.	3,601,300	—	3,614,250	+ 24,750	3,588,300	3,060,900
California	828,300	828,300	795,200	— 4,500	795,700	765,500
Total United States	4,429,600	—	4,409,450	+ 20,250	4,384,000	3,826,400

*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. Jan. 27, 1944. ‡This is the net basic allowable as of Jan. 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 3 to 14 days, the entire state was ordered shut down for 8 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 8 days shutdown 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. 29, 1944 (Figures in Thousands of Barrels of 42 Gallons Each)

District	Daily Refining Capacity		Crude Runs to Stills		Production of Gasoline		Stocks of Gasoline		Stocks of Gas Oil and Residual Fuel Oil	
	Poten- tial	% Re- porting	Daily Average	% On- erated	At Re- fineries	Finished and Un- finished	At Re- fineries	Finished and Un- finished	At Re- fineries	Finished and Un- finished
District—										
*Combin'd: East Coast	2,448	89.9	2,100	85.6	6,243	36,531	19,008	14,951		
Texas Gulf, Louisi- ana Gulf, North Louisiana-Arkansas, and Inland Texas										
Appalachian—										
District No. 1	130	83.9	101	77.7	327	1,903	825	142		
District No. 2	47	87.2	54	114.9	158	1,214	88	215		
Ind., Ill., Ky.	824	85.2	790	95.9	2,831	16,848	5,426	3,144		
Okl., Kans., Mo.	416	80.1	364	87.5	1,278	7,565	1,611	1,156		
Rocky Mountain—										
District No. 3	8	26.9	11	137.5	33	74	21	30		
District No. 4	141	58.3	104	73.8	334	1,653	365	601		
California	817	89.9	835	102.2	2,223	15,292	9,922	32,618		
Total U. S.—B. of M. basis Jan. 29, 1944.	4,831	86.8	4,359	90.2	13,427	81,085	37,266	52,857		
Total U. S.—B. of M. basis Jan. 22, 1944.	4,831	86.8	4,368	90.4	12,945	79,763	38,296	53,431		
U. S. Bur. of Mines basis Jan. 30, 1943.			3,638		9,978	88,169	39,429	71,454		

*At the request of the Petroleum Administration for War. †Finished, 70,177,000 barrels; unfinished, 10,908,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,630,000 barrels of kerosine, 4,054,000 barrels of gas oil and distillate fuel oil and 8,889,000 barrels of residual fuel oil produced during the week ended Jan. 29, 1944, which compares with 1,711,000 barrels, 4,334,000 barrels and 9,041,000 barrels, respectively, in the preceding week and 1,265,000 barrels, 3,696,000 barrels and 7,426,000 barrels, respectively, in the week ended Jan. 30, 1943. ¶Notes—Stocks of kerosine at Jan. 29, 1944 amounted to 8,293,000 barrels, as against 3,663,000 barrels a week earlier and 7,405,000 barrels a year before. †District No. 1 inventory indices are: Gasoline, 43.2%; kerosine, 47.7%; gas oil and distillate, 89.8%, and residual fuel, 65.9% of normal.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Feb. 5 a summary for the week ended Jan. 29 of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

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

Week Ended Jan. 29, 1944	
Odd-Lot Sales by Dealers (Customers' purchases)	Total for Week
Number of orders	18,381
Number of shares	488,716
Dollar value	\$19,903,644
Odd-Lot Purchases by Dealers (Customers' Sales)	
Number of Orders	
Customers' short sales	255
Customers' other sales	16,832
Customers' total sales	17,087
Number of Shares	
Customers' short sales	6,838
Customers' other sales	424,004
Customers' total sales	430,842
Dollar value	\$13,832,005
Round-Lot Sales by Dealers (Customers' purchases)	
Number of Shares	80
Short sales	126,330
Other sales	
Total sales	126,410
Round-Lot Purchases by Dealers	
Number of Shares	172,160

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

Hughes Re-Elected To Bankers Ass'n Post

The reelection of Joseph E. Hughes, President of the Washington Irving Trust Company, of Port Chester, N. Y., as Chairman of the Board of the New York State Bankers Retirement System was announced on Jan. 31 by Albert L. Muench, Secretary. The system, which is a self-administered trust, is now providing retirement, death and disability benefits for 904 employees and officers of 73 banks in New York and Connecticut. Other officers who were elected were Vice-Chairman, David C. Warner, President of the Endicott Trust Company, Endicott, N. Y., and Treasurer, Adrian M. Massie, Vice-President of the New York Trust Company, New York City. Harold J. Marshall, Assistant Vice-President of the Bankers Trust Company, New York City, was elected Assistant Treasurer, and Mr. Muench, whose appointment as Secretary of the New York State Bankers Association became effective Jan. 31, was advanced from Assistant Treasurer to Secretary. F. J. Oehmichen was reelected Assistant Secretary.

Trading On New York Exchanges

The Securities and Exchange Commission made public on Jan. 29 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Jan. 15, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Jan. 5 (in round-lot transactions) totaled 1,847,053 shares, which amount was 18.55% of the total transactions on the Exchange of 4,977,890 shares. This compares with member trading during the week ended Jan. 8 of 1,775,526 shares, or 18.56% of total trading of 4,781,880 shares. On the New York Curb Exchange, member trading during the week ended Jan. 15 amounted to 368,750 shares, or 14.87% of the total volume on that exchange of 1,239,985 shares; during the Jan. 8 week trading for the account of Curb members of 337,720 shares was 16.10% of total trading of 1,049,135 shares.

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

WEEK ENDED JANUARY 15, 1944		
	Total for Week	%
A. Total Round-Lot Sales:		
Short sales	129,320	
Other sales	4,848,570	
Total sales	4,977,890	
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	437,330	
Short sales	51,610	
Other sales	374,820	
Total sales	426,430	8.68
2. Other transactions initiated on the floor—		
Total purchases	328,620	
Short sales	14,300	
Other sales	289,730	
Total sales	304,030	6.35
3. Other transactions initiated off the floor—		
Total purchases	165,702	
Short sales	12,550	
Other sales	172,391	
Total sales	184,941	3.52
4. Total—		
Total purchases	931,652	
Short sales	78,460	
Other sales	836,941	
Total sales	915,401	18.55

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

WEEK ENDED JANUARY 15, 1944		
	Total for Week	%
A. Total Round-Lot Sales:		
Short sales	13,515	
Other sales	1,226,470	
Total sales	1,239,985	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	98,640	
Short sales	7,825	
Other sales	106,020	
Total sales	113,845	8.57
2. Other transactions initiated on the floor—		
Total purchases	30,130	
Short sales	2,360	
Other sales	21,475	
Total sales	23,835	2.18
3. Other transactions initiated off the floor—		
Total purchases	46,190	
Short sales	525	
Other sales	55,585	
Total sales	56,110	4.12
4. Total—		
Total purchases	174,960	
Short sales	10,710	
Other sales	183,080	
Total sales	193,790	14.87
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	0	
Customers' other sales	48,468	
Total purchases	48,468	
Total sales	35,395	

*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's rules are included with "other sales."

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

Wholesale Commodity Index Advanced 0.1% During Week Ended Jan. 29 Says Labor Dept.

Higher prices for livestock, fruits and vegetables were largely responsible for a rise of 0.1% in the Bureau of Labor Statistics' index of commodity prices in primary markets during the week ended Jan. 29, according to the advices Feb. 3 from the U. S. Department of Labor, which stated that the advance brought the all-commodity index to 103.1% of the 1926 average, slightly above the level at the end of 1943 and 1.3% over the corresponding week of last year.

The Department further states:

"Farm Products and Foods"—Average prices for farm products in primary markets rose 0.6% during the week to the highest point reached since early last November. Advancing prices for cattle and hogs, for cotton and rye, for citrus fruits and onions, and for apples and potatoes in the Chicago market accounted for most of the increase. Quotations were lower for eggs, except in San Francisco, and for apples and potatoes in certain Eastern markets.

"Aside from the increase of 1.1% in prices for fresh fruits and

vegetables, food prices at the wholesale level were fairly stable during the week. Wheat flour advanced fractionally. On the average, prices of foods in primary markets are 0.4% lower than at the end of December and 0.3% below the last week in January, 1943.

"Industrial Commodities"—With few exceptions, industrial commodity markets continued steady during the last week of January. A decline of nearly 3% in prices for shearing sheepskins caused average prices for hides and leather products to drop fractionally. A further decline was reported in prices for quicksilver. An increase of 50 cents a ton granted by OPA to Eastern producers of retort coke to cover increased production costs brought the index for fuel and lighting materials up 0.4%. Paint materials, such as butyl acetate, rosin, and turpentine, advanced substantially. In the lumber industry, minor increases were reported in prices for Ponderosa pine boards, while sugar pine and Idaho pine declined.

The Department's announcement contains the following notation: "During the period of rapid changes caused by price controls, materials allocation and rationing, the Bureau of Labor Statistics will attempt promptly to report changing prices. 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 tables show (1) index numbers for the principal groups of commodities for the past three weeks, for Jan. 1, 1944 and Jan. 30, 1943, and the percentage changes from a week ago, a month ago, and a year ago and (2) percentage changes in subgroup indexes from Jan. 22 to Jan. 29, 1944.

WHOLESALE PRICES FOR WEEK ENDED JAN. 29, 1944 (1926=100)

Commodity Groups—	Percentage changes to Jan. 29, 1944 from—			
	1-29 1944	1-22 1944	1-15 1944	1-1 1944
All commodities	103.1	103.0	103.0	101.8
Farm products	122.6	121.9	122.1	117.7
Foodstuffs	104.7	104.6	104.8	105.0
Hides and leather products	117.8	117.9	117.9	118.4
Textile products	97.2	97.2	97.2	96.8
Fuel and lighting materials	83.1	82.8	82.7	80.1
Metals and metal products	103.8	103.8	103.8	103.9
Building materials	113.5	113.4	113.4	113.5
Chemicals and allied products	100.4	100.4	100.4	99.5
Housefurnishing goods	104.4	104.4	104.4	104.1
Miscellaneous commodities	93.0	93.0	93.0	90.5
Raw materials	112.7	112.3	112.3	108.3
Semimanufactured articles	93.1	93.1	93.1	92.5
Manufactured products	100.4	100.4	100.4	100.3
All commodities other than farm products	99.0	98.9	98.9	98.4
All commodities other than farm products and foods	98.0	97.9	97.9	97.8

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM JAN. 22, 1944 TO JAN. 29, 1944

Increases	
Coke	4.6
Livestock and poultry	1.1
Fruits and vegetables	1.1
Other farm products	0.5
Paint and paint materials	0.2
Lumber	0.1
Decreases	
Hides and skins	0.6
Other foods	0.3
Grains	0.1
Nonferrous metals	0.1

Non-Ferrous Metals—Copper Needs For Feb. Increased—Quicksilver Restrictions Lifted

"E. & M. J. Metal and Mineral Markets," in its issue of Feb. 3, stated: "Earlier estimates on consumption of copper for February were revised upward last week. It now appears that Metals Reserve may have to release some additional tonnages. Demand for zinc during the last week improved, following receipt of regular allocation certificates. The situation in lead remains unchanged. Quicksilver prices steadied on reduced selling."

pressure from producers. WPB 8,182 tons, against 5,461 tons in the week previous. February requirements of consumers are more than 75% covered, according to trade estimates. Consumption of lead at present is not quite up to the peak level attained during the last quarter of 1943.

Zinc

With allocation certificates in the hands of consumers, the volume of buying in zinc increased last week. However, the industry believes that current production is not being absorbed and a fair tonnage will be available for the reserve supply.

Imports now account for a substantial proportion of the total zinc concentrate supply. M. L. Trilsch, assistant director of the Zinc Division, WPB, informed members of the American Mining Congress. Censorship regulations, he said, prevent the divulgence of any detailed information on either import or export statistics.

Aluminum

Curtailment in aluminum production this year may not be as great as earlier reports indicated. Three more production lines, at or near Massena, N. Y., were ordered closed down during the last week, bringing the number of shutdowns to 15. However, all of the lines closed so far are in the East and South, where power is generated with scarce coal. The cutbacks made up to the present will lower production about 14%. Philip D. Wilson, head of the

Aluminum and Magnesium Division, WPB, stated Jan. 30.

Tin

The Non-Ferrous Metal Control of Great Britain has advanced its base price of minimum 99% tin \$25 per ton, establishing the market at \$300. Other grades have been raised correspondingly. This is the first price change in any of the base metals in the British market since December 1941, according to the Metal Bulletin, London. The new quotation became effective on Jan. 1, 1944, but holders of licenses granted on or before Dec. 31, 1943, may cover up to and including Jan. 8, 1944. The advance takes account of the present and anticipated level of costs of supplies from the different sources available to the Ministry, it was stated officially. The British selling price of tin now is slightly higher than the United States market.

The situation in Bolivia remains unchanged. Production of tin has not been affected by the political developments, authorities here contend.

Straits quality tin in the United States market continues at 52c. Forward metal was nominally as follows, in cents a pound:

	Feb.	March	April
Jan. 27	52.000	52.000	52.000
Jan. 28	52.000	52.000	52.000
Jan. 29	52.000	52.000	52.000
Jan. 30	52.000	52.000	52.000
Feb. 1	52.000	52.000	52.000
Feb. 2	52.000	52.000	52.000

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

Quicksilver

Most sellers viewed the market for quicksilver as having steadied, following the uninterrupted drop in prices that occurred since the first of the year. In fact, some sellers were asking \$135 per flask, New York, for spot and near-by metal, or \$5 higher than a week ago. However, on quantity business, \$130 per flask was done throughout the last week, leaving New York quotations practically unchanged. Pacific Coast sellers quote \$125 per flask, coast basis, for February-March metal. The position of quicksilver was discussed at a meeting of the Mining Congress, in Denver. R. J. Lund, of WPB, stated that estimated needs for 1943 were reduced from 90,000 flasks at the beginning of the year to 54,000 later in the twelve-months' period.

Silver

Should imports of silver continue at the present curtailed rate, there will be need for some 50,000,000 to 75,000,000 oz. of Treasury "free" silver for use in essential civilian and war industries during 1944, Mr. Lund, said. This does not take into account "several potential major uses on the horizon," he added.

Silver quotations in London and New York were unchanged last 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.

Adams Named Art Director For War Finance Corp.

George C. Adams has been appointed Art Director for the War Finance Division of the United States Treasury Department. For the past eight years he has been associated with the J. Walter Thompson Company. Mr. Adams assumed his new duties in Washington on February 7.

Revenue Freight Car Loadings During Week Ended Jan. 29, 1944 Increased 12,340 Cars

Loading of revenue freight for the week ended Jan. 29, 1944, totaled 811,062 cars, the Association of American Railroads announced on Feb. 3. This was an increase above the corresponding week of 1943 of 76,392 cars, or 10.4%, but a decrease below the same week in 1942 of 4,503 cars or 0.6%.

Loading of revenue freight for the week of January 29, increased 12,340 cars, or 1.5% above the preceding week.

Miscellaneous freight loading totaled 375,969 cars, an increase of 8,580 cars above the preceding week, and an increase of 25,334 cars above the corresponding week in 1943.

Loading of merchandise less than carload lot freight totaled 102,690 cars, an increase of 1,681 cars above the preceding week, and an increase of 14,075 cars above the corresponding week in 1943.

Coal loading amounted to 185,813 cars, an increase of 3,648 cars above the preceding week, and an increase of 15,924 cars above the corresponding week in 1943.

Grain and grain products loading totaled 55,815 cars a decrease of 3,042 cars below the preceding week but an increase of 5,891 cars above the corresponding week in 1943. In the Western Districts alone, grain and grain products loading for the week of Jan. 29, totaled 38,735 cars, a decrease of 2,916 cars below the preceding week but an increase of 5,135 cars above the corresponding week in 1943.

Live stock loading amounted to 15,233 cars, a decrease of 931 cars below the preceding week, but an increase of 1,972 cars above the corresponding week in 1943. In the Western Districts alone loading of live stock for the week of Jan. 29, totaled 10,738 cars, a decrease of 708 cars below the preceding week, but an increase of 1,130 cars above the corresponding week in 1943.

Forest products loading totaled 44,518 cars, an increase of 1,153 cars above the preceding week and an increase of 11,904 cars above the corresponding week in 1943.

Ore loading amounted to 15,154 cars, an increase of 791 cars above the preceding week and an increase of 612 cars above the corresponding week in 1943.

Coke loading amounted to 15,870 cars, an increase of 460 cars above the preceding week, and an increase of 680 cars above the corresponding week in 1943.

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

	1944	1943	1942
Week of January 1	643,474	621,173	676,534
Week of January 8	762,999	717,176	736,972
Week of January 15	780,220	755,498	775,498
Week of January 22	798,772	703,294	818,081
Week of January 29	811,062	734,670	815,565
Total	3,796,477	3,531,811	3,858,479

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Jan. 29, 1944. During the period 102 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. 29

Railroads	Total Revenue Freight Loaded	Total Loads Received from Connections
Eastern District—	1944	1943
Ann Arbor	250	268
Bangor & Aroostook	2,713	2,548
Boston & Maine	6,841	5,790
Chicago, Indianapolis & Louisville	1,410	1,400
Central Indiana	43	31
Central Vermont	1,098	912
Delaware & Hudson	5,691	6,506
Delaware, Lackawanna & Western	7,593	7,603
Detroit & Mackinac	162	287
Detroit, Toledo & Ironton	2,198	1,891
Detroit & Toledo Shore Line	363	303
Erie	12,466	12,185
Grand Trunk Western	3,694	3,545
Lehigh & Hudson River	172	149
Lehigh & New England	1,861	1,776
Lehigh Valley	8,948	8,095
Maine Central	2,525	2,588
Monongahela	6,516	5,955
Montour	2,643	2,636
New York Central Lines	48,451	44,945
N. Y., N. H. & Hartford	10,118	8,375
New York, Ontario & Western	981	891
New York, Chicago & St. Louis	6,706	7,220
N. Y., Susquehanna & Western	8,114	7,900
Pittsburgh & Lake Erie	637	449
Pere Marquette	609	715
Pittsburgh & Shawmut	899	715
Pittsburgh, Shawmut & North	383	335
Pittsburgh & West Virginia	1,166	933
Rutland	385	303
Wabash	6,567	5,689
Wheeling & Lake Erie	4,932	4,853
Total	161,135	151,804

Railroads	Total Revenue Freight Loaded	Total Loads Received from Connections
Allegheny District—	1944	1943
Akron, Canton & Youngstown	798	713
Baltimore & Ohio	43,097	36,234
Bessemer & Lake Erie	2,975	3,046
Buffalo Creek & Gauley	272	385
Cambria & Indiana	1,902	1,714
Central R. R. of New Jersey	6,567	6,285
Cornwall	624	465
Cumberland & Pennsylvania	236	204
Ligonier Valley	161	125
Long Island	1,480	1,009
Penn-Reading Seashore Lines	1,651	1,316
Pennsylvania System	79,240	71,832
Reading Co.	14,787	13,556
Union (Pittsburgh)	19,812	20,288
Western Maryland	4,294	3,437
Total	177,896	160,609

Railroads	Total Revenue Freight Loaded	Total Loads Received from Connections
Pocahontas District—	1944	1943
Chesapeake & Ohio	29,474	25,345
Norfolk & Western	22,818	21,234
Virginian	4,699	4,424
Total	56,991	51,003

Railroads	Total Revenue Freight Loaded	Total Loads Received from Connections
Southwestern District—	1944	1943
Alabama, Tennessee & Northern	314	361
Atl. & W. P.—W. R. R. of Ala.	794	651
Atlanta, Birmingham & Coast	784	637
Atlantic Coast Line	13,601	14,472
Central of Georgia	3,988	3,754
Charleston & Western Carolina	430	416
Chickamauga	1,618	1,669
Columbus & Greenville	299	320
Durham & Southern	105	91
Florida East Coast	3,387	2,966
Gainesville Midland	48	36
Georgia	1,051	1,291
Georgia & Florida	452	356
Gulf, Mobile & Ohio	4,005	3,452
Illinois Central System	29,322	26,882
Knoxville & Nashville	25,806	23,299
Macon, Dublin & Savannah	161	169
Mississippi Central	225	171
Nashville, Chattanooga & St. L.	3,328	2,887
Norfolk Southern	965	1,125
Piedmont Southern	435	339
Richmond, Fred. & Potomac	452	302
Seaboard Air Line	10,944	10,181
Southern System	23,758	21,154
Tennessee Central	628	332
Winston-Salem Southbound	137	96
Total	127,037	117,419

Railroads	Total Revenue Freight Loaded	Total Loads Received from Connections
Northwestern District—	1944	1943
Chicago & North Western	15,883	14,651
Chicago Great Western	2,702	2,546
Chicago, Milw., St. P. & Pac.	21,847	19,055
Chicago, St. Paul, Minn. & Omaha	3,842	3,837
Duluth, Missabe & Iron Range	1,305	1,266
Duluth, South Shore & Atlantic	701	659
Elgin, Joliet & Eastern	8,781	8,932
Ft. Dodge, Des Moines & South	437	372
Great Northern	12,548	9,795
Green Bay & Western	520	479
Lake Superior & Ishpeming	309	265
Minneapolis & St. Louis	2,346	1,765
Minn., St. Paul & S. M.	5,690	4,484
Northern Pacific	10,541	8,034
Spokane International	112	42
Spokane, Portland & Seattle	2,231	1,335
Total	89,795	77,517

Railroads	Total Revenue Freight Loaded	Total Loads Received from Connections
Central Western District—	1944	1943
Atch., Top. & Santa Fe System	22,128	19,349
Alton	3,066	3,183
Bingham & Garfield	466	700
Chicago, Burlington & Quincy	21,027	17,966
Chicago & Illinois Midland	2,891	2,759
Chicago, Rock Island & Pacific	12,052	11,166
Chicago & Eastern Illinois	3,049	2,285
Colorado & Southern	769	764
Denver & Rio Grande Western	3,565	3,684
Denver & Salt Lake	875	802
Port Worth & Denver City	1,007	1,069
Illinois Terminal	2,317	1,564
Missouri-Illinois	955	900
Nevada Northern	1,821	1,653
North Western Pacific	719	534
Peoria & Pekin Union	16	37
Southern Pacific (Pacific)	29,676	21,937
Toledo, Peoria & Western	595	400
Union Pacific System	16,224	13,889
Utah	679	635
Western Pacific	1,605	1,561
Total	125,502	106,937

Railroads	Total Revenue Freight Loaded	Total Loads Received from Connections
Southwestern District—	1944	1943
Burlington-Rock Island	306	683
Gulf Coast Lines	7,041	6,588
International-Great Northern	1,953	3,308
Kansas, Oklahoma & Gulf	260	278
Kansas City Southern	5,006	5,327
Louisiana & Arkansas	3,414	3,208
Litchfield & Madison	286	270
Midland Valley	726	583
Missouri & Arkansas	247	117
Missouri-Kansas-Texas Lines	5,400	6,016
Missouri Pacific	17,621	15,701
Quannah Acme & Pacific	119	109
St. Louis-San Francisco	8,843	8,709
St. Louis Southwestern	3,268	2,985
Texas & New Orleans	12,916	11,241
Texas & Pacific	5,200	4,152
Wichita Falls & Southern	73	82
Weatherford M. W. & N. W.	27	24
Total	72,706	69,381

Railroads	Total Revenue Freight Loaded	Total Loads Received from Connections
Southwestern District—	1944	1943
Burlington-Rock Island	306	683
Gulf Coast Lines	7,041	6,588
International-Great Northern	1,953	3,308
Kansas, Oklahoma & Gulf	260	278
Kansas City Southern	5,006	5,327
Louisiana & Arkansas	3,414	3,208
Litchfield & Madison	286	270
Midland Valley	726	583
Missouri & Arkansas	247	117
Missouri-Kansas-Texas Lines	5,400	6,016
Missouri Pacific	17,621	15,701
Quannah Acme & Pacific	119	109
St. Louis-San Francisco	8,843	8,709
St. Louis Southwestern	3,268	2,985
Texas & New Orleans	12,916	11,241
Texas & Pacific	5,200	4,152
Wichita Falls & Southern	73	82
Weatherford M. W. & N. W.	27	24
Total	72,706	69,381

Railroads	Total Revenue Freight Loaded	Total Loads Received from Connections
Southwestern District—	1944	1943
Burlington-Rock Island	306	683
Gulf Coast Lines	7,041	6,588
International-Great Northern	1,953	3,308
Kansas, Oklahoma & Gulf	260	278
Kansas City Southern	5,006	5,327
Louisiana & Arkansas	3,414	3,208
Litchfield & Madison	286	270
Midland Valley	726	583
Missouri & Arkansas	247	117
Missouri-Kansas-Texas Lines	5,400	6,016
Missouri Pacific	17,621	15,701
Quannah Acme & Pacific	119	109
St. Louis-San Francisco	8,843	8,709
St. Louis Southwestern	3,268	2,985
Texas & New Orleans	12,916	11,241
Texas & Pacific	5,200	4,152
Wichita Falls & Southern	73	82
Weatherford M. W. & N. W.	27	24
Total	72,706	69,381

Railroads	Total Revenue Freight Loaded	Total Loads Received from Connections
Southwestern District—	1944	1943
Burlington-Rock Island	306	683
Gulf Coast Lines	7,041	6,588
International-Great Northern	1,953	3,308
Kansas, Oklahoma & Gulf	260	278
Kansas City Southern	5,006	5,327
Louisiana & Arkansas	3,414	3,208
Litchfield & Madison	286	270
Midland Valley	726	583
Missouri & Arkansas	247	117
Missouri-Kansas-Texas Lines	5,400	6,016
Missouri Pacific	17,621	15,701
Quannah Acme & Pacific	119	109
St. Louis-San Francisco	8,843	8,709
St. Louis Southwestern	3,268	2,985
Texas & New Orleans	12,916	11,241
Texas & Pacific	5,200	4,152
Wichita Falls & Southern	73	82
Weatherford M. W. & N. W.	27	24
Total	72,706	69,381

Railroads	Total Revenue Freight Loaded	Total Loads Received from Connections
Southwestern District—	1944	1943
Burlington-Rock Island	306	683
Gulf Coast Lines	7,041	6,588
International-Great Northern	1,953	3,308
Kansas, Oklahoma & Gulf	260	278
Kansas City Southern	5,006	5,327
Louisiana & Arkansas	3,414	3,208
Litchfield & Madison	286	270
Midland Valley	726	583
Missouri & Arkansas	247	117
Missouri-Kansas-Texas Lines	5,400	6,016
Missouri Pacific	17,621	15,701
Quannah Acme & Pacific	119	109
St. Louis-San Francisco	8,843	8,709
St. Louis Southwestern	3,268	2,985
Texas & New Orleans	12,916	11,241
Texas & Pacific	5,200	4,152
Wichita Falls & Southern	73	82
Weatherford M. W. & N. W.	27	24
Total	72,706	69,381

Railroads	Total Revenue Freight Loaded	Total Loads Received from Connections
Southwestern District—	1944	1943
Burlington-Rock Island	306	683
Gulf Coast Lines	7,041	6,588
International-Great Northern	1,953	3,308
Kansas, Oklahoma & Gulf	260	278
Kansas City Southern	5,006	5,327
Louisiana & Arkansas	3,414	3,208
Litchfield & Madison	286	270
Midland Valley	726	583
Missouri & Arkansas	247	117
Missouri-Kansas-Texas Lines	5,400	6,016
Missouri Pacific	17,621	15,701
Quannah Acme & Pacific	119	109
St. Louis-San Francisco	8,843	8,709
St. Louis Southwestern	3,268	2,985
Texas & New Orleans	12,916	11,241
Texas & Pacific	5,200	4,152
Wichita Falls & Southern	73	82
Weatherford M. W. & N. W.	27	24
Total	72,706	69,381

Railroads	Total Revenue Freight Loaded	Total Loads Received from Connections
Southwestern District—	1944	1943
Burlington-Rock Island	306	683
Gulf Coast Lines	7,041	6,588
International-Great Northern	1,953	3,308
Kansas, Oklahoma & Gulf	260	278
Kansas City Southern	5,006	5,327
Louisiana & Arkansas	3,414	3,208
Litchfield & Madison	286	270
Midland Valley	726	583
Missouri & Arkansas	247	117
Missouri-Kansas-Texas Lines	5,400	6,016
Missouri Pacific	17,621	15,701
Quannah Acme & Pacific	119	109
St. Louis-San Francisco	8,843	8,709
St. Louis Southwestern	3,268	2,985
Texas & New Orleans	12,916	11,241
Texas & Pacific	5,200	4,152
Wichita Falls & Southern	73	82
Weatherford M. W. & N. W.	27	24
Total	72,706	69,381

Railroads	Total Revenue Freight Loaded	Total Loads Received from Connections
Southwestern District—	1944	1943
Burlington-Rock Island	306	683
Gulf Coast Lines	7,041	6,588
International-Great Northern	1,953	3,308
Kansas, Oklahoma & Gulf	260	278
Kansas City Southern	5,006	5,327
Louisiana & Arkansas	3,414	3,208
Litchfield & Madison	286	270
Midland Valley	726	5

Items About Banks, Trust Companies

Frank K. Houston, President of the Chemical Bank & Trust Company, announced on Feb. 3, the election of Robert T. Swaine, senior partner of Cravath, de Gersdorff, Swaine & Wood, as a director of the bank at a meeting of the board of directors held that day. Mr. Swaine succeeds the late Carl A. de Gersdorff, who had served on the bank's board for many years. Mr. Swaine is a director of the Westinghouse Electric & Manufacturing Co., director and counsel to the Board of the Chicago, Milwaukee, St. Paul & Pacific RR. Co., and is a member of the boards of the Travelers Aid Society, the Legal Aid Society and the Henry Street Visiting Nurse Service. He has actively participated in current proceedings for the reorganization of the St. Louis-San Francisco Rwy. Co., of which he was formerly general counsel; the Western Pacific RR. Co.; the Seaboard Air Line Rwy. Co.; and the Chicago, Milwaukee, St. Paul & Pacific RR. Co. Mr. Swaine, a native of Iowa, was graduated from Iowa State University and the Harvard Law School. He is a member of the American and New York Bar Associations, the New York County Lawyers Association, the Association of the Bar of the City of New York.

Frederick G. Mader, formerly with the First Trust Company of Albany, has been elected President of the Bank of Lake Placid, N. Y., with which institution he became associated in 1941. The Albany "Times Union" states:

Mr. Mader had been Assistant Secretary of the Albany bank and went to Lake Placid as Executive Vice-President and a member of the board of directors of the bank there. He began his banking career as transit clerk in the Albany Trust Company and was manager of the South End branch of the First Trust Company before he was made Assistant Secretary in 1932.

The Manufacturers & Traders Trust Company of Buffalo, N. Y., announced on Feb. 3 that it is developing an installment-loan department and that John J. Sweeney has been appointed Assistant Secretary of the institution to head the department. This is learned from the Buffalo "Evening News," which states that Mr. Sweeney was formerly manager of the bank's Main-Tupper Branch and has been succeeded in that post by James M. Hennrich, formerly Assistant Manager. William Fraas has become Assistant Manager of the branch, where he has been head of the discount department.

Mr. Sweeney has been with the bank for 30 years. Mr. Hennrich entered the trust company as a messenger in 1919.

Claude J. Vaillant, since 1938 Cashier and Trust Officer of the Rutland County National Bank, of Rutland, Vt., has been elected Second Vice-President and Assistant Cashier of the Haverhill National Bank, of Haverhill, Mass., to fill the vacancy due to the death of Clarence A. Rathbone.

The election was announced on Jan. 31 by President Herman E. Lewis. Mr. Vaillant assumed his new duties on Feb. 7.

Mr. Vaillant has had 20 years of experience in the banking business in Massachusetts and Vermont, said an account in the local paper, which added:

In 1923 he entered the employ of the Leominster National Bank as receiving teller, later being appointed Assistant Cashier, holding that position from 1929 until 1932.

From 1932 until 1933 he was assistant to the receiver of the Leominster National Bank, resigning to become an examiner with the national examining force of the Boston Federal Reserve Bank. He served in this position

under F. D. Williams, national bank examiner from 1933 to 1938.

In January, 1938, Mr. Vaillant was elected Cashier and Trust Officer of the Rutland County National Bank, Rutland, Vt., resigning that position Jan. 11, 1944.

Reporting the promotion of five employees at the annual meeting of the directors of the New Haven Bank, N.B.A., of New Haven, Conn., the New Haven "Register" of Jan. 17 said:

G. Harold Welch, who has served in the capacity of Trust Officer of the bank for many years, and who is Secretary of the Connecticut Bankers Association and active in state and national banking circles, was elected Vice-President and Trust Officer, while George W. Kusterer was elected Cashier.

Other officers elected include W. Herbert Frost, who was named Assistant Cashier, being elevated from the post of credit manager; while Donald B. Myers and C. Bronson Weed were elected to the office of Assistant Trust Officers.

Directors reelected Abbott H. Davis as President; George R. Willis, Executive Vice-President; Charles E. Cornwall, Vice-President and Trust Officer; Abel Holbrook, Vice-President; Harold L. Mix, Assistant Cashier; James Woodford, Assistant Cashier, and Wallace S. Ritter, Assistant Cashier.

Mr. Kusterer succeeds Mr. Willis as Cashier. Mr. Willis will continue as Executive Vice-President.

Graham Nash was elected to the new post of Executive Vice-President of the Bloomfield Savings Institution of Bloomfield, N. J., at the annual meeting of the board of managers on Feb. 1, according to the Newark "Evening News," which also stated in part:

In filling another new position, Howard D. Biddulph was named Trust Officer and Assistant Secretary. Mr. Nash, who formerly was Vice-President and Controller, has been with the bank since 1936. He formerly was with the Bankers Trust Company in New York.

Mr. Biddulph, who has been Trust Officer and Assistant Secretary, has been at the bank for nine years.

Appointment of William E. Reid as new Assistant Treasurer was confirmed by the board. With the bank since 1929, he has been senior teller and also in charge of the institution's Schools at War program.

The board also re-elected William W. Miller President and Charles J. Murray of Bloomfield and Otto Billo of Glen Ridge, Vice Presidents. Mr. Miller was first named President in 1931.

On Jan. 17 the Kensington National Bank of Philadelphia increased its common capital stock to \$1,000,000 through the sale of additional common stock at its par value of \$50 per share; and on Jan. 18 retired all the outstanding Class A and Class B preferred stock.

The bank also as of that date transferred \$200,000 to surplus account. In its statement of condition Jan. 18 the bank reported undivided profits of \$117,215, deposits of \$24,013,309 and total resources of \$25,667,574. The bank also lists trust funds of \$2,265,793, kept entirely separate and apart from the assets of the bank.

James B. Fleming was elected Vice President and Treasurer of the Potter Title and Trust Company of Pittsburgh on Feb. 3, at a meeting of the directors. He had previously been Secretary and Treasurer.

At the same meeting, said the Pittsburgh "Post Gazette," Leo J. Loughren was elected Secretary and Assistant Treasurer. He had been serving previously as Assistant Treasurer.

Annual Report Of N. Y. Stock Exchange Shows Financial Betterment For First Time In 7 Years

President Schram Indicates Net Earnings In 1943 Of \$676,509 Compared With Loss In 1942 of \$815,972

In presenting to members of the Exchange on Feb. 2 the annual financial report for 1943, Emil Schram, President of the New York Stock Exchange points out that 1943 was the second full calendar year of his administration of the Exchange, and he records therein "improvement not only in the volume of transactions on the Exchange, but in the internal operations of the Exchange which resulted in net earnings for the first time in seven years."

Mr. Schram also states that the improvement in business on the Exchange was reflected also in the price of Exchange memberships, which advanced from \$27,000 at the beginning of the year to \$47,000 at the close of the year.

With respect to the earnings, Mr. Schram says:

"Net earnings of the Exchange and its affiliated companies for 1943 were \$676,509, compared with a net loss in 1942 of \$815,972. No provision for Federal income taxes is included in the 1943 statement; in view of the 'carryover' provisions of the present tax laws, it is believed that no substantial tax liability exists."

"The above figures do not include initiation fee receipts which are contributions to the capital investment of the Exchange, and which were \$228,000 in 1943 and \$296,000 in the previous year."

"It is interesting to compare our operations last year with those of 1938 which was the last year in which the average daily share volume exceeded 1,000,000 shares. Gross income in 1943 was several hundred thousand dollars less than in 1938; expenses in 1943, however, were lower by more than \$2,500,000."

"Although the Exchange, during the prolonged period of depressed business, was able to conserve its cash resources, the net earnings in 1943 replace our depleted reserves only to a small extent."

In his report of the year's income and expenses of the Exchange Mr. Schram has the following to say:

Income

"Gross income during 1943 was \$5,226,848, compared with \$3,889,324 in 1942, an increase of \$1,337,524."

"Receipts from membership dues were less by approximately \$188,000, 1943 being the first full year in which dues were assessed at the reduced rate of \$750 a year. Dues of members in military service were also remitted in many instances. Receipts from the charge on net commissions of members and member firms were \$1,067,735. This charge was in effect for only part of 1942. An amendment to the Constitution authorized by the members in June, removed the previous limitations on receipts from this charge."

"Listing fees, Stock Clearing Corporation charges, quotation service income and receipts from interest were the other principal income items which showed improvement. Eighty-six new issues were added to our list during the year; fees paid to the Exchange in this connection, together with fees for securities previously listed, were \$583,000 in 1943, compared with \$221,000 in 1942."

Expenses

"Total operating expenses were \$4,012,091 in 1943, compared with \$4,087,703 in 1942. Operating expenses in both years were lower than in any of the past 20 years."

"Total salary and wage payments in 1943 were slightly less than in 1942, although salary rates were generally higher. Other expense items were lower as a result of economical operation. The increase in insurance payments during 1943 is explained by the fact that comparable payments in 1942 included War Damage Insurance on our

buildings and equipment for only six months, whereas this insurance was in force for the full year 1943."

As to the Gratuity Fund President Schram says:

"The Trustees of the Gratuity Fund during 1943 appropriated \$226,710 out of the principal of the Fund as credits to members on account of assessments due in respect of the death of eleven members during the year. The net worth of the Fund, however, declined during the period by only \$77,335. The difference is accounted for by interest earnings and by appreciation in the market value of securities held in the Fund. The net worth of the Fund as of December 31, 1943, was \$1,294,087. Under Section 7 of Article XVI of the Constitution, the principal of the Fund will continue to be applied in reduction of death assessments until such time as the net worth reaches \$500,000."

It is noted in the report that "the Board of Governors continued during the year its policy of investing in Government securities. As of December 31, 1943, such investments aggregated \$3,100,850 par value, compared with \$1,705,800 par value as of December 31, 1942."

It is also stated:

"The Exchange in the current Fourth War Loan purchased through its Building Company, \$500,000 % Certificates of Indebtedness due February 1, 1945, increasing the total investment of the Exchange and its affiliated companies in Government securities by that amount."

"The total of Cash on Hand, Government securities and other current assets increased by approximately \$1,588,000 between Dec. 31, 1942, and Dec. 31, 1943, while total current liabilities increased by \$127,000, leaving a net increase of approximately \$1,460,000 in net current assets. Total net current assets as of Dec. 31, 1943, were \$5,160,000 compared with \$3,700,000 as of Dec. 31, 1942."

The report includes consolidated income and expense accounts of the Exchange and its affiliated companies—the New York Stock Exchange Building Company, New York Quotation Company and Stock Clearing Corporation—for 1943, and a consolidated balance sheet as of Dec. 31, 1943, together with comparative figures for the previous year.

Statements of operation and of condition of the Gratuity Fund of the Exchange are also included. Citing the progress made by the Exchange Mr. Schram says:

"The progress made by the Exchange, as evidenced by results, confirms the soundness of the program of internal reorganization and improvement which was initiated by my predecessors and which I have endeavored to advance."

"We have witnessed in recent years the gradual development in this country of a more informed attitude by investors in respect to securities. Intelligent risk-taking is more and more taking the place of uninformed speculation. Wider use is constantly being made of the facilities offered by the Stock Exchange and by its member firms for obtaining factual information regarding listed securities. The increased public participation in our market may be regarded as a measure of the endorsement by the American in-

vesting public of the principles of disclosure and fair dealings."

"The volume of stock transactions on the Exchange during 1943 was more than double that of 1942, reported share volume being 278,742,000 shares, compared with 125,685,000 shares or an average daily volume of approximately 1,000,000 shares compared with a daily average of approximately 450,000 shares. Dealings in listed bonds during 1943 totalled \$3,255,000,000 par value, compared with \$2,311,000,000 par value in 1942."

"The two factors principally responsible for the improvement in the Exchange's financial position during the year were the increase in market activity and rigid control over expenses. Although the increase in trading volume made greater demands upon our facilities, total expenses were slightly less in 1943 than in 1942."

Mr. Schram describes the report as "more than a record of operating results and financial position."—"It reflects," he says, "the continuing recovery of the country's principal securities market—a market wherein the securities of our most important and industrial and business enterprises, owned by many millions of our people, are available for purchase and sale, and thus for public price appraisal."

With reference to the post war, Mr. Schram says: "We should not only preserve the strong cash position of the Exchange but plan further to improve it. We must plan to provide employment for employees who have been granted leaves of absence while serving with the armed forces. We will also be obliged to make deferred repairs and improvements in our buildings and facilities."

He adds:

"Under authority of the Board of Governors, we have initiated studies looking to the enlargement of the usefulness of the Exchange, particularly in facilitating the flow of capital for post-war reconstruction. The Exchange must be prepared to assume even larger responsibilities as a world market for securities."

Coy Joins Wash. Post; Appleby In Budget Dept.

The resignation of Wayne Coy, Assistant Director of the Budget and formerly a special assistant to President Roosevelt, was announced on Jan. 30 by Harold D. Smith, director of the Budget. Mr. Coy resigns to become a member of the staff of the "Washington Post" where he will be Assistant to Eugene Meyer, editor and publisher. Paul H. Appleby, former Under Secretary of Agriculture, will succeed Mr. Coy as Assistant Director of the Budget Bureau. Mr. Appleby was sworn into office Jan. 31. In tendering his resignation to the President Mr. Coy said:

"While I have many regrets at leaving the Federal Government, I sincerely believe that I shall have an opportunity to be of even greater public service in my new position. I am most appreciative of the many opportunities I have had to work with you personally."

The President, in reply stated, according to Washington advices to the New York "Times":

"Remembering the plans you disclosed to me when I discussed the situation with you some weeks ago, I feel that I cannot stand in the way of your carrying them into effect. It is, however, with sincere regret that I accept the resignation tendered in your letter of Jan. 25, effective at the close of business next Monday."

"You have devoted some of your best years to the public service in varied offices of great responsibility. In all of these posts and latterly as Assistant Director of the Bureau of the Budget you have done splendid work. We shall all miss you."