Final Edition

ESTABLISHED OVER 100 YEARS

In 2 Sections—Section 2

The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 160 Number 4334

New York, N. Y., Thursday, November 16, 1944

Price 60 Cents a Copy

The Financial Situation

The so-called ratio of the total reserves of the Federal Reserve Banks to their combined note and deposit liabilities has been but little more than 50% for some time past, and reports now persist that Congress will in the relatively near future be requested to ease the reserve requirements of the Reserve Banks. At present these institutions are required by law to hold reserves in the amount of 40% of their note liabilities plus 35% of their deposits. Alterations in the Federal Reserve Act which would make it legal for the Reserve Banks to operate without penalty on some lower ratio of reserves to note and deposit liabilities are now ominously spoken of as "a mere technicality." Approximately the same effect could be obtained without legislation through the exercise by the Board of Governors of the Federal Reserve System of its authority to reduce reserves required of member banks, but, according to word emanating from Washington, it is thought better to permit (or should we say require?) the Reserve Banks themselves to bear the brunt in the first instance at least of further bank absorption of government obligations. The reasons for this preference, if such it be, have not been vouchsafed to the general public.

Not to Be Neglected

In any event, it is the situation that has thus developed rather than techniques suggested for meeting it which should give the American public pause. It is true, of course, that there is, technically speaking, room for very substantial further expansion of bank credit—that is to say further purchase of government obligations—without violating rule of thumb ratios considered satisfactory in years past. It is further true that the "tightness" of the existing situation,

(Continued on page 2164)

FHA Insured Mortgage Financing In Reconversion

By EARLE S. DRAPER*

Deputy Commissioner, Federal Housing Administration

Government Housing Official States That the FHA Is on the Threshold of Renewing Its Peace Time Program of Home Mortgage Insurance. Anticipates That at End of European War Home Building Limitations Will Be Relaxed but Warns Against Extending Mortgage Credit on Basis of Borrower's Present Earnings. Urges More Assistance in the Housing of Lower, Middle Income Workers, and Sees Possibility of Extending the Financing of Large-Scale Rental Projects.

Home building and its financing today is at the threshold of a reconversion period which is in reverse of that of four years ago when this Nation went from a peacetime to wartime footing. The transitional stage of four years ago began with the construction of defense housing to meet the need of the emergency armament-expansion program. In 1941 the financing of war housing on an emergency basis was getting underway. By 1942 practically all residential construction not vital to the war production program had stopped and the financing of housing for essential war workers was on a wartime basis.

E. S. Draper

In the conversion period which we now face the process will be a change-over from production for war to one of peacetime pursuits. In doing so the previous four-year cycle is reversed. Transitions of any kind are seldom smooth, are filled with compromises, and are usually hedged in by many **ifs** and **ands**. How the present transition is to be made is of deep concern to builders and to mortgage lending institutions, particularly as it may affect FHA-insured mortgage financing.

Conditions surrounding the construction and financing of war housing imposed unusual, abnormal mortgage risks. Restrictions and limitations essential under a war economy were contrary to normal peacetime real estate practice. A new set of conditions had to be met. To meet these new conditions Congress enacted Title VI of the National Housing Act to permit the Federal Housing Administration to accept certain unusual mortgage risks in its insurance operations.

To safeguard FHA's funds protecting mortgages insured under peacetime conditions, Title VI legislation established a separate War Housing Insurance Fund. Title VI legislation also provided favorable terms under which mortgage insurance could be obtained in order to encourage builders to construct war housing and mortgage lenders to finance it. FHA's original insurance authority under Title VI, increased from time to time by Congress, ultimately reached $1,700,000,000, an amount which it is expected will be completely used before Jan. 1, 1945.

Home building during the emergency war period has been subject to three important limitations. These limitations may be broadly classed as (1) **Where** housing could be built under the allocation program of the National Housing Agency; (2) **How** housing

(Continued on page 2170)

*A summary of an address by Mr. Draper before the Mortgage Bankers Association, Chicago, October 18, 1944.

GENERAL CONTENTS

*These items appeared in our issue of June 26 on page indicated.

Forecasting Election Results

Roger W. Babson Discusses Next Four Years

BABSON PARK, MASS.—Notwithstanding the Nov. 7 election results, I now make some predictions as to what will happen at Washington during the next four years. These forecasts assume the Republicans and Conservative Democrats will combine to control Congress.

Roger W. Babson

Taxes Will Be Lower

Taxes will materially be reduced. A reduction in excess profits taxes will come shortly after the collapse of Germany. Most "nuisance" taxes will be eliminated. Corporation taxes will later be put back nearly to pre-war figures. Personal income taxes should be reduced; but these will be the last to be lowered.

There will be no attempt to balance the budget. This is something to aim for, but it will be done slowly. Too radical cuts could cause **deflation** which, at this time, would be worse than **inflation**. The United States will, however, diligently work for a better financial set-up, for which we all should be thankful.

Coming Foreign Policies

Great Britain, Russia and the United States will combine and hold the peace so long as they remain friends. (China may or may not be admitted to the inner councils.) How long these three great nations will remain friends, is anybody's guess. Other nations will be admitted to some sort of a World Organization; but they will not have much to say.

Congress will pass legislation so that our navy and air force can act—in emergencies—without the formal declaration of war. But this is a feeble step toward permanent peace. This can be secured only as all nations are willing to give up certain rights as to tariffs, immigration restrictions, natural resource monopolies, etc. I see no sign that the incoming Administration at Washington will do this.

Aid to Farmers

Both farmers and union labor have had their honeymoons. Both will get less consideration during the next four years. We may, therefore, expect lower farm prices and only a few—if any—wage raises. Certainly the **total income** of both groups will be much less.

The hourly rate for wages may not be cut; but "overtime" will be out the window. We will go back to the 40-hour week. I strongly advise both farmers and wage-

(Continued on page 2170)

"Individual Taxes"

By HARLEY L. LUTZ*

Professor of Finance, Princeton University
Chief Economist, Tax Foundation, and Chief of Staff,
Committee on Post-War Tax Policy

Tax Expert Criticizes Tax Programs Which Would Concentrate Bulk Of The Taxes On Individual Incomes, On The Grounds (1) That It Does Not Provide For Revenue Stability, (2) That It Does not Reach Adequately Certain Income Groups Such As Farmers, Small Business Men And The Professional Classes, And (3) That The Net Income Concept As Applied To Individuals, "Is Absolutely Phoney." Holds Net Income Is Not A Personal But A Business Concept. Regards Progressive Taxation As The Crowning Impropriety Of The Individual Income Tax. Advocates A Sales Tax.

The Committee on Economic Development, in its recently published Post-war Tax Plan, makes a large point of the fact that all individuals pay taxes, and that all taxes are borne by individuals, as if it was a new discovery, when, as a matter of fact, that is something that we have all been aware of for a very long time. It is not news. In the second place, I think we can all agree that all of our taxes are paid out of income, present or prospective. That is true even in the case of estate taxes,

Dr. Harley Lutz

which, under present rates, are heavy enough so that the administrator may be obliged to liquidate a large part of the corpus of the estate in order to pay the taxes, unless he can wangle enough time out of the Bureau so that he might settle a good part of them out of the income. But the liquidation of the corpus of the estate merely means that the administrator sells certain blocks of securities, or certain other kinds of property, to somebody else who happens to have cash or credit with which to buy them; and so even the liquidation of the capital of an estate, under our atrocious estate taxes at the present time, is an application of the principle I have just mentioned; namely, that taxes are paid out of present or prospective income; because the fellow who buys a block of securities which are liquidated by the administrator of an estate uses cash which he has on hand, which, I assume, represents accumulations out of

(Continued on page 2168)

*A lecture delivered by Prof. Lutz before the New York Institute of Finance, New York City, Sept. 11, 1944, which did not appear in an earlier issue because of the shortage of paper.

Post-War Foreign Trade

"The business men of the United Nations and the nations associated with them have done much to assure the victory of our arms. Now, without in any way slowing the vast movement of supplies to all fighting fronts, business leaders are turning their thoughts to the problems of re-establishing vigorous post-war trade and business among nations. There is a growing realization that post-war expansion of international commerce is essential to the economic welfare and to the security of every country.

"World business, after the war, must be expanded on a basis of non-discrimination and of freedom from excessive barriers and restraints. The necessary expansion can be achieved only as nations and their citizens work together cooperatively toward understanding each others' problems and taking effective and mutually advantageous measures for solving those problems."—*Franklin D. Roosevelt.*

We wonder what working "together cooperatively" and the rest mean. We hope it does not mean permitting ourselves to be "played for a sucker."

In contrast to such vague concepts we suggest that the rank and file be led to understand the essentials of foreign trade as set forth by Robert Gaylord, President of the NAM:

"First, if we are to export goods, we must receive payment for them in raw materials and in manufactured goods of other nations. Second, if we are to export capital, we must be prepared to do so on a low term basis and with the knowledge that it can be returned to us only in the shape of goods and services rendered by those who borrow. Third, that this can be done without lowering or adversely affecting the standards of our own country."

Churchill Looks for New 'Big Three' Conference, Expresses 'Great Joy' at President's Re-Election

Indications of another conference of the "Big Three"—the United States, Great Britain and Russia—were contained in an address by Prime Minister Winston Churchill at the luncheon of the Lord Mayor of London on Nov. 9, in which, in referring to his talk at the luncheon last year, he said:

"When I was here last year I could not tell you that I was about to start for a meeting of three great allies—the heads of three great governments — Teheran. There it was that the plans were made and agreements and decisions taken which were executed with so much precision and with a degree of combination to which Marshal Stalin referred in his wise and weighty speech of a few days ago." "Now," continued Mr. Churchill, "I don't mind saying that it was high time we had another triple conference and that such a meeting might easily bridge the sufferings of mankind and the fearful process of destruction which is ravaging the earth. Prospects of such a meeting have been vastly improved by the results of the presidential elections in the Untied States, and for which we waited so breathlessly on Tuesday last."

In part, in his address the Prime Minister, according to United Press accounts from London, said:

"I thought, looking back on my past records, that when I was here last year I appealed to the British and American public to be very careful that election year did not in any way ruffle the goodwill that exists throughout the English-speaking world, and which was of so great aid to our armies. It is certainly gratifying that it should have been carried through without any disturbing of the ancient, moth-eaten controversies which are to be found in history books between Great Britain and her American kinsmen, now brothers-in-arms.

"Now that event is over and the results have been declared, there are a few things I should like to say about the American presidential election. Let us, first of all, express our gratitude to both great parties for the manner in which the interests of alliance and prosecution of the war have been held high above the dust of partisanship. America has given an example to the world of how democratic institutions can be worked with the utmost vigor and freedom without injury to the permanent interests of State. We know that we in Britain have in the Republican party of the United States a vast number of friends and well-wishers, and the upholding of Anglo-American friendship is cherished by tens of millions in both great parties over there.

"I am sure that everybody will be moved by the sportsmanlike manner in which Governor Dewey in the moment of his defeat offered his congratulations to his opponent and pldeged his party to work wholeheartedly for the world cause. What a model this would be to those States where poltiical differences are not solvable by word and vote and where the question of who is to be in and who is to be out may be one of life and death, to be settled by violence, and where there may be but a short gap between being a ruler and being a victim. . . .

"However we may regret it, it seems almost certain that this old island will have its first general election in 1945, and I am sure that it will be conducted by all concerned with all liveliness and robust vigor, which will gratify the political emotions of our public without destroying that marvelous underlying unity and sense of brotherhood which has long existed in this country, and which has reached its highest degree among the perils from which we have been delivered.

"I said a few moments ago that we have strictly avoided any expression of opinion about party issues in the United States, but, at this moment now, I feel free to express on personal grounds the very great joy it gives me to know that my war-time and intimate cooperation with President Roosevelt will be continued in the months that lie immediately before us. These are months profoundly interwoven with the future of both our countries and also, we trust, the future association of our two countries will be interwoven with the peace and progress of the whole world."

In his concluding remarks the Prime Minister said:

"Now we stand on the threshold of Germany, and it will take the full exertions of the three great Powers and every scrap of strength they can give to crush down the desperate resistance which we must expect from this military antagonist, at last beaten back to his own lair.

"Any more than on former occasions I cannot offer you an easy future on the continent of Europe. It is always in the last lap of the race that great efforts must be forthcoming. It is no moment now to slacken. Hard as it may seem after five long years of war, every man and woman in this island must show what they are capable of doing, and I am sure our soldiers at the front will not be found incapable of that extra effort which is necessary to crown all that has been attained and above all, bring this frightful slaughter and devastation in Europe to an end within the shortest possible period of time.

"I can assure you that that, at any rate, is the dominant thought in His Majesty's Government. Although it is our duty to work hard—and we have worked hard—to produce large schemes of social improvement and advance, although it is our duty to make preparations for the change-over from war to peace, or from war in Europe to war in Japan in far distant Asia, although we are bound to work as hard as we can, nothing shall stand in the way of the prosecution of the war to an ultimate conclusion. If we are to fail in that we should not be worthy either of your confidence or kindness which has led you to drink our health this afternoon."

France To Pay Back Gold To Belgium

An agreement between the French Government and the Belgian Central Bank providing for the payment back to the Belgian bank of gold valued at 230,000,000 francs that the Belgian bank had deposited with the Bank of France before the war, and had fallen into German hands has just been signed, according to a wireless dispatch from Paris to the New York "Times" on Nov. 9, which added:

The agreement brings to a close an issue that has been the subject of much speculation and legal activity in Washington and London. The story goes back to early 1940, when Belgium deposited 230,000,000 francs in gold with the Bank of France for safekeeping.

After the fall of France the gold was shipped to Dakar, whence it was said to have been turned over to the Germans by order of Marshal Henri-Philippe Petain. The Bank of Belgium then attached the funds of the Bank of France frozen in this country and brought suit against the latter for recovery of the gold.

Because of the breaking off of relations between the American and Vichy Governments it was held that the claim could not be satisfied until a new French Govment that could act for the Bank of France was recognized.

On Oct. 11 the Brussels radio said the situation had been clarified after negotiations in which Bank of France representatives denied that any of the gold had been turned over the Germans.

The State Of Trade

Now that the election is behind us and precedents and traditions have been broken with the reelection of Franklin D. Roosevelt for a fourth term, the time has come to look at things in their proper perspective. It is time to descend from the ivory tower constructed for our imaginations and once again plant our feet upon solid ground.

Some there are who would have us believe that idealism for the most part motivated the majority of American voters in the course they pursued on Nov. 7. However, stripped of all its emotional trappings, the cold logic of it all was mainly economic. It was a question of jobs, full employment if you will, to the tune of 60,000,000 jobs in post-war industry. That was promised labor; that's what labor expects.

How is this gigantic feat to be accomplished? What steps have been taken by Government for the speedy reconversion of industry to insure fulfillment of this promise? It surely must be known by Government that a quick changeover to peace-time production is an essential toward this end. Many workers today are living in a dream world enjoying overflowing pay envelopes induced by war conditions without thought of tomorrow. If the automobile industry is a criterion for all industry, these unfortunate people are in for a rude awakening.

Following a reconversion seminar held in Detroit in the closing days of September, last, newspaper men were given to understand that not a single workable plan for restoration of this vital industry, which provides direct employment for 7,000,000 people and millions of jobs in associated lines, has yet been put into effect by the Washington Administration.

Leaders in the automotive field contend that, if Germany surrendered tomorrow, six to nine months' time would be required to reconvert plants no longer needed for war work and to produce cars at 50% of the 1941 capacity. However, had the Government removed rigid controls still in force and given the industry a free hand to plan for reconversion, it is maintained this production goal could be achieved in three to four months.

The situation adds up to this: Should an early victory be scored in Europe, it would produce an unemployment condition running from three to five months, which could have been avoided if the Government had not fallen asleep at the switch. Caught in the undertow of this lack of planning by Washington will be those 7,000,000 workers dependent upon a thriving automotive industry for their livelihood, not to mention the workers in other major industries who will suffer a like fate. Can the 60,000,000-job goal be reached by this process? The answer calls for no great mental effort.

Of all the industries engaged in war work, the automotive industry is about the only one almost wholly converted to war production on a scale true probably of no other. It holds the hopes of post-war jobs for millions, and management recognizes this fact and what it means with respect to the nation's economy.

The promise of 60,000,000 jobs in the post-war and the prediction of Vice-President Henry Wallace that the United States might be forced into another PWA "before industry is fully reconverted to peace" stands out in bold contrast and gives added weight to the industry's fears with respect to tardy reconversion.

The Government-owned plant at Willow Run operated by Ford in the construction of B-24 Liberator bombers serves to indicate the trend in war employment. At this plant alone, employment declined from a peak of 42,331 last June to 26,282. It is understood that Ford would like to acquire this plant for peace-time construction of tractors and other farm machinery. This would provide many with jobs, but whether the Government has plans for its disposal as soon as the war ends is not known.

Automotive officials with first hand knowledge insist that War Mobilizer James F. Byrnes's plan to cut-back war production by 40% after V-E day will throw thousands out of jobs without creating new ones. It will, they explain, release manpower and materials without benefit of enabling manufacturers to produce a single car, since the unused machinery is not adaptable to car making. This will result in a cluttering up of valuable space in these plants with dead and unproductive equipment.

George Romney, managing director of the Automotive Council for War Production, contended that cut-backs in war orders and overproduction of raw materials months ago made it possible for the Government to authorize preparatory conversion work without interfering with war production. No action was taken, presumably because it might from the standpoint of the armed services interfere with the war effort.

Manufacturers have within recent weeks been permitted to order new machine tools, utilize 1% of personnel for post-war planning, use certain plant space for making replacement parts, and do experimental work costing no more than $5,000 a month. It is Mr. Romney's contention, however, that these steps are "piecemeal and largely ineffective" actions which convey to the public a false impression that a good start on reconversion has been made.

The essential step for Government to take in realizing in part its goal of 60,000,000 jobs in the post-war period is to approach the matter realistically by drawing up plans for an early reconversion of the automotive industry.

To assist in accomplishing this program, automotive officials suggest that factories be cleared of surplus materials and equipment, that a reasonable number of engineers and designers be shifted to this work, and provision made for necessary machine tools.

If this program is followed through and an end is brought to conflicting governmental agencies in the automotive field, it will serve in a big way to help cushion the shock of unemployment in our changing economy and will hasten the nation's return to a more normal life.

United States Debt—Total gross public debt, including guaranteed obligations, at present is a little less than $212,000,000,000, of which about $209,000,000,000 represents obligations subject to the statutory debt limit of $260,000,000,000. According to the Treasury Department, the $260,000,000,000 limit is on face value; that is, the amount the Government would have to repay if all of us held our securities until maturity date. Hence, in terms of face value, the $209,000,000,000 debt becomes $218,000,000,000, or $42,000,000,000 short of the limit set by Congress.

Individual Income Payments Fall—The Commerce Department's index of total income payments to individuals dipped to 232.1 in September after reaching its all-time peak of 233.7 in August. The above figures are adjusted to allow for seasonal changes. Actual income payments increased from $12,605,000,000 in

(Continued on page 2166)

Bankers Endorse Program Of ABA Small Business Credit Commission

Two hundred bankers, representing the State Banking Associations in New York, New Jersey, Pennsylvania, and Delaware, meeting at the Waldorf-Astoria Hotel in New York on Nov. 9, endorsed the program of the Post-War Small Business Credit Commission of the American Bankers Association for providing adequate credit to small business in the post-war period. The Commission's program was outlined by Robert M. Hanes, Chairman of the group and a former ABA President, who is also President of the Wachovia National Bank, Winston-Salem, N. C. The meeting was the final one in a series of nine held throughout the country. Previous regional conferences have been held at Boston, Richmond, Virginia, Cincinnati, Ohio, Chicago, San Francisco, Denver, Dallas, and New Orleans.

Following the general session, bankers of the Second (New York) Federal Reserve district assembled at a special meeting called by Winthrop W. Aldrich, regional Chairman of the ABA Post-War Small Business Credit Commission and Chairman of the Board of the Chase National Bank of New York, to make plans for carrying the ABA program into the various communities of the district.

At this meeting, 50 bankers from New York, New Jersey, and Connecticut, all members of the Second Federal Reserve District Committee on Post-War Small Business Credit, discussed plans to provide ample funds for small business, utilizing a three-phase program which contemplates (1) making risk capital available through the action of individual banks, correspondent banks, and credit groups; (2) studying and developing the small business credit "market," and (3) merchandising bank credit and services through planned programs of advertising and public relations.

In the general session, Mr. Hanes declared that the needs of small business are now receiving special attention from banking. New types of loan service, particularly designed to meet the requirements of small concerns, are being developed and explained to businessmen and bankers alike, he said. Term credit, to be repaid over a period of years, will be available when needed. Loans on inventory, loans on accounts receivable, field warehouse loans, and loans for the purchase of new equipment and new stocks of goods will be available to any small manufacturer, retailer, wholesaler, or farmer who can establish that he is "competent and of good character and sound judgment."

It was stated by Mr. Hanes that "many banks either have created or are planning to create special small business loan departments." "This activity," he said, "is in line with banking's credit support to small concerns in the past. A survey made in 1940, the last full year of peace-time business, revealed that new commercial loans made by the banks of the country were for an average amount of $1,700."

Post-war bank credit policy, according to Mr. Hanes, is directed toward the competent man. "If a man has character and capacity but is short on collateral, let's stick by him," Mr. Hanes told the bankers. "It was character and capacity that built this country, in times when collateral and capital were short. The very same qualities will make America stronger in the post-war period." He added:

"Individual banks are both willing and able to supply much of the credit needed in their own communities. But in cases where, for any reason, local banks are not in position to extend the full amount of credit desired, they are being urged to seek the cooperation of their correspondent banks in nearby cities."

A supplementary or third source of credit is being created by many banks in the country, Mr. Hanes stated, through the formation of voluntary-participation, regional credit groups, organized and operated by banks within the region they serve. The first group of this type was created by the New York City banks for $100,000,000 in September. The bank credit group of New York City was organized "as an assurance of the availability of credit within the banking system itself for every strong, constructive purpose." A similar group for $10,000,000 has been organized in Philadelphia and a State-wide bank credit group is now forming in Connecticut.

The New York State banking delegation, composed of officers of the regional groups of the New York State Bankers Association, together with chairmen of county associations and local clearing houses, was headed by C. George Niebank, the Association's President and President of the Bank of Jamestown. Frank D. Abell, President of the New Jersey Bankers Association and President of the First National Iron Bank, Morristown, N. J.; T. C. Swarts, President of the Pennsylvania Bankers Association and Executive Vice-President, Woodlawn Trust Co., Aliquippa, Pa., and Gordon McMillan, President of the Delaware Bankers Association and President of the Claymont Trust Co., Claymont, Del. headed the delegations from those States.

Besides Chairman Hanes, speakers at the daytime session included David C. Barry, Vice-President of the Lincoln-Alliance Bank & Trust Co., Rochester, whose subject was "Term Loans for Small Business;" William F. Kurtz, President of the Pennsylvania Company for Insurances on Lives and Granting Annuities, Philadelphia, who spoke on "Correspondent Banking as a Solution," and Hugh H. McGee, Vice-President, Bankers Trust Co., and Chairman of the New York credit group, who spoke on "Credit Groups." ABA officials who addressed the meeting were Walter B. French, Deputy Manager, Director, Consumer Credit Committee, who talked on "Legislative Aspects in Postwar Credit," and Ed Drew, Deputy Manager, who discussed ways of telling the postwar bank credit story to the nation's business men, professional men and farmers.

On Thursday night, Nov. 10, at the special session of the Second Federal Reserve District small credit committee, plans were formulated for carrying the ABA program to local levels. The New York State Bankers Association's program, as explained in this meeting, calls for the study of small business credit at a series of local meetings at which bankers will act on proposals for merchandising small business credit and making funds available to every competent "man, firm, or corporation in need of credit for some constructive purpose that will serve the private enterprise economy."

Concurrently with the meeting, the New York State Bankers Association released to its member banks a portfolio of procedure for planning and merchandising post-war small business credit. The centerpiece of the portfolio is the booklet, "Financing Your Business After Victory," prepared jointly by the Association and the Committee for Economic Development of New York State. The booklet, which will be distributed by banks, emphasizes the need for adequate post-war business planning, pointing out that the logical first step for each business man to take is to discuss his financial problem with his banker.

For the convenience of bank officers, the portfolio includes the CED handbooks for retailers, wholesalers and industrial employers. Other informational material covers agricultural credit methods and merchandising. Each portfolio provides suggested letters and news releases to be used in following up the ABA program.

The organization of the Post-War Small Business Credit Commission of the ABA has previously been referred to in these columns, and the $100,000,000 bank credit group formed in New York was mentioned in our issues of Sept. 28, page 1380, and Oct. 19, page 1700.

Chiang Kai-shek Congratulates FDR on Re-Election

Congratulating President Roosevelt on his re-election as President, Generalissimo Chiang Kai-shek declared it a "welcome guarantee" of final victory and an augury for closer Chinese-United States relations. The message, as reported in Associated Press advices from Chungking, China, on Nov. 9, said:

"On behalf of the entire Chinese nation, I beg to offer Your Excellency my warmest congratulations upon your re-election as President of the United States for a fourth term. This happy event is a complete vindication of your Administration and an unmistakable demonstration of the American people's determination to dedicate themselves to the upholding of the democratic cause throughout the world under your inspiring leadership.

"Your re-election is a welcome guarantee that the Allied powers will succeed in winning the final victory and establishing a just and durable peace at an early date.

"I have no doubt that your country will attain new heights of greatness and prosperity during your continued tenure of office, and I am eagerly confident that, with your deep and abiding sympathy with China, the traditional ties of Sino-American leadership will be further strengthened and the cooperation between our countries enhanced.

"Please accept my most sincere wishes for your good health and for the well-being of the American people."

FDR Congratulates Truman

With his election as Vice-President at the national election on Nov. 7, Senator Harry A. Truman on Nov. 8 received among congratulatory messages one from President Roosevelt, which said:

"I am very happy that things have gone so well. My thanks and congratulations for your splendid cooperation. I will see you very soon."

We quote from Associated Press advices from Washington Nov. 8, which also stated:

"Later the Vice-President-elect telephoned the President to congratulate and thank him for his message.

"He expressed confidence that the absentee ballots, which will be counted Friday, would assure the election of Roy McKittrick, Democrat, over Governor Donnell, Republican, for a seat in the Senate."

Discussions At Int'l Business Conference Seen By FDR Contributing Toward Post-War Trade

In his first statement on business since his re-election, President Roosevelt sent greetings on Nov. 10 to the delegates of 51 nations at the opening of the International Business Conference at Rye, N. Y., in the Westchester Country Club. The President in his remarks noted that by exchanging information "businessmen of all countries can contribute much toward replacing the war-distorted economy of the world with a new and better structure which is necessary to the maintenance of world prosperity and security."

The President's message was read to the Conference by Eliot Wadsworth, Chairman of the American Section of the International Chamber of Commerce, one of the four organizations sponsoring the Conference. Mr. Wadsworth was acting as Chairman at a welcoming luncheon to the delegates. The President's greetings follow:

"The White House, Washington.

"I am glad to welcome to the United States the businessmen of other countries who are meeting with representative American businessmen in an International Business Conference. This Conference is a most commendable forward step toward good future relations, not only among businessmen of different countries but among the nations themselves.

"The businessmen of the United Nations and the nations associated with them have done much to assure the victory of our arms. Now, without in any way slowing the vast movement of supplies to all the fighting fronts, business leaders are turning their thoughts to the problems of reestablishing vigorous post-war trade and business among nations. There is a growing realization that a post-war expansion of international commerce is essential to the economic welfare and to the security of every country.

"World business, after the war, must be expanded on a basis of non-discrimination and of freedom from excessive barriers and restraints. The necessary expansion can be achieved only as nations and their citizens work together cooperatively toward understanding each others' problems and taking effective and mutually advantageous measures for solving those problems.

"By exchanging information and by frank and friendly discussion in a spirit of mutual helpfulness the businessmen of all countries can contribute much toward replacing the war-distorted economy of the world with the new and better structure which is necessary to the maintenance of world prosperity and security.

"I am sure that the meeting of businessmen from many countries in the International Business Conference will help us to achieve those great objectives, and I extend my best wishes for the success of the Conference.

"Very sincerely yours,

"FRANKLIN D. ROOSEVELT."

The Conference is sponsored by the American Section of the International Chamber of Commerce of the United States, the Chamber of Commerce of the United States of America, the National Association of Manufacturers, and the National Foreign Trade Council.

Gov. Dewey Regards Presidential Campaign As Uniting Republican Party More Closely

Governor Thomas E. Dewey of New York, Republican nominee for President, who while failing of election on Nov. 7, nevertheless polled a popular vote of over 21,000,000, against that of over 24,000,000 registered in the reelection of President Roosevelt, said on Nov. 8 that he declined "even to speculate" on the 1948 campaign. He made the statement, said the New York "Times" of Nov. 9 in a press conference in his suite at the Hotel Roosevelt, in New York, when asked whether he might make another try for the Presidency. "I have just finished this campaign," he said, smiling. In part the "Times" also said:

The Governor expressed satisfaction at the success of "fine Republicans" who had won in State elections and reiterated his assertion of Tuesday that the campaign had helped to unify the country.

In response to a question for comment on the New York State vote, the Governor said:

"I am very happy over the high confidence the people have expressed in the State Government by the handsome majorities they have given Republicans in the State Senate and the Assembly."

Completely relaxed and obviously glad the campaign was over, Governor Dewey appeared pleased by what he described as these achievements:

1. That the campaign had united the Republican Party more closely than it has been for 16 years.

2. That he had polled what his managers called "a very close" popular vote, despite an apparently top-heavy electoral majority for President Roosevelt.

3. That the Republicans had held their own in the New York State legislative election, despite predictions by party members that a recent reapportionment would work to the advantage of the Democrats.

Governor Dewey took pleasure in what his friends described as the whole-hearted acceptance of his foreign policy views by Republican leaders in and out of Congress.

The only difference on this issue between the two major parties, he was represented as feeling, is one of emphasis. His assistants contended that the present Administration emphasizes dominance of the three great powers—the United States, Britain and Russia—in future peace plans, while Governor Dewey stressed the importance of giving all peace-loving nations, large and small, voice in preserving future world security.

The Governor's friends said the reason for his defeat could be cited in two words—"the war." They expressed belief that many voters were reluctant to change leadership with the war being successfully prosecuted and nearing a climax.

Governor Dewey has since gone to Sea Island Beach, Ga., for a vacation of possibly two weeks.

The reelection of President Roosevelt was noted in our issue of Nov. 9, page 2018.

White Elected V.-P. Of N. Y. Chamber

William White, President of the Delaware, Lackawanna & Western RR. Co., has been elected a Vice-President of the Chamber of Commerce of the State of New York to fill the unexpired term of the late Frederick E. Williamson, former President of the New York Central System. Mr. White will serve as Vice-President of the Chamber until May, 1946.

The Financial Situation

(Continued from first page)

if such it may be termed, is in large measure the result of the fact that for one reason or another owners of funds have in much larger measure than in the past not been satisfied to hold deposits but have demanded currency instead. It may well be that some return of this currency to the banks will occur once the war is over, and it may likewise develop—though a doubtful blessing it would be—that we shall again begin to draw gold from the four corners of the earth after the fighting ceases, and thus be able easily to put a larger basis of the yellow metal under our credit structure. Certain it is that we are in the midst of the most expensive war of all human history and could scarcely expect to pass through such an experience without it having a very appreciable effect upon our banking and credit structure.

No "Mere Technicality"

Yet when all this, and other related allowances are made, it is still impossible to concede that the situation under discussion is one which the American people should pass by without realization of its meaning. Neither the condition by which we are confronted nor the remedy proposed for its cure is a "mere technicality," and it would be definitely short of statesmanship to try to give the impression that it is. Let us not permit ourselves to be confused or the underlying situation obscured by "ratios" or astronomical figures representing our gold holdings. An over-extended credit structure is not purified or rendered innocuous by the presence of proportional amounts of gold. Such salutary effect as gold might have in ordinary circumstances is in any event largely lost when it is not obtainable on demand by holders of bank deposits or lawful currency.

Money Supply

The true inwardness of the existing situation can perhaps be understood by considering it without reference to gold or to reserve ratios. Since June 30, 1933, our money supply—bank deposits and currency outside the banks—has increased from $41.7 billion to $139.2 billion (July 31, 1944). By the middle of 1940 it had reached $67 billion. This $25.3 billion increase was due in part to the enormous inflow of gold, in part to reckless monetization of silver, and in part to the equally reckless increase in the public debt in peace time with the banks taking a large part of it. The increase in money supply since we entered the war has been $61 billion—all a result of placing Treasury war deficits in the banks of the country. Commercial bank holdings during that period rose from $21.8 billion to $72 billion, while the holdings of the Federal Reserve Banks rose from $2.3 billion to $14.9 billion.

Post-War Problems

Now return of currency from the pockets or strong boxes of the country to the banks after the war would ease the reserve positions of the banks, but would not of itself reduce the money supply by so much as one dollar, since each dollar returned would be replaced with a dollar of bank deposits. A renewed inflow of gold into this country in the post-war period would certainly not reduce this money supply, but would on the contrary increase it probably dollar for dollar—and quite possibly by considerably more. Practically speaking, there is only one way in which any very large reduction in this already enormously swollen supply of money can be effected. That is by a reduction in bank holdings of Government debt. Other forms of bank assets have already been well squeezed down, and will without much question tend to return to their earlier status in many instances at least rather than to decline further.

Now one certainly need not be a slavish follower of the so-called quantity theory to recognize the hazards involved in facing a post-war period with the supply of money about two and one-half times as large as was the case in 1929. Either voluminous idle funds will remain a threatening factor and a disturbing influence through the years or else the funds will be put to work with the inevitable result that a more or less revolutionary price upheaval will occur. Neither horn of the dilemma is a pleasant one.

If the inevitable assertion be made that "there is a war on" and there is nothing that can be done about it, the obvious reply is that at least we had better take this situation into careful account when we plan our post-war course of conduct. There can be little doubt that demands upon the Treasury will be heavy after the war in any event. Equally certain is it that pressure for reduction in taxes will arise. The financing of this war has been effected in such a fashion that between possible war bond redemption demands and the various "carry-backs" and refunds under existing tax laws the Treasury will be required to find very substantial amounts of additional cash. A very large part of the outstanding marketable debt of the Treasury is of a short-term sort. Many holders without doubt will need the cash when the war is over. Where will the Treasury obtain the cash demanded of it? There are many who glibly reply: "From the banks." If so, money supply will continue to grow after the war, not decline, as many seem to take for granted.

No Time for Profligacy

But much of all this may, too, with some show of reason be termed unavoidable—the facts being what they now are. Perhaps it would be more accurate to say that the situation controlling these matters is already in existence and can not readily be changed at this time. But what of all the plans for financing the remainder of the world, of subsidizing this or that group in the population, and in general starting out on a spending spree which would about match in peacetime what we have been doing in wartime—or at least imitate it?

This is a time when the banking situation should be given very careful thought.

Terming Germany and Japan Aggressors Stalin Urges World Peace Organization

Premier Stalin in an address at Moscow on Nov. 6, the eve of the 27th aninversary of the Russian revolution, in referring to Japan and Germany as typical aggressors, stressed the urgency of creating "a special organization to defend peace and insure security, composed of representatives of the freedom-loving nations, to put at the disposal of the leading organ of such an organization the essential amount of armed force required to avert aggression, and to make it the duty of this organization, in case of necessity, to apply without delay these armed forces to avert or liquidate aggression and to punish those guilty of aggression."

In his remarks with respect to means for curbing aggression, Premier Stalin was quoted in Associated Press advices from Moscow as saying:

What means are available to avert new aggression by Germany and, if war arises, to stifle it at its very beginning, without allowing it to develop into large-scale war? This question is the more appropriate because, as history shows, aggressive nations—nations that attack—are usually more prepared for a new war than peace-loving nations, which, not being interested in a new war, are usually too late in preparing for it.

This means that the aggressive nations in this war before the outbreak of war had an invasion army ready, while the peace-loving nations did not even have fully satisfactory armies at the crisis of mobilization.

It cannot be considered accidental that such unpleasant facts occurred as the incident at Pearl Harbor, the loss of the Philippines and the other islands in the Pacific Ocean, the loss of Hong Kong and Singapore, when Japan as an aggressive nation proved more prepared for war than Great Britain and the United States, which pursued a policy of peace.

Neither can we consider accidental such an unpleasant fact as the loss of the Ukraine, White Russia and the Baltic regions during the very first year of war, when Germany, as an aggressive nation, proved more prepared for war than the peace-loving Soviet Union.

It would be naive to explain these facts by the personal qualities of the Japanese and Germans, their superiority over the British, Americans and Russians, their foresight, etc. It is not a question of their personal qualities but of the fact that the aggressive nations, interested in a new war, as nations preparing for war over a long period and accumulating forces for this purpose usually are—and must be—more prepared for war than peace-loving nations who are not interested in a new war.

This is natural and comprehensible. This is, if you like, a law of history that cannot be denied.

It cannot be denied that in the future the peace-loving nations may again find themselves taken unawares by aggression, of course, if they do not work out now special measures capable of averting aggression. What means are there for averting new aggression by Germany and, if war arises in spite of that, stifling it at its very beginning and not allowing it to develop into large-scale war?

There are such means for this purpose. Apart from complete disarmament of the aggressive nations there is only one means, namely, to create a special organization to defend peace and insure security, composed of representatives of the freedom-loving nations, to put at the disposal of the leading organ of such an organization the essential amount of armed force required to avert aggression, and to make it the duty of this organization, in case of necessity, to apply without delay these armed forces to avert or liquidate aggression, and to punish those guilty of aggression.

There must not be a repetition of the sad memory of the League of Nations, which did not have either the right or the means to avert aggression. It will be a new, specially empowered international organization with everything at its disposal to defend peace and avert a new war.

Can one reckon on the fact that the activity of this international organization will be sufficiently effective?

It will be effective if the great Powers, which have borne on their shoulders the main burden of the war against Germany, will act in future also in the spirit of unanimity and concord. It will not be effective if these essential conditions are violated.

Earlier in his address Premier Stalin stated:

The decision of the Teheran conference for joint action against Germany and the brilliant putting into practice of those decisions constitute one of the clear indications of the stabilization of the front against the Hitlerite coalition.

Few large-scale planned military operations for joint action against a common enemy can be found in history carried out so fully and exactly as the plan for the joint blow against Germany drawn up at the Teheran conference was carried out.

There can be no doubt that without the unity of outlook and the coordination of action of the three great powers, the Teheran decisions could not have been realized so fully and exactly.

It is also without doubt, on the other hand, that successful realization of the Teheran decisions could not fail to serve to consolidate the front of the United Nations.

The decision of the conference at Dumbarton Oaks on the question of the organization of post-war security should be regarded as an equally clear indication of the stability of the front of the United Nations.

There is talk of differences between the powers on certain questions of security. Differences do exist, of course, and they will arise on a number of other issues this week. Differences occur even among people of one and the same party. All the more so should they occur between representatives of different States and of different parties.

One should not be surprised because differences exist, but because there are so few of them, and that they are as a rule solved almost every time after the united and coordinated action of the three great powers. It is not a question of the differences, but that the differences should not be solved against the interests of the unity of the three great powers; and that in the final count they are solved in the direction of the interests of that unity.

It is known that more serious differences existed for us on the question of the opening of the second front. But we know equally well that these differences were solved in the long run in a spirit of complete agreement. I can say exactly the same concerning the differences at the Dumbarton Oaks conference.

Characteristic of this conference is not the fact that certain differences were revealed there but that nine-tenths of the security questions were solved at this conference in the spirit of complete agreement.

That is why I think that the decisions of the Dumbarton Oaks conference should be regarded as one of the clear indications of the stability of the front against Germany.

United Press advices from San Francisco on Nov. 9 reported a Japanese broadcast on that day as saying that the people of Japan were "surprised and offended" at the address of Premier Stalin calling Japan an aggressor nation, and pointed out that while Russo-Japanese national relations are "normal" there is a possibility of a change. The United Press added:

A Domei news agency transmission reported by the Federal Communications Commission said official Tokyo circles were refraining from opinion or comment on the Stalin address, although it was a topic of conversation in all Japan. Japan has a neutrality pact with Russia expiring a little more than five months from now.

The fact that Stalin branded Japan an aggressor is "indeed a new factor and may have been the most sensational part of his speech," the broadcast said. Explaining why the people of Japan were "surprised and offended," it trotted out the time-worn phrases that "the war of greater East Asia is a fight to free the people of greater East Asia from the imperialism of America and Britain."

"Now the question of the Soviet attitude toward Japan will inevitably pop up—however, so far the relations between Japan and the Soviet Union have been normal," Domei said.

"There are various outstanding problems yet to be solved between the two nations, but many problems in the past have been taken care of in an exceedingly smooth fashion by the two powers. Such being the case, there is not a bit of evidence that may be called 'abnormal' in the negotiations from day to day.

"The Soviet Union is a realistic country, so in all probability her foreign policy vis-a-vis her neighbor is not wholly immutable. Conversely, it is naturally expected that the foreign policy of Russia will change as new situations demand. Consequently, it is the firm belief of the Japanese general public that Japan must also adopt a realistic policy which will conform with any new situation created by the Russians."

Tribute to Youth Paid By Roosevelt In International Student Day Statement

In a statement issued on Nov. 1 incident to the observance on Nov. 17 of the Third International Students Day, President Roosevelt recalled the massacre of Czechoslovakian students and professors by the Nazis nearly five years ago, as he paid tribute to the youth of the United Nations who have fought and are still fighting for the future of all.

This was noted in special advices from Washington Nov. 1 to the New York "Times" in which the President's statement was given as follows:

"Five years ago, on Nov. 17, 1939, occurred the horrible massacre of Czechoslovakian students and professors by the Nazis — despicable mass murder that subsequent events have proved was but a part of the Nazi design to quiet forever the voices of men who considered death preferable to destruction of their freedom of belief and their right to teach that belief.

"Since that day, valiant youths from all the United Nations, especially the youth of those countries which have been occupied by the enemy—China, Ethiopia, Poland, Norway, Luxembourg, the Netherlands, Belgium, France, Greece, Yugoslavia, Russia and the Philippine Islands — have fought and bled and died to preserve with this freedom the right to build together a future world where free men may be peacefully secure from aggression and force. They are still fighting today, victoriously and discovering under fire their great common unity of purpose.

"In the world of tomorrow, these youths will be builders of the future of nations. Through courageous and vigorous effort, by friendship and common striving, theirs will be the task of replenishing the intellectual vigor of their war-disrupted countries.

"In observing Nov. 17 again this year as International Students Day, American youth joins with the youth of all freedom-loving nations in pledging itself anew to those tasks and to that faith in the world of tomorrow toward which we now advance."

NY 6th War Bond Quota Of $4,226,000,000

Incident to the Sixth War Loan Drive which will start on Nov. 20 and continue through Dec. 16 a quota of $4,226,000,000 has been set for New York State in the campaign, it was recently announced by Frederick W. Gehle, State Chairman of the War Finance Committee for New York. This quota represents more than 30% of the national goal of $14,000,000,000, thus maintaining the State's position as the largest single financial backer of the war. Individuals will be called upon to subscribe $800,000,000, of which $295,000,000 is sought from E-bond buyers in the State. The largest portion of the State's quota will be raised in Greater New York City, which has a goal of $3,667,500,000. Of this total city individuals will be asked for $597,500,000, while E-bond investors are expected to account for $181,400,000 of the individual quota.

While the campaign will officially extend from Nov. 20 to Dec. 16, sales of the savings issues—E, F, and G bonds and series C notes—will be counted beginning Nov. 1 until the last day of the year. Thus, a full two month period will be available for the accomplishment of the individual, as well as the E-bond quotas. Sales to other investors of the open market issues will be tabulated beginning Dec. 1, and will cease on Dec. 16, Mr. Gehle pointed out. This is in accordance with the pattern set in prior war loans. The two month period allotted for sales of savings bonds and notes is aimed particularly at making possible the tabulation of payroll savings subscriptions and extra bonds purchased on a payment plan, the State Chairman said. Mr. Gehle added:

"New York State and the city are once again looked to by the nation for leadership in this War Loan. It is a great responsibility that has been given us by the national government, and as we approach the opening day of the Sixth War Loan, we must rededicate ourselves to the proposition that there will be no letup on the home front while a single boy remains on the battlefront." Mr. Gehle said that "to much has been said about the nearness of victory, far too little has been uttered about the task that is ahead." He further stated:

"We fully expect that every family, every employee in every business and industrial organization in the State, will be called on personally to buy an extra $100 War Bond during the campaign. It is only through the overwhelming support of every citizen, that we will be able to achieve our goal, and I am confident that this support will be forthcoming."

In calling for an all-out effort by New York citizens, Mr. Gehle emphasized the need for bond-selling volunteers, and pointed out that a special organization, the Blue Star Brigade, has been developed to enlist new workers. The plan, which has already been adopted in most of New York's 62 counties, will operate on a State-wide basis throughout the campaign and will reward with an authorized home front service ribbon those who achieve outstanding results in bond sales. "The Blue Star Brigade will be the greatest home front army that has ever been mustered in the history of our nation," Mr. Gehle said. "It will comprise upwards of half a million volunteer salesmen, and will be dedicated to the men of New York whom we remember in displaying the traditional blue star service flag."

In New York City the sales campaign will be preceded by an intensive drive for enlistment in the Blue Star Brigade, with 20,000 workers sought in Manhattan borough alone. A reference to the drive appeared in our Nov. 9 issue, page 2035.

New York Stock Exch. Borrowings Increase In Month of October

The New York Stock Exchange announced on Nov. 6, 1944, that the total of money borrowed as reported by Stock Exchange member firms as of the close of business Oct. 31, was $812,588,565, an increase of $32,999,360 from the Sept. 30 total of $779,589,205.

The following is the Sttock Exchange's announcement:

The total of money borrowed from banks, trust companies and other lenders in the United States, excluding borrowings from other members of national securities exchanges: (1) on direct obligations of or obligations guaranteed as to principal or interest by the U. S. Government, $249,437,573; (2) on all other collateral, $563,150,992; reported by New York Stock Exchange member firms as of the close of business Oct. 31, 1944, aggregated $812,588,565.

The total of money borrowed, compiled on the same basis, as of the close of business Sept. 30, 1944, was (1) on direct obligations of or obligations guaranteed as to principal or interest by the U. S. Government, $257,708,634; (2) on all other collateral, $521,880,571; total, $779,589,205.

Christmas Club To Distribute To Members

Five hundred million dollars will be distributed to about 7,000,000 Christmas Club members by 4,800 banking and savings institutions and other organizations during Post-War Prosperity Week, starting Monday, Nov. 27, according to an estimate given out on Nov. 8 by Herbert F. Rawll, founder and President of Christmas Club, A Corporation. The total distribution, it is announced, is 20% ahead of last year and represents a high since the year of the bank holiday. The average per-member distribution increased to approximately $70 as compared with $56 last year. This average check amount represented an all time record in the 34 years of Christmas Club operation, says the announcement from which we also quote:

"The use of Christmas Club checks this year shows a substantial increase in percentages applied to War Savings Bonds, Permanent Savings and Government-urged, anti-inflationary purposes. A recent cross section survey indicates the estimated fund of $500,000,000, will be used by the recipients approximately as follows:

Permanent savings	26%	$130,000,000
War savings bonds	19	95,000,000
Insurance premiums	11	55,000,000
Debt retirement	10	50,000,000
Taxes	8	40,000,000
Christmas purchases	25	125,000,000
Unclassified	1	5,000,000
	100%	$500,000,000

"In the distribution of Christmas Club funds this year, New York State leads the other States with about $134,000,000; the estimates for Pennsylvania are $57,000,000; for Massachusetts, $50,000,000; for New Jersey, $38,000,000; New York's Metropolitan district will receive about $80,000,000. The Bank of the Manhattan Company has $4,000,000 for 60,000 members enrolled at 49 offices in greater New York. The Seaman's Bank for Savings in New York City has an approximate total of $2,800,000; the Dime Savings Bank of Brooklyn, $2,180,000; the Howard Savings Institution of Newark, N. J., $1.900,000; the Trust Company of New Jersey, $1,600,000; the Hudson County National Bank and the Commercial Trust Co., in Jersey City, each have a sum in excess of $1,200,000.

All Possible Aid for Greece by U.S. Pledged

Basil J. Vlavianos, editor of the Greek-language newspaper, the "National Herald," announced on Oct. 24, according to the New York "Times" of Oct. 25, that he had received a letter from President Roosevelt pledging all possible American aid for Greece and expressing the hope that Greece soon would be able to choose its own form of government. The letter, as released by Mr. Vlavianos and given in the "Times," said:

"I want to thank you for your letter on the liberation of Athens and the future of Greece.

"America has always had the highest regard for the gallant Greek people who gave birth to democracy. The contribution of Greece to our present struggle by the continued resistance of its people has been invaluable.

"I am glad to have this opportunity to reassure my friends of Greek origin and Greek birth everywhere that it is the desire of the American Government to help Greece to the utmost of its capabilities. It is the further desire of our Government that the Greek people, who have fought so valiantly for democratic ideals, will be able to exercise as soon as possible the right of all democratic people and choose freely for themselves the form of government under which they will live."

Truckloading Volume Declined in September

The volume of freight transported by motor carriers in September decreased 0.76% under August and 1.07% below September, 1943, according to American Trucking Associations, Inc., which further announced as follows:

Comparable reports received by ATA from 293 carriers in 47 States and the District of Columbia showed these carriers transported an aggregate of 2,322,662 tons in September, as against 2,340,473 in August, and 2,347,699 in September of 1943.

The ATA index figure, computed on the basis of the average monthly tonnage of the reporting carriers for the three-year period of 1938-1940 as representing 100, was 182.47 in September; the August index figure was 187.4.

Approximately 80% of all tonnage transported in the month was hauled by carriers of general freight. The volume in this category decreased 1.56% below August and was 3.22% below September, 1943.

Transportation of petroleum products, accounting for about 14% of the total tonnage reported showed an increase of 2.96% above August and 17.22% above September of last year.

Carriers of iron and steel products hauled about 2% of the total tonnage. Their traffic volume was 1.61% above that of the previous month but declined 8.65% below September, 1943.

About 4% of the total tonnage reported consisted of miscellaneous commodities, including tobacco, milk, textile products, coke bricks, building materials, cement and household goods. Tonnage in this class increased by 2.30% above August but was 5.06% below September of 1943.

Relief Provisions of Excess Profits Tax Subject of Bulletin

Joseph D. Nunan, Jr., Commissioner of Internal Revenue, released to the public on Nov. 6 an official bulletin prepared for the guidance of Internal Revenue personnel in the administration of the relief provisions of the excess profits tax on corporations, as prescribed in Section 722 of the Internal Revenue Code. In making the bulletin available to taxpayers, Commissioner Nunan said it was his hope that an open discussion of the complex problems involved in Section 722 will facilitate their fair and expeditious solution. Generally, it is stated, the excess profits tax is imposed only upon the portion of corporation profits which are above pre-war standards of normal earnings. However, since the specific formulas for determining the tax might be unfair in individual cases, Congress provided through Section 722 a method of granting relief in such cases.

Commissioner Nunan states: "The administration of these relief provisions is a grave responsibility for all concerned. Applications for relief so far filed or in preparation by taxpaying corporations involve applications for refunds totalling approximately $12,000,000,000.

"We have trained a large and competent staff of accounting, economic and legal experts to examine these applications so that they may be judged as fairly and carefully as posible. By making this bulletin available to the public, we hope to stimulate understanding and cooperation which should facilitate fair and expeditious solution of the problems involved in these applications."

The bulletin does not constitute a formal ruling or regulation, Commissioner Nunan added. It is intended to express the present trend of official opinion in the administration of Section 722. Later, as experience and discussion make possible the further crystallization of principles, they will be expressed in formal rulings and regulations.

Printing of the bulletin has been arranged, and copies may be ordered from the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

New York Chamber To Hold Annual Dinner On Nov. 28

The first annual dinner to be held by the Chamber of Commerce of the State of New York since the United States entered the war will take plate at the Waldorf-Astoria Hotel on Nov. 28. The yearly dinners, which date back to 1768 when the Chamber was founded, were dispensed with last year and in 1942, as they were in 1917 and 1918 during the First World War, as war conservation measures. This year the officers of the Chamber felt that the progress of the war warranted their resumption. Leroy A. Lincoln, President, will be toastmaster at the dinner. Willis H. Booth is Chairman of the Committee on Arrangements.

President Deplores Destruction by Nazis In Netherlands

In a message to Queen Wilhelmina on Nov. 9 President Roosevelt deplored reports of destruction in the Netherlands by Nazis and stated that all possible steps are being taken to make available relief to the people of the Netherlands. The following is the message of the President as given in special advices to the New York "Times" from Washington:

"I have been inexpressibly shocked by the reports that have reached me of the savage, wilful destruction being carried out by the Nazi barbarians in the Netherlands. I am confident, however, that the blows being struck by our united forces will soon result in the total liberation of your country and in the meantime you may be sure that all possible steps are being taken to ensure that relief will be made available to the people of the Netherlands."

Non-Farm Mortgage Financing Down

Non-farm mortgage financing in September amounted to $416,000,000, 3% less than in August, the peak month for the war years, according to a report released from the Federal Home Loan Bank Administration on Nov. 11. The announcement says:

By type of mortgage lender, September declines from August ranged from 1% for insurance companies to 8% for miscellaneous mortgagee institutions. Mortgages recorded in the name of individuals increased by less than 0.5%.

The figures embrace estimates of recordings of mortgages amounting to $20,000 or less. The number and dollar amount of recordings in September, by type of lender, are as follows:

	Number	Amount	Per Cent
Savings and loan associations	46,237	$146,151,000	35%
Insurance companies	4.474	22,432,000	5
Bank and trust companies	21,880	77,000,000	19
Mutual savings banks	4,168	15,447,000	4
Individuals	40,727	104,479,000	25
Other mortgagees	13,629	50,676,000	12
Total	131,115	$416,185,000	100%

The State Of Trade

(Continued from page 2162)

August to $13,659,000,000 in September as a result of customary September payments of interest and dividends, but this advance was not up to the usual seasonal rise.

Agricultural income and factory payrolls contributed most heavily to the index decline, the Department noted.

In computing the index, 1935-1939 equals 100. The index was still far above that of September, 1943, which was 215.2. For the first nine months of 1944 it was 231.0, compared with 208.8 a year earlier.

Farm Population Declines—A decline of 4,748,000 took place in farm population in the last four years, the Department of Agriculture disclosed the past week.

The estimate showed that last January a total of 25,521,000 persons were living on farms as contrasted with 30,239,000 for the same month in 1940. Half of the decrease occurred in 1942, according to the Bureau of Agricultural Economics, at which time migration to war industries and the armed forces was heaviest.

An analysis of the figures discloses a net loss of 1,650,000 to the armed forces; a net loss of 4,660,000 persons of both sexes in all ages who either moved away from farms or who are living on places no longer regarded as farms, and a net gain of 1,562,000 through the excess of births over deaths.

U. S. Imports in September—Imports in September were the smallest of the year, with exports, both lend-lease and general, little changed from August. Arrivals of merchandise in September as reported by the Census Bureau were valued at $280,000,000, about 15% under the 1944 monthly average. No explanation was forthcoming due to restrictions imposed by war on foreign data. Total value of imports for the first nine months was $2,923,000,000, up about 19% from the same period of last year.

September exports were valued at $1,199,000,000, only $1,000,000 under August, but 16% less than the record of $1,422,000,000 last May. Total exports for the first nine months of 1944 were valued at $10,817,000,000, highest January-September figure in history. Lend-lease shipments accounted for 80% of the export total, which did not include shipments to United States armed forces abroad.

Business Failures — Business failures in the United States for the week ended Nov. 2 decreased to 11 from 15 in the preceding week, and compared with 42 a year ago, according to Dun & Bradstreet. Insolvencies with liabilities of $5,000 or more amounted to 6 against 10 in the preceding week and 19 a year earlier. There were two Canadian failures, compared with one a week earlier, and unchanged from a year ago.

Steel Industry—Steel order volume was heavy this past week, and the output of steel ingots continued at a relatively high level, but confusion was mounting this week as to the trouble trend of post-war steel order volume, while at the same time the popular ban on post-war talk made many with definite plans reluctant to disclose them, stated "The Iron Age" in its current review of the steel market.

The steel industry knows well that there is enough capacity and manpower to keep war steel requirements on schedule, and the feeling is growing that more definite information from official sources should be given on the probable output of civilian goods.

Recent weeks have shown a slight increase in war demand, but at the same time steel mills have had to fill gaps in their schedules as a result of partial or complete cancellations on some items. As a result, all steel sales offices have become competitive minded.

Orders for Quonset huts, ammunition and other needed war items, states the magazine, have increased, but plate directives are on the down grade and some large manufacturers are nearing the end of some of their biggest war contracts. Thus while current order volume looks good, steel operators are concerned about enough business to adequately operate facilities after the turn of the year. The lack of more definite reconversion plans may cause a drop in steel output the first quarter of 1945, because there is not sufficient volume of various types of steel orders to insure a normal and economic operating pattern. Another factor lending credence to the possibility of a lower operating rate is the report that December lend-lease bar and semi-finished tonnage for the United Kingdom will be cancelled, thus further easing the situation in these categories.

Post-war orders were still rolling into steel mills the past week, with total volume of such business definitely increasing. Some orders do not show exact specifications or any delivery schedules; some are for total deliveries as soon as restrictions are off, while others call for an indefinite delivery period.

"Signposts that some war manufacturers are winding up some important war contracts are found in the following: A large Detroit aircraft manufacturer in the automotive field has drastically reduced his commitments to a forge shop in the Chicago area; another shell producer in the Chicago district whose normal field is appliances has wound up his shell production; a prominent tank manufacturer is purchasing equipment and has arranged for building construction to allow him to enter the stainless steel tank field. An implement manufacturer of prime importance in the industry is arranging to produce domestic refrigerators and ice cream boxes in the post-war period. Distribution will be limited to the farm trade," "The Iron Age" disclosed.

Potential freight-car building is still in the limelight the past week. The picture for steel fabricators which a few weeks ago appeared to be clouded following completion of Maritime contracts continues to be brighter with a number of building and engineering inquiries listed. The steel scrap outlook this week was showing signs of strength.

The American Iron and Steel Institute announced last Monday that the operating rate of steel companies (including 94% of the industry) will be 96% of capacity for the week beginning Nov. 13, compared with 96.3% one week ago. This week's operating rate is equivalent to 1,727,000 net tons of steel ingots and castings, compared wtih 1,732,400 net tons last week and 1,704,600 tons one year ago.

October Steel Output—Steel production in October totaled 7,578,304 tons of ingots and castings, the greatest production since May of this year, a report of the American Iron and Steel Institute discloses. October production was substantially above output of 7,193,496 tons in September, but was below the record month of October of last year, when 7,814,117 tons were produced. Total steel production in the first 10 months of 1944 was reported at 74,777,771 tons, as against 74,209,247 tons in the corresponding period of 1943.

During October the industry operated at an average of 95.1% of capacity, as against 93.4% of capacity in September and 101.2% in October a year ago.

Electric Production—The Edison Electric Institute reports that the output of electricity increased to approximately 4,354,939,000 kwh. in the week ended Nov. 4 from 4,358,293,000 kwh. in the preceding week. The latest figures approximate a decline of 1.3% from the level of one year ago, when output reached 4,413,863,000 kwh.

Consolidated Edison Co. of New York reports system output of 172,900,000 kwh. in the week ended Nov. 5, 1944, comparing with 214,100,000 kwh. for the corresponding week of 1943, or a decrease of 19.2%.

Local distribution of electricity amounted to 168,600,000 kwh., compared with 205,600,000 kwh. for the corresponding week of last year, a decrease of 18.0%.

Railroads and the War Effort—Railroads are now handling about 2½ times the amount of freight traffic and more than four times the volume of passenger business than they did before the war, the Car Service Division of the Association of American Railroads said in a report submitted on Wednesday of this week to the annual meeting of the member roads of that Association, held at the Blackstone Hotel in Chicago.

The roads, according to the report, have virtually doubled the load of the First World War, and they are doing it with one-fourth fewer freight cars, about one-fourth fewer passenger train cars, and one-third fewer locomotives than in 1918. It is being accomplished without serious car shortages or loss of production time at factories, or loss of foodstuffs, account spoilage, for want of transportation by rail.

In the first half of 1944, compared with the same period in 1939, increases of 153.4% in revenue ton-miles, 114.5% in ton-miles, 350.3% in passenger-car miles, and 223.2% in the amount of freight moved by rail to various ports for export occurred. Passenger traffic posed a real problem for the roads. Excluding commutation travel, railroads in the first half of 1944 carried 21,854,000 more passengers than in the same period last year, while passenger miles increased 7,401 million.

Total revenue passenger miles, including commutation, for the first six months of 1944 were 4% greater than for the entire year of 1920, which was the peak prior to this war.

New records in the volume of movement or distribution of coal have been established during the current year, such as the dumping of 42,601,744 net tons over the lower Lake Erie docks up to Sept. 30. This is the largest coal tonnage ever dumped in any corresponding period via the lower Lake Erie ports.

Despite unprecedented movement of export freight, all ports are open and free of congestion. In September, when a record average of 5,659 cars of export freight was unloaded at the ports daily, the amount on hand awaiting unloading was less than five days' supply.

Railroad Freight Loadings—Carloadings of revenue freight for the week ended Nov. 4 totaled 893,333 cars, the Association of American Railroads announced. This was a decrease of 23,113 cars, or 2.5% below the preceding week this year, but an increase of 138,594 cars, or 18.4% above the corresponding week of 1943. Compared with a similar period in 1942, an increase of 63,670 cars, or 7.7%, is shown.

Coal Production—The U. S. Bureau of Mines reports production of Pennsylvania anthacite for week ended Nov. 4, 1944, at 1,138,000 tons, a decrease of 181,000 tons (13.7%) from the preceding week, and an increase of 991,000 tons above the corresponding week of 1943. The 1944 calendar year to date, however, shows an increase of 7.4% when compared with corresponding period of 1943.

The report of the Solid Fuels Administration placed bituminous production for the week ended Nov. 4 at 11,950,000 net tons, representing a decrease of 200,000 tons, or 1.6%, compared with 12,150,000 tons in the preceding week. Production in the corresponding week of last year, when miners were out on strike, amounted to only 3,631,000 net tons, while output for Jan. 1 to Nov. 4, 1944, totaled 530,505,000 net tons, an increase of 7.5% over the 493,288,000 tons mined in the same 1943 period.

Estimated production of beehive coke in the United States for the week ended Nov. 4, 1944, as reported by the same source, showed a decrease of 10,900 tons when compared with the output for the week ended Oct. 28, last. There was, however, an increase of 41,500 tons more than for the corresponding week of 1943.

Silver—The London market for silver the past week was quiet and the price unchanged at 23½d. The New York Official for foreign silver continued at 44¾ cents, with domestic silver at 70⅝ cents.

Production of refined silver in the United States in September totaled 5,895,000 ounces, of which 2,291,000 ounces was obtained from domestic sources and 3,604,000 ounces from foreign. Production one year ago amounted to 8,071,000 ounces, of which 2,786,000 ounces was domestic and 5,285,000 ounces foreign.

Lumber Shipments—The National Lumber Manufacturers Association reports that lumber shipments of 502 reporting mills were 0.4% below production for the week ended Nov. 4, while new orders of these mills were 14.1% less than production for the same period. Unfilled order files amounted to 90% of stocks.

For 1944 to date, shipments of reporting identical mills exceeded production by 2.6% and orders ran 4.5% above output.

Compared to the average corresponding week of 1935-39, production of reporting mills was 22.8% greater, shipments 25.5% greater, and orders 11.9% greater.

Crude Oil Production—Daily average gross crude oil production for the week ended Nov. 4, as estimated by the American Petroleum Institute, was 4,719,900 barrels. This represented a decrease of 21,000 barrels per day from the preceding week, but was, however, 11,400 barrels in excess of the daily average figure recommended by the Petroleum Administration for War for the month of October, 1944. When compared with the corresponding week last year, crude oil production was 430,650 barrels per day higher. For the four weeks ended Nov. 4, 1944, daily output averaged 4,733,050 barrels.

Reports from refining companies indicate that the industry as a whole ran to stills (on a Bureau of Mines basis) approximately 4,570,000 barrels of crude oil daily and produced 14,152,000 barrels of gasoline. Kerosene output totaled 1,365,000 barrels, with distillate fuel oil placed at 4,569,000 barrels and residual fuel oil at 8,570,000 barrels during the week ended Nov. 4, 1944. Storage supplies at the week-end totaled 78,409,000 barrels of gasoline; 14,489,000 barrels of kerosene; 48,477,000 barrels of distillate fuel, and 63,444,000 barrels of residual fuel oil. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

September Retail Sales—Total sales for retail stores in September were estimated at $5,899,000,000, an increase of 8% over the same month of 1943, reports the Department of Commerce. Aggregate sales for the first nine months of 1944 were $49,110,000,000, a rise of 7% above the similar period of last year.

Even after adjustment for price changes, the Department stated, sales for the nine months were 5% above those in the first three quarters of 1943. This reflected some increases in unit quantities sold, but chiefly a shift to the purchase of higher-priced lines, according to the Department.

A slight increase in trade for the country as a whole was noted the past week. Seasonal buying and holiday gift merchandise grew heavier with emphasis on quality goods. Sales volume in jewelry, cosmetics, furs and books was substantial.

Supplies approximate last year's levels, with shortages noted in men's underwear, work clothing and children's wear. Some women's dress lines, popular sportswear and most house furnishings lines are also suffering from depletion. On a dollar basis, furniture volume is slightly better than last year, and where supplies are available sales have held up well.

Shoppers' principal interest continued in women's ready-to-wear articles of apparel, with moderate improvement in men's wear also noted. Regional sales for the country as estimated by Dun & Bradstreet were 5% to 8% over a year ago, with all areas participating in the rise.

A high volume in the wholesale markets was maintained the past week as ordering of new spring apparel lines continued large and demand for all staple merchandise also heavy. A moderate improvement over a year ago was noted. As for the delivery situation, conditions have varied greatly, but schedules in the main were slower.

In boys' wear the delivery situation was described as poor, while in men's furnishings, neckwear stocks were good as buyers completed holiday orders. Lingerie, jewelry and furs were more active than in several weeks.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index, were 6% ahead of a year ago for the week ended Nov. 4. This compared with 11% in the preceding week. For the four weeks ended Nov. 4, 1944, sales increased by 10%. A 9% increase in department store sales for the year to Nov. 4, 1944, over 1943, was also noted.

The earlier opening of the Christmas shopping season was an added stimulus to local trade here in New York the past week. Gains ranged up to 20%, as compared with one year ago, states the New York "Times." Election Day trade showed particularly desirable results. Merchandise shortages are taking on more definite form in the wholesale markets. This is especially true of better grade goods. A further cause of worry for merchants and manufacturers is the acute situation in cotton goods and staples.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Nov. 4 increased by 3% over the same period of last year. This compared with 19% in the preceding week. For the four weeks ended Nov. 4 sales rose by 9%, and for the year to Nov. 4 they improved by 9%.

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

The New York Stock Exchange issued on Oct. 17 the following tabulation of companies who have reported changes in the amount of stock held as heretofore reported by the Department of Stock List:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report	
Adams Express Company, The, common	1,102,984	1,109,548	
Allied Stores Corporation, 5% preferred	1,032	2,334	
American Locomotive Company, 7% cum. preferred	12,700	13,700	
American Safety Razor Corp., capital	48,000	48,100	
Associates Investment Company, 5% cum. preferred	658	747	
Atlantic Gulf and West Indies Steamship Lines, 5% pfd.	5,400	6,000	
Atlas Corporation, common	70,026	75,106	
Barker Bros., 5½% cum. preferred	14,360	15,060	
Barnsdall Oil Company, common	25,172	35,472	
Borden Company, The, capital	163,492	158,875	(1)
Carriers & General Corporation, common	500	None	
Consolidation Coal Company, $2.50 cum. preferred	2,000	2,400	
Crucible Steel Company of America, 5% conv. preferred	3,200	3,600	
Cuban-American Sugar Company, The, 7% preferred	5,460	5,520	
Davega Stores Corporation, 5% cum. preferred	None	100	
General Motors Corporation, common	55,200	60,600	
Goodyear Tire & Rubber Co., The, $5 conv. preferred	7,617	8,417	
Hat Corporation of America, preferred	3,330	3,465	
International Minerals & Chemical Corporation, common	135,704	135,279	
Lehman Corporation, The, common	35,300	35,600	
Madison Square Garden Corp., capital	41,200	42,100	
Mead Corporation, The, $6 series "A" preferred	None	10	
National Cylinder Gas Company, common	5,309	5,809	
Newport News Shipbuilding and Dry Dock Company— $5 cumulative convertible preferred	34,600	35,700	
Norfolk and Western Railway Co., adj. preferred	9,667	9,807	
Petroleum Corporation of America, capital	2,600	2,900	
Plymouth Oil Company, common	16,600	1,499	(2)
Purity Bakeries Corporation, common	31,989	31,749	
Rustless Iron and Steel Corp., common	9	10	
Safeway Stores, 5% cumulative preferred	95	96	
Sterling Drug, Inc., capital	10,034	34	
Transamerica Corporation, capital	1,223,956	1,251,659	
Twentieth Century-Fox Film Corp., $1.50 preferred	64,831	67,031	
United States Leather Co., The, prior pref.	7,145	7,147	
United States Rubber Company, common	6	10	
Virginia Iron Coal and Coke Co., 5% preferred	5,112	5,182	
York Corporation, capital	None	2,535	

NOTES

(1) Acquired 2,800 shares; issued 7.417 shares covering purchase of Arcadia-Ness.
(2) Acquired 400—issued as a stock dividend 15,501 shares.

The New York Curb Exchange made available on Oct. 21 the following list of issuers of fully listed securities which have reported changes in their holdings of reacquired stock:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
American General Corporation, common	385,480	385,499
Detroit Gasket & Mfg. Co., 6% preferred	10,066	10,466
Equity Corp., $3 convertible preferred	58,498	59,773
Esquire, Inc., capital	49,163	51,263
Fedders Mfg. Co., Inc., common	8,852	8,802
Kleinert (I. B.) Rubber Co., common	27,337	27,037
Ludwig Baumann & Co., conv. 7% 1st preferred	12,692	12,843
Midland Oil Corp., $2 convertible preferred	12,295	12,445
New York Merchandise Co., Inc., common	127,782	129,291
Ogden Corp., common	458	459
Paramount Motors Corp., common	76,321	103,741
Root Petroleum Co., $1.20 convertible pref.	7,117	7,717
Sterchi Bros. Stores, Inc., 5% 2nd preferred	100	400
United Cigar-Whelan Stores Corp., common	12,265	12,267
Utility Equities Corp., $5.50 div. pr. stock	12,050	12,250

Cotton Ginned from Crop of 1944 Prior to Oct. 18

The census report issued on Oct. 25, compiled from the individual returns of the ginners shows as follows the number of bales of cotton ginned from the growth of 1944 prior to Oct. 18, 1944, and comparative statistics to the corresponding date in 1943 and 1942:

RUNNING BALES
(Counting round as half bales and excluding linters)

State—	1944	1943	1942
United States	*6,282,155	7,792,249	8,182,596
Alabama	711,110	794,424	726,768
Arizona	21,787	29,740	28,239
Arkansas	735,665	759,271	962,533
California	20,481	39,844	32,572
Florida	9,516	13,002	13,889
Georgia	534,650	674,267	685,474
Illinois	1,462	863	2,579
Kentucky	6,429	6,237	10,018
Louisiana	435,594	593,020	495,785
Mississippi	1,109,345	1,404,421	1,458,239
Missouri	223,526	182,437	289,069
New Mexico	24,366	35,028	24,617
North Carolina	323,873	407,016	397,876
Oklahoma	190,583	179,156	332,717
South Carolina	519,077	529,904	523,374
Tennessee	274,433	315,226	386,135
Texas	1,129,960	1,816,555	1,801,657
Virginia	10,298	11,838	11,055

*Includes 48,182 bales of the crop of 1944 ginned prior to Aug. 1 which was counted in the supply for the season of 1943-44, compared with 107,053 and 48,626 bales of the crops of 1943 and 1942.

The statistics in this report include 1,065 bales of American-Egyptian for 1944, 14,961 for 1943, and 10,130 for 1942; also included are one bale of Sea-Island for 1944, 80 for 1943, and 435 for 1942. The ginning of round bales has been discontinued since 1941.

The statistics for 1944 in this report are subject to revision when checked against the individual returns of the ginners being transmitted by mail. The revised total of cotton ginned this season prior to Oct. 1 is 3,994,530 bales.

Consumption and Stocks—United States

Cotton consumed during the month of September, 1944, amounted to 793,086 bales. Cotton on hand in consuming establishments on Sept. 30, was 1,713,963 bales, and in public storage and at compresses 9,776,490 bales. The number of active consuming cotton spindles for the month was 22,279,574.

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

World Statistics

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

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

The New York Stock Exchange announced on Nov. 8 that as of the close of business on Oct. 31 there were 1,246 stock issues, aggregating 1,481,150,942 shares listed on the New York Stock Exchange, with a total market value of $53,086,843,093. This compares with 1,242 stock issues, aggregating 1,480,633,821 shares, with a total market value of $52,929,771,152 on Sept. 30.

In making public the Oct. 31 figures the Stock Exchange further said:

As of the close of business Oct. 31, New York Stock Exchange member total net borrowings amounted to $812,583,565, of which $563,150,992 represented loans which were not collateralizzed by U. S. Government issues. The ratio of the latter borrowings to the market value of all listed stocks, on that date, was, therefore, 1.06%. As the loans not collateralized by U. S. Government issues include all other types of member borrowings, these ratios will ordinarily exceed the precise relationship between borrowings on listed shares and their total market value.

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

Group—	Oct. 31, 1944 Market Value $	Oct. 31, 1944 Av. Price $	Sept. 30, 1944 Market Value $	Sept. 30, 1944 Av. Price $
Amusement	587,379,294	25.36	589,138,267	25.44
Automobile	4,635,260,369	38.07	4,741,037,384	38.96
Aviation	699,347,837	19.62	694,265,055	19.47
Building	637,306,553	29.77	647,800,661	30.26
Business and Office Equipment	475,477,106	36.55	481,972,988	37.05
Chemical	6,331,262,764	65.87	6,296,986,048	65.51
Electrical Equipment	1,748,327,438	41.82	1,714,812,086	41.02
Farm Machinery	828,712,120	58.76	853,407,059	62.37
Financial	1,055,747,193	21.68	1,054,589,243	21.64
Food	3,481,760,483	41.27	3,472,320,139	41.11
Garment	48,341,425	28.94	47,666,166	28.54
Land & Realty	37,943,737	7.85	38,891,660	8.02
Leather	273,993,137	32.47	269,340,002	31.92
Machinery & Metals	1,975,565,878	27.12	1,971,602,906	27.25
Mining (excluding iron)	1,480,970,565	23.94	1,489,790,376	24.11
Paper & Publishing	619,580,321	26.09	614,235,346	25.93
Petroleum	6,045,812,783	29.76	5,941,427,401	29.27
Railroad	4,226,556,252	38.86	4,167,510,863	38.17
Retail Merchandising	2,996,306,307	40.76	2,995,397,275	40.72
Rubber	652,305,219	61.44	648,071,352	61.01
Ship Building & Operating	110,331,534	20.00	109,172,271	19.79
Shipping Services	19,063,727	11.05	18,608,165	10.79
Steel, Iron & Coke	2,374,996,182	46.97	2,360,229,685	46.68
Textiles	586,043,136	37.71	591,474,367	38.20
Tobacco	1,353,487,401	49.70	1,359,685,832	49.93
Utilities:				
Gas & Electric (Operating)	2,417,642,728	28.95	2,381,596,721	28.52
Gas & Electric (Holding)	1,337,963,358	13.89	1,344,411,133	13.96
Communications	3,912,039,958	91.41	3,883,236,960	90.66
Miscellaneous Utilities	126,376,852	22.03	125,120,521	21.45
U. S. Cos. Operating Abroad	846,217,413	24.89	861,337,658	25.33
Foreign Companies	956,606,463	23.11	952,977,593	23.01
Miscellaneous Businesses	208,117,560	28.48	211,657,969	28.96
All Listed Stocks	53,086,843,093	35.84	52,929,771,152	35.75

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

	Market Value $	Average Price $		Market Value $	Average Price $
1942—			1943—		
Oct. 31	37,727,599,526	25.65	Nov. 30	45,101,778,943	30.33
Nov. 30	37,374,462,460	25.41	Dec. 31	47,607,294,582	31.96
Dec. 31	38,811,728,666	26.39			
1943—			1944—		
Jan. 30	41,410,585,043	28.16	Jan. 31	48,396,650,695	32.47
Feb. 27	43,533,661,753	29.61	Feb. 29	48,494,092,518	32.51
Mar. 31	45,845,738,377	31.20	Mar. 31	49,421,855,812	33.12
Apr. 30	46,192,361,639	31.45	Apr. 29	48,670,491,772	32.59
May 29	48,437,700,647	32.96	May 31	50,964,039,424	34.14
June	48,878,520,886	33.27	June 30	53,067,698,691	35.55
July 3	47,577,989,240	32.17	July 31	52,488,254,469	35.07
Aug. 31	47,710,472,858	32.04	Aug. 31	53,077,487,308	35.40
Sept. 30	48,711,451,018	32.82	Sept. 30	52,929,771,152	35.75
Oct. 30	48,178,040,869	32.44	Oct. 31	53,086,843,093	35.84

Finished Steel Shipments By Subsidiaries Of U. S. Steel Corp. in Oct. Exceeded Sept. Total

Shipments of finished steel products by subsidiaries of the United States Steel Corp. in October amounted to 1,774,969 net tons, an increase of 41,367 net tons over the September deliveries of 1,733,602 net tons, but a decrease of 19,999 net tons from the 1,794,968 net tons reported in October, 1943. Shipments in October, 1942, were 1,787,501 net tons, and in the same month of 1941, they were 1,851,279 net tons.

For the ten months ended Oct. 31, last, deliveries totaled 17,639,435 net tons, the highest on record for that period, and compares with 16,864,612 net tons in the corresponding period of 1943, an increase of 774,823 net tons. The previous peak was for the first ten months of 1942, when the total was 17,538,977 net tons.

The following tabulation gives shipments by subsidiaries of United States Steel Corp. monthly since the beginning of 1939 (figures in net tons):

	1944	1943	1942	1941	1940	1939
January	1,730,787	1,685,993	1,738,893	1,682,454	1,145,592	870,866
February	1,755,772	1,691,592	1,616,587	1,548,451	1,009,256	747,427
March	1,874,795	1,772,397	1,780,938	1,720,366	931,905	845,108
April	1,756,797	1,630,828	1,758,894	1,687,674	907,904	771,752
May	1,776,934	1,706,543	1,834,127	1,745,295	1,084,057	795,689
June	1,737,769	1,552,663	1,774,068	1,668,637	1,209,684	607,562
July	1,754,525	1,660,762	1,765,749	1,666,667	1,296,887	745,364
August	1,743,485	1,704,289	1,788,650	1,753,665	1,455,604	885,636
September	1,733,602	1,664,577	1,703,570	1,664,227	1,392,838	1,086,683
October	1,774,969	1,794,968	1,787,501	1,851,279	1,572,408	1,345,855
November	------	1,660,594	1,665,545	1,624,186	1,425,352	1,406,205
December	------	1,719,624	1,849,635	1,846,036	1,544,623	1,443,969
Total by mos.	------	20,244,830	21,064,157	20,458,937	14,976,110	11,752,116
Yearly adjust.	------	*97,214	*449,020	*42,333	37,639	*44,865
Total	------	20,147,616	20,615,137	20,416,604	15,013,749	11,707,251

*Decrease.

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

Third Quarter Rayon Production Totals 175,500,000 Pounds

Production of rayon yarn and staple fiber totaled 175,500,000 pounds during the third quarter of 1944, reports the Rayon "Organon," published by the Textile Economics Bureau, Inc. This figure, says the Bureau, under date of Nov. 10, represents a drop of 3,400,000 pounds or 2% from the total of 178,900,000 pounds produced in the second quarter of the year, but is substantially above the third quarter 1943 output of 166,900,000 pounds. The decline in third quarter production was due primarily to vacation shutdowns. The Bureau's advices further state:

"For nine months ended Sept. 30th, production of rayon totaled 532,600,000 pounds, of which 406,400,000 pounds were rayon filament yarn (278,900,000 pounds viscose + cupra and 127,500,000 pounds acetate yarn) and the balance consisted of staple fiber. In the corresponding 1943 period production of all types totaled 490,700,000 pounds.

"These figures," states the "Organon," "clearly indicate that the 1944 yearly total will be above the 1943 level, particularly in the viscose + cupra field, in which a 12% increase already has been recorded.

"The current issue of the "Organon" contains a chart with accompanying figures, giving a clear picture of the growth of rayon production since 1939. While the increase in output of viscose + cupra rayon yarn was due to natural growth before the war, the increase since 1942 has been due primarily to the rayon tire yarn production.

"The effect of this tire yarn production is clearly indicated in the production record which shows an output of 92,000,000 pounds of viscose + cupra yarn in the third quarter of 1944 as against 73,500,000 pounds in the corresponding quarter of 1941. Acetate yarn output on the other hand was almost even, totaling 41,400,000 pounds in the third quarter this year against 40,700,000 pounds in the corresponding 1941 period. Staple fiber output in the third 1944 quarter totaled 42,100,000 pounds against 35,600,000 pounds in the equivalent 1941 period.

October Rayon Shipments Increase

"Domestic shipments of rayon filament yarn in October totaled 46,900,000 pounds, which compares with deliveries of 44,800,000 pounds in September and 43,900,000 pounds in October, 1943.

"For the ten months ending Oct. 31, 1944, shipments aggregated 439,800,000 pounds, an increase of 8% over the corresponding 1943 figure of 408,100,000 pounds.

"Staple fiber deliveries in October amounted to 14,400,000 pounds against 13,000,000 pounds shipped in September and 13,900,000 pounds in October, 1943. A total of 138,000,000 pounds of staple fiber was shipped during the January-October, 1944 period, 3% above the corresponding period of 1943, when 133,600,000 pounds were shipped.

Producers' Rayon Stocks Decline

"Rayon filament yarn held by producers declined from 7,700,000 pounds on Sept. 30th to 6,700,000 pounds on Oct. 31st, a 13% drop. This compares with producers' stocks of 7,600,000 pounds at the end of October, 1943.

"Rayon staple fiber stocks at the end of October aggregated 2,700,000 pounds against September holdings of 3,000,000 and Oct. 31, 1943 stocks of 2,500,000 pounds."

"Individual Taxes"

(Continued from first page)

his past income, or he uses his credit in order to get the cash, which means that he mortgages his own future income, or the income of the property that he is buying, for the purpose of acquiring those securities.

Now, if we agree thus far with these various tax plans that have come out, that all taxes are eventually borne by individuals, that all taxes are eventually paid out of income, that is as far as we can go. From this point on I have to part company with the post-war tax planners, and I am referring to some of these programs which have been brought out recently, and which, undoubtedly, most of you have seen—the Ruml-Sonne Plan issued by the National Planning Association, the Twin Cities Plan, and the Committee for Economic Development Plan. Because those people and a great many others jump from these premises which I have just laid down to the conclusion that a federal tax plan after the war should draw the bulk of the revenue from the individual income tax. A non sequitur, if I ever saw one!

I must qualify that the the extent of saying the Twin Cities Plan does propose heavy taxes on corporations; but if you will examine their tax rate schedules you will find that even they come under the ban which I am laying down, because they, too, are disposed to rely fairly heavily on the individual income tax.

I am opposed to any federal tax program which would concentrate the bulk of the taxes on the individual income tax, and I oppose if for these reasons: The first is the need for revenue stability; the second is the inadequacy of the income tax as applied to small incomes; and the third, which sums up everything else, is that the net income tax, the net income concept as applied to individuals, is absolutely phoney!

Let me discuss these reasons briefly. The first is revenue stability. I would place that in the very forefront of any tax plan that is going to be worth the paper it is written on for postwar use. In other words, we shall have confronting us after the war fiscal obligations of such magnitude that we can not afford to take any chances with a tax program or a tax system which is not as dependable and stable, from the standpoint of bringing in the money year after year, bad years as well as good years, the thick years and the thin years, as we can possibly devise.

That is our only defense, as I see it, against resort to inflationary pump-priming spending, the kind of thing that some people are all too ready to foist upon us, the kind of thing that the compensatory spenders are all too ready to have us engage in. Because if you have a revenue system that is highly unstable, and in some years the revenues from the established taxes fall off badly, then, of course, the door is open, and your are right in their alley —you are right where they want you to be when they say, "Well, we must maintain these government expenditures. We have got the relief and the subsidies and all these other things, and, since the taxes aren't doing the job, we must resort to these pump-priming deficits."

In addition to basing my argument on the logic of the case, I will ask you to direct your attention to the English experience. England has a revenue system under which the division between the direct type of tax, the tax on incomes, and estates, and so on, as against the indirect type of tax, the tax derived from excises and other forms of indirect taxation, is approximately 50-50. Since 1925—and you could find that same balance, I am sure, if you went back further than that—but since 1925 the English revenues have varied only in minor degree from a 50-50 division between the direct and the indirect taxes; and if you will also examine the record of the English budget and the total of the English revenues, you will find that because of that kind of broad tax base the British Government was enabled to carry on through the period from 1925 to 1939—we will have to exclude the years since then because of abnormal circumstances which necessarily exclude them from the picture—they carried on with a net deficit of something like 37 million pounds, over a fourteen or a fifteen year period—140 million dollars, if you want to give the pound something like the present rate of exchange, during that period.

Contrast that with our own federal experience during the same time. You know that under the type of tax system which we have had—for the Federal Government, I mean—the revenues from the income tax have been extraordinarily unstable. They went all to pot in the early years of the 1930's; and because we were so thick-headed in those years as to sink or swim, survive or perish, with the taxes we then had, without having the gumption to put in something else that would do the job, Mr. Hoover had to begin that series of notorious deficits for which he was so roundly condemned in 1932 by the then candidate for President, and who then proceeded on his own account to give Mr. Hoover both cards and spades and beat him at his own game.

None of that would have been necessary if we had had a properly diversified and a properly broadened type of tax system; and I have always regarded it as one of the curious ironies of history that one of the gentlemen in Congress at that time, who was most responsible in defeating the kind of tax that would have saved the credit of the United States in 1932, is now completely dependent upon that same kind of tax for the solvency of his own city. The Honorable F. H. LaGuardia, in Congress in 1932, was one of the leaders in the fight against the sales tax, and succeeded in killing it. And you know, of course, what the sales tax has done and will do and is continuing to do for New York City finances.

Because I attach a great deal more importance to revenue stability than I do to a lot of the romantic and idealistic nonsense about income taxation, than some people do, I say that we have got to keep our feet firmly planted on the ground instead of on a cloud bank, and we would be very foolish to consider any scheme of taxation which doesn't put assured and stable revenues in the very forefront.

In the second place, I think it is unwise to rely on the individual income tax, because I consider it a very inadequate method of taxing persons with small incomes. You remember that over the past half-dozen years there was a great hue and cry about broadening the tax base. Everybody, from the august editors of the New York "Times" on down the line, believed the best way to broaden the tax base was to reduce the exemptions of the income tax and so bring in a great many more persons under the income tax. In other words, everybody, or almost everybody, in those days had this single-track idea. The income tax being the best of all possible taxes, therefore the way in which to collect the public revenues by means of the best of all possible taxes is to push the income tax down and out until you get everybody under the income tax tent.

As a matter of fact, we did that. We brought in a great many million persons, who had never paid income taxes before, by this process of lowering the exemptions. One of the Congressional committees, either a House or a Senate committee, stated that under the 1941 Act, with the reduction in exemptions which that Act provided, we were going to get 303 million dollars of additional revenue. Of course, we were only going to get 47 millions of it from the new taxpayers, the people who were brought in at the bottom; the other 250-odd millions were going to come from those who were already income tax payers.

In connection with the 1942 Act, which reduced the exemption level still further, they said that we were going to get a billion, one hundred millions of additional revenue, but only 100 millions would come from the additional new taxpayers who would be brought in; the billion dollars came from those who were already paying income tax.

Now, since 1942 we have introduced withholding, and it is true that persons who are working for salary and wages are caught by this income tax. There isn't much question about the efficacy of withholding, so far as reaching the employees of the country is concerned, but withholding is a very limited device. I have nothing but admiration for it, I thoroughly approve of it; but when you consider that there are still large groups in our population who are not and can not be subjected to withholding, you have to recognize that that is not the answer so far as the entire group of persons with both small and large incomes is concerned.

For example, withholding doesn't reach the farmer class at all. The entire mass of farm income is still subject to declaration. There is nobody to withhold from the farmer. It doesn't reach any of the self-employed. And in the aggregate I suppose there are a million or more of such persons, possibly more than that, when you take all of the small and large business men, and all of the people in the professional classes, and so on. If there is anybody here who is withholding for his domestic help, I would be glad to have him raise his hand. I doubt if withholding is really effective so far as the income tax payable by domestic help in these days. So you have there one large, one medium, and one respectably sized group in the population to whom withholding doesn't apply at all, and to whom it can not be applied.

So I think, with all of its advantages and all of its virtues, the idea that you can push the income tax down and out until you reach the periphery of the nation, and apply it to everybody, is just plainly not so. That it has very definite limitations there can be no question.

In the third place, the tax consciousness argument, the argument that everybody ought to pay income tax, because in that way he is made conscious of his stake in the government and of what the government is costing, and, therefore, is likely to become a citizen interested in good and efficient government, is only a pious hope. It has no connection with the facts whatever.

Of course, if we get mad enough about a tax we are likely to do something, but anybody who can point out where a body of irate citizens, persons who have become irate over a tax which they didn't like, have marched to their city hall or their state capitol or to the national capitol and demanded better government, better use of their money, I think he deserves the plush-bound album, first prize. There "ain't no such" manifestation that I know of. We are likely to do other things, and people have all through history done other things when they didn't like a tax.

The English of the 18th Century didn't like the excise taxes which they substituted in those days for the personal property tax, excise taxes on imported liquors and tobacco. They didn't take it out against George III, pointing out that his government was corrupt and inefficient and costly, and because they had to pay this excise tax they wanted more for their money. Not at all! Their tax consciousness took the direction of evading the excise. Smuggling was one of the most prosperous businesses in the British Empire in the 18th Century, and slugging or knifing the excise collectors on a dark stretch of seacoast or in a dark alley was one of their favorite pastimes. That was the direction their tax consciousness took. It found no expression in Whitehall whatever.

We had a sales tax over in New Jersey a few years ago under Harold Hoffman as Governor. It lasted about six months. Well, it created tax consciousness, I will admit, a violent stage of tax conciousness, but nobody went to Trenton and said, "Now, here, we see where these pennies and nickles and dimes are going: we want you to give us better government for less money." No! They promptly marched in on the Legislature and served notice they they had to repeal that tax.

So don't talk to me about tax consciousness. It just won't work. If it should happen to take the direction of going down to your capitol and demanding better government, it would just be a miracle. It would be just as fortuitous as the lightning striking at a particular spot the next time it came. If you want to get a consciousness of the citizens in more government for less money, I would advise you to organize a taxpayers association, and light that particular fire under them and keep it lit, and then you will get some action. You can't do it by any kind of a tax with any certainty; so whether they pay income tax or some other, it is, in my opinion, of no consequence whatever.

Now, I said that I objected to this extreme use of the income tax also, because I think it is all phoney. It is curious how the American people could have been sold, for over thirty years, a gold brick of the dimensions which they have bought with such alacrity. I am talking now about individual net income. I say "there ain't no such animal." There is no such thing as a personal net income. Net income is a business concept. It means the amount that is left over out of the receipts of a business after you have paid all of the costs of producing that article or that service which you sold in order to get the receipts.

The Treasury doesn't even well construe and well administer the net income concept as applied to business, as you doubtless know, as I hardly need to elaborate; but what we have done, curiously enough, and I suspect under the influence of the professors—what we have done has been to carry over into the field of individual taxation a pure business concept, something which has application in the field of business but which has no application whatever in the case of the individual.

I am talking now about earned income, and, in order to apply it in the case of the individual, you would have to think of each one of us as a human-machine operating for the purpose of producing income. That is what the business is. It is an institution which operates for the purpose of producing income. You permit deduction from the gross receipts of the business of all of the necessary, legitimate expenses of producing that income, and the balance is what you can call the net net income. That isn't true until you allow complete deduction for all prior losses; and I think you ought to go clear back through the history of the business, to the very beginning of it, and allow the deduction of losses before you can even say that in any accounting year there is something that can be taken out of the business without doing it harm. All right. But let us suppose you have got that. If you are going to apply this idea to the individual as a machine operated for the purpose of producing income, then you should allow as deductions all of the expenses of producing that income; but that isn't done. What we have done, you see, in this transplanting of the concept from the business field to the case of the individual, is to allow the individual certain deductions, certain expenses, those which are analogous to and identifiable with expenses that will be deductible if incurred by a business concern.

For example, the individual can deduct taxes—at least taxes on property. He can deduct interest on debt. He may deduct losses on account of bad debts; and he can deduct travel expense, and so on. But note what a curious anomaly you get into, especially with this most recent provision which clarifies and makes definite now the fact that a person incurring travel expense in the course of earning his living, may deduct it. If he is a salesman, and he is out on the road, his expense is deductible; and if he is reimbursed for the expense by the employer, why, that simply doesn't count as a part of his income at all, it is deductible. He has to eat, of course, on the road; but when he gets home he can't deduct it any longer. Well, now, he has to eat when he is at home, too, doesn't he? And the very fact that the money you spend for meals in a restraunt on the road is deductible expense, but the money you spend in buying the provisions that your wife cooks for you at home is not deductible, shows the kind of irrationality that there is back of this concept. And I will go further and say that we have not been honest with the individuals because we have not allowed them the deduction of everything that is deductible to a business.

For example, if a machine breaks in the factory, the cost of repairing that machine is a part of the deductible expense of the business. You can't keep on producing goods until you get that machine fixed, so, of course, the cost of repairs is deductible. But suppose that the worker breaks a leg. His repair bill is not deductible. Oh, of course, we have now got that screwy 5% provision in the law, and if you run into a doctor bill or a hospital bill that is so big that it exceeds 5% of your net income, then you may deduct the amount over 5%. What a sweet arrangement it would be for a business if you said, "Well, all right; you can have breakage in the machinery and so on in the factory, but you may deduct only that part of the cost of repairs which exceeds 5% or 10% of your net income; the rest is not deductible"!

The machines in the factory wear out, and, of course, depreciation is a legitimate deduction. The individual depreciates, too, but you can't charge off any depreciation against your gross receipts as an individual. And yet, if you are going to be honest with the concept of net income why shouldn't you be allowed to depreciate your earning capacity?

One of the best ways in which an individual can charge depreciation or provide against the inevitable depreciation that will occur is to carry some insurance; and if we are going to be honest with him, we ought to say, "All right; whatever you actually pay by way of insurance premiums is a deductible expense against the earning of your income; because we can look ahead to the time when you won't earn income any more, you have got to live on your annuity or you have got to take the cash value of your policies at 65 and make that last the rest of your life," and so on. No, we don't do that.

As I said, if the factory couldn't

deduct its fuel expense it would be in a sweet situation. Well, if you look upon the individual as an income-producing machine, it has got to have fuel, too, just as the factory does; and your food cost is the complete analogy to the fuel cost in the factory. If you don't stoke the worker he won't run any more than the engines in the factory, but you can't deduct that.

Well, you see, they get all mixed up, and the professors were all mixed up long ago; and because they were mixed up, because they were dreaming rather than living, they got this idea of the individual as a citizen, and the individual's relation to the state, all mixed up with the idea of the individual as an economic unit and an economic machine operating to produce income, and so they said, "Well, whatever you spend in your household for living expenses, and so on; domestic help and all that; clothing and everything else, that is personal or living expenses." Nuts! It is what you have to spend in order to earn income, as a matter of fact.

Of course, you have to eat to live, too; but, as a matter of fact also, it is what you have to spend in order to get on the job the next day and be on the job the next week and earn this income which the government says belongs to it.

Take advertising! A business concern can deduct its advertising. The individual can't. Now, I suppose the professional man, like an architect or an engineer, who inserts a card in his professional magazine or journal, can probably deduct the expense of that; I don't know. But take all of us,—the architect or engineer or lawyer who wants to develop and maintain a certain type of client has got to belong to certain clubs. Oh, he gets some personal satisfaction out of it, no doubt; but if he dropped his club membership and never showed up there, and never saw any of these people at lunch, at this or that club, and never met them in any of the other ways where he has to meet them in order to get business, how long would he hold those clients? He would have to be a darned good lawyer to drop out of all that and still keep them coming to his door, instead of having them go to the fellow who maintained his club memberships and did liberal entertaining. It is a legitimate advertising expense.

How many doctors could keep their custom and live on the thousand dollars which the law allows you as a personal deduction for a married man in lieu of all of these other charges? He would have to wear the kind of clothes that a track worker wears, and he would have to live on the other side of the tracks, and nobody would let him in their house to treat them for any kind of a sickness.

All of us have got to spend a certain amount in order to maintain the sort of position that will enable us to earn the income which, as I say, the government claims as its own. Well, you can't deduct for any of those things. I will admit that you get into all kinds of trouble; but here is the point—and that is the answer they would give—the answer is, "We can't distinguish, we can't draw the line. Here is one person who claims he had to spend $50,000 a year on living expense, and we can't let him deduct that; and another person will get along on $10,000, and somebody else on $5,000. We just can't audit all of these claims, so we disallow them." But that only makes more phony, in my opinion, a concept of taxation which has to be ignored because you can't do anything about it.

Well, now, some of the consequences of this error: We have assumed—and when I say we I speak generally and I exclude myself; everybody else has assumed except my self—that what we call net income for the individual is something in the nature of absolute truth; it is just as solid and indisputable as the figure of minus Centigrade which the physicists have said represents absolute cold. When it gets that cold it can't get any colder. It has that same kind of fundamental and unarguable truth about it. So when we say to this person, "You have got a net income of $10,000," or "You have got a net income of $100,000," we have proceeded as if we were talking about something that was just as substantial as the "Rock of Ages" itself, no getting around it, no argument, no question, no nothing. That is the fact. You can't get away from it!

What we have done as a result of that kind of conclusion about it is to say, "We can take any part of this net income that we please, because we are dealing with a fundamental and eternal verity. There is no argument about it. You have got $10,000 of net income, and we can, therefore, proceed to deal with it in the way of taxation as if it were a fundamental and eternal verity," when, as a matter of fact, it isn't anything of the sort. It is the most relative and uncertain and questionable concept that you can possibly imagine in the field of economics; and, therefore, instead of socking it, as we are inclined to do, we should be much more gingerly and much more cautious in the way in which we deal with it.

This brings me to another aspect of individual taxation on which I am also a lone wolf, the leader of practically a one-man procession, and that is progressive taxation. I regard that as the crowning impropriety of the individual income tax. You understand what I mean, the taxation of income at progressive rates according to the amounts.

It is said that we must have progressive taxation because we must tax people according to ability, and then when you turn around and ask somebody to tell you what he means by ability, you find he says that ability means taxation at progressive rates. It is pretty close to a vicious circle; but they all say that this something they call ability increases faster than income. Nobody knows how much faster it increases than income; yet anybody, from the average corn-fed Congressman up, is willing to give you a progressive tax rate schedule. He will write one for you, sure! He will start with a certain per cent on the first bracket and he will go on up to any other percentage that he feels like on the top bracket, and that is his progressive income tax scale. Any other scale is just as good. There is no question of perfection here, because nobody knows what the answer is.

If we were all 100% in agreement as to how much faster ability increases than income, then we would all agree with the ideal progressive rate schedule; but, since there is no final answer there, a tax rate scale that taxed away all income above $5,000 a year by taking 100% of everything over $5,000 is just as good as one which rises to 5% on everything above 100 million dollars. There is no choice between them from the logic of ability to pay or progressive taxation; and some day, if you allow it to go on, you are liable to see a tax rate of 100% on all so-called net income above $5,000; because the great weakness of the ability theory is that they approach it in this way; namely, all this fellow needs out of his income is enough to live on. Now, according to some standards, all anybody needs to live on is $5,000. Since that is all he needs, therefore the state may, with complete propriety, take everything in excess of that amount; and who is to say no? If you are going to proceed on that basis, I think you have got just as good a case for saying that the progressive rate scale should rise to 100% at $5,000 as to say it should rise to 75% at $200,000. There isn't any way of really drawing any line of valid distinction.

Of course, I take the position that these advocates of progressive taxation, advocates of taxation according to ability, have completely misunderstood everything that has happened since Adam Smith; and Adam Smith, of course, was the man who was originally responsible for all of this nonsense, and wrongly so, because he didn't say anything of the sort. Adam Smith said that it is proper for the citizens of the state to contribute in proportion to their respective abilities, and then he went on to explain what he meant by abilities in saying, "That is, in proportion to the revenues which they respectively enjoy under the protection of the state."

Now, what does he mean by revenue? Certainly not net income as we have defined it in our fool income tax laws! My guess is that he meant gross revenues; and when he said that we should pay a tax in proportion to our abilities, he was really talking about a flat rate tax in proportion to gross income; and I think if you had a 1%, 2%, or 5% tax on total individual receipts, as individuals, you would come closer to the kind of taxation according to ability that Adam Smith had in mind, than by any other system. But I think there is more to this cockeyed idea of ability than simply progressive taxation. You will agree, won't you, that whenever anybody talks about ability in these times they don't think of anything in the world except progressive rates? Well, there is more to it than that. Smith himself said there was more to it than that.

Smith said the most important thing in the whole list of four canons of taxation which he mentioned was certainty of taxes. He said you can go wrong a great deal faster by having uncertainty in your taxes than you can by any departure from taxation according to ability; so the tax ought to be certain and not arbitrary. And in the third place Adam Smith said the taxes should be levied at the time and in the manner most convenient to pay them.

There are other taxes than the income tax that will give you certainty and convenience, and in even greater degree than the income tax. So by the time you get all around the idea of ability you certainty don't have to stop and say that everything is bound up in this notion of progressive taxation. And, of course, the people who advocate extremely high rates of progressive taxation are caught with their own trap now in all of these post-war plans. You remember that all three of the plans I mentioned have got very substantial progressive rates, and yet they say at the very outset, "Now, the thing we must have above all is a large supply of venture capital. We have got to have large employment. Everybody must have a job. And in order for everybody to have a job we have got to have lots of new investment, lots of investment in old and new industries—a large flow of investment funds."

Where is it going to come from and why should it come from wherever it is coming? They don't say. They go ahead and stick in tax rates on individuals which make certain that it is not likely to come, and that the revival of the enterprise system upon which they are counting so heavily will simply not take place; because there is no reason in God's world why, with the kind of tax schedules that any of those plans propose, anybody should take the risk that is involved in a new enterprise, or even in an established enterprise, and have to surrender as large proportion as he is likely to have to surrender to the government in case it makes good.

My own answer to the cry of the planners is a very different one. They want a large flow of venture capital. They want enterprise to flourish, and they want plenty of jobs, and so on. I think I can reduce the formula for that to a very simple statement: "If you want to make a dollar by any honest means, you are free to try, and if you succeed you may keep it." If we could have political assurance after the war to everybody—to you and to me and to everybody else, big and little, no matter what you are going into—"Now, all right; if you want to make a dollar by any honest means you are free to try, and, if you succeed, you may keep it," you don't need to look any further for a rule of prosperity or anything else that will make the money come and make it provide jobs and make everybody happy and prosperous.

In conclusion, let me come back to the tax planners. It is perfectly obvious, of course, that the amount of taxation we shall have to collect will depend on the Federal budget. I have my own ideas on that. I would say that after we get all through with the war and the reconversion period, and get finally into the beginning of that era of settled business economic conditions—let's say 194X, it may be '48 or '49—if the Federal budget exceeds 12 billion dollars, exclusive of debt retirement and social security, there will be, by that degree, sinful waste somewhere. I don't think we have any case whatever for spending a nickel more than 12 billion dollars by the Federal Government after the war.

In order to do that I am throwing out all of the aids and subsidies and grants and bonuses. I am willing to make reasonable provision for the veterans. I wouldn't give agriculture another damned nickel. I wouldn't spend another nickel on public works for the purpose of providing employment. All of that is out. It is all sinful waste, anyhow. If you have ever looked at the figures showing the distribution of parity payments and soil conservation payments by amounts, you will see what I mean—more than 50% of the farmers getting a check for less than $20, or $20 or less. Just payment for the vote! It can't be anything else. Anybody who knows the first thing about agriculture knows that no farmer can do anything about preserving his land or equalizing for the difference in what he buys and what he sells, with $20. It is just enough to keep him in line, and that is the sole purpose of it.

Well, all right. If we can have that kind of a budget, then anybody, any one of your one-armed clerks down here on the Stock Exchange can write a Federal tax program that will work. It is easy. It is when you begin to throw in all of the extras, all of the billions of dollars for this and that and the other thing, and get your budget up to 20 or 25 billions, that you are going to begin to have trouble. So I would start with 12 billion dollars as the outside figure, no more.

In the second place, again with my respect to the planners, I think it is very foolish in all of these plans to talk about concentrating the taxes anywhere. Two of them—the Ruml Plan and the CED Plan—propose to put the bulk of it on individual income taxes. As I have said before, if we can diversify the tax system—and even granting that individuals have to pay, remember that it is a lot easier to pay it in many ways than it is to pay it in one single way, and a lot better for the stability of the budget—then your rates everywhere can be moderate rates. Moderation in tax rates everywhere should be the keynote. So I think that the individual who pays taxes should be given the privilege of paying his tax in a number of ways. I think we ought to have excise taxes, and I think we ought to have a sales tax; and I will tell you how I would work that, and with this I close: I have already suggested—and some of you may have seen my proposal—an integration of sales tax and income tax. I think we have proved, by our experiment in lowering the exemption level of the income tax, that it simply will not work that far down and work well. What we should do, then, is come back up the line, raise the exemptions on the income tax; and for illustration I will say, "Let's raise them back to $2,000 for a married person." Then suppose we put in a sales tax. Aside from excises and such things, persons with an income below $2,000—and I use that figure merely for illustration—persons with an income below that figure would pay sales tax only. All the rest of us would pay such income tax as might be imposed, and in addition we would have to pay sales tax on the commodities we bought. By that means we would, first of all, reduce the number of income tax payers to, say, perhaps 10 or 12 millions, a number that the Treasury can deal with. They can't deal with 40 or more million individual income tax payers with any adequacy at all. It would reduce the number of income tax payers to such an amount as would make possible the effective administration of their returns—effective examination and verification, and, where necessary, audit.

In the second place, you would make it a great deal easier in the long run for the persons with small incomes to pay their tax. I know you say, "What could be easier than having 20% withheld from the payroll envelope, even allowing for the deductions and all of the elaborate computations that somebody has to go through with in order to make that deduction; what could be easier than that?" Well, I think the sales tax would be easier; because under the withholding plan you don't give the fellow any option at all as to how much tax he is going to pay; he justs gets the deduction and that is all there is to it; but if you gave him the entire amount that he earned and he takes that home, and then it is a question of sales tax—well, if he wants to buy expensive commodities, higher-priced cuts of meat, or higher-priced this and that, he will pay a little more in sales tax. If his wife wants to shop around and buy articles one flight up instead of on the main street floor, and get them for a little less money, one of the reasons why she might be disposed to do so would be the fact that the sales tax amounted to somewhat less. At any rate, you give him a certain control over the amount that he is going to have to pay instead of making it absolutely arbitrary as you would the other way.

In the third place, you have some means of reaching that enormous part of the national income which is not reachable under any income tax. If you have read the CED Plan, you will find that they glory in one thing; they repeat it several times and take a great deal of pride and satisfaction in the fact that 77 billion dollars isn't touched by the income tax at all. Their income tax is concentrated on something like 57 billions of the total of 135 billions. Well, I don't regard that as a matter of any pride or satisfaction at all. I think it is a shame that there will be 77 billions that isn't going to pay any tax at all of any sort, because they don't include a sales tax. If you really want to broaden the tax base in the most effective way, then you will put in the type of tax that will reach out and cover practically all, or at least potentially all, of the income payments that are made, instead of the kind of thing that is limited to only a minor fraction of the total.

Steel Operations Maintained At High Level—First Quarter Needs Placed Above Capacity

"Swept by the tide of orders placed and commitments made in the past two weeks, the early 1945 steel production pattern has been clarified," states "The Iron Age" in its issue of today (Nov. 16), which further goes on to say: "Steel makers this week are in possession of production probabilities which leave them somewhat less in a quandary than was the case a few weeks ago. Furthermore, grounds for more optimism on an orderly reconversion period are found in the statement by Hiland Batcheller, WPB chief of operations, who in New York this week pledged that the WPB would soon give to all industry, in advance, the blueprint of treamlined regulations which would become effective when Germany is defeated.

"Barring unexpected developments in the European War, shell steel will replace plates as the controlling factor in the steel product mix. Plate directives are expected to be cut further as maritime demand continues to drop. Recent reports indicate that the Maritime Commission's steel needs for the first quarter of 1945 will be roughly about one-half of what they are for the fourth quarter of this year.

"With fewer plate commitments to fill, the steel industry will be in a better position to dig into the mass of sheet orders which have drifted high on mill order books in recent weeks despite substantial cancellations. The easing in the lighter gauges of flat rolled items may mean that heavier production of galvanized sheets—long a market thorn—and tin plate can be undertaken.

"The Office of Defense Transportation has asked the WPB to give the railroads 2,400,000 tons of their requested 2,900,000 tons of the 1945 rail program, of which 600,000 tons is asked for in the first quarter.

"Almost alone among consumers holding allotments, the farm implement industry is outstanding in its willingness to make commitments beyond the first quarter. Because of manpower delays in production schedules, this industry in many cases finds its inventories climbing, with some makers showing signs of trouble in holding stocks to the 60-day requirement.

"Cancellations within the past several weeks have been an important factor in the steel market with one mill piling up as much as 500,000 tons in that category. Most of this was spread out for delivery well into 1945. Termination of such business is proceeding in good order with at least 75% of the terminated contracts either settled or applied to other orders. Currently, steel mills are not having too much difficulty in plugging up the gaps left by cancellations, but this may be another story as the production pattern for early 1945 develops.

"The trend in scrap prices this week appeared to be definitely upward, but the magnitude of this movement is still to be determined. Heavy melting steel and associated grades are higher at Pittsburgh. Increases occurred at other centers also. The 'Iron Age' scrap composite price is up 16 cents a gross ton this week to \$16.08 a gross ton."

The American Iron and Steel Institute on Nov. 13 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 96% of capacity for the week beginning Nov. 13, compared with 96.3% one week ago, 97% one month ago and 97.8% one year ago. The operating rate for the week beginning Nov. 13 is equivalent to 1,727,000 tons of steel ingots and castings, compared to 1,732,400 tons one week ago, 1,745,000 tons one month ago and 1,704,600 tons one year ago.

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

"Sustained steel production through first quarter seems assured by requirements certified to the War Production Board for that period, which are equal to 110% of production capacity.

"This total will be reduced and the excess will be considered by the board Nov. 17. The chief cutbacks are expected to be in aircraft and shipbuilding. Many steel users have reversed their thinking as to the end of the European war and the need for steel to support the armed forces. Optimism following the invasion has given way to the belief the campaign will be much extended and need for munitions will continue. It is believed the war contractors cut inventories too closely and now are seeking to rebuild for a longer pull. Recent expectation that steelmaking would decline toward the end of the year now seems unlikely. Buying is sufficient to more than balance cancellations in most instances. Most deliveries now run into next year, in many cases into second quarter. Result of the national election has had no appreciable effect on the market.

"Scrap decline has checked and seems to have spent its force, though there are some changes in various districts.

"Iron ore shipments from Lake Superior mines in October were 10,594,988 gross tons, a decrease of 1,017,544 tons, or 8.76% from the corresponding month last year. Withdrawal of ships to carry grain was a factor in this. Season shipments to Nov. 1 totaled 76,498,172 tons, compared with 76,714,837 tons to the same date a year ago. The loss was 216,665 tons. Ore stocks are deemed sufficient to support the high rate of steel production through the winter."

Steel Output Rose in October

Steel production in October totaled 7,578,304 tons of ingots and castings, the greatest production since May of this year, reports the American Iron and Steel Institute, which further added:

"The October production was substantially above output of 7,193,496 tons in September but was below the record month of October last year, when 7,814,117 tons were produced.

"Total steel production in the first ten months of 1944 was reported at 74,777,771 tons, as against 74,209,247 tons in the corresponding period of 1943.

"During October the industry operated at an average of 95.1% of capacity, as against 93.4% of capacity in September and 101.2% in October a year ago.

"An average of 1,710,678 tons of steel was produced per week in October, compared with 1,680,723 tons per week in September and 1,763,909 tons per week in October, 1943."

Resume Parcel Post Service To Reunion (Bourbon) Is.

Postmaster Albert Goldman announced on Nov. 9 that information has been received from the Post Office Department at Washington, that effective at once, parcel post service is resumed to Reunion (Bourbon) Island. The advices state:

"Parcels will be limited to 11 pounds in weight and there has been some increase in the postage rates, but otherwise the parcels are subject to the conditions applicable prior to the suspension of service. Parcels must comply with the licensing requirements of the Foreign Economic Administration.

FHA Insured Mortgage Financing In Reconversion

(Continued from first page)

could be constructed—as limited by the War Production Board's Critical List, various limitation and conservation orders, and the War Housing Construction Standards; and (3) **How** housing could be used—under controls providing for occupancy by immigrant war workers, and the production of houses for rent or for sale.

With the war housing program rapidly nearing completion, the home building reconversion period draws closer. As a matter of fact we are right now entering that stage in the change-over from a wartime to peacetime status. Specific evidence of the transition will be the gradual relaxation of restrictions on materials and standards that affect the physical aspect of dwellings. With freedom in the selection of building materials and when people can build the kind of houses they want, where they want them—so far as FHA's Minimum Construction Requirements and Property Standards are concerned — the Federal Housing Administration can resume the insurance of mortgages on eligible dwelling properties under the pre-war provisions of Title II.

Restrictions on the availability of dwellings for normal occupancy and whether they are required to be held for rent or sale removes the element of a free market desirable to mortgage and real estate transactions. So long as these restrictions are in effect, the construction of privately financed housing remains in the war housing category. Many war workers who could qualify as owner-occupants under the programming requirements could not pass the credit requirements necessarily essential to Title II financing. Present earning capacity of many war workers is not a safe guide to their future financial position. Credit investigations of these borrowers must relate present earning capacity to that of the past and must project their employment opportunities and earning capacity into the future.

In the coming transitional period, in some localities, consideration also will have to be given to the market assimilation of war housing by owner-occupants and continued occupancy of war rental housing. That factor will have to be recognized particularly in the case of new construction that is in competition with the war housing price class or type. Until there is evidence of the absorption of war housing in the market demand, and there is an unrestricted free market for real estate transactions, it appears advisable to insure the financing of new dwellings under the provisions of Title VI, as long as sufficient insurance authority is available.

The Federal Housing Administration has been authorized by Congress to insure mortgages on war housing under Title VI up to a total of \$1,700,000,000. On September 30 insurance issued had reduced the amount available for further war housing insurance operations to \$60,000,000. At that time applications were under examination involving mortgages aggregating \$15,000,000, leaving available insurance authority under Title VI at present in the neighborhood of \$45,000,000.

With the termination of the European war, it may be anticipated that home building limitations probably will be relaxed sufficiently to permit some resumption of insured mortgage financing under the pre-war provisions of Title II. When the real estate market warrants full resumption of mortgage insured financing of new dwelling construction, the Federal Housing Administration will be in a strong financial position and there will be ample insurance authority available.

The top limit of FHA's insurance authority under Title II at present is four billion dollars. In June, 1942, insurance issued had reached a total of more than three and three-quarter billion dollars, leaving less than two-hundred million dollars available for further insurance commitments. Following the decision to insure all new dwelling construction under Title VI, together with the fact that amortization of mortgage principal and mortgage terminations have proceeded faster than new business has been added, outstanding mortgage insurance totaled less than \$3,300,000,000 on June 30, 1944. The amount of unused Title II insurance authority at present has increased to something over \$730,000,000.

In addition to the increased insurance authority that will be available under Title II, when peacetime operations are resumed, the President has the authority to increase this amount by another billion dollars if necessary. Available insurance authority therefore should be ample to permit new construction to proceed without delay, and without further legislation by Congress, under the FHA-insured plan of mortgage financing.

The Federal Housing Administration's future mortgage insurance operations are not concerned solely with a peaceful resumption of Title II financing of owner-occupied homes. New problems must be faced after the war. Particularly in rental housing there must be a searching for improved methods whereby the FHA may assist builders and lenders in assuming risks involved in the housing of the lower middle income workers.

In pre-war years much success was achieved in insuring sound large-scale rental projects under Title II. In the post-war period it should be possible to extend greatly this type of building activity. The need for this type of housing is especially acute in the older urban areas. Unfortunately, until municipalities have developed a satisfactory method and plan for rebuilding, the FHA is forced to adopt an attitude which reflects an unsatisfactory risk.

By assuming full risks of reconstruction in blighted areas, the Federal Housing Administration would be performing a disservice to lenders. Not to recognize the hazards involved would be a misleading indication that outmoded residential areas of cities will produce satisfactory mortgages for a 20 to 27-year period. Even if it is good housing, it is not a good mortgage risk, if located in unpleasant, unsuitable surroundings. Whether a new housing project is a good or poor risk in a developed urban area, depends upon significant factors relating to land use, planning, transportation facilities and adjacent neighborhood structures.

While FHA's policy under present conditions appears to be negative in older urban areas, the Administration does find it possible to assist or cooperate in civic improvement plans. Several large-scale proposals for housing projects in redevelopment areas are being considered and it is to be hoped that many others will be undertaken as soon as conditions are favorable.

The purpose of FHA is to aid private enterprise by assuming risks which private lending agencies believe they cannot assume without such assistance. Congress did not intend FHA to serve as a government subsidy to home building. The basis upon which FHA operates is the same as any other insurance venture in which losses are distributed among a large number of participants.

When and where the element of business risk is absent in home building undertakings, it is presumed that private enterprise can operate free from government assistance. When possible losses are shared by the many, risks too great for an individual to bear become of less consequence. The Federal Housing Administration expects to assume reasonable risks in housing activities and to keep in step with changing conditions.

Forecasting Election Results

(Continued from first page)

workers to begin immediately to "save up money for a rainy day." It surely is coming. Moreover, this would still be true if the election had gone the other way.

Free Enterprise to Be Tested

Both candidates at heart believed in "free enterprise" **so long as it will keep people employed.** When, however, it does not prevent unemployment the voters surely will demand that something be done. This "something" will be quack remedies contrary to the spirit of free enterprise.

Certainly, much will be done for the returning soldiers, sailors and airmen. Some of this aid will be uneconomic and wasteful; but Washington will be driven to it. Such action will help along the inevitable inflation and some day cause us a lot of trouble. This, however, should not come until around 1950.

Conclusions

In short, conditions make Presidents; rather than do Presidents make conditions. The masses of the entire world are on the march. Neither Roosevelt nor Dewey nor an undecided election can stop them. It is a mistake to try to block them as did Avery of Montgomery Ward; it is a mistake to cheer them as have many politicians during the past two months. The wise man will attend to his own business, keep out of debt, educate his children to be useful and wait for these masses to learn their lesson through experience.

As to the effect of the elections on the markets, I expect no more changes than have already occurred. I am bearish on municipals and other high-grade bonds; but am still bullish on most well-selected stocks. I do, however, not like the rails, aircrafts or shipping stocks for the next four years.

Jesse Jones Comments On Surplus Plant Sale

The following statement was released to the press Oct. 21, 1944, by Jesse H. Jones, Secretary of Commerce:

"Announcement that a war plant is to be offered for future lease or sale by the Reconstruction Finance Corporation does not mean that production for war is to be stopped in that plant or that workers are to be laid off. As a result of long-range planning covering many months, Defense Plant Corporation has made a catalogue of its plants giving sizes and locations so that any who may be interested in one or more of the plants for post-war use will have the information. I am making this statement because distribution of the catalogue has been misinterpreted in a few instances. As a matter of fact, only one DPC plant now in war production has been advertised for sale. That was because the present operators wanted to negotiate for its purchase at this time so as to be able to plan its conversion to civilian production after it is no longer needed for the war effort. The advertisement stated that the plant would remain in war production as long as needed and the catalogue stated that all plants would remain in war production as long as needed."

National Fertilizer Association Commodity Price Average Increases Slightly

The weekly wholesale commodity price index, compiled by The National Fertilizer Association and made public on Nov. 13, increased fractionally to 139.5 in the week ending Nov. 11 from 139.3 in the preceding week. A month ago the index stood at 139.5 and a year ago at 134.8, based on the 1935-1939 average as 100. The Association's report continued as follows:

The farm products group is mainly responsible for the slight rise in the weekly wholesale commodity price index. The livestock group trended upward as higher prices were quoted for cattle, hogs, lambs, and ewes. No items declined in this group. Lower prices for corn and some grades of wheat more than offset higher prices on rye and other grades of wheat, causing a decline in the grains group. The foods group marked its first decline in five weeks. This fractional decline was caused by lower prices for potatoes. The textiles group moved into higher ground as the result of slightly higher quotations on spot raw cotton. A higher price for scrap steel was not sufficient to change the metals index number. The miscellaneous commodities group was the only other group index to change as lower prices were given for some forms of sole leather and tanned hides.

During the week 10 price series in the index advanced and 4 declined; in the preceding week 7 price series advanced and 10 declined; and in the second preceding week 8 series advanced and 9 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 Nov. 11, 1944	Preceding Week Nov. 4, 1944	Month Ago Oct. 14, 1944	Year Ago Nov. 13, 1943
25.3	Foods	143.7	143.9	142.8	139.9
	Fats and Oils	145.1	145.1	145.1	146.1
	Cottonseed Oil	163.1	163.1	163.1	161.3
23.0	Farm Products	164.6	163.4	165.2	151.7
	Cotton	204.1	202.3	206.5	186.8
	Grains	157.3	158.8	161.6	157.7
	Livestock	161.0	159.0	160.2	143.8
17.3	Fuels	130.4	130.4	130.1	122.8
10.8	Miscellaneous commodities	133.2	133.4	132.2	131.4
8.2	Textiles	155.1	154.9	155.5	149.9
7.1	Metals	104.0	104.0	104.1	104.4
6.1	Building materials	154.1	154.1	154.0	152.4
1.3	Chemicals and drugs	126.1	126.1	126.1	127.7
.3	Fertilizer materials	118.3	118.3	118.3	117.7
.3	Fertilizers	119.9	119.9	119.9	119.8
.3	Farm machinery	104.7	104.7	104.7	104.2
100.0	All groups combined	139.5	139.3	139.5	134.8

*Indexes on 1926-1928 base were: Nov. 11, 1944, 108.7; Nov. 4, 108.5; and Nov. 13, 1943, 105.0.

Electric Output for Week Ended Nov. 11, 1944 Declined 1.9% Below the Same Week in 1943

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 Nov. 11, 1944 was approximately 4,396,595,000 kwh., compared with 4,482,665,000 kwh. in the corresponding week a year ago, a falling off of 1.9%. The output for the week ended Nov. 4, 1944, was 1.3% below that in the similar period in 1943.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended— Nov. 11	Nov. 4	Oct. 28	Oct. 21
New England	1.7	*0.0	*1.1	0.1
Middle Atlantic	*5.0	*4.0	*6.8	*5.6
Central Industrial	*0.7	0.5	*0.6	*0.5
West Central	3.6	2.6	2.9	3.4
Southern States	2.8	2.4	1.8	2.6
Rocky Mountain	*12.2	*10.6	*10.9	*11.8
Pacific Coast	*3.2	*0.3	*0.0	*0.5
Total United States	*1.9	*1.3	*2.1	*1.6

*Decrease under similar week in 1943.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1944	1943	% Change over 1943	1942	1932	1929
Aug. 5	4,399,433	4,240,638	+ 3.7	3,637,070	1,415,122	1,729,667
Aug. 12	4,415,368	4,287,827	+ 3.0	3,654,795	1,431,910	1,733,110
Aug. 19	4,451,076	4,264,824	+ 4.4	3,673,717	1,436,440	1,750,056
Aug. 26	4,418,298	4,322,195	+ 2.2	3,639,961	1,464,700	1,761,594
Sept. 2	4,414,735	4,350,511	+ 1.5	3,672,921	1,423,977	1,674,588
Sept. 9	4,227,900	4,229,262	— 0.0	3,583,408	1,476,442	1,806,259
Sept. 16	4,394,839	4,358,512	+ 0.8	3,756,922	1,490,863	1,792,131
Sept. 23	4,377,339	4,359,610	+ 0.4	3,720,254	1,499,459	1,777,854
Sept. 30	4,365,907	4,359,003	+ 0.2	3,682,794	1,505,219	1,819,276
Oct. 7	4,375,079	4,341,754	+ 0.8	3,702,299	1,507,503	1,806,403
Oct. 14	4,354,575	4,382,260	— 0.6	3,717,360	1,528,145	1,798,633
Oct. 21	4,345,352	4,415,405	— 1.6	3,752,571	1,533,028	1,824,160
Oct. 28	4,358,293	4,452,592	— 2.1	3,774,891	1,525,410	1,815,749
Nov. 4	4,354,939	4,413,863	— 1.3	3,761,961	1,520,730	1,798,164
Nov. 11	4,396,595	4,482,665	— 1.9	3,775,878	1,531,584	1,793,584
Nov. 18		4,513,299		3,795,361	1,475,268	1,818,169
Nov. 25		4,403,342		3,766,381	1,510,337	1,718,002
Dec. 2		4,560,158		3,883,534	1,518,922	1,806,225

Bank Debits for Month of October

The Board of Governors of the Federal Reserve System issued on Nov. 10 its usual monthly summary of "bank debits," which we give below:

SUMMARY BY FEDERAL RESERVE DISTRICTS
(In millions of dollars)

Federal Reserve District—	Oct. 1944	Oct. 1943	—3 Months Ended— Oct. 1944	Oct. 1943
Boston	3,403	3,272	9,525	10,369
New York	30,907	26,140	[illegible]	79,821
Philadelphia	3,132	2,931	[illegible]	9,423
Cleveland	4,806	4,572	14,128	13,958
Richmond	2,747	2,665	7,997	8,001
Atlanta	2,519	2,359	7,378	7,004
Chicago	11,792	10,483	33,624	32,570
St. Louis	2,141	2,186	6,069	6,159
Minneapolis	1,522	1,467	4,316	4,406
Kansas City	2,389	2,277	7,185	6,882
Dallas	2,092	1,909	6,185	5,795
San Francisco	6,412	6,007	19,244	18,249
Total, 334 centers	73,861	66,266	213,375	202,638
*New York City	28,558	23,990	81,584	73,124
*140 other centers	38,308	35,614	111,404	109,425
193 other centers	6,996	6,663	20,387	20,089

*Included in the national series covering 141 centers, available beginning in 1919.

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— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Nov. 14	119.80	112.75	118.40	117.00	112.93	103.30	107.62	113.31	117.40
13	119.80	112.75	118.40	117.00	112.93	103.30	107.62	113.31	117.60
11	Stock Exchange Closed								
10	119.77	112.75	118.40	117.00	112.93	103.30	107.62	113.31	117.40
9	119.73	112.56	118.40	116.80	112.93	103.30	107.62	113.31	117.40
8	119.77	112.56	118.20	116.80	112.93	103.30	107.62	113.12	117.20
7	Stock Exchange Closed								
6	119.67	112.56	118.40	116.80	112.93	103.30	107.62	113.31	117.20
4	119.55	112.75	118.40	116.80	112.93	103.47	107.62	113.31	117.20
3	119.55	112.75	118.40	116.80	112.93	103.47	107.62	113.31	117.20
2	119.55	112.56	118.40	116.80	112.93	103.30	107.44	113.31	117.20
1	119.55	112.56	118.40	116.80	112.93	103.30	107.62	113.31	117.20
Oct. 27	119.33	112.56	118.40	116.61	112.93	103.47	107.62	113.50	117.20
20	119.55	112.75	118.60	116.80	112.93	103.64	107.44	113.50	117.40
13	119.61	112.75	113.60	117.00	112.93	103.47	107.27	114.08	117.20
6	119.52	112.75	118.60	117.00	112.75	103.30	106.92	114.08	117.20
Sep. 29	119.50	112.56	118.60	116.80	112.56	103.13	106.74	114.08	117.00
22	119.22	112.56	118.60	117.20	112.37	103.13	106.74	114.08	117.20
15	119.42	112.56	118.80	117.20	112.19	103.13	106.74	114.27	117.20
8	119.48	112.56	118.80	117.20	112.00	103.13	106.74	114.27	117.00
1	119.81	112.56	118.80	117.20	112.00	103.13	106.74	114.27	117.20
Aug. 25	119.89	112.75	118.80	117.40	112.19	103.30	106.74	114.27	117.20
18	119.84	112.56	118.60	117.20	112.37	103.30	106.92	114.08	117.20
11	119.84	112.56	118.60	117.00	112.37	103.30	106.92	114.08	117.20
4	120.08	112.56	118.80	117.00	112.19	103.30	106.74	114.08	117.20
July 28	120.10	112.37	118.60	116.80	112.19	103.13	106.56	114.27	117.00
June 30	120.15	112.37	118.60	116.80	112.00	102.80	106.04	113.89	117.40
May 26	119.66	112.19	118.40	116.80	111.81	102.30	105.86	113.89	117.00
Apr. 28	119.35	111.81	118.40	116.61	111.62	101.47	105.34	113.70	116.41
Mar. 31	119.68	111.44	118.20	116.41	111.25	100.81	104.66	113.70	116.22
Feb. 25	120.21	111.25	118.20	116.41	111.07	100.32	104.31	113.50	116.22
Jan. 28	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41
High 1944	120.44	112.75	118.80	117.40	112.93	103.64	107.62	114.27	117.60
Low 1944	119.20	110.70	118.20	116.22	110.88	99.04	103.30	113.12	116.02
High 1943	120.87	111.44	119.41	117.00	111.81	99.36	103.47	114.27	117.40
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
1 Year Ago Nov. 13, 1943	119.90	110.70	118.80	116.22	111.07	98.41	103.30	113.50	116.02
2 Years Ago Nov. 14, 1942	117.36	107.62	117.20	114.27	108.70	92.50	97.16	112.00	114.66

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

1944— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Nov. 14	1.85	3.02	2.73	2.80	3.01	3.55	3.30	2.99	2.78
13	1.85	3.02	2.73	2.80	3.01	3.55	3.30	2.99	2.77
11	Stock Exchange Closed								
10	1.86	3.02	2.73	2.80	3.01	3.55	3.30	2.99	2.78
9	1.86	3.03	2.73	2.81	3.01	3.55	3.30	2.99	2.78
8	1.86	3.03	2.74	2.81	3.01	3.55	3.30	3.00	2.79
7	Stock Exchange Closed								
6	1.86	3.03	2.73	2.81	3.01	3.55	3.30	2.99	2.79
4	1.87	3.02	2.73	2.81	3.01	3.54	3.30	2.99	2.79
3	1.87	3.02	2.73	2.81	3.01	3.54	3.30	2.99	2.79
2	1.87	3.03	2.73	2.81	3.01	3.55	3.31	2.99	2.79
1	1.87	3.03	2.73	2.81	3.01	3.55	3.30	2.99	2.79
Oct. 27	1.89	3.03	2.73	2.82	3.01	3.54	3.30	2.98	2.79
20	1.86	3.02	2.72	2.81	3.01	3.53	3.31	2.98	2.78
13	1.85	3.02	2.72	2.80	3.01	3.54	3.32	2.95	2.79
6	1.85	3.02	2.72	2.80	3.02	3.55	3.34	2.95	2.79
Sep. 29	1.84	3.03	2.72	2.81	3.03	3.56	3.35	2.95	2.80
22	1.86	3.03	2.72	2.79	3.04	3.56	3.35	2.95	2.79
15	1.83	3.03	2.71	2.79	3.05	3.56	3.35	2.94	2.79
8	1.84	3.03	2.71	2.79	3.06	3.56	3.35	2.94	2.80
1	1.81	3.03	2.71	2.79	3.06	3.56	3.35	2.94	2.79
Aug. 25	1.81	3.02	2.71	2.78	3.05	3.55	3.35	2.94	2.79
18	1.81	3.03	2.72	2.79	3.04	3.55	3.34	2.95	2.79
11	1.81	3.03	2.72	2.80	3.04	3.55	3.34	2.95	2.79
4	1.79	3.03	2.71	2.80	3.05	3.55	3.35	2.95	2.79
July 28	1.79	3.04	2.72	2.81	3.05	3.56	3.36	2.94	2.80
June 30	1.79	3.04	2.72	2.81	3.06	3.58	3.39	2.96	2.78
May 26	1.84	3.05	2.73	2.81	3.07	3.61	3.40	2.96	2.80
Apr. 28	1.86	3.07	2.73	2.82	3.08	3.66	3.43	2.97	2.83
Mar. 31	1.83	3.09	2.74	2.83	3.10	3.70	3.47	2.97	2.84
Feb. 25	1.81	3.10	2.74	2.83	3.11	3.73	3.49	2.98	2.84
Jan. 28	1.87	3.11	2.74	2.84	3.11	3.74	3.50	2.99	2.83
High 1944	1.87	3.13	2.74	2.84	3.12	3.81	3.55	3.00	2.85
Low 1944	1.77	3.02	2.71	2.78	3.01	3.53	3.30	2.94	2.77
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	1.79	3.09	2.68	2.80	3.07	3.79	3.54	2.94	2.78
1 Year Ago Nov. 13, 1943	1.84	3.13	2.71	2.84	3.11	3.85	3.55	2.98	2.85
2 Years Ago Nov. 14, 1942	2.05	3.30	2.79	2.94	3.24	4.24	3.93	3.06	2.92

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

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

Associated Hospital Service Lifts Restrictions; Extends Benefits to Individuals

Louis H. Pink, President of the Associated Hospital Service of New York, has announced the temporary lifting of restrictions on the enrollment of individuals in order to extend the benefits of prepaid hospital care to New Yorkers who cannot join the organization in groups. The new provisions, which include a waiver of medical examination and questionnaire for applicants and their families, are embodied in a simplified application form which will be available to persons in good health not over 60 years of age during the period of Nov. 13 to Dec. 15. The announcement issued Nov. 13 says:

"The simplified enrollment procedure will affect, for the most part, individuals who are self-employed, unemployed, or employed in small firms with less than five employees. Persons in these categories were formerly required to fill out a detailed questionnaire concerning past illnesses and, in some cases, to pass a medical examination.

"Subscribers who enroll through the special application form may transfer to group membership if they should obtain employment in an organization where group enrollment is in effect. The advantages of group enrollment include a lower rate, a more convenient method of payment, through payroll deduction; and provisions for family coverage with maternity care."

In a statement to be issued to persons who apply for enrollment under the new provisions, Mr. Pink says:

"We have simplified this form of enrollment as we want to make it easier for those who are not able to join through groups to become members of our plan. We must, however, depend upon the law of averages. We can offer this protection only to those in good health at the time of filing this application. This is a partnership effort between Associated Hospital Service and the public, and whether we can continue to offer this method of enrollment, without medical examination or questionnaire, will depend upon your cooperation."

The Associated Hospital Service of New York now comprises nearly 1,700,000 subscribers, an increase of 277,574 for the first nine months of this year. During the last three months of this period, the gain in enrollment is reported as 60,787, the largest increase among the nation's 81 non-profit community organizations, popularly known as "Blue Cross Plans," which make prepaid hospital care available to more than 16,000,000 subscribers throughout the United States. Activities of these organizations are subject to the approval of the American Hospital Association.

Since New York's Blue Cross Plan was established in 1935, it is announced more than 750,000 hospital bills totaling approximately $50,000,000 have been paid to hospitals for the care of its members. On a national basis approximately $250,000,000 has been paid to hospitals since the inception of the Blue Cross movement. More than $300,000 employers throughout the nation now cooperate in making enrollment in local Blue Cross Plans available to their employees. Subscribers to the service are entitled to 21 days of complete hospital care without charge and to 90 additional days at one-half the hospital's established rates in semi-private accommodations in any one of the 260 participating hospitals in the Greater New York area.

Fete Portuguese Delegates

The American - Portuguese Chamber of Commerce, Inc., announced on Nov. 10 through Jose Bensaude, its President, that the Chamber will honor the two delegations from Portugal now in this country with a dinner and dance to be given in the Rainbow Room, Radio City, on Nov. 21.

The delegates to the International Business Conference, Westchester Country Club, Rye, N. Y., are:

Dr. Roque da Fonseca, President of the Lisbon Chamber of Commerce; Valente Perfeito, Dr. Cortez Pinto, Mario Borges, Dr. Alberto Araujo, Elizio Pereida do Vale.

The delegates to the International Civil Aviation Conference, Hotel Stevens, Chicago, Ill., are:

Dr. Prof. Mario de Figueiredo, Chairman; Brigadier Alfredo Velasques dos Santos Cintra, Eng. Duarte Pinto Bastos de Guimaraes Calheiro, 1st Lt. Joaquim Trinidade dos Santos, Capt. Nuno Alves Calado, Maj. Carlos Mario Goncalves de Castro da Costa Macedo, Carlos Black, Dr. Vasco Vieira Garin, Engineer Francisco Mello e Castro.

Mr. Bensaude is President of Flomarcy, Inc., and since the New York World's Fair of 1939 has been the special delegate of the Lisbon Chamber of Commerce in New York, and who for the past several years has played a prominent part in Port shipping. He will also act as technical advisor to the delegates attending the International Business Conference at Rye, N. Y.

Moody's Daily Commodity Index

Tuesday, Nov. 7, 1944	*
Wednesday, Nov. 8	248.4
Thursday, Nov. 9	248.3
Friday, Nov. 10	248.5
Saturday, Nov. 11	*
Monday, Nov. 13	249.0
Tuesday, Nov. 14	247.8
Two weeks ago, Oct. 31	248.6
Month ago, Oct. 14	249.1
Year ago, Nov. 13, 1943	243.4
1943 High, April 1	249.8
Low, Jan. 2	240.2
1944 High, Oct. 3	252.5
Low, Jan. 5	247.0

*Holiday.

Wholesale Prices Up 0.1% for Week Ended Nov. 4, Labor Department Reports

Seasonal advances in market prices for eggs and certain vegetables, with higher quotations for cows, live poultry and foreign wools, caused the Bureau of Labor Statistics' Index of commodity prices in primary markets to rise 0.1% during the first week of November, said the U. S. Department of Labor in its report issued Nov. 9 which also stated: "The all-commodity index stood at 104.0% of the 1926 average, the level which prevailed in mid-August. It was 0.1% above the first week in October and 1.1% higher than for the corresponding week of 1943." The Department's report continued:

"**Farm Products and Foods**—Led by a seasonal rise of 4% in egg price and 7% for onions and more than 3% for white potatoes, the index for farm products rose 0.6% during the week. Prices of cows increased nearly 8% and live poultry in both the Chicago and New York markets advanced sharply. Quotations for Argentine and Montevideo wools were up more than 1%. With increased supplies and more favorable crop reports, prices for corn, oats and rye declined. Cotton quotations fell slightly and hog prices were down about 2%. The farm products index was 124.0% of the 1926 average and was higher than a month ago by 0.6% and a year ago by 1%.

"Higher prices for eggs and vegetables largely accounted for an increase of 0.3% in average prices for foods. Fruits and vegetables rose 0.2% and cereal products were up 0.1% because of a further rise of 1.5% for oatmeal and higher prices for flour in the Buffalo market. The level of food prices in primary markets was 0.3% above four weeks ago and was down by 1.2% from the first week in November, 1943.

"**Industrial Commodities**—There was practically no activity in industrial commodity markets during the week. With the exception of slightly lower prices for sand and gravel, for anhydrous ammonia and for cottonseed meal, quotations for major industrial products remained unchanged from the previous week. The decline of 0.2% for chemicals and allied products was a result of the nearly 10% decline in the ammonia quotation and one-half of 1% drop for cottonseed meal."

The Labor Department included the following notation in its report:

Note—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 Oct. 7, 1944 and Nov. 6, 1943, and the percentage changes from a week ago, a month ago and a year ago, and (2) percentage changes in subgroups indexes from Oct. 28, 1944 to Nov. 4, 1944.

WHOLESALE PRICES FOR WEEK ENDED NOV. 4, 1944

(1926=100)

Commodity Groups—	11-4 1944	10-28 1944	10-21 1944	10-7 1944	11-6 1943	Percentage change to Nov. 4, 1944 from— 10-28 1944	10-7 1944	11-6 1943
All commodities	*104.0	*103.9	*103.8	*103.9	102.9	+0.1	+0.1	+ 1.1
Farm products	124.0	123.3	122.8	123.3	122.8	+0.6	+0.6	+ 1.0
Foods	104.4	104.1	103.9	104.1	105.7	+0.3	+0.3	— 1.2
Hides and leather products	116.7	116.7	116.7	116.8	118.4	0	—0.1	— 1.4
Textile products	98.9	98.9	98.9	98.8	97.2	0	+0.1	+ 1.7
Fuel and lighting materials	83.5	83.5	83.6	83.8	81.6	0	—0.4	+ 2.3
Metals and metal products	*103.8	*103.8	*103.8	*103.9	103.8	0	—0.1	0
Building materials	116.4	116.4	116.3	116.1	113.0	0	+0.3	+ 3.0
Chemicals and allied products	104.7	104.9	104.9	104.9	100.4	—0.2	—0.2	+ 4.3
Housefurnishing goods	106.1	106.1	106.1	106.1	104.2	0	0	+ 1.8
Miscellaneous commodities	93.4	93.4	93.4	93.4	92.9	0	0	+ 0.5
Raw materials	114.0	113.5	113.2	113.7	112.1	+0.4	+0.3	+ 1.7
Semimanufactured articles	94.7	94.7	94.7	94.6	92.9	0	+0.1	+ 1.9
Manufactured products	*101.1	*101.1	*101.2	*101.2	100.3	0	—0.1	+ 0.8
All commodities other than farm products	*99.6	*99.6	*99.7	*99.7	98.6	0	—0.1	+ 1.0
All commodities other than farm products and foods	*98.8	*98.8	*98.9	*98.9	97.5	0	—0.1	+ 1.3

*Preliminary.

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM OCT. 28, 1944 TO NOV. 4, 1944

Increases

Livestock and poultry	1.2	Other farm products	0.5
Other foods	0.9	Fruits and vegetables	0.2
Cereal products	0.1		

Decreases

Grains	0.6	Chemicals	0.5

Latest Summary Of Copper Statistics

The Copper Institute on Nov. 13 released the following statistics pertaining to production, deliveries and stocks of duty-free copper:

SUMMARY OF COPPER STATISTICS REPORTED BY MEMBERS OF THE COPPER INSTITUTE

(In Tons of 2,000 Pounds)

U. S. Duty Free Copper	Production *Crude	Production Refined	Deliveries to Customers †Domestic	Deliveries to Customers Export	‡Refined Stocks End of Period	Stock Increase (+) or Decreases (—) Blister	Stock Increase (+) or Decreases (—) Refined
Year 1939	836,074	818,289	814,407	134,152	159,485	+17,785	—130,270
Year 1940	992,293	1,033,710	1,001,886	48,537	142,772	—41,417	— 16,713
Year 1941	1,016,996	1,065,667	1,545,541	307	75,564	—48,671	— 67,208
Year 1942	1,152,344	1,135,708	1,635,236	----	65,309	+16,636	— 10,255
Year 1943	1,194,699	1,206,871	1,643,677	----	52,121	—12,172	— 13,188
10 Mos. 1944	902,721	928,994	1,351,978	----	49,358	—26,273	— 2,763
Jan., 1944	95,400	92,781	101,779	----	45,800	+ 2,619	— 6,321
Feb., 1944	95,712	87,128	124,800	----	36,489	+ 8,584	— 9,311
Mar. 1944	101,247	99,118	156,083	----	37,259	+ 2,129	+ 770
Apr., 1944	92,530	95,280	156,233	----	38,382	— 2,750	+ 1,123
May 1944	94,534	98,580	165,887	----	37,074	— 4,046	— 1,308
June, 1944	89,070	93,958	141,139	----	42,467	— 4,888	+ 5,393
July 1944	86,224	93,650	121,898	----	48,050	— 1,426	+ 5,583
Aug., 1944	82,769	91,047	139,515	----	50,991	— 8,278	+ 2,941
Sept., 1944	82,776	88,384	118,054	----	51,412	— 5,608	+ 421
Oct., 1944	82,459	89,068	126,590	----	49,358	— 6,609	— 2,054

*Mine or smelter production or shipments, and custom intake including scrap.

†Beginning March, 1941, includes deliveries of duty paid foreign copper for domestic consumption.

‡At refineries, on consignment and in exchange warehouses, but not including consumers' stocks at their plants or warehouses.

Note—Statistics for the month of September, 1944 have been revised.

Market Value Of Bonds On N. Y. Stock Exchange

The New York Stock Exchange announced on Nov. 10 that as of the close of business Oct. 31, there were 1,058 bond issues aggregating $101,088,301,686 par value listed on the New York Stock Exchange with a total market value of $101,801,493,498. This compares with 1,062 bond issues, aggregating $101,398,754,393 par value; total market value, $102,017,012,414; average price 100.61 on Sept. 30.

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

Group—	Oct. 31, 1944 Market Value $	Oct. 31, 1944 Average Price $	Sept. 29, 1944 Market Value $	Sept. 29, 1944 Average Price $
U. S. Government (incl. N. Y. State, Cities, etc.)	85,623,114,451	102.92	85,668,996,414	102.98
U. S. companies:				
Amusement	7,387,500	98.50	7,406,250	98.75
Automobile	5,945,000	102.50	5,945,000	102.50
Building	12,942,400	102.85	12,932,315	102.77
Business and office equipment	15,186,046	107.37	15,133,010	107.00
Chemical	44,447,500	103.85	44,532,000	104.05
Electrical equipment	20,400,000	102.00	20,325,000	101.63
Financial	40,088,142	102.84	40,069,074	102.79
Food	249,698,011	105.43	197,167,350	105.97
Land and realty	12,397,350	74.22	4,847,460	86.50
Machinery and metals	35,385,618	102.86	35,420,597	102.78
Mining (excluding iron)	95,237,573	74.50	94,055,803	73.37
Paper and publishing	32,076,089	104.17	32,150,611	104.22
Petroleum	640,388,809	104.17	639,545,689	104.03
Railroad	7,917,664,665	85.27	7,915,371,886	83.92
Retail merchandising	13,121,639	97.87	12,909,489	96.29
Rubber	69,578,273	104.65	69,387,006	104.37
Shipping services	20,027,873	94.11	19,384,531	91.00
Steel, iron and coke	369,484,753	103.82	393,028,947	103.42
Textiles	36,575,000	104.50	36,750,000	105.00
Tobacco	157,290,600	104.03	170,562,712	104.49
Utilities:				
Gas and electric (operating)	2,856,367,462	107.46	3,053,368,066	107.76
Gas and electric (holding)	60,850,360	108.82	61,089,841	109.25
Communications	1,143,834,029	112.12	1,150,807,812	112.39
Miscellaneous utilities	94,373,985	68.64	98,748,232	69.93
U. S. companies oper. abroad	151,118,025	85.98	150,652,646	85.72
Miscellaneous businesses	30,814,670	105.10	30,742,450	104.86
Total U. S. companies	14,132,681,372	92.93	14,312,333,777	92.26
Foreign government	1,396,101,458	70.78	1,388,894,492	70.18
Foreign companies	649,596,217	90.80	646,787,731	90.41
All listed bonds	101,801,493,498	100.71	102,017,012,414	100.61

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

1942—	Market Value $	Average Price $	1943—	Market Value $	Average Price $
Oct. 31	64,843,877,284	96.48	Nov. 30	90,076,888,558	99.02
Nov. 30	64,543,971,299	96.11	Dec. 31	90,274,071,634	99.38
Dec. 31	70,583,644,622	96.70	1944—		
1943—			Jan. 31	90,544,387,232	99.78
Jan. 30	71,038,674,932	97.47	Feb. 29	96,837,573,171	100.21
Feb. 27	71,346,452,852	97.79	Mar. 31	95,713,288,544	100.32
Mar. 31	71,575,183,604	98.24	Apr. 29	95,305,318,075	100.31
Apr. 30	71,857,596,488	98.69	May 31	93,849,254,814	100.62
May 29	81,048,543,830	99.47	June 30	96,235,324,054	100.53
June 30	80,704,321,646	99.64	July 31	102,284,657,208	100.71
July 31	80,352,221,151	99.35	Aug. 31	102,328,885,992	100.74
Aug. 31	80,109,269,964	99.23	Sep. 30	102,017,012,414	100.61
Sept. 30	80,149,558,292	99.37	Oct. 31	101,801,493,498	100.71
Oct. 30	90,501,768,934	99.45			

Civil Engineering Construction $8,805,000 For Holiday-Shortened Week

Civil engineering construction volume in continental U. S. for the short week due to the Election Day holiday totals $8,805,000, the lowest weekly volume reported since July 6, 1933. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, compares with $32,393,000 in the preceding week, and $62,972,000 in the 1943 week, according to reports to **Engineering News-Record.** The total is 58% lower than the previous four-week moving average. The report, made public on Nov. 9, continued as follows:

Private construction for the week totals $1,817,000; and public volume is $6,988,000, of which $5,550,000 is Federal, and $1,438,000 is State and municipal.

The week's volume brings 1944 construction to $1,547,954,000 for the 45 weeks, a decrease of 44% from the $2,779,930,000 reported for the 1943 period. Private construction, $321,280,000, is 21% below a year ago, and public construction, $1,226,674,000 is down 48% as a result of the 54% drop in Federal work. State and municipal volume is 20% above a year ago.

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

	Nov. 11, '43 (five days)	Nov. 2, '44 (five days)	Nov. 9, '44 (four days)
Total U. S. construction	$62,972,000	$32,393,000	$8,805,000
Private construction	16,607,000	5,614,000	1,817,000
Public construction	46,365,000	26,779,000	6,988,000
State and municipal	2,956,000	3,873,000	1,438,000
Federal	43,409,000	22,906,000	5,550,000

In the classified construction groups, sewerage construction gains over a week ago, and is the only class of work to report an increase over a week ago or a year ago. Subtotals for the week in each class of construction are: waterworks, $55,000; sewerage, $409,000; bridges, $107,000; industrial buildings, $768,000; commercial building and large-scale private housing, $775,000; public buildings, $2,702,000; earthwork and drainage, $185,000; streets and roads, $864,000; and unclassified construction, $2,940,000.

New capital for construction purposes for the week totals $13,999,000. It is made up of $5,849,000 in State and municipal bond sales, $4,150,000 in corporate security issues, and $4,000,000 in RFC loans for private industrial construction. The week's new financing brings the 1944 volume to $1,675,795,000, a total 45% below the $3,052,220,000 reported for the 45-week 1943 period.

War Production Still No. 1 Problem

The assertion that "war production is still the number one problem of America," and that "even the end of the war in Germany will not see the end of the gigantic war production program — we will still have Japan to defeat," was made by the speakers on the weekly Business Forum of the Commerce and Industry Association on WMCA on Nov. 8. "To meet these war production programs, America must continue to produce the raw materials and a great army of American men and women must continue in essential war industries to turn these materials into the tools of war," according to the facts brought out.

The speakers were Lewis S. Greenleaf, Jr., Regional Director, War Production Board; Reginald E. Gillmor, President, Sperry Gyroscope Co., Inc., and Rear Admiral Sherman S. Kennedy, U. S. Navy, Manager of the New York Navy Yard.

In stating today's production problems, the moderator, Neal Dow Becker, President of the Association, and President of Intertype Corp., said, "the pressing problems of war production take priority over any planning for reconversion of our plants and factories to peacetime production. War production still holds first place. To maintain it, industry must raise its sights still higher. It must retain the manpower dedicated to the winning of the war. It can be done only by staying on essential jobs."

In response to a question by Mr. Becker, Regional Director Greenleaf pointed out that "while it was inevitable that labor, industry and government should be doing a lot of thinking now on the reconversion problem, there are two things to bear in mind in that connection. The first is that our war job is far from finished and that it is going to be bigger and more important during the immediate future than ever before. Military schedules are still going up very sharply and we should bear in mind that the unfinished war production job has first call on our energy right now. If we let ourselves create a general feeling that the war job is tapering off and that greatly increased production of peacetime goods is getting under way, we simply make it that much harder for war plants to get and keep the men they need. The problem in military production is manpower."

Calif. Business Down

For the third consecutive month business activity in California registered a decline in September, according to the Wells Fargo Bank of San Francisco's monthly Business Outlook. The bank's index shows the month's level was 240.2% of the 1935-39 average as compared with revised figures of 241.2% in August, 244.9% in July and 246.7% in Sept., 1943. The bank further says:

"Nevertheless, department-store dollar-volume showed a substantial increase—up 17% from Sept., 1943, with nine months' dollar-volume 12% over that for the corresponding period a year ago.

"Total taxes collected by all Government agencies in the State, during the fiscal year July 1, 1943-June 30, 1944, were nearly double the amount paid in the preceding fiscal year and practically four times that paid four years ago.

"Sales of California retailers during the fiscal year ending June 30, 1944 were the highest in history, the Business Outlook points out. The $5,194,676,902 total represented a gain of 16.1% over the preceding fiscal year. With the exception of wheat, corn, sugar beets, and beans other than lima, all California cultivated crops this year have been better than average."

Daily Average Crude Oil Production For Week Ended Nov. 4, 1944 Dropped 21,000 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Nov. 4, 1944, was 4,719,900 barrels, a decrease of 21,000 barrels per day from the preceding week. The current figure, however, is 11,400 barrels in excess of the daily average figure recommended by the Petroleum Administration for War for the month of October, 1944, and exceeds the week ended Nov. 6, 1943, by 430,650 barrels per day. Daily production for the four weeks ended Nov. 4, 1944, averaged 4,733,050 barrels. Further details as reported by the Institute follow:

Reports received from refining companies owning 87.2% of the 4,908,000 barrel estimated daily potential refining capacity of the United States, indicate that the industry as a whole ran to stills, on a Bureau of Mines basis, 4,570,000 barrels of crude oil daily during the week ended Nov. 4, 1944, and that all companies had in storage, refineries, bulk terminals, in transit and in pipe lines as of the end of that week 78,409,000 barrels of finished and unfinished gasoline. The total amount of gasoline produced by all companies is estimated to have been 14,152,000 barrels during the week.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations October	*State Allowables begin. Oct. 1	Actual Production Week Ended Nov. 4, 1944	Change from Previous Week	4 Weeks Ended Nov. 4, 1944	Week Ended Nov. 6, 1943
Oklahoma	340,000	343,000	†360,000	+12,650	349,000	330,400
Kansas	274,000	269,400	†260,250	—26,700	277,700	242,550
Nebraska	1,000	----	†950	----	950	1,700
Panhandle Texas			96,150	— 2,650	98,150	85,500
North Texas			150,200	+ 1,400	149,150	141,900
West Texas			432,050	—10,750	490,100	359,750
East Central Texas			146,700	— 2,800	148,800	137,950
East Texas			369,400	— 1,950	370,850	376,400
Southwest Texas			341,600	+ 7,200	336,200	297,850
Coastal Texas			546,700	+ 9,000	539,950	524,600
Total Texas	2,133,000	‡2,134,113	2,142,800	— 550	2,133,200	1,923,950
North Louisiana			73,300	----	73,200	78,800
Coastal Louisiana			290,650	+ 900	290,000	272,200
Total Louisiana	350,000	396,000	363,950	+ 900	363,200	351,000
Arkansas	78,000	80,295	80,500	— 350	80,700	78,100
Mississippi	46,000		49,300	+ 250	49,200	52,400
Alabama	----		200	----	200	----
Florida	----		50	----	50	----
Illinois	205,000		204,000	+ 3,750	200,000	228,400
Indiana	13,500		13,300	+ 200	12,850	14,600
Eastern— (Not incl. Ill., Ind., Ky.)	72,500		68,050	+ 50	68,000	70,900
Kentucky	25,000		30,850	+ 1,900	28,300	24,750
Michigan	50,000		46,550	— 1,650	47,800	52,100
Wyoming	95,000		98,450	— 2,400	99,400	98,700
Montana	22,000		21,050	— 300	21,800	21,350
Colorado	8,500		9,250	— 50	9,350	7,300
New Mexico	110,000	110,000	104,900	----	104,650	112,550
Total East of Calif.	3,823,500		3,844,400	—12,300	3,846,350	3,610,750
California	885,000	§885,000	875,500	— 8,700	886,700	778,500
Total United States	4,708,500		4,719,900	—21,000	4,733,050	4,389,250

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

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m. Nov. 2, 1944.

‡This is the net basic allowable as of Oct. 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 1 to 15 days, the entire state was ordered shut down for 7 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 7 days shutdown time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED NOV. 4, 1944

(Figures in Thousands of barrels of 42 Gallons Each)

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

District—	Daily Refining Capacity Potential Rate	Daily Refining Capacity % Reporting	Crude Runs to Stills Daily Average	Crude Runs to Stills % Operated	§Gasoline Production at Refineries Includ. Natural Blended	‡Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuel Oil	‡Stocks of Residual Fuel Oil
East Coast	729	100.0	731	100.3	1,831	12,301	14,793	11,046
Appalachian—								
District No. 1	130	83.9	100	76.9	315	2,364	517	345
District No. 2	47	87.2	57	121.3	184	1,319	192	127
Ind., Ill., Ky.	824	85.2	771	93.6	2,710	†16,126	†6,901	3,889
Okla., Kans., Mo.	418	80.2	338	80.9	1,359	†7,037	†2,465	1,657
Inland Texas	278	66.9	218	78.4	842	2,634	398	645
Texas Gulf Coast	1,165	90.5	1,093	93.8	3.565	14,192	8,308	8,533
Louisiana Gulf Coast	242	95.5	272	112.4	767	4,258	2,244	1,023
No. La. & Arkansas	104	68.0	72	69.2	211	2,409	731	319
Rocky Mountain—								
District No. 3	13	17.0	11	84.6	35	70	19	29
District No. 4	141	58.3	102	72.3	369	1,500	393	610
California	817	89.9	805	98.5	1,964	14,199	11,616	35,221
Total U. S. B. of M. basis Nov. 4, 1944	4.908	87.2	4,570	93.1	14,152	¶78,409	48,477	63,444
Total U. S. B. of M. basis Oct. 28, 1944	4.908	87.2	4,658	94.9	14,117	79,058	*48,705	*64,382
U. S. Bur. of Mines basis Nov. 6, 1943			4,097		12,193	68,674	44,807	63,398

*On new basis due to transfer of 158,000 barrels in Texas Gulf Coast from Distillate to residual fuel. †As of Oct. 28 the following amounts were transferred from Indiana, Illinois and Kentucky district to Oklahoma, Kansas and Missouri district: gasoline, 216,000; kerosine, 42,000; gas oil and distillate, 112,000 barrels. ¶Composed of 13,396,000 barrels of unfinished, 39.596,000 barrels civilian-grade automotive and 25,417,000 barrels aviation, military, solvents and naphthas, and gasoline blending stocks currently indeterminate as to ultimate use. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,365,000 barrels of kerosine, 4,569,000 barrels of gas oil and distillate fuel oil and 8,570,000 barrels of residual fuel oil produced during the week ended Nov. 4, 1944, which compares with 1,486,000 barrels, 4,722,000 barrels and 8,985,000 barrels, respectively, in the preceding week and 1,386,000 barrels, 4,320,000 barrels and 8,256,000 barrels, respectively, in the week ended Nov. 6, 1943.

Note—Stocks of kerosine at Nov. 4, 1944 amounted to 14,489,000 barrels, as against 14,323,000 barrels a week earlier and 11,429,000 barrels a year before.

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 Nov. 4, 1944, is estimated at 11,950,000 net tons, a decrease of 200,000 tons, or 1.6%, from the preceding week. In the corresponding week of 1943, when miners were out on strike, output amounted to only 3,061,000 tons. Cumulative production of soft coal from Jan. 1 to Nov. 4, 1944, totaled 530,505,000 tons, an increase of 7.5% over the 493,288,000 tons mined in the same period last year.

According to the U. S. Bureau of Mines, output of Pennsylvania anthracite for the week ended Nov. 4, 1944, was estimated at 1,138,000 tons, a decrease of 181,000 tons (13.7%) from the preceding week. When compared with the production in the corresponding week of 1943, there was an increase of 991,000 tons. The calendar year to date shows an increase of 7.4% when compared with the corresponding period of 1943.

The Bureau of Mines also reported that the estimated production of beehive coke in the United States for the week ended Nov. 4, 1944, showed a decrease of 10,900 tons when compared with the output for the week ended Oct. 28, 1944; but was 41,500 tons more than for the corresponding week of 1943.

ESTIMATED UNITED STATES PRODUCTION OF COAL, IN NET TONS

Bituminous coal and lignite—	Week Ended Nov. 4, 1944	Week Ended Oct. 28, 1944	Week Ended Nov. 6, 1943	January 1 to Date *Nov. 4, 1944	January 1 to Date Nov. 6, 1943	January 1 to Date Nov. 6, 1937
Total incl. mine fuel	11,950,000	12,150,000	3,061,000	530,505,000	493,288,000	380,362,000
Daily average	1,992,000	2,025,000	510,000	2,022,000	1,871,000	1,455,000

*Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

(In Net Tons)

Penn. anthracite—	Week Ended ‡Nov. 4, 1944	Week Ended §Oct. 28, 1944	Week Ended Nov. 6, 1943	Calendar Year to Date Nov. 4, 1944	Calendar Year to Date Nov. 6, 1943	Calendar Year to Date Nov. 6, 1937
*Total incl. coll. fuel	1,138,000	1,319,000	147,000	55,489,000	51,655,000	43,718,000
†Commercial produc.	1,092,000	1,266,000	141,000	53,270,000	49,589,000	41,532,000
Beehive coke—						
United States total	112,900	123,800	71,400	6,205,100	6,665,800	2,903,500

*Includes washery and dredge coal and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Subject to revision. §Revised.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

(In Net Tons)

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

State—	Week Ended Oct. 28, 1944	Week Ended Oct. 21, 1944	Week Ended Oct. 30, 1943	Week Ended Oct. 30, 1937
Alabama	360,000	365,000	123,000	264,000
Alaska	7,000	7,000	6,000	3,000
Arkansas and Oklahoma	110,000	101,000	90,000	101,000
Colorado	150,000	160,000	182,000	148,000
Georgia and North Carolina	1,000	1,000	1,000	*
Illinois	1,488,000	1,403,000	1,123,000	1,206,000
Indiana	543,000	551,000	154,000	377,000
Iowa	49,000	52,000	47,000	78,000
Kansas and Missouri	197,000	170,000	176,000	156,000
Kentucky—Eastern	990,000	970,000	634,000	902,000
Kentucky—Western	376,000	360,000	247,000	196,000
Maryland	36,000	31,000	28,000	32,000
Michigan	3,000	3,000	3,000	13,000
Montana (bitum. & lignite)	105,000	116,000	102,000	77,000
New Mexico	32,000	33,000	35,000	30,000
North & South Dakota (lignite)	66,000	69,000	71,000	64,000
Ohio	643,000	696,000	612,000	548,000
Pennsylvania (bituminous)	2,860,000	2,850,000	2,754,000	2,037,000
Tennessee	134,000	137,000	110,000	119,000
Texas (bituminous & lignite)	3,000	3,000	4,000	21,000
Utah	111,000	121,000	111,000	88,000
Virginia	388,000	360,000	283,000	319,000
Washington	32,000	32,000	28,000	39,000
†West Virginia—Southern	2,176,000	2,004,000	2,173,000	1,867,000
‡West Virginia—Northern	1,095,000	1,019,000	735,000	524,000
Wyoming	195,000	186,000	194,000	138,000
§Other Western States	*	*	*	*
Total bituminous & lignite	12,150,000	11,800,000	10,026,000	9,347,000
Pennsylvania anthracite	1,319,000	1,285,000	1,041,000	1,047,000
Total, all coal	13,469,000	13,085,000	11,067,000	10,394,000

†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 and Oregon. *Less than 1,000 tons.

Fly Quits Federal Communications Commission

James Lawrence Fly, Chairman of the Federal Communications Commission, made known on Nov. 2 his intention to resign from the Commission, effective Nov. 15.

The President in accepting Mr. Fly's resignation "with great personal reluctance," said:

"We have had long discussions of the personal reasons for which you feel you have to return to private practice. And because you have had only a few years of private life since you left the Navy, after the last war, I feel I cannot deny you the 'furlough.'

"You have given five years to the prosecution of monopolies in the Anti-Trust Division of the Department of Justice, five years to your brilliant defense of the Tennessee Valley Authority as its General Counsel and five years to the reorganization of the Federal Communications Commission as its Chairman. These were all extraordinarily difficult tasks—calling for technical competence and strength of heart of the highest order—against powerful opponents who did not always take your victories lightly. Few men have so proud and effective a record in public service.

"Indeed, it is a tribute to the call of public service upon young men that you were willing to persist for 15 years in such apparently thankless tasks. But you should take great satisfaction from the knowledge that in all your public endeavors you have not only advanced the public interest, but in the end gained the respect of most of your opponents for requiring them to face, for the public good, the need of adjustments necessary to protect their own long-range interests.

"The importance of the work of the Federal Communications Commission is better appreciated today both by the public and by the industries under its jurisdiction than it has ever been before. The Commission, working as a team under your Chairmanship, has made notable advances in safeguarding freedom of speech and information and in protecting competitive enterprise in the field of communications.

"But much work remains to be done and in the doing of it I shall want your advice and counsel. You are only on 'furlough.' I shall have to have your help from time to time, particularly in the field of international communications, and know I can expect you to respond."

The President's letter and that of Mr. Fly's tendering his resignation were made public on Nov. 13, and both were given in Washington advices to the New York "Times." Mr. Fly's letter follows:

"I hereby submit my resignation as a member of the Federal Communications Commission, effective at the end of the 15th day of November, 1944.

"Despite the personal reasons calling for this step—and these you have recognized—I make the move only with great reluctance. The forward movement of electrical communications is freighted with problems of broad and deep significance. In some real measure the landmarks of principle have been established and the path rough hewn. Yet, much work remains to be done. The most urgent task is in the field of international communications. In this regard I shall stand ready from time to time and in a private capacity to assist in any manner possible.

"I need hardly remind you of the deep gratitude I feel for the faith you have held midst all the ill winds of doctrine. My deep personal regard and great confidence go with you in the most significant work which lies ahead."

Stating that Mr. Fly is concluding 15 years of service with the Federal Government, Washington advices Nov. 2 to the New York "Times," said:

He will resume a legal practice which he began in New York with the firm of White & Case on his admission to the bar in 1926.

Mr. Fly's announcement was coincident with the closing of hearings on the post-war allocation of radio frequencies, giving rise to the suggestion in Commission circles that the development of an over-all plan would be completed by Nov. 15.

"I have frequently expressed the hope that some day, somehow, it would be possible for government and industry to sit down together, go over the entire spectrum, channel by channel, and come up with a plan which, even though it does not entirely satisfy everybody, at least appeals to everybody as a fair and honest structure within the limits set by the spectrum itself," Mr. Fly said.

"The record on which the Commission will now proceed to consideration of the various proposals will be based upon a record which I feel sure is the fullest and most satisfactory in the history of radio broadcasting."

From the Associated Press accounts from Washington Nov. 2 we take the following:

The 45-year-old Texan has headed the FCC since September, 1939. He first entered the Government service in 1929 when President Hoover appointed him a special Assistant Attorney-General. In 1934 he became head of the legal department of the Tennessee Valley Authority.

Dr. G. Belt Named Cuban Ambassador to the U. S.

Dr. Guillermo Belt has been appointed by Ramon Grau San Martin, President of the Republic of Cuba, as Cuban Ambassador to the United States.

The New York "Times" in reporting this from Havana, said:

Dr. Belt, a close friend of President Grau, accompanied him on a recent visit to Washington. During the revolutionary period of 1933, Dr. Belt, a young lawyer and a member of a prominent family, joined the students' fight against the existing regime. He was Secretary of Education in the short-lived Decespedes Administration that followed the ousting of Gen. Gerardo Machado y Morales and later was Mayor of Havana during the Mendieta Government.

The Cuban Senate has confirmed the nomination.

Trading on New York Exchanges

The Securities and Exchange Commission made public on Nov. 8 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Oct. 21, 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 Oct. 21 (in round-lot transactions) totaled 1,589,429 shares, which amount was 17.63% of the total transactions on the Exchange of 4,507,160 shares. This compares with member trading during the week ended Oct. 14 of 1,019,124 shares, or 16.10% of the total trading of 3,164,950 shares. On the New York Curb Exchange, member trading during the week ended Oct. 21 amounted to 423,330 shares, or 15.71% of the total volume on that exchange of 1,347,400 shares; during the Oct. 14 week trading for the account of Curb members of 332,135 shares was 16.10% of total trading of 1,174,730 shares.

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

WEEK ENDED OCT. 21, 1944

	Total for week	†%
A. Total Round-Lot Sales:		
Short sales	124,320	
‡Other sales	4,382,840	
Total sales	4,507,160	
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	356,020	
Short sales	38,420	
‡Other sales	316,770	
Total sales	355,190	7.89
2. Other transactions initiated on the floor—		
Total purchases	271,990	
Short sales	9,550	
‡Other sales	233,500	
Total sales	243,050	5.71
3. Other transactions initiated off the floor—		
Total purchases	127,032	
Short sales	40,190	
‡Other sales	195,957	
Total sales	236,147	4.03
4. Total—		
Total purchases	755,042	
Short sales	88,160	
‡Other sales	746,227	
Total sales	834,387	17.63

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

WEEK ENDED OCT. 21, 1944

	Total for week	†%
A. Total Round-Lot Sales:		
Short sales	23,385	
‡Other sales	1,324,015	
Total sales	1,347,400	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	115,175	
Short sales	11,585	
‡Other sales	125,855	
Total sales	137,440	9.37
2. Other transactions initiated on the floor—		
Total purchases	36,760	
Short sales	2,700	
‡Other sales	30,760	
Total sales	33,460	2.61
3. Other transactions initiated off the floor—		
Total purchases	57,160	
Short sales	7,200	
‡Other sales	36,135	
Total sales	43,335	3.73
4. Total—		
Total purchases	209,095	
Short sales	21,485	
‡Other sales	192,750	
Total sales	214,235	15.71
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	56,838	
Total purchases	56,838	
Total sales	42,712	

*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."

Non-Ferrous Metals—Zinc Stocks Increased In Oct.—Lead Demands Continue at High Level

"E. & M. J. Metal and Mineral Markets," in its issue of Nov. 9, stated: "The slab zinc statistics issued recently revealed that stocks increased to 244.209 tons by the end of October, a new high, which compares with 154,338 tons a year ago and 55,405 tons two years ago. Most of the tonnage now on hand is owned by the Metals Reserve Co. The position of the zinc market was unchanged. Interest in copper centered in a report to the effect that the British contracts with Canadian producers are under discussion. Informed opinion here leans to the view that the contracts will be renewed on a short-term basis. Producers look for a sustained demand for lead and continued receipts from abroad to meet requirements. Quicksilver buying moderated and the price remained unchanged." The publication further went on to say in part:

Copper

Canada's position in the British copper requirements program for 1945 is uncertain, according to Canadian authorities. Contracts in most instances expire Jan. 31, 1945, and the industry may have to contend with a cutback in British demands. "The idea that Canadian producers of refined copper will lose their 1945 British market after January should not be accepted as yet," the "Northern Miner" states, "for there is a good possibility that a new formula can be threshed out with a new set of terms as to price and tonnage." British stocks of refined copper, according to the Canadian publication, are placed unofficially at 300,000 tons.

The Canadian developments in copper attracted wide interest here during the last week. The British have agreed to extend the copper contracts with Canadian producers on a short-term basis, probably three months, according to some authorities, but an official statement on the deal has not yet been issued. Until Canada's normal outlets for copper can be restored, the industry would be certain to encounter numerous marketing problems over which it can exercise little control.

Lead

Inquiry for lead shows no signs of abating, and the industry feels that total stocks of refined metal by the end of the year may not amount to more than two months' consumption. This calls for continued importations on a fairly large scale, operators contend. British contracts with Canadian producers do not expire until May 1, and it is not known here whether these will be renewed or modified. The feeling prevails in informed quarters that at least part of Canada's production of lead could be marketed in this country without difficulty, providing demands continue at or near the current level.

Sales of lead during the last week totaled 10,638 tons.

Zinc

Production of slab zinc during October amounted to 68,781 tons, against 66,891 tons in September, according to the American Zinc Institute. Shipments totaled 68,006 tons in October, against 65,150 tons (revised) in the prior month. Stocks at the end of October amounted to 244,209 tons, which compares with 243,434 tons (revised) at the end of September.

Preliminary figures for September on mine output of zinc, in terms of recoverable metal, indicate that production dropped 6% from the August level. The Bureau of Mines estimates domestic mine output for September at 56,420 tons, against 59,711 tons in August and 56,001 tons in July.

Zinc consumers continued to pursue a conservative policy in reference to inventories, which was reflected in moderate buying in the week ended Nov. 8.

Tin

Conservation of tin in solder under the war program has been attracting interest. The tin content of some solders has dropped to as low as 2%, and a 4 to 5% product is being used quite extensively. Trade authorities believe that savings in soldering costs point to the continued use of low-tin solders in many applications in the post-war period. In pre-war years the United States consumed on an average of 10,000 tons of tin a year in the production of solders.

Quotations in the domestic market remain unchanged. Straits quality tin for shipment, in cents per pound, was as follows:

	Nov.	Dec.	Jan.
Nov. 2	52.000	52.000	52.000
Nov. 3	52.000	52.000	52.000
Nov. 4	52.000	52.000	52.000
Nov. 6	52.000	52.000	52.000
Nov. 7		Holiday	
Nov. 8	52.000	52.000	52.000

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

Fluorspar

Production of metallurgical fluorspar during September was 7% smaller in volume than in August, but continued well in excess of consumption, the Bureau of Mines reports. Stocks of fluorspar at the end of September amounted to 135,096 tons, which compares with 131,604 tons at the end of August and 124,959 tons at the beginning of the year.

Fluorspar statistics, in tons, for August and September:

	Aug.	Sept.
Production	36,977	35,634
Shipments:		
*Domestic	36,197	33,422
Export	196	183
	36,393	33,605
Consumption	33,123	34,231
Stocks:		
Consumers	100,832	102,295
†Mines	30,772	32,801
Totals	131,604	135,096

*Domestic consumers and Metals Reserve Co. †Includes fluxing gravel in stockpile at Gila, New Mexico.

Consumption of fluorspar in the United States during September, by industries, was: Steel, 18,307 tons; hydrofluoric acid, 11,478 tons; glass, 2,484 tons; enamel, 241 tons; aluminum and magnesium, 358 tons; all other, 1,363 tons; total, 34,231 tons.

Quicksilver

Demand for quicksilver moderated during the last week and there was less nervousness over the price situation. Quotations were nominally unchanged at $113 to $115 per flask.

The latest statistics of the Bureau of Mines placed domestic production for September at 2,500 flasks and consumption at 3,900 flasks, the figures being the same as those presented for August. Imports are not shown. Domestic consumption during October and November moved to even higher levels and both consumers and producers are said to have reduced their holdings appreciably. Except that the spurt in demand is expected to prove temporary, the rise in consumption might have resulted in a rather substantial increase in prices, traders believe. Buying interest in recent weeks centered largely in nearby metal.

Silver

The silver market in London has been quiet, with buying generally restricted to requirements of the war industries. The price remains unchanged at 23½d. per ounce for cash and two months' delivery.

The New York Official for foreign silver continued at 44¾¢, with domestic metal at 70⅝¢.

Production of refined silver in the United States during September amounted to 5,895,000 oz., of which 2,291,000 oz. was obtained from domestic sources and 3,604,000 oz. from foreign. This compares with a total of 8,071,000 oz. produced in September last year, of which 2,786,000 oz. was domestic and 5,285,000 oz. foreign.

Results Of Treasury Bill Offering

The Secretary of the Treasury announced on Nov. 13 that the tenders of $1,300,000,000, or thereabouts, of 91-day Treasury bills to be dated Nov. 16 and to mature Feb. 15, 1945, which were offered on Nov. 10, were opened at the Federal Reserve Banks on Nov. 13.

The details of this issue are as follows:

Total applied for, $1,932,075,000.

Total accepted, $1,300,604,000 (includes $52,926,000 entered on a fixed price basis at 99.905 and accepted in full.)

Average price 99.905, equivalent rate of discount approximately 0.375% per annum.

Range of accepted competitive bids:

High, 99.910, equivalent rate of discount approximately 0.356% per annum.

Low, 99.905, equivalent rate of discount approximately 0.376% per annum.

(62% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Nov. 16 in the amount of $1,205,776,000.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Nov. 8 a summary for the week ended Oct. 28 of complete figures showing the daily volume of stock transactions for 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 Oct. 28, 1944

	Total for Week
Odd-Lot Sales by Dealers (Customers' purchases)	
Number of orders	18,658
Number of shares	527,891
Order value	$21,566,464
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	224
*Customers' other sales	17,321
Customers' total sales	17,545
Number of Shares:	
Customers' short sales	7,706
*Customers' other sales	450,284
Customers' total sales	457,990
Dollar value	$16,990,282
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	30
†Other sales	123,240
Total sales	123,270
Round-Lot Purchases by Dealers:	
Number of shares	171,200

*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."

November Cotton Report

A United States cotton crop of 12,320,000 bales of 500 pounds gross weight is forecast by the Crop Reporting Board of the United States Department of Agriculture, based upon indications as of Nov. 1. The present forecast is 367,000 bales or 3.1% above the forecast of 11,953,000 bales on Oct. 1, and compares with 11,427,000 bales produced in 1943 and 12,455,000 bales for the 10-year (1933-42) average. Lint yield per acre for the United States is computed at 293.3 pounds, which yield is well above the previous all-time record yield of 272.4 pounds. Average yield for the 10-year (1933-42) period is 226.9 pounds per acre.

Mild temperatures with very little rainfall during October over most of the Cotton Belt have been almost ideal for maturity and harvest of the cotton crop. Present prospective production is up 100,000 bales from a month ago for Texas, 80,000 each for Mississippi and Arkansas, 50,000 for Alabama and 45,000 for Missouri. For other States present prospects are about the same as a month ago.

All-time record yields are indicated for Virginia, North Carolina, Georgia, Alabama, Mississippi and Arkansas, and near-record yields for most other States.

Assuming the ratio of cotton lint to cottonseed to be equal to the average for the past five years, production of 5,107,000 tons of cottonseed is indicated.

An unusually large proportion of the crop is still open in the fields, but rate of ginning during October showed some improvement over previous periods. More pickers are needed to complete harvest of the crop, particularly in the States west of the Mississippi River, but with continued favorable weather no serious harvesting difficulties are expected. The report of the Bureau of the Census shows 8,281,571 bales ginned from the crop of 1944 prior to Nov. 1, compared with 9,062,869 for 1943 and 9,713,354 for 1942.

Revenue Freight Car Loadings During Week Ended Nov. 4, 1944 Decreased 23,113 Cars

Loading of revenue freight for the week ended Nov. 4, 1944 totaled 893,333 cars, the Association of American Railroads announced on Nov. 9. This was an increase above the corresponding week of 1943 of 138,594 cars, or 18.4%, and an increase above the same week in 1942 of 63,670 cars or 7.7%.

Loading of revenue freight for the week of Nov. 4, decreased 23,113 cars, or 2.5% below the preceding week.

Miscellaneous freight loading totaled 411,826 cars, a decrease of 7,524 cars below the preceding week, but an increase of 15,517 cars above the corresponding week in 1943.

Loading of merchandise less than carload lot freight totaled 108,918 cars, a decrease of 1,085 cars below the preceding week, but an increase of 4,297 cars above the corresponding week in 1943.

Coal loading amounted to 170,963 cars, a decrease of 6,183 cars below the preceding week, but an increase of 128,160 cars above the corresponding week in 1943, due to coal miners strike in 1943.

Grain and grain products loading totaled 54,644 cars, a decrease of 1,077 cars below the preceding week and a decrease of 1,784 cars below the corresponding week in 1943. In the Western Districts alone, grain and grain products loading for the week of Nov. 4, totaled 34,676 cars, a decrease of 197 cars below the preceding week and a decrease of 2,555 cars below the corresponding week in 1943.

Livestock loading amounted to 25,295 cars, a decrease of 2,184 cars below the preceding week and a decrease of 1,038 cars below the corresponding week in 1943. In the Western Districts alone loading of live stock for the week of Nov. 4 totaled 20,075 cars a decrease of 1,779 cars below the preceding week, and a decrease of 1,326 cars below the corresponding week in 1943.

Forest products loading totaled 44,100 cars a decrease of 1,007 cars below the preceding week but an increase of 328 cars above the corresponding week in 1943.

Ore loading amounted to 63,250 cars, a decrease of 4,240 cars below the preceding week and a decrease of 9,403 cars below the corresponding week in 1943.

Coke loading amounted to 14,337 cars, an increase of 187 cars above the preceding week, and an increase of 2,517 cars above the corresponding week in 1943.

All districts reported increases compared with the corresponding week in 1943, except the Northwestern and all districts reported increases compared with 1942.

	1944	1943	1942
5 Weeks of January	3,796,477	3,531,811	3,858,479
4 weeks of February	3,159,492	3,055,725	3,122,942
4 weeks of March	3,135,155	3,073,445	3,174,781
5 weeks of April	4,068,625	3,924,981	4,209,907
4 weeks of May	3,446,252	3,363,195	3,311,637
5 weeks of June	4,343,193	4,003,393	4,139,395
4 weeks of July	3,463,512	3,455,328	3,431,395
4 weeks of August	3,579,800	3,554,694	3,487,905
5 weeks of September	4,428,427	4,456,466	4,410,669
4 Weeks of October	3,598,979	3,607,851	3,604,323
Week of November 4	893,333	754,739	829,663
Total	37,913,245	36,781,628	37,581,096

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Nov. 4, 1944. During the period 89 roads showed increases when compared with the corresponding week a year ago.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED NOV. 4

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Eastern District—					
Ann Arbor	428	309	393	1,539	1,288
Bangor & Aroostook	2,006	2,547	1,715	575	210
Boston & Maine	6,939	6,810	6,012	15,075	14,568
Chicago, Indianapolis & Louisville	1,322	1,021	1,512	2,079	1,965
Central Indiana	33	35	19	47	41
Central Vermont	1,100	1,115	961	2,399	2,619
Delaware & Hudson	4,891	3,330	5,885	12,704	10,482
Delaware, Lackawanna & Western	7,651	5,932	7,038	10,988	10,242
Detroit & Mackinac	411	317	460	124	98
Detroit, Toledo & Ironton	2,082	1,777	1,450	1,264	1,078
Detroit & Toledo Shore Line	383	313	301	2,721	1,992
Erie	13,820	12,157	11,512	17,374	16,496
Grand Trunk Western	3,935	3,969	4,170	8,381	7,444
Lehigh & Hudson River	184	238	196	2,449	2,194
Lehigh & New England	1,921	734	1,936	1,737	1,013
Lehigh Valley	8,249	5,980	7,859	13,754	12,540
Maine Central	2,407	2,358	2,170	4,098	4,036
Monongahela	5,743	2,079	6,032	290	300
Montour	2,070	525	2,248	23	41
New York Central Lines	51,572	49,227	44,800	55,506	41,617
N. Y., N. H. & Hartford	9,770	9,925	8,917	17,487	18,751
New York, Ontario & Western	1,131	935	882	2,962	2,193
New York, Chicago & St. Louis	6,753	6,985	7,056	16,015	14,796
N. Y., Susquehanna & Western	465	638	323	2,566	1,880
Pittsburgh & Lake Erie	8,214	6,822	7,013	7,798	5,180
Pere Marquette	5,838	5,304	5,743	7,752	7,228
Pittsburg & Shawmut	735	378	705	18	21
Pittsburg, Shawmut & North	255	249	402	226	189
Pittsburgh & West Virginia	1,076	697	1,031	2,864	2,930
Rutland	376	400	294	1,404	1,101
Wabash	6,863	6,206	5,492	12,616	12,300
Wheeling & Lake Erie	5,809	4,231	5,250	4,340	3,758
Total	164,432	143,543	149,783	229,175	200,591
Allegheny District—					
Akron, Canton & Youngstown	685	760	729	1,200	848
Baltimore & Ohio	46,814	32,992	38,083	29,273	29,693
Bessemer & Lake Erie	5,212	5,597	6,324	1,679	1,484
Buffalo Creek & Gauley	*327	275	270	*6	4
Cambria & Indiana	1,445	6	1,776	7	6
Central R. R. of New Jersey	6,477	5,871	6,682	19,935	18,164
Cornwall	527	693	680	40	53
Cumberland & Pennsylvania	167	50	216	11	12
Ligonier Valley	120	77	118	37	45
Long Island	1,442	1,295	1,189	3,772	3,317
Penn-Reading Seashore Lines	1,821	2,024	1,646	2,413	2,778
Pennsylvania System	85,484	68,942	78,252	65,985	54,014
Reading Co.	15,346	10,788	13,673	29,510	24,566
Union (Pittsburgh)	19,536	18,711	19,965	5,647	7,255
Western Maryland	3,918	2,656	3,754	12,894	9,819
Total	189,321	150,737	173,357	172,409	152,058
Pocahontas District—					
Chesapeake & Ohio	29,733	9,864	27,044	14,751	10,154
Norfolk & Western	21,307	7,732	21,626	8,534	5,058
Virginian	4,385	1,177	4,469	2,660	2,361
Total	55,425	18,773	53,139	25,945	17,573
Southern District—					
Alabama, Tennessee & Northern	343	320	379	487	374
Atl. & W. P.—W. R. R. of Ala	767	608	787	2,899	3,346
Atlanta, Birmingham & Coast	839	781	745	1,502	1,211
Atlantic Coast Line	11,452	12,522	11,874	10,689	11,196
Central of Georgia	3,785	4,053	3,689	4,468	4,333
Charleston & Western Carolina	420	383	406	1,790	1,382
Clinchfield	1,687	1,316	1,671	3,171	1,836
Columbus & Greenville	331	273	519	294	226
Durham & Southern	173	114	112	762	279
Florida East Coast	1,559	1,990	1,234	1,380	1,477
Gainesville Midland	61	53	37	102	125
Georgia	1,294	1,247	1,414	2,483	3,404
Georgia & Florida	*522	470	404	*649	679
Gulf, Mobile & Ohio	5,007	3,738	3,941	4,421	4,304
Illinois Central System	31,561	23,670	28,465	19,230	13,690
Louisville & Nashville	26,295	13,806	24,541	11,826	13,168
Macon, Dublin & Savannah	229	180	201	710	744
Mississippi Central	435	269	176	472	429
Nashville, Chattanooga & St. L.	3,739	3,100	3,352	4,791	4,914
Norfolk Southern	993	1,157	1,429	2,072	1,730
Piedmont Northern	471	377	347	1,429	953
Richmond, Fred. & Potomac	429	457	463	9,587	11,067
Seaboard Air Line	9,911	11,260	11,277	8,997	8,069
Southern System	25,380	20,951	23,148	26,795	22,053
Tennessee Central	781	491	475	1,001	961
Winston-Salem Southbound	166	154	78	1,155	922
Total	128,630	103,740	121,164	123,162	112,872
Northwestern District—					
Chicago & North Western	19,783	20,908	19,400	14,653	14,103
Chicago Great Western	3,205	2,920	2,005	3,611	3,611
Chicago, Milw., St. P. & Pac.	22,975	20,958	19,135	10,922	9,024
Chicago, St. Paul, Minn. & Omaha	3,376	3,668	2,956	4,197	4,155
Duluth, Missabe & Iron Range	24,520	29,097	24,669	235	269
Duluth, South Shore & Atlantic	714	832	1,185	617	664
Elgin, Joliet & Eastern	9,203	8,590	9,340	11,408	8,008
Ft. Dodge, Des Moines & South	407	465	452	78	57
Great Northern	20,246	20,966	20,383	7,611	5,196
Green Bay & Western	536	516	453	949	999
Lake Superior & Ishpeming	1,931	1,051	2,315	54	49
Minneapolis & St. Louis	2,318	1,961	2,048	2,931	2,537
Minn., St. Paul & S. S. M.	6,960	7,366	6,718	3,174	2,844
Northern Pacific	12,489	12,630	11,873	6,786	5,472
Spokane International	163	103	157	599	488
Spokane, Portland & Seattle	2,768	2,326	2,015	3,366	3,119
Total	131,594	134,357	125,104	71,191	60,595
Central Western District—					
Atch., Top. & Santa Fe System	27,170	24,379	23,296	16,081	13,331
Alton	3,820	3,282	3,190	4,063	4,684
Bingham & Garfield	424	535	568	57	69
Chicago, Burlington & Quincy	23,149	17,928	20,873	16,397	13,142
Chicago & Illinois Midland	3,055	989	2,484	949	752
Chicago, Rock Island & Pacific	13,135	13,217	12,472	14,345	12,052
Chicago & Eastern Illinois	3,116	2,348	2,533	5,204	5,803
Colorado & Southern	1,347	1,183	1,157	3,198	2,170
Denver & Rio Grande Western	5,229	4,242	5,368	7,536	6,005
Denver & Salt Lake	618	271	812	22	24
Fort Worth & Denver City	1,057	1,292	1,250	2,458	1,570
Illinois Terminal	2,329	1,745	1,881	2,233	2,086
Missouri-Illinois	1,307	1,218	1,246	712	403
Nevada Northern	1,289	2,082	2,064	69	128
North Western Pacific	746	872	1,148	917	736
Peoria & Pekin Union	17	4	25	0	0
Southern Pacific (Pacific)	30,833	31,144	30,329	15,098	14,649
Toledo, Peoria & Western	403	444	353	2,044	1,843
Union Pacific System	23,301	20,357	20,350	19,517	17,620
Utah	486	202	561	6	14
Western Pacific	2,230	2,241	2,412	5,549	4,923
Total	145,061	129,975	134,372	116,456	102,010
Southwestern District—					
Burlington-Rock Island	641	282	158	554	151
Gulf Coast Lines	5,978	7,222	5,005	2,435	2,676
International-Great Northern	2,605	2,184	3,137	3,569	4,152
Kansas, Oklahoma & Gulf	271	244	363	1,065	1,047
Kansas City Southern	5,443	4,791	5,206	3,252	2,687
Louisiana & Arkansas	3,764	3,380	3,565	2,555	2,766
Litchfield & Madison	330	282	297	1,336	1,307
Midland Valley	768	430	628	529	380
Missouri & Arkansas	220	211	176	515	442
Missouri-Kansas-Texas Lines	7,071	6,106	5,985	5,701	5,288
Missouri Pacific	18,873	16,732	17,719	20,001	20,572
Quanah Acme & Pacific	86	100	133	404	215
St. Louis-San Francisco	10,290	8,340	8,686	9,766	8,072
St. Louis Southwestern	4,135	3,345	3,004	6,486	6,884
Texas & New Orleans	12,416	13,863	12,912	5,463	5,287
Texas & Pacific	5,864	5,982	5,637	7,110	7,812
Wichita Falls & Southern	76	100	113	34	69
Weatherford M. W. & N. W.	39	20	20	42	39
Total	78,870	73,614	72,744	70,817	69,846

*Previous week's figure.

Note—Previous year's figures revised.

Weekly Statistics of Paperboard Industry

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

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

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period 1944—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity	
				Current	Cumulative
August 5	195,161	160,568	604,299	96	94
August 12	140,338	158,849	585,316	96	94
August 19	136,936	155,516	562,744	95	94
August 26	128,596	156,921	534,174	96	94
September 2	173,065	155,820	549,114	97	94
September 9	131,988	123,758	554,352	80	94
September 16	129,481	158,178	525,730	97	94
September 23	125,258	161,114	486,818	96	94
September 30	160,952	159,114	482,896	95	94
October 7	217,096	158,946	541,424	96	94
October 14	139,347	154,719	523,875	96	94
October 21	133,028	156,269	499,929	94	94
October 28	146,003	157,806	486,882	95	94
November 4	207,817	157,644	535,745	96	94

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

Annual Institute on Federal Taxation

New York University's Third Annual Institute on Federal Taxation, at which specialists in tax work will consider changes and proposed changes in the tax laws and regulations opened on Nov. 9 with a discussion on estate planning, particularly in the light of recent tax and gift tax decisions. In his announcement Nov. 9, Paul A. McGhee, Director of the University's Division of General Education, stated that over 250 active tax practitioners and Government officials who administer tax regulations are expected to attend the meeting from Nov. 9 to Nov. 22, for which three sessions on highly technical tax problems have been planned daily. Mr. McGhee also said:

"In an era of much complicated tax legislation, it is believed that there should be a forum where tax practitioners may meet to share experience and to discuss problems arising to which answers are not readily apparent either in the tax statutes or in published materials," Professor McGhee explained. "This Annual Institute has provided such a forum, where acknowledged authorities may present papers on specific phases of taxation, and which serve as a place for representatives of the Treasury Department and the Bureau of Internal Revenue to meet with practitioners to the end of achieving a more effective and cooperative relationship."

Among the subjects to be considered at the Institute will be development in the income taxation of trusts since the Revenue Act of 1942; dividend problems under the income-tax and excess-profits tax law; tax problems in wage-control legislation; reaction of the Treasury to changes proposed by various sources.

Subjects presented at the morning sessions will be discussed before adjournment but papers given at the afternoon sessions will not be discussed until the evening sessions, which begin daily at 6:30 p.m. with a dinner for Institute members at the University Faculty Club, 22 Washington Square North. Morning and afternoon lecturers will be present at these dinner sessions to discuss questions raised by their presentations.

J. K. Lasser, author of several standard works on taxation, has been Chairman of the Planning Committee for the Institute. Members of his Committee have included Professor McGhee, Rufus D. Smith, Provost of the University; Harry J. Rudick, lecturer, School of Law; Paul Studenski, Professor of Economics, School of Commerce; Ewing Everett, V. H. Maloney, Harry Silverson and David B. Chase.

Lumber Movement Week Ended Nov. 4, 1944

According to the National Lumber Manufacturers Association, lumber shipments of 502 mills reporting to the National Lumber Trade Barometer were 0.4% below production for the week Nov. 4, 1944. In the same week new orders of these mills were 14.1% less than production. Unfilled order files of the reporting mills amounted to 90% of stocks. For reporting softwood mills, unfilled orders are equivalent to 35 days' production at the current rate, and gross stocks are equivalent to 37 days' production.

For the year-to-date, shipments of reporting identical mills exceeded production by 2.6%; orders by 4.5%.

Compared to the average corresponding week of 1935-39, production of reporting mills was 22.8% greater; shipments were 25.5% greater, and orders were 11.9% greater.

Items About Banks, Trust Companies

Winthrop W. Aldrich, Chairman of the board of The Chase National Bank of New York, announced on Nov. 8 the election of A. N. Kemp of California, President of American Airlines, Inc., as a member of the bank's board of directors. Mr. Kemp, who for many years has been identified with public utility, insurance and banking enterprises in his native California, added commercial aviation to his interests in 1941 when he was elected a director of American Airlines. In April, 1942, he was asked to serve as President for the duration of the war when C. R. Smith was called to service in the Army. Mr. Kemp was instrumental in developing construction of the West's first high-tension transmission lines, and in 1917 became Vice-President of Southern California Edison Co. He later served as Executive Vice-President of the California Bank, and in 1935 became President of the Pacific Mutual Life Insurance Co. He is now Chairman of the board of Pacific Mutual, and a director of Standard Oil Co. of California, Southern California Edison, the California Bank, and American Airlines. As a director of The Chase, Mr. Kemp will commute by air between Los Angeles and New York, as he has done heretofore on business trips.

At the regular meeting of the board of directors of City Bank Farmers Trust Co. of New York, held Nov. 8, Crosby T. Smith was appointed Trust Officer. Mr. Smith returned recently from active overseas service as a Major in the Ninth Air Force, and on Oct. 16 was reappointed Assistant Trust Officer, the title he held at the time he entered military service in May, 1942. He joined the trust company Sept. 15, 1924.

Thomas J. Shanahan, President of Federation Bank & Trust Co. of New York, announces that at a special meeting of the stockholders of the bank, held on Nov. 14, approval was granted to increase the authorized capital stock of the bank from $825,000 to $1,000,000, representing an increase from 82,500 shares of $10 par value to 100,000 shares of the same par value. The directors plan to vote a stock dividend consisting of these 17,500 shares to all stockholders pro rata, to be distributed together with the regular cash dividend before the close of the year. The bank's capital and surplus thereafter will appear at $2,200,000 in the form of $1,000,000 capital and $1,200,000 in surplus.

In a letter on Nov. 6 to the stockholders of the Trade Bank & Trust Co. of New York, regarding plans to increase the capital of the bank, Henry L. Schenk, President, states that for some time the institution has had under consideration the establishment of a branch office in or about Rockefeller Center. The letter says:

"We have secured an option for the leasing of a branch office at 6-8 West 48th Street, consisting of a main floor ample for general banking facilities and a basement suitable for safe deposit vaults.

"We feel that it would be desirable to increase the capital of the bank before an additional office is opened, especially in view of the fact that since the removal of our main office to its present location, our deposits have increased from approximately $12,000,000 to $36,000,000. Our Directors have therefore recommended that capital funds be increased by approximately $1,000,000 through the issuance of 60,000 shares of new stock to be offered to Stockholders at the rate of $16.50 per share. Subject to the approval by stockholders of the proposed plan of recapitalization, the Board of Directors have further voted that a stock dividend of one-fourteenth of a share of stock for each share held (new and old stock) be paid to stockholders, after the new shares of stock have been issued.

"After the additional capital has been subscribed and the stock dividend paid, the capital accounts of the bank will be approximately as follows: Capital $1,500,000; surplus, $1,000,000; undivided profits and reserve $300,000.

The stockholders meeting to act on the increase will be held on Nov. 20 at the principal office of the institution, 36th Street and 7th Ave.

At a meeting of the board of directors of Bankers Trust Co., held on Nov. 8, A. Sidney Norton was elected an Investment Officer in the bank's bond department, effective Nov. 15. Mr. Norton has been associated with Shields & Co., investment bankers, since January, 1935. He was graduated from Amherst in 1917, and served in the First World War as an Ensign in the Navy.

Thomas J. Shanahan, President of the Federation Bank and Trust Company of New York, announces that at a meeting of the Board of Directors held on Nov. 14 L. Alan Harrison, Treasurer of Robinson's Women's Apparel, Inc., was elected to Board membership.

At a regular meeting of the Board of Directors of The National City Bank of New York held on Nov. 14 David R. Young was appointed an Assistant Cashier.

Winton G. Rossiter, a former Governor of the New York Stock Exchange and member of the brokerage firm of J. H. Oliphant & Co., New York, has been elected a trustee of the Broadway Savings Bank of New York, N. Y., it was announced on Nov. 9.

Harry M. Edwards, a trustee and Chairman of the Finance Committee of the Lincoln Savings Bank, Brooklyn, N. Y., died on Oct. 31. He was 77 years of age. Mr. Edwards was also President of the New York Medical Service Corporation.

At a board meeting of the East New York Savings Bank, Brooklyn, N. Y., on Nov. 9, Dr. Franklin Bracken was elected a trustee, succeeding the late Dr. William F. Saybolt. Dr. Bracken was formerly on the staff of the Columbia University Medical School and is now connected with the New York Post Graduate Hospital.

John Leland Cross, former President of the Mount Vernon Trust Co., Mount Vernon, N. Y., died on Nov. 7. Mr. Cross began his career in Birmingham, Ala., with the First National Bank, after serving with the Southern Railway and various real estate businesses. In 1915 Mr. Cross became Federal Reserve Bank Examiner and was made Deputy Governor of the Kansas City Reserve Bank. Later he joined the staff of the National City Bank in New York as Assistant Vice-President, and in 1927 was advanced to the office of Vice-President. Mr. Cross was elected President of the Mount Vernon Trust Co. in 1933 and remained at that position for 10 years until he retired in 1943. Mr. Cross was 58 years old at the time of his death.

Edward S. Rooney on Nov. 6 was elected President of the First Trust Co. of Albany, N. Y. Mr. Rooney, it is learned from the Albany "Times-Union," is a director and member of the executive committee of the bank, as well as one of its attorneys. Since he received his law degree in 1929 from Harvard Law School he has been associated with the law firm of Cooper, Erving & Savage, of Albany, who have been attorneys for the First Trust Co. since its merger with the Albany Trust Co. in 1926, and prior thereto for the First National Bank. Mr. Rooney fills the position vacated by Addison Keim, who has joined the Albany Exchange Savings Bank.

Directors of the Lincoln National Bank of Newark, N. J., announced on Nov. 4 that a stock dividend of $200,000 is to be issued to shareholders of record Oct. 14 on the basis of one share for each three shares held. In addition, a cash dividend of $1 a share was announced, payable Jan. 15 to shareholders of record Dec. 15, and the transfer of $25,000 to surplus, bringing the total to $625,000.

At the expiration of subscription rights, on Nov. 3, of the 25,000 additional shares of common stock of the Baltimore National Bank, Baltimore, Md., the bank officials reported that the entire offering had been subscribed. We quote the Baltimore "Sun" of Nov. 4, which also said:

"As of today, the bank will apply the proceeds of the sale of stock, together with other funds, to the retirement of its outstanding preferred stock, consisting of 32,500 shares of a total par value of $650,000.

"Completion of these changes gives the Baltimore National the following capital structure: Common stock, $1,000,000; surplus, $2,000,000; undivided profits in excess of $400,000.

"The rights were offered to stockholders in the form of transferable warrants to subscribe to the additional stock at $20 a share in the ratio of one new share for each three held."

The admission of the Farmers and Citizens Bank of Trotwood, Trotwood, Ohio, to membership in the Federal Reserve System was announced recently by President Ray M. Gidney of the Federal Reserve Bank of Cleveland. The Trotwood bank has deposits of $1,348,000 and has a paid-in capital of $35,000 and a surplus of $35,000. Officers of the bank are Harvey Swank, Chairman; J. W. Devers, President, and Richard E. Gump, Vice-President and Cashier. Directors, besides Messrs. Swank, Devers and Gump, are William Allaman, Manager of the Trotwood Farmers' Exchange, and Ralph Garver, an accountant. Federal Reserve member banks in the Fourth District now total 711.

Walter Tufts, Vice-President of the Cleveland Trust Co., Cleveland, Ohio, since 1938, died on Nov. 6. Mr. Tufts graduated from Harvard in 1913 and began his banking career with the Guaranty Trust Co. as New England representative. Later he became Vice-President of the old American Trust Co. of Boston and the Worcester County Bank of Worcester, Mass.

The Federal Reserve Bank of St. Louis, Mo., announced that "the North Side Bank, Evansville, Ind., became a member of the Federal Reserve Bank on Oct. 25." The Reserve Bank states:

"The new member began business in 1914. It has a capital of $200,000, surplus of $100,000, and total resources of $6,578,900. Its officers are: Herman J. Folke, President and Trust Officer; Ernest Monroe, Vice-President; Clarence F. Witting, Vice-President; Wm. R. Claybourn, Cashier; E. H. Poggemeier, Assistant Cashier, and Helen Briel, Assistant Cashier."

The addition of the North Side bank brings the total membership of the Federal Reserve Bank of St. Louis to 472.

The American National Bank of Oak Cliff, Dallas, Tex., formally opened for business on Nov. 6, with a capital of $200,000, surplus of $200,000, and undivided profits of $50,000, or a total fully-paid capital structure of $450,000, according to Cooper E. Wyatt, President of the newly-opened bank. Reporting this, the Dallas "Times-Herald" said:

"Mr. Wyatt has been President for a number of years of the Hillcrest State Bank, and has also been President of the South Dallas Bank & Trust Co. He resigned the South Dallas presidency to assume the presidency of the American National Bank of Oak Cliff. He will serve both the Hillcrest State Bank and the American National as President, giving a part of his time daily to each. Officers besides Mr. Wyatt are: J. C. Anderson Jr., Vice-President, and Sam L. Randlett, Cashier.

George Sealy, Chairman of the board of the Hutchings-Sealy National Bank, Galveston, Tex., and director of the Gulf, Colorado & Santa Fe RR., died on Nov. 4. He was 63 years of age. Mr. Sealy was also President of the Galveston Wharf Co., and was prominent in Texas financial and civic activities.

The directors of the Midland Bank, Ltd., of London, announce that Sir Clive Latham Baillieu, K.B.E., C.M.G., and Kenneth Hugson Preston have been elected to seats at their board and the board of the Midland Bank Executor & Trustee Co., Ltd.

France Invited by U. S., Britain and Russia to Membership on European Advisory Commission

An invitation to the Provisional Government of France to full membership on the European Advisory Commission has been extended by the United States, Great Britain and Russia. This was made known in Washington advices Nov. 11, the Associated Press saying:

"The main work of the Commission is planning the occupation and control of Germany. Progress has been made recently on these problems but none of the work embraced French ideas. The French had refused to give their counsel unless they could share in the decisions and responsibilities."

Further referring to the invitation to France, these press advices stated:

France will have a full voice in imposing justice upon a defeated Germany.

Even those points that the "big three" already had decided apparently have been reopened to incorporate French ideas.

Germany may be split four ways instead of three for occupation purposes.

These appeared tonight to be the main prospects raised by announcement that France had been invited to sit with the United States, Great Britain, and Russia on the European Advisory Commission.

From the Associated Press accounts from Washington we also quote:

The announcement today, following allied recognition of the administration of Gen. De Gaulle as the provisional government of France, marked the end of exclusive "big three" domination in Europe.

Assuming that France accepts the invitation and that China is counted in, a "five power" era for the erection of world peace machinery appears to be opening. In preparation for this the United States, Britain, Russia, and China agreed at Dumbarton Oaks that "in due course" France should be counted as one of the powerful permanent five members of the proposed world security council.

Today's action presumably means that the qualification "in due course" has been met and that France will go immediately on the council if and when the world organization is set up.

The European Advisory Commission is a sort of planning agency but it has no authority to make decisions.

Some time ago the Commission asked all the smaller allied countries of Europe and also France to submit ideas for handling Germany. All did except France.

The Commission already had worked out and Moscow, Washington and London had approved a set of terms to be imposed after Germany's surrender. The Commission also had obtained approval of a three-way-split plan for occupying Germany.

Beyond the period of military occupation decisions still have to be made on long range policies for control and pacification.

Stating that the decision to invite France into the Advisory Commission, where all-important policy recommendations for the Allies are framed, was contained in a joint communication of the three member Governments to the French Provincial Government, special advices to the New York "Times" from Washington Nov. 11 by Lansing Warren said:

The most important result of this action, from the French point of view, is the Allies' recognition of French vital interests in the surrender terms to Gemany, a claim that has been voiced repeatedly by French officials in recent weeks.

This recognition was expressed in the statement issued here today by Acting Secretary of State Edward R. Stettinius, Jr., announcing the invitation. Its text follows:

> At the Moscow conference a year ago, the American, British and Soviet Governments decided to re-establish in London a European Advisory Commission for the purpose of studying certain European questions and submitting joint recommendations thereon to the three Governments.
>
> Among the matters which are receiving the close attention of the Commission is the question of the surrender terms to be imposed on Germany, and the treatment to be accorded that country.
>
> Conscious of France's vital interest in the solution of the German problem and of the part which France will inevitably play in maintaining the future peace of Europe, the Government of the United States is happy to join in extending to the Provisional Government of the French Republic an invitation to full membership on the European Advisory Commission.
>
> Representatives of the three Governments are today communicating this decision to the Provisional Government of the French Republic at Paris.

War Correspondent to Address AIB Alumni

The Alumni Association of the New York Chapter, American Institute of Banking, will hold a dinner meeting on Friday evening, Nov. 17, at the Town Hall Club, 123 West 43rd Street, New York, it was announced on Nov. 10 by E. LeRoy Squire of the Williamsburg Savings Bank and President of the Association. Gault MacGowan, renowned war correspondent who recently returned from the European war theater, will address the meeting and give an eye-witness account of his experiences. William S. Vanek of the Manufacturers Trust Co. is Treasurer of the Dinner Committee.