

The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 160 Number 4342

New York, N. Y., Thursday, December 14, 1944

Price 60 Cents a Copy

The Financial Situation

If there is a post-war plan which does not posit "full employment" or "high-level employment" as its first and primary objective, it has not come to our attention. Apparently the precise meaning of "full employment" or "high-level employment" varies somewhat from planner to planner, but few who have ventured a statistical definition of the term have been very far behind the President in his "objective" (or should we say, promise) of 60,000,000 "jobs" after the war.

This sort of vague talk has continued so long, the objectives avowed are so appealing, and the terminology employed so likely to be misleading, that it may not be amiss to inquire in some detail into what all this is about.

Some Facts

According to the 1940 census, there were 45,166,083 men and women "employed" in the United States in that year, excluding so-called emergency work. Of this number some 3,844,567 were on government payrolls, and about 30,120,692 receiving salaries or wages from private industry. Thus, only about 33,965,259 had "jobs" in the ordinary sense of the word. The other 11,200,824 were in business for themselves or were members of families owning and operating farms or small businesses and helped to run them without formal wages or salaries. In addition to these, the Bureau of the Census reports, there were something over 2,500,000 "emergency" workers (mostly boondogglers, of course), and a trifle over 5,000,000 seeking work. Add all these together and we get a "labor force" of some 52,790,000 individuals who were either at work or seeking work.

The first observation about the President's determination to see that 60,000,000 have "jobs" after the war is then that he evidently intends to have upwards of 7,000,000 more
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Bank of Montreal Head Sees Need of Private Action to Aid Recovery

At the Annual Meeting of Stockholders, George W. Spinney, President of Bank of Montreal, Stated That in Addition to Governmental Aid in the Transitional Period There Will Be a Vast Area of Effort and Opportunity for Private Action. He Lists Four Conditions Required to Obtain Full Productive Employment and a High Standard of Living.

Despite the tremendous magnitude of the problems facing Canada during the transition from war to peace, it would be a mistake to let



George W. Spinney

the Government do everything "unless we are content to go along the road Germany followed to totalitarianism." George W. Spinney, President of the Bank of Montreal, stated on Monday, Dec. 4, at Montreal, Canada.

Addressing the annual meeting of stockholders, Mr. Spinney declared that "after giving full value to everything the governmental agencies can usefully do to aid in the transitional period, there will remain a vast area of effort and opportunity that will challenge to the utmost our courage, ingenuity and powers of cooperation."

Mr. Spinney said he knew of no way to bring about full produc-

ive employment and to maintain a high standard of living except through production on the broadest possible scale and the freest possible exchange of the resultant products within Canada's own borders and beyond them.

"To attain these objectives," he said, "it will be necessary (1) to maintain price controls and voluntary saving during the period of post-war readjustment; (2) to achieve the distribution of the costs of government in such a way as not to deter individuals and corporations from entering into productive undertakings; (3) to encourage the processes of production and interchange through private agencies rather than through the channels of government spending, and (4) to adopt a policy whereby governmental income must bear a reasonable relationship to governmental outgo."

With respect to governmental spending, Mr. Spinney said that he was not alarmed at the rise of the national debt. "On the con-

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Peacetime

Conscription

By GEORGE E. SOKOLSKY

Many of our statesmen have so little confidence in the wisdom of the American people that they insist upon legislation now because they fear that when the people recover from the emotionalism of war they will change their minds. That seems to be the only argument in favor of legislating for peacetime conscription now. It is not a question of the purpose of the proposition; it is the timing of it.



George E. Sokolsky

At this moment we have war-time conscription. No further legislation for that purpose is necessary. And every boy who is physically or mentally fit to take part in this war is being conscripted. Every boy over 18 who can be, is in. Therefore this legislation will be applied to no one now.

Furthermore, there is no possibility of our Army becoming rapidly depleted once the war is over. The demobilization is bound to be slow; large forces will be kept in Europe for a prolonged period, certainly, for police duty in the conquered areas. On this subject the testimony of General Hershey is more valuable than the campaign speeches of any candidate.
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A Theory of Interest

By ALDEN A. POTTER

Writer States That Although, by Implication, Money Loans Involve the Obligation to Pay Interest as Well as Principal, Pure Interest Is an Economic Law Establishing the Net Rate of Real Income Relative to Depreciation Reserves (Rate of Amortization) Required for Non-Obsolete Capital Goods, Regardless of Whether or Not Any Trading, or Any Saving and Lending of Money, Is Involved.

I. A Quandary.

In reviewing a report by W. W. Rieffler and other economists of a League of Nations committee in 1933 on "Statistics Relating to

Capital Formation," John Maynard Keynes (now Lord Keynes) had this to say (Economic Journal, Sept. 1929, p. 574): "We have been all of us brought up, like the members of this committee, in deep confusion of mind between the demand and supply of savings, and until we rid ourselves of it we cannot think correctly."

It is hard to see how this confusion over capital formation by



Alden A. Potter

savings can be separated from the problem of interest in which equal confusion has been widely acknowledged by competent students of the subject. Somers (Quarterly Journal of Economics, May, 1941) has pointed out that while "Mr. Keynes . . . claimed that the rate of interest was a purely monetary phenomenon . . . the price paid for parting with liquidity," this is involved in what Hicks, a British authority, has called "a real dispute, in which one side must be right and the other wrong . . ." Says Professor Somers: "Few topics in economics, in fact, have received as varied treatment as has the theory of interest. Few topics, moreover, have resulted in as many divisions of opinion, misunderstandings, vigorous attacks and equally vigorous defenses."
(Continued on page 2632)

From Washington Ahead of the News

By CARLISLE BARGERON

If Congress is reflecting the public mood these days, and inasmuch as the members of the House only serve for two years at a time and therefore are supposed to have their ears pretty close to the ground, it must be that the country reelected Roosevelt and oh, how it hates it. It is seldom that the legislative body has been in a more ramblunctious mood.

Take, for example, Senator O'Mahoney of Wyoming, who went down the line for the fourth term, and, as a matter of fact, was quite an spokesman in its behalf as Chairman of the Democratic Senatorial Campaign Committee. Now, the Senator warns us that there are dangerous forces a loose in the world, right here in this country, and so before he will vote to confirm the recent State Department appointments, he must know how the appointees stand on such vital things as democracy in other countries and free trade. We don't think it so important as to how any of these gentlemen stand on anything. They, along with Mr. Stettinius, are Roosevelt appointees, and will stand the way he wants them to stand. We may be wrong, but just about the most futile endeavor in which members of Congress can engage these days is to make a hullabaloo over



Carlisle Bargeron

the leftist or rightist tendencies of various appointees to important posts, unless, of course, they are of the strong, positive character and with large political followings, such as Henry Wallace. The others, such as we are being confronted with in the new State Department parade, are men who have been here in Washington for some time "wrestling with the problems that confront the world." They have become imbued with the idea that the Government must settle these problems, which means bureaucracy settling them, and after considerable study of Moscow and Berlin, we, in our humble way, have never been able to see much difference between a leftist and a rightist bureaucracy.

Senator Gillette of Iowa, slated to be the third member of the Surplus Property Board, relieved himself of a swan song, having been defeated in the recent campaign, and the brunt of it was an attack on Britain for her policy in Greece, Italy and Belgium. What are we fighting for, he asked. The Senator is one of the abler members of the Senate and apparently a man of high principle. He, at first, refused to seek re-election because he could not stomach a fourth term. Then when the Administration brought pressure on
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Manufacturers Adopt A Six-Point Program

The NAM in Convention Passes Six Resolutions in Which "Victory for Freedom," Maintenance of Free Enterprise, Opposition to Cartels and Government-Dictated International Trade, a Sound Currency System and Taxation for Revenue Rather Than for Effecting Social and Economic Reforms Are Proposed.

The National Association of Manufacturers convened at its 49th Annual Convention in the Waldorf-Astoria Hotel in New York City on Dec. 6th with one of the largest gatherings in the history of the organization. The meeting was designed as the "War and Reconversion Congress of American Industry" and extended over a period of three days culminating in a banquet on the evening of Dec. 8th at which more than one thousand members were present.

Robert M. Gaylord, President of the Ingersoll Milling Machine Co., was succeeded as the President of the Association by Ira Mosher, President of the Russell Harrington Cutlery Co. of Southbridge, Mass. Frederick C. Crawford, President of Thompson Products, Inc., was made Chairman of the Executive Committee and William P. Witherow was chosen as the Finance Committee chairman. Walter B. Weissenburger was continued as the Executive Vice-President, and Noel Sargent as Secretary.

The formal resolutions adopted by the convention at its session on Dec. 7 follow:



Ira Mosher

I We Believe In Freedom

It is not merely freedom from this or freedom from that in which we believe, but in Freedom itself. To freedom there is neither part nor number. It is a design for life, suitable only for a strong, self-reliant, intelligent, individualistic people. It has been ours. It has been won at a price our forefathers paid. This generation inherited it. The very conception of it is now challenged by some of our own people. Under the stress of wartime conditions, its application to the circumstances of our daily lives has been largely suspended. We are firm in our faith and belief that freedom must be restored.

II

We Believe the Economic System Which Is Commonly Called Free Enterprise Will Provide the Highest Possible Standard of Living for All People.

The magic formula of American industry has been to produce more goods at less cost in order that more people can buy more things at lower prices. In this way our people have achieved a higher standard of material well-being than any other people anywhere, any time.

Most of the good things of life come through work. Higher wages, vacations with pay, old-age benefits are possible and can be sustained only through economic productivity. The way we, as a people, can improve our material well-being, is to be more productive. Any interference with economic productivity, except to protect the public health and safety, whether by Government or labor or business, is reactionary and against the best interests of the people.

This American system of free enterprise rests on three fundamentals: individual responsibility, private property and free competition.

Individual responsibility offers

Sees Need of Private Action to Aid Recovery

(Continued from first page)
"I believe it is well within manageable proportions in relation to our present and potential productive capacity. But if over the long term we complacently accept and apply theories that set no practical limits to the size of the debt, then we shall have ourselves to blame if the value of that debt ultimately and inevitably diminishes in terms of the quantity of goods that the dollar will buy."

Declaring that he was no pessimist in regard to Canada's post-war possibilities, and enumerating some of the great advantages with which Canada would start out into the post-war era, Mr. Spinney said:

"To my mind, a survey of the conditions under which we in Canada shall seek our post-war economic objectives leads to one inescapable conclusion. This is that real and enduring economic security can only be achieved through risk. I do not know whether this is a law of economics, but I am convinced it is a law of life. This may seem at first sight to be a curious doctrine to be put forward by a banker; since banks, above all other institutions, are popularly believed to be rather more than ordinarily conservative in outlook and to regard anything 'risky' with scant favor.

"It would be a fair question, therefore, to ask what I conceive the function of the banks to be against the background I have outlined. My answer would be that no bank will be able to fulfill its post-war functions adequately unless it enters into that period with the courage and confidence that can only come from inherent strength resulting from sound policies consistently applied throughout the years."

In this connection Mr. Spinney outlined the bank's views on the function of inner or contingent bank reserves, which was discussed at great length at Ottawa recently during the decennial revision of the Bank Act.

Declaring that the Ottawa discussions had revealed many basic misconceptions as to these reserves, he said that experience in all countries had proven that the practice of adding to such reserves when it was possible to do so, in order to "cushion" less favorable periods, was the only safe policy to protect the interests of depositors.

"No bank can maintain a proper continuity of service to the public without sustaining losses, nor can a bank be operated prudently without reserves to meet such losses," he said.

B. C. Gardner, General Manager, analyzed the bank's balance sheet, which showed total assets at the record level of \$1,526,734,000, an increase of \$213,670,000 over the preceding year. Deposits rose \$215,000,000 to a new high of \$1,420,811,000, while the number of depositors stood at 1,300,000.

Mr. Gardner said that the bank's post-war building plans had been enlarged during the year, and that contemplated construction, including completion of the building in Toronto, would make a substantial contribution to post-war employment in the building field.

Referring to some of the more important amendments made by Parliament to the Bank Act during the year, Mr. Gardner stated: "The new interest limitations will make it difficult to handle some types of personal loans at a profit, but this will not deter us from making every effort to meet the credit requirements of worthy borrowers."

to each and every man the dignity of making his own choices, the opportunity and the incentive to work out his own destiny. He can rise to that social and economic level which he through his own ability, industry and thrift can attain. He is held responsible both under the law and before his fellow-men for his own decisions and for his conduct. The individual may pursue that course of life he himself elects, but in the exercise of his freedom to pursue it he must also accept and discharge his duties and responsibilities to home, church, community, State and nation.

When, in the course of the enjoyment of this individual freedom, men forget or neglect their duties and responsibilities and mistake freedom for license, then injustice, disorder and confusion will follow and the liberty that has been abused will be lost. They yield to dictators, and then the struggle of the individual for freedom must begin all over again.

Property rights are in their very essence human rights. The secure possession of private property is a reward that stimulates individual effort, promotes thrift and discourages waste. It contributes to the enrichment and dignity of life.

Regulation by Competition

Free competition is democracy's way of regulating the economy without tyranny. In the market place all men offer their goods and services, and the buyer and seller arrive at a fair price in the light of their own ideas of value. Under free competition, men reward that enterprise which serves them best, and, through refusing to buy, discipline those who do not meet the public's desires. No Government can so well decide as the people themselves what and when to buy and sell, how much, and at what price.

Free competition must have a stable system of law under which to operate. It must leave the individual free to offer, and his fellow-citizens free to accept or reject, those goods and services which each believes mutually advantageous. Only in this free exchange is there to be found that regulation which, in the long run, achieves the greatest economic justice. It is the one principle of regulation under which people may long continue to be free.

To succeed and survive in a competitive economic system, the emphasis must be and remain on contribution rather than on acquisition, on the "give" rather than the "take." In the long scroll of history, and over the broad face of the earth, modern industrial civilization evolved only after a time when and where mankind had been inspired by the spiritual concepts of mutual service. The possibility of its successful functioning for long is inconceivable under less auspicious circumstances.

Peoples who ape our way of life, without having assimilated the spirit which gave it birth, from time to time have menaced the continued survival of civilization itself. Among ourselves the disruptive forces of class antagon-

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The Assault Upon Management And the Courts

By GEORGE B. CHRISTENSEN*

Attorney Reviews the Progressive Steps in Federal Legislation in Depriving Courts and Management, Respectively, of Their Responsibilities and Rights in Matters Pertaining to Labor Disputes. Cites Adverse Effect on Production and Management of Policy Which Places Matters of That Kind Under Bureaucratic Fiat or Partisan Agencies. Points to Difficulties Created by War Labor Board Set-Up and Rules and Foresees a More Realistic and Complete Judicial Review Thereof.

The title of this paper is "The Assault Upon Management and the Courts." This is because I believe the most significant and sinister developments of recent years have

not been in the creation of new rights or liberties for the working man but have been in the destruction, largely by bureaucratic fiat, of essential management rights with regard to discipline, selection of employees and related matters, and in the continuance of the trend of taking jurisdiction over those disputes away from the courts and lodging it almost entirely in partisan agencies.

The paradox is that although the profession has been called upon to furnish advice and advocacy more and more in labor disputes, we do it less and less in courts. So well may we ask: "How did we get this way and where are we going?"

First War Labor Board

The first codified statement of many of the basic rules of today was in the statement of policy promulgated for the National War Labor Board of 1918. It provided for no strikes or lockouts. It assured labor of the right to organize, in the following words:

"The right of workers to organize in trade unions and to bargain collectively, through chosen representatives is recognized and affirmed.

"Employers should not discharge workers for membership in trade unions, nor for legitimate trade-union activities."

It contained the following important condition, omitted from today's National Labor Relations Act:

"The workers, in the exercise of their right to organize, shall not use coercive measures of any kind."

Railway Labor Act

The next important step in the codification of labor's rights and the beginning of the technique of avoiding the courts was the Railway Labor Act of 1926. This Act contained much that was good, but it has received much indiscriminating praise simply because it has prevented strikes. It declared it to be the duty of carriers and their employees to make and maintain agreements concerning rates of pay, working conditions and rules. It announced the rule that a majority of any craft should have the right to determine who should be the representative for the entire craft or class.

The right to organization was guaranteed in the following language:

"Employees shall have the right to organize and bargain collectively through representatives of their own choosing."

It made it unlawful for a carrier to interfere in any way with the organization of its employees, to use funds in maintaining or assisting or contributing to any labor organization, or to institute a check-off of dues system or the closed shop. Note that the latter have not been carried forward into subsequent laws.

The mechanics for enforcing the Act and for settling disputes are quite complicated and, except to a limited extent, eliminate the courts. Briefly, an Adjustment

*An address made by Mr. Christensen before the Ohio Bar Association, Nov. 10, 1944.

Board is created for the settlement of disputes and interpretations arising under agreements. The carriers and the unions have an equal participation in that Board. In event of deadlock the Mediation Board, which has superintendence over the administration of the Act, appoints a professedly impartial person to break the deadlock. Decisions on matters of this kind may involve millions of dollars, but the carrier has no appeal from them. The union, however, may sue in the Federal Court to enforce an Adjustment Board decision. In such event the carrier may defend on the ground of the award's illegality. But the union has the option not to sue and to use non-compliance with such an award, from which the carrier cannot go to the courts, as the basis for a strike call, thereby securing a Presidential Emergency Board. It has proved to be an effective technique. Operating costs of the carriers have increased tremendously.

Where changes of rules or rates of pay are desired the parties must give a 30-day notice. If the Mediation Board cannot settle the controversy, machinery is provided by which the President appoints a so-called Emergency Board, which advises him and the public of the supposed merits of the controversy. Again no court review.

Anti-Injunction Act

In 1932 came the Norris-LaGuardia Anti-Injunction Act, which effectively drove the Federal courts out of the field as an instrumentality for determining or enforcing rights in labor controversies. The injunction had proved to be a powerful weapon in avoiding the extremes of force that frequently appeared in strikes. In earlier days injunctions had forbidden union conduct that subsequently came to be recognized as legitimate—peaceful dissemination of information, oral persuasion to join a strike or to refrain from patronizing an establishment under strike, are examples.

But there was no reason to suppose that our courts were not cognizant of the changes in substantive law or would not mold such injunctions as they might be called upon to issue to fit the proper and developing substantive rights of the parties. Likewise there was no reason to suppose that the courts would shrink from their duty, and, within the framework of the substantive law, issue injunctions that would prevent what was still unlawful conduct. The unions feared the injunction. So, the advocates of militant unionism, Senator Norris and Representative LaGuardia, pushed through their law.

One section of the law, in broad terms forbids any injunction, under any circumstances, against certain types of conduct. For example, the Federal courts cannot enjoin a strike or the payment of strike benefits under any circumstances—even though strike may be unlawful because the union is under contract with the employer not to strike but to submit all disputes to arbitration. The Act

(Continued on page 2634)

The State of Trade

Some practical approach to the eventual reduction of our National debt must be undertaken at an early date if trade and industry are to lay a solid foundation upon which to build the super-structure of a sound economic system which will promote the future prosperity and welfare of our people.

Many theories have been projected as sure-fire solutions in coping with our constantly expanding national debt. In some quarters the argument has been advanced that we can continue to spend until we have spent ourselves out of debt, and only recently, a suggestion was made by Capt. Eddie V. Rickenbacker that it might be wise for us (the United States) to repudiate our entire National debt. The motive which prompted the suggestion was a good one in that it was felt our fighting men "should not be saddled with a huge National debt," and by resorting to the process of cancellation it would permit them to "start from scratch, so that they may win for themselves the great opportunities earlier generations have enjoyed."

If this were possible of attainment without throwing out of balance our whole economic and financial machinery, and without destroying the integrity of our country, it may be excusable, but even those who only have a simple knowledge of things financial and economic can readily see how preposterous this sort of reasoning is. In the present instance it would seem that in striving to lighten the burden of our service men, good judgment succumbed to promptings of the heart instead.

The realization that debt must not be allowed to pursue its inevitable course which follows when restraint is lacking, has produced a realistic program for paying off our National debt within 60 years.

The plan proposed was introduced by H. E. Humphreys, Jr., before the National Association of Manufacturers. Mr. Humphreys is Chairman of the Association's Tax Committee. In setting forth his plan, he was emphatic in stating that our "tax laws should be written so that the taxpayer can understand them."

Working on the assumption that our National debt will reach \$300,000,000,000, Mr. Humphreys' calculations providing for annual principal and interest payments of \$9,000,000,000, conclude that within 60 years our Nation would be our red.

Developing his plan, he said, "Realistic students of government spending feel that a peacetime budget of \$20,000,000,000 or less could supply us with very adequate federal government." Continuing, he added, "If we assume that encouraging tax policies will make it possible to maintain our present level of national income in the post-war years, here is a way in which we could balance a \$20,000,000,000 budget:

"1. From historic excise taxes, estate and gift taxes, customs and miscellaneous levies, \$5,000,000,000.

"2. From corporate earnings at a 25 to 30% rate, \$6,000,000,000, to \$7,000,000,000.

"3. From 50,000,000 individual taxpayers—the balance, \$8,000,000,000 to \$9,000,000,000."

"This program to raise \$8,000,000,000 to \$9,000,000,000 from individual taxpayers compares to \$20,000,000,000 now being collected," Mr. Humphreys added.

From industry's standpoint Mr. Humphreys said it believed the tax program should include continued high taxes for the duration of the war followed by adjustments when cutbacks come. Post-war rates should be on a level "below the point of discouragement" for business. A balanced budget after the war coupled with a long-range debt retirement plan. On the matter of levying taxes and the respon-

sibilities of both the people and the government, he stated, taxes should be exacted for the purpose of revenue only and not misused for social or economic adjustments. The tax laws should be simplified and every citizen made aware of what taxes he is paying.

Giving cognizance to future tax needs, he said that industry's first concern is jobs and declared, "If taxes weigh too heavily upon business, profits cease and new capital is not produced; new jobs are not created and the whole economic system dries up."

Under the proposed tax setup, Mr. Humphreys concluded that industry believes it can achieve "newer, higher levels of production, employment and national income."

National Debt—In the 12 months ended Nov. 30, the National debt rose \$46,219,000,000 as reported by the daily Treasury statement for Dec. 3, amounting to a total of \$216,537,000,000. Total spending surpassed the \$40,000,000,000 mark and compared with \$37,560,000,000 in the like period of 1943.

Of the total expended, \$36,649,000,000 went for the war effort in the first five months of the 1945 fiscal year, compared with \$35,147,000,000 in the corresponding period last year. War spending in November, however, was slightly below that of November last year, amounting to \$7,401,000,000, against \$7,541,000,000.

For the 1945 fiscal year net receipts were \$14,898,000,000, compared with \$14,305,000,000 in the similar period last year. November net receipts were \$2,240,000,000, while those of November, 1943, were \$2,099,000,000.

Steel Industry—With prospects of an early German defeat dimmed by the tough hard fighting in Europe, an increased tempo in war steel production and a moratorium on talk and output of civilian steel has taken place.

War programs have undergone a sharp upward revision so as to cover any eventuality in the European theatre even to the extent of the war lasting until next summer.

Steel activity the past week moved rapidly upward and there were indications that before the new secondary peak in war output is reached, the level of output for some war items may approximate previous highs. This was especially true with respect to the ammunition programs, so stated "The Iron Age" in its weekly summary of the steel trade in its Dec. 7 issue.

Inquiries for military steel strengthen the belief that civilians will have to trim their steel requirements still further. The apparent inability of far western mills to absorb as great a steel plate load as had been hoped, further complicates the problem of substantially increasing the steel industry's shell steel output.

According to the magazine, "the heavy shell steel needs, which are slightly more than 300,000 tons in this month, will probably be expanded moderately in the first quarter of 1945, the greatest increase in the ammunition program will come in the small and medium sized field. It is believed that by next September steel requirements for medium and small sized shells will have increased more than 40% over recent tonnages." This goal will be contingent upon the length of the war abroad.

The impact of the newly expanded shell steel programs which in the overall will be increased

Congress Passes Bill Freezing Security Tax

Action on the Doughton bill freezing the social security payroll tax at 1% for the calendar year 1945 was recently completed by Congress—the House having passed it on Dec. 5 by a vote of 262 to 72, while the Senate passed the bill on Dec. 8 by a vote of 47 to 19. The House Ways and Means Committee voted 17 to 7 on Nov. 30 to freeze the tax, which would double automatically on Jan. 1. Under date of Nov. 30, Associated Press advices from Washington stated:

"In voting approval of a freeze, the committee also approved a resolution calling for a comprehensive study of the overall social security rate and trust fund problem in the new Congress convening Jan. 3.

"The study would determine whether an entirely new tax rate structure is needed."

Chairman Doughton was quoted on Nov. 30 as saying:

"The committee felt the country wants a thorough study of the tax before there is any increase. The social security reserve fund has more money in it now than we expected."

In the event of the veto of the bill by the President, the tax would double—from 1% to 2% against employee pay and employer payrolls—on Jan. 1, as provided in the basic security law.

From Washington, Dec. 9, the Associated Press said:

"Lawmakers who want to prevent an otherwise automatic doubling of the tax on Jan. 1 are prepared, if necessary, to recess over Christmas and come back just before the new session begins Jan. 3.

"A two-thirds vote is required to override a veto.

"The doubled rates on employers and employees were scheduled to start Jan. 1, 1942, but Congress has halted the increase three times.

"Senator Vandenberg (Rep.-Mich.), leader in the fight to freeze the levy again, told the Senate yesterday that the rise is not needed to protect the integrity of the reserve fund from which old age and survivors' benefits are paid. The fund now holds nearly \$6,000,000,000 and the current levy is bringing in more than \$100,000,000 a month. Benefit payments in the last fiscal year were \$184,500,000."

as much as 20% with the greatest increment in the smaller categories will be tremendous on the output of other steel items. Some steel companies are now facing production and delivery problems strongly reminiscent of several months ago, before cutbacks gathered momentum, "The Iron Age" disclosed.

Intimately tied up in the delicate balancing and scheduling of shell steel are such products as semi-finished steel, plates, rails, bars and seamless tubing. The increase in shell steel needs must come out of some or a combination of all these products. The current easier trend in plate output may prove short-lived, due to additional 60,000 tons of steel, mostly plates, required for December, January and February delivery for an increase in the 1945 Navy pontoon program.

There is a probability that when the Maritime Commission completes its balancing and utilization of inventories for ship construction, it may reenter the steel market at a time when shell steel needs are giving birth to new production difficulties, the magazine adds.

With the recent increase in steel orders deliveries on practically all products have again become quite extended, some companies promising wide plates for March delivery compared with February a few weeks ago. (Continued on page 2635)

Nota Bene!

Most of the good things of life come through work. Higher wages, vacations with pay, old-age benefits are possible and can be sustained only through economic productivity. The way we, as a people, can improve our material well-being is to be more productive. Any interference with economic productivity, except to protect the public health and safety, whether by Government or labor or business, is reactionary and against the best interests of the people.

Property rights are in their very essence human rights. The secure possession of private property is a reward that stimulates individual effort, promotes thrift and discourages waste. It contributes to the enrichment and dignity of life.

Free competition is democracy's way of regulating the economy without tyranny. In the market place all men offer their goods and services, and the buyer and seller arrive at a fair price in the light of their own ideas of value. Under free competition, men reward that enterprise which serves them best, and, through refusing to buy, discipline those who do not meet the public's desires. No Government can so well decide as the people themselves what and when to buy and sell, how much, and at what price.

Free competition must have a stable system of law under which to operate. It must leave the individual free to offer, and his fellow-citizens free to accept or reject, those goods and services which each believes mutually advantageous. Only in this free exchange is there to be found that regulation which, in the long run, achieves the greatest economic justice. It is the one principle of regulation under which people may long continue to be free.—The War and Reconversion Congress of American Industry (NAM).

We hope the American public will not fail to ponder these truths long and carefully.

Life Insurance Institute Reports On Savings Since Pearl Harbor

It was forecast on Dec. 3 that by the anniversary of Pearl Harbor on Dec. 7, American families would have achieved an unprecedented savings job, setting aside in these three war years more than \$52,000,000,000 from their wartime incomes in the three basic savings channels of war savings bonds, savings deposits and life insurance according to the Institute of Life Insurance. Savings were stepped up to an all-time record in this third war year, it is stated, when nearly 22 billion dollars were added to the savings in these three media, nation-wide savings at the rate of \$54 monthly per family all year. Total savings of this type are now about \$112,000,000,000, an average of \$3,300 per family and an increase of nearly \$1,500 per family since Pearl Harbor.

"This is one of the greatest wartime achievements of the American people," Holgar J. Johnson, President of the Institute, said in commenting on the report. "It is evident that our people have saved for victory and have avoided the temptation to spend their enlarged incomes," he stated. He added:

"As a result, they are strongly fortified with reserves with which to meet the needs of the post-war period. Continuance of this saving during the remainder of the war and in the post-war readjustment days will go far towards softening readjustment dislocations and will give even greater strength to our families with which to meet the future."

The Institution's advices state that "Americans are now saving 1 1/2 billion dollars monthly or 16 cents out of each dollar of disposable income, the balance of national income left after taxes. In one month of this year, total savings were well over \$3,000,000,000 or nearly one-third of that month's disposable income." It is likewise announced:

"War savings bonds account for the largest block of wartime savings, more than 34 billion dollars having been put into these non-marketable Government savings bonds since Pearl Harbor. This is

more than the total of all savings deposits in the country at the outbreak of the war. Savings deposits have increased over 10 billion dollars during the war. Life insurance equities of American policyholders have increased almost 8 billion dollars in the three war years. Total life insurance in force has increased 20% to nearly \$150,000,000,000 during the war."

Rossetti Heads L. A. Clearing House

At the annual meeting of the Los Angeles Clearing House Association on Nov. 14, V. H. Rossetti, President of the Farmers & Merchants National Bank, of Los Angeles, Calif., was elected for his eighth consecutive term as President of the Association. The following, according to the Los Angeles "Times Union" were also elected to clearing house posts:

G. M. Wallace, President of Security-First National Bank, was named Vice-President, and H. N. Thompson was appointed Secretary-Manager.

The following were elected to the clearing house committee:

H. D. Ivey, President of Citizens National Trust & Savings Bank; B. R. Meyer, President of Union Bank & Trust Co.; A. W. Anderson, President of California Bank; H. H. McKee, Vice-President, Canadian Bank of Commerce (California), and W. J. Braunschweiger, Vice-President, Bank of America. Messrs. Rossetti and Wallace are ex-officio members of the committee.

The Financial Situation

(Continued from first page)

men and women at work immediately after the war than were at work or wanted to be at work when the war broke out. This is an increase in, say a half a decade, of nearly 14%. Certainly, no such increase could be expected merely on the basis of population growth—the less so when it is recalled that we shall unavoidably lose a very appreciable number of the flower of our working forces upon the bloody battle fields of Europe and the Pacific. Presumably, the President means to include the armed forces in his 60,000,000. Otherwise, we should have to deduct a million or two at the least from the groups from which the President would draw his huge labor force during the first year or two after the war. It is highly probable that the President, along with a good many other prognosticators, has been greatly impressed with the number of men, and particularly women, who have come forward to work during the war years, and concluded therefrom that a much larger percentage of the population after the war will be seeking work than was the case before the war. There are many who with what appears to us to be good reason doubt this conclusion.

Applied to Post-War Programs

But there are certain other facts which many, certainly not the least among them the President himself, are all too apt to overlook. The reader will note carefully that against the 30,000,000 drawing wages or salaries from others in private industry, 11,000,000 were, for the most part, operating businesses which their own initiative had brought into being. Now let us see how this applies to the President's post-war employment programs. If we allow, say, 5,000,000 for government employment and the armed forces, we should have some 55,000,000 left to take care of—as the President seems to figure it. If this number is to be absorbed in private business in the same proportion that obtained in 1940, some 15,000,000 would provide for themselves operating farms, small shops and other enterprises of their own or of their immediate family. "Jobs" in the strict sense of the word would be needed for 40,000,000. If the President is, say, 5,000,000 too high in his estimate of the number seeking work, as he may well be, then some 50,000,000 would have to be accommodated (or accommodate themselves). Divided as in 1940, we should then have some 13,000,000 in business for themselves and some 37,000,000 working for others.

How to Provide Such "Jobs"

But total figures are not particularly important for this discussion. The point is that according to the reports of the Census Bureau more than 25% of those having "jobs" in industry are really working for themselves. They are entrepreneurs, to use an academic term, not job holders or job seekers in the ordinary sense at all. And the percentage thus stated may well be substantially underestimated. It is a well-known fact that there are an enormous number of incorporated small businesses in the United States. It is the custom of the proprietors to operate these businesses themselves and, for one reason or another, to pay the earnings of the enterprise out to themselves as salaries rather than by the declaration of dividends as would normally be the case with larger enterprises. Such proprietors doubtless are apparently included in the Census figures as wage or salary earners, which, technically, they are. In every other sense, however, they are "in business for themselves."

Now there is an important significance in all this. It is true, of course, that if industry is to provide jobs (that is, assignments to which a wage or a salary is attached) to great multitudes of men and women who want work, an atmosphere conducive to risk-taking must be permitted to exist in this country. That is true in any event. But, if at least one man in four in the post-war period is really to employ himself in work which he has undertaken on his own, then it is doubly important that conditions conducive to the embarkation upon such myriads of small undertakings throughout the country must be permitted to exist.

No Stimulation Needed

We use the term, "permitted to exist," advisedly, for the simple reason that such an atmosphere creates itself if action by the public authorities does not intervene or interfere. Failure to understand this simple but highly important fact is responsible for much of the twaddle that is being heard today about "incentive taxation"—by which is usually meant taxes so devised as to place a premium upon this or that action desired by the authorities. The fact is, of course, that there is no need of stimulation if only government maintains a fair field and no favor and carefully refrains from policies which block action.

The President would do well to do some more thinking about those 60,000,000 "jobs."

Summary of Agreement on International Civil Aviation Adopted at Chicago

The following summary of the Convention on International Civil Aviation adopted on Dec. 5 by the World Air Conference at Chicago is from Associated Press advices published in the New York "Times."

The agreement is in 22 chapters and 95 articles.

The preamble sets out that whereas the future development of international civil aviation can greatly help to maintain world understanding and friendship because abuse of flying can threaten the general security, the Governments signing the convention have agreed on certain principles and arrangements.

The articles in brief follow:

1. The complete and exclusive sovereignty of each nation over its air space is recognized.

2. Territory is defined as the land and adjacent waters under the sovereignty, suzerainty, protection or mandate of a state.

3. Applies only to civil aircraft.

4. Agrees "not to use civil aviation for any purpose inconsistent with the aims of the convention."

5. Foreign aircraft not engaged in scheduled international air services may fly into or across its territory and make stops for non-commercial purposes without obtaining prior permission.

6. Prohibits scheduled air services over the territory of a state except with specific authorization.

7. Each nation reserves the privilege of offering air services between points within its territory and agrees not to yield this privilege on an exclusive basis to any one or to seek such an exclusive right for itself.

8. Bans aircraft capable of being flown without a pilot except with specific authority.

9. Permits uniform restriction of foreign aircraft for military or public safety reasons.

10. A nation may require foreign aircraft crossing its territory to land for customs and other examination.

11-12-13. Provide for uniform application of national air regulations for foreign planes; for air navigation rules; for customs, immigration and quarantine laws.

14. Requires each state to try to prevent the spread of communicable diseases.

15. Requires that airports open to public use shall be opened uniformly to foreign aircraft and forbids discrimination as to services and charges.

16. Confers rights to search for aircraft and inspect certificates.

17-18-19. Gives aircraft nationality of state in which they are registered. Limits registration of aircraft to one state but provides for transfer of registration; provides that registration or transfer comply with national laws.

20. Every aircraft flying internationally must be properly marked.

21. Calls for registration of such aircraft with International Civil Aviation Organization (ICAO).

22. Agrees to facilitate the navigation of aircraft and prevent unnecessary delays.

23. Calls for an effort to establish customs and immigration procedures.

24. Establishes freedom from duty for aircraft fuel and equipment on board.

25. Nation agrees to assist aircraft in distress over its territory and to help search for lost planes.

26. Provides for inquiry into accidents.

27. Prevents seizure of foreign aircraft on grounds of patent infringements.

28. Calls upon each state to provide airport, radio and meteorological services and other air navigation facilities.

29-30-31. Requires international aircraft to carry documents such as certificates of registration.

30-31. To carry radio transmitters and a certificate of airworthiness.

32. Requires licenses for personnel operating the planes.

33. Requires recognition of other's certificates equaling international minimums.

34. Requires aircraft to carry log books.

35. Forbids carrying munitions of war except by special permission.

36. Permits regulation of use of photographic apparatus in aircraft over its territory.

37. Calls for collaboration in securing the highest practicable degree of uniformity in regulations, standards and procedures.

38. State unable to meet, accepted standards must notify the ICAO council.

39-40. Calls for endorsement of aircraft to show in what respects it may not comply; provides such aircraft may not fly over foreign territory without permission.

41-42. Limits applicability requirements to aircraft which do not make their first flight until three years after the adoption of world airworthiness standards; of personnel licenses to those granted more than a year after adoption of international standards.

43-44-45. Establishes international civil aviation organization to be composed of an assembly, a council and such other bodies as may be necessary; outlines its aims; fixed permanent seats of ICAO.

46. Interim council to call first meeting of ICAO.

47. Gives ICAO "legal capacity" necessary.

48-49-50. Fixes rules for meetings; outlines powers and duties; fixes membership of council at 21; forbids membership to anyone personally interested in an international airline.

51-52. Fixes term of council president at three years; provides that he may not vote, that council decisions be made by majority.

53. Permits any contracting state to participate in council consideration of matters affecting its interests, but does not permit party to dispute to vote.

54-55. Lists mandatory functions of the council; its permissive functions such as establishing subordinate commissions, conducting research.

56. Provides for air navigation commission of 12 members appointed by council.

57. Lists as duties of the commission consideration of changes in annexes to convention, establishment of technical groups, and advising the council of information it may collect.

58-59-60. Empowers the council to fix the qualifications and hire the personnel of the ICAO; makes the personnel responsible to secretary-general; grants them immunities, privileges accorded corresponding personnel of other international organizations.

Financial Arrangements Covered

61-62. Provides for financial arrangements; suspension of voting power of country which fails to pay assessments.

63. Provides that each country pay expenses of its delegation to the assembly.

64-65. Authorizes ICAO to enter into arrangements with whatever world security organization may be established; also with other international bodies for maintenance of common services.

66. Authorizes ICAO to carry out functions placed upon it by documents known as "two freedoms" and "five freedoms," which are separate from the main agreement.

67. Requires each country to file with the council traffic reports, cost statistics and financial statements for its international airlines.

68. Authorizes each country to

designate route to be followed across its territory.

69. Authorizes council to recommend means by which state may bring inadequate facilities up to agreement level, but provides no penalty if recommendations are ignored.

70. Permits state to arrange with council execution of latter's recommendations; permits council to bear cost.

71. Permits council, if a country requests, to provide, man, maintain and administer facilities required for airline operations across the country.

72-73-74. Provides for acquisition of land, spending of money, authority to pay cost of operating facilities on request.

75-76. Provides that a state may buy back facilities purchased by the council; latter may return funds to the states which advanced money when such facilities are repurchased.

77. Permits two or more countries to establish joint airline operation.

78-79. Authorizes council to suggest joint operation. Permits private companies to participate.

80. Requires signatory States to denounce the 1919 Paris Convention and the 1928 Havana Pact. (Superseded by new convention.)

81-82. Calls for registration with council of all aeronautical agreements in force between the contracting states; abrogation of all existing obligations which conflict with terms of convention.

83. Permits member state to negotiate with non-member.

84-85. Provides for settlement of disputes and appointment of an umpire.

86. Covers effectiveness of council decisions in disputes pending appeal to permanent court of international justice.

87. Requires member to forbid operation of foreign airline above its territory if airline is not conforming to council decisions.

88-89. Authorizes assembly to suspend voting power; suspends convention participation of member states affected by war.

90-91-92. Provides for adoption of technical annexes; for ratification of convention; for admission by four-fifths of assembly of states not described as "United Nations" or "neutrals" in World War II.

93-94. Provides for amendment of the convention by two-thirds vote; for denunciation of convention after one year's notice.

95. Defines certain convention terms.

Diplomatic Relations Completed Between Chile And Soviet Russia

The Chilean Embassy at Washington announced on Dec. 11 the establishment of diplomatic and consular relations between Chile and the Soviet Union. The negotiations were completed by the Chilean Ambassador, Marcial Mora, and the Soviet Ambassador, Andrei Gromyko, said Associated Press advices from Washington, Dec. 11, which added:

"Under Soviet-Chilean relations, the chief of each country's mission to the other will hold the rank of Ambassador," stating that Chile became the sixth Latin American nation to recognize the Union of Socialist Soviet Republics. The United Press on Dec. 11 added:

"Diplomatic and consular relations between the two countries will be established immediately for the first time since Czarist days."

The other five Latin American nations which currently maintain relations with the Soviet Union are Colombia, Costa Rica, Cuba, Mexico and Uruguay.

Conference Reaches Agreement on World Agency to Govern Commercial Air Transport

Russia Offered Seat on Interim Council Despite Refusal To Attend Conference Which Ended on Dec. 7.

With the completion of its task on Dec. 5 in the working out of a world air program the International Civil Aviation Conference in Chicago adopted an agreement for international cooperation in providing air transport services and opening the way to free skies for commercial aircraft. Provision is made in the program adopted for the establishment of a world air agency to be designated the International Civil Aviation Organization which will, among other things administer the rules for air navigation.

On Dec. 6 the Conference elected 21 Nations, including Russia, to serve as the interim council promoting international cooperation in air transportation. The Chicago "Journal of Commerce" of Dec. 7, in reporting this, added: "Although Russia had declined to attend the Conference because of the presence of Portugal, Spain and Switzerland, countries which she said pursued policies 'inimical' to the U.S.S.R., it was decided to offer her a seat on the interim council. She was elected as 'a nation of chief importance in air transport.'

"Other nations elected in this category are: The United States, Britain, France, the Netherlands, Brazil, Mexico and Belgium.

"Five countries were elected from among those not otherwise represented as nations which 'make the largest contribution to the provision of facilities for international civil air navigation.' They are: Canada, Cuba, Norway, Iraq and Peru.

"Nations chosen from among countries not otherwise represented to 'insure that all the major geographical areas of the world are represented' are: China, Australia, Egypt, Czechoslovakia, Turkey, El Salvador, Chile and Colombia.

"In order to occupy a seat on the council Russia must enter into the interim agreement drawn up by the 54 delegations attending the Air Conference."

From Chicago, Dec. 7 advices to the Milwaukee "Journal" said: "The final meeting brought a surprise move in which India replaced Cuba on the council of the provisional organization established to function pending ratification of a treaty which sets up a permanent world aviation body.

"Another surprise disclosure was a reservation to the signature of Lord Swinton, British delegation chief, by which Newfoundland was not included in the United Kingdom's commitment to the 'two freedoms'—the rights of transit and stop. It was explained privately that further consideration of Newfoundland's position was desired."

Chicago advices in the same paper Dec. 7 stated:

"Adolf A. Berle, Jr., Chairman of the United States delegation, closed the International Civil Aviation Conference Thursday [Dec. 7] with the assertion that it had 'achieved a notable victory for civilization.'

"We met in the 17th century in the air," Berle said at a brief plenary session which followed the signing of a document summing up the work of the 37-day meeting. "We close in the 20th century in the air. We met in an era of diplomatic intrigue and private and monopolistic privilege. We close in an era of open covenants and equal opportunity and status."

"Lord Swinton, the British delegation leader, also praised the work of the Conference. 'What we have done here is not an end but a beginning,' he said. 'We have done much; we shall do more.'

"The Conference set up a temporary international civil aviation organization to operate pending ratification of a treaty which will establish a permanent agency; prepared common rules and standards for international flying, and

world assembly may be asked to handle certain matters for nations which participate in the exchange of rights.

"6. Preparation of a standard agreement for provisional air routes through which all countries signing the main agreement will negotiate for air rights on terms fair to all, with exclusive contracts prohibited."

With the virtual winding up on Dec. 4 of the tasks of the conference, the delegates on that day were called upon to give formal approval as a joint committee to an agreement completing and coordinating their work as separate groups. The Chicago Associated Press advices, Dec. 4, pointed out that committee approval would leave as a final step adoption of the report by the full conference, a step which many officials felt certain would be taken on Dec. 5. The vote of the conference, it was added, would be a mere formality, since the same delegates sit in the committee meetings.

Adolf A. Berle Jr., President of the conference and Chairman of the American delegation, was quoted on Dec. 4 as saying, with regard to the proposals:

"I don't see out of this any contest for supremacy of the air. It seems to me that mechanics have been provided for orderly solution of future problems as they arise on a basis of fact instead of on a basis of conjecture or politicians' statements."

He added, according to the Associated Press:

"In 1919 the Powers met at Paris and were unable to achieve even arrangements by which friendly planes could go. The same thing happened at Havana in 1928. In 1944 we have achieved substantial agreement on a world organization; an agreement which seems to command general support permitting free and general transit privileges and ending the 'line barons' stage of air negotiations, and finally an important group of nations have agreed on the principle of open commercial trade, known as the 'Five Freedoms'."

Special advices to the New York "Times" from Chicago, Dec. 4, by Russell Porter, reported Mr. Berle as follows:

"We have achieved substantial agreement on a permanent international civil aviation organization," he went on. "We also have an agreement which seems to command general agreement on the first and second freedoms of the air, permitting free and general transit privileges and ending the 'line barons' stage of air negotiations."

"Furthermore, an important group of nations have agreed upon principles of open commercial trade known as the five freedoms of the air."

"The international organization has jurisdiction to correct abuses and provide for continuing development of international institutions of the air."

"Compared with the situation at the beginning of the conference, when all the air was closed except for preferential bilateral agreements, it will be seen we have advanced two decades in a single month."

"Some have failed to realize all their dreams and hopes, but all are vastly nearer the realization of those dreams than anyone could have expected when we came here. This was accomplished in a spirit of give-and-take and mutual accommodation on all sides."

Replying to British press criticism that the American delegation had supported American aviation interests bent upon "economic rivalries and cut-throat competition" in defeating the British plan for a more powerful "authority," Mr. Berle said he saw "no contest for supremacy of the air" coming out of the conference.

It was authoritatively explained that the bilateral agreement be-

tween the United States and Spain announced last week was merely one of a series to be signed with countries that have not made up their minds to agree to the "five freedoms."

Any inference that it was a threat to Great Britain, it was said, was groundless because the British made a similar agreement with Spain in September.

From Associated Press advices from Chicago, Dec. 4, to the New York "Journal of Commerce," we take the following:

"The British delegation made it clear that after some last minute revision it would sign the 'two freedoms' document by which the right of peaceful transit and non-commercial stops would be granted reciprocally. Since the United States and most of the other nations have signified their intention of signing that agreement, it appears that the barriers which have made difficult the connecting of nations by air will be removed.

"Under the 'two freedoms' proposal, a nation wanting to provide air service to another country separated from it by the territory of a third State is automatically granted the right to fly across the third State and to stop for fuel or repairs while in transit so long as it does not discharge or take on passengers.

"That was one of the major goals of the United States delegation, and while it had been assured several days ago that many countries would go along, the attitude of Great Britain today indicates that acceptance may be universal.

"The conference must take a final vote also on a general agreement which establishes the international civil aviation organization and provides for world standards for flying, a 'five freedoms' document which adds additional privileges to the 'two freedoms' and which is optional; an interim agreement to put into effect the terms of the main agreement pending its ratification; and a standard form contract for negotiations for air rights between countries."

Adams Heads Board of Am. Chemical Society

Prof. Roger Adams, head of the department of chemistry in the University of Illinois, has been elected Chairman of the Board of Directors of the American Chemical Society to succeed the late Thomas Mideley. Prof. Adams, now on leave from the University, is active in the work of the National Defense Research Committee in Washington, D. C. Prof. Adams served as President of the Society in 1935; as director during 1931-36 and 1940-43; and as councilor-at-large, 1923-29. Born in Boston, Jan. 2, 1889, he received the A.B. degree from Harvard in 1909, the A.M. in 1910 and the Ph.D. in 1912. He studied at the University of Berlin in 1912-13, and at the Kaiser Wilhelm Institute in 1913.

From 1913 to 1916 he was an instructor in organic chemistry at Harvard University and Radcliffe College. Joining the faculty of the University of Illinois as assistant professor in 1916, he became professor in 1919, and head of the chemistry department in 1926.

During the First World War he was a major in the Chemical Warfare Service. He was a member of President Roosevelt's Science Advisory Board during 1934-35, and has been a member of the National Defense Research Committee since 1941. He holds the honorary degree of Doctor of Science from Brooklyn Polytechnic Institute, Northwestern University and the University of Rochester.

New York Stock Exch. Borrowings Increase In Month of November

The New York Stock Exchange announced on Dec. 5, 1944, that the total of money borrowed as reported by Stock Exchange member firms as of the close of business Nov. 30, was \$878,199,679, an increase of \$65,611,114 from the Oct. 31 total of \$812,588,565.

The following is the Stock 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 United States Government, \$358,270,291; (2) on all other collateral, \$519,929,388; reported by New York Stock Exchange member firms as of the close of business Nov. 30, 1944, aggregated \$878,199,679.

The total of money borrowed, compiled on the same basis, as of the close of business Oct. 31, 1944, was (1) on direct obligations of or obligations guaranteed as to principal or interest by the United States Government, \$249,437,573; (2) on all other collateral, \$563,150,992; total, \$812,588,565.

FDR Hopes Congress Will Bar Use of Red Cross Name For Commercial Purposes

The hope that Congress will before the end of the present session enact the bill to prohibit the use of the name and emblem of the Red Cross for commercial purposes was expressed by President Roosevelt on Dec. 7. The President's statement, as given in Washington advices to the New York "Times" follows:

"I hope Congress will find opportunity to act upon, before the close of the present session, the pending bill to carry out the provisions of the Geneva treaty. The legislation, when adopted, will prohibit the use of the name and emblem of the Red Cross for commercial purposes.

"The Secretary of State recommended such legislation at the last session of Congress and the bill was favorably reported by the House Committee on Foreign Affairs. The Senate has passed the bill.

"Hearings have been had before the House Committee at this session but not concluded. Similar legislation has been adopted in all the important countries.

"The Secretaries of War and Navy have emphasized that the passage of the legislation was in the public interest and in furtherance of the war effort. The legislation is in no sense partisan, having received active support from members of both parties in the House and Senate."

From special advices from Washington to the New York "Herald Tribune" we take the following:

"The only opposition to the bill appears to be to its form. As it stands now, it would affect seven or more large companies, some of which have used a red cross or the words 'Red Cross' as a trademark since before the emblem was adopted by the international relief organization."

"The committee hearings have shown that the emblem, adopted by the Red Cross in 1882, was used by a surgical dressing house, which still uses it, since 1879 and that it has long been the trademark for companies marketing such varied commodities as macaroni, shoes and canned goods.

"The principal proponent of the bill is the Red Cross itself. It seeks to restrict use of the emblem so that wherever it is seen it can be recognized as the mark of the organization, in accordance with the Geneva treaty."

Acheson of State Department Urges Expansion Of Activities of Export-Import Bank

Tells House Committee Its Resources Should Supplement Bretton Woods Plans for International Bank—Would Abolish Johnson Act Affecting Loans to Governments In Default

Making known that "the United States Government has before it at present requests for loans from several foreign Governments," Dean Acheson, Assistant Secretary of State, indicated to a sub-committee of the House on Nov. 30 that the Export-Import Bank is the logical agency through which to extend whatever financial aid this Government proposes to extend directly to other countries in the transitional and post-war period.

Mr. Acheson also says "it would be equally desirable to remove the ban imposed by the Johnson Act on private lending to Governments in default to this country."

The views of Mr. Acheson were presented in a statement before the Sub-Committee on Foreign Trade and Shipping of the Special Committee of the House on Post War Economic Policy and Planning.

Stating that "the principal economic goal of this country—of workers, farmers, businessmen, and Government—is the maintenance of full employment and prosperity, free from excessive fluctuations, with steadily rising levels of income," Mr. Acheson went on to say in part:

"If we could achieve this we should have made a colossal contribution to the solution of our own and the world's problems of security and prosperity. If our national income continues to move back and forth between \$60,000,000,000 and \$150,000,000,000 there is little prospect of success for any international economic program. There is unanimous agreement that the object of public policy and private endeavor must be to assure that the productive capacity of this country, which we have proved in time of war, shall continue to be maintained for the satisfaction of the needs of peace.

"The maintenance of high levels of income and employment will result in part from the need of the rest of the world for the goods and services which this country can supply.

"To a limited extent, we shall make some of these goods available as relief for immediate distress arising out of the war. The Congress has already authorized the appropriation of \$1,350,000,000 as the contribution of this country to the work of the United Nations Relief and Rehabilitation Administration. This will meet only a very minor part of the needs of these countries.

"Our own problems of reconversion will be diminished and reconstruction and further economic development of the rest of the world will be hastened if our capacity for producing capital goods can be utilized to satisfy the needs of other areas. In large part this is a problem of opening the channels of international capital movements and reviving the flow of foreign investment. The market for capital equipment has always depended on a long-term credit. The need for this credit will be greater than ever because of the devastation of war.

"The wise investment of United States capital abroad benefits the United States and the world at large. It provides an immediate market for United States products and, by developing foreign countries, increases the purchasing power of the peoples of those countries for foreign products including those of the United States. It contributes directly to economic expansion, to full employment and to high levels of national income both here and abroad.

"The international flow of long-term capital has been disrupted for years, by war, political uncertainty, and past excesses and abuses. It is unlikely that large sums of money will be invested abroad unless constructive action is taken. This means action to

make private investment possible, and action to fill in the gaps by governmental assistance when private investment, at reasonable rates, is not forthcoming.

"One such step was taken by the Conference at Bretton Woods at which plans for the International Bank for Reconstruction and Development were worked out and an agreement drawn up which is now before the United Nations for their consideration.

"Private foreign lending must be on a basis which protects the interests of both investors and recipients of the capital if it is to revive and serve its purpose. The Bank is designed to promote this condition, in part by making direct loans itself, but mainly by guaranteeing loans, placed through regular private investment channels, which meet certain standards approved by the Bank. Such loans would need to be scrutinized both from the standpoint of their investment soundness and their broad economic aspects. Loans would not be guaranteed if they imposed onerous or unreasonable conditions upon the borrower, or if the Bank considered them undesirable from the standpoint of the investor.

"The Bank would eliminate certain risks and spread widely those risks which could not be avoided and it would do this in ways which supplement and support, rather than compete with, private investment. The risks, under the Agreement, would be spread internationally among the member countries.

"The Bank would greatly help in regularizing the flow of investment, in reducing wide fluctuations therein, and in raising the levels of economic activity in the nations of the world.

"A second step is the supplementation of the resources of the Export-Import Bank which, since 1934, has assisted in financing the export of agricultural products, industrial machinery and other capital goods by underwriting short-term credits and making long-term loans for construction and development projects. It has operated principally in collaboration with and through private American banks, manufacturers, exporters, and engineering firms. The present funds of the Bank are very small in relation to the extensive needs and they are, to a large extent, already utilized. The Bank now has available for new operations only about \$200 million.

"The Export-Import Bank has proved a most useful instrument by which this Government could aid in counteracting the economic dislocations arising out of the war. It is now being asked to make loans for the reconstruction of devastated plants and transport systems, for restocking, and for the rebuilding of trade. The needed expansion of its activities would not be in competition with, but as a supplement to, those of the International Bank for Reconstruction and Development. It can, moreover, continue to be useful in financing medium and short-term United States foreign trade, and in other operations not directly within the province of the International Bank. The Export-Import Bank, finally, is a going institution with ten years of experience and can be of special assistance in meeting immediate and urgent needs pending the es-

tablishment of the International Bank, which will necessarily require time.

"The United States Government has before it at present requests for loans from several foreign governments. The Export-Import Bank is the logical agency through which to extend whatever financial aid this Government proposes to extend directly to other countries in the transitional and post-war period. If the Bank is to make some of these loans, however, it needs to be relieved of the ban on loans to governments which are in default to this Government.

"It would be equally desirable to remove the ban imposed by the Johnson Act on private lending to governments in default to this Government. That Act, as well as the provisions of the Export-Import Bank statute just referred to, was directed at governments in default on debts arising out of the first World War. Conditions have changed greatly since this Act was adopted but it still stands in the way of extension of urgently needed loans to the principal European governments and is therefore a barrier to American participation in the rehabilitation of international trade. The unavailability of private capital, due to the Act, increases the need for government loans for reconstruction and other purposes.

"A second broad field in which national action and international collaboration are requisite, both for the restoration of long-term investment and of current foreign trade, is the assurance of orderly relations and stability in the foreign exchanges. Foreign investment and financial transactions that are spread over a period of time require reliable currency units and the assurance that interest and principal can be converted into the lender's own currency as they fall due. Exporters are not inclined to export unless there is reasonable assurance that they will get paid in money of definite value which can readily be transferred into their own currency. If trade does not move because of faulty currency and exchange conditions, production is slowed down or hindered, and workers are unemployed. We need to be sure therefore that we have a foreign exchange mechanism adequate to carry the load imposed on it by the world's investment and trade requirements.

"An exchange rate by its nature concerns more than one country. Orderly and satisfactory international financial relationships are impossible unless nations have some understanding in this field and work together toward common ends. Machinery for such cooperation would be provided by the International Monetary Fund, the proposed Agreement for which was drawn up at the United Nations Monetary and Financial Conference held at Bretton Woods last July.

"I should like to emphasize that the accomplishments of the Bretton Woods Conference, if approved by the United States, will have carried us much further than is commonly recognized toward the accomplishments of the objectives which all share as set forth in Article VII of the Mutual Aid Agreements. The proposed Articles of Agreement for the Fund and the Bank are not merely financial documents. Together they would establish two institutions which can go very far indeed toward restoring the conditions under which an orderly international trade can again be established. In providing for the interconvertibility of currencies, for the ready availability of any country's currency, for the earliest possible elimination of exchange controls and instruments of economic warfare, and in numerous other ways, these instruments would of themselves accomplish a reduction in many of the restrictions on trade and would eliminate the use of some of the most flagrant devices for discriminating

against the trade of the United States by other countries.

"With respect to long-run adjustment of the pre-war network of trade barriers and discriminations, we are presented with a unique opportunity for constructive action in cooperation with other countries. Conversion from war to peace must occur in every country. The direction of that reconversion, the kinds of investments which businessmen will make, will depend in major part on the foreseeable regime of public regulation of production and trade. We therefore propose to seek an early understanding with the leading trading nations, indeed with as many nations as possible, for the effective and substantial reduction of all kinds of barriers to trade. The objectives of such an endeavor would be:

"To eliminate all forms of discriminatory treatment in international commerce;

"To make exchange restrictions on commercial transactions unnecessary, and to enable the financial arrangements proposed at Bretton Woods to have their full effect;

"To achieve the progressive elimination of quotas, embargoes, and prohibitions against exports and imports;

"To reduce import tariffs;

"To lay down fair rules of trade, with reference to government monopolies and state trading, including trade between countries where private enterprise prevails and those where foreign trade is managed by the State;

"To create an international trade organization to study international trade problems and to recommend practical solutions."

Mr. Acheson in stating that he would not be able to discuss in any detail the nature of the so-called "Cartel problem" and its relations to the other aspects of commercial policy referred to the letter of the President to the Secretary of State in which the President pointed out that the American tradition in opposition to private monopolies "goes hand in glove with the liberal principles of international trade . . . Cartel practices which restrict the free flow of goods in foreign commerce will have to be curbed. With international trade involved this end can be achieved only through collaborative action by the United Nations."

Burke of Altman's Elected To Board of Trustees of Catholic Charities of N. Y. To Succeed Alfred Smith

John S. Burke, President of B. Altman & Co., has been elected a member of the board of trustees of the Catholic Charities of the Archdiocese of New York, it was announced on Dec. 8, by Right Rev. Monsignor Robert F. Keegan, P.A., Executive Director of New York Catholic Charities. He will fill the vacancy created by the death of Alfred E. Smith. An outstanding leader in business and art, Mr. Burke was graduated from Yale in 1912. He joined B. Altman & Co. the same year. In 1919 he became a member of the board of the firm, advancing to Vice-President in 1924 and to President in 1931. Closely associated with the late Col. Michael Friedsam in the acquisition of the noted art collection of that name, Mr. Burke is President and a trustee of the Altman and Friedsam Foundations, a trustee of the United Hospital Fund and the National Foundation for Infantile Paralysis, a Vice-President of the Greater New York Fund, and a member of the executive committee of the New York War Fund. An active member of the Archbishop's Committee of the Laity of New York Catholic Charities, Mr. Burke was appointed a Papal Chamberlain in 1938 by Pope Pius XII in recognition of his works for charity in the Archdiocese of New York.

From Washington Ahead of The News

(Continued from first page) him to run, he went through the campaign insisting he still could not stomach a fourth term. It is a little amazing to us that the Administration is now rewarding him. Harry Hopkins arranged it, which is a commentary on the deviousness of this man, because in 1938 he sought to purge Gillette as not a faithful New Dealer. Gillette beat him and has never kowtowed to him since.

We have cited O'Mahoney and Gillette as two obstreperous gentlemen in these pre-Yuletide days. They are only symbolic of the restlessness which seems to exist in the legislative branch. It was the Senate, as a whole, bear in mind, and a majority of them Democrats, who sent the State Department appointees back to the committee for further airing. The impetus is that the legislative body is anxious to assert itself. These seem to be the days of self-expression. A group of youngsters in Georgia, where an enterprising young Governor paved the way for 18-year-olds to vote, is now active in international affairs. They have a "plan." Similarly, Sidney Hillman seems to think that he is the head of a "force" most concerned in international affairs. He is undoubtedly the head of a "force." It remains to be seen just how high and how far he will attempt to sell this commodity which he has, by way of developing a personality and winning friends, or just whatever it was that Dale Carnegie evolved.

It is interesting, in this confused state, with more "leaders of men, or thought" than a country can shake a stick at, or possibly entertain, to note which way the propaganda wind is blowing.

Now, if there is one thing that stuck in our craw in the pre-Pearl Harbor propaganda, it was that Britain was our outpost. We could not afford to see Britain fall because there would go our outpost. It was just realistic thinking, we were told, nothing sentimental about it.

That being the case, we wonder why our self-expressionists these days all seem to want to strike Britain down. They all seem to think that Stalin is very upright and has not the slightest wrong intention in the world. When Britain tries to deal with the Communist forces which are sweeping Europe, our self-expressionists shout bloody murder and, as we understand it, would have us turn against our outpost. It does seem that we would want to keep that outpost strong, not weaken it, and certainly not in favor of Communist Russia. We often wish that our self-expressionists would stop and think before they seek that self-expression for which we all seem to be clamoring and quit being the tools of the Communist propaganda, clothed mostly under the guise of "liberalism."

Holden Re-Elected

St. George Holden, realtor of San Francisco, has recently been re-elected a Class B Director of the Federal Reserve Bank of San Francisco, Calif. for a three-year term starting Jan. 1, 1945. We quote from the San Francisco Chronicle of Dec. 3, which said: "Richard S. Smith, President First National Bank, Eugene, Ore., has been elected a Class A director."

Albert B. Fall Dies

Albert B. Fall, former United States Senator and Secretary of the Interior in the Harding Administration, died at El Paso, Texas, on Nov. 30. He was 83 years of age, and had been in ill health since 1929. Mr. Fall figured in the Teapot Dome oil disclosures of 1922.

'Two Freedoms' Air Agreement Adopted at Internal Civil Aviation Conference at Chicago

The text of the major articles in the so-called "Two Freedoms" document, accepted on Dec. 5 at Chicago by the International Civil Aviation Conference, which opens the way to political freedom of the skies for all nations participating in the agreement, was given as follows in Associated Press advices from Chicago to the New York "Herald Tribune":

INTERNATIONAL AIR SERVICES TRANSIT AGREEMENT

The States which sign and accept this international air services transit agreement, being members of the International Civil Aviation Organization, declare as follows:

ARTICLE I

Section 1

Each contracting State grants to the other contracting States the following freedoms of the air in respect of scheduled international air services:

- (1) The privilege to fly across its territory without landing;
- (2) The privilege to land for non-traffic purposes.

The privileges of this section will not be applicable with respect to airports utilized for military purposes to the exclusion of any international air services. In areas of active hostilities or of military occupation, and in time of war along the supply routes leading to such areas, the exercise of such privileges shall be subject to the approval of the competent military authorities.

Section 2

The exercise of the foregoing privileges shall be in accordance with the provisions of the interim agreement on International Civil Aviation and, when it comes into force, with the provisions of the Convention on International Civil Aviation, both drawn up at Chicago on Dec. 7, 1944.

Section 3

A contracting State granting to the air lines of another contracting State the privilege to stop for non-traffic purposes may require such air lines to offer reasonable commercial service at the points at which such stops are made.

Such requirement shall not involve any discrimination between air lines operating on the same route, shall take into account the capacity of the aircraft and shall be exercised in such a manner as not to prejudice the normal operations of the international air services concerned or the rights and obligations of a contracting State.

Section 4

Each contracting State may, subject to the provisions of this agreement—

- (1) Designate the route to be followed within its territory by any international air service and the airports which any such service may use.
- (2) Impose or permit to be imposed on any such service just and reasonable charges for the use of such airports and other facilities.

These charges shall not be higher than would be paid for the use of such airports and facilities by its national aircraft engaged in similar international services; provided that upon representation by an interested contracting State the charges imposed for the use of airports and other facilities shall be subject to review by the Council of the I. C. A. O. established under the above-mentioned convention, which shall report and make recommendations thereon for the consideration of the State or States concerned.

Section 5

Each contracting State reserves the right to withhold or revoke a certificate or permit to an air transport enterprise of another State in any case where it is not

satisfied that substantial ownership and effective control are vested in nationals of a contracting State, or in case of failure of such air transport enterprise to comply with the laws of the State over which it operates, or to perform its obligations under this agreement.

ARTICLE II

Section 1

A contracting State, which deems that action by another contracting State under this agreement is causing injustice or hardship to it, may request the Council to examine the situation; the Council shall thereupon inquire into the matter, and shall call the States concerned into consultation. Should such consultation fail to resolve the difficulty, the Council may make appropriate findings and recommendations to the contracting States concerned. If thereafter a contracting State concerned shall in the opinion of the Council unreasonably fail to take suitable corrective action, the Council may recommend to the assembly of the above mentioned organization that such contracting State be suspended from its rights and privileges under this agreement until such action has been taken. The assembly by a two-third vote may so suspend such contracting State for such period of time as it may deem proper or until the Council shall find that corrective action has been taken by such State.

Section 2

If any disagreement between two or more contracting States relating to the interpretation or application of this agreement cannot be settled by negotiation, the provisions of Chapter xviii of the above-mentioned Convention shall be applicable in the same manner as provided therein with reference to any disagreement relating to the interpretation or application of the above-mentioned Convention.

ARTICLE III

This agreement shall remain in force as long as the above-mentioned Convention; provided, however, that any contracting State, a party to the present agreement, may renounce it on one year's notice given by it to the Government of the United States of America, which shall at once inform all other contracting States of such notice and withdrawal.

ARTICLE IV

Pending the coming into force of the above-mentioned Convention, all references to it herein, other than those contained in Article II, Section 2 and Article V, shall be deemed to be references to the interim agreement on International Civil Aviation drawn up at Chicago on Dec. 7, 1944; and references to the International Civil Aviation organization, the Assembly and the Council shall be deemed to be references to the provisional International Civil Aviation Organization, the interim Assembly, and interim Council, respectively.

ARTICLE V

For the purposes of this agreement, "territory" shall be defined as in Article 2 of the above-mentioned Convention.

Agriculture Dept. to Aid in Determining Guarantee of Farm Loans for Veterans

Brig. Gen. Frank T. Hines, Administrator of Veterans' Affairs announced on Dec. 8 that under authority given him in the Servicemen's Readjustment Act of 1944, he has designated the Department of Agriculture as cooperating agency to aid in determining whether guaranty of farm loans should be approved for veterans. Regulations governing the guaranty of farm loans were issued by General Hines and Charles F. Brannon, Assistant Secretary of Agriculture, at a press conference that day. The announcement also said in part:

"Issuance of the regulations followed extensive consultations by the Veterans Administration with the Department of Agriculture and with national organizations representing interested groups, such as farmers, bankers and insurance companies. The guaranty of loans by the Administrator of Veterans' Affairs will be the result of close cooperation between the Veterans Administration and the Department of Agriculture, with the facilities of the department largely employed in implementing this part of the loan features of the 'G. I. Bill of Rights.'

"Where a veteran is not familiar with farming conditions, or available land in the community he wishes to settle in, his first contact will be with a veterans' advisory committee, which will function in conjunction with the county agent's office. These advisory committees, which will give free advice to interested veterans, will consist of successful farmers and business men who are thoroughly familiar with local conditions. These committees will help veterans to select farms that can be purchased at prices that permit profitable operation and will give the veteran every chance of repaying the loan.

"This committee will operate primarily to protect the veteran from unwise investment that might result in saddling him with debt for a number of years, because of changed conditions while he was away from home, and to assure that he has a reasonable chance of success if he makes a loan.

"If a veteran knows the community and does not need this advisory service in selecting a property, he will not need to visit the advisory committee. The lender will send the veteran's application directly to a veterans loan certifying committee, which operates in conjunction with the Farm Security Administration. This committee will recommend loans on the basis of an appraisal of the property plus personal knowledge of the veteran—his ability and experience as a farmer—and of local farming conditions.

"The membership of this committee will be the same as the Jones-Bankhead Tenant Farmer Committee, which has been in operation under the Farm Security Administration, with the addition of one member who must be a veteran and, if possible, a business man.

"The law permits the Administrator of Veterans' Affairs to issue a guaranty of loan if the funds are to be used to purchase land, buildings, livestock, equipment, machinery or implements or in altering or improving any buildings or equipment to be used in farming operations conducted by the veteran, if he finds:

- "1. That the funds are to be used for purposes provided by law and in bona fide farming operations conducted by the veteran.
- "2. That the property will be useful in and reasonably necessary for efficiently conducting such operations.
- "3. That the ability and experience of the veteran, and the nature of the proposed farming operations to be conducted by him, are such that there is a reasonable likelihood that such operations will be successful; and
- "4. That the purchase price

paid or to be paid by the veteran for such property does not exceed the reasonable normal value thereof as determined by proper appraisal.

"The advisory committees and credit information facilities that have been established through the county organization of the Department of Agriculture are to fulfill the legal requirements that the veteran be experienced, with a reasonable chance of success in the venture, and that the price of the property does not exceed a reasonable normal value.

"In this connection the opinion has been expressed that inflated prices now being paid for farm lands may make it difficult for veterans to locate properties that can be purchased at values that can be construed as being either reasonable or normal, General Hines said.

"Regulations implementing this law are, in so far as the real estate provisions are concerned, very similar to those previously issued in connection with the home loan provisions of the Act. In addition to real estate, the farm loan provisions of the law provide for loans to purchase, repair, improve or alter equipment, or to purchase livestock and other supplies necessary to the farming operation. Profitable operation for such purposes depends almost entirely upon the experience, ability and industry of the borrower. Because of this a careful investigation of the veteran's ability, experience and character are provided for if a personal property loan is to be guaranteed.

"Addition to the regulations to meet this condition are about the only important variations from the previous 'home-loan regulations.'

"In addition to loans for the purchase or improvement of property, guaranty of loan may be made for the purpose of paying off delinquent indebtedness or assessments if the place is to be used as a home. Mortgages will be required on all guaranteed loans unless the amount involved is \$500 or less, in which case a loan may be guaranteed on evidence of good character and reasonable ability to repay.

"Generally, first liens will be required except where a loan is made under the provisions of Section 505 of the law, which permits the guaranty of loans under second mortgages where the first mortgage is held, guaranteed or insured by a Federal agency.

"In these cases the amount of the guaranty may not exceed 20% of the total purchase price of the property, and is, of course, subject to the \$2,000 absolute maximum that applies to all loan guarantees. Interest on these second mortgages may be 1% higher than that charged on the first mortgage, but is, again, subject to the absolute maximum of 4%, which applies generally.

"Two or more veterans may join in a farming operation and effect a joint loan for that purpose. Under these conditions each veteran would be charged individually with his proportionate part of the guaranty. The total amount guaranteed may not be more than 50% of the loan, or in any event not more than \$2,000 for each veteran. In cases of default under this type of loan the veterans will be adjudged as if they were several debtors rather than one joint debtor.

"The participation of the Department of Agriculture in the operation of farm loan guarantees will require almost no change in

Campaign For Military Training

Declaring that "military unpreparedness invites war—reasonable military readiness renders attack unlikely," members of the Citizens Committee for Universal Military Training announced on Dec. 9 the formal opening of a nation-wide campaign in support of "a continuous year" of military training for high school graduates 18 years old. This is learned from the New York "Times" of Nov. 10, which stated that Douglas Arant of Birmingham, Ala., is Chairman of the committee, which has its local headquarters at 23 East 39th Street. Associated with him as co-chairman are William R. Mathews of Tucson, Ariz.; Orville J. Taylor of Chicago, and Archibald G. Thacher of this city. The "Times" further reported that "Mr. Thacher said the purpose of the campaign was to convince the American public of the absolute need of a national system of military training for the security of the United States." He declared that the system would serve also to promote good citizenship and to develop a sense of obligation to perform that duty.

In part, the "Times" added: "A satisfactory program, Mr. Thacher added, should equip the United States with a reserve of trained manpower sufficient to meet any attack upon this country and thus permit the maintenance of a smaller Regular Army; develop the health and strength of the eligible youth; give to the United States, for the first time in its history, a carefully planned system of nation-wide military training, and make clear to the proposed world organization for peace and security the ability as well as the intention of the United States to perform any obligations assumed.

"The announcement stressed that the program was 'solely that of military training, and should not in any way be assimilated with any plan for national youth education in any form.' It added that such military training should not be confused with 'conscription for service,' maintaining that the latter rightly could be applied only to the recruitment of men for the regular military services.

"The activities of the committee," Mr. Thacher said, "will be restricted to the information and education of public opinion, and it will welcome the stimulation of public discussion."

Taylor In 31st Year With Cleve. Reserve

William F. Taylor, Vice-President of the Federal Reserve Bank of Cleveland, began on Dec. 8, his 31st year as an employee and officer of the bank. Mr. Taylor came from Pittsburgh to join the bank as Assistant Auditor on Dec. 7, 1914, three weeks after the bank first opened its doors. He is the oldest person in years of service in the bank's employ. Starting his banking career in 1902 as a messenger for the Second National Bank, Pittsburgh, Mr. Taylor was assistant to the auditor of the Mellon National Bank, Pittsburgh, when he became associated with the Federal Reserve Bank, where he has been successively Assistant Auditor, Auditor, Assistant Cashier, Assistant Deputy Governor, Vice-President and Cashier and Vice-President.

the nation-wide organization now in operation through the Agricultural Extension Service, Farm Security Administration and the Farm Credit Administration.

"These facilities will be utilized through two committees to advise veterans on proposed farm loans and to make checks and report on both the conditions of the loan and the character and ability of the veteran making application."

A Theory of Interest

(Continued from first page)

Among these is the sharp refutation of Marshallian theory by Ernst Dick in his book (1929) "The Problem of Interest." In his treatise on interest theory (1930) Irving Fisher has called the problem "the great economic riddle."

"Pure" Interest Reflected

"Pure" interest, as distinguished by Fisher from the impurities injected by the business cycle, that is, by the influence of changes in the purchasing power of money (rising and falling prices), is too generally neglected in "practical" discussions of interest rates. This leads to the Keynesian notion that under ideal conditions, with risk eliminated and abundance of savings, "capital" interest should be zero. It derives from the fact that the rates under discussion are really bank rates and not at all what rates would be if loans were in fact dependent entirely upon savings. A current example of such a discussion is that of Prof. Ivan Wright (Commercial and Financial Chronicle, Sept. 21, 1944) in which he says that "interest rates are a function of money reserves," and predicts, doubtless correctly, a postwar rise in rates due to sustained peacetime investment profits that must exceed the rate of return on government bonds and so come into conflict with attempts to maintain bond values. Present banking practice does indeed dominate the money market and crowd out savings seeking investment, at times (like the present) forcing their rates down, even to zero in some banks' savings accounts.

Under the depression phase of the business cycle, that is, when there is too little money to sustain prices and so profits and employment, the banks are restrained in their loans and are thereby shrinking both the market for, and the supply of, money in the all too familiar perversity of banking operations as now conducted. As they shrink the supply of funds, which but for this shrinkage would be on the money market as savings, these operations create the vicious spiral of "panic" conditions which eliminate all "demand" for money regardless of the need for it or the extent of bank reserves and the lowering of rates by the "excess" of these "loanable funds" (reserves). The relation of reserves to this process, though a pure legal fiction, determines the position of the bank as to liquidity relative to loans; so these "loans," which represent liquidity to every business except banking, put "liquidity" in banking assets (reserves, which are money only to bankers) into conflict with "liquidity" in banking liabilities (loans, which are money to non-bankers). Bank rates may then fall—proximately because of "excess reserves"; but if they do the change even to zero must be so small relative to the accompanying slump in capital values, that is, investment returns becomes so impure relative to pure interest* that no loan can be made with assurance of liquidity to either bank or client. So loans are not made; and there is no such spontaneity in the "recovery" as there was in the slump.

Quandary of Capitalism

Advice to maintain liquidity with short-term securities guaranteed by the taxing power is therefore always "sound" advice relative to those operations governing "current" rates which are, indeed, "a function of money reserves"; and such advice is clearly

*May we at this point define "pure" interest as that return which investments, apart from the risk of "freezing" by a fall or the chance of "windfall" profit by a rise in price level, must yield to maintain capital values.

a hedge against the irregularities—the impurities in interest—that are induced by the banking process itself and are deeply involved, particularly in time of war, in the issues surrounding the national debt (which Thomas Jefferson wanted to prohibit entirely, by constitutional amendment). It is thus the highly impure and speculative bank rate of interest of which Prof. Wright can truly say "it would be foolhardy to lay down any . . . working time table for interest rates and construct an inflexible (investment) policy to harmonize with it." Such uncertainty inevitably results from the conflict between the Government's involvement in keeping its chief creditors (the banks) liquid while also maintaining its own, conflicting liquidity as the chief debtor to those same banks. So the Government is "damned if it does, and damned if it doesn't." Correct the status of whichever it is set awry by its latest action; and it (personified!) is always at hand to take the rap from political and other damogues who obscure the real issues by alleging bad management, rather than a bad system, so they can "turn the rascals out" rather than eliminate the "racket" in politics and business. This of course is perennially "the life of the party." Meanwhile the quandary of capitalism remains unabated in perpetuity.

Social Security Illusions

The way out of this dilemma certainly can lie only in a revolution in thinking based upon dismissal of every predilection. The solution will certainly involve heresy, deep-seated heresy, which is, nevertheless, conservative in its implications relative to the bureaucracy set to distribute largesse under the false assumption that "social security" can be thus assured because "the world can now produce enough to supply the people of all countries with the necessities and comforts (sic!) of life"—if only a "liberal" government (in alleged support of "private industry") is allowed to spend gloriously in "planning it that way." No; this not the "globaloney" of Vice President Wallace. It is quoted from a General Resolution adopted at the tenth Biennial Congress of the International Chamber of Commerce at Copenhagen, July 1, 1939, just prior to the jolt which Germany handed the world in her bid for lebensraum! Are we to emerge from the war triumphant in such illusions, to plunge on into the futilities of socialism and autocracy ("democratically" controlled!) as against a realistic recognition of the inevitability of competition for that "place in the sun" that makes life possible? If we do we shall surely perpetuate the confusion that cannot fail to lead on to another and more bitter war, this time involving not merely the decline of the presently fratricidal West as against Russia and the East, but the very continuance of civilization itself. Opposing "globaloney" see "Population Problems of a New World Order," reprinted from the Scientific Monthly in the Congressional Record, Friday, Jan. 21, 1944.)

"If human destiny could ever hinge on any social device it hinges now on a search for innovation; not for hasty acceptance but for prompt and searching, democratic consideration by every literate element so as to avoid continuance of a blind leading of the blind through the needless and repetitious disasters of the trial-and-error method in developing social institutions. Ancient and bitter controversies are involved which must be resolved in the intellectual sphere if we would avoid their devolution, into physical conflicts of today's disastrous proportions, over the issue of "capitalism" which in older times centered on the prob-

lem of interest and usury. A recent treatise on this subject by Father Bernard Dempsey of St. Louis University sharply revives the moralizing of scholastic thinkers regarding usury. Dr. Joseph Schumpeter, Professor of Economics at Harvard, has presented this study with an introduction of trenchant import.

Controversy Renewed

"The time-honored controversy on the nature and functions of interest that had almost died out," says Prof. Schumpeter, "has flared up again during the past decade. New points of view have emerged. Propositions diametrically opposed to some that used to command almost universal assent have been put forth. My impression is that, as a result, a majority of economists interested in the problem have modified their views. Needless to say, no agreement has been reached. The reason is not far to seek. Interest holds so central a position in the capitalist organism that it intrudes in practically every economic consideration or valuation. In consequence, the phenomenon of interest as such and any particular rate of interest are the result of so many factors that it is easy to evolve a distinctive theory by the simple device of stressing one of them at the expense of the others. To illustrate by an example: in a sense it is correct to say that interest is the price paid for inducing someone to part with 'cash.' If people's propensity to hold cash suddenly changed, then the market rate of interest would certainly change also. But this indicates just one of the many conditions to which the equilibrium rate of interest must conform and does not in itself provide sufficient ground on which to build a theory of interest. Understandable or not, however, that state of things is deplorable. For much of our outlook on economic life and on its most pressing practical problems depends upon the views about the nature and function of interest which we happen to hold.

"More often than was the case a hundred years ago, we today hear pronouncements by leaders of religious communities of all types not only upon general issues of social right or wrong but also upon economic questions of complex character. Admirable intention is practically always in evidence. But so is, also practically always, lack of familiarity with what the economic facts are and what they mean. This was not so with the great Jesuits of the sixteenth and seventeenth centuries. They were no doubt judges and directors of consciences . . . But, to put it bluntly, they always knew what they were talking about. Their pronouncements rested as much on a mastery of economic facts and of the relations between these facts—that is to say, of 'theory'—as they did on that hyperempirical system. This fact not only makes them interesting to the scientific economist. It also lends a weight to their pronouncements which those of modern ecclesiastics of all denominations very often fail to carry. . . .

"To the instance of interest and usury the above applies with particular force. Our time witnesses not only another revival of the theoretical controversy about interest but also another revival of the practical controversy about the reform of money and banking. Few people would be so foolish as to deny the existence of a moral aspect of it or the right of the churches to speak out about it. But those who wish to do so had better recognize in turn the rather technical nature of the subject. However far some of them may feel themselves removed from Father Dempsey in matters of theology, they might well be advised to peruse his book which, though with restraint proper to a scientific study, indicates clearly enough how analysis may implement moral principle."

What makes the subject "rather technical" in the sense of being complex in its difficulties is a lack of simplicity—of that truth and clarity that constitutes the only realistic basis for morality. "Ye shall know the truth, and the truth shall make you free" implies the need for eternal vigilance in avoiding the confusion of tongues with which our economic Tower of Babel is fraught. We cannot be vigilant in a mental smokescreen. It is a struthionoid (ostrich-like) vigilance that factuously says there is no smoke getting in our eyes—that we are only puzzled by "the many conditions to which the equilibrium rate of interest must conform." If we bury our heads in the sands of empirical detail we cannot hope to see our circumstances in perspective—cannot orient the "many factors" and put first things first in the economic chain of events, so that we may know that which is to be rendered unto Caesar from that which is God's—from that which requires freedom from all governmental constraints.

II. A Solution.

First among the values of life is life itself—human beings, physically and individually alive. This plain fact serves to reduce the meaning of "general good" to its Darwinian definition ("Descent of Man," p. 122) as "the rearing of the greatest number of individuals, in full vigor and health, with all their faculties perfect, under the conditions to which they are subjected." Also as morality has a social origin and meaning, we must, says Darwin, "take as the standard of morality the general good or welfare of the community" thus defined.

What man is or may become in any non-physical sense is not a matter of concern to Caesar—to the science of political economy. Certainly, not even physical evolution has anything to do with morality when seen in the light of the simplicity of this Darwinian definition. We cannot "plan it that way"—cannot control human destiny politically, or even scientifically. We are not masters of our own fate in eternity. We are morally bound, therefore, to the "general good" only in properly "rearing the greatest number of individuals in full vigor and health." As living things, normally motivated, that is precisely what we are primarily and naturally—and morally!—interested in; parenthood. "Reproduction is the first law of life."

A moral—a normal—society is, therefore, primarily a parental association. All human industry that is normal—and moral—in its controls must be subject to this biological norm in motivation. Its primary, its ultimate, business interest must be that of rearing another generation—of creating homes and families, not because of legal or social traditions or sanctions, but because of that elementally competitive, and cosmic, urge which is "the secret of it all; all the longing, seeking, striving, waiting, yearning, the burning hopes, the joys and idle tears that fall."

"Mother of Necessity"

The simple "economic" truth concerned is that, in acquiring a living competitively, for the sake, that is, of reproduction, an elaborate system of valuation has been developed, involving numbers called "prices," in which "capital" values have become increasingly important as "productive" implements have multiplied. The pressure to acquire a surplus of food supply for the sake of "security" in expanding the population at "full vigor and health" has been the necessity that has mothered these inventions—"mothered" them literally, because "the hand that rocks the cradle rules the world!"

But a surplus so developed has required a complex system of diversions or "costs" which are, not the source of the values developed, but on the contrary are al-

ways set off against them, as "debits" offset against "credits." It seems certain, however, that this system has yet to be developed correctly as to the elements involved. Among these beclouded elements have been interest, profit, depreciation, and obsolescence, all associated as factors in these "capital" values; and all with a moral context, that is, with an essential relation to the reproduction of the species. The problem before us is thus a problem in accountancy, that is in accounting for this reproductive relationship in economic values as involved in "costs."

Certainly we are not engaging in these diversions—these costs which accumulate as "price" in trading during productive processes—for their own sake. The resulting capital values are therefore not "intrinsic." They are subject to continual risk of loss and chance of gain because of their changing relation to "productivity" in terms of the values that are intrinsic—ultimately because of their relation to food supply. Those who labor at the multiplicity of tasks involved are never sure of remaining productively employed. Directly or indirectly through "free enterprise" the utility of these diversionary costs is competitively displaced and made obsolete by innovations. They thus become costs that afford no value, since they can no longer contribute competitively to our cooperative cradle of productive capacity, that is of "capital" value.

A Real Structure

A system of valuation, therefore, can have no realistic significance, nor any moral standing, if it does not put first things first and base its whole structure on the elemental facts of the physical processes of nutrition and reproduction. Obviously the rearing of the greatest number of individuals in full vigor and health is a process in which nutrition is primarily involved and in which, as a rule, there will not be enough food for potential population, i. e., there will be competition for it in the effort to fulfill the "cosmic urge"; and the "full vigor and health" of offspring will be brought into jeopardy "under the conditions to which they are subjected" by competition.

Reducing that jeopardy despite competition—indeed, by means of it—has been the task of science and its "innovations." Its successes have hinged upon mechanical implements, its failures upon a social structure that has been incapable of harmonizing, with a competition that cannot be either practically or morally eliminated, the community of effort involved in mechanization. Wishful attempts to harmonize them have signally failed, and failed because emotionally we are not cooperatively but rather competitively conditioned—because, in short, truth is knowable and useable only intellectually, not emotionally. Because, let us add, it is the human brain, not the human gland or hormone, that is of social significance.

With technological advance, however, there is a "kind of balance which is vital to economic progress and which may be ruined by over-rapid innovation," said Lord Stamp. (See "The Science of Social Adjustment," 1937, section on "The Factor of Obsolescence," p. 34.) It is a balance "between obsolescence and depreciation. To be effective nearly all scientific advance for economic progress has to be embodied in capital forms, more and more elaborate, large, and costly. . . . The total satisfaction is continually produced with less and less human effort. . . . But if the expensive embodiment of the latest science can be outmoded and superseded long before it is worn out, there is waste of capital, loss of interest, and resulting insecurity of business and investment."

Loss in interest, in addition to

costs already "invested" in physical form which are unreplaced (are not amortized) is involved. Yet scientists, says this British financier who was killed in the bombing blitz of London, "often look at the problem of practical application as if getting at it as rapidly as possible were the only factor to be considered in social advantages, and the difference in the position of monopoly or single management in their ability to 'hold up' new ideas is treated as a frustration in itself. Thus it has been said (J. D. Bernal, on "Science and Industry" in *The Frustration of Science*, p. 72): "The danger of obsolescence is a great preventive of fundamental applications to science. . . . Supposing that the obsolescence in question is a real factor of cost, it would fail to be reckoned with in the computation for transition, whatever the form of society, and even if the personal 'profit' incentive were inoperative. It cannot be spirited away . . ." (op. cit., p. 43).

Value of Capital Cost

How, then, can obsolescence be a "real factor of cost"? And just how is it related to interest or profit from property values?

Certainly, capital values are often evanescent; as already noted they bear no necessary relation to antecedent cost, for the ratio between cost and resulting income that is warranted by competitive conditions is being continually reduced by innovations that lower costs or raise productivity, or both. Such a ratio is, obviously, conditioned by time; that is, both costs and productivity must relate to the same period, say a year, in order to be expressive of comparable values in productive equipment. Capital costs, in other words, can be related to value that is attributable to income, only as affected by durability or "life expectancy" in service on the one hand, and by total productive capacity during "life" on the other. To make value comparisons that are universal (as is done in the price system) it is necessary that there be a standard ratio of net income, within a fixed time (year), relative to depreciation costs in the same period—for only depreciation can be charged against competitive values, never research or development costs except as these may be protected by patent, in which case they still do not control the value of the monopoly accorded to the invention. This standard ratio is interest, or the ratio of capitalization. How has such a ratio, or natural rate of interest, come about?

Function of Investments

Competitively, all investments must, obviously, equate efficiency, i. e., any one investment must produce as effectively as any other, per unit of cost per unit of time, in order not to be obsolete. It must be equally obvious, however, that if productivity is to be the basis of numerical valuation it can only be as related to some invariant, some alternative opportunity in cost and income which is universally and naturally present; that is, a standard ratio must be comparable to "constants" in physics, which are always natural ratios determined by observations employing measurement by figures based on purely artificial units. While such a relation is a natural, invariant, its numerical magnitude is determined by the size of units employed in measurements involved. Similarly, the ratio for capitalization (the reciprocal of the interest ratio) is a function of the unit of time employed in measuring the factors involved in productivity, otherwise it is a constant; and when the unit of time employed is a year, the ratio is approximately 20 to 1. That is, since there exists in human life an investment opportunity which is a norm, and which will "return" 5-6% per annum as against total cost, it can never be good business to invest income at a

lesser rate of annual return. (Obviously, if that which is invested is borrowed the lender will be presumed to have sacrificed, and so be owed, the gain afforded by this standard opportunity in good business. If, however, he sacrificed nothing to make the loan, as by counterfeiting money, the transaction is usurious as to both lender and borrower, neither of whom can have moral claim to either principal or interest. Cf. Fr. Dempsey's analysis of "forced saving" in the treatise cited above.)

There is, indeed, one cost account in the human economy that is invaluable, and that is the account which would otherwise be insolvent (because productive of no income)—the account with our offspring. The Greeks used the same word (TOKOS) for both offspring and interest. They must have been at least subconsciously aware that the rising generation is an investment without profit—because it is profit. Certainly its cost does not require amortization by income contributed in order to be afforded a motive; for new life is amortization for the pro-creating generation. It needs no ulterior motive, for it is the ultimate in motivation; "for 'tis love and love alone the world is seeking!" If it is not an investment, that is because it is the investment from which, as the "opportunity cost," all other costs must derive their pattern and their "profit" motive.

Nor is this a mere matter of personal volition in determining whether to be or not to be—whether to Sangerize or not to Sangerize; for the difference between morality and immorality is the difference between mortality and immortality—between life and death—in making the choice between the cosmic urge and the competitive and other inherent difficulties in undertaking that free (?) enterprise which is the ultimate investment in happiness for ourselves and our posterity, "the rearing of the greatest number of individuals" consistent with "full vigor and health."

Reproduction as an investment involves an always current cost which must be available as a surplus and be incurred through the unproductive and self-centered period of immaturity up to the love-motivated period of productivity, or maturity. It is a cost which literally returns for re-investment at maturity (after about 20 years) when the individual is detached from dependency. No other cost can be economical unless it returns a surplus, above its time-distributed cost as a maintenance reserve (or rate of amortization), at the same ratio to its undistributed or total cost as that determined by the length of our immaturity. If an investment cost returns more or less than this "interest" ratio, its value is altered accordingly in the multiple proportion of "capitalization," which is derived directly from the period of dependency in years and of which the interest ratio is the reciprocal. This ratio is therefore a controlling constant, not a controlled variable.

Importance of Profit Motive

We find, then, that it is not a system which does demand interest at a fixed (5-6%) rate on capital (borrowed or unborrowed) that is immoral. One which does not so provide is immoral! Incidentally, an immoral system is also an unworkable system, lacking the profit motive or any incentive at all such as competitive "capitalism" does afford as a cradle for the rising generation. A rate which attempts to eliminate the competitive motive of the cosmic urge by an "unselfish," doctrinaire "golden rule" behavior that "loves thy neighbor" regardless of sex, is on the hypocritical road to suicide—to being displaced by a less "educated and refined" people who dare not or will not neglect their own, selfish amortization.

A civilized race which intends

Steel Operations Increased - Sheet Demand Is Stronger - Mills Pressed For Munitions Needs

"Any semblance of the relatively balanced steel supply and demand which existed a few months ago when there were strong hopes of an early ending of the European phase of the war, has been completely washed away with the surge of orders, directives and inquiries involving rehabilitated or new war material programs," states "The Iron Age" in its issue of today (Dec. 14), which further adds in part:

"On top of last week's news comes further indication this week that despite a lessening in plate output, sheet demand is stronger, bar deliveries are more extended and tentative programs for shell steel needs are such as to cause a tightness in steel demand until Germany is definitely defeated.

"Although new war requirements involve items other than shell steel, this product has taken the center of the stage because its production will have a wide circle of influence on the output of other steel products. It now appears that the output of shell steel covering all sizes which has jumped nearly 90,000 tons since September, is scheduled to be further increased over present levels to the tune of more than 200,000 tons a month by March, 1945. If Germany is not defeated by that time, even greater additional tonnages are expected to be sought by the armed forces.

"The railroad freight building market is active again despite the expected cancellation this week by the Army of practically all of its 1945 railroad car building program. Army freight orders for about 26,000 units, scheduled to have been made in 1945, will be trimmed down to 4,800 and all of these will probably go to India. The Army is said to have several thousand finished cars in this country which will go into service before any new orders have been placed or before any outstanding orders are authorized.

"On the domestic car market, total orders placed from Oct. 1 to Dec. 1, approximate 40,000 units. Since Dec. 1 an additional 10,000 cars have been placed, but these must await approval by the WPB Transportation Equipment Branch before construction will begin.

"Coincident with the increased demand for war steel, the promise of a longer war in Europe and the rise in the steel ingot rate, scrap prices are hitting the ceiling in practically every district this week. "The Iron Age" steel scrap composite price is up 50c a gross ton this week to \$19.17 a gross ton.

"A study of the Chinese steel situation indicates that there is no chance of China regaining and utilizing what was once the major part of its small iron and steel industry until Japan is defeated and Manchuria wrested from her control. At the present time more than 85% of China's iron ore reserves are in regions either occupied, invaded or penetrated by the Japanese. China's iron and steel capacity exclusive of Manchuria is believed to be about 140,000 tons of pig iron annually and about 10,000 net tons of steel annually. Manchuria, now in Jap hands, is believed to have an annual pig iron capacity in excess of 2,500,000 net tons and a steel capacity in excess of 800,000 net tons a year."

The American Iron and Steel

to survive, therefore, must have a good (yes, moral) business, organization which forces the profit motive into all business and even non-business behavior, automatically, by sound, interest-bearing finance with stable money which keeps the interest rate pure in its relation to distributed real costs, that is, as related to amortization of investments which are not obsolete in competition. No nation can be social—can reproduce and so endure—that does not know that " 'tis love and love alone that can repay," even in business, and that therefore production for use and for profit must be the watchword for every moral, and normal, and social—ISM!

The Peacetime Conscription Issue

(Continued from first page) dates. Peace-time conscription, then, is not designed to replace a demobilized army. No legislation is needed for that.

Not even the most optimistic prophet suggests that this war will be completely over before 1946. General Eisenhower, Winston Churchill and others suggested that the European phase would be over this year. Obviously they were wrong—or nearly so, for the year still has a little over a month to go. A miracle might happen in that month, but it would have to be a miracle. And the Japanese job is still to be done. So what's the hurry about peace-time conscription? Why pass legislation now which will not and cannot come into effect until 1946 or 1947? If the law is worthy, why not assume that the people will favor it in 1946 or in 1947? If the legislation is unworthy, why try to put something over?

I have familiarized myself with the argument on peace-time conscription, pro and con, and I am sure that it is possible to make a good case one way or the other. It is not an open and shut issue. It requires considerable thought, discussion and debate. For instance, while it is true that our boys need considerable physical training, do they require a year of it? Suppose military education on the pattern of the ROTC were adopted universally at high school level while the boys are still at their studies. Would that not catch most of our boys without interrupting their lives? Could not arrangements be made to take care of the boys who do not attend high school? That is, if military education is advisable.

But how does it happen that the very people who believe that this war will produce permanent peace also advocate peace-time conscription? For what purpose do they require soldiers if there are to be no more wars? What about Dumbarton Oaks? What about the new League of Nations? What about the Big Three? In 1940 there were 1,282,000 boys of 18 in the United States; it is estimated that by 1950 there will be 1,102,000 boys of that age. That is some peace-time army and navy. What for in the era of eternal peace?

If our politicians were to admit that we are a mature people who could take the truth no matter how ugly it might be, they would say that peace has flopped again. And then they would have to say that this country will need a big army and a big navy and a tremendous reserve force to bang away at anybody that gets fresh, including some of our present allies. If our statesmen were to say that, we might vote them peace-time conscription as we voted them war-time conscription. But while they talk eternal peace day and night there can be no reason for supporting peace-time conscription. Besides, we might as well wait until this war is over; this one and any others that might be around before peace finally comes. As long as it lasts, we have conscription.

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Lee Moore Elected

The Federal Reserve Bank of St. Louis announced on Nov. 13 that in accordance with the recommendation of the Louisville Branch of the Federal Reserve Bank of St. Louis, the Board of the parent bank has elected Lee S. Moore an Assistant Manager of the branch effective Nov. 9, 1944. According to the announcement Mr. Moore entered the employ of the Louisville Branch in 1920, and has been serving recently as head of the Money Department.

Institute on Dec. 11 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 96.9% of capacity for the week beginning Dec. 11, compared with 96.0% one week ago, 96.0% one month ago and 99.3% one year ago. The operating rate for the week beginning Dec. 11 is equivalent to 1,743,200 tons of steel ingots and castings, compared to 1,727,000 tons one week ago, 1,727,000 tons one month ago, and 1,730,700 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Dec. 11 stated in part as follows: "Continued and increasing pressure for war materials, in the face of shortage of workers, is resulting in extension of delivery dates on current steel orders.

"Expansion of war needs is especially apparent in bars and forging billets, required for the shell and heavy artillery program as well as for materials entering into heavy trucks and combat tanks. Renewed demand for light ammunition is reflected in a pronounced spurt in needs for smaller bar sizes.

Reports from Washington forecast increasing steel needs along these lines, indicating production of artillery shells at a rate 22% higher than present accelerated output, as a goal for 1945. It is indicated that the War Department envisions needs for 65% more artillery ammunition than previously planned. To attain such output the labor supply problem looms large as present programs meet more or less interference from lack of workers where most needed.

"In spite of continued shift of plate tonnage from strip to sheared mills the situation in sheet production continues tight and delivery promises generally are more extended. In addition to strong diversified sheet demand, especially in heavier gauges, the labor element enters, as sheets require more processing than plates and skilled labor is lacking. Better production in sheets is expected to come about as working forces are trained. Sheet deliveries mainly fall in April and May.

"Shipments of Lake Superior iron ore on the Great Lakes terminated for the season at the end of November. Season movement of 81,170,538 gross tons, was 3,234,314 tons less than were carried in the 1943 season, a decline of 3.83%. November shipments totaled 4,772,367 tons, 2,268,136 tons, or 32.68% less than in November, 1943. The season total compares with 84,404,852 tons in 1943, and 92,076,781 tons in 1942, the latter being the all-time record."

Post Cards to Belgium

An announcement by Allan Sproul, President of the Federal Reserve Bank of New York, states that the Treasury Department announced on Nov. 23, that facilities were restored for the transmission of non-illustrated post cards between the United States and Belgium; that, notwithstanding General Ruling No. 11, persons in the United States and Belgium may exchange business commercial and financial information through this service; and that transactional communications continue to be prohibited.

The Assault Upon Management And the Courts

(Continued from page 2626)

forbids any injunction against picketing (the Act calls it patrolling), and this has been held to prevent an injunction against so-called mass picketing in which an impenetrable barrier of human flesh is thrown around every entrance to a plant.

Another section repeals the law of conspiracy insofar as labor unions are concerned. For all the rest of the citizenry it is still true that there may be certain acts which, done singly, are lawful, but when done in concert or to achieve an unlawful end, in and of themselves constitute conspiracy. Not so of unions.

Another section virtually repeals the rule of respondeat superior so far as unions are concerned in Federal courts by providing that no officer of a union and no union participating in a labor dispute shall be held responsible or liable for the unlawful acts of individual officers or members except upon clear proof of actual participation in or actual authorization of or ratification thereof after full knowledge. Only the most naive would assume that such proof can often be made, regardless of what the actual facts may be.

In the small field that was still left for injunctive relief—outright, open and terroristic violence—one would have thought that Congress would have trusted the courts to handle the injunction with integrity and professional wisdom. Not so. Restraining orders in all civil suits, except labor disputes, can be, but ordinarily are not, entered at night. They may be issued on a sworn bill, may be effective for 10 days, and within the 10 days may be extended. The Government is not loathe to use the full extremes of those rights. (Witness the Montgomery Ward case.) But an employer, under the Norris-LaGuardia Act, can obtain a temporary restraining order in a labor dispute only after testimony under oath covering numerous conditions. The order in no event can be effective for more than five days.

Finally, no injunction can be granted a complainant who has failed to comply with any obligation imposed by law which is involved in the labor dispute or "who has failed to make every reasonable effort to settle such dispute either by negotiation or with the aid of any available governmental machinery of mediation or voluntary arbitration." A more pernicious doctrine was never more adroitly concealed under high sounding and vague phrases. One never can be sure all available governmental machinery has been exhausted. Moreover, you will see that the law provides that you cannot come into court to obtain what supposedly are unquestioned rights unless you have first been willing to submit those rights to the vivisection of private, voluntary arbitration! What has become of our public policy against ousting the jurisdiction of courts I do not know. Congress has kicked it out the window and the Supreme Court is content to let it stay wherever it may be.

The restraints against union abuses having been removed by the Norris-LaGuardia Act, it remained only to provide a special means for enforcing labor's affirmative rights.

National Industrial Recovery Act

This was first done through the National Industrial Recovery Act of 1933, which required that every Code provide that "The employees shall have the right to organize and bargain collectively

through representatives of their own choosing, and shall be free from interference, restraint, or coercion of employers."

Language closely akin to that had previously been adopted as a statement of public policy in the Norris-LaGuardia Act. It is notable, however, that in the Railway Labor Act and in the declaration of policy of the First War Labor Board the right of men not to join unions had been recognized and stated. That was dropped.

National Labor Relations Act

In 1935 came the National Labor Relations Act. The significant thing is that it did not break much new substantive ground. Its contribution to nation-wide unionization was in the creation of a tyrannous tribunal to construe, and enforce as it construed them, rights that had theretofore been fairly well established. Effective court review of the acts of this autocratic agency was prevented by the simple device of limiting the scope of the review.

You are well familiar with the general outlines of that Act. Section 7 declares the rights of labor to be "to self-organization, to form, join or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities, for the purpose of collective bargaining or other mutual aid or protection." Section 8 forbids interference with those rights as an unfair labor practice. Likewise domination or support of a labor organization and discrimination against union members are unfair practices. Section 10 empowers the Board to hold hearings to ascertain if unfair labor practices have been committed and to enter cease and desist orders with requirements that the employer "take such affirmative action as will effectuate the purposes of the Act." These orders may be enforced by enforcing injunctions entered by the Circuit Courts of Appeal.

The Board has complete power, with no possibility of review, to decide whether or not 50% of the employees want a union and whether there shall be one union in the plant or a different union for each craft or department. As to the scope of the review in unfair labor practice cases, the statute provides that "findings of the Board as to the facts, if supported by evidence, shall be conclusive." Even if the Board's findings are against the overwhelming weight of the evidence they cannot be set aside if supported by evidence.

We will examine what that Board has done only to the extent that a brief survey may illuminate possible future pitfalls. With the Board empowered to devise its own rules, to select its own employees on whatever basis of prejudice it chose, to ignore time-tested rules of evidence and to receive such information as it chose as the basis for deciding facts, to decide those facts unembarrassed by the possibility of searching review, and finally to fashion whatever type of remedy it thought would effectuate the purposes of the Act, it is not surprising that vicious abuses sprang up.

The fairness and working policy of the Board were safeguarded by no statutory provisions, but rested exclusively in the personalities of those from time to time composing that body. It is doubtful whether anyone could make the law work fairly. But there is no doubt that those who were chosen could not, and did not, do so. That is demonstrated by the fact

that as their terms expired, the President, who certainly cannot be taken as unfriendly to unions, felt obliged to replace all of the early members. The revelations of prejudice and of an overall desire to punish employers that came out when the Smith Committee of the House of Representatives seized the Board's files and made a thorough investigation of its operations forced some internal reforms and the elimination of the most shabby of its personnel in 1939 and 1940.

The lesson is that if an agency to enforce labor's rights is created labor will see to it that appointees favorable to labor dominate it. The agency will become partisan. Therefore it behooves Congress when creating such instrumentalities to define and confine their authority and to write precise laws—in brief, to give us a government of laws rather than merely of men.

War Labor Board

The final step in the development of modern rules is the present War Labor Board, created by Executive Order on Jan. 12, 1942, and subsequently partially legitimized by Congress in the War Labor Disputes Act.

I certainly am not one who believes that no Board should have been created or that all the Board has done has been bad. But it is a demonstrable fact that nearly every mistake possible to make in the creation of it was made. We have just talked of the inevitable tendencies that beset agencies operating in highly controversial fields with no definitive law to control them. The War Labor Board of World War I started with an agreed statement of policy which formed its capstone. This one started with literally nothing but an executive command to settle and "finally determine" all labor disputes by peaceful means, that is, to avoid strikes and lock-outs.

From that all-inclusive command has come the whole sprawling agency of today's "Big Board" in Washington with Regional Boards in various sections of the country. While the Board says its directives are merely advisory, do not have the force of law and therefore are subject to no judicial review, the fact remains that they are backed by the greatest power in the country—the Presidential power of armed seizure. Whether the directives have the power of technical law is immaterial—the fact is most businesses are constrained to obey them.

Having no statement of policy by which it could be guided and confined in the controversial issue of the union shop, this Board had to deal with that question; it has likewise had to deal with scores of somewhat similar questions that related to no particular war problem but to the extension of union privileges and prerogatives.

How has it met those problems?

The clue is found in the fact that the Public Members early committed themselves to the proposition that whatever may have been the situation in the last war, that strong and "secure" unions were necessary, not merely to the winning of this war, but to the satisfactory solution of the anticipated problems of reconversion after the war. They committed themselves to the doctrine that trade unions represented the pinnacle of democracy and should be encouraged. Those commitments meant that the Board would not take a neutral attitude as to unionization but would encourage it, and, since it desired strong unions, would favor unions with various forms of governmental support and with terms in contracts favorable to the union as an organization.

By its attitude it thus invited demands for more vacations, more favorable provisions for overtime, sick-leave benefits, hospitalization

and insurance benefits, special seniority privileges for union officials, and a host of other detailed benefits, gains or impositions, whatever you may wish to call them. The inevitable result has been that the unions have flooded the Board with demands for all these things and, in the absence of a definitive policy, the Board has wavered and vacillated, compromised and bargained, but virtually always with the result that in any controversy something has been done not merely to save, but to make, face for the union.

I am well aware that numerous of the Public Members of the Board are conscientious men and are conscious of no unfair partiality to unions, but the fundamental policies of the Board have placed them in a position where they have had to dicker and horsetrade.

One of the functions of the Board has been its part in administering wage stabilization. This has been a political and economic question rather than one of law or the mechanics of settling controversies. I shall pass it without further discussion.

Tri-Partite System

The outstanding innovations and changes the Board has emphasized are: first, the much heralded "tri-partite" system with equal groups of so-called management, labor and public representatives acting as the tribunal. This system has been eulogized by one of the Board members as embodying "the essence of our democratic wisdom." On the contrary, I submit that it involves the essence from which was formulated the corporative state of Italy. That charge is much resented by members of the Board. But when most of the vital rules of government affecting a man's ability to work or to offer employment are fixed through employers' representatives or association of employers dealing for industry as a whole, with representatives of large groups of labor unions dealing for all labor as a whole, directly with public representatives, the fact remains that you have the essence of the corporative state. I have always understood the essence of democratic government to be that the only persons entitled to vote on policies or to decide controversies are the duly elected or accredited representatives of all of the citizens, whether they be directly in industry, working for wages, operating farms, teaching school, or running a one-man business.

In operation the tri-partite system has proved to give industry but transient and unsatisfactory representation on the Boards. The reasons are not personal to the industry representatives but inhere in the system. Men qualified to serve in such positions are too valuable to the productive processes of their companies and to the nation to be spared for full time, continuous service on the Board. Thus, real continuity, and day-to-day familiarity, acquaintance and skill with the techniques of the Board rest with the Public and Labor Members. The Labor Members are trained for the sole purpose of representing labor in controversies of this kind. That is their sole job, and they stay on the job. A professional is nearly always better than an amateur.

Industry thus finds itself theoretically one-third responsible for the policy of the Board, although for the reasons mentioned it does not actually have a one-third effective voice in the Board's activities.

If we are to have a system of rule over industrial relations by some governmental agency, the country would be better off, in my judgment, to have a Board no part or branch of which was beholden to anyone or anything, except to the law which created it,

and the policy laid down for it by Congress.

The tri-partite system cannot create an impartial tribunal. Indeed, in the present Board the industry and labor representatives are not supposed to be unbiased. They are special pleaders for their side. Yet they also vote. Log-rolling and patchwork are inevitable.

Maintenance of Membership

The next great innovation of the Board has been the so-called maintenance of membership doctrine. Having no fundamental policy similar to that of the first War Labor Board by which status as to open or closed shop was frozen for the duration of the war, this Board was faced with repeated demands for the union shop. It evolved the maintenance of membership compromise by which all individuals who, 15 days after the date of the Board's order, are members in good standing of the union, are required to maintain that membership for the duration of the union's contract. Theoretically, the individual is completely free to decide during the 15-day period whether he wishes to escape. Actually, it is a brave man who will turn in a written resignation to a union saying he wants to get out.

By the device of maintenance of membership, union enlistments have been pegged at successively higher and higher levels. When a union organizes a shop it obtains a maintenance of membership order. That pegs membership at that point. The union may benefit from accretions and it cannot suffer depletions.

With maintenance usually goes an order for an involuntary check-off. Nearly all unions charge \$1 a month dues and many of them considerably higher. With a combination of maintenance and the check-off, millions of dollars are pouring into union treasuries each month without the unions having to lift a finger or expend a penny to collect them. No one knows today the exact size of the union treasuries, but that they are tremendous admits of no doubt; that they represent a larger sum which can be, and has been, used for political and pressure purposes, than industry or the general body of citizens has available for such purpose likewise admits of no doubt.

The best guaranty of successful and responsible unionism is that membership be on a voluntary basis. The worst abuses have always been, and necessarily always will be, in industries where the union shop or maintenance of membership is in effect, because in such instances the individual cannot effectively complain against his union leadership except under the penalty of losing his job.

Arbitration

The third major policy of the Board has been that of arbitration. Beset with countless small disputes engendered by the vagueness of its policies and by its encouragement to unions to apply for greater social gains, the Board had to find some way out, and it has taken the arbitration route. This has become more pronounced in recent months. It represents serious encroachments upon what must be the freedom of management of industry if it is to manage industry productively and efficiently.

The Board's rules say: "The Board . . . will appoint an arbitrator whenever it is deemed appropriate by the Board or its agent to do so."

Anyone experienced with arbitration knows that clear cut decisions by an arbitrator are a rarity. One of the standard text books on arbitration frankly states in substance that an arbitrator should avoid clear cut decisions. He should compromise. He should try to give something

to both parties to make them feel good.

Now let us apply this philosophy to the problems that beset an employer who is perfectly willing to get along with a union but wishes to run his own shop. He soon finds that there are no rules in his shop, no methods of production, that an arbitrator will really enforce—they are progressively whittled away by repeated compromise, until soon the arbitrator and not the manager is running the shop. A succession of these minor and bedeviling items completely robs management of the right to run its plant, and while management loses that right and it becomes vested in the compromising and horsetrading of arbitrations, the responsibility for satisfying customers, of providing steady employment and getting enough money for the stockholders so that capital investment continues to be made still remains solely with management.

There are many imponderables and "know hows" in plant management which are difficult for shop managers to explain. As a group they are not particularly articulate, and certainly they are not skilled in the dialectics of advocacy. They therefore lose more arbitrations than they should. Arbitrators, for the most part, are not competent to pass on shop matters. If they were, they would be running shops rather than running for jobs as arbitrators. Arbitration has a place in our industrial system, but the mania which now exists for applying it to the complaint of each and every disgruntled employee, and to production problems, is imposing a serious drag upon enterprise with no commensurate benefit.

Future Trends

What system will we have for the future?

The first question is whether our courts will be restored to their rightful position as the most skilled and impartial triers of controversies that civilization has developed. I believe that our people as a whole have far more confidence in the integrity of our courts than they do in any of these agencies, and that it should not be impossible to provide in the future, although not the immediate future, for more realistic and complete judicial review.

The second question is whether when the war is over any new agency will be created to exercise functions akin to those of the War Labor Board. There are strong indications that there will be. Labor unions after the war will want back the right to strike which theoretically they have waived for the present. But existence of the right to strike does not preclude the possibility of an agency for the settling of labor controversies. I believe that labor will move for the creation of a body which in a general way will hear controversies and issue conclusions or recommendations which in theory will not be legally binding. They nevertheless will have great practical consequences.

I believe there should be no such agency. The ultimate choice is between unobstructed collective bargaining and government regulated and regimented working conditions. An agency would lead to the latter—and to labor's regret. But if such an agency is created, industry and the public should do all in their power, first, to prevent it from being a hydra-headed, tripartite monster; secondly, to have its functions and duties clearly defined by statute; finally to secure, and to protect, the right to complete and realistic judicial review.

Third, how far will the general pattern of union contracts and privileges established by the War Labor Board carry over into the future? While some of the extreme positions of the Board may be ameliorated, I am of the opin-

The State of Trade

(Continued from page 2627)

Other types of plates have become extended to April compared to February recently. The heavy demand for structural steels coupled with the effect of the current product-mix has extended deliveries for those items to as far as April. Carbon steel bars are now being promised for March and April while alloy bars have been shifted from December to February and March. There is also no assurance that by the first of the year deliveries will not be again extended.

An upward movement in scrap prices at all locations except the West Coast was in full swing this week. The "Iron Age" steel scrap composite price advanced \$1.59 a gross ton this week to \$18.67 a gross ton.

The American Iron and Steel Institute announced last Monday that the operating rate of steel companies (including 94% of the industry) will be 96.9% of capacity for the week beginning Dec. 11, compared with 96% one week ago. This week's operating rate is equivalent to 1,743,200 net tons of steel ingots and castings, compared with 1,727,000 net tons last week and 1,730,700 tons one year ago.

November Steel Output—Steel production in November totaled 7,258,534 tons of ingots and castings, the American Iron and Steel Institute revealed the past week. November production showed a falling off in output from 7,615,553 tons in October and was also under that of November of last year, when 7,371,975 tons were produced. Total steel production in the first 11 months of 1944 was reported at 82,199,288 tons, as against 81,581,222 tons in the corresponding period of 1943.

During November the industry operated at an average of 94.1% of capacity, as against 95.6% of capacity in October and 98.6% in November a year ago.

Electric Production—The Edison Electric Institute reports that the output of electricity increased to approximately 4,524,257,000 kwh. in the week ended Dec. 2 from 4,368,519,000 kwh. in the preceding week. The latest figures approximate a decline of 0.8% from the level of one year ago, when output reached 4,560,158,000 kwh.

Consolidated Edison Co. of New

York reports system output of 189,100,000 kwh. in the week ended Dec. 3, 1944, comparing with 222,100,000 kwh. for the corresponding week of 1943, or a decrease of 14.9%.

Local distribution of electricity amounted to 183,800,000 kwh., compared with 218,000,000 kwh. for the corresponding week of last year, a decrease of 15.7%.

Railroad Earnings in October—Class I railroads of the United States in October, 1944, had an estimated net income, after interest and rentals, of \$59,900,000 compared with \$76,026,558 in October, 1943, according to the Bureau of Railway Economics of the Association of American Railroads. In the first ten months of 1944, estimated net income, after interest and rentals totaled \$562,000,000 compared with \$775,529,505 in the corresponding period of 1943.

Net railway operating income, before interest and rentals in October amounted to \$97,346,467 compared with a total of \$113,311,205 in October, 1943. (October is the 17th consecutive month in which the net earnings of the carriers has shown a decline.) In the first ten months of this year net railway operating income of the carriers, before interest and rentals, totaled \$945,315,434 compared with \$1,195,867,342 in the same period of 1943.

In the 12 months* ended Oct. 31, 1944, the rate of return on property investment averaged 4.04% compared with a rate of return of 5.63% for the same period in 1943.

Operating revenues for October totaled \$818,737,486 compared with \$796,213,930 in October, 1943, while operating expenses totaled \$539,156,806 as against \$513,539,940 in the same month of 1943. Total operating revenues in the first ten months of 1944 totaled \$7,899,259,660 compared with \$7,510,353,469 in the same period of 1943, or an increase of 5.18%, while operating expenses in the same period amounted to \$5,201,744,308 compared with \$4,555,791,465 in the corresponding period of 1943, or an increase of 14.18%.

Taxes paid in the first ten months of 1944 totaled \$1,559,960,915 compared with \$1,577,738,802 in the same period of 1943. For the month of October alone, the tax bill of the carriers amounted to \$162,187,117, an increase of \$10,816,961, or 7.1% under October, 1943.

Railroad Freight Loading—Loadings of revenue freight for the week ended Dec. 2 totaled 808,260 cars, the Association of American Railroads announced. This was an increase of 39,530 cars, or 5.1% above the preceding week this year, and a decrease of 54,473 cars, or 6.3% below the corresponding week of 1943. Compared with a similar period in 1942, an increase of 48,529 cars, or 6.4%, is shown.

Commodity Price Index—Commodity prices at the primary market level, according to the Bureau of Labor Statistics index moved forward by 0.1% to 104.2% of the 1926 average during the week ended Dec. 2. The increase during the week was caused principally by higher prices for grains, livestock, eggs, foreign wools and fruits and vegetables in most markets. The index is now at a new all-time high and it is 0.2% above four weeks ago and 1.4% higher than for the corresponding week in 1943. Since the outbreak of war in Europe commodity prices have advanced 38.9%.

Coal Production—The U. S. Bureau of Mines reports production of Pennsylvania anthracite for week ended Dec. 2, 1944, at 1,193,000 tons, an increase of 58,000 tons (5.1%) above the preced-

ing week, but a decrease of 44,000 tons, or 3.6% below the corresponding week of 1943. The 1944 calendar year to date shows an increase of 6.7% when compared with corresponding period of 1943.

The report of the Solid Fuels Administration placed bituminous production for the week ended Dec. 2 at 11,835,000 net tons, an increase of 535,000 tons above the output in the week preceding, which totaled 11,300,000 net tons. Production in the corresponding week of last year amounted to 13,132,000 net tons, while output for Jan. 1 to Dec. 2, 1944, totaled 576,765,000 net tons, an increase of 6.1% over the 543,613,000 tons mined in the same 1943 period.

Estimated production of beehive coke in the United States for the week ended Dec. 2, 1944, as reported by the same source, showed an increase of 3,500 tons when compared with the output for the week ended Nov. 25, last, but 61,200 tons less than for the corresponding week of 1943.

Lumber Shipments—The National Lumber Manufacturers Association reports that lumber shipments of 488 reporting mills were 0.7% above production for the week ended Dec. 2, while new orders of these mills are 1.9% more than production. Unfilled order files amounted to 91% of stocks.

For 1944 to date, shipments of reporting identical mills exceeded production by 2.5% and orders ran 3.6% above output.

Compared to the average corresponding week of 1935-39, production of reporting mills was 33.6% greater, shipments 31.1% greater, and orders 23.6% greater.

Crude Oil Production—Daily average gross crude oil production for the week ended Dec. 2, as estimated by the American Petroleum Institute, was 4,712,900 barrels. This represented a decrease of 23,100 barrels per day under the preceding week, and 7,600 barrels lower than the daily average figure recommended by the Petroleum Administration for War for the month of November, 1944. When, compared with the corresponding week last year, crude oil production was 328,650 barrels per day higher. For the four weeks ended Dec. 2, 1944, daily output averaged 4,728,800 barrels.

Reports from refining companies indicate that the industry as a whole ran to stills (on a Bureau of Mine basis) approximately 4,693,000 barrels of crude oil daily and produced 14,853,000 barrels of gasoline. Kerosene output totaled 1,633,000 barrels, with distillate fuel oil placed at 4,082,000 barrels and residual fuel oil at 8,981,000 barrels during the week ended Dec. 2, 1944. Storage supplies at the week-end totaled 80,426,000 barrels of gasoline, 13,745,000 barrels of kerosene, 45,832,000 barrels of distillate fuel, and 61,727,000 barrels of residual fuel oil.

Paper Production—Paper production for the week ended Dec. 2 was at 92.2% of capacity, as against 88.2% (revised) of capacity in the preceding week, the American Paper and Pulp Association's index of mill activity disclosed. The rate during the week ended Dec. 4 last year was 92.2% of capacity. As for paperboard, production for the same period was reported at 94% of capacity, a rise of 3 points from the previous week.

Silver—The Senate Committee on Banking and Currency has reported favorably on the measure to extend the Green Silver Act to Dec. 31, 1945. The London market for silver the past week was unchanged at 23½d. The New York Official for foreign silver continued at 44¼ cents with domestic silver at 70¢ cents.

Farm Income in November—Estimated farm income in November, according to the Depart-

ment of Agriculture, totaled \$2,068,000,000 in cash for marketing of farm commodities, compared with \$2,005,000,000 in the same month a year ago, or an increase of \$63,000,000.

Reflecting a seasonal decline in marketings of wheat and cotton, however, the cash returns were \$381,000,000 lower than in October. Farmers' cash income in the first ten months reached \$17,057,000,000 including \$582,000,000 in government payments.

For the first ten months, farmers received 10% more money for crops than in the corresponding period of 1943 and 5% more for livestock and livestock products. Heavy marketings of this year's record wheat crop brought about a 30% gain in income from food grains, while a 30% increase over 1943 was reported for fruits. Meat animal receipts rose 8% over 1943, but a decline was noted in income from poultry and eggs.

Retail and Wholesale Trade—Retail trade volume on a country-wide basis increased the past week because of Christmas buying, Dun & Bradstreet, reported in its current review. On the other hand wholesale volume reflected declines because of seasonal dullness and shortage of supplies.

Among retail sales, jewelry, cosmetics, lingerie, books, stationery and toys, with gift purchases covering a wide range were particularly brisk. In the case of wholesalers, many reorders for the holiday trade were received, but due to scarcities in many items they were often unable to meet them or could not meet the call for quick delivery.

Fur and leather goods were well received, while toy stocks are reported as being greatly depleted. Food sales in retail establishments were heavier than a week ago, with shortages in some lines, but liquor stocks were plentiful and sales in this line high.

Retail percentage increases on a regional basis for the week were: New England and the East, 8 to 12%; Middle West, 12 to 15%; Northwest, 9 to 10%; South, 13 to 16%; Southwest, 16 to 19%, and Pacific Coast, 15 to 20%.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index, were 13% ahead of a year ago for the week ended Dec. 2. This compared with 17% in the preceding week. For the four weeks ended Dec. 2, 1944, sales increased by 13%. A 9% increase in department store sales for the year to Dec. 2, 1944, over 1943, was also noted.

Retail trade in New York City the previous week established new high sales records for department stores, with one organization, according to the New York "Times," attaining a volume in excess of \$1,000,000 on Thursday, a peak for a day without strong promotional pressure. The increase for the week was estimated as running 15 to 20%, or possibly more, over the same week a year ago.

In the important wholesale markets an uncertain delivery situation continued to hang like a heavy cloud over business. This condition has caused retailers to abandon their former cautious policy and they are now revising their plans by covering needs well into next year.

Requests were numerous the past week for goods to replenish bare shelves with stocks of Christmas gift merchandise, but efforts in this regard were of little or no avail.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Dec. 2 increased by 9% over the same period of last year. This compared with 14% in the preceding week. For the four weeks ended Dec. 2 sales rose by 10%, and for the year to Dec. 2 they improved by 9%.

Market Value Of Stocks On New York Stock Exchange Higher on Nov. 30

The New York Stock Exchange announced on Dec. 7 that as of the close of business on Nov. 30 there were 1,248 stock issues, aggregating 1,482,857,102 shares listed on the New York Stock Exchange, with a total market value of \$53,591,644,063. This compares with 1,246 stock issues, aggregating \$1,481,150,942 shares, with a total market value of \$53,086,843,093 on Oct. 31.

In making public the Nov. 30 figures the Stock Exchange further said:

As of the close of business Nov. 30, New York Stock Exchange member total net borrowings amounted to \$878,199,679 of which \$519,929,388 represented loans which were not collateralized by U. S. Government issues. The ratio of the latter borrowings to the market value of all listed stocks, on that date, was, therefore, 0.97%. As the loans 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	Nov. 30, 1944		Oct. 31, 1944	
	Market Value	Average Price	Market Value	Average Price
Amusement	611,966,122	26.43	587,379,294	25.36
Automobile	4,697,433,812	38.43	4,635,260,369	38.07
Aviation	699,924,416	19.63	699,347,837	19.62
Building	643,534,758	30.06	637,306,553	29.77
Business and Office Equipment	479,258,335	36.84	475,477,106	36.55
Chemical	6,289,507,552	65.43	6,331,262,764	65.87
Electrical Equipment	1,792,361,778	42.88	1,748,327,438	41.82
Farm Machinery	835,884,615	58.66	828,712,120	58.76
Financial	1,068,965,965	21.95	1,065,747,193	21.68
Food	3,525,589,788	41.79	3,481,760,483	41.27
Garment	48,333,029	28.94	48,341,425	28.94
Land & Realty	35,998,119	7.36	37,943,737	7.85
Leather	270,299,350	32.03	273,993,137	32.47
Machinery & Metals	1,984,787,747	27.43	1,975,565,878	27.12
Mining (excluding iron)	1,509,043,392	24.40	1,490,970,565	23.94
Paper & Publishing	635,875,775	26.71	619,580,321	26.09
Petroleum	6,086,290,674	29.96	6,045,812,783	29.76
Railroad	4,350,734,078	39.99	4,226,556,252	38.86
Retail Merchandising	3,059,666,159	41.15	2,996,306,307	40.76
Rubber	654,660,509	61.71	652,305,219	61.44
Ship Building & Operating	110,665,271	20.07	110,351,534	20.00
Shipping Services	19,251,725	11.16	19,063,727	11.05
Steel, Iron & Coke	2,359,159,860	46.66	2,374,986,182	46.97
Textiles	802,930,664	38.60	806,043,136	37.71
Tobacco	1,342,789,356	49.31	1,353,487,401	49.70
Utilities:				
Gas & Electric (Operating)	2,441,152,063	29.16	2,417,642,728	28.95
Gas & Electric (Holding)	1,352,475,132	14.04	1,337,963,358	13.89
Communications	3,947,760,755	92.12	3,912,039,958	91.41
Miscellaneous Utilities	131,425,345	23.55	126,376,852	22.03
U. S. Cos. Operating Abroad	854,053,666	25.12	846,217,413	24.89
Foreign Companies	936,523,204	22.62	956,606,453	23.11
Miscellaneous Businesses	213,741,049	27.59	208,117,560	28.48
All Listed Stocks	53,591,644,063	36.14	53,086,843,093	35.84

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

Year	Market Value		Average Price	
	\$	Price	\$	Price
1942—				
Nov. 30	37,374,462,460	25.41	47,607,294,582	31.96
Dec. 31	38,811,728,666	26.39		
1943—				
Jan. 30	41,410,585,043	28.16	48,396,650,695	32.47
Feb. 27	43,533,661,753	29.61	48,494,092,518	32.51
Mar. 31	45,845,738,377	31.20	49,421,855,812	32.12
Apr. 30	46,192,361,639	31.45	48,670,491,772	32.59
May 29	48,437,700,647	32.96	50,964,039,424	34.14
June 30	48,878,520,886	33.27	53,067,698,691	35.55
July 31	47,577,989,240	32.17	52,488,254,469	35.07
Aug. 31	47,710,472,858	32.04	53,077,487,308	35.40
Sept. 30	48,711,451,018	32.82	52,929,771,152	35.75
Oct. 30	48,178,040,869	32.44	53,086,843,093	35.84
Nov. 30	45,101,778,943	30.33	53,591,644,063	36.14

Electric Output for Week Ended Dec. 9, 1944 Declined 0.6% 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 Dec. 9, 1944 was approximately 4,538,012,000 kwh., compared with 4,566,905,000 kwh. in the corresponding week a year ago, a falling off of 0.6%. The output of the week ended Dec. 2, 1944, was 0.8% below that in the similar period in 1943.

Major Geographical Divisions	PERCENTAGE INCREASE OVER PREVIOUS YEAR			
	Dec. 9	Dec. 2	Nov. 25	Nov. 18
New England	0.8	1.8	1.7	0.9
Middle Atlantic	*4.6	*3.7	*4.6	*5.2
Central Industrial	2.3	2.5	1.6	1.4
West Central	7.5	5.1	7.1	7.0
Southern States	2.4	2.3	2.9	2.8
Rocky Mountain	*8.0	*10.9	*10.5	*12.6
Pacific Coast	*2.9	*4.0	*2.5	*4.3
Total United States	*0.6	*0.8	*0.8	*1.4

Week Ended	DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)				
	1944	1943	% Change over 1943	1942	1929
Sept. 2	4,414,735	4,350,511	+ 1.5	3,672,921	1,423,977
Sept. 9	4,227,900	4,229,262	- 0.0	3,583,408	1,476,442
Sept. 16	4,394,839	4,358,512	+ 0.8	3,756,922	1,490,863
Sept. 23	4,377,339	4,359,610	+ 0.4	3,720,254	1,499,459
Sept. 30	4,365,907	4,359,003	+ 0.2	3,682,794	1,505,219
Oct. 7	4,375,079	4,341,754	+ 0.8	3,702,299	1,507,503
Oct. 14	4,354,575	4,382,260	- 0.6	3,717,360	1,528,145
Oct. 21	4,345,352	4,415,405	- 1.6	3,752,571	1,533,023
Oct. 28	4,358,293	4,452,592	- 2.1	3,774,891	1,525,410
Nov. 4	4,354,939	4,413,863	- 1.3	3,761,961	1,520,730
Nov. 11	4,396,595	4,482,665	- 1.9	3,775,878	1,531,584
Nov. 18	4,450,047	4,513,292	- 1.4	3,795,361	1,475,268
Nov. 25	4,363,519	4,403,342	- 0.8	3,766,361	1,510,397
Dec. 2	4,524,257	4,560,158	- 0.8	3,883,534	1,518,922
Dec. 9	4,538,012	4,566,905	- 0.6	3,937,524	1,563,384
Dec. 16	4,512,984	4,512,984	0.0	3,975,873	1,554,473
Dec. 23	4,375,107	4,375,107	0.0	3,655,926	1,414,710
Dec. 30	4,337,387	4,337,387	0.0	3,779,933	1,619,265

Moody's Bond Prices And Bond Yield Averages

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

1944— Daily Averages	U. S. Govt. Bonds	Ave. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
			MOODY'S BOND PRICES† (Based on Average Yields)						
Dec. 12	120.12	113.50	119.20	117.80	113.50	104.31	108.52	113.89	118.20
11	120.12	113.31	119.00	117.80	113.50	104.14	108.52	113.70	118.20
9	120.09	113.31	119.00	117.80	113.31	104.14	108.34	113.70	118.20
8	120.09	113.31	119.00	117.80	113.31	104.14	108.34	113.70	118.20
7	120.12	113.31	118.80	118.00	113.31	104.14	108.34	113.70	118.20
6	120.09	113.31	118.80	118.00	113.31	104.14	108.34	113.89	118.00
5	120.03	113.31	118.80	117.80	113.31	104.14	108.34	113.89	118.00
4	120.00	113.31	118.80	117.80	113.31	104.14	108.16	113.89	118.00
2	119.97	113.31	118.80	117.80	113.50	104.14	108.16	113.89	118.00
1	119.95	113.31	118.80	117.80	113.50	104.14	108.34	113.89	118.20
Nov. 24	119.93	112.93	118.60	117.20	113.12	103.80	107.98	113.50	117.80
17	119.97	112.93	118.60	117.20	113.12	103.64	107.80	113.50	117.60
10	119.77	112.75	118.40	117.00	112.93	103.30	107.62	113.31	117.40
3	119.55	112.75	118.40	116.80	112.93	103.47	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	118.60	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
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	113.50	119.20	118.00	113.50	104.31	108.52	114.27	118.20
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									
Dec. 11, 1943	119.57	110.52	118.20	115.63	110.70	98.73	103.13	113.12	115.63
2 Years Ago									
Dec. 12, 1942	116.78	107.09	116.80	113.70	108.88	91.62	96.54	111.81	114.27

1944— Daily Averages	U. S. Govt. Bonds	Ave. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
			MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices)						
Dec. 12	1.83	2.98	2.69	2.76	2.98	3.49	3.25	2.96	2.74
11	1.83	2.99	2.70	2.76	2.98	3.50	3.25	2.97	2.74
9	1.83	2.99	2.70	2.76	2.99	3.50	3.26	2.97	2.74
8	1.83	2.99	2.70	2.76	2.99	3.50	3.26	2.97	2.74
7	1.83	2.99	2.71	2.75	2.99	3.50	3.26	2.97	2.74
6	1.83	2.99	2.71	2.75	2.99	3.50	3.26	2.96	2.75
5	1.83	2.99	2.71	2.75	2.99	3.50	3.26	2.96	2.75
4	1.84	2.99	2.71	2.76	2.99	3.50	3.27	2.96	2.75
2	1.84	2.99	2.71	2.76	2.98	3.50	3.27	2.96	2.75
1	1.84	2.99	2.71	2.76	2.98	3.50	3.26	2.96	2.74
Nov. 24	1.84	3.01	2.72	2.79	3.00	3.52	3.28	2.98	2.76
17	1.84	3.01	2.72	2.79	3.00	3.53	3.29	2.98	2.77
10	1.86	3.02	2.73	2.80	3.01	3.55	3.30	2.99	2.78
3	1.87	3.02	2.73	2.81	3.01	3.54	3.30	2.99	2.79
Oct. 27	1.89	3.03	2.73	2.82	3.01				

Trading on New York Exchanges

The Securities and Exchange Commission made public on Dec. 6 figures showing the volume or 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 Nov. 18, 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 Nov. 18 (in round-lot transactions) totaled 1,553,712 shares, which amount was 15.22% of the total transactions on the Exchange of 5,103,190 shares. This compares with member trading during the week ended Nov. 11 of 1,109,715 shares, or 14.38% of the total trading of 3,858,330 shares. On the New York Curb Exchange, member trading during the week ended Nov. 18 amounted to 392,790 shares, or 14.65% of the total volume on that exchange of 1,371,237 shares; during the Nov. 11 week trading for the account of Curb members of 286,795 shares was 15.04% of total trading of 953,405 shares.

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

WEEK ENDED NOV. 18, 1944			
A. Total Round-Lot Sales:	Total for week		%
Short sales.....	162,110		
†Other sales.....	4,941,080		
Total sales.....	5,103,190		
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.....	385,140		
Short sales.....	60,440		
†Other sales.....	377,480		
Total sales.....	437,920	8.06	
2. Other transactions initiated on the floor—			
Total purchases.....	181,260		
Short sales.....	14,350		
†Other sales.....	225,990		
Total sales.....	240,340	4.13	
3. Other transactions initiated off the floor—			
Total purchases.....	137,270		
Short sales.....	32,700		
†Other sales.....	139,082		
Total sales.....	171,782	3.03	
4. Total—			
Total purchases.....	703,670		
Short sales.....	107,490		
†Other sales.....	742,552		
Total sales.....	850,042	15.22	

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

WEEK ENDED NOV. 18, 1944			
A. Total Round-Lot Sales:	Total for week		%
Short sales.....	16,950		
†Other sales.....	1,354,287		
Total sales.....	1,371,237		
B. Round-Lot Transactions for Account of Members:			
1. Transactions of specialists in stocks in which they are registered—			
Total purchases.....	101,410		
Short sales.....	8,740		
†Other sales.....	122,450		
Total sales.....	131,190	8.48	
2. Other transactions initiated on the floor—			
Total purchases.....	39,970		
Short sales.....	4,400		
†Other sales.....	34,180		
Total sales.....	38,580	2.86	
3. Other transactions initiated off the floor—			
Total purchases.....	50,870		
Short sales.....	1,400		
†Other sales.....	38,370		
Total sales.....	39,770	3.31	
4. Total—			
Total purchases.....	192,250		
Short sales.....	14,540		
†Other sales.....	195,000		
Total sales.....	209,540	14.65	
C. Odd-Lot Transactions for Account of Specialists—			
Customers' short sales.....	0		
†Customers' other sales.....	55,981		
Total purchases.....	55,981		
Total sales.....	42,624		

*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."

Civil Engineering Construction \$18,125,000 for Week

Civil engineering construction volume in continental United States totals \$18,125,000 for the week. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 50% lower than in the preceding week, 48% below the total reported to Engineering News-Record for the corresponding 1943 week, and 32% lower than the previous four-week moving average. The report made public on Dec. 7, continued as follows:

Private construction for the week is 86% lower than last week, and 91% under last year. Public construction is 33 and 10% lower, respectively, than a week ago and a year ago. State and municipal construction is higher than in the preceding week and in the 1943 week, but federal construction is lower and is responsible for the lower public volume.

The current week's construction brings 1944 volume to \$1,654,621,000 for the 49 weeks, a decrease of 44% from the \$2,972,217,000

reported for the period in 1943. Private construction, \$349,747,000, is 26% below last year, and public construction, \$1,304,874,000, is down 48%, due to the 54% drop in federal volume. State and municipal construction tops a year ago by 23%.

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

	Dec. 9, 1943	Nov. 30, 1944	Dec. 7, 1944
Total U. S. Construction.....	\$34,652,000	\$35,953,000	\$18,125,000
Private Construction.....	16,180,000	11,014,000	1,526,000
Public Construction.....	18,472,000	24,939,000	16,599,000
State and Municipal.....	1,209,000	3,694,000	4,148,000
Federal.....	17,263,000	21,245,000	12,451,000

In the classified construction groups, gains over last week are in waterworks, and streets and roads. Waterworks construction is the only class of work to gain over a year ago. Subtotals for the week in each class of construction are: waterworks, \$2,052,000; sewerage, \$253,000; bridges, \$185,000; industrial buildings, \$973,000; commercial building and large-scale private housing, \$455,000; public buildings, \$8,657,000; earthwork and drainage, \$246,000; streets and roads, \$1,813,000, and unclassified construction, \$3,491,000.

New capital for construction purposes for the week totals \$1,493,000. It is made up of \$993,000 in state and municipal bond sales, and \$500,000 in corporate security issues. The week's new financing brings 1944 volume to \$1,686,362,000 for the 49 weeks, a total 45% below the \$3,067,283,000 reported for the 49 weeks in 1943.

Wholesale Commodity Prices Up 0.1% For Week Ended December 2

"There were few changes in the commodity markets for the week ended Dec. 2, which caused the Bureau of Labor Statistics' index of prices in primary markets to rise 0.1%, to 104.2% of the 1926 average," the U. S. Department of Labor announced on Dec. 7; it further said: "The increase during the week was caused principally by higher prices for grains, livestock, eggs, foreign wools and fruits and vegetables in most markets. The index is now at a new all-time high and it is 0.2% above four weeks ago and 1.4% higher than for the corresponding week in 1943. Since the outbreak of the war in Europe commodity prices have advanced 38.9%. The Labor Department's report continued:

"Farm Products and Foods—Primary market prices for farm products rose 0.4% largely because of increases for barley, corn, oats and rye, for hogs and sheep, and for eggs, apples, onions and potatoes. In addition, foreign wools increased more than 2% and cotton was up slightly more than 1%. On the other hand, quotations for wheat and live poultry in the Chicago market were 1% lower than for the previous week and sweet potatoes dropped sharply. Since the first week in November average prices for farm products advanced 0.5% and were 2.3% higher than a year ago.

"Higher prices for flour, fruits and vegetables and eggs accounted for the 0.1% rise in prices for foods at wholesale during the first week of December. Although average prices for foods advanced 0.7% in the past four weeks they were 0.5% lower than at this time last year.

"Industrial Commodities—Average prices for industrial commodities continued the stability which has characterized these markets for the past several weeks. The recent advance in prices on domestic cigars more than counterbalanced lower prices for ergot and nux vomica and for Western white pine, resulting in a slightly higher level for finished products. The large groups of all commodities other than farm products and all commodities other than farm products and foods also increased 0.1% during the week. Over the past year the general average for these groups increased about 1%."

The following notation was included in the Labor Department's 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 Nov. 4, 1944, and Dec. 4, 1943, and the percentage changes from a week ago, a month ago, and a year ago and (2) percentage changes in subgroup indexes from Nov. 25, 1944, to Dec. 2, 1944.

WHOLESALE PRICES FOR WEEK ENDED DEC. 2, 1944 (1926=100)

Commodity Groups—	1944			1943			Percentage change to Dec. 2, 1944 from—		
	12-2	11-25	11-18	11-4	12-4	11-4	11-4	12-4	1943
All commodities.....	104.2	*104.1	*104.1	*104.0	102.8	+0.1	+0.2	+1.4	
Farm products.....	124.6	124.1	124.5	124.0	121.8	+0.4	+0.5	+2.3	
Foods.....	105.1	105.0	104.9	104.4	105.6	+0.1	+0.7	-0.5	
Hides and leather products.....	116.7	116.7	116.7	116.7	117.5	0	0	-0.7	
Textile products.....	98.9	98.9	98.9	98.9	97.2	0	0	+1.7	
Fuel and lighting materials.....	83.7	83.6	83.6	83.5	82.1	+0.1	+0.2	+1.9	
Metals and metal products.....	*103.9	*103.9	*103.8	*103.8	103.9	0	+0.1	0	
Building materials.....	116.4	116.4	116.4	116.4	113.1	0	0	+2.9	
Chemicals and allied products.....	104.8	104.8	104.8	104.7	100.4	0	+0.1	+4.4	
Housefurnishing goods.....	106.1	106.1	106.1	106.1	104.2	0	0	+1.8	
Miscellaneous commodities.....	93.7	93.5	93.4	93.4	93.0	+0.2	+0.3	+0.8	
Raw materials.....	114.4	114.1	114.3	114.0	111.7	+0.3	+0.4	+2.4	
Semimanufactured articles.....	94.7	94.7	94.7	94.7	92.9	0	0	+1.9	
Manufactured products.....	*101.3	*101.2	*101.2	*101.1	100.4	+0.1	+0.2	+0.9	
All commodities other than farm products.....	*99.8	*99.7	*99.7	*99.6	98.7	+0.1	+0.2	+1.1	
All commodities other than farm products and foods.....	*99.0	*98.9	*98.9	*98.8	97.6	+0.1	+0.2	+1.4	
*Preliminary.									

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM NOV. 25, 1944 TO DEC. 2, 1944

Increases		Decreases	
Grains.....	0.6	Other miscellaneous.....	0.4
Other farm products.....	0.5	Livestock and poultry.....	0.2
Fruits and vegetables.....	0.4	Other foods.....	0.2
Cereal products.....	0.1		
Rayon.....	0.3		

Final Tax Statements To Be Filed Jan. 15

Treasury Department reminds taxpayers that final declarations of estimated income tax for 1944 has been changed to Jan. 15.

Joseph D. Nunan, Jr., Commissioner of Internal Revenue, on Dec. 11 reminded individual income taxpayers that Congress has changed from Dec. 15, 1944, to Jan. 15, 1945, the final date for filing Declarations of Estimated Income Tax, either original (as in the case of farmers), or amended, and paying of installments of estimated tax for the calendar year 1944. The announcement added:

"Among the taxpayers affected by this change in dates are: Farmers who exercised their right to defer filing declarations last April 15; others who have already filed 1944 declarations but desire to change their estimates by filing amended declarations; all persons who owe the final installment of 1944 estimated tax.

"If a taxpayer who would otherwise be required to file an original or amended Declaration of Estimated Tax by Jan. 15, 1945, files his annual income tax return for 1944 (on Form 1040) and pays all tax due by Jan. 15, his return will serve as both a return and declaration and he need not file the 1944 declaration.

"Also, if a taxpayer files his final 1944 return (on Form 1040) and pays the tax due on it by Jan. 15, he need not pay the final installment which otherwise would be due on his estimated tax.

"A bill from the Collector for the final installment of 1944 estimated tax may be ignored by a taxpayer who files his annual return (on Form 1040) and pays the tax due on it by Jan. 15.

"These changes will enable a taxpayer, if he desires to do so, to wind up all of his 1944 income tax obligations by Jan. 15, but it does not affect the filing of his 1945 declaration which will be due March 15. Also, taxpayers who do not file their final 1944 returns by Jan. 15 must do so by March 15."

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Dec. 6 a summary for the week ended Nov. 25 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 Nov. 25, 1944	
Odd-Lot Sales by Dealers (Customers' purchases)	Total for Week
Number of orders.....	14,774
Number of shares.....	408,256
Dollar value.....	\$18,307,880
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales.....	153
Customers' other sales.....	14,047
Customers' total sales.....	14,200
Number of Shares:	
Customers' short sales.....	5,077
Customers' other sales.....	360,052
Customers' total sales.....	365,129
Dollar value.....	\$13,456,650
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales.....	170
†Other sales.....	90,850
Total sales.....	91,020
Round-Lot Purchases by Dealers:	
Number of Shares.....	147,490

*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."

Daily Average Crude Oil Production For Week Ended Dec. 2, 1944, Declined 23,100 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Dec. 2, 1944 was 4,712,900 barrels, or 23,100 barrels per day below output in the preceding week, and 7,600 barrels lower than the daily average figure recommended by the Petroleum Administration for War for the month of November, 1944. The current figure, however, was 328,650 barrels per day higher than production in the week ended Dec. 4, 1943. Daily output for the four weeks ended Dec. 2, 1944 averaged 4,728,800 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,693,000 barrels of crude oil daily and produced 14,853,000 barrels of gasoline; 1,633,000 barrels of kerosine; 4,082,000 barrels of distillate fuel, and 8,981,000 barrels of residual fuel oil during the week ended Dec. 2, 1944, and had in storage at the end of that week, 80,426,000 barrels of gasoline; 13,745,000 barrels of kerosine; 45,832,000 barrels of distillate fuel, and 61,727,000 barrels of residual fuel oil.

	*P. A. W. Recommendations November	*State Allowables begin Nov. 1	Actual Production Week Ended Dec. 2, 1944	Change from Previous Week	4 Weeks Ended Dec. 2, 1944	Week Ended Dec. 4, 1943
Oklahoma	345,000	346,000	359,950	+ 2,700	358,650	322,600
Kansas	274,000	269,400	265,250	- 8,950	272,050	267,100
Nebraska	1,000		11,050	+ 100	1,000	1,700
Panhandle Texas			94,150		94,150	90,600
North Texas			151,200		151,200	143,200
West Texas			473,950		473,950	356,950
East Central Texas			144,600		144,600	133,650
East Texas			367,900		367,900	369,500
Southwest Texas			347,100		347,100	293,200
Coastal Texas			553,400		553,400	521,100
Total Texas	2,133,000	2,138,385	2,132,300		2,132,300	1,908,200
North Louisiana			72,300	- 50	72,200	78,700
Coastal Louisiana			291,300		291,300	274,100
Total Louisiana	350,000	395,500	363,600		363,500	352,800
Arkansas	78,000	79,975	80,100	- 200	80,400	79,400
Mississippi	50,000		48,850	- 4,100	51,450	49,650
Alabama			250		250	
Florida			50		50	
Illinois	200,600		194,350	-17,050	200,300	221,850
Indiana	13,000		13,050	- 300	13,000	12,700
Eastern— (Not incl. Ill., Ind., Ky.)	72,000		68,200	+ 4,350	66,200	70,050
Kentucky	26,000		31,700	+ 2,300	30,450	23,950
Michigan	50,500		47,700	- 100	48,850	50,100
Wyoming	100,000		94,500	- 2,450	94,350	102,550
Montana	24,000		21,300	- 50	21,300	21,300
Colorado	9,000		8,150	- 1,200	9,250	7,100
New Mexico	110,000		110,000		104,850	112,900
Total East of Calif.	3,835,500		3,835,200	-25,000	3,848,200	3,603,950
California	885,000	885,000	877,700	+ 1,900	880,600	780,300
Total United States	4,720,500		4,712,900	-23,100	4,728,800	4,384,250

*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. 30, 1944.
 ‡This is the net basic allowable as of Nov. 1 calculated on a 30-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 2 to 15 days, the entire state was ordered shut down for 6 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 6 days shutdown time during the calendar month.
 §Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED DEC. 2, 1944 (Figures in Thousands of Barrels of 42 Gallons Each)

District	Daily Refining Capacity	Potential % Re-Porting	Crude Runs to Stills Average	Production at Re-fineries % Op-Natural	Stocks of Gasoline	Stocks of Distillate Fuel Oil	Stocks of Residual Fuel Oil	Production of Gasoline	
								Finished	Unfinished
East Coast	729	100.0	747	102.5	1,894	12,441	13,450	9,463	
Appalachian—									
District No. 1	130	83.9	109	83.8	314	2,467	491	346	
District No. 2	47	87.2	56	119.1	178	1,621	205	164	
Ind., Ill., Ky.	824	85.2	750	91.0	2,805	16,223	6,941	3,592	
Okl., Kans., Mo.	418	80.2	380	90.9	1,474	7,537	2,501	1,634	
Inland Texas	278	66.9	245	88.1	932	2,767	433	631	
Texas Gulf Coast	1,165	90.5	1,139	97.8	3,587	14,696	7,172	8,656	
Louisiana Gulf Coast	242	95.5	248	102.5	830	3,996	2,078	1,191	
No. La. & Arkansas	104	68.0	75	72.1	208	2,265	625	304	
Rocky Mountain—									
District No. 3	13	17.0	11	84.6	134	65	19	31	
District No. 4	141	58.3	90	63.8	384	1,655	373	581	
California	817	89.9	843	103.2	2,213	14,693	11,544	35,134	
Total U. S. B. of M. basis Dec. 2, 1944	4,908	87.2	4,693	95.6	14,853	80,426	45,832	61,727	
Total U. S. B. of M. basis Nov. 25, 1944	4,908	87.2	4,672	95.2	14,549	79,625	47,101	62,835	
U. S. Bur. of Mines basis Dec. 4, 1943			4,352		13,227	69,912	44,454	60,861	

*Composed of 13,132,000 barrels of unfinished, 41,318,000 barrels civilian-grade automotive and 25,976,000 barrels aviation, military, solvents and naphthas and gasoline blending stocks currently indeterminate as to ultimate use. †Revised in East Coast civilian grade automotive and aviation, etc., stocks revised to 40,970,000 and 25,638,000 barrels respectively, due to errors by reporting companies. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,633,000 barrels of kerosine, 4,082,000 barrels of gas oil and distillate fuel oil and 8,981,000 barrels of residual fuel oil produced during the week ended Dec. 4, 1944, which compares with 1,452,555 barrels, 4,484,000 barrels and 8,992,000 barrels, respectively, in the preceding week and 1,507,000 barrels, 4,689,000 barrels and 8,440,000 barrels, respectively, in the week ended Dec. 4, 1943. ¶Nov. 25 corrected as follows: 45 and 364.
 Note—Stocks of kerosine at Dec. 2, 1944 amounted to 13,745,000 barrels, as against 13,502,000 barrels a week earlier and 10,380,000 barrels a year before.

Weekly Coal and Coke Production Statistics

The Solid Fuels Administration, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended Dec. 2, 1944 is estimated at 11,835,000 net tons, an increase of 535,000 tons over the preceding week. In the week ended Dec. 4, 1943, output of soft coal amounted to 13,132,000 tons. During the calendar year through Dec. 2, 1944, production totaled 576,765,000 tons, a gain of 6.1% over the corresponding period in 1943.

According to the U. S. Bureau of Mines, output of Pennsylvania anthracite for the week ended Dec. 2, 1944, was estimated at 1,193,000 tons, an increase of 58,000 tons (5.1%) over the preceding week. When compared with the production in the corresponding week of 1943 there was a decrease of 44,000 tons, or 3.6%. The calendar year to date shows an increase of 6.7% when compared with the same period of 1943.

The estimated production of beehive coke in the United States for the week ended Dec. 2, 1944, showed an increase of 3,500 tons when compared with the output for the week ended Nov. 25, 1944; but was 61,200 tons less than for the corresponding week in 1943.

	Week Ended			January 1 to Date		
	Dec. 2, 1944	*Nov. 25, 1944	Dec. 4, 1943	Dec. 2, 1944	Dec. 4, 1943	Dec. 4, 1937
Bituminous coal and lignite	11,835,000	11,300,000	13,132,000	576,765,000	543,613,000	413,465,000
Total incl. mine fuel	11,835,000	11,300,000	13,132,000	576,765,000	543,613,000	413,465,000
Daily average	220,667	220,000	258,900	2,021,000	1,891,000	1,456,000

*Revised. †Subject to current adjustment. ‡Average based on 5.9 working days. §Average based on 5.6 working days.

	Week Ended			Calendar Year to Date		
	Dec. 2, 1944	*Nov. 25, 1944	Dec. 4, 1943	Dec. 2, 1944	Dec. 4, 1943	Dec. 4, 1937
Penn. anthracite	1,193,000	1,135,000	1,237,000	60,224,000	56,463,000	47,555,000
*Total incl. coll. fuel	1,193,000	1,135,000	1,237,000	60,224,000	56,463,000	47,555,000
†Commercial produc.	1,145,000	1,090,000	1,188,000	57,816,000	54,204,000	45,177,000
Beehive coke						
United States total	110,800	107,300	172,000	6,657,000	7,319,700	3,052,400

*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)

State	Week Ended			
	Nov. 25, 1944	Nov. 18, 1944	Nov. 27, 1943	Nov. 27, 1937
Alabama	365,000	368,000	433,000	210,000
Alaska	7,000	7,000	8,000	2,000
Arkansas and Oklahoma	91,000	97,000	109,000	91,000
Colorado	143,600	157,000	182,000	177,000
Georgia and North Carolina	1,000	1,000	1,000	1,000
Illinois	1,317,000	1,490,000	1,534,000	1,120,000
Indiana	497,000	586,000	581,000	362,000
Iowa	45,000	54,000	55,000	96,000
Kansas and Missouri	162,000	182,000	186,000	149,000
Kentucky—Eastern	1,008,000	1,005,000	1,034,000	568,000
Kentucky—Western	308,000	382,000	312,000	178,000
Maryland	28,000	34,000	36,000	30,000
Michigan	2,000	3,000	3,000	12,000
Montana (bitum. & lignite)	89,000	97,000	105,000	80,000
New Mexico	30,000	32,000	37,000	29,000
North & South Dakota (lignite)	60,000	57,000	77,000	73,000
Ohio	597,000	674,000	591,000	433,000
Pennsylvania (bituminous)	2,695,000	2,684,000	3,008,000	1,525,000
Tennessee	126,000	139,000	169,000	102,000
Texas (bituminous & lignite)	3,000	3,000	5,000	17,000
Utah	136,600	137,000	124,000	69,000
Virginia	373,000	388,000	418,000	227,000
Washington	35,000	29,000	28,000	40,000
West Virginia—Southern	2,052,000	2,110,000	2,424,000	1,377,000
West Virginia—Northern	932,000	1,082,000	1,027,000	418,000
Wyoming	194,000	201,000	197,000	134,000
Other Western States	*	1,000	1,000	*
Total bituminous & lignite	11,300,000	12,180,000	12,685,000	7,520,000
Pennsylvania anthracite	1,135,000	1,249,000	1,268,000	957,000
Total, all coal	12,435,000	13,429,000	13,953,000	8,477,000

†Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason and Clay counties. ‡Rest of State, including the Panhandle District and Grant, Mineral and Tucker counties. §Includes Arizona and Oregon. *Less than 1,000 tons.

Non-Ferrous Metals—Copper Demands Up—Curb On Lead Sales Expected—Quicksilver Released

"E. & M. J. Metal and Mineral Markets," in its issue of Dec. 7, stated: "Demand for war metals increased last week, and the gains would have been substantial except for manpower difficulties at fabricating plants. Curtailment in operations in recent months has aggravated the labor situation. Demand for brass strip and gilding metal was heavy. Lead supply, was reviewed at the recent meeting of the Advisory Group, and the industry now believes that some form of restriction in buying is imminent. WPB has intervened in the quicksilver market by releasing stockpiled metal to consumers engaged in essential war work. Considerable confusion prevailed in the market after this announcement issued, but the upward trend in prices continued." The publication further went on to say in part as follows:

Copper
 Consumption of copper is increasing, and some observers believe that fabricators will take at least 140,000 tons during January, based on the current volume of business. Except for the labor difficulties at the brass mills, consumption might easily exceed this total.

Lead
 Consumers obtained 33,000 tons of foreign lead for December shipment, which will be reflected in another reduction in the stockpile, probably to less than 90,000 tons. Military authorities now insist that the reserve must not be permitted to fall below 75,000 tons. Consumers were asked last week to report to WPB on the extent of January needs.

Quicksilver
 Sales of lead by domestic producers for the week that ended Dec. 6 amounted to 6,871 tons.

Silver
 Allocation of lead is a possibility, the Tin, Lead and Zinc Division of WPB reported Dec. 1. Division officials emphasized, however, that no decision had been reached as to the percentage of allocation which might be necessary.

ducers' Industry Advisory Committee on Nov. 30. Government spokesmen stated that current lead consumption was exceeding new supplies to such an extent that the stockpile was being reduced below a safe margin. Continued heavy civilian demand for such purposes as storage batteries and paints has cut heavily into the dwindling supply, they said.

Proposed allocations were still in a discussion stage, Division men said, in pointing out that no decision had been reached as to whether complete allocation was necessary or whether the Division could revert to the 1941 procedure which allowed each refiner to set aside a stated portion of his production to fill essential orders. This percentage plan was established in November, 1941, and discontinued in June, 1942, as lead supplies increased.

Zinc
 The enlarged brass program will absorb more zinc, but owing to labor shortages in the Connecticut Valley and elsewhere the full impact of the step-up in requirements may not be felt for several months, producers believe.

Tin
 At the request of the War Production Board Metals Reserve has agreed to pay subsidies to detinning plants up to a maximum of 13¢ per pound for tin produced, compensating for losses in revenue on scrap steel recovered in treating used cans.

The market for tin was unchanged at 52¢ per pound for Grade A. Quotations for Straits quality tin for shipment were nominally as follows:

	Dec.	Jan.	Feb.
Nov. 30	52.00	52.00	52.00
Dec. 1	52.00	52.00	52.00
Dec. 2	52.00	52.00	52.00
Dec. 4	52.00	52.00	52.00
Dec. 5	52.00	52.00	52.00
Dec. 6	52.00	52.00	52.00

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

Magnesium
 Production of primary magnesium declined to 18,463,000 pounds in September, which compares with 24,994,000 pounds in August, a drop of 26%, according to the Aluminum and Magnesium Division of WPB.

Output of secondary magnesium in September amounted to 2,689,000 pounds, a gain of 2,819,000 pounds in August.

Lead
 Recognizing that the present tight supply situation in quicksilver has resulted largely from the unexpected expansions in the Government's needs for salts, the War Production Board has decided to release metal from its stockpile in amounts sufficiently large to offset shortages in war requirements. The metal will be made available at prices moderately higher than those prevailing in the open market.

Pending receipt of full details of the plan to ease the situation, prices named in New York were more or less nominal. Yesterday, quotations ranged from \$122@125 per flask, depending on quantity.

The Bureau of Mines' statistics for October placed consumption at 3,906 flasks for the third consecutive month. Production increased from 2,500 flasks in September to 2,700 flasks in October. Consumers' and dealers' stocks decreased but there was an increase in supplies held by producers.

Revenue Freight Car Loadings During Week Ended Dec. 2, 1944 Increased 39,530 Cars

Loading of revenue freight for the week ended Dec. 2, 1944 totaled 808,260 cars, the Association of American Railroads announced on Dec. 7. This was a decrease below the corresponding week of 1943 of 54,473 cars, or 6.3%, but an increase above the same week in 1942 of 48,529 cars of 6.4%.

Loading of revenue freight for the week of Dec. 2, increased 39,530 cars, or 5.1% above the preceding week.

Miscellaneous freight loading totaled 396,372 cars, an increase of 25,236 cars above the preceding week, and an increase of 3,456 cars above the corresponding week in 1943.

Loading of merchandise less than carload lot freight totaled 105,905 cars, an increase of 7,522 cars above the preceding week, but a decrease of 53 cars below the corresponding week in 1943.

Coal loading amounted to 169,952 cars, an increase of 7,349 cars above the preceding week, but a decrease of 15,864 cars below the corresponding week in 1943.

Grain and grain products loading totaled 47,694 cars, an increase of 2,116 cars above the preceding week but a decrease of 8,657 cars below the corresponding week in 1943. In the Western Districts alone, grain and grain products loading for the week of Dec. 2, totaled 32,193 cars, an increase of 1,694 cars above the preceding week but a decrease of 5,438 cars below the corresponding week in 1943.

Livestock loading amounted to 22,629 cars, an increase of 1,534 cars above the preceding week and an increase of 2,879 cars above the corresponding week in 1943. In the Western Districts alone loading of live stock for the week of Dec. 2 totaled 17,461 cars an increase of 882 cars above the preceding week, and an increase of 2,580 cars above the corresponding week in 1943.

Forest products loading totaled 38,738 cars, an increase of 1,055 cars above the preceding week but a decrease of 7,306 cars below the corresponding week in 1943.

Ore loading amounted to 13,589 cars, a decrease of 5,282 cars below the preceding week and a decrease of 27,154 cars below the corresponding week in 1943.

Coke loading amounted to 13,381 cars the same as the preceding week, but a decrease of 1,774 cars below the corresponding week in 1943.

All districts reported decreases compared with the corresponding week in 1943, except the Centralwestern, but 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
4 Weeks of November	3,365,925	3,304,830	3,236,584
Week of December 2	808,260	862,733	759,731
Total	41,194,097	40,194,452	40,747,748

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Dec. 2, 1944. During the period 44 roads showed increases when compared with the corresponding week a year ago.

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1944	1943	1942	1944	1943	1942
Eastern District—						
Ann Arbor	341	266	259	1,482	1,563	
Bangor & Aroostook	2,202	2,527	1,719	481	252	
Boston & Maine	6,632	7,040	5,788	13,531	15,919	
Chicago, Indianapolis & Louisville	1,205	1,464	1,370	1,754	2,208	
Central Indiana	26	35	20	39	47	
Central Vermont	1,065	1,081	938	2,233	3,127	
Delaware & Hudson	4,819	5,870	5,923	11,748	12,536	
Delaware, Lackawanna & Western	7,592	8,151	6,757	10,670	10,532	
Detroit & Mackinac	293	233	397	114	101	
Detroit, Toledo & Ironton	1,771	2,138	1,456	1,162	1,583	
Detroit & Toledo Shore Line	354	322	283	3,126	3,806	
Erie	12,843	12,713	10,706	15,680	19,194	
Grand Trunk Western	3,884	3,820	3,928	8,541	8,787	
Lehigh & Hudson River	140	176	196	2,300	2,614	
Lehigh & New England	1,834	1,966	1,724	1,558	1,581	
Lehigh Valley	8,149	9,447	7,840	12,919	13,683	
Maine Central	2,153	2,328	2,003	3,938	3,954	
Monongahela	5,802	6,006	5,877	305	433	
Montour	2,659	2,613	2,165	23	9	
New York Central Lines	48,272	50,882	42,966	53,951	59,742	
N. Y., N. H. & Hartford	9,892	10,549	9,117	16,677	20,441	
New York, Ontario & Western	1,077	1,131	819	3,147	2,774	
New York, Chicago & St. Louis	7,157	6,822	6,678	14,874	16,512	
N. Y., Susquehanna & Western	426	629	448	2,119	2,404	
Pittsburgh & Lake Erie	8,083	7,718	7,008	7,842	7,831	
Pere Marquette	5,313	5,030	4,792	7,928	8,357	
Pittsburg & Shawmut	561	809	426	12	21	
Pittsburg, Shawmut & North	894	1,142	821	2,346	2,934	
Pittsburgh & West Virginia	319	414	327	1,632	1,069	
Rutland	5,846	6,475	5,581	12,142	11,724	
Wabash	5,228	5,045	4,510	4,088	4,528	
Wheeling & Lake Erie						
Total	157,077	165,129	143,232	217,972	240,553	
Allegheny District—						
Akron, Canton & Youngstown	758	812	655	1,242	1,410	
Baltimore & Ohio	42,303	43,321	35,363	26,927	29,606	
Bessemer & Lake Erie	2,329	4,511	5,047	1,670	1,592	
Buffalo Creek & Gauley	327	370	297	6	3	
Cambria & Indiana	1,403	1,678	1,740	13	6	
Central R. R. of New Jersey	6,361	7,641	6,696	19,321	20,926	
Cornwall	401	612	613	63	64	
Cumberland & Pennsylvania	180	253	217	9	9	
Ligonier Valley	111	176	129	61	31	
Long Island	1,439	1,346	1,179	3,132	3,229	
Penn.-Reading Seashore Lines	1,846	1,776	1,884	2,274	2,803	
Pennsylvania System	81,291	82,415	68,438	61,442	63,977	
Reading Co.	15,176	15,179	13,928	27,840	29,114	
Union (Pittsburgh)	19,632	19,994	19,832	3,179	6,394	
Western Maryland	4,175	4,392	3,669	11,940	13,549	
Total	177,732	184,475	159,687	159,119	172,713	
Poconos District—						
Chesapeake & Ohio	27,838	29,921	26,246	11,751	13,155	
Norfolk & Western	20,514	23,980	21,069	7,445	7,271	
Virginian	4,111	5,028	4,549	2,495	2,569	
Total	52,463	58,929	51,864	21,691	22,995	

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1944	1943	1942	1944	1943	1942
Southern District—						
Alabama, Tennessee & Northern	307	287	354	353	335	
Atl. & W. P.—W. R. R. of Ala.	627	816	679	2,571	3,257	
Atlanta, Birmingham & Coast	12,469	13,520	13,614	11,280	11,677	
Atlantic Coast Line	3,359	3,802	3,994	4,633	4,456	
Central of Georgia	379	390	420	1,631	1,902	
Charleston & Western Carolina	1,551	1,704	1,549	3,171	3,127	
Clinchfield	338	274	411	252	245	
Columbus & Greenville	180	117	109	853	741	
Durham & Southern	2,665	2,482	1,766	1,210	1,355	
Florida East Coast	34	46	50	110	96	
Gainesville Midland	1,087	1,291	1,217	2,158	3,142	
Georgia	428	461	360	667	591	
Georgia & Florida	4,743	4,398	4,040	4,034	4,165	
Gulf, Mobile & Ohio	28,263	29,300	26,205	17,161	16,432	
Illinois Central System	24,929	25,767	23,328	10,789	12,564	
Louisville & Nashville	1,177	196	220	812	904	
Macon, Dublin & Savannah	295	361	310	479	560	
Mississippi Central	2,956	3,635	2,882	4,208	4,946	
Nashville, Chattanooga & St. L.	797	1,088	1,083	1,938	1,891	
Norfolk Southern	474	450	372	1,341	1,512	
Piedmont Northern	357	434	393	9,518	10,730	
Richmond, Fred. & Potomac	9,215	11,172	10,675	7,855	9,771	
Seaboard Air Line	23,429	23,843	21,108	25,310	25,729	
Southern System	638	521	409	771	1,273	
Tennessee Central	166	159	114	1,032	966	
Winston-Salem Southbound						
Total	120,664	127,251	116,342	115,649	123,755	

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1944	1943	1942	1944	1943	1942
Northwestern District—						
Chicago & North Western	15,561	16,073	14,384	12,881	14,561	
Chicago Great Western	2,615	2,765	2,330	3,052	3,381	
Chicago, Milw., St. P. & Pac.	22,006	22,394	19,237	9,918	10,228	
Chicago, St. Paul, Minn. & Omaha	3,906	3,947	3,789	3,966	3,733	
Duluth, Missabe & Iron Range	913	18,426	6,473	143	205	
Duluth, South Shore & Atlantic	508	715	523	635	513	
Elgin, Joliet & Eastern	8,432	8,241	7,652	11,983	11,264	
Ft. Dodge, Des Moines & South	396	390	410	90	132	
Great Northern	12,622	16,431	13,393	5,615	5,350	
Green Bay & Western	456	550	485	871	790	
Lake Superior & Ishpeming	301	773	209	72	63	
Minneapolis & St. Louis	2,123	2,168	1,924	2,378	2,379	
Minn., St. Paul & S. S. M.	5,040	6,135	4,758	2,693	2,950	
Northern Pacific	11,596	12,023	10,512	5,629	5,251	
Spokane International	242	117	122	495	688	
Spokane, Portland & Seattle	2,692	2,390	1,815	3,774	3,395	
Total	89,409	113,538	88,017	64,210	64,889	

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1944	1943	1942	1944	1943	1942
Central Western District—						
Ach., Top. & Santa Fe System	25,288	24,416	22,694	15,053	12,133	
Alton	3,610	3,254	2,916	3,723	4,174	
Bingham & Garfield	456	550	603	84	83	
Chicago, Burlington & Quincy	20,616	21,220	18,657	12,961	12,972	
Chicago & Illinois Midland	2,805	2,757	2,490	868	994	
Chicago, Rock Island & Pacific	12,798	12,521	11,982	13,347	11,402	
Chicago & Eastern Illinois	3,131	2,944	2,378	5,233	6,526	
Colorado & Southern	1,093	1,192	1,263	2,236	2,087	
Denver & Rio Grande Western	4,624	4,425	5,271	6,496	6,119	
Denver & Salt Lake	689	776	774	22	18	
Fort Worth & Denver City	918	890	1,731	1,418	1,551	
Illinois Terminal	1,879	2,059	1,507	1,914	1,882	
Missouri-Illinois	1,248	1,168	1,049	546	536	
Nevada Northern	1,651	1,771	2,052	197	123	
North Western Pacific	756	930	994	1,094	758	
Peoria & Pekin Union	23	14	32	0	0	
Southern Pacific (Pacific)	31,033	30,989	29,195	15,261	14,270	
Toledo, Peoria & Western	420	406	272	1,871	1,828	
Union Pacific System	19,853	19,801	18,060	15,916	18,552	
Utah	515	703	618	4	11	
Western Pacific	2,208	2,444	2,735	4,759	4,407	
Total	135,794	135,223	126,573	103,003	100,426	

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1944	1943				

Items About Banks, Trust Companies

At a meeting of the board of directors of Bankers Trust Company, held on Dec. 5, L. G. Payson and P. M. Tuttle, formerly Assistant Vice-Presidents, were elected Vice-Presidents, effective as of Dec. 1, and W. J. Snow, Jr., who is now Director of Finance of the Farm Credit Administration at Kansas City, Mo., was elected an Assistant Vice-President, effective Dec. 30. The following promotions were also approved by the board, effective as of Dec. 1:

E. M. Andel and F. W. Bristow, Assistant Treasurers, were elected Assistant Vice-Presidents; P. J. Dugan, building superintendent, becomes chief engineer; R. W. Parsons of the Bond Department, becomes an Assistant Vice-President, and J. H. Morris was made Assistant Manager of the Bank's London office.

Mr. Payson joined Bankers Trust Company in August, 1943, prior to which he was President of the Stock Clearing Corporation of the New York Stock Exchange and Assistant Executive Manager of the Victory Fund Committee of the War Finance Committee. Mr. Tuttle has been associated with the Bank since 1942, prior to which he was associated with Bonbright & Co., of this city. Mr. Snow attended the University of California and took his law degree from George Washington University, being admitted to the District of Columbia bar in 1931. For the past 20 years he has been connected with the Federal Land Bank System, the Federal Farm Loan Bureau, and at one time was an assistant Federal Reserve Bank examiner. For the past 10 years he has been with the Farm Credit Administration and is thoroughly familiar with the operations of that organization and its affiliated operations, the Federal Land Banks, Federal Intermediate Credit Banks and the Federal Farm Mortgage Corporation.

Percy H. Johnston, Chairman of the Chemical Bank & Trust Company of New York, announced on Dec. 7 that the directors had approved the payment of a bonus on annual salaries to all officers and employees, amounting to 5% on the first \$5,000, with an additional 3½% on the next \$5,000 and an additional 2% on all salaries above \$10,000. This payment will also be made to officers and employees in military service. The Chemical Bank has made a practice of paying a Christmas bonus since 1870.

Mr. Johnston also announced that the board of directors on Dec. 7 declared the regular quarterly dividend of 45 cents per share on the capital stock of the bank, payable Jan. 2, 1945, to stockholders of record Dec. 15, 1944.

At a meeting of the Board of Directors of the Federation Bank and Trust Company of New York, held on Dec. 5, the company declared a stock dividend of 7/33rds of a share for each share presently held, concurrently with a quarterly cash dividend of 25 cents per share. The stock dividend totals 17,500 shares, increasing the stock of the bank from 82,500 to 100,000 shares. Plans to increase the capital of the bank from \$825,000 to \$1,000,000, approved by the stockholders on Nov. 14, were referred to in our issue of Nov. 16, page 2176. The State Banking Department approved the certificate of increase on Nov. 17.

Arthur Queren, an Assistant Treasurer of The Continental Bank & Trust Co. of New York, has been elected an Assistant Vice-President. It was announced on Dec. 10. Mr. Queren entered the employ of the bank in 1906 as a runner and was made an Assistant Treasurer in 1929. He has had supervision of the loan department for several years and

will continue in that capacity. The bank also announced the promotions of Edmund Pigeon to the post of Assistant Secretary and Edward Murphy to Assistant Trust officer. Both have been in the trust department of the bank since 1931. All the changes were effective on Dec. 11.

Helen Knox, Manager of the Women's Department of the Chase National Bank, Grand Central Branch, and President of the Association of Bank Women Executives, addressed the Filing Association of New York at a meeting held at the Hotel New Yorker on Monday, Dec. 11. Miss Knox spoke on the work women are doing in banks throughout the country.

Dean R. Nott, Chairman of the Erie County Savings Bank, Buffalo, N. Y., and civic leader, died on Dec. 5. Mr. Nott was elected Vice-President of the bank in 1931 and was its President from June, 1932, until January, 1942, when he became Chairman of the board.

The Buffalo "Evening News" reports that Mr. Nott, at various times, was a director of the Fidelity Trust Co. of Buffalo, the Manufacturers & Traders Trust Co., the Savings Banks Trust Co. of New York, and the Institutional Securities Corp., also of New York.

The British County Trust Co. of Taunton, Mass., recently bought the Taunton Morris Plan Bank, according to the Providence "Journal" of Nov. 22, which said:

"The deal whereby the local bank takes over the assets of the Providence Morris Plan, which has run the local Morris Plan for the past few years, also includes, it is stated, the purchase of the Morris Plan banking property on Winthrop Street that runs through to Cohannet Street, where it has as a tenant the business offices of the New England Telephone & Telegraph Co."

At a meeting of the Executive Committee of the Directors of the State Street Trust Co. of Boston, on Dec. 8, Benjamin R. Vaughan of Melrose was elected a Vice-President. He will be head of the Massachusetts Avenue office, where he has served as an officer of the trust company for the past 20 years in close association with the late Stephen H. Roberts.

At their regular meeting held on Dec. 7 the directors of the Capital Bank & Trust Co. of Harrisburg, Pa., declared the usual semi-annual dividend of 30 cents per share, plus an extra dividend of 10 cents per share (\$10 par value) to stockholders of record Dec. 11, payable Dec. 22.

L. S. Tark, President of the Main State Bank of Chicago, Ill., announced on Dec. 4 that directors of the bank had approved the transfer of \$100,000 from undivided profits to surplus, thus bringing the latter up to \$600,000.

Mail Service to Greece

Postmaster Albert Goldman announced on Nov. 29 that information has been received from the Post Office Department at Washington, that the limited mail service with Greece is now extended to include Macedonia and Thrace. The advice is:

"Under previous arrangements which went into effect Nov. 23, provision was made for non-illustrated post cards to be mailed to all of Greece except Macedonia, Thrace and Crete. The rate of postage applicable is 3 cents."

Manufacturers Adopt A Six-Point Program

(Continued from page 2626)

isms, greed and selfishness retard its development and, at times, seem to threaten its continuation even here where the vision of a social-economic system based on the idea of service to each other was first given.

III

We Believe Our Free Enterprise System and Our American Form of Government Are Inseparable—and There Can Be No Compromise Between a Free Economy and a Government-Dictated Economy Without Endangering Our Political as Well as Our Economic Freedom.

By our American form of government we mean a representative, constitutionally limited government with emphasis on the word limited. That is where the founders put the emphasis. Unlimited government in any form, even unlimited good government, is bound to devour freedom.

Government, in order to be a government, must, in the final analysis, depend on the legal use of force, and by its very nature must make this force the basis of its dealings with the private citizen. Under any form of government-dictated economy this means the intrusion of the irresistible force of government into the everyday affairs of life. These intrusions must be accomplished by those in the employ of the government. Such is political bureaucracy, and therein lie the seeds of tyranny.

Even before the war it was only too evident that the area of individual freedom in this country was shrinking, that the area of governmental authority over the individual was expanding. As the power of government agencies increased, the prestige of the parliamentary principle—the Congress, the State Legislatures, the town fathers dealing with local affairs—declined.

More and more we have come to be governed, not by laws that are first debated and then enacted, but by the device of so-called administrative law, which is to say, by decrees, executive orders, rules, regulations and interpretations, which are dictated by bureaus, boards, commissions, all the new sprawling alphabetical agencies of government, and then sent to the Federal Register to be filed and published as law. The power bureaucracy has come to wield in this country is enormous, and ramifies, conflicts, parallels and duplicates beyond belief.

To challenge the wisdom, the propriety, or the necessity of a bureaucratic directive soon comes to be regarded as a challenge to government itself. Even questions of broad policy tend to cease to be a proper subject for debate between the citizen and his government.

So it is then that in a government-dictated economy, not only free enterprise is doomed to extinction, but political liberty itself is jeopardized. On any question of large public moment, to acquiesce may well involve submission to an act of tyranny; to resist is to revolt against governmental authority. That is why under totalitarian governments only one political party is tolerated, and the individual must be either for the government or against it!

There is carved on the lintel of the United States Supreme Court the legend: "To the end that this shall be a Government of law, not of men." Yet in this country the bureaucrat now frequently performs legislative, administrative, and judicial functions, through the relatively recent expansion of the device of administrative law. This, in any language, in any country, under any circumstances, is tyranny. Perversions of administra-

tive law as a device for regimenting economic aspects of individual enterprise should be abolished, in order that government by appointees in place of elected representatives of the people shall cease.

IV

We Believe Government-Dictated International Trade Tends to Disturb Peace and Breed Wars.

Dictated economies tend to insulate themselves from the rest of the world and to rely upon Government cartels and monopolies. This creates an international restriction on competition which endangers peace because then governments themselves become great trading bodies, and the exchange of goods and services among nations is controlled, not by competition, but by military power. Cartels are contrary to the principles of free enterprise. International trade and domestic trade are not two things, they cannot be isolated in compartments, one from the other.

V

We Believe a Sound Currency Is Essential to the Preservation of Self-Government.

The first requisite of a sound currency is obedience to the simple, jealous law of solvency.

The widely held popular delusion that so far as governments are concerned solvency is a fetish, constitutes a menace to our social, economic and political stability. If this way of thinking continues to prevail, it will involve us in a great disaster. There is a flood of political doctrines now current in the world which assumes it to be an obligation of government to manipulate credit and to employ it as an instrument of social policy. This idea has been raised to the level of economic theory, identified by such names as the theory of deficit spending or the theory of compensatory budgets. The debasement of currency and the manipulation of credit, however well intentioned, has a long and tragic history of failure. If in time of peace we persist on that road we shall come either to the hard lesson of bankruptcy, or worse, to a totalitarian form of government under which experience shows such devices can sometimes be made to work, but only temporarily.

A currency redeemable in gold and a banking system outside the realm of political domination provide a free people with the best bulwark against political demagoguery and the perpetration of unsound economic practices by incompetent or ill-advised governments. That it has seemed advisable to some to suspend this sound fiscal principle to meet the exigencies of war finance does not impair its validity for peacetime application. Our banking and credit structure should be restored to private managements and our currency made redeemable in gold at the earliest feasible moment.

VI

We Believe the Perversion of the Power of Taxation From Its Legitimate Purpose to Indirect Efforts at Alleged Social and Economic Reform Is a Serious Threat to the Stability of Our Form of Government and Our Way of Life.

The aim of taxation should be to meet the limited expenditures of limited government. All schemes of taxation that go beyond this, such as those that are designed to redistribute the national income according to the notions of men in government, lead directly to that state of society in which people no longer support government, and by virtue of supporting it, control it, but are themselves supported and therefore controlled by government, and cannot be free.

On many of the details of social, economic and political problems growing out of conversion to war and reconversion to peace, opinions may differ, but on fundamental principles there must be no compromise.

We, the War and Reconversion Congress of American Industry, believe that within the framework of these enumerated broad principles America can and will work out her destiny.

We recommend them to the thoughtful consideration of our fellow citizens because they affect those aspects of our national life with which we in industry have had the most experience and are best acquainted. Furthermore, they bear directly on our ability to discharge that part which industry bears of the responsibility for the production and distribution of industrial goods, and for the employment of people in industry.

We in America have evolved a unique way of life that has enabled us to build a great nation. Our people, through vision and resourcefulness, by industry and thrift, have earned for themselves a state of general well-being and freedom beyond anything ever before accomplished. We have inclined to generosity toward our fellow-men at home and abroad. Socially we are democratic and in many ways we have shown our sympathy to the oppressed.

In the few short years of our history, we have come closest to the realization of that vision which for centuries has led men to strive and to achieve a better and more secure existence and a fuller and freer life.

Our social structure has no rigidity. Opportunity beckons all. Class hatred and class struggles have no place here. It is a great pity that such contentions have been introduced into our national life.

We have seen no government-dictated economies yield fruits compared with ours. Dictatorships of any description are abhorrent to us, for they are incompatible with freedom. With the genius of our people for self-government, we must reverse the trend toward the concentration and centralization of governmental power, and the regulation and regimentation of our lives.

The great, the fundamental question facing mankind today is: Will this be truly a victory for freedom? Shall we look toward greater freedom for the individual as the best basis for further progress or, faced with the complex problems of a war-torn world, shall we go back to the age-old concept that the individual is a mere subordinate unit of an all-powerful government? Under the stress of conditions imposed by total war, it has seemed desirable to adopt many of the regulatory measures employed by totalitarian governments to regiment the lives of their people, but these measures are not in our peacetime tradition.

There runs in the blood of every true American the heritage of the pioneer courage which brought him to this land that first declared for equal freedom for all individuals under a government by law, under a government drawing its just powers from the consent of the governed.

To build the nation that we have built, men had to be free—free to create, to work, to enjoy in secure possession the stimulation of a reward commensurate with the effort expended and the skill acquired, free from the distractions of combating tyranny, free from the spiritual depression resulting from the resentment of injustice. We must consciously strive for the advancement of all, for a society permeated by a spirit of good-will toward one's fellow-men.

This is the American tradition. This is the tradition for which American industry declares. This is the tradition for which America fights.