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The Financial Situation

Those sections of the President's annual message on the State of the Union which have to do with the conduct of the war, and with the problems which immediately confront the nation and the world, will, we imagine, absorb most of the attention of the public. Certainly there is enough in these to warrant some very careful study. In those sentences which set forth the situation as it bears upon the production needs back here at home and the nature of the manpower situation there is much to supply the background for such drastic steps as those which have been taken by various officials within the past week or two.

"Complacency" in Washington

It is very definitely to the credit of the President that he does not, as many of his associates and subordinates have repeatedly done, either directly or by implication hold selfishness, indifference or "complacency" on the part of the public responsible for the situation as it stands today. It is all too clearly a result of miscalculation and faulty judgment on the part of many of the leaders of the land—not of the rank and file, and most certainly not of the industrial leaders who naturally take their cue in such matters from those in authority. Unfortunate it is in the extreme that experience should even raise the question as to whether the President's account of the existing state of affairs is afflicted with the common present-day Washington ailment of telling the people not so much what is true as what it is thought they should believe.

The state of affairs as regards manpower even as the (Continued on page 187)

Dewey Urges Increase of State's Post-War Fund to \$310,000,000

New York Executive, in Annual Message to State Legislature, Urges That This Year's Expected Surplus of \$150,000,000 Be Added to \$160,000,000 Now Earmarked for War-Deferred Projects and Improvements. Also Calls for Continuance of 25% Reduction in Personal Income Tax; an \$800,000,000 State Highway and Parkway Program "in the Coming Years"; State Development of the St. Lawrence Seaway and Power Project; Adoption by the State of the Merit Rating System in Connection With Unemployment Insurance Taxes Paid by Employers and Legislation Providing for State Control Over Commercial Rents.

In his annual message to the New York State legislature on Jan. 3, Governor Thomas E. Dewey urged that all officers and officials of the government "at the very outset of this legislative session, mutually repledge ourselves that we shall continue to work together in all things needed to maintain the strength and purpose of our great State and its thirteen million people wholeheartedly and effectively in the war effort." The Governor set forth a series of recommendations designed to further improve operations of the



Thomas E. Dewey

State during the war emergency and to facilitate the smooth adjustment of the State's economy to peacetime conditions.

Among the Governor's recommendations was that the State's Post-War Reconstruction Fund be increased to \$310,000,000 by adding this year's expected \$150,000,000 surplus to the \$160,000,000 presently in the fund. The purpose of this fund, the Governor noted, is to "husband the wartime savings" in order to finance war-deferred projects and improvements and to aid in the stimulation of job opportunities in peacetime for returning servicemen and displaced war workers.

Mr. Dewey also urged that the Legislature continue the 25% reduction in the State's personal income tax, although he warned (Continued on page 187)

FDR Again Calls For Enactment Of National Service Act

In State-of-Union Message to Congress He Also Cites Need of Revision of Tax Structure to Encourage Private Enterprise. Urges Legislation to Provide for Induction of Nurses Into Armed Forces. Advocates Universal Military Training and Says 1945 Can and Must Be Beginning of Organization of World Peace

Outstanding in the annual State-of-the-Union Message of President Roosevelt presented to Congress on Jan. 6 was the renewal of his

recommendation for the enactment of a National Service Law. In his message the President stated that "last year, after much consideration, I recommended that the Congress adopt a National Service Act as the most efficient and democratic way of insuring full production for our war requirements. This recommendation was not adopted."

"I now again call upon the Congress," he said, "to enact this measure for the total mobilization of all our human resources for the prosecution of the war. I urge that this be done at the earliest possible moment. It is not too late in the war. The closer we come to the end of the war the more pressing becomes the need for sustained war production with which to deliver the final blow to the enemy," said the President, who added:

"There are three basic arguments for a National Service Law.

"First—It would assure that we have the right numbers of workers in the right places at the right times.

"Second—It would provide supreme proof to all our fighting men that we are giving them what they are entitled to, which



President Roosevelt

is nothing less than our total effort.

"And third—It would be the final, unequivocal answer to the hopes of the Nazis and the Japanese that we may become half-hearted about this war and that they can get from us a negotiated peace.

"National service legislation would make it possible to put ourselves in a position to assure certain and speedy action in meeting our manpower needs."

Another of the recommendations in the President's message had to do with Federal taxation, as to which he said:

"Our present tax system geared primarily to war requirements must be revised for peacetime so as to encourage private demand.

"While no general revision of the tax structure can be made until the war ends on all fronts, the Congress should be prepared to provide tax modifications at the end of the war in Europe designed to encourage capital to invest in new enterprises and to provide jobs. As an integral part of this program to maintain high employment, we must, after the war is over, reduce or eliminate

taxes which bear too heavily on consumption."

Preceding his remarks on this subject the President asserted that "an expanded Social Security program and adequate health and education programs must play essential roles in a program designed to support individual productivity and mass purchasing power." He went on to say that "the millions of productive jobs that a program of this nature could bring are jobs in private enterprise. They are jobs based on the expanded demand for the output of our economy for consumption and investment. Through a program of this character we can maintain a national income high enough to provide for an orderly retirement of the public debt along with reasonable tax reduction."

In commenting on the inability of getting needed nurses for the army, which he stated, "is not due to any shortage of nurses," the President stated in his message that "since volunteering has not produced the number of nurses required, I urge that the Selective Service Act be amended to provide for the induction of nurses into the armed forces. The (Continued on page 192)

From Washington Ahead of the News

By CARLISLE BARGERON

The American people, even in a period of severe travail, having a notorious sense of humor, they ought to get a tremendous kick out of what is now happening in Washington and what is going to happen for the next several weeks. They are to see political pageantry at its best. We have had plenty of this pageantry in the past, laughed at other peoples who were having it, laughed at



Carlisle Bargeron

home front and he had to have a diversion for his people; he had to get them to thinking about something else than what was happening to them. It seemed quite logical and until this day we think it was the truth, notwithstanding that in the propaganda of later years, we are being told that that was just a try-out for the Second World War.

Well, anyhow, our incumbent Government is in an awful fix. Notwithstanding that the issue in the campaign was that FD had to be reelected because he could get along with Churchill and Stalin, he doesn't seem to be getting along with either of them. Aside from that, things are not going well on the Western front. During the Fourth Term Presidential campaign, there was a tremendous suspense. The Republican politicians told themselves frankly and their fellows, that it looked as though FD was going to pull a victory on the European front out of the hat, to confound them. Instead of pulling the victory out (Continued on page 195)

We recall very vividly that Mussolini went into Ethiopia, we believe, in 1936. Anyway he went in there. The explanation of our Government and our editors at the time was that this was nothing to be annoyed about. It was the way of dictators. Mussolini, we were told, was in trouble on the

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The State of Trade

The pessimism that has accompanied the ushering in of the New Year makes one ponder events that are now behind us and seek a full explanation in our own minds for the decidedly unfavorable turn in the course of the European war.

Before the election the American people were led to believe that the war on all fronts was progressing well and that a few short months would bring to a close the campaign in Europe. Cutbacks and termination of war contracts were growing in pace and the question of post-war employment to the tune of 60,000,000 jobs was made a very effective Administration issue in the presidential campaign.

Reports emanating from Detroit and other large industrial centers with recurring frequency told of plans for a speedy reconversion of industry to peace-time production and a better world ahead as a result of the great progress made by science and industry in behalf of our war effort. An interchange of thoughts and ideas on international aviation, foreign trade and kindred economic matters in relation to post-war planning were also taking place. Draft calls and manpower problems had arrived at a low point. In the case of the former, quotas were being set up merely to furnish replacements for the armed forces, and as for manpower, the need thereof was heard only in isolated instances.

Today the people of America are aware of the delusion under which they labored and wonder why the whole truth was kept from them. For an answer they need only hearken back to the period that followed our formal entrance into the war after the incident at Pearl Harbor on Dec. 7, 1941.

Those years were years of great uncertainty and confusion. Unnecessary confusion and blundering on the part of our Government in the prosecution of the conflict and the adaptation of the home front to a war-time economy. The powers vested in the President by congressional consent to expedite and clarify governmental policies and attain maximum production for war only seemed to complicate matters more, leaving the citizen in a quandary as to how best to serve his country and safeguard himself as far as possible his personal interests. Left in the hands of the bureaucrats alone, our great industrial achievement would have been an unaccomplished fact.

In that period the draft problem was a constant source of annoyance both to the men concerned and business and industry as well. Day by day directives from Selective Service promulgating new regulations only to countermand them in short order, left both employer and employee in such a confused state that neither could tell from one day to another what their status was. The net result to business and industry was inefficiency, and to the Government, excessive production costs subsequently handed on to the taxpayers.

From the evidence at hand in the nature of a National Service Act, requested by the President in his annual message, the American people, if the Administration has its way, are in for a greater dose of Government regulation and regimentation in the not distant future. The difficulty encountered in prosecuting the German war to a victorious completion is the reason given for such a step. The delusion of the people as to the real truth concerning the enormity of the war in Europe has been exploded even at the expense of a rigid censorship of the news heretofore imposed upon them.

Should a National Service Act be put into effect the ramifications of such a measure would indeed be far-reaching and its total effect upon our home economy detrimental.

The need at this time for such

legislation is questionable, since only last month A. J. Krug, Chairman of the War Production Board, told a congressional committee that it was "too late" for a national service law. At present the Government's payroll continues to reflect an increase at the rate of about 7,000 a month to meet the needs of steadily expanding administrative staffs as new areas are liberated. The Byrd Committee insists an arbitrary reduction of 500,000 in Government civilian personnel would more than meet all manpower shortages in industry. To show the unusual growth in Federal payrolls, the Civil Service Commission reports total non-military personnel in Federal agencies at 3,571,709, an increase of 2,500,000 since the defense and rearmament program was launched in June, 1940.

It would appear from the foregoing figures that the needs of industry could adequately be met by a paring down of over-stuffed Federal departments, as Senator Byrd suggests, without resorting to a compulsory work law.

Now that the American people are cognizant of the military situation and the need for greater effort on the home front in bringing the war to an end, they can take the bitter with the sweet and be depended upon to measure up to the task that lies ahead of them.

Steel Industry—The steel industry last week felt the full effects of an overall pressure stemming from the now general belief that the war in Europe might take much longer to finish. New bookings and heavy steel production in the week continued to bear out such a viewpoint, states "The Iron Age" in its Jan. 4 issue.

Despite the holidays, steel orders rose sharply again last week, with forge shops and structural steel fabricators acquiring comfortable backlogs even though the letter had run out of landing craft contracts.

Steel deliveries have lengthened considerably in the past 30 days, the magazine points out, particularly on narrow gage and highly flat rolled products and carbon bars, reflecting heavy pressure of CMP orders and WPB delivery directives. Strip mill size sheets in many cases are now promised for June delivery and galvanized sheets extended from June to August. In the case of tin plate shipments formerly available in February, some producers are now promising April delivery. Cold rolled sheets have been extended to May from March; hot rolled sheets to May and August from March; carbon bars to June and July from March and April; some sheared plates to June from April; wider sheared plates unchanged to March, and universal plates remaining unchanged from March promises in most cases. Narrow and wide strip were still being promised for May delivery.

The first steps taken recently to relieve, in part, the tight delivery situation has been to cut-back first quarter tin plate directives to 1944 fourth quarter levels after they had been raised, the magazine reports. Released mill space will go partially into galvanized sheets and possibly, in some cases, into rails.

Concern is being shown by steel mills that rapid increases and production directives for war programs will extend carryovers. The carryover situation at present

centers in sheets and shell steel rather than in plates, which were the most delayed item previously.

Warehouses in some areas have been soliciting support from their customers in a new effort to impress WPB with their importance to essential industry, "The Iron Age" discloses. Should some orders be forced off mill books or delayed by production directives for munition steel requirements, customers will have to turn to warehouses and excess stocks to maintain their material purchases.

New inquiries for 3,500 freight cars, most of them 50-ton box cars and many of them high strength steel, have been received during the past week.

The Transportation Equipment Division of WPB has authorized construction of 500 40-ton box cars and 400 50-ton box cars in July; 100 50-ton pulpwood cars in June; 750 40-ton box cars in August-September, and 250 40-ton gondolas; 100 20-ton flats, and 20 20-ton box cars in September. Authorization has been granted to build four dining cars in September and one locomotive works reports a substantial reduction in its Army locomotive program following recent cancellations.

The American Iron and Steel Institute announced last Tuesday that the operating rate of steel companies (including 94% of the industry) will be 93% of capacity for the week beginning Jan. 8, compared with 95.8% one week ago. The decline reflects the shutdown of some facilities for repairs. This week's operating rate is equivalent to 1,677,500 net tons of steel ingots and castings, compared with 1,728,100 net tons last week and 1,731,300 tons one year ago.

Electric Production—The Edison Electric Institute reports that the output of electricity increased to approximately 4,225,814,000 kwh. in the week ended Dec. 30 from 4,616,975,000 kwh. in the preceding week. Because the same week last year contained the Christmas holiday, no percentage comparisons are available. Output in the 1943 weekly period reached 4,337,387,000 kwh. and 3,779,993,000 kwh. for the same period in 1942.

Consolidated Edison Co. of New York reports system output of 186,700,000 kwh. in the week ended Dec. 31, 1944, comparing with 219,400,000 kwh. for the corresponding week of 1943, or a decrease of 14.9%.

Local distribution of electricity amounted to 174,900,000 kwh., compared with 208,700,000 kwh. for the corresponding week of last year, a decrease of 16.2%.

Railroad Earnings in November—Class I railroads of the United States in November, 1944, had an estimated net income, after interest and rentals, of \$63,900,000, compared with \$63,347,988 in November, 1943, according to the Bureau of Railway Economics of the Association of American Railroads. In the first 11 months of 1944 estimated net income, after interest and rentals, totaled \$627,300,000, compared with \$838,877,492 in the corresponding period of 1943.

Net railway operating income, before interest and rentals, in November amounted to \$91,578,941, compared with a total of \$94,179,007 in November, 1943. (November is the 18th consecutive month in which the net earnings of the carriers has shown a decline.) In the first 11 months of this year net railway operating income of the carriers, before interest and rentals, totaled \$1,035,410,270, compared with \$1,290,046,349 in the same period of 1943.

In the 12 months ended Nov. 30, 1944, the rate of return on property investment averaged 4.02%, compared with 5.42% for the same period in 1943.

Operating revenues for November totaled \$780,672,489, compared

with \$761,993,806 in November, 1943, while operating expenses totaled \$524,449,672, as against \$502,191,518 in the same month of 1943. Total operating revenues in the first 11 months of 1944 totaled \$8,679,932,149, compared with \$8,272,347,276 in the same period of 1943, or an increase of 4.93%, while operating expenses in the same period amounted to \$5,726,193,980, compared with \$5,057,982,983 in the corresponding period of 1943, or an increase of 13.21%.

Taxes paid in the first 11 months of 1944 totaled \$1,732,631,860, compared with \$1,749,594,542 in the same period of 1943. For the month of November alone, the tax bill of the carriers amounted to \$147,214,549, a decrease of \$3,512,554, or 2.33% under November, 1943.

Railroad Freight Loading—Carloadings of revenue freight for the week ended Dec. 30 totaled 584,757 cars, the Association of American Railroads announced. This was a decrease of 177,692 cars, or 23.3% below the preceding week this year and 58,687 cars, or 9.1% below the corresponding week of 1943. Compared with a similar period in 1942, a decrease of 36,416 cars, or 5.9%, is shown.

The current week included the Christmas holiday, while the 1943 and 1942 weeks included the New Year's holiday.

For the year 1944 loadings of revenue freight on the railroads of the United States totaled 43,441,266 cars, according to complete reports of the Association. This was an increase of 1,001,315 cars, or 2.4% above the preceding year.

Coal Production—The U. S. Bureau of Mines reports production of Pennsylvania anthracite for the week ended Dec. 30, 1944, at 784,000 tons, a decrease of 344,000 tons (30.5%) from the preceding week, and 112,000 tons, or 12.5% below the corresponding week of 1943. For the 1944 calendar year to date, estimated production amounted to 64,445,000 tons, or an increase of 6.3% when compared with corresponding period of 1943.

The report of the Solid Fuels Administration placed bituminous production for the week ended Dec. 30 at 8,310,000 net tons, a decrease of 2,570,000 tons under the previous week. No coal was produced on Christmas Day. Production in the corresponding week of last year amounted to 10,515,000 net tons, while output for Jan. 1 to Dec. 30, 1944, was estimated at 620,000,000 net tons, an increase of 29,823,000 tons, or 5.1% over the 590,177,000 tons mined in the same 1943 period.

Estimated production of beehive coke in the United States for the week ended Dec. 30, 1944, as reported by the same source, showed a decrease of 6,100 tons when compared with the output for the week before and 51,300 tons less than for the corresponding week of 1943.

Crude Oil Production—Daily average gross crude oil production for the week ended Dec. 30, as estimated by the American Petroleum Institute, was 4,705,900 barrels. This represented a decrease of 23,200 barrels per day over the preceding week, and 16,200 barrels below the daily average figure recommended by the Petroleum Administration for War for the month of December, 1944. When compared with the corresponding week last year, crude oil production was 348,600 barrels per day higher. For the four weeks ended Dec. 30, 1944, daily output averaged 4,708,750 barrels.

Reports from refining companies indicate that the industry as a whole ran to stills (on a Bureau of Mines basis) approximately 4,798,000 barrels of crude oil daily and produced 15,342,000

barrels of gasoline. Kerosene output totaled 1,518,000 barrels, with distillate fuel oil placed at 4,257,000 barrels and residual fuel oil at 9,156,000 barrels during the week ended Dec. 30, 1944. Storage supplies at the week-end totaled 86,614,000 barrels of gasoline, 11,296,000 barrels of kerosene, 39,495,000 barrels of distillate fuel and 57,430,000 barrels of residual fuel oil.

Silver—As of Jan. 2, 1945, the London bullion market revised its basis for quoting on silver to conform with that of the New York market. London will quote silver on the basis of the troy ounce .999 fine, also known in the silver market as the fine ounce. Up to and including Dec. 29, London silver was quoted on the basis of the standard troy ounce .925 fine. The change was made to facilitate trading in the metal. Direct price comparison is now possible. Effective Jan. 2, 1945, London silver was quoted at 25½d. per troy ounce .999 fine, equivalent to 23½d. per standard ounce troy .925 fine. The New York Official for foreign silver continued at 44¾ cents, with domestic silver at 79½ cents per troy ounce .999 fine.

Business Failures—Although the work week was shortened by the Christmas holiday, commercial and industrial failures took an upturn in the week ended Dec. 28, jumping from 15 in the previous week to 22, Dun & Bradstreet, Inc., reports. Concerns failing with liabilities of \$5,000 or more rose from nine a week ago to 14, equaling their number in the corresponding week of last year. Small failures showed an increase also, but were below the number of the prior year. No failures were reported in Canada, as compared with one both in the previous week and a year ago.

Retail and Wholesale Trade—Retail volume on a country-wide basis in all mercantile lines dropped considerably during the past week. The principal causes were unfavorable shopping weather in certain sections of the country and the usual year-end tapering off of consumer buying, Dun & Bradstreet, Inc., reports. Post-holiday buying by consumers in search of special items and by others checked the decline to the extent that sales volume held above the levels of a year ago.

Furniture lines experienced the largest drop in sales, transactions being practically negligible. The volume in house furnishings such as floor covering, drapery and upholstery suffered from shortages, while sales of grocery and liquor lines continued large. For liquor alone the volume for the holiday season was the highest on record in many localities. Increased buying of canned goods, it was reported, helped to stimulate grocery volume last week. Scattered clearance sales were held by many of the smaller stores and some department stores in the mercantile lines, especially house furnishings and women's wear, during the week. Evening gowns, sportswear, coats, lingerie, jewelry and handbags moved especially well. Millinery was in fair demand, and some resort wear, such as slacks suits, short sets and other play clothes attracted interest. Moderate gains over last year were reported by men's clothing stores, with suits, furnishings and hats selling well.

Despite blizzard weather in many parts of the country, sales volume for the nation last week was estimated 4% to 8% above a year ago. Regional percentage increases were: New England, 2 to 6; East, 4 to 8; Middle West, 1 to 4; Northwest, 0 to 5; South, 5 to 9; Southwest, 9 to 14, and the Pacific Coast, 8 to 12.

The Financial Situation

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President portrays it does not, in our judgment, warrant the coercive legislation which the President again insists upon. What is more, it may be seriously questioned if such legislation could be made effective—certainly not when officialdom and the political leaders of the country give the impression quite common until a very few weeks ago about the progress of the war in Europe. The President's commendable refusal to indulge in a general exhortation of the rank and file should have been followed by its natural result of declining to appeal for further coercive legislation which is not needed and which is dangerous even in war time.

Post-War Revolution

But be all this as it may, we earnestly hope that certain passages of the President's message which have to do with post-war plans do not escape attention. In their way they appear much more disturbing than what the President had to say about the war and related matters. After all, it is for a future satisfactory to us that this war is being fought. For our part, we do not believe that any future will be satisfactory to us which rests upon foundations as alien to our traditions and to our basic ideas of life as those either plainly expressed or definitely implied in the President's brief discussion of his post-war plans. The Chief Executive announces that later special messages will further elucidate his position. We certainly hope that these documents will not keep the promises implicit in what the President now has to say on the subject.

Feeling strongly that they must not be permitted to escape attention, a number of paragraphs from the President's State of the Union message are herewith presented at some length:

We have had full employment during the war. We have had it because the Government has been ready to buy all the materials of war which the country could produce—and this has amounted to approximately half our present productive capacity.

After the war we must maintain full employment, with Government performing its peacetime functions. This means that we must achieve a level of demand and purchasing power by private consumers—farmers, business men, workers, professional men, housewives—which is sufficiently high to replace wartime Government demands; and it means also that we must greatly increase our export trade above the pre-war level.

Our policy is, of course, to rely as much as possible on private enterprise to provide jobs. But the American people will not accept mass unemployment or mere makeshift work. There will be need for the work of everyone willing and able to work—and

that means close to 60,000,000 jobs.

Full employment means not only jobs, but productive jobs. Americans do not regard jobs that pay substandard wages as productive jobs.

We must make sure that private enterprise works as it is supposed to work—on the basis of initiative and vigorous competition, without the stifling presence of monopolies and cartels.

During the war we have guaranteed investment in enterprise essential to the war effort. We should also take appropriate measures in peacetime to secure opportunities for new small enterprises and for productive business expansion for which finance would otherwise be unavailable.

This necessary expansion of our peacetime productive capacity will require new facilities, new plants and new equipment.

It will require large outlays of money which should be raised through normal investment channels. But while private capital should finance this expansion program, the Government should recognize its responsibility for sharing part of any special or abnormal risk of loss attached to such financing.

Our full-employment program requires the extensive development of our natural resources and other useful public works. The undeveloped resources of this continent are still vast. Our river-watershed projects will add new and fertile territories to the United States. The TVA, which was constructed at a cost of \$750,000,000—the cost of waging this war for less than four days—was a bargain. We have similar opportunities in our other great river basins. By harnessing the resources of these river basins, as we have in the Tennessee Valley, we shall provide the same kind of stimulus to enterprise as was provided by the Louisiana Purchase and the new discoveries in the West during the Nineteenth Century.

If we are to avail ourselves fully of the benefits of civil aviation and if we are to use the automobiles we can produce, it will be necessary to construct thousands of airports and to overhaul our entire national highway system.

The provision of a decent home for every family is a national necessity if this country is to be worthy of its greatness—and that task will itself create great employment opportunities. Most of our cities need extensive rebuilding. Much of our farm plant is in a state of disrepair. To make a frontal attack on the problems of housing and urban reconstruction will require thoroughgoing cooperation between industry and labor, and the Federal, State and local governments.

An expanded Social Security program and adequate health and education programs must play essential roles in a program designed to support individual productivity and mass purchasing power. I shall communicate further with the Congress on these subjects at a later date.

The millions of productive jobs that a program of this nature could bring are jobs in private enterprise. They are jobs based on the expanded demand for the output of our economy for consumption and investment. Through a program of this character we can maintain a national income high enough to provide for an orderly retirement of the public debt along with reasonable tax reduction.

About two years ago, the American public began to take notice of the revolutionary thought and proposals of the National Resources Plan-

Dewey Urges Increase of State's Post-War Fund to \$310,000,000

(Continued from first page)

that it would be unwise, "in the existing 'war-time' conditions of full employment and increased incomes, to undertake a further general tax reduction." In support of this policy he noted that as a result of the recent Federal ban on horse-racing, New York State "stands to lose at least \$27 million of revenues in the coming fiscal year."

Other highlights of the Governor's message included an \$800,000,000 program of highways and parkways and grade crossing eliminations "in the coming years"; State development of the St. Lawrence Seaway and Power project on a self liquidating basis, "in co-operation with the Dominion of Canada and the Province of Ontario"; pay increases for State employees, including members of the legislative bodies; and adoption by the State of the merit rating system with respect to payment of unemployment insurance taxes by employers. In connection with the latter subject, the Governor observed that more than three-quarters of the States grant "different rates of contribution to different types of employers" and that in these States the tax "is varied so as to reward the maintenance of stable employment levels."

Governor Dewey's message, in full text, as contained in the "Herald Tribune" of Jan. 4, is as follows:

To the members of the Legislature of the State of New York:

For the fourth successive year your honorable bodies meet to consider the legislative needs of our State at a time when our country is engaged in a desperate war. Today we have come to one of the gravest hours of that war. A decisive battle is being fought on the fields of Europe. Its outcome will determine whether victory or to be deferred. Inevitably, many of the decisions that we here are called upon to make will be governed by the outcome of the great battle now being fought.

All of us, whatever branch of the State government we serve and whatever our political affiliations, have been united in our determination that the war effort should come ahead of everything else. Let us, then, at the very outset of this legislative session, mutually re-pledge our-

ning Board. So utterly destructive of almost everything that had been regarded as typically American were these suggested programs and the philosophy behind them that many people became definitely alarmed. The more they were studied the more disturbing they became. Finally, the situation reached the point where Congress, despite the most vigorous efforts of the President, simply refused to grant this grandiose organization further funds, and it died an inglorious death. Those who were familiar with President Roosevelt and his habits believed at the time that more would be heard on the subject—though quite probably in a form not too easily recognized.

We have. In all but phraseology the paragraphs quoted above have been for the most part lifted from the reports of the National Resources Plan-

selves that we shall continue to work together in all things needed to maintain the strength and purpose of our great State and its thirteen million people wholeheartedly and effectively in the war effort.

As citizens of this free republic we all bear equally the challenge to win this war and a permanent peace. As citizens within our respective States and our own communities we bear particularly the challenge to maintain progressive government close to the people whom government exists to serve.

It will be a temptation to wait to see what Washington does and to expect the Federal government to carry many old and new services that can better be furnished at home. This would be the easy way, but it is one of those easy ways that saps local responsibility and initiative and leads to danger to free government. I propose that we take the harder way and meet our responsibilities four-square. Only by meeting every challenge boldly can we preserve free government close to the people. Only by making State government effective and responsible can we preserve representative government at home against those who would undermine it everywhere.

STATE FINANCES

Post-War Reconstruction Fund

The financial position of the State continues to be most fortunate. To avoid the slightest interference with the national war effort in the use of man power and materials the State has deferred many normal purchases, repairs, replacements and new undertakings. At the same time revenues have continued at a high rate, while the careful management of State funds has been intensively maintained. As a result, I am happy to advise you that our surplus this year will approximate \$150 million.

Last year, upon my recommendation, your honorable bodies created the Post-War Reconstruction Fund. The purpose of this fund was to husband the war-time savings of the State in order that they might be available at the proper time to meet the State's deferred reconstruction needs and to aid in the stimulation of job opportunities after the war for the men returning from our armed forces and for our war workers.

This fund now amounts to more than \$160 million. I recommend that this year's surplus be transferred to the reconstruction fund, thereby increasing that fund to approximately \$310 million.

This reconstruction fund puts our State in a position to plan confidently for the future. Whatever difficulties may accompany the transition from war-time to peace-time employment we shall be able to meet them in a helpful and constructive way for the benefit of the State as a whole and of all our people.

The long depression years have left our State with many acute unfulfilled needs. It is my hope that by sound, active planning now we shall be able to meet these needs, at the same time keeping the State on a sound financial basis and rendering important assistance to the maintenance of the preeminent position of New York State in the nation and the employment and welfare of our people during the uncertain times ahead.

ESSENTIAL POST-WAR BUILDING PROGRAM

The construction needed to maintain the transportation, health, correctional, housing and other essential services of the State is large but commensurate

with the size and important future position of our State in the nation.

Highways

A large proportion of the food and manufactured products of our State are transported on the State highway system. In addition, the parkways, highways, thruways and expressways of the State provide basic relaxation to most of our people as well as to vacationers who come here from every State in the Union, contributing to a business in New York State amounting in peace time to some \$600 million a year.

Much of our highways system is antiquated and in no way suitable either to the business or pleasure needs of the people of the State. Of the 13,000 miles in the existing highway system a careful survey shows that one-third are in need of immediate reconstruction. The balance of the system requires an increased program of maintenance as soon as the war will permit. Almost fifteen years have elapsed since there was any real attempt to make our highways adequate for modern traffic demands.

The development of a modern highway system which can, with safety, be used at relatively high speed will be of immense value to the entire State. The Department of Public Works has prepared for the State, and is co-operating with municipalities in preparing for our cities, a minimum essential program for highways, thruways, parkways and grade-crossing elimination which in the coming years will require more than \$800 million.

State Buildings

In order to improve the service of the State to its citizens we shall need a program for buildings and projects other than for the Department of Public Works involving more than \$100 million. This includes the Departments of Conservation, Correction, Education, Health, and Social Welfare and the Division of Military and Naval Affairs. We must not merely overcome the lag in essential repairs and reconstruction of these facilities occasioned by the war but we must also expand them to meet the needs of the immediate future.

Mental Hygiene

A large part of the State's building program is for the Department of Mental Hygiene. At the present time our mental institutions are overcrowded by 15 per cent. In the post-war period greatly increased demands will be imposed upon these institutions.

A careful survey of the needs of the department has been made during the year and we find that there are approximately thirty buildings being used which because of their antiquity should be demolished and replaced in order to give the patients better care. The patients of the State of New York should receive the most scientific care available in both acute and chronic mental illness. The emphasis will be placed upon cure rather than custodial care.

Housing

Development of our communities so as to provide real homes in well planned neighborhoods is of paramount importance to all our people. I propose that our State, continuing to work hand in hand with our municipalities, take its rightful place of leadership in that field.

We have not had that kind of development in the past. Unsound, haphazard building and resulting relentless decay afflict too many of the localities in which we live and work. We must prevent the spread of that affliction in any post-war boom. Instead, our people should plan integrated neighborhoods with livable homes, safe streets and convenient schools, places of worship, recreational

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Dewey Urges Increase of State's Post-War Fund to \$310,000,000

(Continued from page 187)

facilities and shopping centers, as well as easy access to places of work.

The most willing private effort cannot succeed in effective community planning without the co-operation of public bodies, nor can it insure its execution without the protection of legal ordinance. Accordingly, the State Division of Housing has extended its aid and advice on a broad scale in general community planning and development.

The division will correlate the activities of public and private groups upon their request. It will advise and assist in determining the need for new housing and in encouraging its construction by private enterprise. This will also apply to the modernization, where it is desirable, of existing dwellings. The division will aid in the preparation of public ordinances and voluntary minimum standards essential to sound community building.

Such a community development program should attract more investors to housing and building construction. It will provide jobs for workers of varied skills, including many thousands of our returning war veterans. This will balance in some degree the effect of the closing down of our war industries.

However, private enterprise does not seem able to provide adequate housing, at rents which they can afford, for the very considerable number of our low-income families now living in slums. There is at the present moment no visible proof that it will be able to do so, but I think we may aid in extending the field of its activity.

In 1938 an amendment to our Constitution was adopted which empowered the Legislature to authorize the making of contracts for payment of subsidies by the State to bring that housing within the means of such families.

You have already authorized a total of \$185 million for public housing for persons of low income. Of this a total of \$135 million is to be loaned under a provision which makes it available for use only in New York City. That sum will soon be exhausted. I therefore, recommend that an additional sum of \$35 million under the same provision for use in New York City be authorized.

The resulting total of \$220 million of loan contracts throughout the State will require commitments for the payment of annual subsidies of more than the \$5 million presently permitted by the Constitution. I, therefore, recommend that the Commissioner of Housing be authorized to enter into contracts for the payment of periodic subsidies in an additional amount of \$1,250,000 annually. Such a law will require the approval of the people.

State-Aided Municipal Works

The Post-War Public Works Planning Commission has under consideration projects totaling \$275 million, of which \$190 million has been approved and plans actually completed on some \$50 million. This State assistance of one-half of the cost of plans has aided 400 communities and permitted them to be prepared with a program of essential construction for the post-war period. Concerning the vitally important problem of financing these projects I am happy to report that the State Comptroller has stated to me that some 450 communities have already established cash reserves or balances for post-war purposes. It is encouraging to see the capable assistance that the Comptroller is giving to our municipalities

and the favorable acceptance by them of his counsel. Our municipalities are not only preparing physical plans for post-war needs but likewise greatly improving their financial position.

The Planning Commission is well advanced in the first phase of its operations. It will soon come to the important work of timing post-war construction in the light of possible unemployment, availability of materials and project urgency.

While our post-war public works planning has not yet achieved the rounded goal toward which we are aiming, we now have an effective working procedure which produces projects tested for adequacy and efficiency.

The Commission will make its own report shortly and set forth its requirements for continuing its important work.

BUSINESS AND EMPLOYMENT

After final victory in the war has been won, no problem confronting the people of our State will be more urgent than full production and full employment. More than 1,200,000 of our young men and women are serving their country in uniform and 2,000,000 of our men and women are engaged in war production. Peacetime employment will constitute a challenge to business and to the government of the State.

Over 100,000 members of the armed services have already been discharged and have returned to civilian life in this State. Cutbacks in war production have created job problems for thousands of our other citizens.

For more than a year New York State has been at work on the problem of opening up new avenues for job opportunities.

Business Development Program

In this connection, last fall I appointed an advisory committee on technical industrial development, composed of business men, labor leaders, engineers and educators in applied science. They have been at work with the Department of Commerce making available to business men throughout the State information relating to new products, new processes and new materials which will contribute so much to an expanded economy and a higher standard of living after the war.

Aviation

A large field of opportunity for business and employment after the war will be provided by aviation. As a part of its program to maintain New York's leadership in all forms of commerce and to add to the gainful opportunities of the citizens of the State, the State should give every encouragement to the aviation industry and to the development of aviation transportation as an integral part of our post-war economy.

Among the problems facing the State and its localities are: (1) the promotion of aviation as a means of transportation and as an essential part of New York State's famed transportation network;

(2) Representation of the State and the aviation industry within the State in the Federal program, so that New York will have an official voice and authority to see that New York State and its subdivisions will not be by-passed in the development of the Federal program; and

(3) Assistance to municipalities in the development of their airport facilities.

During the last year the Department of Commerce has been studying many aspects of the aviation field. It should be designated as the clearing house for aviation problems and the agency

to represent the State in dealing with the Federal government and the localities to insure the orderly development of commercial and private aviation facilities on a State-wide basis.

To provide for such activity I recommend that legislation be enacted at the current session of the Legislature, establishing the responsibilities of the Department of Commerce in the field of aviation.

LABOR

Workmen's Compensation

After more than thirty years of workmen's compensation experience in this State, there still are many workers who do not participate in its benefits. They, too, are entitled to protection against the hazards of accident and disease incident to their employment. I commend to the favorable consideration of your honorable bodies the extension of workmen's compensation benefits to domestic employees and to restaurant workers regardless of the number employed.

The Moreland Commissioners in their report recommended that the workmen's compensation law be recodified, and I earnestly support their recommendation. The statutory division of authority as between the Industrial Board and the Industrial Commissioner has caused confusion and it has been in large part responsible for the piling up of a backlog of pending compensation claims. For the first time in years we now have an administration in the Labor Department and the Industrial Board earnestly cooperating to correct and improve the basic structure. Yet they find in the field of workmen's compensation the same kind of antiquated and inadequate administration I found in unemployment compensation. The needed reform cannot be accomplished by administrative order, for its causes rest in a statutory conflict of authority.

I shall soon submit to your honorable bodies a special report on this subject together with my recommendation that the authority for determination of workmen's compensation claims be integrated under the jurisdiction of the Industrial Board, in order that injured workers in this State may have a speedy determination of their claims and prompt payment of the workmen's compensation benefits to which they are justly entitled.

Unemployment Insurance

The Unemployment Insurance Fund has accumulated at a rate much faster than was originally expected. It now amounts to \$840,000,000. There is a surplus over the reserves needed unless we face a prolonged and catastrophic post-war depression. The time has come to take stock of our unemployment insurance program in order to determine the advisability of greater benefits on the one hand and of rate revision on the other.

In the period of reconversion which will follow victory our State will face keen competition in attracting and retaining the business enterprises which are essential to high-level employment.

In recent years more than three-quarters of the States have adopted, in one form or another, a system granting different rates of contribution to different types of employers. In those States, the unemployment insurance tax is varied so as to reward the maintenance of stable employment levels.

For years there has been active discussion in our own State of the advisability of adopting such a system. Valuable studies and discussions on this subject have been conducted by the Joint Legislative Committee on Industrial and Labor Conditions, which have carried us very close to agreement among representatives of labor, industry and government

most deeply concerned with the problem. We should no longer avoid a decision. To do so might conceivably place a serious handicap on both labor and industry in this State.

Let me give you a simple illustration. After the war many large employers will be confronted with the decision as to which plants should be shut down and which plants should be expanded. In the case of a large enterprise given an equal choice between shutting down or expanding a plant in New York State or one in another State a factor such as cost of unemployment insurance may be sufficient to tip the scales. I am sure that the people of this State do not wish to leave neglected any factor which could have a decisive influence upon post-war employment opportunities in our State.

Accordingly, I urge upon your honorable bodies careful consideration of this entire subject with relation to the future position of our State and the employment and welfare of our people.

Minimum Wages

There are some six classes of employment which are presently covered under minimum wage board orders. These orders have long become obsolete by reason of the marked changes in the cost of living and the increases in the wage levels. The wage rates which were intended to be a floor in certain selected fields of employment have now become meaningless. At my direction the Department of Labor is giving most careful study to the situation and it is hoped that in the very near future the State administration will be in a position to indicate a new policy to be followed.

State Labor Relations Board

One of the most important agencies in the State government is the State Labor Relations Board. It has done its job remarkably well.

The members of this board have been required to work long hours, exercise great and delicate responsibilities and make great personal sacrifices in the peaceful determination of industrial disputes. Their compensation of \$7,500 per annum does not represent the value of their services or meet the financial sacrifices involved for members of that board. It does not accord with the importance of the work that they do. Accordingly, I recommend that your honorable bodies increase their salaries to the sum of \$10,000 per annum.

TAXATION

For the last two years your honorable bodies have, at my recommendation, approved a 25 per cent reduction in the personal income tax. I recommend that this reduction be continued for another year.

Apart from this 25 per cent reduction your State administration has taken the position that in the existing war-time conditions of full employment and increased incomes, it would not be wise to undertake a further general tax reduction. This position was fortified by the knowledge that the surplus of revenues being received by the State reflected in a large part deferred expenses which would have to be met later on.

Further proof of the necessity for prudent handling of the State's finances in these times has just been strikingly provided by the act of the Federal government in terminating horse racing. By this single act the State stands to lose at least \$27 million of revenues in the coming fiscal year.

EDUCATION

State Aid

State aid to education is distributed under the Friedsam formula which was proposed in 1926. As our school organization

has changed in these eighteen years, this formula, too, needs revision to fit present-day needs. In order to expedite action at this session I have appointed a Committee on the State Educational Program to study the many factors involved and to make recommendations, which will keep strong our educational system and meet its increased needs.

Vocational Institutes

Apart from the needed revision of State aid for education, we are studying intensively the strengthening of education beyond the training now given in the high schools. The vocational needs of youth are not now fully met. The Institutes of Applied Arts and Sciences recommended by the Board of Regents are designed to meet these needs. On March 31, 1944, I signed an act permitting the establishment of these institutes. Subsequently, the whole matter has been the subject of research and conference.

The program has already received the enthusiastic indorsement of leaders in business, labor and industry who realize that the demand for the expert worker in production, distribution and personal service has greatly increased in the last few decades.

I have asked the Committee on the State Educational Program to make a detailed study of the results of the labors of this year and report on immediate and prospective needs for staff, buildings and equipment, together with the acceptance of sites and the drawing up of plans for permanent buildings.

Upon all these matters I have asked the committee to report well before the end of the legislative session, so that prompt action can be taken.

PUBLIC WELFARE

A year ago I pointed out the need for the simplification of the public welfare structure of the State. Subsequently a special subcommittee on social welfare and relief of the Joint Legislative Committee on Interstate Co-operation was established by the Legislature to examine the problem. This committee has pursued its task with vigor. Eleven public conferences have been held throughout the State at which hundreds of public officials and interested citizens expressed their views on how to create a more orderly plan for meeting human needs. Of itself this has been a significant educational enterprise.

Everywhere the committee has found agreement that our welfare system is a patchwork. As was to be expected, the committee has found it no simple task to create an orderly pattern for a system which is the accumulation of a century and a half of undirected effort. The committee has heard many and varied proposals for reaching a solution. These are being carefully considered and I recommend that the work of the subcommittee be continued for another year.

AGRICULTURE

Agriculture is basic to our national life; it is no less basic to the war and post-war economy of New York State. Although it is known primarily as a great commercial, financial and industrial State, New York ranks high in the nation in agricultural production. Thus, with the change from war to post-war conditions, the security and stability of agriculture will be vital to the prosperity of our State economy.

The problems and needs of agriculture in the post-war period relate particularly to the conditions of production, marketing, processing and consumption of all types of agricultural products, in industry as well as in the home. Economic practices, such as pricing, affecting milk and milk products, poultry, fruits, (Continued on page 190)

Changes In N. Y. Banking Laws Proposed In Report of State Superintendent

Resources of all banking institutions under the supervision of the New York State Banking Department reached new peaks in volume and quality in 1944, Elliott V. Bell, Superintendent of Banks, says in his annual report to the Governor and the Legislature, made public Jan. 5. Deposits of banks and trust companies increased \$1,175,000,000 to \$18,287,000,000 in the first 10 months of the year, while savings bank deposits, showing a record-breaking increase, rose \$758,000,000 to \$6,931,000,000.



Elliott V. Bell

The improvement in the quality of banking assets, says Mr. Bell, resulted not merely from the purchase of additional large amounts of Government securities, but also from continued progress on the part of banking institutions, strongly encouraged by the Banking Department, in disposing of assets of poorer quality left over from past years. The depositor's dollar, he adds, has today greater protection than ever before, in spite of the relative decline in the proportion of bank capital to deposits.

The \$1,175,000,000 increase in the deposits of banks and trust companies compares with one of \$2,048,000,000 in the corresponding period of 1943. The smaller rate of gain, Mr. Bell says, is traceable to the fact that deposits of the United States Government in these institutions were reduced by \$2,412,000,000 in the 10-month period.

For the savings banks, the rise in deposits was at a sharply accelerated rate, says Mr. Bell. The \$758,000,000 increase in savings bank deposits compares with a gain of \$434,000,000 in the first 10 months of 1943. Savings and loan associations also experienced a greater influx of funds, as reflected in a gain of 10.4% in their total resources during the year ended Oct. 31, 1944, against a rise of 7% in the preceding year.

Stating that the Banking Department will propose certain changes in the banking law at the 1945 session of the Legislature, Mr. Bell said that the recommendations for legislation will include so-called G-I loans to war veterans, Federal Land Bank bonds, credit unions and check cashing. He says:

"In accordance with the policy of this Department to cooperate with the Federal Government and to assist banking organizations in meeting the many problems created by the war and post-war civilian economy, the Banking Board on Nov. 1, 1944, adopted a resolution authorizing banking organizations to exclude the amount of a G-I loan guaranteed by the Administrator of Veterans' Affairs in applying the prescribed limits for loans secured by real property. The Department is of the opinion that the provisions of this Banking Board resolution should be incorporated into the law at this time. In addition, the banking law should be amended to provide authority for savings banks and savings and loan associations to make unsecured loans for repairs and delinquent taxes, etc., in accordance with the provisions of the Servicemen's Readjustment Act of 1944."

The proposed legislation on Federal Land Bank bonds would permit the banks and trust companies to invest without limitation in these bonds as they are now permitted to invest in bonds of Federal Intermediate Credit Banks, Federal Home Loan Banks and National Mortgage Associa-

tions. The need for amending the law with regard to credit unions, Mr. Bell points out, arises from the fact that the article of the banking law relating to these institutions has not been subject to a general revision or recodification since 1914.

Effective July 1, 1944, persons or organizations engaged in the business of cashing checks for a fee were required to apply to the Superintendent of Banks for a license unless the fee charged was not more than 15 cents an item and the check-cashing was not incidental to other lawful business. "After six months' experience under the new law," says Mr. Bell, "the Department is convinced that the law needs to be strengthened in several respects. It is highly desirable that the Superintendent have clear authority to suspend or revoke licenses promptly where reasonable ground exists for believing that any licensee is conducting his business in an unlawful manner or where facts come to light indicating that the character, responsibility and general fitness of any licensee are such as to raise reasonable doubt as to his ability or willingness to conduct his business in an honest, efficient and law-abiding manner."

The large proportion of the funds of the savings banks which have been placed in Government bonds and the continued growth of their deposits have led the savings banks to propose that the legal list principle controlling their investments be abandoned and the so-called "prudent man" investment rule be adopted in its stead, says Mr. Bell. He adds:

"The Department is fully aware of the problem which savings banks face of finding satisfactory outlets for their funds. It has made preliminary statistical analyses and, in cooperation with the savings banks, has initiated an analysis of the bond market. It is hoped that within the coming year recommendations can be made with regard to the investment powers of savings banks which will result in broadening the investment opportunities of these institutions."

From the Banking Department's advices we also quote:

"The healthy condition of the banking system was reflected in the fact that no banking organizations were taken over by the Superintendent for liquidation during the year. Liquidation was completed of seven domestic banking organizations with aggregate deposit and share liabilities of \$203,529,000. Included among these banks was the Bank of United States. All assets in three of the four domestic liquidations remaining to be completed at the end of the year have been liquidated and it is expected that final dividend payments will be made early in 1945.

"The improvement in the soundness of all types of institutions is evidenced by the increased holdings of Government securities and the disposal of unsatisfactory assets, according to Mr. Bell. In the case of the banks and trust companies, \$822,700,000 in United States securities were added to their portfolios. This increase brought the total Government securities held by these institutions to \$11,454,900,000 on Oct. 31, 1944. The increase was not as great as during the same period in 1943, during which time \$2,734,000,000 were purchased.

"War financing of various types

has greatly increased the proportion of bank assets which depend upon Government credit. For example, in the case of the State banks and trust companies in New York City, the sum of their cash, due from banks, United States securities owned, loans on United States securities, and loans guaranteed by the United States Government amounted to 93.3% of their total resources.

"Although the deposits of New York State banks and trust companies have continued to increase, they have in recent years become a smaller proportion of the nation's bank deposits, the Superintendent points out. From Dec. 30, 1939, to June 30, 1944, the proportion of private demand deposits held by New York State banks and trust companies to the nation's total declined from 36.4% to 27.3%. The lag in the growth of deposits of New York State has been most noticeable during the past two and one-half years. The banks and trust companies under the supervision of the Department continue to hold about the same proportion of the nation's time deposits as in earlier years. The slow growth of private demand deposits in New York State has been due primarily to failure of deposit expansion in New York City to keep pace with deposit expansion elsewhere. In the State, outside New York City, the growth in these deposits was nearly equal to the average for the country as a whole."

A modest revival of mortgage lending during the year was reflected in the increase in new real estate loans reported by the savings banks and the savings and loan associations, says Mr. Bell. In the case of the latter institutions, outstanding mortgage loans reversed the downward trend shown in 1943 by an increase from \$201,905,357 to \$206,961,693 during the first 10 months of 1944. These institutions further improved the quality of their assets by a reduction of approximately 55% in the amount of real estate held.

A revival of consumer loans is reflected in the report of the licensed lenders, according to Mr. Bell. The dollar amount of outstanding loans at the end of the year will probably be slightly in excess of that reported a year ago. In view of the substantial declines in 1942 and 1943, it appears that the low point of activity in this type of lending was reached some time ago. In the credit unions, on the other hand, there was a continued shrinkage of instalment loans. The amount outstanding on Oct. 31, 1944, was 13½% less than a year ago and 30% less than two years ago. These institutions continued to invest their funds in United States Government securities, which now represent 38% of their total resources.

Riedell Field Sec. of Fair Trade Council

John W. Riedell has been appointed Field Secretary of the American Fair Trade Council, New York, according to an announcement by John W. Anderson, President of the organization. He was formerly on the staff of the American Management Association, prior to which he was connected with the Compensation Insurance Rating Board.

The Council's advices of Jan. 4 also said:

"Mr. Riedell has been active in management association work for many years, taking part in the activities of such groups as the National Office Management Association, the Society for the Advancement of Management, and the International Management Congress."

Items About Banks, Trust Companies

The Continental Bank & Trust Co. of New York reported as of Dec. 31, 1944, total deposits of \$166,225,371 and total assets of \$177,278,424, compared, respectively, with \$144,032,853 and \$154,989,096 on Sept. 30. Cash on hand and due from banks amounted to \$34,798,973, against \$33,786,247; holdings of U. S. Government obligations to \$61,376,347, against \$56,569,796; loans and discounts amounted to \$34,798,793, against \$45,138,642. Capital was unchanged at \$4,000,000 and surplus increased to \$4,500,000 from \$4,000,000. Undivided profits were \$1,289,436, against \$1,665,893 at the end of September.

Statement of condition of Sterling National Bank & Trust Co. of New York at Dec. 31, 1944, shows an all-time high in resources and deposits of \$127,864,980 and \$121,374,164, as compared with \$104,121,074 and \$97,748,265, respectively, as of Sept. 30, 1944. Of the December total deposits, U. S. Government deposits totaled \$19,816,051 as compared with \$9,452,924 shown on Sept. 30, last; commercial and other deposits reached an all-time high of \$101,558,112 as compared with \$88,295,340. Capital, surplus and undivided profits totaled \$5,070,623, a new high, as against \$4,807,372 on Sept. 30. Cash and due from banks amounted to \$29,433,333 on Dec. 31, 1944, against \$26,184,782 on Sept. 30; U. S. Government securities were \$64,479,579, a new high, as compared with \$46,674,365; State, municipal and corporate securities amounted to \$1,568,763, compared with \$1,646,474; loans and discounts reached an all-time high of \$31,168,980, against \$28,535,269 on Sept. 30. Stock in Federal Reserve Bank was \$142,500, against \$135,000, and surplus was \$3,250,000, a new high, compared with \$3,000,000. Reserves were \$620,832, as compared with \$772,232 on Sept. 30, 1944.

The Grace National Bank of New York, in its statement of condition as of Dec. 31, 1944, shows deposits of \$77,567,536, as compared with \$67,201,389 on Sept. 30, 1944, and \$71,556,839 a year ago. Surplus and undivided profits are now \$3,266,230, as compared with \$3,219,536 on Sept. 30, 1944 and \$2,759,292 a year ago. Cash in vault and with banks at the latest date totaled \$16,015,169, contrasting with \$15,132,005 on Sept. 30, 1944, and \$18,211,317 a year ago. U. S. Government securities are new at \$39,446,302, compared with \$37,457,706 on Sept. 30, 1944, and \$37,839,169 a year ago. Loans and discounts are now reported at \$22,625,291, as compared with \$14,205,997 on Sept. 30, 1944, and \$17,301,379 a year ago.

Colonial Trust Co. of New York reported as of Dec. 31, 1944, total deposits of \$50,278,863, compared with \$36,290,865 on Sept. 30, last, and with \$31,890,752 on Dec. 31, 1943. Total resources of the bank amounted to \$52,001,036 at the end of the year, against \$38,066,363 three months ago and \$33,553,630 a year ago. Cash on hand and due from banks on Dec. 31, 1944, amounted to \$11,979,196, compared with \$8,666,967 on Sept. 30 and with \$9,031,328 a year ago. Holdings of U. S. Government obligations were \$23,173,895, compared with \$20,190,799 three months previous, and with \$14,655,000 a year ago. Loans and bills purchased amounted to \$13,175,560, against \$8,452,743 on Sept. 30 and \$9,191,056 on Dec. 31, 1943. Capital, surplus and undivided profits on Dec. 31, 1944, were \$1,620,439, compared with \$1,585,558 on Sept. 30, and with \$1,508,602 a year ago.

The Federation Bank & Trust Co. of New York reported as of Dec. 30, 1944, deposits of \$29,606,510 and total resources of \$32,730,768, as against \$25,298,841 and \$28,601,194, respectively, as of Sept. 30, 1944. Cash on hand and due from banks amounted at the latest date to \$7,916,540, against \$4,877,628. Holdings of U. S. Government securities totaled \$12,473,660, against \$12,489,449. Loans and discounts are now \$8,378,107, compared with \$8,260,259. Capital and surplus have increased to \$1,000,000 and \$1,200,000, respectively, from \$825,000 and \$1,175,000, and undivided profits are \$415,026 as against \$409,966.

Total assets of Clinton Trust Co. of New York reached a new high figure of \$21,376,233 on Dec. 31, 1944. This compared with \$19,482,569 on Sept. 30, last, and \$18,112,531 on Dec. 31, 1943. Deposits amounted to \$20,050,698, against \$18,232,170 and \$16,869,674, respectively, on the earlier dates. Surplus and undivided profits totaled \$514,664, compared with \$505,000 and \$467,549. Loans and discounts were \$2,992,011 at the close of the year; on Sept. 30, 1944, they were \$2,958,299, and on Dec. 31, 1943, were \$2,862,010. Holdings of U. S. Government and municipal bonds amounted to \$11,029,605, as compared with \$9,860,767 and \$8,736,691. Cash on hand and due from banks at the close of the year totaled \$4,541,036, against \$4,179,435 at the end of the third quarter and \$4,122,248 a year ago.

The annual report of Guaranty Trust Co. of New York, signed by Eugene W. Stetson, Chairman of the board, and J. Luther Cleveland, President, issued to stockholders Jan. 9 in advance of the annual meeting to be held on Jan. 17, shows net current operating earnings for 1944 of \$18,318,760, compared with \$16,617,544 for 1943. In addition, investment security profits were \$4,642,503, compared with \$4,336,114 for the year 1943. Miscellaneous charges (net) amounted to \$330,546 in 1944, compared with \$308,864 in 1943, and in each of these years \$1,000,000 was transferred from earnings to general contingency reserve. The general contingency reserve at the end of the year was \$33,520,903. Total resources and deposits, both at the highest points in the company's history, were \$3,826,161,882 and \$3,441,036,641, respectively. Capital, surplus and undivided profits on Dec. 31, 1944, totaled \$302,222,571. Holdings of U. S. Government obligations, which totaled \$2,362,481,367, continued to represent the largest part of earning assets. War loan subscriptions entered by the Guaranty Trust Co. for account of customers and others amounted to \$598,000,000 for the Fourth War Loan, \$830,000,000 for the Fifth War Loan, and \$1,008,000,000 for the Sixth War Loan, or a total of \$2,436,000,000 for the three drives conducted during 1944. At the close of 1944 there were 1,032 members of the bank's staff in the armed forces; 27 have lost their lives in service and others are missing in action.

The Irving Trust Co. of New York announced in its statement of condition as of Dec. 31, 1944, that total resources are \$1,262,589,365, compared with \$1,155,257,305 on Sept. 30 and \$1,078,718,819 on Dec. 31, 1944, while total deposits are \$1,141,041,212 against \$1,038,908,039 three months ago and \$964,148,274 a year ago. Loans and discounts are now \$267,469,810, against \$220,191,257 and \$207,516,206; (Continued on page 200)

Dewey Urges Increase of State's Post-War Fund to \$310,000,000

(Continued from page 188)

vegetables and many other farm and forest products, affect producers no less than consumers.

We need in the State a marketing system which is fast, efficient and honest for the handling of fresh food, such as fruits and vegetables, eggs and milk. Both farmers and consumers have a vital stake in such a system. Neither can afford to leave its development to chance. The normal processes of food production and food marketing are now upset by the impact of war. Consumers, especially in our large towns and cities, are being forced daily to make drastic and sometimes unhealthy adjustments in their diets.

It is high time to appraise the whole food situation in the State. The objective of this appraisal should be, first, to determine what adverse conditions can be corrected immediately; second, to lay a broad foundation for a long-time State program of food production, marketing, and diets, designed to keep the farms of the State profitably employed and to supply the people of the State with the best possible food from these farms at reasonable prices. To this end I recommend the creation of a temporary commission to make this vital survey.

Migrant Workers

One consequence of the war has been a big increase in the number of seasonal migratory workers from other States. Their help has been essential to the harvesting and processing of the great two and one-half million-ton fruit and vegetable crop of New York. In 1944 there were about 10,000 such workers from Southern and near-by States, all of them living in privately owned and operated camps.

The influx of this large number of workers has created serious problems for employers, for workers and for the people of the State at large. In the effort to provide satisfactory housing and working conditions for them, our farmers have struggled under shortages of labor, lack of transportation materials and equipment.

Nevertheless, many problems remain. Since these seasonal workers are necessary to our economy and welfare, it is the responsibility of the State of New York to insure for them acceptable living and working conditions. Our progressive labor and social welfare programs should be extended to protect these workers. By the same token, employers should have the assistance and co-operation of State agencies and departments in providing housing and working conditions which will attract sufficient numbers of good workers to our State.

The State Farm Man Power Director is completing an extensive study of this problem. I will transmit his report together with my recommendations early in this session.

CONSERVATION

As the State grows older, and continues to draw heavily on its soil, water, forest, fisheries, wild-life and mineral resources, the need for the conservation and most efficient development of these resources grows ever more urgent. The success of agriculture, lumbering, business, industry, and outdoor recreational pursuits—in short, the future prosperity of the State—becomes increasingly dependent upon these resources and the way we use them.

We have already accumulated serious land-use problems. For example, in just sixty years productive farmland has shrunk from twenty-four million acres

to seventeen million acres. Of the difference, there are five million acres, which have been lost to productive use. Once a leader in lumbering, we now import into the State over 75 per cent of our lumber and pulpwood, and after the war, as a result of unusually heavy cutting at this time, we will have to import even more.

Numerous measures have been taken to improve the State's conservation program. A Bureau of Soil Conservation has been established in the Conservation Department to bring about long overdue co-operation between the State and our farm people on problems of soil and water conservation which affect us all. There has also been established in the department a Bureau of Conservation Education.

In the field of forestry a far-sighted step has been taken in the re-seeding of a part of our forest nurseries which had been virtually abandoned by the previous administration. Already some 17,000,000 seedlings are on the way and I believe that the State should resume its reforestation work as soon as conditions permit.

In the increasingly important field of outdoor recreation we know that we will be faced with a tremendous demand for increased facilities and services when the men and women in the armed services come home. An expanded program of parks and parkways, camp sites and public hunting and fishing facilities has been planned to meet this demand. It will enrich the lives of our people and will, incidentally, provide much employment during the reconversion period.

ST. LAWRENCE POWER PROJECT

After twenty years of discussion, the tremendous power potential of the St. Lawrence River still remains undeveloped. Its estimated 1,620,000 kilowatts would be the second largest project of its kind in this continent. Its beneficiaries would be the residents of this State and nearby areas.

At the last session of the Legislature upon the recommendation of the State administration, resolutions were unanimously adopted declaring for the prompt development of the St. Lawrence River by measures which would provide low-cost power from these resources under the inalienable ownership of the people.

On Dec. 12, 1944, the United States Senate rejected a measure for the completion of the Seaway and Power Project, in accordance with the terms of the United States-Canadian agreement of March 19, 1941. However, it has been announced by the sponsors of the measure that it will be reintroduced at the first session of the next Congress.

I recommend, therefore, that the State continue vigorously to assert its substantial rights and interests in the St. Lawrence development.

For years I have advocated the completion of the St. Lawrence Seaway and Power Project. During the last decade the means have been found and billions in Federal funds have been appropriated to develop great rivers in other sections of the country, for power, navigation, flood control, irrigation and like purposes. The incomparable resources of the St. Lawrence River should no longer be wasted. If the Federal Administration is unable or unwilling to proceed, then the State of New York itself should undertake to complete the project on a self-liquidating basis, in co-operation with the Dominion of Canada and the Province of Ontario.

MUNICIPAL AFFAIRS

Early in 1943 I appointed an advisory committee under the chairmanship of the Comptroller to analyze the needs of the municipalities for additional revenues and to suggest the means of reducing real estate taxes. Last year the committee was reconstituted as a temporary commission.

Upon the recommendation of this body the State has relinquished to the localities its full share of the mortgage recording tax. In addition, last year, we paid over to the cities all the moneys derived by the State from the utility tax. From these two sources, the municipalities will receive \$19,000,000. To secure the home owner and rent payer the benefits of this increased financial assistance, the cities were required to apply the utility tax moneys to the reduction of debt.

In addition, with an initial appropriation of \$2,000,000, the State has taken over the cost of rights-of-way for State highways—an expense heretofore borne by local government.

The State has encouraged the municipalities and districts not only to prepare plans for the construction of post-war improvements but also to accumulate reserve funds to finance their cost. As I have already pointed out, 450 municipalities have followed the example of the State and set up local post-war reconstruction funds.

Since Jan. 1, 1943, the services of the Department of Audit and Control to our municipalities and districts have been enormously expanded to the great benefit of municipal finance. Municipal and district examinations, for example, have increased from 113 in 1942 to more than 2,100 in the last year. By its newly established consultant and research sections, the Division of Municipal Affairs now makes available helpful new services to all subdivisions of local government.

Since 1942, municipal debts are trending steadily downwards. Refundings have been drastically reduced. I believe it is safe to say that by your enactments and through the courageous and diligent efforts of the Comptroller, our municipalities, whose fiscal affairs are under his direction, have made greater progress toward a sound financial position than in any other period in the history of the State of New York.

STATE EMPLOYEES

In every department of our State government we are sharply handicapped by manpower shortages. Our institutions are particularly hard hit. The State is proud of its many employees who are now serving in the armed forces of our country. We are proud also of those remaining employees who, in the face of many attractive opportunities of employment elsewhere, are continuing to carry on the work of the State. Many of them are shouldering a heavy load not merely by reason of extra work occasioned by the man-power shortages, but also by reason of advancing living costs.

As a measure to meet these conditions, extra war emergency compensation was initiated in 1943 covering employees receiving less than \$4,000. That arrangement has since been continued. It is no longer adequate to meet the conditions that exist. I, therefore, propose that the war emergency compensation be increased and that such additional compensation be provided to all employees of the State.

In substitution for the current plan, I recommend additional compensation of 20 per cent for those receiving less than \$1,500 a year; and for those receiving \$1,500 or more, but less than \$2,000, the increase should be 17½ per cent. This is in accord with the national policy and will help bring the pay of State employees at that level into line with that

of Federal employees at a comparable level. It accomplishes a much-needed equalization of wage levels. For those receiving \$2,000 or more, but less than \$3,000, the increase should be 15 per cent; for those receiving \$3,000 or more, but less than \$4,000, 12½ per cent; for those receiving \$4,000 or more, 10 per cent, with a limit of \$1,000 on the amount of increase. In some cases these percentage increases will have to be modified, so as to maintain appropriate differentials between the various salary levels.

Beyond this broad question of increased compensation to meet changing conditions, relations between the State government and the State employees always require our careful consideration.

The Civil Service Commission has been making steady progress in personnel work, but many personnel problems are separately handled by the departments with no opportunity to maintain a consistent policy throughout the State service. Misunderstandings inevitably result. A personnel council that would unify all personnel work would be a first step toward the development of a unified program. The function of such a council at the outset would be to bring together regularly all personnel and departmental fiscal officers to promote uniformity and to learn at first hand of existing problems. Relationships that cannot be settled within a department should be referred to the council for consideration.

I do not consider it necessary at the present time to establish such a program by legislation. A start can be made by administrative action which I shall shortly take.

Another matter relating to employees that needs attention is the temporary salary standardization board which will come to an end under present law on Dec. 1, 1945, at which time all of its functions are to be transferred to the Director of the Budget. I doubt the wisdom of this plan. One fiscal office cannot satisfactorily provide the service that should be afforded to the State and its employees in the matter of salary allocation. A permanent standardization board should be created. It should be provided with appropriations for the maintenance of its own permanent administrative staff and I recommend these proposals for your favorable consideration.

LEGISLATIVE INVESTIGATION

On Dec. 7, 1944, the special investigation into legislative matters which was ordered at the unanimous request of your leaders rendered an interim presentation concerning the legislative personnel and fiscal matters. A joint committee of your honorable bodies has been studying the same field for the last year. It is my understanding that they are preparing specific recommendations to eliminate waste and inefficiencies which have grown up during the last twenty years. I have every confidence that your honorable bodies will dispose of the matter in the interest of the people and yet preserve the integrity and prerogatives of a coordinate branch of the government.

It should not pass without comment, however, that one of the causes of the financial traditions which have developed in the Legislature has been due to the constitutional limitation on legislative salaries to the sum of \$2,500 per annum.

I have long entertained the view that this constitutional limitation is wholly outdated and is contrary to the public interest. Certainly the people of the State do not desire that their legislators should render their important services at a personal financial loss. By contrast, the City of New York pays the members of its

legislative body \$5,000 a year and they do not have to travel long distances to Albany every week for three or more months of the year.

Moreover, as you know, your leaders render almost full-time service to the State. They are your most experienced members and they render services of a high order which are invaluable to the State. They should receive compensation at least equal to that of commissioners.

THE JUDICIAL SYSTEM

Last year I referred to the necessity for a change in the method of selection of judges. Your honorable bodies gave much consideration to the issue. Public hearings were conducted and a number of bills were introduced each attempting a different solution of the problem. Subsequently, your leaders issued a public statement in which they set forth the need for further and more mature deliberation.

In the ensuing year, the need for a revision of the method of selection has become even more acute. Moreover, there has also been revived a deep interest in making more simple the removal of judges. Right here in the capital district, a shocking example of judicial misfeasance has occurred. To all of these problems I once again direct your attention and I earnestly trust that you will give careful study to the many excellent suggestions which will come to you from bar associations, civic groups and others. It is a matter of high importance that improvements be brought about in the methods of selecting and removing members of the judiciary.

INSURANCE

New York has long been a leading State in the insurance field. Its laws have been strong and reasonable and the present Superintendent of Insurance has developed a legislative program to carry forward the progressive regulation of insurance in this State. It provides for what has been long overdue, uniform rules of accounting, the broadening of rate regulation and extension of controls over the filing of rating information, together with other information essential to intelligent regulation. In addition, the program will provide for the strengthening of title insurance companies.

I know that your honorable bodies will give sympathetic consideration to this important and forward-looking program.

COMMERCIAL RENTS

In early 1944 your honorable bodies created a joint legislative committee to investigate and study the commercial rent situation in the City of New York. War conditions had created a shortage in loft space and an impending shortage of store space with resulting heavy pressure toward the increase of rents.

Your committee has already stated publicly that it has found that an emergency exists in New York City. It proposes to recommend at this session of the Legislature the enactment of appropriate legislation for the purpose of controlling the situation. Without such controls the effect upon the war effort in this State would become serious.

This situation is brought about by war-time conditions and is intimately related to the over-all control of prices to prevent inflation. It would have been better had the Federal government procured from the Congress additional powers so as to extend its existing control over dwelling rentals to commercial rentals. The Federal government did not do so, however, and the State must and, I am sure it will, act.

Accordingly, I recommend to your honorable bodies the enactment of legislation designed to bring relief to the many commer-

cial and industrial tenants in the city of New York.

DELINQUENCY AND CRIME

Juvenile Delinquency

In the last fourteen months a committee of State commissioners has made a study of possible measures for the prevention of juvenile delinquency and adult crime and the treatment of delinquents and criminals. It recently submitted an exhaustive report on the subject of juvenile delinquency which I transmit to your honorable bodies herewith for your thoughtful consideration.

It has been the conclusion of the committee that delinquency, like intolerance breeds in ignorance; that its causes are manifold; that what is needed is not primarily more laws but a co-ordinated effort of the agencies and officials now empowered to deal with these many causes. It has therefore made limited and simple legislative recommendations so far as prevention is concerned and has developed carefully thought-out plans for teaming together municipal and State government and public and private agencies in an all-out battle on many fronts against this menace.

The State should be prepared to provide an adequate youth service agency and to assist in initiating programs locally.

Custodial Care

In dealing with delinquents and criminals provision must be made for the most complete use of the existing corrective facilities of the State. This must be accomplished by freedom of transfer among the institutions of a single department and to a limited extent, among institutions of different departments. This will permit the use of institutions for specialized purposes and more homogeneous groupings of inmates.

Certain particular needs have been disclosed, such as the need for an institution to take care of defective delinquents under the age of sixteen. At the present time neither the Mental Hygiene nor Social Welfare Departments have the facilities for the treatment of such children.

Parole

Parole at the present time is not consolidated under a single head. It is a shocking fact that the State of New York operates nine different, unrelated parole systems. Each of these systems has its own set of parole officers in the various State districts, with resulting duplication of travel expense, records and work. While these systems to some extent deal with different types of problems, it is clear that, with the exception of the systems for State training schools, all supervision and investigation should be consolidated under the State Division of Parole.

Rehabilitation of Persons Convicted of Crimes

Our penal system provides that criminals who have served a minimum term, and whose good conduct and prospects of rehabilitation warrant it, may be released from custody by the Board of Parole. This release, however, does not end the punishment. The convict is forbidden to earn his livelihood in certain professions or occupations or to exercise some of the privileges of citizenship in the community to which he has returned. These penalties continue no matter how good his subsequent behavior. In many cases rehabilitation is seriously impeded, and both the individual and the community are injured.

The only way that these disabilities can be removed is by resort to the ancient and cumbersome use of the Governor's constitutional pardoning power. I have small patience with the confirmed criminal, but we should take every step to assist men and women who genuinely seek rehabilitation. They should not be

prevented from becoming useful citizens nor unnecessarily carry a stigma long after character and reputation have been re-established.

I propose, therefore, that legislation be enacted whereby the restraints and disabilities imposed by law upon released felons will be made mandatory only for a fixed period. Thereafter, upon the showing of sufficient rehabilitation and by unanimous vote of the Parole Board these disabilities should cease to be effective.

I am sure that your honorable bodies will give these matters your most earnest attention. In the last few years, the State has gone far to provide for the tangible problems which beset it now and which we anticipate during the post-war period ahead. We must likewise deal with the more intangible aspect of community life, problems that overlap many departmental lines, problems that raise questions of fundamental education and citizenship rather than matters of law and legislation. Eradication of delinquency is one of these problems; the rooting out of racial and religious intolerance is another.

DISCRIMINATION

During the closing days of the last session of the Legislature certain bills were introduced designed to eliminate religious and racial discrimination in various phases of our society, particularly in the field of employment. I addressed a special message to your honorable bodies, calling attention to the great significance of the problem and the necessity for most careful study and suggesting the creation of a commission to undertake such study and to make recommendations at this session of the Legislature.

That suggestion was followed and the Temporary State Commission Against Discrimination is prepared to make vital recommendations with carefully drawn legislation by Feb. 1. I cannot too strongly emphasize either the importance or the necessity for considered action on the recommendations of that commission. The need for action in this field of human relations is imperative.

We all know that the problems in this field may not be solved by means of statutory enactments alone. All of our people must be imbued with the urgency and the will and the understanding to bring co-operation and equality into the relations among our fellow human beings. To do this, education both of child and adult is required. The right atmosphere in the home, the church and the school is all important. Much can be accomplished to accelerate the process of education and understanding by voluntary action and by sound governmental leadership in initiating and encouraging such voluntary action.

I cannot too strongly urge that, after the commission has rendered its report, action should be taken to place our State in the forefront of the nation in the handling of this vital issue.

MEDICAL CARE COMMISSION

The Commission on Medical Care created by your honorable bodies last year has made substantial progress in its efforts to produce a workable plan for broadening the availability of medical services and hospitals while at the same time preserving the integrity and freedom of the medical profession. I have every reason to believe that by the next session of the Legislature, it will bring forward a progressive and sound program for the benefit of the people of the entire State. To this end the commission should be continued.

SOLDIER VOTE

The New York soldier vote law was a conspicuous success in producing a very large soldier vote on any comparable basis. The amount by which New York re-

turns exceeded those of States with other methods of ballot distribution speaks for itself. The service vote in New York State was almost double that of Pennsylvania; the second largest State in the Union. Using the available estimates of qualified voters in the armed service, this means that the percentage of servicemen voting in New York exceeded that in Pennsylvania by almost 10 per cent. This comparison continues dramatically through all of the comparably large States for which figures are available. New York exceeded them all in the percentage of the service votes returned.

We avoided fraud, observed the requirements of our Constitution, and also produced an enormous vote. In view of the remarkable success achieved under the law and the large vote received under it, I recommend that it be continued substantially as it is.

One injustice, however, was caused by our constitutional provisions. In time of war the merchant marine, the Red Cross and other civilian agencies work in close co-ordination with the armed services. The number of persons engaged in these pursuits increases markedly during war time. It seems most unjust that such persons should lose their right to vote because of their contribution to the nation's welfare. I therefore recommend an appropriate broadening of the provisions of our Constitution to permit non-personal voting by members of the merchant marine, the Red Cross and other similar authorized agencies.

VETERANS

At the last session of the Legislature I recommended the creation of a temporary commission to study proposed legislation affecting veterans and for the purpose of setting up a veterans' service agency for the State. This recommendation was followed. The temporary commission that was created and headed by General Hugh A. Drum has operated successfully during the year. A State-wide veterans' agency and agencies in each locality have been created. They are already carrying on their important services to the returning veterans and their families.

In addition, the commission is prepared to submit its report to your honorable bodies, making specific recommendations for legislation affecting veterans. Most important of all its recommendations is one to make permanent the State Veterans' Commission in the executive department. The commission, including the members representing the veterans' organizations, has recognized that the State, in rendering service to the veterans, should not duplicate the functions now carried on by appropriate State departments under the Constitution or all of the activities of the Federal government. Instead, the needs of veterans can be taken care of through careful and selective co-ordination by a permanent commission in the executive department. The report will contain other recommendations as indicated by the preliminary report that was presented to me pursuant to the law.

This is a field which will undergo greater development as the days and the years pass. We welcome this development because we welcome the opportunity to do for our soldiers and sailors, our young men and our young women, those things to which they are entitled by reason of the sacrifices they are making on behalf of the nation.

WAR COUNCIL

During the last year, certain of the problems and activities of the New York State War Council have increased, while it has been possible to eliminate others which were no longer considered essential. The Army recently addressed a communication to me

warning of the possibility of robot bombing and requesting vigilance in maintaining civilian protection services.

There has been a steady increase in the demand for child care facilities. The Child Care Committee has rendered exceptional service to many communities in which industry would have been seriously lacking in personnel had care for the children of working mothers not been provided.

On Dec. 1, 1944, there were in operation in the state 98 child-care projects involving 221 nurseries and school-age centers, having a normal enrollment of about 9,000 children. Of these 221 units, all but three were financed with the aid of the state. Requirements serviced by such agencies as the Nursing Council, certain divisions of Civilian Mobilization with its very large volunteer register and others have increased.

Not the least of the achievements of the War Council has been in the field of food production and preservation through the services of the Emergency Food Commission. Significant successes in 1943 and 1944 must be followed by equal achievement in 1945. Still acute are farm labor and farm machinery emergencies. Replacements have not been possible and the outlook in this respect in 1945 is anything but bright. Intensive work in this field during the year is clearly indicated.

As we move into 1945, it is clear that the War Council and the local councils have important services of lasting value to perform in aid of the war effort.

CONCLUSION

In presenting this annual message to you, I have made a number of proposals toward carrying out the responsibilities of the state in the post-war period. These deal broadly with the strengthening of the services of the state to its people, whether they work in business, industry or in agriculture. New York is a highly developed industrial state and we must make the conditions under which business is done in our state so attractive that in the reconversion period our factories and plants will be desirable places in which to do business and our people can look forward to permanent, stable employment. There must be no post-war trend away from the great harbors, transportation and highly skilled workers of our state.

At the same time, the hard-won rights of labor, which are a cornerstone of economic freedom, must be preserved and strengthened as I have indicated. For the thirteen million people of our state life must be made ever happier and more secure from economic or physical misfortune. The education of our children must be strengthened.

Only in these ways can the great, free institutions we here have the honor to represent be made stronger and the lives of our people happier in a turbulent and unhappy world.

THOMAS E. DEWEY.

Buffalo Clearing House Elects Harriman Head

According to the Buffalo "Evening News" of Dec. 27 President Lewis G. Harriman of the Manufacturers & Traders Trust Company, Buffalo, N. Y., has been elected President of the Buffalo Clearing House Association to succeed President Charles H. Diefendorf of the Marine Trust Company. The advices added:

"President George G. Kleinfist of the Liberty Bank of Buffalo was elected Vice-President of the Clearing House, Mr. Diefendorf, Treasurer, and Edward W. Miller, Vice-President of the Manufacturers & Traders Trust Company, Secretary.

Nardin Again Heads St. Louis Reserve

The Board of Governors of the Federal Reserve System has redesignated William T. Nardin, St. Louis, as Chairman of the Board and Federal Reserve Agent, and has reappointed Douglas W. Brooks, Memphis, Tenn., as Deputy Chairman and a Class C director of the Federal Reserve Bank of St. Louis.

The Reserve Bank's announcement on Jan. 2, also said:

"Member banks have elected the following as directors of the parent bank: Tom K. Smith, St. Louis, Class A director, and Louis Ruthenburg, Evansville, Ind., Class B director.

"The following have been appointed directors of the branches of the Federal Reserve Bank:

"Little Rock Branch—S. M. Brooks, Emmet Morriss and A. F. Balley, Little Rock, Ark., and Geo. S. Neal, Russellville, Ark.

"Louisville Branch—E. J. O'Brien, Jr., Wallace M. Davis and Chas. Schacht, Louisville, Ky.

"Memphis Branch—J. Holmes Sherard, Sherard, Miss.; W. P. Kretschmar, Greenville, Miss., and W. H. Glasgow, Memphis, Tenn.

"The Board of Directors of the Federal Reserve Bank consists of nine members, six of whom are chosen by the member banks and three by the Board of Governors in Washington. Each branch has seven directors, four of whom are appointed by the Federal Reserve Bank and three by the Board of Governors.

Harrison Reeves Dies

Harrison Sprague Reeves died Dec. 30 at the age of 56. Mr. Reeves, who was a financial writer and Paris correspondent of the "World," passed away after a short illness, said the New York "Times" of Jan. 6, from which we take the following:

Born in Carthage, S. D., Mr. Reeves was educated in South America and Europe, where his father went to take a series of posts as a civil engineer. He was graduated from Harvard University in 1910, earning his A. B. degree cum laude. He took courses under William James, George Santayana and Josiah Royce and carried on an extensive correspondence with them after his graduation.

After he left Harvard Mr. Reeves took a job with the old New York Morning Sun as a financial reporter and editorial writer. He conducted a column called Gossip of Wall Street, which attracted the attention of the editors of the "World," who made him that newspaper's continental correspondent, with headquarters at Paris. From Paris he wrote widely on European financial and political questions.

Mr. Reeves remained with the "World" until the start of the first World War, when he returned to the "Sun." He left daily journalism in 1916 to become the publicity member of the American Manufacturers Export Association's industrial mission to Europe. Later he did publicity work for French semi-governmental agencies.

In the late Nineteen Ten's and early Nineteen Twenty's Mr. Reeves served as manager for several continental business firms. After his return to the United States he did publicity for banking and oil concerns. From 1931 until 1943 Mr. Reeves spent much of his time traveling about the country in a trailer.

FDR Again Calls For Enactment Of National Service Act

(Continued from first page)

need is too pressing to await the outcome of further efforts at recruiting."

Making the statement that "I am clear in my own mind that, as an essential factor in the maintenance of peace in the future, we must have universal military training after this war," the President indicated that he would "send a special message to the Congress on this subject." He continued:

"An enduring peace cannot be achieved without a strong America—strong in the social and economic sense as well as in the military sense.

"In the State-of-the-Union message last year, I set forth what I considered to be an American economic bill of rights.

"I said then and I say now that these economic truths represent a second bill of rights under which a new basis of security and prosperity can be established for all regardless of station, race or creed."

"Of these rights the most fundamental, and one on which the fulfillment of the others in a large degree depends, is the right to a useful and remunerative job in the industries or shops or farms or mines of the nation." In turn, others of the economic rights of American citizenship, such as the right to a decent home, to a good education, to good medical care, to social security, to reasonable farm income will, if fulfilled, make major contributions to achieving adequate levels of employment."

Noting that "we have had full employment during the war," the President observed that "we have had it because the Government has been ready to buy all the materials of war which the country could produce—and this has amounted to approximately half our present productive capacity."

"After the war," he said, "we must maintain full employment, with Government performing its peacetime functions." "This means," he added, "that we must achieve a level of demand and purchasing power by private consumers," and "it means also that we must greatly increase our export trade above the pre-war level." In part, the President also said:

"Our policy is, of course, to rely as much as possible on private enterprise to provide jobs. But the American people will not accept mass unemployment or mere makeshift work. There will be need for the work of everyone willing and able to work—and that means close to 60,000,000 jobs.

"Full employment means not only jobs, but productive jobs. Americans do not regard jobs that pay substandard wages as productive jobs.

"We must make sure that private enterprise works as it is supposed to work—on the basis of initiative and vigorous competition, without the stifling presence of monopolies and cartels.

"During the war we have guaranteed investment in enterprise essential to the war effort. We should also take appropriate measures in peacetime to secure opportunities for new small enterprises and for productive business expansion for which finance would otherwise be unavailable.

"Our full-employment program requires the extensive development of our natural resources and other useful public works. The undeveloped resources of this continent are still vast. Our river-watershed projects will add new and fertile territories to the United States. The TVA, which was constructed at a cost of \$750,000,000—the cost of waging this war for less than four days—was

a bargain. We have similar opportunities in our other great river basins."

Reference was made by the President to the Atlantic Charter, and in his remarks thereto he said:

"It is true that the statement of principles in the Atlantic Charter does not provide rules of easy application to each and every one of this war-torn world's tangled situations. But it is a good and a useful thing—it is an essential thing—to have principles toward which we can aim."

From his message we also quote:

"We and our allies have declared that it is our purpose to respect the right of all peoples to choose the form of government under which they will live and to see sovereign rights and self-government restored to those who have been forcibly deprived of them. * * *

"It is our purpose to help the peace-loving peoples of Europe to live together as good neighbors, to recognize their common interests and not to nurse their traditional grievances against one another."

Declaring that "we must not permit the many specific and immediate problems of adjustment connected with the liberation of Europe to delay the establishment of permanent machinery for the maintenance of peace," the President said:

"International peace and well-being, like national peace and well-being, require constant alertness, continuing cooperation and organized effort. . . .

"Many of the problems of the peace are upon us even now while the conclusion of the war is still before us. The atmosphere of friendship and mutual understanding and determination to find a common ground of common understanding, which surrounded the conversations at Dumbarton Oaks, gives us reason to hope that future discussions will succeed in developing the democratic and fully integrated world security system toward which these preparatory conversations were directed.

"We and the other United Nations are going forward with vigor and resolution in our efforts to create such a system by providing for it strong and flexible institutions of joint and cooperative action."

The President told the Congress that "one of the most heartening events of the year in the international field has been the renaissance of the French people and the return of the French nation to the ranks of the United Nations," and, he stated that "today French armies are again on the German frontier and are again fighting shoulder to shoulder with our sons."

At the conclusion of his message the President stated that "this New Year of 1945 can be the greatest year of achievement in human history." He further said:

"Nineteen hundred forty-five can see the final ending of the Nazi-Fascist reign of terror in Europe.

"Nineteen hundred forty-five can see the closing in of the forces of retribution about the center of the malignant power of imperialistic Japan."

"Most important of all—1945 can and must see the substantial beginning of the organization of world peace."

Text of President Roosevelt's State of the Union Message to the Congress

To the Congress of the U. S.:
In considering the state of the Union, the war, and the peace

that is to follow, are naturally uppermost in the minds of all of us.

This war must be waged—it is being waged—with the greatest and most persistent intensity. Everything we are and have is at stake. Everything we are and have will be given. American men, fighting far from home, have already won victories which the world will never forget.

We have no question of the ultimate victory. We have no question of the cost. Our losses will be heavy.

We and our Allies will go on fighting together to ultimate total victory.

We have seen a year marked, on the whole, by substantial progress toward victory, even though the year ended with a setback for our arms, when the Germans launched a ferocious counter-attack into Luxembourg and Belgium with the obvious objective of cutting our line in the center.

Our men have fought with indescribable and unforgettable gallantry under most difficult conditions, and our German enemies have sustained considerable losses while failing to obtain their objectives.

The high tide of this German effort was reached two days after Christmas. Since then we have reassumed the offensive, rescued the isolated garrison at Bastogne, and forced a German withdrawal along the whole line of the salient.

The speed with which we recovered from this savage attack was largely possible because we have one supreme commander in complete control of all the Allied armies in France. General Eisenhower has faced this period of trial with admirable calm and resolution and with steadily increasing success. He has my complete confidence.

Further desperate attempts may well be made to break our lines, to slow our progress. We must never make the mistake of assuming that the Germans are beaten until the last Nazi has surrendered.

And I would express another most serious warning against the poisonous effects of enemy propaganda.

The wedge that the Germans attempted to drive in western Europe was less dangerous in actual terms of winning the war than the wedges which they are continually attempting to drive between ourselves and our Allies.

Every little rumor which is intended to weaken our faith in our Allies is like an actual enemy agent in our midst—seeking to sabotage our war effort. There are, here and there, evil and baseless rumors against the Russians—rumors against the British—rumors against our own American commanders in the field.

When you examine these rumors closely, you will observe that every one of them bears the same trademark—"Made in Germany."

Warns Against Divisive Propaganda

We must resist this divisive propaganda—we must destroy it—with the same strength and the same determination that our fighting men are displaying as they resist and destroy the panzer divisions.

In Europe we shall resume the attack and—despite temporary setbacks here or there—we shall continue the attack relentlessly until Germany is completely defeated.

It is appropriate at this time to review the basic strategy which has guided us through three years of war, and which will lead, eventually, to total victory.

The tremendous effort of the first years of this war was directed toward the concentration of men and supplies in the various theaters of action at the points where they could hurt our enemies most.

It was an effort—in the language of the military men—of deployment of our forces. Many battles—essential battles—were fought; many victories—vital victories—were won. But these battles and these victories were fought and won to hold back the attacking enemy, and to put us in positions from which we and our Allies could deliver the final, decisive blows.

In the beginning, our most important military task was to prevent our enemies—the strongest and most violently aggressive powers that ever have threatened civilization—from winning decisive victories. But even while we were conducting defensive, delaying actions, we were looking forward to the time when we could wrest the initiative from our enemies and place our superior resources of men and materials into direct competition with them.

It was plain then that the defeat of either enemy would require the massing of overwhelming forces—ground, sea and air—in positions from which we and our allies could strike directly against the enemy homelands, and destroy the Nazi and Japanese war machines.

In the case of Japan, we had to await the completion of extensive preliminary operations—operations designed to establish and secure supply lines through the Japanese outer-zone defenses. This called for overwhelming sea power and air power—supported by ground forces strategically employed against isolated outpost garrisons.

Always—from the very day we were attacked—it was right militarily as well as morally to reject the arguments of those shortsighted people who would have had us throw Britain and Russia to the Nazi wolves and concentrate against the Japanese. Such people urged that we fight a purely defensive war against Japan while allowing the domination of all the rest of the world by Nazism and Fascism.

In the European theatre the necessary bases for the massing of ground and air power against Germany were already available in Great Britain. In the Mediterranean area we could begin ground operations against major elements of the German Army as rapidly as we could put troops in the field, first in North Africa and then in Italy.

Therefore, our decision was made to concentrate the bulk of our ground and air forces against Germany until her utter defeat. That decision was based on all these factors; and it was also based on the realization that, of our two enemies, Germany would be more able to digest quickly her conquests, the more able quickly to convert the man power and resources of her conquered territory into a war potential.

We had in Europe two active and indomitable allies—Britain and the Soviet Union—and there were also the heroic resistance movements in the occupied countries, constantly engaging and harassing the Germans.

We cannot forget how Britain held the line, alone, in 1940 and 1941; and at the same time, despite ferocious bombardment from the air, built up a tremendous armaments industry which enabled her to take the offensive at El Alamein in 1942.

We cannot forget the heroic defense of Moscow and Leningrad and Stalingrad, or the tremendous Russian offensives of 1943 and 1944 which destroyed formidable German armies.

Nor can we forget how, for more than seven long years, the Chinese people have been sustaining the barbarous attacks of the Japanese and containing large enemy forces on the vast areas of the Asiatic mainland.

In the future we must never forget the lesson that we have learned—that we must have friends who will work with us in peace as they have fought at our side in war.

Victories Achieved Through Efforts of Allies

As a result of the combined effort of the Allied forces, great military victories were achieved in 1944: The liberation of France, Belgium, Greece and parts of the Netherlands, Norway, Poland, Yugoslavia and Czechoslovakia; the surrender of Romania and Bulgaria; the invasion of Germany itself and Hungary; the steady march through the Pacific islands to the Philippines, Guam and Saipan; and the beginnings of a mighty air offensive against the Japanese islands.

Now, as this seventy-ninth Congress meets, we have reached the most critical phase of the war.

The greatest victory of the last year was, of course the successful breach on June 6, 1944, of the German "impregnable" sea wall of Europe and the victorious sweep of the Allied forces through France and Belgium and Luxembourg—almost to the Rhine itself.

The cross-channel invasion of the Allied armies was the greatest amphibious operation in the history of the world. It overshadowed all other operations in this or any other war in its immensity. Its success is a tribute to the fighting courage of the soldiers who stormed the beaches—to the sailors and merchant seamen who put the soldiers ashore and kept them supplied—and to the military and naval leaders who achieved a real miracle of planning and execution. And it is also a tribute to the ability of two nations, Britain and America, to plan together, and work together, and fight together in perfect cooperation and perfect harmony.

This cross-channel invasion was followed in August by a second great amphibious operation, landing troops in southern France. In this, the same cooperation and the same harmony existed between the American, French and other Allied forces based in North Africa and Italy.

The success of the two invasions is a tribute also to the ability of many men and women to maintain silence, when a few careless words would have imperiled the lives of hundreds of thousands and would have jeopardized the whole vast undertakings.

These two great operations were made possible by success in the Battle of the Atlantic.

Without this success over German submarines we could not have built up our invasion forces or air forces in Great Britain, nor could we have kept a steady stream of supplies flowing to them after they had landed in France.

The Nazis, however, may succeed in improving their submarines and their crews. They have recently increased their U-boat activity. The Battle of the Atlantic—like all campaigns in this war—demands eternal vigilance. But the British, Canadian and other Allied navies, together with our own, are constantly on the alert.

Important Italian Front

The tremendous operations in western Europe have overshadowed in the public mind the less spectacular but vitally important Italian front. Its place in the strategic conduct of the war in Europe has been obscured, and—by some people, unfortunately—underrated.

It is important that any misconception on that score be corrected—now.

What the Allied forces in Italy are doing is a well considered part of our strategy in Europe, now aimed at only one objective—the total defeat of the Germans. These valiant forces in Italy are continuing to keep a substantial portion of the German army under constant pressure—including some twenty first-line German divisions and the necessary supply and transport and replacement troops—all of which our enemies need so badly elsewhere.

Over very difficult terrain and

through adverse weather conditions, our 5th Army and the British 8th Army—reinforced by units from other United Nations, including a brave and well equipped unit of the Brazilian Army—have, in the past year, pushed north through bloody Cassino and the Anzio beachhead, and through Rome until now they occupy heights overlooking the Valley of the Po.

The greatest tribute which can be paid to the courage and fighting ability of these splendid soldiers in Italy is to point out that although their strength is about equal to that of the Germans they oppose, the Allies have been continuously on the offensive.

That pressure, that offensive, by our troops in Italy will continue.

The American people—and every soldier now fighting in the Apennines—should remember that the Italian front has not lost any of the importance which it had in the days when it was the only Allied front in Europe.

Offensive By U. S. In Pacific

In the Pacific during the last year, we have conducted the fastest-moving offensive in the history of modern warfare. We have driven the enemy back more than 3,000 miles across the Central Pacific.

A year ago, our conquest of Tarawa was a little more than a month old.

A year ago we were preparing for our invasion of Kwajalein, the second of our great strides across the Central Pacific to the Philippines.

A year ago, General MacArthur was still fighting in New Guinea, almost 1,500 miles from his present position in the Philippine Islands.

We now have firmly established bases in the Mariana Islands from which our Superfortresses bomb Tokyo itself—and will continue to blast Japan in ever increasing numbers.

Japanese forces in the Philippines have been cut in two. There is still hard fighting ahead—costly fighting. But the liberation of the Philippines will mean that Japan has been largely cut off from her conquest in the East Indies.

The landing of our troops on Leyte was the largest amphibious operation thus far conducted in the Pacific.

Moreover, these landings drew the Japanese fleet into the first great sea battle which Japan has risked in almost two years. Not since the night engagements around Guadalcanal in November-December 1942, had our Navy been able to come to grips with major units of the Japanese fleet. We had brushed against their fleet in the first battle of the Philippine Sea in June, 1944, but not until last October were we able really to engage a major portion of the Japanese navy in actual combat. The naval engagement, which raged for three days, was the heaviest blow ever struck against Japanese sea power.

As the result of that battle, much of what is left of the Japanese fleet has been driven behind the screen of islands that separates the Yellow Sea, the China Sea and the Sea of Japan from the Pacific.

Our Navy looks forward to any opportunity which the lords of the Japanese Navy will give us to fight them again.

The people of this nation have a right to be proud of the courage and fighting ability of the men in the armed forces—on all fronts. They also have a right to be proud of American leadership which has guided their sons into battle.

The history of the generalship of this war has been a history of teamwork and co-operation, of skill and daring. Let me give you one example out of last year's operations in the Pacific.

Last September Admiral Halsey led American task forces into Philippine waters and north to the East China Sea, and struck

heavy blows at Japanese air and sea power.

At that time it was our plan to approach the Philippines by further stages, taking islands which we may call A, C and E. However, Admiral Halsey reported that a direct attack on Leyte appeared feasible. When General MacArthur received the reports from Admiral Halsey's task forces, he also concluded that it might be possible to attack the Japanese in the Philippines directly—by-passing islands A, C and E.

Admiral Nimitz thereupon offered to make available to General MacArthur several divisions which had been scheduled to take the intermediate objectives. These discussions, conducted at great distance, all took place in one day.

General MacArthur immediately informed the Joint Chiefs of Staff here in Washington that he was prepared to initiate plans for an attack on Leyte in October. Approval of the change in plan was given on the same day.

Thus, within the space of twenty-four hours, a major change of plans was accomplished which involved Army and Navy forces from two different theaters of operations—a change which hastened the liberation of the Philippines and the final day of victory—a change which saved lives which would have been expended in the capture of islands which are now neutralized far behind our lines.

Aid to China

Our over-all strategy has not neglected the important task of rendering all possible aid to China. Despite almost insuperable difficulties, we increased this aid during 1944. At present our aid to China must be accomplished by air transport—there is no other way. By the end of 1944 the Air Transport Command was carrying into China a tonnage of supplies three times as great as that delivered a year ago, and much more, each month, than the Burma Road ever delivered at its peak.

Despite the loss of important bases in China, the tonnage delivered by air transport has enabled General Chennault's 14th Air Force, which includes many Chinese flyers, to wage an effective and aggressive campaign against the Japanese. In 1944 aircraft of the 14th Air Force flew more than 35,000 sorties against the Japanese and sank an enormous tonnage of enemy shipping, greatly diminishing the usefulness of the China Sea lanes.

British, Dominion and Chinese forces together with our own have not only held the line in Burma against determined Japanese attacks but have gained bases of considerable importance to the supply line into China.

The Burma campaigns have involved incredible hardship and have demanded exceptional fortitude and determination. The officers and men who have served with so much devotion in these far distant jungles and mountains deserve high honor from their countrymen.

In all of the far-flung operations of our own armed forces—on land and sea and in the air—the final job, the toughest job, has been performed by the average, easy-going, hard-fighting young American who carries the weight of battle on his own shoulders.

It is to him that we and all future generation of Americans must pay grateful tribute.

But—it is of small satisfaction to him to know that monuments will be raised to him in the future. He wants, he needs and he is entitled to insist upon our full and active support—now.

Need of Increasing Production Goals

Although unprecedented production figures have made possible our victories, we shall have to increase our goals even more in certain items.

Peak deliveries of supplies were made to the War Department in

December, 1943. Due in part to cutbacks we have not produced as much since then. Deliveries of Army supplies were down by 15% by July, 1944, before the upward trend was once more resumed.

Because of increased demands from overseas, the Army Service Forces in the month of October, 1944, had to increase its estimate of required production by 10%. But in November, one month later, the requirements for 1945 had to be increased another 10%, sending the production goal well above anything we have yet attained. Our armed forces in combat have steadily increased their expenditure of medium and heavy artillery ammunition. As we continue the decisive phases of this war, the munitions that we expend will mount day by day.

In October, 1944, while some were saying the war in Europe was over, the Army was shipping more men to Europe than in any previous month of the war.

More Nurses Called For

One of the most urgent immediate requirements of the armed forces is more nurses. Last April the Army requirements for nurses was set at 50,000. Actual strength in nurses was then 40,000. Since that time the Army has tried to raise the additional 10,000. Active recruiting has been carried on, but the net gain in eight months has been only 2,000. There are now 42,000 nurses in the Army.

The present shortage of Army nurses is reflected in undue strain on the existing force. More than 1,000 nurses are now hospitalized, and part of this is due to overwork. The shortage is also indicated by the fact that eleven Army hospital units have been sent overseas without their complement of nurses. At Army hospitals in the United States there is only one nurse to 26 beds, instead of the recommended one to 15.

It is tragic that the gallant women who have volunteered for service as nurses should be so overworked. It is tragic that our wounded men should ever want for the best possible nursing care.

The inability to get the needed nurses for the Army is not due to any shortage of nurses. Two hundred and eighty thousand registered nurses are now practicing in this country. It has been estimated by the War Manpower Commission that 27,000 additional nurses could be made available to the armed forces without interfering too seriously with the needs of the civilian population for nurses.

Since volunteering has not produced the number of nurses required, I urge that the Selective Service act be amended to provide for the induction of nurses into the armed forces. The need is too pressing to await the outcome of further efforts at recruiting.

The care and treatment given to our wounded and sick soldiers have been the best known to medical science. Those standards must be maintained at all costs. We cannot tolerate a lowering of them by failure to provide adequate nursing for the brave men who stand desperately in need of it.

In the continuing progress of this war we have constant need for new types of weapons. For we cannot afford to fight the war of today or tomorrow with the weapons of yesterday. For example, the American Army now has developed a new tank with a gun more powerful than any yet mounted on a fast-moving vehicle. The Army will need many thousands of these new tanks in 1945.

Almost every month finds some new development in electronics which must be put into production in order to maintain our technical superiority—and in order to save lives. We have to work every day to keep ahead of the enemy in radar. On D Day, in France, with our superior new equipment,

we located and then put out of operation every warning set which the Germans had along the French coast.

If we do not keep constantly ahead of our enemies in the development of new weapons, we pay for our backwardness with the life's blood of our sons.

Urgency of War Workers to Stay on Job

The only way to meet these increased needs for new weapons and more of them is for every American engaged in war work to stay on his war job—for additional American civilians, men and women, not engaged in essential work, to go out and get a war job. Workers who are released because their production is cut back should get another job where production is being increased. This is no time to quit or change to less essential jobs.

There is an old and true saying that the Lord hates a quitter. And this nation must pay for all those who leave their essential jobs—or all those who lay down on their essential jobs for non-essential reasons. And—again—that payment must be made with the life's blood of our sons.

Many critical production programs with sharply rising needs are now seriously hampered by man-power shortages. The most important Army needs are artillery, ammunition, cotton duck, bombs, tires, tanks, heavy trucks and even B-29's. In each of these vital programs, present production is behind requirements.

Navy production of bombardment ammunition is hampered by man-power shortages; so is production for its huge rocket program. Labor shortages have also delayed its cruiser and carrier programs, and production of certain types of aircraft.

There is critical need for more repair workers and repair parts; this lack delays the return of damaged fighting ships to their places in the fleet, and prevents ships now in the fighting line from getting needed overhauling.

The pool of young men under twenty-six classified as 1-A is almost depleted. Increased replacements for the armed forces will take men now deferred who are at work in war industry. The armed forces must have an assurance of a steady flow of young men for replacements. Meeting this paramount need will be difficult, and will also make it progressively more difficult to attain the 1945 production goals.

Enactment of National Service Act Urged

Last year, after much consideration, I recommended that the Congress adopt a national service act as the most efficient and democratic way of insuring full production for our war requirements. This recommendation was not adopted.

I now again call upon the Congress to enact this measure for the total mobilization of all our human resources for the prosecution of the war. I urge that this be done at the earliest possible moment. It is not too late in the war. In fact, bitter experience has shown that in this kind of mechanized warfare where new weapons are constantly being created by our enemies and by ourselves, the closer we come to the end of the war, the more pressing becomes the need for sustained war production with which to deliver the final blow to the enemy.

There are three basic arguments for a national service law.

First—It would assure that we have the right numbers of workers in the right places at the right times.

Second—It would provide supreme proof to all our fighting men that we are giving them what they are entitled to, which is nothing less than our total effort.

And—third—it would be the final, unequivocal answer to the hopes of the Nazis and the Jap-

anese that we may become half-hearted about this war and that they can get from us a negotiated peace.

National service legislation would make it possible to put ourselves in a position to assure certain and speedy action in meeting our man-power needs.

It would be used only to the extent absolutely required by military necessities. In fact, experience in Great Britain and in other nations at war indicates that use of the compulsory powers of national service is necessary only in rare instances.

This proposed legislation would provide against loss of retirement and seniority rights and benefits. It would not mean reduction in wages.

In adopting such legislation, it is not necessary to discard the voluntary and co-operative processes which have prevailed up to this time. This co-operation has already produced great results. The contribution of our workers to the war effort has been beyond measure. We must build on the foundations that have already been laid and supplement the measures now in operation, in order to guarantee the production that may be necessary in the critical period that lies ahead.

At the present time we are using the inadequate tools at hand to do the best we can by such expedients as man-power ceilings, and the use of priority and other powers, to induce men and women to shift from non-essential to essential war jobs.

I am in receipt of a joint letter from the Secretary of War and the Secretary of the Navy, dated Jan. 3, 1945, which says:

"With the experience of three years of war and after the most thorough consideration, we are convinced that it is now necessary to carry out the statement made by the Congress in the joint resolutions declaring that a state of war existed with Japan and Germany; that to bring the conflict to a successful conclusion, all of the resources of the country are hereby pledged by the Congress of the United States."

"In our considered judgment, which is supported by General Marshall and Admiral King, this requires total mobilization of our man-power by the passage of a war service law. The armed forces need this legislation to hasten the day of final victory, and to keep to a minimum the cost in lives."

"National war service, the recognition by law of the duty of every citizen to do his or her part in winning the war, will give complete assurance that the need for war equipment will be filled. In the coming year we must increase the output of many weapons and supplies on short notice. Otherwise we shall not keep our production abreast of the swiftly changing needs of war. At the same time it will be necessary to draw progressively many men now engaged in war production to serve with the armed forces, and their places in war production must be filled promptly. These developments will require the addition of hundreds of thousands to those already working in war industry. We do not believe that these needs can be met effectively under the present methods."

"The record made by management and labor in war industry has been a notable testimony to the resourcefulness and power of America. The needs are so great, nevertheless, that in many instances we have been forced to recall soldiers and sailors from military duty to do work of a civilian character in war production, because of the urgency of the need for equipment and because of inability to recruit civilian labor."

Pending action by the Congress on the broader aspects of national service I recommend that the Congress immediately enact legislation which will be effective in

(Continued on page 194)

FDR Again Calls For Enactment Of National Service Act

(Continued from page 193)

using the services of the 4,000,000 men now classified as 4-F in whatever capacity is best for the war effort.

Foreign Policy

In the field of foreign policy, we propose to stand together with the United Nations not for the war alone but for the victory for which the war is fought.

It is not only a common danger which unites us but a common hope. Ours is an association not of governments but of peoples—and the peoples' hope is peace. Here, as in England; in England, as in Russia; in Russia, as in China; in France, and through the continent of Europe, and throughout the world; wherever men love freedom, the hope and purpose of the peoples are for peace—a peace that is durable and secure.

It will not be easy to create this peoples' peace. We delude ourselves if we believe that the surrender of the armies of our enemies will make the peace we long for. The unconditional surrender of the armies of our enemies is the first and necessary step—but the first step only.

We have seen already, in areas liberated from the Nazi and Fascist tyranny, what problems peace will bring. And we delude ourselves if we attempt to believe wishfully that all these problems can be solved overnight.

The firm foundation can be built—and it will be built. But the continuance and assurance of a living peace must, in the long run, be the work of the people themselves.

We ourselves, like all peoples who have gone through the difficult processes of liberation and adjustment, know of our own experience how great the difficulties can be. We know that they are not difficulties peculiar to any continent or any nation. Our own Revolutionary War left behind it, in the words of one American historian, "an eddy of lawlessness and disregard of human life." There were separatist movements of one kind or another in Vermont, Pennsylvania, Virginia, Tennessee, Kentucky and Maine. There were insurrections, open or threatened, in Massachusetts and New Hampshire. These difficulties we worked out for ourselves as the peoples of the liberated areas of Europe, faced with complex problems of adjustment, will work out their difficulties for themselves.

International Co-operation Required to Effect Enduring Peace

Peace can be made and kept only by the united determination of free and peace-loving peoples who are willing to work together—willing to help one another—willing to respect and tolerate and try to understand one another's opinions and feelings.

The nearer we come to vanquishing our enemies the more we inevitably become conscious of differences among the victors.

We must not let those differences divide us and blind us to our more important common and continuing interests in winning the war and building the peace.

International co-operation on which enduring peace must be based is not a one-way street.

Nations, like individuals, do not always see alike or think alike, and international co-operation and progress are not helped by any nation assuming that it has a monopoly of wisdom or of virtue.

In the future world the misuse of power, as implied in the term "power politics," must not be a controlling factor in international relations. That is the heart of the principles to which we have subscribed. We cannot deny that power is a factor in world politics

any more than we can deny its existence as a factor in national politics. But in a democratic world, as in a democratic nation, power must be linked with responsibility and obliged to defend and justify itself within the framework of the general good.

Perfectionism, no less than isolationism or imperialism or power politics, may obstruct the paths to international peace. Let us not forget that the retreat to isolationism a quarter of a century ago was started not by a direct attack against international co-operation but against the alleged imperfections of the peace.

In our disillusionment after the last war we preferred international anarchy to international co-operation with nations which did not see and think exactly as we did. We gave up the hope of gradually achieving a better peace because we had not the courage to fulfill our responsibilities in an admittedly imperfect world.

We must not let that happen again or we shall follow the same tragic road again—the road to a third world war.

We can fulfill our responsibilities for maintaining the security of our own country only by exercising our power and our influence to achieve the principles in which we believe and for which we have fought.

Principles of Atlantic Charter

In August, 1941, Prime Minister Churchill and I agreed to the principles of the Atlantic Charter, these being later incorporated into the declaration by United Nations of Jan. 1, 1942. At the time certain isolationists protested vigorously against our right to proclaim the principles—and against the very principles themselves. Today many of the same people are protesting against the possibility of violation of the same principles.

It is true that the statement of principles in the Atlantic Charter does not provide rules of easy application to each and every one of this war-torn world's tangled situations, but it is a good and useful thing—it is an essential thing—to have principles toward which we can aim.

And we shall not hesitate to use our influence—and to use it now—to secure so far as is humanly possible the fulfillment of the principles of the Atlantic Charter. We have not shrunk from the military responsibilities brought on by this war. We cannot and will not shrink from the political responsibilities which follow in the wake of battle.

I do not wish to give the impression that all mistakes can be avoided and that many disappointments are not inevitable in the making of peace. But we must not this time lose the hope of establishing an international order which will be capable of maintaining peace and realizing through the years more perfect justice between nations.

To do this we must be on our guard not to exploit and exaggerate the differences between us and our Allies, particularly with reference to the peoples who have been liberated from Fascist tyranny. That is not the way to secure a better settlement of those differences or to secure international machinery which can rectify mistakes which may be made.

I should not be frank if I did not admit concern about many situations—the Greek and Polish for example. But those situations are not as easy or as simple to deal with as some spokesmen, whose sincerity I do not question, would have us believe. We have obligations, not necessarily legal, to the exiled governments, to the underground leaders and to our

major Allies who came much nearer the shadows than we did.

Self Government for All Nations Advocated

We and our Allies have declared that is our purpose to respect the right of all peoples to choose the form of government under which they will live and to see sovereign rights and self-government restored to those who have been forcibly deprived of them. But with internal dissension, with many citizens of liberated countries still prisoners of war or forced to labor in Germany, it is difficult to guess the kind of self-government the people really want.

During the interim period, until conditions permit a genuine expression of the peoples' will, we and our Allies have a duty, which we cannot ignore, to use our influence to the end that no temporary or provisional authorities in the liberated countries block the eventual exercise of the peoples' right freely to choose the government and institutions under which, as free men, they are to live.

It is only too easy for all of us to rationalize what we want to believe, and to consider those leaders we like responsible and those we dislike irresponsible. And our task is not helped by stubborn partisanship, however understandable, on the part of opposed internal factions.

It is our purpose to help the peace-loving peoples of Europe to live together as good neighbors, to recognize their common interests and not to nurse their traditional grievances against one another.

But we must not permit the many specific and immediate problems of adjustment connected with the liberation of Europe to delay the establishment of permanent machinery for the maintenance of peace. Under the threat of a common danger the United Nations joined together in war to preserve their independence and their freedom. They must now join together to make secure the independence and freedom of all peace-loving states, so that never again shall tyranny be able to divide and conquer.

International peace and well-being, like national peace and well-being, require constant alertness, continuing co-operation and organized effort.

International peace and well-being, like national peace and well-being, can be secured only through institutions capable of life and growth.

Many of the problems of the peace are upon us even now while the conclusion of the war is still before us. The atmosphere of friendship and mutual understanding and determination to find a common ground of common understanding, which surrounded the conversations at Dumbarton Oaks, gives us reason to hope that future discussions will succeed in developing the democratic and fully integrated world-security system toward which these preparatory conversations were directed.

We and the other United Nations are going forward, with vigor and resolution, in our efforts to create such a system by providing for it strong and flexible institutions of joint and co-operative action.

The aroused conscience of humanity will not permit failure in this supreme endeavor.

Supports Freedom of Trade

We believe that the extraordinary advances in the means of inter-communication between peoples over the past generation offer a practical method of advancing the mutual understanding upon which peace and the institutions of peace must rest, and it is our policy and purpose to use these great technological achievements for the common advantage of the world.

We support the greatest possible

freedom of trade and commerce.

We Americans have always believed in freedom of opportunity, and equality of opportunity remains one of the principal objectives of our national life. What we believe in for individuals, we believe in also for nations. We are opposed to restrictions, whether by public act or private arrangement, which distort and impair commerce, transit and trade.

We have housecleaning of our own to do in this regard. But it is our hope, not only in the interest of our own prosperity, but in the interest of the prosperity of the world, that trade and commerce and access to materials and markets may be freer after this war than ever before in the history of the world.

Return of France to United Nations

One of the most heartening events of the year in the international field has been the renaissance of the French people and the return of the French nation to the ranks of the United Nations. Far from having been crushed by the terror of Nazi domination, the French people have emerged with stronger faith than ever in the destiny of their country and in the soundness of the democratic ideals to which the French nation has traditionally contributed so greatly.

During her liberation, France has given proof of her unceasing determination to fight the Germans, continuing the heroic efforts of the resistance groups under the occupation and of all those Frenchmen throughout the world who refused to surrender after the disaster of 1940.

Today French armies are again on the German frontier, and are again fighting shoulder to shoulder with our sons.

Since our landing in Africa, we have placed in French hands all the arms and material of war which our resources and the military situation permitted. And I am glad to say that we are now about to equip new French forces with the most modern weapons for combat duty.

In addition to the contribution which France can make to our common victory, her liberation likewise means that her great influence will again be available in meeting the problems of peace.

We fully recognize France's vital interest in a lasting solution of the German problem and the contribution which she can make in achieving international security. Her formal adherence to the declaration by United Nations a few days ago and the proposal at the Dumbarton Oaks discussions, whereby France would receive one of the five permanent seats in the proposed security council, demonstrate the extent to which France has resumed her proper position of strength and leadership.

Regards Universal Training Essential

I am clear in my own mind that, as an essential factor in the maintenance of peace in the future, we must have universal military training after this war, and I shall send a special message to the Congress on this subject.

An enduring peace cannot be achieved without a strong America—strong in the social and economic sense as well as in the military sense.

In the state of the union message last year, I set forth what I considered to be an American economic bill of rights.

Would Establish New Basis of Security and Prosperity

I said then, and I say now, that these economic truths represent a second bill of rights under which a new basis of security and prosperity can be established for all—regardless of station, race or creed.

Of these rights, the most fundamental, and one on which the fulfillment of the others in a large degree depends, is the "right to a

useful and remunerative job in the industries or shops or farms or mines of the nation." In turn, others of the economic rights of American citizenship, such as the right to a decent home, to a good education, to good medical care, to social security, to reasonable farm income, will, if fulfilled, make major contributions to achieving adequate levels of employment.

The Federal government must see to it that these rights become realities—with the help of states, municipalities, business, labor and agriculture.

We have had full employment during the war. We have had it because the government has been ready to buy all the materials of war which the country could produce—and this has amounted to approximately half our present productive capacity.

After the war we must maintain full employment, with government performing its peacetime functions. This means that we must achieve a level of demand and purchasing power by private consumers—farmers, business men, workers, professional men, housewives—which is sufficiently high to replace war-time Government demands, and it means also that we must greatly increase our export trade above the pre-war level.

Holds to Reliance on Private Enterprise to Provide Jobs

Our policy is, of course, to rely as much as possible on private enterprise to provide jobs. But the American people will not accept mass unemployment or mere makeshift work. There will be need for the work of every one winning and able to work—and that means close to 60,000,000 jobs.

Full employment means not only jobs—but productive jobs. Americans do not regard jobs that pay substandard wages as productive jobs.

We must make sure that private enterprise works as it is supposed to work—on the basis of initiative and vigorous competition, without the stifling presence of monopolies and cartels.

During the war we have guaranteed investment in enterprise essential to the war effort. We should also take appropriate measures in peace time to secure opportunities for new small enterprises and for productive business expansion for which finance would otherwise be unavailable.

This necessary expansion of our peace-time productive capacity will require new facilities, new plants and new equipment.

It will require large outlays of money which should be raised through normal investment channels. But while private capital should finance this expansion program the government should recognize its responsibility for sharing part of any special or abnormal risk of loss attached to such financing.

Development of Natural Resources

Our full-employment program requires the extensive development of our natural resources and other useful public works. The undeveloped resources of this continent are still vast. Our river-watershed projects will add new and fertile territories to the United States. The TVA, which was constructed at a cost of \$750,000,000—the cost of waging this war for less than four days—was a bargain. We have similar opportunities in our other great river basins. By harnessing the resources of these river basins, as we have in the Tennessee Valley, we shall provide the same kind of stimulus to enterprise as was provided by the Louisiana Purchase and the new discoveries in the West during the nineteenth century.

If we are to avail ourselves fully of the benefits of civil aviation, and if we are to use the automobiles we can produce, it will

be necessary to construct thousands of airports and to overhaul our entire national highway system.

The provision of a decent home for every family is a national necessity, if this country is to be worthy of its greatness—and that task will itself create great employment opportunities. Most of our cities need extensive rebuilding. Much of our farm plant is in a state of disrepair. To make a frontal attack on the problems of housing and urban reconstruction will require thoroughgoing co-operation between industry and labor, and the Federal, state and local governments.

Expansion of Social-Security Program

An expanded social-security program and adequate health and education programs must play essential roles in a program designed to support individual productivity and mass purchasing power. I shall communicate further with the Congress on these subjects at a later date.

The millions of productive jobs that a program of this nature could bring are jobs in private enterprise. They are jobs based on the expanded demand for the output of our economy for consumption and investment. Through a program of this character we can maintain a national income high enough to provide for an orderly retirement of the public debt along with reasonable tax reduction.

Our present tax system geared primarily to war requirements must be revised for peace time so as to encourage private demand.

Tax Modification After War

While no general revision of the tax structure can be made until the war ends on all fronts, the Congress should be prepared to provide tax modifications at the end of the war in Europe, designed to encourage capital to invest in new enterprises and to provide jobs. As an integral part of this program to maintain high employment, we must, after the war is over, reduce or eliminate taxes which bear too heavily on consumption.

The war will leave deep disturbances in the world economy, in our national economy, in many communities, in many families, and in many individuals. It will require determined effort and responsible action of all of us to find our way back to peace time, and to help others to find their way back to peace time—a peace time that holds the values of the past and the promise of the future.

If we attack our problems with determination we shall succeed. And we must succeed. For freedom and peace cannot exist without security.

Sees Congress, The Executive and Judiciary Working Together For Common Good

During the last year the American people, in a national elec-

tion, reasserted their democratic faith.

In the course of that campaign, various references were made to "strife" between this Administration and the Congress, with the implication, if not the direct assertion, that this Administration and the Congress could never work together harmoniously in the service of the nation.

It cannot be denied that there have been disagreements between the legislative and executive branches—as there have been disagreements during the last century and a half.

I think we all realize, too, that there are some people in this capital city whose task is in large part to stir up dissension, and to magnify normal healthy disagreements so that they appear to be irreconcilable conflicts.

But I think that the over-all record in this respect is eloquent: the government of the United States of America—all branches of it—has a good record of achievement in this war.

The Congress, the executive, and the judiciary have worked together for the common good.

I myself want to tell you, the members of the Senate and of the House of Representative, how happy I am in our relationships and friendships. I have not yet had the pleasure of meeting some of the new members in each house, but I hope that opportunity will offer itself in the near future.

We have a great many problems ahead of us and we must approach them with realism and courage.

This new year of 1945 can be the greatest year of achievement in human history.

Nineteen forty-five can see the final ending of the Nazi-Fascist reign of terror in Europe.

Nineteen forty-five can see the closing in of the forces of retribution about the center of the malignant power of imperialistic Japan.

Most important of all—1945 can and must see the substantial beginning of the organization of world peace. This organization must be the fulfillment of the promise for which men have fought and died in this war. It must be the justification of all the sacrifices that have been made—of all the dreadful misery that this world has endured.

We Americans of today, together with our allies, are making history—and I hope it will be better history than ever has been made before.

We pray that we may be worthy of the unlimited opportunities that God has given us.

FRANKLIN D. ROOSEVELT.

The White House, Jan. 6, 1945.

responsible for this. All other groups in the index remained unchanged.

During the week 11 price series in the index advanced and 4 declined; in the preceding week there were 10 advances and 1 decline; in the second preceding week there were 9 advances and 5 declines.

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

% Each Group Bears to the Total Index	Group	Latest Preceding Week		Month Ago	Year Ago
		Jan. 6, 1945	Dec. 30, 1944		
25.3	Food	143.9	144.5	144.3	139.7
	Fats and Oils	144.6	144.6	145.1	146.1
	Cottonseed Oil	160.7	160.7	163.1	159.6
23.0	Farm Products	165.9	165.5	163.6	154.2
	Cotton	207.2	205.3	203.5	190.8
	Grains	159.9	158.9	159.7	164.6
	Livestock	161.4	161.5	158.8	145.1
17.3	Fuels	130.4	130.4	130.4	127.6
10.8	Miscellaneous Commodities	133.4	133.4	133.2	131.4
8.2	Textiles	156.1	155.8	155.1	150.5
7.1	Metals	105.8	105.8	105.7	104.4
6.1	Building Materials	154.1	154.0	154.1	152.4
1.3	Chemicals and Drugs	125.4	125.1	125.1	127.7
.3	Fertilizer Materials	118.3	118.3	118.3	117.7
.3	Fertilizers	119.9	119.9	119.9	119.9
.3	Farm Machinery	104.8	104.8	104.7	104.2
100.0	All groups combined	140.1	140.1	139.6	136.4

*Indexes on 1926-1928 base were: Jan. 6, 1945, 109.1; Dec. 30, 1944, 109.1, and Jan. 8, 1944, 106.3.

Moody's Bond Prices And Bond Yield Averages

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

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

1944-45—Daily Averages	U. S. Govt. Bonds	Avg. Corporate rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Jan. 9, 1945	120.79	113.50	119.00	117.80	113.31	104.66	108.70	113.70	118.40
8	120.78	113.50	119.00	117.80	113.31	104.66	108.70	113.70	118.20
6	120.67	113.50	119.00	117.80	113.50	104.66	108.70	113.89	118.20
5	120.66	113.50	119.00	117.80	113.50	104.66	108.70	113.89	118.20
4	120.66	113.50	119.00	117.80	113.50	104.48	108.70	113.89	118.20
3	120.62	113.50	118.80	117.80	113.50	104.48	108.70	113.89	118.20
2	120.55	113.50	119.00	117.80	113.31	104.48	108.52	113.89	118.20
1	Stock Exchange Closed								
Dec. 29, 1944	120.55	113.50	119.00	117.80	113.31	104.48	108.70	113.70	118.20
22	120.55	113.50	119.00	117.80	113.31	104.48	108.70	113.89	118.00
15	120.17	113.50	119.00	117.80	113.50	104.48	108.70	113.89	118.00
8	120.09	113.31	119.00	117.80	113.31	104.14	108.34	113.70	118.20
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	103.84	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
Sep. 29	119.50	112.56	118.60	116.80	112.56	103.13	106.74	114.08	117.00
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 1944-45	120.78	113.50	119.20	118.00	113.70	104.66	108.70	114.27	118.20
Low 1944-45	119.20	110.70	118.20	116.22	110.88	99.04	103.30	113.12	116.02
High 1944	120.58	113.50	119.20	118.00	113.70	104.48	108.70	114.27	118.20
Low 1944	119.20	110.70	118.20	116.22	110.88	99.04	103.30	113.12	116.02
1 Year Ago									
Jan. 8, 1944	119.71	111.07	118.60	116.41	111.07	99.36	103.80	113.50	116.22
2 Years Ago									
Jan. 9, 1943	117.04	107.62	116.80	114.08	109.06	93.08	97.62	112.00	114.66

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

1944-45—Daily averages	U. S. Govt. Bonds	Avg. Corporate rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Jan. 9, 1945	1.78	2.98	2.70	2.76	2.99	3.47	3.24	2.97	2.73
8	1.78	2.98	2.70	2.76	2.99	3.47	3.24	2.97	2.74
6	1.78	2.98	2.70	2.76	2.98	3.47	3.24	2.96	2.74
5	1.79	2.98	2.70	2.76	2.98	3.47	3.24	2.96	2.74
4	1.79	2.98	2.70	2.76	2.98	3.48	3.24	2.96	2.74
3	1.79	2.98	2.71	2.76	2.98	3.48	3.24	2.96	2.74
2	1.80	2.98	2.70	2.76	2.99	3.48	3.25	2.96	2.74
1	Stock Exchange Closed								
Dec. 29, 1944	1.80	2.98	2.70	2.76	2.99	3.48	3.24	2.97	2.74
22	1.80	2.98	2.70	2.76	2.99	3.48	3.24	2.96	2.75
15	1.82	2.98	2.70	2.76	2.98	3.48	3.24	2.96	2.75
8	1.83	2.99	2.70	2.76	2.99	3.50	3.26	2.97	2.74
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	3.54	3.30	2.98	2.79
Sep. 29	1.84	3.03	2.72	2.81	3.03	3.58	3.35	2.95	2.80
Aug. 25	1.81	3.02	2.71	2.78	3.05	3.55	3.35	2.94	2.79
July 28	1.79	3.04	2.72	2.81	3.05	3.56	3.36	2.94	2.80
June 30	1.79	3.04	2.72	2.81	3.06	3.58	3.39	2.96	2.78
May 26	1.84	3.05	2.73	2.81	3.07	3.61	3.40	2.96	2.80
Apr. 28	1.86	3.07	2.73	2.82	3.08	3.66	3.43	2.97	2.83
Mar. 31	1.83	3.09	2.74	2.83	3.10	3.70	3.47	2.97	2.84
Feb. 25	1.81	3.10	2.74	2.83	3.11	3.73	3.49	2.98	2.84
Jan. 28	1.87	3.11	2.74	2.84	3.11	3.74	3.50	2.99	2.83
High 1944-45	1.87	3.13	2.74	2.84	3.12	3.81	3.55	3.00	2.85
Low 1944-45	1.77	2.98	2.69	2.75	2.97	3.47	3.24	2.94	2.74
High 1944	1.87	3.13	2.74	2.84	3.12	3.81	3.55	3.00	2.85
Low 1944	1.77	2.98	2.69	2.75	2.97	3.48	3.24	2.94	2.74
1 Year Ago									
Jan. 8, 1944	1.85	3.11	2.72	2.83	3.11	3.79	3.52	2.98	2.84
2 Years Ago									
Jan. 9, 1943	2.07	3.30	2.81	2.95	3.22	4.20	3.90	3.06	2.92

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

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

From Washington Ahead of The News

(Continued from first page) of the hat, the suspense was maintained. Countless people voted for his Fourth Term reelection with the feeling that with victory right on the edge, it would be dangerous to change horses.

Now, after the election and instead of that victory on the Western front we have been kicked all over the place. That the people are terribly disappointed is something felt by every Congressman and correspondent

Wholesale Prices at New Wartime Peak For Week Ended Dec. 30, Says Labor Dept.

"Higher prices for livestock and its products during the last week of 1944 brought the Bureau of Labor Statistics' index of commodity prices at the primary market level to a new wartime peak," said the U. S. Department of Labor in its Jan. 4 release which continued: "The all-commodity index rose to 104.7% of the 1926 average representing an increase of 0.5% in the past 4 weeks and a gain of 1.7% over the corresponding week of 1943."

The Department's announcement further said:

"Farm Products and Foods"—A further advance of 1.3% in prices for livestock, particularly steers, hogs, and sheep, together with higher markets for most grains and for onions and potatoes, caused average prices for farm products to rise 0.4% during the week. Eggs, apples, and oranges declined seasonally. In the past 4 weeks average prices for farm products have advanced 1.7% to a point nearly 4% higher than at the same time last year.

"Led by a decline of 0.3% for fruits and vegetables—largely apples and oranges, and lower quotations for oatmeal, rye flour, and eggs—prices for foods in wholesale markets dropped 0.2% during the week. Slightly higher prices were reported for dressed poultry at New York and for wheat flour. At the end of 1944, the level of prices for foods in primary markets was only 0.4% higher than for the corresponding weeks of a month ago and a year ago.

"Industrial Commodities"—Industrial commodity markets continued steady during the week except for higher prices for mercury and for goatskins. The increase of 0.1% in the hides and leather products group index resulted from an earlier advance in prices for sheepskins when the market strengthened upon an announcement that the government surplus would be made into coats for shipments to occupied countries.

The Labor Department included the following notation in its report:

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

The following tables show (1) index numbers for the principal groups of commodities for the past three weeks, for Dec. 2, 1944 and Jan. 1, 1944, and the percentage changes from a week ago, a month ago, and a year ago and (2) percentage changes in subgroup indexes from Dec. 23, 1944 to Dec. 30, 1944.

WHOLESALE PRICES FOR WEEK ENDED DEC. 30, 1944 (1926=100)

Commodity Groups—	12-30			12-23			12-16			12-2			1-1			Percentage change to Dec. 30, 1944 from—		
	1944	1944	1944	1944	1944	1944	1944	1944	1944	1944	1944	1944	1944	1944	1944	1944	1944	
All commodities	104.7	104.6	104.4	104.2	103.0	+0.1	+0.5	+1.7										
Farm products	126.7	126.2	125.6	124.6	122.1	+0.4	+1.7	+3.8										
Foods	105.5	105.7	105.7	105.1	105.1	-0.2	+0.4	+0.4										
Hides and leather products	117.9	116.7	116.7	116.7	117.9	+1.0	+1.0	0										
Textile products	99.0	99.0	98.9	98.9	97.2	0	+0.1	+1.9										
Fuel and lighting materials	83.6	83.7	83.7	83.7	82.6	-0.1	-0.1	+1.2										
Metals and metal products	103.9	103.9	103.9	103.9	103.9	0	0	0										
Building materials	116.4	116.4	116.4	116.4	113.5	0	0	+2.6										
Chemicals and allied products	104.8	104.8	104.8	104.8	100.3	0	0	+4.5										
Housefurnishing goods	106.1	106.1	106.1	106.1	104.4	0	0	+1.6										
Miscellaneous commodities	93.9	93.9	93.9	93.9	93.0	0	+0.2	+1.0										
Raw materials	115.7	115.4	115.1	114.4	112.3	+0.3	+1.1	+3.0										
Semimanufactured articles	94.7	94.7	94.7	94.7	93.1	0	0	+1.7										
Manufactured products	101.3	101.3	101.3	101.3	100.3	0	0	+1.0										
All commodities other than farm products	99.8	99.8	99.8	99.8	98.9	0	0	+0.9										
All commodities other than farm products and foods	99.1	99.0	99.0	99.0	97.8	+0.1	+0.1	+1.3										

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM DEC. 23, 1944 TO DEC. 30, 1944

Commodity Groups—	Increases		Percentage change to Dec. 30, 1944 from—
	12-30	12-23	
Hides and skins	6.6	Grains	0.8
Livestock and poultry	1.3	Meats	0.1
Other foods	0.4	Other farm products	0.3
		Fruits and vegetables	0.3

Civil Engineering Construction, \$28,809,000 Tops Both Last Week & Corresponding '44 Week

Civil engineering construction volume in continental United States for the short week due to the New Year's Day holiday totals \$28,809,000. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 24% higher than in the short preceding week, 33% above the totals for the corresponding 1944 week, and 11% higher than the previous four-week moving average as reported to "Engineering News-Record." The report made public on Jan. 4 went on to say:

Private work is 332% above last week, and gains 126% over the week last year due to the increased industrial building volume. Public construction, however, declines 35% from a week ago and 12% from a year ago. State and municipal construction is 67 and 194% higher, respectively, than last week and last year, but Federal work is 59% under a week ago and 48% under a year ago and is responsible for the decrease in public construction volume.

Civil engineering construction volumes for the corresponding 1944 week, last week, and the current week are:

	Jan. 6, 1944 (four days)	Dec. 28, 1944 (four days)	Jan. 4, 1945 (four days)
Total U. S. construction	\$21,597,000	\$23,150,000	\$28,809,000
Private construction	7,183,000	3,746,000	16,181,000
Public construction	14,414,000	19,404,000	12,628,000
State and municipal	2,126,000	3,745,000	6,255,000
Federal	12,288,000	15,659,000	6,373,000

In the classified construction groups, gains over last week are in water works, sewerage, bridges, industrial buildings, earthwork and drainage, streets and roads, and unclassified construction. Increases over the corresponding 1944 week are reported in water works, bridges, industrial buildings, and streets and roads. Subtotals for the week in each class of construction are: water works, \$289,000; sewerage, \$570,000; bridges, \$2,747,000; industrial buildings, \$12,629,000; commercial building and large-scale private housing,

\$675,000; public buildings, \$4,309,000; earthwork and drainage, \$197,000; streets and roads, \$4,972,000; and unclassified construction, \$2,421,000.

New capital for construction purposes for the week totals \$82,689,000. It is made up of \$5,552,000 in State and municipal bond sales, and \$77,137,000 in Federal appropriations for military and departmental construction.

Weekly Statistics of Paperboard Industry

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

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

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity	
				Current	Cumulative
1944—Week Ended					
October 7	217,096	158,946	541,424	96	94
October 14	139,347	154,719	523,875	96	94
October 21	133,028	156,269	499,929	94	94
October 28	146,003	157,806	486,882	95	94
November 4	207,817	157,644	535,745	96	94
November 11	141,154	158,266	515,738	96	94
November 18	135,644	156,667	494,062	96	94
November 25	110,144	149,062	450,898	91	94
December 2	189,731	154,682	484,811	94	94
December 9	173,669	154,822	501,946	95	94
December 16	137,936	152,695	480,929	94	94
December 23	126,115	149,031	451,891	94	94
December 30	109,895	88,105	471,289	57	93

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

Steel Output Temporarily Set Back—New Ship Program Gives Plate Market Support

"The secondary war steel peak now in the making, and which bids fair to match the primary record of more than a year ago, ran head-on during the past week into storms, manpower shortages, transportation difficulties and reshuffling of steel mill schedules," states "The Iron Age," in its issue of today (Jan. 11), which further adds in part as follows:

"Steel production was hindered at many points and even this week some areas are still feeling the effects of the damage wrought by recent weather conditions. Fuel deficiencies, transportation tangles in some sections caused by cold weather and persisting manpower shortages which contributed to a larger carryover of steel orders at the start of this month promised further delivery delays unless abated.

"Coupled with these conditions has been the recent influx of new steel orders which for December ran substantially heavier in volume than in November. One producer reflected an order increase in December amounting to about 60% more than in November. This is all the more significant because order cancellations, which had been heavy a few months ago, have dwindled almost to the vanishing point.

"As if further to test the ability of the steel industry to meet the simultaneous impact of many production difficulties, scrap and pig iron shortages have begun to appear in some areas."

The American Iron and Steel Institute on Jan. 8 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 93.0% of capacity for the week beginning Jan. 8, compared with 95.8% one week ago, 96.9% one month ago and 96.7% one year ago. The operating rate for the week beginning Jan. 8 is equivalent to 1,677,500 tons of steel ingots and castings, compared to 1,728,100 tons one week ago, 1,743,200 tons one month ago, and 1,731,300 tons one year ago.

"Steel," of Cleveland, in its summary of the iron and steel markets, on Jan. 8, stated in part, as follows: "In marked contrast to recent expectations, demand for steel in the first week of 1945 has been heavy and the expected slackening has not developed, the tendency being entirely in the other direction.

"In addition to the growing requirements for bars for the shell

and ammunition program, placing of 226 merchant ships has been a factor. These are estimated to require about 1,200,000 tons of plates, shapes and bars, more than 940,000 tons being plates. Rolling of this material will start in February and March is expected to provide 250,000 to 280,000 tons of plates. Deliveries will extend over seven months.

"Until this program appeared it had been expected that plate schedules would be the lowest since the beginning of the war. Its effect has been to freeze considerable mill capacity and as a result some platemakers now are out of the market for entire first quarter. However, sheared plate mills will be relied on to furnish all this tonnage, strip mills being continued on sheets and strip, to meet heavy needs for those products.

"Ammunition and gun requirements continue to expand and bar deliveries are further extended. Small rounds and flats are available in February in some instances, but larger sections generally are promised for second quarter, with some producers sold well into June. Sheet demand reflects increasingly the shell program, directives being issued for shell case material for February and March.

"Railroads are in the market for large lots of freight cars and steel rails. Cars placed in December numbered more than 15,500 units, largest for any month in 1944. This makes the total for the year over 52,000, compared with 41,355 in 1943 and 26,028 in 1942. Mills in the southern district report booking more than 500,000 tons of rails for 1945 delivery, largest in its history.

"Pig iron melters are asking slightly more iron for first quarter than for fourth quarter and in some areas there is a tightening in supply.

"With steel production maintaining its high rate demand for scrap continues strong and prices are at ceilings for practically all grades."

Bank Credit Ass'n Is Formed In Connecticut

The formation of the Connecticut Bank Credit Association by 56 banks, having more than 80% of the total lending capacity of all commercial banks in the State, was made known in Hartford Associated Press advices appearing in the New Haven "Register" of Dec. 31. Designed to provide an additional source of bank credit for Connecticut businessmen in the reconversion and postwar period, the purpose of the new organization, as expressed by the credit agreement adopted by the member banks, according to the State Bankers Association, is to encourage extension of credit to Connecticut firms, individuals and corporations during the postwar period. The agreement is for a period of five years from December 1, 1944, which term may be extended or sooner terminated by a three-quarter vote of the banks. The banks elected a credit committee made up of seven officers of the member banks and elected the New Haven Bank, N. B. A., as agent for the association. The Associated Press further reported:

"The Bank Credit Association will not directly solicit loans, nor will such activity be undertaken by any of its members for the account of the association. In operation any commercial bank in Connecticut may originate a loan whether or not it is a member of the association. Its application will be passed upon by the credit committee and, if accepted, will be participated in by the banks of the association in accordance with their pro rata commitment. The originating bank, however, will manage and service the loan throughout its existence. The borrower is the customer of the originating bank and will always be so recognized."

A. I. B. Membership and Enrollment Increases

Membership of the American Institute of Banking, educational section of the American Bankers Association, and enrollment in Institute classes as of January 1, show a substantial increase over figures for the same time last year, according to the statement released on January 2 by William C. Way, President of the Institute, who is also trust officer of the Central National Bank, Cleveland, Ohio.

On January 1, this year, Institute membership totaled 51,396, compared with 46,068 at the same time last year, or a net increase of 5,328. At the same time enrollment in A. I. B. classes increased 2,550 to 20,104, compared with 17,554 on January 1 a year ago.

Lumber Movement—Week Ended December 30, 1944

According to the National Lumber Manufacturers' Association, lumber shipments of 433 mills reporting to the National Lumber Trade Barometer were 33% above production for the week Dec. 30, 1944. In the same week new orders of these mills were 31.4% more than production. Unfilled order files of the reporting mills amounted to 92% of stocks. For reporting softwood mills, unfilled orders are equivalent to 34 days' production at the current rate, and gross stocks are equivalent to 35 days' production.

For the year-to-date, shipments of reporting identical mills exceeded production by 3.1%; orders by 4%.

Compared to the average corresponding week of 1935-39, production of reporting mills was 11.6% greater; shipments were 14% greater, and orders were 0.1% less.

Daily Average Crude Oil Production for Week Ended Dec. 30, 1944 Decreased 23,200 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Dec. 30, 1944, was 4,705,900 barrels, a loss of 23,200 barrels from the preceding week, but a gain of 348,600 barrels per day over the corresponding week a year ago. The current figure was also 16,200 barrels below the daily average figure recommended by the Petroleum Administration for War for the month of December, 1944. Daily output for the four weeks ended Dec. 30, 1944, averaged 4,708,750 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 4,798,000 barrels of crude oil daily and produced 15,342,000 barrels of gasoline; 1,518,000 barrels of kerosine; 4,257,000 barrels of distillate fuel, and 9,156,000 barrels of residual fuel oil during the week ended Dec. 30, 1944; and had in storage at the end of that week 86,614,000 barrels of gasoline; 11,296,000 barrels of kerosine; 39,495,000 barrels of distillate fuel, and 57,430,000 barrels of residual fuel oil.

State	*P. A. W. Recommendations		*State Allowables		Actual Production		4 Weeks Ended Dec. 30, 1944	Week Ended Jan. 1, 1945
	begin Dec. 1944	begin Dec. 1, 1944	Week Ended Dec. 30, 1944	Change from Previous Week	Week Ended Dec. 30, 1944	Week Ended Jan. 1, 1945		
Oklahoma	350,000	356,000	360,000	+ 600	359,500	327,150		
Kansas	274,000	269,400	271,100	- 8,150	271,250	265,750		
Nebraska	1,200		1,000		1,000	1,500		
Panhandle Texas			88,750		88,750	94,400		
North Texas			140,600		140,600	143,400		
West Texas			471,350		471,350	354,400		
East Central Texas			141,450		141,450	126,900		
East Texas			371,000		371,000	368,000		
Southwest Texas			345,450		345,450	290,800		
Coastal Texas			552,950		552,950	520,500		
Total Texas	2,153,000	2,134,978	2,111,550		2,111,550	1,898,400		
North Louisiana			71,000	- 450	71,200	78,550		
Coastal Louisiana			289,600		289,600	275,500		
Total Louisiana	350,000	395,000	360,600	- 450	360,800	353,550		
Arkansas	78,000	79,975	80,750	+ 200	80,750	79,600		
Mississippi	53,000		52,100	+ 50	51,100	46,700		
Alabama			200		200			
Florida			50		50			
Illinois	200,000		202,100	- 2,650	201,300	208,600		
Indiana	13,000		12,400	- 500	12,650	11,800		
Eastern (Not incl. Ill., Ind., Ky.)	69,400		57,750	- 5,200	60,750	78,950		
Kentucky	30,000		32,400	- 850	31,250	22,600		
Michigan	47,000		52,050	+ 4,850	51,200	44,200		
Wyoming	100,000		93,650	- 4,700	96,200	85,400		
Montana	23,000		21,350	+ 50	21,300	20,350		
Colorado	8,500		9,950	+ 350	9,350	7,350		
New Mexico	106,000	106,000	103,200		103,600	112,900		
Total East of Calif.	3,837,100		3,822,200	-16,400	3,823,800	3,558,800		
California	885,000	885,000	883,700	- 6,800	884,950	798,500		
Total United States	4,722,100		4,705,900	-23,200	4,708,750	4,357,300		

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

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m. Dec. 28, 1944.

‡This is the net basis allowable as of Dec. 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 2 to 15 days, the entire state was ordered shut down for 7 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 7 days shutdown time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED DEC. 30, 1944

District	Daily Refining Capacity	Potential % Rate	Crude Runs to Still	Gasoline Production		Stocks of Gasoline	Stocks of Distillate Fuel Oil	Stocks of Residual Fuel Oil
				at Refineries	at Other Plants			
East Coast	729	100.0	709	97.3	1,865	12,458	9,961	7,070
Appalachian								
District No. 1	130	83.9	96	73.8	268	2,548	470	360
District No. 2	47	87.2	53	112.8	173	1,768	193	211
Ind., Ill., Ky.	824	85.2	796	96.6	2,954	18,624	6,163	3,166
Okl., Kans., Mo.	418	80.2	395	94.5	1,484	8,442	2,102	1,458
Inland Texas	278	66.9	242	87.1	919	2,774	392	670
Texas Gulf Coast	1,165	90.5	1,172	100.6	3,517	15,197	6,928	9,557
Louisiana Gulf Coast	242	95.5	271	112.0	866	4,799	1,794	1,233
No. La. & Arkansas	104	68.0	85	81.7	232	2,498	706	221
Rocky Mountain								
District No. 3	13	17.0	10	76.9	33	68	19	31
District No. 4	141	58.3	116	82.3	413	1,704	346	492
California	817	89.9	853	104.4	2,618	15,734	10,421	32,961
Total U. S. B. of M. basis Dec. 30, 1944	4,908	87.2	4,798	97.8	15,342	86,614	39,495	57,430
Total U. S. B. of M. basis Dec. 23, 1944	4,908	87.2	4,682	95.4	14,635	83,365	40,846	58,509
U. S. Bur. of Mines basis Jan. 1, 1944			4,471		13,109	75,327	41,728	56,773

*Composed of 13,210,000 barrels of unfinished, 44,035,000 barrels civilian-grade automotive and 29,369,000 barrels aviation, military, solvents and naphthas, and gasoline blending stocks currently indeterminate as to ultimate use. Comparable week of last year: 11,463,000; 41,293,000 and 22,571,000, respectively. †Stocks at refineries, at bulk terminals, in transit and in pipe lines. ‡Not including 1,518,000 barrels of kerosine, 4,257,000 barrels of gas oil and distillate fuel oil and 9,156,000 barrels of residual fuel oil produced during the week ended Dec. 30, 1944, which compares with 1,477,000 barrels, 4,605,000 barrels and 8,798,000 barrels, respectively, in the preceding week and 1,598,000 barrels, 4,521,000 barrels and 9,096,000 barrels, respectively, in the week ended Jan. 1, 1944.

Note—Stocks of kerosine at Dec. 30, 1944, amounted to 11,296,000 barrels, as against 11,973,000 barrels a week earlier and 9,359,000 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. 30, 1944, is estimated at 8,310,000 net tons, a decrease of 2,570,000 tons from the preceding week. No coal was produced on Christmas Day. Output in the corresponding week a year ago totaled 10,515,000 net tons. The total production of soft coal in the calendar year 1944 is estimated at 620,000,000 net tons, an increase of 29,823,000 tons, or 5.1%, when compared with the total of 590,177,000 tons produced in the year 1943.

According to the U. S. Bureau of Mines, output of Pennsylvania anthracite for the week ended Dec. 30, 1944, was estimated at 784,000 tons, a decrease of 344,000 tons (30.5%) from the preceding week. When compared with the production in the corresponding week a year ago, there was a decrease of 112,000 tons, or 12.5%. For the calendar year 1944, the estimated production of Pennsylvania anthracite amounted to 64,445,000 tons, an increase of 6.3% over 1943.

The estimated output of beehive coke in the United States for the week ended Dec. 30, 1944, showed a decrease of 6,100 tons when compared with the production for the week ended Dec. 23, 1944; and was 51,300 tons less than for the corresponding period of 1943.

	Week Ended			Total Calendar Year	
	Dec. 30, 1944	Dec. 23, 1944	Jan. 1, 1944	1944	1943
Bituminous coal and lignite—					
Total, including mine fuel—	8,310,000	10,880,000	10,515,000	620,000,000	590,177,000
Daily average—	1,662,000	1,813,000	1,845,000	2,010,000	1,907,000

	Week Ended			Calendar Year		
	Dec. 30, 1944	Dec. 23, 1944	Jan. 1, 1944	1944	1943	1937
Penn. anthracite—	784,000	1,128,000	896,000	64,445,000	60,644,000	51,856,000
Total incl. coll. fuel—	784,000	1,128,000	896,000	64,445,000	60,644,000	51,856,000
†Excludes colliery prod.—	753,000	1,083,000	860,000	61,868,000	58,218,000	49,263,000

	Dec. 30, 1944	Dec. 23, 1944	Jan. 1, 1944	1944	1943
United States total	94,700	100,800	146,000	7,048,100	7,933,400

*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			1944	1943	1937
	Dec. 23, 1944	Dec. 16, 1944	Dec. 25, 1944			
Alabama	328,000	358,000	281,000			
Alaska	7,000	7,000	7,000			
Arkansas and Oklahoma	85,000	96,000	90,000			
Colorado	163,000	165,000	176,000			
Georgia and North Carolina	1,000	1,000	1,000			
Illinois	1,440,000	1,480,000	1,359,000			
Indiana	598,000	595,000	477,000			
Iowa	53,000	50,000	55,000			
Kansas and Missouri	186,000	168,000	137,000			
Kentucky—Eastern	857,000	873,000	691,000			
Kentucky—Western	340,000	358,000	257,000			
Maryland	29,000	22,000	26,000			
Michigan	2,000	2,000	4,000			
Montana (Litu. & lignite)	113,000	116,000	96,000			
New Mexico	32,000	33,000	32,000			
North & South Dakota (lignite)	60,000	72,000	54,000			
Ohio	555,000	450,000	490,000			
Pennsylvania (bituminous)	2,535,000	2,285,000	2,493,000			
Tennessee	120,000	116,000	127,000			
Texas (bituminous & lignite)	4,000	3,000	4,000			
Utah	142,000	142,000	129,000			
Virginia	320,000	280,000	291,000			
Washington	32,000	32,000	27,000			
West Virginia—Southern	1,762,000	1,398,000	1,588,000			
West Virginia—Northern	908,000	702,000	827,000			
Wyoming	208,000	205,000	173,000			
Other Western States	1,000	1,000	1,000			
Total bituminous & lignite	10,880,000	10,010,000	9,892,000			
Pennsylvania anthracite						

†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. *Figures on anthracite are published in the Weekly Anthracite and Coke Report.

Electric Output for Week Ended Jan. 6, 1945

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Jan. 6, 1945, was approximately 4,427,281,000 kwh., which compares with 4,567,959,000 kwh. in the corresponding week a year ago, and 4,225,814,000 kwh. in the week ended Dec. 30, 1944. The output of the week ended Dec. 30, 1944, was 2.6% below that in the same week the year before.

Major Geographical Divisions	Week Ended			
	Dec. 30, 1944	Dec. 16, 1944	Dec. 9, 1944	Dec. 2, 1944
New England	+ 0.8	+ 1.3	+ 0.8	+ 1.8
Middle Atlantic	+ 0.1	+ 4.0	+ 4.6	+ 2.7
Central Industrial	+ 0.4	+ 1.6	+ 2.3	+ 2.5
West Central	+ 6.7	+ 9.4	+ 7.5	+ 5.1
Southern States	+ 1.7	+ 2.0	+ 2.4	+ 2.3
Rocky Mountain	+ 12.4	+ 10.4	+ 8.0	+ 10.9
Pacific Coast	+ 3.8	+ 4.6	+ 2.9	+ 4.0
Total United States	+ 2.6	+ 1.1	+ 0.6	+ 0.8

*Decrease under similar week in 1943.

Note—Because the same week a year ago contained the Christmas or New Year holiday, no percentage comparisons are available for the weeks ended Dec. 23 or Jan. 6.

Week Ended	1945	1944	over 1944	1943	1932	1929
Oct. 7	4,375,079	4,341,754	+ 0.8	3,702,299	3,507,503	1,806,403
Oct. 14	4,354,575	4,382,260	- 0.6	3,717,360	3,528,145	1,798,633
Oct. 21	4,345,352	4,415,405	- 1.6	3,752,571	3,533,028	1,824,160
Oct. 28	4,358,293	4,452,592	- 2.1	3,774,891	3,525,410	1,815,749
Nov. 4	4,354,939	4,413,863	- 1.3	3,741,961	3,520,730	1,798,164
Nov. 11	4,396,595	4,422,665	- 1.9	3,775,878	3,531,584	1,793,584
Nov						

Trading on New York Exchanges

The Securities and Exchange Commission made public on Jan. 3 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Dec. 16, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Dec. 16 (in round-lot transactions) totaled 2,825,481 shares, which amount was 15.39% of the total transactions on the Exchange of 9,174,850 shares. This compares with member trading during the week ended Dec. 9 of 2,746,128 shares, or 15.62% of the total trading of 8,787,470 shares. On the New York Curb Exchange, member trading during the week ended Dec. 16 amounted to 564,755 shares, or 14.03% of the total volume on that exchange of 2,012,100 shares; during the Dec. 9 week trading for the account of Curb members of 529,550 shares was 12.94% of total trading of 2,046,270 shares.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)
WEEK ENDED DEC. 16, 1944

A. Total Round-Lot Sales:	Total for week	%
Short sales	257,770	
Other sales	8,917,080	
Total sales	9,174,850	
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 stock in which they are registered—		
Total purchases	678,450	
Short sales	92,330	
Other sales	589,660	
Total sales	681,990	7.41
2. Other transactions initiated on the floor—		
Total purchases	443,530	
Short sales	29,730	
Other sales	371,010	
Total sales	400,740	4.60
3. Other transactions initiated off the floor—		
Total purchases	262,665	
Short sales	41,830	
Other sales	316,276	
Total sales	358,106	3.38
4. Total—		
Total purchases	1,384,645	
Short sales	163,890	
Other sales	1,276,946	
Total sales	1,440,836	15.39

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)
WEEK ENDED DEC. 16, 1944

A. Total Round-Lot Sales:	Total for week	%
Short sales	16,540	
Other sales	1,995,560	
Total sales	2,012,100	
B. Round-Lot Transaction for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	139,820	
Short sales	7,985	
Other sales	177,700	
Total sales	185,685	8.09
2. Other transactions initiated on the floor—		
Total purchases	70,125	
Short sales	3,700	
Other sales	48,000	
Total sales	51,700	3.02
3. Other transactions initiated off the floor—		
Total purchases	55,740	
Short sales	2,520	
Other sales	59,165	
Total sales	61,685	2.92
4. Total—		
Total purchases	265,685	
Short sales	14,205	
Other sales	234,865	
Total sales	299,070	14.03
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
Customers' other sales	80,683	
Total purchases	80,683	
Total sales	57,227	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.
†In calculating these percentages the total of members' purchases and sales is compared with twice the total round-lot volume on the Exchange for the reason that the Exchange volume includes only sales.
‡Round-lot short sales which are exempted from restriction by the Commission's rules are included with "other sales."
§Sales marked "short exempt" are included with "other sales."

Non-Ferrous Metals—Lead Buying Moderated—Tin Restrictions Tighter—Zinc Consumption Up

"E. & M. J. Metal and Mineral Markets," in its issue of Jan. 4, stated: "Consumers of lead have not yet familiarized themselves with the details of the amended order restricting consumption and limiting inventories, but buying of the metal last week for non-essential uses moderated. Demand for most of the war metals has increased to the point that producers are encountering increased labor and shipping difficulties in making deliveries. The tin order was revised last week, further restricting use of the metal. Quicksilver was strong, and, as the week ended, some sellers held out for even higher prices." The publication further went on to say in part:

Copper

Buying of copper for January shipment continued throughout the last week, and producers believe that deliveries for the current month may approach 160,000

tons. The Copper Division of WPB estimates that 457,400 tons of refined copper will be moved to consumers during the first quarter of the year.

The Government has purchased Rhodesian copper for early shipment to this country, but details of the transactions have not yet been released.

Lead

That WPB is in earnest about reducing consumption of lead is seen in the creation of a committee to gather facts and fix policy

in reference to the civilian requirements in the metal.

Unless the use of lead in non-essentials declines during the first quarter, the order will be amended again to tighten the controls further, the industry believes. Sales last week amounted to 4,037 tons.

Zinc

Consumption of zinc is increasing and is expected to average above 75,000 tons a month during the first quarter.

The Bureau of Mines estimated October consumption of zinc at 73,864 tons, against 71,837 tons in September. October consumption by grades was as follows: Special High Grade, 20,586 tons; Regular High Grade, 15,277 tons; Intermediate, 4,373 tons; Brass Special, 4,553 tons; Selected, 960 tons; Prime Western, 27,524 tons; Remelt, 591 tons.

Tin

Order M-43, regulating consumption of tin, has been amended to tighten the restrictions on use of the metal in the production and sale of jewelry. The revised order also clarifies the provision prohibiting the use of tin in snap fasteners and other types of clothing fasteners. Use of tin coatings for refrigerator shelves and trays has been prohibited. Certificates are now required in the case of sales and receipts of babbitt and bearings containing babbitt metal of more than 12% tin by weight.

WPB spokesmen stated that the plan to control jewelry sales was established to help preserve the Government tin stockpile, which is rapidly decreasing because of lack of native tin production and because imports are equal to only about three-quarters of our primary tin requirements.

Shipment prices follow:

	Jan.	Feb.	March
December 28	52.000	52.000	52.000
December 29	52.000	52.000	52.000
December 30	52.000	52.000	52.000
January 1		Holiday	
January 2	52.000	52.000	52.000
January 3	52.000	52.000	52.000

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

YEARLY AVERAGE PRICES—1940-1944 (E. & M. J. Averages)

	1940	1941	1942	1943	1944
Copper, domestic, f.o.b. refinery	11.296	11.797	11.775	11.775	11.775
Copper, export, f.o.b. refinery	10.770	10.901	11.684	11.700	11.700
Lead, common, New York	5.179	5.793	6.481	6.500	6.500
Lead, common, St. Louis	5.029	5.643	6.331	6.350	6.350
Zinc, Prime Western, St. Louis	6.335	7.474	8.250	8.250	8.250
Tin, Straits, New York	49.827	52.018	52.000	52.000	52.000
Silver, foreign, New York	34.773	34.783	38.333	44.750	44.750
Quicksilver (per flask 76-lb.)	\$176.865	\$485.023	\$195.346	\$195.208	\$118.356
Antimony, domestic, New York	14.000	14.000	15.359	15.928	15.939
Platinum, refined	\$37.924	\$36.000	\$36.000	\$35.083	\$35.000
Cadmium (producers' quotation)	79.920	38.443	90.000	90.000	90.000
Aluminum, 99 plus percent, ingot	18.691	16.500	15.000	15.000	15.000
Magnesium, ingot	27.000	24.000	22.500	20.500	20.500
Antimony, domestic, bulk, New York					15.265

Six-Point Program Announced by ABA Commission on Country Bank Operations

Each of 4,000 country banks will have available for use during 1945 an accurate analysis of its own operating costs and a yardstick by which it can measure and improve efficiency in its various departments, according to K. J. McDonald, Chairman of the Commission on Country Bank Operations of the American Bankers Association.

The association's release issued Dec. 21, said:

"Mr. McDonald, who is also President of the Iowa Trust and Savings Bank, Estherville, Iowa, said this information will be supplied to the banks as a result of the nationwide cost analysis project undertaken by the Commission as a service without charge to the country bank members of the Association with resources of \$5,000,000 or less. The cost analysis is a major feature of the Commission's six-point program designed to aid the nation's 11,000 country banks.

"Four thousand country banks have returned work sheets in answer to questionnaires mailed to them by the Commission as the first step in the cost analysis. Mr. McDonald stated that final forms on which banks will report year-end figures, covering every phase of country bank operations from loans and investments to auction sales and ration banking, will be mailed from ABA headquarters shortly after Christmas. When all

Quicksilver

The situation in quicksilver showed little change last week. Offerings continue light and in most instances prices were viewed as little more than nominal. Quantity business covering spot and nearby metal appeared to be non-existent. Advices from the Pacific Coast remain as bullish as ever.

The range of prices in New York last week continued at \$140 to \$145 per flask, though several sellers had nothing to offer below the top level as the period ended.

The E. & M. J. average for quicksilver for the month of December was \$128.880 per flask, which compares with \$116.304 for the month previous. The average for the year 1944 was \$118.358, against \$195.208 in 1943.

San Francisco, Jan. 3—Producers asking from \$145 to \$147 per flask, f.o.b. Coast. Estimated production for December probably not more than 2,300 flasks. Labor shortages at mines continue to limit output. Some 150 men properly placed would result in lifting monthly production 500 flasks.

Silver

Beginning Jan. 2, 1945, the London bullion market revised its basis for quoting on silver to conform with that of the New York market. London will quote silver on the basis of the troy ounce .999 fine, also known in the silver market as the fine ounce. Up to and including Dec. 29, London silver was quoted on the basis of the standard troy ounce .925 fine.

Effective Jan. 2, 1945, London silver was quoted at 25½¢ per troy ounce .999 fine, equivalent to 23½¢ per standard ounce troy .925 fine.

The New York Official continued at 44¾¢ for foreign metal, with domestic at 70¾¢ per troy ounce .999 fine.

zens National Bank, Waxahachie, Texas, and Stanley A. Neilson, President, Bank of Gowanda, Gowanda, N. Y.

Correspondent Bank Relationships Committee (in cooperation with the ABA Post-War Small Business Credit Commission): Clyde D. Harris, President, First National Bank, Cape Girardeau, Mo., Chairman; R. L. Eberhardt, Executive Vice-President, Stockton Savings and Loan Bank, Stockton, Cal.; B. M. Harris, President, Yellowstone Bank, Columbus, Mont., and C. D. Tedrow, President, Citizens First National Bank, Princeton, Ill.

Service to War Veterans Committee (in cooperation with ABA Committee on Service to War Veterans): Glenn L. Emmons, President, First State Bank, Gallup, N. M., Chairman; Russell H. Britton, and John B. Sloan, President, The County Bank, Greenwood, S. C.

Home Front and Public Relations Committee: Claude F. Pack, President, Home State Bank, Kansas City, Kansas, Chairman; F. C. Forrest, President, First National Bank, Pullman, Wash.; H. Webb Madison, President, Bastrop Bank and Trust Company, Bastrop, La., and R. B. Stewart, President, The Miami Deposit Bank, Yellow Springs, Ohio.

Personnel Relations and Research on Adequate Reserves Committee: B. P. Allen, Chairman, Howard Hambleton, H. Webb Madison, Stanley A. Neilson, and William C. Rempfer.

Chairman McDonald has announced the appointment by ABA President W. Randolph Burgess of four new members to the Commission on Country Bank Operations to complete geographical representation in its membership.

They are: B. P. Allen, President, First National Bank, Wabash, Ind.; Russell H. Britton, Cashier, First National Bank, Rochester, N. H.; F. C. Forrest, President, First National Bank, Pullman, Wash., and H. Webb Madison, President, Bastrop Bank and Trust Company, Bastrop, La.

Secretary of the Commission on Country Bank Operations: J. E. Drew, Deputy Manager, American Bankers Association.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Jan. 3 a summary for the week ended Dec. 23 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 Dec. 23, 1944	
Odd-Lot Sales by Dealers (Customers' purchases)	Total for Week
Number of orders	20,566
Number of shares	615,565
Dollar value	\$24,417,370
Odd-Lot Purchases by Dealers (Customers' sales)	
Number of Orders:	
Customers' short sales	275
Customers' other sales	23,289
Customers' total sales	23,564
Number of Shares:	
Customers' short sales	9,720
Customers' other sales	629,380
Customers' total sales	639,100
Dollar value	\$21,510,872
Round-Lot Sales by Dealers	
Number of Shares:	
Short sales	20
Other sales	198,190
Total sales	198,210
Round-Lot Purchases by Dealers	
Number of shares	171,340

*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."

Revenue Freight Car Loadings During Week Ended Dec. 30, 1944 Off Due to Holiday

Loading of revenue freight for the week ended Dec. 30, 1944, total 584,757 cars, the Association of American Railroads announced on Jan. 5. This was a decrease below the corresponding week of 1943 of 58,687 cars, or 9.1%, and a decrease below the same week in 1942 of 36,416 cars, or 5.9%. (Both 1943 and 1942 included New Years holiday.)

Loading of revenue freight for the week of Dec. 30, which included Christmas holiday decreased 117,692 cars, or 23.3% below the preceding week.

Miscellaneous freight loading totaled 295,701 cars, a decrease of 80,178 cars below the preceding week, and a decrease of 3,112 cars below the corresponding week in 1943.

Loading of merchandise less than carload lot freight totaled 33,430 cars, a decrease of 17,190 cars below the preceding week, and a decrease of 4,818 cars below the corresponding week in 1943.

Coal loading amounted to 115,730 cars, a decrease of 41,497 cars below the preceding week, and a decrease of 31,491 cars below the corresponding week in 1943.

Grain and grain products loading totaled 36,087 cars, a decrease of 10,001 cars below the preceding week and a decrease of 4,602 cars below the corresponding week in 1943. In the Western Districts alone, grain and grain products loading for the week of Dec. 30, totaled 25,075 cars, a decrease of 6,900 cars below the preceding week and a decrease of 3,631 cars below the corresponding week in 1943.

Livestock loading amounted to 10,411 cars, a decrease of 4,932 cars below the preceding week and a decrease of 1,181 cars below the corresponding week in 1943. In the Western Districts alone loading of livestock for the week of Dec. 30, totaled 7,447 cars, a decrease of 3,531 cars below the preceding week, and a decrease of 526 cars below the corresponding week in 1943.

Forest products loading totaled 21,430 cars, a decrease of 20,106 cars below the preceding week and a decrease of 8,358 cars below the corresponding week in 1943.

Ore loading amounted to 8,923 cars, a decrease of 3,113 cars below the preceding week and a decrease of 2,887 cars below the corresponding week in 1943.

Coke loading amount to 13,045 cars a decrease of 675 cars below the preceding week, and a decrease of 2,238 cars below the corresponding week in 1943.

All districts reported decreases compared with the corresponding week in 1943, and all reported decreases compared with 1942 except the Central-western.

	1944	1943	1942
*4 weeks of January	3,153,003	2,910,638	3,181,945
*4 weeks of February	3,159,492	3,055,775	3,122,942
*4 weeks of March	3,135,155	3,073,445	3,174,781
*4 weeks of April	4,068,625	3,924,981	4,209,907
*4 weeks of May	3,445,252	3,363,195	3,311,637
*4 weeks of June	3,445,393	3,151,311	3,385,655
*5 weeks of July	4,361,312	4,307,410	4,185,135
*4 weeks of August	3,519,800	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
Week of December 9	793,554	823,311	744,193
Week of December 16	749,883	758,881	743,081
Week of December 23	762,441	641,076	591,471
Week of December 30	584,757	643,444	621,173
Total	*43,441,266	*42,439,951	*42,771,102

Total loadings by commodities in 1944 compared with 1943 follow:

	1944	1943	% Change
Grain and grain products	2,521,262	2,648,308	-4.8
Live stock	892,114	837,777	+6.5
Coal	8,937,856	8,507,036	+5.1
Coke	750,825	751,687	-0.1
Forest products	2,271,993	2,228,907	+1.9
Ore	2,648,892	2,815,572	-5.9
Merchandise, L. C. L.	5,423,033	5,079,720	+6.8
Miscellaneous	19,995,291	19,570,944	+2.2
Total	43,441,266	42,439,951	+2.4

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Dec. 30, 1944. During the period only 24 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
Eastern District—					
Ann Arbor	237	238	232	1,230	1,284
Bangor & Aroostook	1,634	2,040	1,936	425	198
Boston & Maine	4,822	5,816	4,944	12,967	13,010
Chicago, Indianapolis & Louisville	969	1,035	1,154	1,420	1,840
Central Indiana	24	35	20	41	41
Central Vermont	798	958	709	1,723	2,231
Delaware & Hudson	3,501	4,136	4,770	10,855	12,370
Delaware, Lackawanna & Western	5,643	6,275	5,588	9,341	10,382
Detroit & Mackinac	102	101	255	87	103
Detroit, Toledo & Ironton	1,359	1,794	1,450	1,128	1,457
Detroit & Toledo Shore Line	272	249	232	2,538	2,698
Erie	9,051	9,502	9,239	14,291	16,437
Grand Trunk Western	2,781	2,945	3,286	7,497	7,990
Lehigh & Hudson River	158	151	118	2,336	2,058
Lehigh & New England	1,164	1,410	1,278	969	1,085
Lehigh Valley	1,627	6,696	5,607	10,572	13,411
Maine Central	1,602	2,044	1,950	3,045	2,937
Monongahela	1,449	4,300	6,263	355	263
Montour	1,740	1,918	1,705	15	21
New York Central Lines	35,273	33,775	38,601	42,278	44,786
N. Y., N. H. & Hartford	7,777	8,224	7,704	15,782	17,136
New York, Ontario & Western	745	1,126	1,176	2,848	2,297
New York, Chicago & St. Louis	5,013	5,670	5,899	13,251	13,016
N. Y., Susquehanna & Western	337	384	511	2,111	1,470
Pittsburgh & Lake Erie	6,101	6,513	6,226	5,674	5,776
Pere Marquette	3,745	3,849	4,449	6,489	6,956
Pittsburgh & Shawmut	465	792	482	6	9
Pittsburgh, Shawmut & North	141	267	238	180	238
Pittsburgh & West Virginia	698	949	617	2,180	1,986
Rutland	293	256	202	761	720
Wabash	4,434	4,547	4,379	11,245	10,403
Wheeling & Lake Erie	3,652	3,763	4,497	3,596	3,431
Total	114,302	126,779	125,685	187,210	198,059

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Allegheny District—					
Akron, Canton & Youngstown	585	613	682	1,128	1,002
Baltimore & Ohio	28,729	33,246	28,854	23,035	23,854
Bessemer & Lake Erie	1,423	2,042	2,655	1,205	1,118
Buffalo Creek & Gauley	†	301	334	†	2
Jambria & Indiana	1,110	1,416	1,603	6	6
Central R. R. of New Jersey	4,818	5,358	4,934	16,918	18,353
Cornwall	367	541	514	52	51
Cumberland & Pennsylvania	121	172	163	4	9
Ligonier Valley	98	141	114	29	33
Long Island	918	968	713	3,202	3,022
Penn-Reading Seashore Lines	1,468	1,343	1,239	2,199	2,241
Pennsylvania System	57,931	64,877	58,518	50,258	53,900
Reading Co.	10,925	11,433	10,294	23,245	24,640
Union (Pittsburgh)	17,054	18,403	20,411	2,948	3,480
Western Maryland	2,709	3,436	2,907	10,187	12,803
Total	128,298	144,350	133,935	134,416	144,515
Poconantas District—					
Chesapeake & Ohio	18,193	24,341	20,836	8,794	8,768
Norfolk & Western	12,832	18,053	17,011	7,010	6,247
Virginian	2,969	4,061	3,539	2,271	1,895
Total	33,721	46,455	41,386	18,075	16,910
Southern District—					
Alabama, Tennessee & Northern	158	215	242	273	290
At. & W. P.—W. R. R. of Ala.	538	583	548	2,798	2,111
Atlanta, Birmingham & Coast	551	577	531	1,213	1,190
Atlantic Coast Line	8,159	9,716	11,375	9,490	8,586
Central of Georgia	2,183	2,739	2,711	3,841	3,694
Charleston & Western Carolina	235	285	302	1,355	1,251
Clinchfield	1,020	1,498	1,409	2,683	2,547
Columbus & Greenville	164	243	290	182	132
Durham & Southern	79	92	93	456	446
Florida East Coast	2,298	2,692	2,069	1,467	1,479
Gainesville Midland	20	40	30	89	110
Georgia	914	882	985	2,901	2,036
Georgia & Florida	313	385	324	448	532
Gulf, Mobile & Ohio	2,807	3,114	2,958	2,943	2,948
Illinois Central System	22,404	23,949	22,085	16,699	13,969
Louisville & Nashville	17,556	21,247	19,938	10,643	9,549
Macon, Dublin & Savannah	99	86	143	634	601
Mississippi Central	165	248	128	457	381
Nashville, Chattanooga & St. L.	2,185	2,467	2,456	3,777	3,802
Norfolk Southern	475	567	689	2,090	1,249
Piedmont Northern	297	333	332	1,082	1,350
Richmond, Fred. & Potomac	207	224	287	8,598	9,065
Seaboard Air Line	6,453	6,639	7,759	6,881	7,432
Southern System	15,995	18,012	16,571	20,720	19,674
Tennessee Central	402	493	403	598	703
Winston-Salem Southbound	79	93	91	1,004	754
Total	85,757	97,479	94,749	103,322	95,885
Northwestern District—					
Chicago & North Western	11,551	12,764	12,211	12,340	12,379
Chicago Great Western	1,996	2,150	1,974	3,137	2,899
Chicago, Milw., St. P. & Pac.	16,826	17,094	16,366	9,546	9,309
Chicago, St. Paul, Minn. & Omaha	3,031	3,367	3,316	3,422	3,118
Duluth, Missabe & Iron Range	962	989	894	158	207
Duluth, South Shore & Atlantic	391	619	490	543	431
Elgin, Joliet & Eastern	7,966	8,041	7,901	10,128	8,946
Ft. Dodge, Des Moines & South	287	346	301	73	105
Great Northern	9,090	9,184	9,223	5,081	4,582
Green Bay & Western	362	420	396	968	788
Lake Superior & Ishpeming	159	158	156	38	37
Minneapolis & St. Louis	1,617	1,948	1,685	2,411	2,026
Minn., St. Paul & S. S. M.	3,736	4,384	3,847	2,368	2,638
Northern Pacific	7,202	7,376	8,535	5,152	4,501
Spokane International	175	72	63	520	450
Spokane, Portland & Seattle	1,506	1,567	1,229	3,204	2,467
Total	66,857	70,479	68,588	59,089	54,884
Central Western District—					
Atch., Top. & Santa Fe System	17,820	17,548	16,848	11,891	9,677
Alton	2,535	2,611	2,928	3,318	3,137
Bingham & Garfield	340	511	927	51	71
Chicago, Burlington & Quincy	15,381	16,338	14,333	11,887	10,582
Chicago & Illinois Midland	2,374	2,733	2,510	861	862
Chicago, Rock Island & Pacific	9,967	8,951	9,175	12,889	10,469
Chicago & Eastern Illinois	1,947	2,259	2,001	5,144	5,281
Colorado & Southern	466	571	873	1,960	1,929
Denver & Rio Grande Western	3,125	3,085	3,334	5,829	5,513
Denver & Salt Lake	491	717	646	20	37
Fort Worth & Denver City	473	598	852	1,117	1,168
Illinois Terminal	2,224	1,748	1,458	1,939	1,727
Missouri-Illinois	742	867	937	474	482
Nevada Northern	1,441	1,710	2,158	115	101
North Western Pacific	424	560	532	793	48
Peoria & Pekin Union	10	21	0	0	0
Southern Pacific (Pacific)	22,090	22,797	23,044	12,658	12,282
Toledo, Peoria & Western	266	297	267	1,749	1,767
Union Pacific System	13,849	13,345	12,795	13,707	13,981
Utah	390	548	572	0	0
Western Pacific	1,624	1,688	1,740	3,434	4,032
Total	97,979	99,503	97,930	89,836	82,952
Southwestern District—					
Burlington-Rock Island	264	261	383	606	127
Gulf Coast Lines	4,631	5,227	4,855	2,141	2,162
International-Great Northern	1,351	1,347	2,519	3,263	2,927
Kansas,					

Items About Banks, Trust Companies

(Continued from page 189)

while U. S. Government securities at the latest date stand at \$747,793,042, compared with \$686,372,214 and \$613,719,229 last year; the capital is unchanged at \$50,000,000, while surplus and undivided profits are shown as \$58,030,328, Dec. 31, 1944, against \$58,037,965, Sept. 30, 1944, and \$56,428,927, Dec. 31, 1943.

The Public National Bank & Trust Co. of New York reported as of Dec. 30, 1944, total deposits of \$415,525,107 and total assets of \$441,608,844, compared, respectively, with \$365,253,006 and \$390,655,205 on Sept. 30. Cash on hand and due from banks on Dec. 31 amounted to \$75,955,645, against \$69,047,575; holdings of United States Government securities to \$257,941,964, against \$221,802,726, and loans and discounts to \$96,041,908 against \$86,234,154. Capital and surplus are unchanged at \$7,000,000 and \$9,000,000, respectively, but undivided profits Dec. 31 were \$4,508,040, after allowing for \$150,000 dividend payable Jan. 2, 1945, against \$4,195,941 at the end of September.

The Commercial National Bank & Trust Co. of New York reported as of Dec. 31, 1944, total deposits of \$244,089,650 and total assets of \$268,004,597, compared, respectively with \$211,736,135 and \$233,350,430 on Dec. 31, 1943. The bank held cash on hand and due from banks of \$44,268,008, compared with \$43,794,272 on Dec. 31, 1943; investments in U. S. Government securities of \$178,102,283, compared with \$140,988,682 on Dec. 31, 1943. Loans and discounts of \$40,897,679 compared with \$45,934,094 on Dec. 31, 1943. The bank's capital account was unchanged at \$7,000,000, and its surplus and undivided profit account increased to \$11,148,851 from \$10,182,919 after payment of dividends of \$560,000. Net earnings per share for the year ended Dec. 31, 1944, were \$4.36, compared with \$3.61 in 1943. At the close of the year \$1,000,000 was transferred from undivided profits to surplus, increasing surplus to \$10,000,000.

Giving increased demand on the facilities of his organization as the reason, Harvey L. Schwamm, President and Chairman of the board of directors of The National Bronx Bank of New York, 150th Street and Melrose Avenue, announced on Jan. 4 several changes in the personnel of the institution. Henry M. Corsa will advance from Assistant Cashier to Assistant Vice-President in the consumer credit department; William H. Rufer, from a branch manager to Assistant Cashier at the main office; Lloyd R. Harris and Frank P. Squazzo to Assistant Cashiers; Garret Sanderson, promoted from branch manager to Assistant Vice-President in charge of the new business department, and Joseph H. Coogan from Auditor to Assistant Vice-President in charge of the Port Morris branch.

Richard M. Lederer, Chairman of the board of the Standard National Bank of New York, in liquidation, announced on Jan. 5 that the board of directors have directed him as liquidating agent, to distribute a fourth and final dividend on the shares of the bank. This dividend amounts to \$9.53, making a total paid of \$129.53 a share.

William J. Wason Jr., President of the Kings County Trust Co., on Jan. 2 recorded his 50th year with the bank. From the Brooklyn "Daily Eagle" we quote: "Mr. Wason joined the staff as a bookkeeper in 1895, six years after the bank had been founded by a group of leading Brooklyn

citizens. In the ensuing years he advanced through the various grades of promotion to the office of Vice-President, and when Julian P. Fairchild died in 1934 Mr. Wason succeeded to the presidency.

"Mr. Wason is the fourth President of the trust company. He was preceded in that office by Joseph C. Hendrix, Julian D. Fairchild and the latter's son, Julian P. Fairchild.

"In addition to his association with the Kings County Trust Co., Mr. Wason is connected with the Dime Savings Bank of Brooklyn as trustee; the New York Dock Co. as director; the Brooklyn Union Gas Co. as director; the Brooklyn Citizen as Vice-President and director, and the Metropolitan Casualty Insurance Co. of New York as director."

At a recent meeting of the board of trustees of the Brooklyn Trust Co., Brooklyn, N. Y., James H. Allen was appointed an Assistant Secretary. The Brooklyn "Daily Eagle" of Dec. 27, indicating this, said:

"Mr. Allen has been employed by the company since 1925, and in recent years has served in a supervisory capacity in the accounting division of the person trust department."

The directors of the Milford Trust Co., Milford, Conn., have voted to recommend to the stockholders plans to increase the capital from \$25,000 in shares of \$25 par, to \$50,000, through a stock dividend, and further increase the capital to \$150,000 by the sale of 4,000 shares, \$25 par, at \$37.50 a share.

Hartford "Courant" advises of Dec. 30 said:

"If authorized by the stockholders the changes will give the bank a capital setup as follows: Capital, \$150,000; surplus, \$125,000, and undivided profits approximately \$30,000.

"Milford Trust Co. was incorporated in 1911."

Jonathan Cilley Neff, retired Vice-President of the Fidelity-Philadelphia Trust Co., Philadelphia, Pa., died on Dec. 31 at the age of 78 years. In the Philadelphia "Inquirer" of Jan. 1 it was stated:

"He was a member of the board of directors of the banking firm, having been elected to the board in 1915.

"Entering the employ of the company in 1884, Mr. Neff was named Assistant Secretary in 1904 and was elected a Vice-President in 1913. As Senior Vice-President of the concern, he was widely known to bankers throughout the nation, particularly in the investment field."

Land Title Bank & Trust Co. of Philadelphia in 1944 had the largest net operating income in the last 10 years, while its normal demand deposits, exclusive of U. S. Treasury deposits, increased 14% to the highest total in its history, Percy C. Madeira Jr., President, reported to the bank's stockholders. Net operating income for 1944 of \$614,495 compared with \$558,898 in 1943. After deducting \$112,500 for preferred stock dividends, the balance of operating income amounted to \$6.69 per common share, against \$5.70 a share in 1943. In addition, the bank had non-operating profits of \$223,012, making a total of \$837,506. Total resources rose to \$85,972,312 from \$76,840,667 at the end of 1943. The further advices from the bank state:

"The bank's normal deposits, exclusive of U. S. Treasury deposits, which Mr. Madeira pointed out were of a temporary character, increased \$6,551,000 to \$53,675,000. Total deposits amounted

to \$75,492,928, against \$66,001,436 at the end of the preceding year. Mr. Madeira reported that asset valuation reserves, set up to meet any future depreciation in assets and which do not appear in published statements of the bank, totaled \$1,353,474 on Dec. 30, while reserve set up as an intermediate step toward restoring to capital \$1,875,000 reduction effected in June, 1940, had reached a total of \$1,750,000.

"Stating that the bank had reduced outstanding preferred to \$3,250,000 by retiring additional \$750,000 last September, Mr. Madeira added 'to maintain our capital funds in proper ratio to our deposits and to the needs of our customers, it may at some time be sounder to replace the balance of preferred stock then remaining by issuing additional common shares.'

"He reported that commercial department income from loans and investments increased, due in part to 21% gain in loans and discounts. However, the personal loan department continued to show a small decline in volume 'due to scarcity in many lines of consumer goods and to continued full employment and consequently ability of borrowers to pay off debts out of larger incomes.' The trust department volume showed increase as well as profit.

"Touching on the part played by the bank in the war effort, Mr. Madeira said that during 1944 the bank arranged for the purchase of \$69,000,000 of Government securities offered in connection with the financing of the war program; that over 39% of its existing loans are directly connected with the war effort, including loans to finance housing for defense workers; that 96 of the bank's officers and employees are in the armed services, half of them overseas. Mr. Madeira also cited the following gains made by the bank in the past five years: Increase of close to 73% in demand deposits, not including war loan; retirement of \$4,025,000 outstanding preferred stock; increase in holdings of U. S. Government bonds from \$2,728,000 to \$46,648,000; 114% increase in loans and discounts, excluding FHA and mortgage loans; decrease in 'other real estate' owned by bank from \$10,350,000 to \$2,639,000, and decrease in mortgages from \$5,466,000 to \$2,200,000."

The election of E. I. H. Bennett as Vice-President of the Peoples Pittsburgh Trust Co., Pittsburgh, Pa., was reported in the Pittsburgh "Post Gazette" on Jan. 2, which also said:

"He will be in charge of the consumer credit department of the bank. He was formerly associated with Sears, Roebuck & Co., where he supervised the time payment financing of that company."

George H. Porter, retired Assistant Treasurer of the Savings Bank of Baltimore, Baltimore, Md., died on Jan. 3 at 85 years of age. Advices from the Baltimore "Sun" on Jan. 4 said, in part:

"In 1890 Mr. Porter entered the employ of the Savings Bank of Baltimore. In 1940 he was presented with a silver trophy, inscribed by his associates in the bank. He retained his position at the bank until late in 1943, when he retired after 53 years' continuous service."

Directors of Union Bank of Commerce of Cleveland, Ohio, on Jan. 4 declared a dividend of \$4 a share on capital stock, payable Jan. 25 to stockholders of record at the close of business Jan. 15. Dividends of \$3 a share each were paid in January and July, 1944. President J. K. Thompson reported that net profit after provision for Federal taxes, if any, and transfers to reserves, for the six months ended Dec. 31, 1944, amounted to \$7.62 a share on the 35,300 outstanding shares of capi-

tal stock, and to \$13.71 a share for the year 1944, compared with \$10.78 for the year 1943. The bank's net earnings from current operations before provision for Federal taxes, if any, and transfers to reserves amounted to \$20.28 per share for 1944, as compared with \$16.43 for 1943. The advices state that Union Bank of Commerce has an asset of substantial value in capital stock of Union Properties, Inc.; there is nothing included in the foregoing earnings figures, it is added, relating to this asset.

It is announced that the underwriting group managed by Bacon, Whipple & Co. and including The Illinois Co. of Chicago; Central Republic Co.; Paul H. Davis & Co.; Harris, Hall & Co., Inc.; Keibon, McCormick & Co., and Farwell, Chapman & Co., distributed on Jan. 8 9,000 shares of City National Bank & Trust Co. (Chicago) capital stock at \$195 per share. This offering was quickly sold.

The annual statement of the Hibernia National Bank in New Orleans, La., as of Dec. 30, 1944, just issued in response to the call of the Comptroller of the Currency, exhibits the following changes in its major items compared with the figures of Dec. 31, 1943:

	Dec. 31, '43	Dec. 30, '44
Deposits	\$ 88,037,006	\$ 108,262,725
Cash & Govts.	70,395,237	87,556,595
Loans	16,261,837	19,757,817
Capital funds and reserves	5,286,959	5,497,660

The year-end statement of Citizens National Trust & Savings Bank of Los Angeles reflected the largest total deposits heretofore published. As of Dec. 30, 1944, total deposits amounted to \$294,476,618, a gain over the year of \$53,057,084. Total resources are now \$307,232,392. President H. D. Ivey, in commenting on the activities of the bank, stated that the year just ended had been a most satisfactory one. Dividends of \$1.50 per share were paid, and there was added to surplus and undivided profits an amount equal to \$2.62 per share. The net earnings of the bank after all expenses, reserves for taxes, depreciation, etc., and after all losses and write-downs were \$4.22 per share.

At a special meeting of the shareholders of the South Texas Commercial National Bank of Houston, held Dec. 22, it was voted to increase the capital stock from \$1,500,000 to \$2,000,000, and the board of directors adopted a resolution declaring a 33 1/3% stock dividend. At the same time the directors authorized the transfer of \$500,000 from the undivided profit account to the surplus account, making the surplus \$2,000,000.

At the time of the consolidation of the South Texas National Bank and the Commercial National Bank, on March 2, 1912, the combined South Texas Commercial National Bank had a capital of \$1,000,000 and a surplus of \$500,000. Since then, from earnings, the bank has increased its capital from \$1,000,000 to \$2,000,000, and its surplus from \$500,000 to \$2,000,000 and has paid regular cash dividends, without interruption, amounting to \$5,658,000.

The election of Charles F. Anderson as Assistant Vice-President of the Oregon Mutual Savings Bank, Portland, Ore., was announced on Dec. 28 by George F. Brice Sr., President of that institution, following a meeting of the directors. The Portland "Oregonian," in reporting Mr. Anderson's election, said:

"Following seven years of banking work in Hood River, Mr. Anderson joined the State Banking Department as a Deputy Superintendent of Banks in 1932, and

served in that capacity until 1937. In 1937 he became a bank examiner until joining the Oregon Mutual Savings Bank in 1943."

At the date of call, Dec. 30, 1944, the United States National Bank of Portland, Ore., reported deposits reaching a new all-time high of \$480,808,958 and resources of \$550,202,014. Thus, substantial gains of \$90,753,187 and \$92,344,699, respectively, were achieved over the corresponding date of call of 1943.

Results of Treasury Bill Offering

The Secretary of the Treasury announced on Jan. 8 that the tenders of \$1,300,000,000 or thereabouts, of 91-day Treasury bills to be dated Jan. 11 and to mature April 12, 1945, which were offered on Jan. 5, were opened at the Federal Reserve Banks on Jan. 8.

The details of this issue are as follows:

Total applied for, \$2,157,434,000. Total accepted, \$1,302,998,000 (includes \$75,916,000 entered on a fixed price basis at 99.905 and accepted in full).

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

Range of accepted competitive bids:

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

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

(55% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Jan. 11 in the amount of \$1,312,571,000.

Regarding the previous week's offering the Secretary of the Treasury announced on Dec. 30 that the tenders of \$1,200,000,000, or thereabouts, of 91-day Treasury bills to be dated Jan. 4 and to mature April 5, were opened at the Federal Reserve Banks on Dec. 29.

The details of this issue are as follows:

Total applied for, \$2,464,903,000. Total accepted, \$1,204,847,000 (includes \$51,393,000 entered on a fixed price basis at 99.905 and accepted in full).

Average price 99.906, equivalent rate of discount approximately 0.373% per annum.

Range of accepted competitive bids:

High, 99.908, equivalent rate of discount approximately 0.364% per annum.

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

(26% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Jan. 4 in the amount of \$1,217,995,000.

Regarding the week of Dec. 23 offering of tenders for \$1,200,000,000 or thereabouts, of 91-day Treasury bills dated Dec. 28, 1944, and to mature Mar. 29, 1945, which were offered on Dec. 19, were opened at the Federal Reserve Banks on Dec. 22.

The details of this issue are as follows:

Total applied for, \$1,868,032,000. Total accepted, \$1,202,062,000 (includes \$49,232,000 entered on a fixed-price basis at 99.905 and accepted in full).

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

Range of accepted competitive bids:

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

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

(60% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Dec. 28 in the amount of \$1,218,104,000.