

The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 157 Number 4154

New York, N. Y., Thursday, February 25, 1943

Price 60 Cents a Copy

THE FINANCIAL SITUATION

Another of the apparently never-ending "crises" in the War Production Board has passed. Not long ago the vexatious rubber program was disclosed as not proceeding according to schedule and around this situation there raged another of those internal controversies within the WPB which was finally "settled" by Mr. Byrnes, whose official functions, technically speaking at any rate, were far removed from such matters. The fuel oil hardships which the eastern part of the country, particularly New England, have had to bear must in the final analysis be charged against this same Board. Meanwhile, the manpower situation has evidently gotten badly out of hand with the result, among many others, that our food supply is in real danger. The so-called "economic stabilization" program, which has never functioned effectively, is evidently in grave difficulties. The innumerable restrictions and regulations, including rationing in its wide ramifications, appear to be succeeding chiefly in impressing the public with the "horrible mess" into which national affairs in the broader sense of the term appear to have fallen.

What Is The Trouble?

What is the root of the trouble? Evidently, it is not merely a matter of making poor choices of men to give effect to these various programs. Without any question a great many blunders of precisely this nature have been made, but it is likewise a fact that some of the ablest executives in the country—men with matchless records in the business community—have been called to Washington, and have responded with the best that was in them. These latter have, however, more often than not found it impossible to function in Washington with a fraction of the success they had regularly attained in private life. Nor is it evidently wholly a matter of faulty organization, although here, too, operations have often left much to be desired. The fact remains, however, that good organization appears to be about as vulnerable to the Washington atmosphere as the poor.

Neither can the current landslide of difficulties be ascribed, as is so often done by the superficial analyst, to "conflict" between military authorities and representatives of the civilian population. Such a conflict probably gives

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Some Questions

"The regulation issued under this order with my approval was so worded that it affected only gross salaries in excess of \$67,200, the amount of taxes due upon such salaries reducing them to approximately \$25,000 net. I could not exercise the discretion vested in me by the Congress to adjust salaries without finding that it is a gross inequity in wartime to permit one man to receive a salary in excess of \$67,200 a year while the Government is drafting another man and requiring him to serve with the armed forces for \$600 per year.

"I believed it a gross inequity for the president of a corporation engaged in the production of materials for the Government to receive a salary and bonus of \$500,000 a year while the workers in the corporation were denied an increase in wages under the provisions of the law and my Executive Order."—The President of the United States.

Where are those \$500,000 executives who seem to trouble the President's peace of mind?

So far as the public is aware they could be counted on the fingers of one hand—probably with several fingers unemployed.

And what do they have left after paying their Federal income tax under existing law?

Around \$60,000 absolute tops—with many other taxes still to pay.

Why the \$67,200 gross, or \$25,000 net, figure? How soon are the CIO and the President likely to demand lower figures?

And when did wage increases cease?

State Social Security Expansion Detrimental To Nation's Welfare

The fact that "the institution of life insurance in this country" has shown itself capable of a wholesome and mature growth so as to meet each new set of circumstances in which an insurable interest could reasonably be discerned, delimited and secured," was pointed out by Thomas I. Parkinson, President of the Equitable Life Assurance Society of the United States, in addressing the annual meeting of the Society's Board of Directors on February 18. In declaring that "we must emphasize the possibilities of detriment to the future welfare of our country if the expansion of State social security threatens the absorption of co-operative institutions such as life insurance companies," Mr. Parkinson said:

"For a time, perhaps, and particularly in such matters as acquisition costs and the collection of premiums, a compulsory State system can claim some advantage over a voluntary insurance institution but in the long run any such advantage even from the point of view of economy will be more than overcome by the demonstrated economies of non-political management of the life companies as compared with the demonstrated waste and costliness of bureaucratic administration." He added:

"There is also the equally important question of good faith. The State is too often presumed by legislative and administrative authorities to be tied down by contractual obligation. Examples are all too numerous of reserves, set up with an impressive elaboration of protective formulas, melting away into the general funds from which they were so jealously intended to be segregated."

Mr. Parkinson in his remarks had something to say with respect

to the social security plan of Sir William Beveridge, as to which he stated:

"Great Britain now has before it for public discussion a carefully formulated report of the arguments in favor of the establishment in that country of a comprehensive system of social insurance. The fact that recommendations of this character could be put forward at all within such relatively few years, since official representatives of Great Britain at international gatherings declared such organic and comprehensive system to be essentially irreconcilable with the spirit and tradition of its institutions, indicates the extent to which a conviction has grown with respect to the collective obligations of society as a whole toward its individual members.

"No less does it illustrate the readiness of public authority, ever eager to find new sources of revenue, to assume presently a financial obligation to be discharged in the future without due regard for the details of such future performance.

"Within the coming year, it is more than probable that in the United States we shall have a great deal of discussion of the necessity for instituting a comparable system of all-inclusive social security in this country.

"There is involved in any con-

sideration of such a system the future of individual freedom. A compulsory system of State social insurance is one from which no individual may be excused and from which every individual must expect direction as to the use of his productive effort, his leisure, and his savings. The State, ever preoccupied with the well-being of the marginal population, can seldom long remain content to concentrate its attention upon the arduous task of educating that margin to the level of constructive cooperation. Sooner or later, the State covers the indifferent success of its effort in that direction by seeking to bring the rest of society into the range of still more ambitious unification and standardization.

"Social insurance on the massive scale contemplated on the other side of the Atlantic and doubtless in due course to be proposed for adoption by the Federal Government of the United States could not long tolerate the competition of voluntary efforts purely co-operative in character and design to reconcile the interests of freedom and security through the skilled management of voluntary savings."

Mr. Parkinson pointed out that Group Insurance, in particular, has met more and more of those very situations which the State is supposed, by advocates of State social insurance, to be alone capable of dealing. In addition to Group Life Insurance, which the Equitable originated as far back as 1911, he noted that protection

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*These statistics omitted from "Chronicle" at direction of the War Censorship Board. (See notice on first page of Section 2 in August 27, 1942, "Chronicle.")

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From Washington Ahead Of The News

By CARLISLE BARGERON

Everywhere your correspondent has been recently, people want to know whether John L. Lewis is washed up. There have been magazine stories written on the subject pro and con. Well, I saw the gentleman a few days ago and instead of a washed up man he seemed to be just about the most confident individual I have run into for a long time. I have seen beaten men in my time, I think I know their timid and apologetic air. Lewis didn't have either.

As to what makes him so confident, I don't know. But here is one thing that could, and the information didn't come from him. A short while ago, and the story hasn't leaked out to the newspapers, the executive committee of the United Automobile Workers, the largest organization remaining in what is left of the CIO, voted only 9 to 8 against withdrawing from the CIO and tying up with Lewis. Manifestly, on the basis of this, Lewis' position in the labor movement is not so tenuous as it is supposed to have been.

This information which the Administration undoubtedly knows, must give a lot of grief to it. Because the widely advertised effort of Lewis, impending, to break the Little Steel formula, is largely of the Administration's doings. It is a fact that in some sections of

the anthracite coal regions, Lewis has been personally unpopular for years. That has been no secret to Washington political observers for a long time.

But it did surprise them several weeks ago when a large group of these miners defied the Great Leader's leadership. The plain fact is that they would have never become so emboldened had there not been political stirring up forces behind them. They took advantage of the New Deal smear campaign against Lewis, and of course, this campaign is being inspired by the political forces who took \$500,000 from him in the 1936 Presidential campaign and would now like to ruin him because he split with the New Deal.

Lewis has always been Lewis. He is no different now than he was at the time he set out to or- (Continued on page 767)

Editorial—

Where Britain Gets Her Revenue

NORMAN CRUMP

Editor's Note—This article is carried because of our belief that our readers would be interested in knowing how today's war economy has affected the citizens of Great Britain. It does not, of course, follow that simply because Great Britain has seen fit to inaugurate such a tax program that we should follow suit. In any event, it is the "Chronicle's" opinion that unless our Government broadens the tax base materially it might as well abandon all thought of paying off the national debt in terms of present dollars. It should be borne in mind, too, that too great a tax burden (on corporations included) is detrimental to the entire economy of the country, politics to the contrary notwithstanding. Norman Crump, author of this article on Britain's finances, is statistical editor of the London "Financial Times" and the former editor of the London "Sunday Times."

It is generally recognized that total war demands a rigorous curtailment of individual consumption and spending, in order to liberate labor, materials and machinery for the manufacture of weapons and munitions. It is not always realized that this process equally involves a major redistribution of incomes. On the one hand, those in receipt of large incomes find them heavily reduced by war taxation. On the other hand, scores of workers, who were unemployed or working part-time before the war, are now in full employment and are often working overtime. This process is intensified because numbers of men with relatively large professional incomes are now enrolled in the services and other kinds of war work, and are therefore earning much smaller incomes.

Details illustrating the incidence of taxation were recently given by Sir Kingsley Wood, the Chancellor of the Exchequer. He first dealt with the larger incomes, and the following table shows the number of taxpayers falling within the various ranges of net income. It must be emphasized that the phrase "net income" means the amount of income left to the taxpayer after he has paid his income tax and sur-tax. Thus if a taxpayer earned £2,000 (\$8,000) a year gross both in 1939 and 1942, and paid in taxes £400 (\$1,600) in 1938 and £800 (\$3,200) in 1942, then his net income would be reduced from £1,600 (\$6,400) to £1,200 (\$4,800).

Net Income Range	No. of Taxpayers—	
	1938	1942
£1,000 to £2,000	155,000	105,000
£2,000 to £4,000	56,000	30,750
£4,000 to £6,000	12,000	1,170
£5,000 and over	7,000	80

To take the extreme case, there are now only 80 people in the country with an income of over £6,000 (\$24,000) left to them, after they have paid their income tax and sur-tax.

The curtailment of consumption among the "rich" may often be even greater than this table suggests. Most wealthy people have unavoidable commitments, such as rent, local taxation, insurances, pensions to dependents, and so on. If these, too, are deducted from the taxpayer's net income, the result is that in a number of cases, the individual concerned finds that he has no income left at all, and so, rich as he apparently is, has to draw on his capital in order to pay his living expenses.

Well may Sir Kingsley Wood say that there is practically nothing more to be got out of the rich, and that if he took every penny of income above £2,000 (\$8,000) from those whose incomes exceeded £2,000, he would only get a further £30,000,000 (\$120,000,000) in all.

Now for the other side of the picture. Sir Kingsley Wood states that the total amount left after payment of tax in the incomes between £125 (\$500) and £500 (\$2,000) a year had increased since 1938 by no less than £700,000,000 (\$2,800,000,000). From an official document published last July I have deduced the following table:

Aggregate gross inc. of all people earn. bet. £125 & £500	Total paid by them		Aggregate net inc. of these people, after paying tax	
	1938	1942	1938	1942
1,850	2,815	23	268	1,827
		(All figures in £ millions)		
			1938	1942
			1,827	2,547

Their total gross income has risen by £965 (\$3,860) millions, and their liability to income tax by £245 (\$980) millions. Their net income has increased by £720 (\$2,880) millions, or by about Sir Kingsley Wood's round sum of £700 (\$2,800) millions.

Sir Kingsley added that 85% of the nation's total net purchasing power was now in the hands of those earning less than £500 (\$2,000) a year. It is to these lower incomes that he must look for any additional tax revenue. Also any fresh curtailments in spending and consumption necessitated by the war will have mainly to be made by the people within this income range, who also comprise the vast majority of the nation.

The culmination of Sir Kingsley Wood's argument was that the nation must not be content to pay taxes. It must also save and lend to the Government. And the nation is doing so. During the first three years of the war "small savings" had totaled £1,500 (\$6,000) millions. That equals

£500 (\$2,000) millions a year, or approaching twice the sum paid by the "small taxpayers" in income tax. This is a fine achievement, but it does not leave Sir Kingsley Wood content. The growth in the note circulation since the outbreak of war, from about £500 (\$2,000) to £830 (\$3,320) millions, has occurred partly because people hoard savings in currency instead of investing them in savings certificates or defense bonds. Sir Kingsley Wood wants to see these hoards invested.

Meanwhile a welcome has been given to the Anglo-American exchange of notes, setting out the basis of "reciprocal lend-lease." Even the British public do not fully realize that lend-lease has become a multi-lateral movement, with innumerable ramifications among the United Nations. Full gratitude is felt for American lend-lease supplies to Great Britain; and the magnitude and supreme importance of the United Nations' supplies to Russia is equally realized. But the official American list of British lend-lease supplies to the United States has come as a surprise.

The British people now know that their barrage balloons are floating over Californian cities, and that their A.A. guns are helping to defend the Panama Canal. American soldiers in Europe are having their uniforms made in British factories, British builders and laborers are building American camps, British repair depots are looking after American equipment. Great Britain is sharing her war experience and technical secrets with the United States. Nor too must Australian aid to American forces in the Pacific be overlooked. Wherever American troops are, throughout the British Empire, they are being served on the spot as part of British lend-lease.

So far the British public have hardly thought about it. They take it for granted that the war efforts of all the United Nations are pooled as circumstances and needs require. Nor too does the British public always remember that British pre-lend-lease purchases, paid for in cash, gave the American war industries a flying start. As the U. S. Office of War Information recalls, total British Empire cash purchases since September, 1939, total \$7,000 million, or a great deal more than total U. S. lend-lease deliveries to Britain so far.

All this is money well spent. Without it American industry would not be able to deliver the present volume of "tools with which to finish the job." Sir Kingsley Wood's statement shows how Great Britain is finding the money both to finance her own war effort and to supplement lend-lease supplies from overseas.

The State Of Trade

Reports received from industrial areas continue to reflect operations at or near peak levels. Steel operations in the United States this week are scheduled at 98.9% of capacity, against 99.5% last week, a decrease of 0.6%, the American Iron & Steel Institute reports. The scheduled rates indicate production of 1,691,900 tons for the current week, against 1,702,100 tons for the preceding week.

A month ago the rate was 98.6%, with tonnage of 1,686,700, and a year ago the rate was 96.3% and production 1,635,800 tons.

Electric power production for the week ended Feb. 13 was 3,939,708,000 kilowatt-hours, an increase of 15.1% over the 3,421,639,000 of the comparable week last year, and a slight decline from the 3,960,242,000 kwh. reported in the previous week.

While power requirements of war industries were greater in 1942 than in 1941, these demands did not reach anticipated levels, Charles Y. Freeman, Chairman of the Commonwealth Edison Co., reveals.

"Every indication points to a further increase in the use of power by war industries in 1943," he stated, "particularly when the new large war plants are placed in full operation. While it is impossible to estimate accurately the offsetting of further lessening of non-war activity, the peak demands on the facilities of the company and its subsidiaries are expected to increase considerably during 1943."

Loading of revenue freight for the week ended Feb. 13 totaled 764,950 cars, according to the Association of American Railroads. This was an increase of 9,564 cars from the preceding week this year, 17,751 cars fewer than the corresponding week in 1942 and 43,774 cars above the same period two years ago.

This total was 122.94% of the average loadings for the corre-

large sections of the public as a forerunner of similar edicts respecting other wearing apparel.

A preliminary compilation of 1942 annual reports now released indicates that average net income of industrial companies was approximately 22% below that of 1941. The first 85 important companies to report earned a total of \$383,000,000, against \$492,000,000 a year earlier.

However, the steel and iron group has been disproportionately represented in this preliminary summary, with the earnings of such companies accounting for almost 40% of the total. Since the steel industry showed an exceptionally wide earnings decline—34%—a more representative compilation, which will be possible later, will doubtless show a narrower composite earnings drop than is now indicated. An aggregate decline of 20% seems a reasonable expectation, authoritative sources state.

Several industries were able to increase earnings last year. The leather and shoe industry, textiles, tires, baking and coal are principal examples.

Reflecting higher rates under the 1942 Revenue Act, as well as somewhat increased taxable earnings, total tax provision by these 85 industrial companies increased by 42%. Taxes are indicated to have taken approximately two-thirds of available net, whereas in 1941 they amounted to little more than half of taxable net. Federal taxes were more than double the amount available for stockholders.

Schwartz And Leiserson On Mediation Board

President Roosevelt nominated on Feb. 11, Harry H. Schwartz and William M. Leiserson to be members of the National Mediation Board. Mr. Schwartz, former Democratic Senator from Wyoming, was named to fill a vacancy on the Board created by the resignation of Otto S. Beyer. He was nominated for the remainder of the term expiring Feb. 1, 1944. Mr. Leiserson, former Chairman of the Mediation Board and now a member of the National Labor Relations Board, was named for a term expiring Feb. 1, 1946. He has been a member of the NLRB since May, 1939, and will succeed David J. Lewis, former Democratic Representative from Maryland, whose term expired Feb. 1.

Mr. Beyer, in a letter to the President requested that his resignation be made effective as of Feb. 8, because, he indicated, his present duties as a member of the War Manpower Commission and as Director of the Division of Transport Personnel of the Office of Defense Transportation, demanded his full time.

Risk Loans For War Crops

Secretary of Agriculture Wickard announced on Feb. 5, that the Agriculture Department has established a \$200,000,000 war-time food production loan program, under which the government will assume losses from crop failures on products needed for the war.

The Associated Press in its Washington advices said:

Farmers planting designated crops may borrow funds to cover planting, cultivating and harvesting. They will be obligated to repay only to the extent of the value of the crops produced.

In the event of a complete failure, the loan will be canceled. Crops on which the loans are offered include those involving high production risks, or those which farmers would not otherwise grow. Loans will be made by the County Agricultural War Boards from funds provided by the Regional Agricultural Credit Corporation.

THE FINANCIAL SITUATION

(Continued from first page)

trouble at points, but is more or less inevitable in the circumstances. There was such a conflict in World War I, and there probably will always be such a conflict in times of total war. It did not, however, seriously disrupt proceedings 25 years ago, and should not do so now. Indeed, one of the reasons for such organizations as have been created to manage the larger aspects of the war effort was, of course, to deal with precisely this situation. The reason they have not been able to do so effectively, as well as the cause of shortcomings in many other directions, is to be found deeply imbedded in the existing situation. It will not be removed by changes in personnel or by any of the other tactics so far employed.

Trying To Do Too Much

First of all, the national government is trying to do too much. The President's penchant for almost universal public control centered in Washington has led him into a maze of regulations, restrictions, directives, and what not, for which neither the government nor the people were prepared. Continual expansion of the areas of government control and steadily increasing centralization of that control in Washington have from the first been a cardinal element in New Deal philosophy and management. However much the President and his supporters excoriate Fascism and Nazism—but not Communism—it has always been their policy to follow the lead of these systems in this matter of trying to bring the entire nation under their control and management. With our entry into the war, this obsession flared up fiercely and what opposition there was tended to melt into increasing ineffectiveness.

More and more of the nation's activities and more and more of the lives of the people have been taken into hands that have always itched to write directives. It is conceded, of course, that in times such as these, substantial controls are essential, but there is a point beyond which control, far from adding to the effectiveness of our war effort, definitely tends to disrupt and reduce it. This point has long ago been reached and passed. It has swamped officialdom with tasks whose weight and whose minutiae would be beyond the ablest in a country unaccustomed to Germanic or Russian regimentation. It has robbed the war effort in substantial and wholly unnecessary degree of the invaluable initiative and ingenuity of large sections of an industrial personnel noted the world over for its ability to get things done. It has occupied the time of that personnel with literally endless red tape and confusing regulations. It has created conditions under which no system can hope to function at its best. The wonder is that it has been able to function as well as it has.

Weakness At The Top

That wonder grows with any study of the conditions under which this over-grown regulatory system has been obliged to work. Competent observers on the spot have often asserted that what the War Production Board needed was a top executive who could come promptly and firmly to decisions concerning the multitude of questions which must inevitably reach him. It appears plain that this organization suffers from the lack of such a head—as all organizations must if they do not have it—but it seems to us to be an open question whether this defect is to be attributed solely to the personal characteristics of Mr. Nelson. Above Mr. Nelson stands the President who seems not to have it in him really to delegate full authority—no matter what the documents say—and to stand by those to whom authority is delegated.

Observation and experience have both doubtless taught Mr. Nelson that when the going grows tough, the President's ear is open to Mr. Hopkins, Mr. Byrnes and others, and that these ultimate advisers of the President can always be approached by underlings in his organization who have apparently been placed there for such a purpose. An official of one of the leading farm organizations not long ago publicly charged that certain individuals had been placed in the Department of Agriculture to nullify or hold in check the Secretary who is ostensibly responsible for the conduct of that branch of the Government. It may well be so. At any rate it is well-known that the offices of the War Production Board (and without question many of the other war agencies in Washington) harbor political "commissars" who are currently alleged by competent observers to be largely responsible for the endless difficulties of inner organization

Freight Traffic By Railroads Declined In December With More Freight Cars Used

The average load per car of less-than-carload freight carried by Class I railroads declined from 20,704 pounds in November to 20,294 pounds in December, the Office of Defense Transportation announced on Feb. 19. Total volume of merchandise freight handled by Class I carriers, which amounted to 8,080,377,157 pounds in November, dropped to 7,970,811,532 pounds in December, but the number of cars used in the movement rose from 390,278 to 392,776, resulting in a lower average load per car. The December average of 20,294 pounds was slightly above the 10-ton minimum prescribed since Sept. 1, under ODT's General Order No. 1, for loadings of 1-c-1 freight.

ODT officials said the decline in the volume of merchandise freight handled by the 116 reporting Class I roads was considerably less than normal for December. They attributed the drop in average loadings per car partly to the smaller volume of freight handled, but principally to the utilization for merchandise loadings of cars which otherwise would have moved as empties. Such utilization occurred primarily in the case of the return movement of refrigerator cars to the West Coast, Texas, and Florida. It was pointed out that since refrigerator cars have a smaller capacity than box cars, their use for merchandise loadings on return movements while making for more efficient car utilization, lowers the average 1-c-1 load per car.

During December, Class II and Class III steam railways, including switching and terminal companies, transported 396,000 pounds more merchandise freight than in November but used 103 fewer cars, with a resultant increase in average load per car from 17,646 pounds in November to 17,930 pounds in December.

While the average load of merchandise freight per car, for all classes of electric railways, declined from 15,781 pounds in November to 14,966 pounds in December, the latter figure was considerably above the average of 13,684 pounds recorded by such railways for the period from May through October, 1942.

The ODT said that in all cases where carriers failed to reach the 10-ton minimum, the freight was loaded under exceptions to the general order.

The volume of merchandise freight handled by freight forwarding companies showed a contra-seasonal increase in December, rising to a total of 492,249,480 pounds from a total of 463,172,319 pounds in November. The average load per car, however, declined from 41,939 pounds in November to 41,477 pounds in December. The lower average load per car of merchandise handled by freight forwarders in December was still more than 4,000 pounds above the average of 37,262 pounds for the six-month period from May through October.

and functioning by which that agency has been beset from the first.

Competent Executive Needed

For our part, we should like to see the War Production Board headed by an individual who made his own decisions and stood by them until such time as he was over-ruled—and then like a British Cabinet resign. It seems to us that in this way the responsibility would be clearly established where it ultimately rests in any event—with the President himself. But whether such procedure on the part of Mr. Nelson would result in more effective functioning of the War Production Board, so long as the present incumbent is in the White House may be open to question. In the last analysis, neither this war agency or any of the others is likely to carry its load even as well as circumstances otherwise would permit until the President himself shows more of the traits of a really competent executive.

It is necessary to bear this fact in mind at all times when appraising the situation in Washington.

Jan. Living Cost Up 0.4%

Living costs of wage earners and lower-salaried clerical workers in the United States continued their upward progress with a rise of 0.4% in January, according to the National Industrial Conference Board. The Board in its advices Feb. 11 added:

"Food prices again rose, this time 0.7% over December, but the largest increase in January occurred in fuel and light which was 1.2% higher than in December, due entirely to a 1.8% rise in the retail price of coal. Sundries were up 0.2%, while all other items remained unchanged.

"The Board's index of the cost of living (1923=100) stood at 101.4 in January as compared with 101.0 in December, 100.3 in November, 99.7 in October, 98.6 in September, 98.1 in August, 93.2 in December, 1941, and 86.0 in January, 1941.

"The level of living costs was 7.3% higher than that of a year ago. Food showed the greatest advance over January, 1942, with an increase of 14.6%. Other advances during the twelve months were: clothing, 7.5%; sundries, 4.0%; housing, 0.8%; and fuel and light, 1.6%.

"The purchasing value of the dollar, which amounted to 99.0 cents in December, declined to 98.6 cents in January. It stood at 99.7 in November, 100.3 cents in October and 105.8 cents a year ago."

Pass Mineral Loans Bills

The Senate passed on Feb. 15 a bill authorizing the Reconstruction Finance Corporation to make loans to those desiring to engage in producing minerals of value to the United States in time of war. The measure, which now goes to the House, broadens the RFC's mineral development powers in that it permits loans to companies planning to go into business.

On Feb. 15 the Senate passed another bill designed to encourage more mining operations. The measure, which also goes to the House, suspends for the duration, a provision of existing law which requires, as a condition to the making of certain mining loans, an advance RFC finding that mining operations made possible by such loans will probably result in a profit.

To Aid Sugar Beet Growers

Secretary of Agriculture Wickard announced on Feb. 10 a program which is designed to assist sugar beet growers in meeting their 1943 production goals.

According to the announcement, the program, to be implemented by contracts between the Commodity Credit Corporation and sugar beet processors, will, without an increase in ceiling prices of sugar, assure growers for their 1943 crop an increase of \$1.50 per ton over the price received for 1942 crop sugar beets of standard quality (16.5% sucrose). It is estimated that returns to growers from the 1942 crop will average about \$9.25 to \$9.50 per ton for average quality beets, and on this basis returns for the 1943 crop should average around \$11 per ton. The advices from the CCC also state:

"Under the program, the CCC will offer through sugar processors to purchase sugar beets from farmers at about \$1.50 per ton above the estimated levels applicable with respect to the 1942 crop for beets of average quality and in turn, sell such beets to processors on the basis of sugar prices prevailing during the last six months of 1942.

"The program would provide that processors pay to the CCC all market returns from the sale of sugar above the level used in computing the resale value of sugar beets to the processors. If the increase of such returns plus the amount at which the CCC sells the beets back to the processors exceeds the amount at which beets are purchased from farmers, the CCC will use such excess to make supplemental payments to processors. These supplemental payments would be based on the processor's proportionate share of all beet sugar produced from the 1943 crop, and would be divided equitably with beet growers.

"Processors will be expected to maintain the usual arrangements with growers regarding financing seed, deliveries, labor procurements, field advice and other services."

Peruvian Govt. Subscribes To Atlantic Charter

The Peruvian Government on Feb. 8, adhered to the principles of the Atlantic Charter, describing the action as "testimony of a resolution to intensify collaboration with the free peoples of the world."

According to United Press advices from Lima, Peru's action was not expected to result in admission to the United Nations, which comprise nations at war with the Axis.

The Atlantic Charter is a declaration of eight principles drawn up by President Roosevelt and Prime Minister Churchill of Great Britain in August, 1941 (see these columns of Aug. 16, 1941, page 915).

U. S. And Cuba Agree On Reciprocal Draft Rules

The United States and Cuba have concluded an agreement providing for a reciprocal treatment of citizens under military service laws. Advices from Washington Feb. 11 to the New York "Times" stated:

"Under the agreement the United States will permit Cubans and nationals of co-belligerent countries who have registered in this country and have not declared their intentions of becoming American citizens to elect to serve in the Cuban forces at any time prior to their induction into the United States armed forces. Those already serving in our forces may transfer to the Cuban forces.

"Cuba will grant reciprocal treatment to Americans."

Private Enterprise And Capital Needed For Post-War Rehabilitation, Says NAM President

Discussing "Free Competitive Enterprise and the Common Man" before the Economic Club of Detroit on Feb. 15, Frederick C. Crawford, President of the National Association of Manufacturers, Crawford, President of the National Association of Manufacturers, abroad, . . . is one for free competitive enterprise." Mr. Crawford, who is President of Thompson Products Inc. of Cleveland quoted recent references to free enterprise made by Vice-President Wallace, Thurman Arnold and others, and in offering his own definition of the term, said:

"Free enterprise is a term used to describe the freedom of the individual to assume responsibility for production upon his own initiative, spurred on by competition and restrained only by governmental policing in the general welfare, and stimulated by a free flow of capital.

"Management believes that its definition of free competitive enterprise is shared by the overwhelming majority of the American people. They like it because it has advanced the lot of the common man in this country far above that in any other nation. It is part of the warp and woof of the American way of life."

In part, Mr. Crawford went on to say:

"We must plan a permanent peace in which a sound economy can thus function. It is the prime obligation of American business management to see that American free enterprise functions to the utmost in a world made safe for peace.

"It is a big job. Management is not asleep to this obligation. It is hard at work preparing itself for the task.

"Management is ready and anxious to join with government and all groups to produce a blue print of progress, instead of a confusing welter of many plans.

"With vast pent-up domestic demands, new world markets, astounding new research developments, the engineering progress of the war period as a basis for the enterprise system to function, the outlook is not drab but glowing, not discouraging but inspiring to the best efforts.

"One of those efforts of management is to become more international-trade-minded. This requires careful re-inspection of our whole attitude towards world trade.

"We must recognize that complete self-sufficiency is not a sound ideal even though the protective tariff will remain a valid device to insure America the industries which, for strategic or other reasons, should be maintained within our boundaries.

"If we want a market in China, Russia, India and other nations for the goods we can produce the best, obviously we must not bar those nations from our own market.

"If we're going to fight as a world nation, we must trade like one, as well. Diplomatic peace and economic warfare cannot live side by side.

"The transition where the protection seems justified, should be gradual, but business recognizes that it will face a new situation in the post-war world, and that past traditions are not necessarily valid guides.

"On the other hand, government will have to recognize that if American industry is to compete in the market place of the world it cannot have fostered upon it any unnecessary restrictions and regulations which arbitrarily increase the cost of production.

"Much clear thinking is needed from both industry and government before a policy is determined.

"However, our rehabilitation problem is not one alone of sheer efficiency or sheer inventive genius. A whole world will have to be rebuilt. Our own industries will have to be re-converted. Industries in the war torn countries will have to be rebuilt.

"The job will require the investment of astronomical sums of capital. Whether we can do it or not—whether we shall have real prosperity or a real depression in the post-war—depends in great measure on whether venture capital can be encouraged to come out of hiding.

"For government cannot supply this missing capital. It has no capital of its own. Its only resources are the taxable incomes of its citizens, and the income of its citizens depends upon the productivity of private enterprise.

"Government financed economic rehabilitation for the world can be undertaken only at the expense of the taxpayer. The taxpayer who has cheerfully carried a crushing burden to insure victory expects and will demand relief from that burden as soon as practicable after victory has been achieved.

"Private capital can do the job and will, if permitted. But private capital's ability to assume the responsibility depends upon the encouragement given by government to private investment. Many policies in effect not only in the war period but in the years preceding the war will have to be drastically modified or abandoned.

"There are many factors responsible for the dearth of new investments.

"The present tax laws impose heavy burdens on corporate financing, both through the high normal and excess profits rates and through the sharply progressive rates on individual incomes. These taxes may be justified during a war period. If they are continued in the postwar period, they will stifle private investment.

"Needed SEC regulations have been ridiculously extended as the playground for reformers.

"One of the main stabilizers of investment would be found in a more harmonious relationship between the men who run the nation's politics and the men who run the nation's plants.

"The lack of it is destructive to public confidence in both.

"For if this country is going anywhere it must go together—government, industry, labor farmer—all with a confidence in each other and the nation's future.

"Vice-President Wallace has the right idea when he says that in a successful post-war period "individual initiative and enterprise and government responsibility for general welfare will continue to pull in double harness for a better life for all people.

"He can make tremendous contribution toward the accomplishment of that goal if, in the near future, he will reassure America that the 'initiative and enterprise' of which he speaks are the same initiative and enterprise which I have tried to outline tonight."

Dismisses Silk Suit Against Commodity Ex.

The suit attacking the legality of the plan adopted by the Commodity Exchange, Inc., and the Commodity Exchange Silk Clearing Association, Inc., for the settlement and liquidation of raw silk futures contracts outstanding when trading was suspended in July, 1941, was dismissed on Feb. 10 by Federal Judge Alfred C. Coxe of the U. S. District Court for the Southern District of New York.

Regarding the suit the New York "Journal of Commerce" stated:

Under the method adopted by

the Commodity Exchange, Inc., outstanding contracts were ordered liquidated on the basis of the closing prices when trading was suspended on July 25, 1941, following the action taken by governmental agencies freezing silk and placing a ceiling on raw silk.

Mitsui & Co., Ltd., attacked the legality of the plan's adoption and sought a court injunction enjoining its operation and the recovery of about \$350,000 which it had deposited as "variation" margin on 418 silk futures contracts. While the action was pending Leo T.

Crowley, Allen Property Custodian, was substituted as plaintiff and 238 of the contracts were settled reducing the amount of recovery sought to approximately \$150,000.

Judge Coxe ruled that the Exchange had power under its constitution, by-laws and rules to compel its members to suspend trading and accept reasonable settlement of their outstanding contracts.

The case was referred to in our issue of Oct. 30, 1941, page 834.

Casablanca Plans Call For Invasion Of Europe And Decisive Action Against Japan: Roosevelt

President Roosevelt reported to the nation on Feb. 12, that the decisions reached and the plans made at the Casablanca conference call for "actual invasions of the continent of Europe" and "great and decisive actions" against the Japanese.

In his first war review since his "unconditional surrender" conference with Prime Minister Churchill, the President promised that "the pressure on Germany

and Italy will be constant and unrelenting" and that "important actions will be taken in the skies over China and over Japan itself."

Mr. Roosevelt made these declarations in a nation-wide radio address on the occasion of the annual dinner of the White House Correspondents Association in Washington.

The President said the thought uppermost in "our minds" is "our determination to fight this war through to the finish—to the day when United Nations forces march in triumph through the streets of Berlin, Rome and Tokyo."

Mr. Roosevelt warned that unless the peace that follows the war "recognizes that the whole world is one neighborhood and does justice to the whole human race, the germs of another world war will remain as a constant threat to mankind."

As to his talks with the troops in North Africa and other areas, the President said that they had received many varying reports about the state of the home front, pertaining to labor troubles, farm profiteering, rationing and political quarrels, but that he had assured them that "most of these reports are just gross exaggerations" and that the "people as a whole in the United States are in this war to see it through with heart and body and soul." He added that a fundamental of an effective peace is the assurance that the fighting men will have jobs to return to after the war, expressing the belief that private enterprise will provide the vast majority of those jobs and Congress assure the rest. The President criticized those professional skeptics who say this cannot be accomplished, calling them "pettifoggers."

With regard to the massing of armies for the coming battle of Tunisia, Mr. Roosevelt said the prime purpose "is to drive our enemies into the sea," at the same time warning that the battle "will cost us heavily in casualties." However, he added, the consequences of Allied victory in Tunisia "are actual invasions of the Continent of Europe."

The President also noted in his talk that the unity of Frenchmen outside of France is gaining strength "to strike a blow for liberation." He further said that French sovereignty rests with the people of France. Its expression has been temporarily suspended by German occupation. Once the triumphant armies of the United Nations have expelled the common foe, Frenchmen will be represented by a government of their own popular choice.

Explaining that the Casablanca conference was not confined to any one theatre of war, Mr. Roosevelt asserted that "before this year is out it will be made known to the world . . . that the Casablanca conference produced plenty of news; and it will be bad news for the Germans and Italians—and the Japanese.

As for the Pacific zone, the President said:

"We do not expect to spend the time it would take to bring Japan to final defeat merely by inching our way from island to island across the vast expanse of the Pacific . . .

"There are many roads which lead to Tokio. We shall neglect none of them."

The text of the President's address follows, according to the Associated Press:

It is nearly two years since I attended the last dinner of the White House Correspondents Association. A great deal of water has flowed over the dam since then.

And several people have flown over the water.

Two years ago—many months before Pearl Harbor—I spoke to you of the thought that was then uppermost in our minds—of the determination of America to become the arsenal of democracy. Almost all Americans had by that time determined to play their full part in helping to save civilization from the barbarians. Even then, we were in the midst of the historic job of production—a job which the American people have been performing with zest and skill and, above all, success.

Tonight, as I speak to you, another thought is uppermost in our minds: That is our determination to fight this war through to the finish—to the day when United Nations forces march in triumph through the streets of Berlin, Rome, and Tokyo.

Last September I made a tour of inspection through this country. I saw war plants at work. I saw Army and Navy training camps and flying fields. I saw American men and women—management and labor alike—working to beat production schedules. I saw American soldiers and sailors and fliers doing the job of training for the fighting which lay ahead.

Now I have returned from one of the fronts overseas, where the production from American factories and the training given in American camps are being applied in actual warfare against the enemy. I have seen our troops in the field. I have inspected their superb equipment. I have talked and laughed and eaten with them.

I have seen our men—the Nation's men—in Trinidad, in Belen and Natal in Brazil, in Liberia, in Gambia. In these places there is no actual fighting, but there is hard, dangerous essential work, and there is a tremendous strain upon the endurance and spirit of our troops.

They are standing up magnificently under that strain. I have seen our men—and some of our American women—in North Africa. Out there is war. Those men know that before this war is over, many of them will have given their lives. But they know also that they are fighting to

destroy the power of the enemies of their country—that they are fighting for a peace which will be real and lasting peace and a far better world for the future.

Our men in the field are worthy of the great faith, the high hopes, we have placed in them. That applies as well to the men of our Navy, without whom no American expeditionary force could land safely on foreign shores. And it applies equally to the men of our Merchant Marine, who carry essential munitions and supplies, without which neither the United States nor our Allies could continue the battle.

No American can look at these men, soldiers or sailors, without great emotion and great pride and a very deep sense of responsibility to them.

Because of the necessary secrecy of my trip, the men of our armed forces in every place I visited were completely surprised. The expression on their faces certainly showed it.

I wish that I could pay similar surprise visits to our men in the other fields of operation—the naval bases, the islands of the Pacific, Australia, the mainland and islands of Alaska, the islands of the Atlantic, the two Guianas, the Canal Zone, Iceland, Britain, Central Africa, the Middle East, India, Burma and China. I wish I could tell them face to face that their Government and their people are very proud of the great job they are doing in helping to strengthen the vise that is slowly but surely squeezing the breath out of our enemies.

In every battalion and in every ship's crew you will find every kind of American citizen representing every occupation, every section, every origin, every religion, every political viewpoint.

Ask them what they are fighting for, and every one of them will say: "I am fighting for my country." Ask them what they really mean by that and you will get what, on the surface, may seem to be a wide variety of answers.

One will say he is fighting for the right to say what he pleases and to read and listen to what he likes.

Another will say he is fighting because he never wants to see the Nazi swastika flying over the First Baptist Church on Elm St.

Another soldier will say he is fighting for the right to work and earn three square meals a day for himself and his folks.

A fourth soldier will say he is fighting in this world war so that his children and grandchildren will not have to go back to Europe or Africa or Asia to do this ugly job all over again.

But all these answers really add up to the same thing—every American fights for freedom. And today the personal freedom of every American and his family depends, and the future will increasingly depend, upon the freedom of his neighbors in other lands.

For today the whole world is one neighborhood. That is why this war, which had its beginnings in seemingly remote areas, has spread to every continent and most of the islands of the sea, involving the lives and the liberties of the entire human race. And unless the peace that follows recognizes that the whole world is one neighborhood and does justice to the whole human race, the germs of another world war will remain as a constant threat to mankind.

I talked with many people in our armed forces—along the coast and through the islands of the Western Hemisphere and up the coast of West Africa. Many of our soldiers and sailors were concerned about the state of the home front.

They receive all kinds of exaggerated reports and rumors that there is too much complaining here at home and too little recognition of the realities of war; that

selfish labor leaders are threatening to call strikes which would greatly curtail the output of our war industries; that some farm groups are trying to profiteer on prices and are letting us down on food production; that many people are bitter over the hardships of rationing and priorities; and especially that there are serious partisan political quarrels over the petty things of life here in Washington.

I told them that most of these reports are just gross exaggerations; that the people as a whole in the United States are in this war to see it through with heart and body and soul; and that our population is willing and glad to give up some of their shoes and sugar, and coffee and automobile riding—and privileges and profits—for the sake of the common cause.

I could not deny to our troops that a few chiselers, a few politicians and a few publicists—fortunately a very few—have placed their personal ambition or greed above the nation's interests.

Our troops know that the Nazis and Fascists and Japanese are trying hard to sell the untruths of propaganda to certain types of Americans. But our troops also know that even if you pile a lot of molehills of deception one on top of the other, you still cannot make a mountain big enough or solid enough to fool many people, or to block the road to victory and to an effective peace.

A fundamental of an effective peace is the assurance to those men who are fighting our battles, that when they come home they will find a country with an economy firm enough and fair enough to provide jobs for all those who are willing to work.

I am certain that private enterprise will be able to provide the vast majority of those jobs—and, in those cases where this cannot be accomplished, that the Congress will pass the legislation which will make good the assurance of jobs.

There are still a few who say we cannot achieve this and other honorable, reasonable aims for the post-war world. In speaking of these professional skeptics—these men of little faith—there comes to my mind an old word in our language—the word—"pettifoggers."

The formal, dictionary definition and derivation of the word are neither here nor there. To most of us it brings to mind a man who is small and mean and tricky and picayune and in a word—petty. It is the type of man who is always seeking to create a smoke screen, or fog, for the purpose of obscuring the plain truth.

Today, the pettifoggers are attempting to obscure the essential truths of this war. They are seeking to befog the present and the future and the clear purposes and high principles for which the free world now maintains the promise of undimmed victory.

In North Africa we are now massing armies—British, French and American—for one of the major battles of this war.

The enemy's purpose in the battle of Tunisia is to hold at all costs their last bridgehead in Africa, to prevent us from gaining access to the straits that lead to Nazi-dominated Europe.

Our prime purpose in this battle of Tunisia is to drive our enemies into the sea.

The British First Army in this battle, commanded by General Anderson, contains many veterans of Flanders and Dunkerque. These men have a score to settle with the Nazis.

The British Eighth Army, commanded by General Montgomery, has to its eternal credit the smashing defeat of Marshal Rommel's army and the now historic 1,500-mile pursuit of these once triumphant Nazi-Fascist forces.

The enemy in Tunisia will be

attacked from the south by this great Eighth Army and by the French forces who have made a remarkable march all the way across the Sahara Desert under General Le Clerc, one of General de Gaulle's officers. From the west the enemy will be attacked by the combined forces of British and Americans, together with French troops under the command of General Giraud.

All these forces are commanded by General Eisenhower. I spent many hours in Casablanca with this young general—a descendant of Kansas pioneers. I know what a fine, tough job he has done and how carefully and skillfully he is directing the soldiers under him. I want to say to you tonight—and to him—that we have every confidence in his leadership. High tribute was paid to his qualities as a soldier when the British Government, through Mr. Churchill, took the lead at Casablanca in proposing him for the supreme command of the great Allied operations which are imminent.

The deputy to General Eisenhower is General Alexander, one of Britain's greatest fighting men. General Alexander commanded all British forces in the Middle East, including the Eighth Army which won the decisive battle at El Alamein. He and General Montgomery planned that engagement and the tremendous advance which followed it. At this moment—as I speak to you tonight—General Alexander is standing at the right hand of General Eisenhower planning new military operations.

These important facts reveal not merely co-operation but active collaboration between the United Nations. Let these facts be duly noted by our enemies.

Our soldiers in Tunisia are well trained and equipped, but they are facing for the first time actual combat with formidable opponents. We can be absolutely certain that they will conduct themselves as bravely and as effectively as did those young Americans under General Pershing who drove Germany's best troops through the Argonne forest and across the River Meuse.

The battle of Tunisia will cost us heavily in casualties. We must face that fact now, with the same calm courage as our men are facing it on the battlefield itself.

The enemy has strong forces in strong positions. His supply lines are maintained at great cost but Hitler has been willing to pay that cost for he knows the consequences of Allied victory in Tunisia.

These consequences are actual invasions of the Continent of Europe. We do not disguise our intention to make these invasions. The pressure on Germany and Italy will be constant and unrelenting. The amazing Russian armies in the east have been delivering overpowering blows; we must do likewise in the west. The enemy must be hit and hit hard from so many directions that he never knows which is his bow and which is his stern.

It was made clear to us at Casablanca that all Frenchmen outside of France are uniting in one great paramount objective—the complete liberation of France and of all the French people who now suffer the torture of the Nazi yoke. As each day passes a spirit of unselfishness is more greatly uniting all Frenchmen who have the opportunity to strike a blow for liberation.

In the years of the American and French revolutions the fundamental principle guiding our democracies was established. The cornerstone of our whole democratic edifice was the principle that from the people and the people alone flows the authority of Government.

It is one of our war aims, as expressed in the Atlantic Charter, that the conquered populations of today be again the masters of their destiny. There must be no

doubt anywhere that it is the unalterable purpose of the United Nations to restore to conquered people their sacred rights.

French sovereignty rests with the people of France. Its expression has been temporarily suspended by German occupation. Once the triumphant armies of the United Nations have expelled the common foe, Frenchmen will be represented by a Government of their own popular choice.

It will be a free choice in every sense. No nation in all the world that is free to make a choice is going to set itself up under the Fascist form of government, or the Nazi form of government or the Japanese warlord form of government. Such forms are the offspring of seizure of power followed by the abridgement of freedom. Therefore, the United Nations can properly say of these forms of government two simple words: "Never again."

The right of self-determination included in the Atlantic Charter does not carry with it the right of any government to commit wholesale murder or the right to make slaves of its own people or of any other peoples in the world.

And the world can rest assured that this total war—this sacrifice of lives all over the globe—is not being carried on for the purpose or even with the remotest idea of keeping the Quislings or Laval's in power anywhere on this earth.

The decisions reached and the actual plans made at Casablanca were not confined to any one theatre of war or to any one continent or ocean or sea. Before this year is out, it will be made known to the world—in actions rather than in words—that the Casablanca conference produced plenty of news; and it will be bad news for the Germans and Italians—and the Japanese.

We have lately concluded a long, hard battle in the southwest Pacific and we have made notable gains. That battle started in the Solomons and New Guinea last summer. It has demonstrated our superior power in planes and, most importantly, in the fighting qualities of our individual soldiers and sailors.

American armed forces in the southwest Pacific are receiving powerful aid from Australia and New Zealand and also directly from the British themselves.

We do not expect to spend the time it would take to bring Japan to final defeat merely by inching our way forward from island to island across the vast expanse of the Pacific.

Great and decisive actions against the Japanese will be taken to drive the invader from the soil of China. Important actions will be taken in the skies over China—and over Japan itself.

The discussions at Casablanca have been continued in Chungking with the Generalissimo by General Arnold and have resulted in definite plans for offensive operations.

There are many roads which lead right to Tokyo. We shall neglect none of them.

In an attempt to ward off the inevitable disaster, the Axis propagandists are trying all of their old tricks in order to divide the United Nations. They seek to create the idea that if we win this war, Russia, England, China and the United States are going to get into a cat-and-dog fight.

This is their final effort to turn one nation against another, in the vain hope that they may settle with one or two at a time—that any of us may be so gullible and so forgetful as to be duped into making "deals" at the expense of our allies.

To these panicky attempts to escape the consequences of their crimes we say—all the United Nations say—that the only terms on which we shall deal with any Axis government or any Axis factions are the terms proclaimed at Casablanca: "Unconditional sur-

render." In our uncompromising policy we mean no harm to the common people of the Axis Nations. But we do mean to impose punishment and retribution in full upon their guilty, barbaric leaders.

The Nazis must be frantic indeed if they believe that they can devise any propaganda which would turn the British and American and Chinese governments and peoples against Russia—or Russia against the rest of us.

The overwhelming courage and endurance of the Russian people in withstanding and hurling back the invaders—and the genius with which their great armies have been directed and led by Mr. Stalin and their military commanders—all speak for themselves.

The tragedy of the war has sharpened the vision of the leadership and peoples of all the United Nations and I can say to you from my own full knowledge that they see the utter necessity of our standing together after the war to obtain a peace based on principles of permanence.

You can be quite sure that if Japan should be the first of the Axis partners to fall, the total efforts and resources of all the United Nations would be concentrated on the job of crushing Germany.

And, on the other hand, lest there be any question in Nazi or Japanese minds that we are wholly one in the prosecution of the war to a complete victory all over the world, the Prime Minister wished to make a formal agreement that if Germany should be conquered before Japan, all British Empire resources and manpower would, of course, join with China and us in an out-and-out final attack on Japan.

I told him that no formal statement or agreement along these lines was in the least bit necessary—that the American people accept the word of a great English gentleman—and that it was obvious and clear that all of us are completely in accord in our determination to destroy the forces of barbarism in Asia and in Europe and in Africa.

In other words—our policy toward our Japanese enemies is precisely the same as our policy toward our Nazi enemies. It is a policy of fighting hard on all fronts and ending the war as quickly as we can on the uncompromising terms of unconditional surrender.

Today is the anniversary of the birth of a great, plain American. The living memory of Abraham Lincoln is now honored and cherished by all of our people, wherever they may be, and by men and women and children throughout the British Commonwealth, and the Soviet Union, and the Republic of China, and in every land on earth where people love freedom and will give their lives for freedom.

President Lincoln said in 1862, "Fellow citizens, we cannot escape history. We of this Congress and this Administration will be remembered in spite of ourselves. No personal significance or insignificance can spare one or another of us. The fiery trial through which we pass will light us, in honor or dishonor, to the latest generation."

Today, 80 years after Lincoln delivered that message, the fires of war are blazing across the whole horizon of mankind—from Kharkov to Kunming—from the Mediterranean to the Coral Sea—from Berlin to Tokyo.

Again—we cannot escape history. We have supreme confidence that with the help of God honor will prevail. We have faith that future generations will know that here, in the middle of the Twentieth Century, there came the time when men of good will found a way to unite and produce and fight to destroy the forces of ignorance, intolerance, slavery and war.

Prime Minister Churchill, in the House of Commons on Feb. 11 presented a review of the course of the Allies, stating that "the dominating aim which we set before ourselves in the conference at Casablanca was to engage the enemy's forces on land, sea and air on the largest possible scale and at the earliest possible moment." Among other statements in his presentations to the House of Commons, Mr. Churchill said:

"It was only after full, cold sober and mature consideration of all these facts on which our lives and liberties would certainly depend that the President, with my full concurrence as an agent of the War Cabinet, decided that the time note of the Casablanca conference should be the unconditional surrender of all our foes.

"Our inflexible insistence upon an unconditional surrender does not mean we shall stain our victorious arms by any wrong and cruel treatment of whole populations. But justice must be done upon the wicked and the guilty, and within her appropriate bounds justice must be stern and implacable. No vestige of Nazi or Fascist power or of the Japanese war plotting machine will be left by us when the work is done, as done it certainly will be."

More War Contracts Awarded Small Plants

About 43,000 contracts were placed by the seven Army supply services during November and December with plants having 500 employees or less, according to figures announced by the National Industrial Conference Board, based on information supplied by the War Department. This figure compares with 53,000 such contracts in effect in plants of this size on Sept. 1, 1942.

At the beginning of September, according to the Board, plants of this size had received 20.8% of the dollar volume of outstanding War Department contracts. In November such plants received 23.7% of all new Army orders. In December the figure rose to 24.1%.

The Board's announcement further explained:

"In December, 11,183 supply contracts, or 44.6% of the total number placed went to plants with less than 100 employees. The dollar value of these contracts totaled \$98,000,000 or 8% of the total amount placed in that month.

"On a dollar basis both the Chemical Warfare Service and the Medical Corps each assigned more than half of their December contracts to firms with 500 employees or less, while the Medical Corps placed 20.3% with plants having less than 100 employees.

"The Quartermaster Corps has placed 11.9% of their contracts on a dollar basis with companies with less than 100 employees, and 26.7% with other firms having between 100 and 500 employees.

"The Corps of Engineers placed 6.1% of its contracts on a value basis with plants having less than 100 employees, and 24.9% with others having between 100 and 500 employees.

"The other Army supply services placed most of their contracts with larger companies."

Tribute To Lincoln

President Roosevelt paid tribute on Feb. 12 to the memory of Abraham Lincoln at a brief ceremony at the Lincoln Memorial in Washington. The President stood by as military aides placed a wreath at the foot of Lincoln's statue. He was accompanied by Mrs. Roosevelt, Maj. Gen. Edwin M. Watson, his military aide, and Rear Admiral Wilson Brown, his new naval aide.

Armed Forces Need 4,000,000 Men This Year— Dependency Ruled Out As Draft Deferment

Approximately 12,000 men must be inducted daily into the armed forces, or 4,000,000 before the end of this year, thus necessitating the drafting of all physically qualified men between 18 and 38 years, regardless of dependency, if they are not engaged in essential work and can be replaced. This was revealed on Feb. 13 in radio addresses by Paul V. McNutt, Chairman of the War Manpower Commission, and Maj. Gen. Lewis B. Hershey, Director of Selective Service.

Chairman McNutt, in emphasizing the huge size of the armed forces, said:

"In a week's time we are putting into uniform seven full divisions—in a month, twenty-eight divisions. This year alone, the number of men inducted will approach in size the entire American Army in the first world war."

Pointing out that "we are now scraping the bottom of the barrel on single men," Mr. McNutt said that the drafting of heads of families can no longer be delayed and that "it is now largely a choice between married men and vital workers." He disclosed that at the beginning of this year there were a total of 22,000,000 men of draft age and that of this total many are now in the service, others have been and will be rejected for physical reasons. Deferments for vital farm work will total 1,500,000 and 1,000,000 for "other highly important jobs." Mr. McNutt further explained that these are the reasons for the recent WMC list of 36 non-deferred activities and 29 occupations and that still others will be named "as the situation demands it." He cautioned, however, against guessing as to when these new lists will appear and urged those now in necessary jobs not to shift "just for the sake of shifting." Persons on the non-deferred list, the Chairman said, should register with the U. S. Employment Service for other work. "If you do this, if you make an

honest effort to get into more urgent work either in civilian or war activities, you have no reason to fear an immediate change in your draft status," he added.

In his talk, Gen. Hershey said: "The need for men has now reached a place where we must be sure that no registrant is deferred, if he is engaged in work which can be suspended or which can be done by an over-aged man, or physically less fit or by a woman."

"The national interest requires that all physically qualified registrants, between 18 and 38 must be in the armed forces or in activities and occupations which contribute directly or indirectly to the war effort, or to the national health, safety or interest. The national interest will not permit us to induct a man who is in a war job and cannot be replaced even though he be unskilled and permit another man to remain who can be replaced merely because he has a wife and one or more children. "There can be no question about which of these must accept his military liability first.

"The great majority of the physically fit, except the farmers, between 18 and 38 years of age must go into the armed forces this year. It is most important that those who have jobs in our war industries be left until they can be replaced in order to maintain production. The demands for men this year leave us no choice. The majority of men this year must come from those with dependents."

No Clothes Rationing Say WPB And OPA

The Government has no intention at the present time to ration clothing, since there is no shortage of clothing and therefore no need for rationing, it was announced on Feb. 9 in a joint statement issued by Donald M. Nelson, Chairman of the War Production Board, and Prentiss M. Brown, Federal Price Administrator.

Mr. Nelson reasserted this viewpoint at a press conference on Feb. 12 in an effort to halt "scare buying" of clothing in some parts of the country. He added that "runs on stores are the surest way to bring on rationing," but that it would not come about "unless it becomes absolutely necessary."

The run on clothing stores developed after the rationing of shoes was announced on Feb. 7.

The joint statement issued by Mr. Nelson and Mr. Brown follows:

"Announcement of shoe rationing appears to have stimulated scare buying in some parts of the country. Such buying is unnecessary.

"Supplies of wool in the United States are larger by several hundred million pounds than they were when the Japs struck at Pearl Harbor. At the present time there is no shortage of clothing and therefore no need for rationing.

"The War Production Board has not directed the Office of Price Administration to undertake the rationing of clothing.

"The Office of Price Administration has set up no machinery for rationing clothing.

"A continuance of overbuying can create temporary maldistribution of clothing stocks, and its only effect is to handicap those with a legitimate need for new clothes. It is contrary to the best interests of the war program, and is totally unnecessary for the protection of the individual."

Shoes Rationed At Three Pairs A Year

Rationing of shoes to make certain that the American people continue to have all the shoes they need for the duration of the war was announced on Feb. 7 by James F. Byrnes, Director of Economic Stabilization.

The rationing was ordered by the War Production Board and went into effect at 3 P. M. on Feb. 7 by the Office of Price Administration. Except for house slippers and infants' soft-soled shoes, all types of shoes and boots made in whole or in part from leather or from rubber soles are rationed.

The rationing of shoes in the beginning will be at the rate of three pairs a year, but Price Administrator Prentiss M. Brown intimated on Feb. 8 that this may have to be reduced if the war is prolonged and military demands on manpower continue to be heavy.

In order not to give hoarders a chance to start a run on shoe stocks, the OPA decided against any advance warning of the rationing and put the program into effect immediately. Under the shoe rationing program, Stamp No. 17 in War Ration Book No. 1 (the sugar and coffee book) will be good for one pair of shoes during the period ending June 15.

No sales of rationed shoes were permitted by the OPA on Feb. 8 but normal selling was resumed on Feb. 9. The shoe stamp is transferable within a family provided the members of the family live in the same household. This permits families to make purchases as needed and to make the most effective use of old shoes that can be worn.

Special shoe-purchase certificates will be available at local

rationing boards for hardship cases and for those who can show that they need additional shoes.

A liberal allocation of sole leather for repair purposes has been provided, it was said.

The statement issued by Stabilization Director Byrnes further stated:

"Rationing is made necessary by the critical shortage of heavy sole leather. More than one-third of our total sole leather supply already is being used for military and lend-lease purposes. For 1943 the War Production Board estimates sole leather and reclaimed rubber will be available for only 335,000,000 pairs of civilian footwear, including slippers and infants' soft-soled shoes which are not rationed. This compares with about 440,000,000 pairs for 1942."

The OPA on Feb. 10 notified local rationing boards that they may issue special stamps for additional or emergency purchases of shoes in certain cases, such as of children with growing feet or mail carriers, policemen or others who subject their shoes to unusually hard wear because of the nature of their employment.

The WPB, in an order issued Feb. 11, eliminated a number of frills considered to be unessential on shoes, limited the height of heels on women's shoes, and restricted colors to four—black, white, Army russet and town brown. The WPB order also prohibited the manufacture of men's patent leather shoes, men's sandals, men's and women's metal spiked golf shoes, and women's formal evening slippers. Previously, the manufacture of any two-colored shoes was discontinued. It was said that these restrictions will not affect shoes sold consumers to any great extent until next fall, since the Spring shoe lines are in process or have already been manufactured. Despite the restrictions, the WPB said, there will be enough patterns to provide ample style and style variety in addition to staple footwear.

New Areas Are Facing 48-Hour Work Week

The likelihood of extending the 48-hour minimum work week beyond the 32 "critical labor shortage areas," originally named by Chairman McNutt of the War Manpower Commission, following the issuance of the Executive Order was indicated on Feb. 10 by Mr. McNutt, who stated that other areas might soon be included.

In issuing a list of 102 prospective additional cities, Chairman McNutt said that such areas might experience acute labor shortages by the middle of summer.

The WMC also designated 59 cities as "areas in which a general labor shortage may be anticipated after six months" and listed 76 cities as "areas in which labor supply is and will continue to be adequate to meet all known labor requirements." Included in the latter group is New York City.

The President's order, it was emphasized, has for its purpose "to economize on manpower and not to increase hours of work where it will not contribute to the war."

The WMC pointed out that the order requires time and one-half for overtime pay in excess of 40 hours for all employment covered by the Wage-Hour Act and labor contracts in the 32 areas where it now applies but does not affect overtime pay of farm workers and domestic workers. The order abrogates labor contracts which restrict the work-week to less than 48 hours in the 32 affected areas.

As to whether the order is inflationary, in that workers will get much larger paychecks, the WMC contends it is not "because of the great production needs of the war; because the workers will

produce more; because the work in any given plant will be spread out among fewer employees, and because price ceilings and wartime limits on luxury goods production will prevent workers from excessive and inflationary spending. In addition, income taxes will recapture part of the worker's added income."

A Bureau of Manpower Utilization is being set up in the WMC to help management and labor increase the effectiveness of the nation's workers.

Price Administrator Prentiss Brown announced on Feb. 15 his opposition to allowing "any general price increases" for industries forced to pay overtime wages under the 48-hour work-week order. Mr. Brown said that the businesses affected are expected to curtail the number of their employees and on that basis should not be entitled to increase prices.

The text of the 48-hour work order was given in our issue of Feb. 11, page 564.

Market Transactions In Govts. For Jan.

During the month of January, 1943, market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net sales of \$14,500,000, Secretary Morgenthau announced on Feb. 15. In December there were no sales or purchases.

The following tabulation shows the Treasury's transactions in Government securities for the last two years:

1941—			
January	\$2,785,000	purchased	
February	11,950,000	purchased	
March	No sales or purchases		
April	\$743,350	sold	
May	200,000	sold	
June	447,000	purchased	
July	No sales or purchases		
August	No sales or purchases		
September	\$2,500	sold	
October	\$200,000	sold	
November	No sales or purchases		
December	\$60,004,000	purchased	
1942—			
January	\$520,700	sold	
February	29,980,000	purchased	
March	5,814,450	purchased	
April	300,000	purchased	
May	16,625	purchased	
June	250,000	sold	
July	2,295,000	sold	
August	8,446,000	sold	
September	4,500,000	sold	
October	1,000,800	sold	
November	No sales or purchases		
December	No sales or purchases		
1943—			
January	\$14,500,000	sold	

Skean Heads Bureau

Albert H. Skean has been appointed Executive Director of the Convention and Visitors Bureau of the Commerce and Industry Association of New York, succeeding C. N. Nichols, it was announced on Feb. 17 by Frank W. Kridel, Chairman of the Executive Committee of the Bureau.

Mr. Skean has been Manager of the Atlantic City Convention Bureau for 16 years and Director of the Atlantic City Convention Hall for eight years. He was also Manager of Cleveland Convention Bureau for two years. Credited largely with the growth of Atlantic City's convention business in recent years, Mr. Skean is well known in trade association circles. In announcing the appointment, Mr. Kridel stated that while ODT Chairman Joseph B. Eastman had secured the prompt, voluntary curtailment of many conventions, the Convention and Visitors Bureau is now serving the many war-related conferences that have developed as an essential feature of the battle of production.

It is further pointed out that since trade and professional conventions will be one of the quickest ways of reviving normal peace-time activities, plans are already being developed to increase New York City's participation in the post-war convention business.

Expansion Of State Social Security Held Detrimental To Future Welfare Of Nation

(Continued from first page)

is now provided for workers through Group Insurance against the hazards of accident and health, dismemberment, hospital and surgical expenses, and for old age needs. The extent to which these more recent Group services have expanded is indicated by the fact that in 1942 the Equitable Society paid benefits of \$39,000,000 to workers and their families under these various coverages. From Mr. Parkinson's remarks we also quote:

"In the last 20 years, there has been relatively rapid development of the theory that society as a whole must accept responsibility for the protection of its individual members against the economic and social consequences of all the contingencies to which men are subject. The concept of social insurance took root early in the 19th Century in the discussions and the writings of pioneer social theorists. On the Continent of Europe, programs of a comprehensive sort were subsequently tried. In the years following World War I, sustained efforts were made to arrive at international agreements with respect to such programs of social insurance as an integral part of competitive national economic systems.

"The institution of life insurance was developed as essentially a democratic middle class institution. Consoling as is the recent praise of the middle class by men eminent in public affairs, not all of it appears aware of the essential characteristic of that highly selective category of society. Universal uniformity is neither the mark nor the objective of the middle class. Its emphasis is upon freedom and upon confidence in the inviolability of contracts and the subordination of administrative agencies

to basic principles laid down by legislative bodies under the general mandate of all classes.

"The members of the middle class have been the builders of civilization and the makers of free governments. They have been men and women of energy, experience and initiative. They have faced risks and overcome them. They have not been dependent on the government of the day and they have not looked to the representatives of government for help. On the contrary, their efforts have provided the government its means of existence and with the funds by which it has provided for those less able to take care of themselves. It is these independent, courageous self-supporting folks who constitute the middle class in all nations and all periods and it is these middle class folks who have developed life insurance as an instrument well suited to their voluntary co-operative and non-political security for themselves and their dependents.

"It will be for the middle class of this country to determine, and to determine in lasting fashion, after the most searching consideration of what is involved, whether one of its foremost institutions, the collective management of voluntary savings in mutual life insurance companies, is to be given up in return for the bureaucratic idea of a State monopoly, the controls of which must, in the nature of the case, be political with all that this implies as to the handling of compulsory assessments. A system in which the individual takes his place automatically and by no exercise of his own will and effort, is a system neither calculated to safeguard freedom, nor enhance security."

Wartime Labor Force At Record High; Farm Workers At New Low

During the first year of the war the average number of men and women at work in the United States was fully 500,000 above the average number of persons who would normally have composed the nation's labor force, according to the National Industrial Conference Board. By December, 1942, military and industrial drains upon the labor reserve had raised total employment to 58,600,000, or nearly 3,750,000 more than the corresponding peace time labor force, says the Board, which adds that the number of hired workers on farms in December, 1942, was, on the other hand, the lowest on record. "Although farm wage rates rose fully a third during the past year, there were almost 70,000 fewer hired workers than in the preceding year," the Board asserts. Hired workers released during the month totaled 635,000 as against 587,000 in 1941.

By the close of the year just short of seven persons were engaged in non-agricultural civilian production for every man in uniform, the Board states. This worker-fighter ratio at the beginning of the war is placed at about 18 to 1. With 9,000,000 in military service by the end of 1943, this worker-fighter ratio would fall slightly below 5 to 1, while further military expansion to 11,000,000 would result in four non-agricultural civilian workers for every member of the armed forces, according to the Board.

Continuing its analysis, the Board points out:

"By last December about six men had been brought into military service for every man in uniform at the close of 1940. The total number added to the armed forces is only slightly above the comparable number taken on in civilian industries during these 24 months. Roughly one worker was added to non-farm payrolls for every man entering military service in these two years. In the past year alone, 65 civilian workers were added for every 100 persons entering the fighting forces. Official forecasts for 1943, however, reveal that the further military expansion of 3,000,000 to 5,000,000 will be accompanied by an increase of only about 700,000 in civilian non-farm employment."

Sees Continuation Of Present Int. Rates

Interest rates will probably be stabilized at or near current levels for the duration of the war and probably for several years after the war is over, it was asserted on Feb. 10, by J. H. Riddle, economic advisor to the Bankers Trust Company, New York, in an address before the Wartime Conference on Trust Problems held in New York by the American Bankers Association.

Moreover, Mr. Riddle declared that the national debt and banking conditions brought about by war finance may make it necessary for interest rates to be kept at comparatively low levels even beyond the immediate post-war readjustment period. In his address Mr. Riddle stated:

"There is little doubt as to the ability of the Treasury and the Federal Reserve System together to keep rates low during the war period and to stabilize the structure around the present level. There may be some difficulties in maintaining specific rates. Perhaps some adjustments within the structure will have to be made from time to time, or even some restraints on trading. But with the powers available to the Treasury and the Federal, especially the powers to engage in open market operations and to reduce

reserve requirements, it is fully anticipated that rates can be maintained around these levels, in spite of enormous amounts of public borrowing and large purchases of government securities by banks.

"It seems logical to expect that rates will continue to be stabilized somewhere around these levels in the immediate post-war period, say for two or three years. There may be some adjustments in rates, especially in the short-term rates, but it is doubtful whether the controls will permit any major rise in rates generally. The Treasury will still be borrowing large sums of money, at least for a year or so, and will have a huge floating debt to refund."

Mr. Riddle further stated that "the whole period of transition from war to peace will be fraught with many difficulties, and no doubt every effort will be made to avoid the disturbing factor of rising interest rates." He likewise said:

"Debt and banking conditions created by war finance may make it necessary for monetary controls to keep interest rates at comparatively low levels even beyond the immediate post-war readjustment period. Some rise from present levels might be permitted but it will doubtless be kept within moderate bounds. If and when debt retirement begins and bank holdings of government securities are reduced, a gradual firming of rates might be permitted without serious effects. Stability of rates, however, may continue to be the principal objective of Federal Reserve policy for a number of years."

'Flash Of Genius' False Patent Standard

Inventors, manufacturers and lawyers alike, contend "the flash of genius" is a false standard of invention according to the publication, "Industry's View," released Feb. 18 by the National Association of Manufacturers. The Supreme Court recently held that a new device "must reveal the flash of creative genius" to be patentable.

Pointing out that "almost every patent now in existence as well as those which will be granted is threatened" by application of this standard, the current edition of "Industry's View" also reiterates NAM approval of the public recording of patent agreements and its opposition to compulsory licensing of patents. The publication states:

"Industry desires that the Patent System shall perform the functions for which it was set up, to promote science and useful arts." Industry believes that the American Patent System is the most effective of any in the world. The record of industrial progress growing out of inventions and scientific discoveries is itself the best evidence of that fact. Improvements can be made, however, and industry is taking leadership in seeing that they are made.

"In a recent patent case Mr. Justice Douglas of the United States Supreme Court said that a new device in order to be patentable, 'must reveal the flash of creative genius.' Since then lower courts have applied this test to other cases and held patents invalid because they did not reveal the flash of creative genius.

"It is generally agreed by inventors, manufacturers and lawyers alike that 'the flash of genius' is a false standard of invention.

"If rigidly applied this standard would rule out patents on all discoveries which are the result of years of painstaking research, such as Vitamin B1, synthetic rubber, devices essential to radio and television and thousands of other inventions and discoveries of great economic and social importance. Perhaps none of the great inventions of Edison, Bell,

Morse and others would have been patentable if this standard had been applied.

"Early in the history of our patent system the United States Supreme Court, speaking through Mr. Justice Story, set forth certain fundamental principles that should be taken into consideration in determining patentability. The principles stated were:

"It is of no consequence whether the thing be simple or complicated, whether it be by accident or by long, laborious thought, or by an instantaneous flash of mind, that it is first done. The law looks to the fact, and not to the process by which it is accomplished. It gives the first inventor or discoverer of the thing the exclusive right, and asks nothing as to the mode or extent of the application of his genius to conceive or execute it."

"It seems probable that the recent Supreme Court decision has been misconstrued by the lower courts, but almost every patent now in existence as well as those which will be granted is threatened by application of 'the flash of genius' as a standard of patentability. This will do immeasurable harm to science and useful arts which the Patent System was intended to advance."

10% Additional Newsprint Cut Predicted

The War Production Board stated recently that the best available figures on the print-paper situation indicated that a second cut in use of not more than 10%, effective April 1, would be sufficient to meet the shortage caused by the war. In reporting this in special advices from Washington Feb. 9, the New York "Times" said:

"According to W. G. Chandler, Director of the Printing and Publishing Division, and Donald J. Sterling, Consultant on Newspaper and Publishing Industries to the WPB Chairman, this program is arrived at after consultation with the pulp and paper division and with the agencies involved.

"Such an additional cut is compelled solely by war needs and factors of paper production," they said. "Its application is in line with the initial policy of solving this problem by one or more moderate reductions.

"Equitable allocation of the print paper available after April 1 should not work undue hardship upon any publication nor handicap its essential service to the nation in war time. The present cut in use of print paper went into effect in January.

"As in the case of the first order governing the use of print paper, the second order will deal only with the allocation of the available supply. WPB will not attempt to say how the publisher shall use his print paper allotment."

The WPB order of last December curtailing use of newsprint by about 10% was referred to in our issue of Jan. 14, page 198.

Hearings On Wage Rates For Sugar Beet Crop

The Department of Agriculture announced on Feb. 15 that public hearings will be held during the period of Feb. 22 to March 8 on labor rates and grower-processor contracts for the 1943 sugar beet crop. The Department's announcement states:

"The Sugar Act of 1937, as amended, requires that in order to qualify for government payments, producers must pay all persons employed on the farms in the production of sugar beets, wages at rates not less than those determined to be fair and reasonable by the Secretary of Agriculture after public hearing and investigation. The Act also provides that processors, who as producers wish to qualify for conditional payments, purchase sugar

beets at rates determined by the Secretary to be fair and reasonable. The legislation further provides that the Secretary may make recommendations regarding the terms and conditions of contracts between growers and processors of sugar beets, and between laborers and growers.

"Proposed wage rates for the 1943 crop have been prepared by the Sugar Branch of the Food Distribution Administration for the eleven major sugar beet producing districts. These rates reflect the anticipated returns from the 1943 crop under the price support program announced by the Department on Feb. 10."

Report Guarantees For War Production Loans

The Board of Governors of the Federal Reserve System announced on Feb. 15 that from the issuance of Executive Order No. 9112, on March 28, 1942, and the Board's Regulation V, on April 6, to the end of the year 1942, the War Department, Navy Department, and Maritime Commission, acting through the Federal Reserve Banks, authorized 2,665 guarantees for war production loans totaling \$2,688,397,000. Advices from the Board added:

"Advances to borrowers during 1942 on guaranteed loans totaled \$1,133,159,000, of which \$330,454,000 was repaid, leaving unpaid balances of \$802,705,000 to 1,496 borrowers at the end of the year. On the average the \$802,705,000 of loans outstanding were guaranteed to the extent of 79% of their face value. In addition to the amounts outstanding, \$1,428,921,000 was available to borrowers under guarantee agreements in force at the end of the year.

"Over 40% of all loans for which guarantees were authorized were for amounts of not more than \$50,000, and nearly 60% were amounts of not more than \$100,000."

The following tabulation was issued by the Board:

Amount of Loan	Per cent of Total Cumulative Number	Per cent of Total Cumulative Percentage
Up to \$5,000	5.2	5.2
\$5,001 to \$10,000	6.7	11.9
\$10,001 to \$25,000	14.7	26.6
\$25,001 to \$50,000	14.9	41.5
\$50,001 to \$100,000	17.2	58.7
\$100,001 to \$250,000	15.8	74.5
\$250,001 to \$500,000	9.6	84.1
\$500,001 to \$1,000,000	6.3	90.4
\$1,000,001 to \$5,000,000	7.4	97.8
\$5,000,001 to \$10,000,000	1.1	98.9
\$10,000,001 to \$25,000,000	.7	99.6
\$25,000,001 to \$50,000,000	.3	99.9
Over \$50,000,000	.1	100.0

Acts To Insure Equitable Distribution Of Tea

Acting to insure equitable distribution of available supplies of tea for domestic consumption, the Department of Agriculture on Feb. 15 ordered that the commodity be made available through qualified distributors to customary trade channels. Secretary Wickard said the move was necessary because of wartime limitations on ocean shipping and short world supplies of tea. Under the order, Roy F. Hendrickson, Food Distribution Director, will designate distributors from among members of the tea industry recognized through experience as properly qualified to handle the apportioning to tea packers. A tea distribution committee of tea experts will be named to supervise distribution of the various qualities of teas to packers.

Construction Contracts Ahead Of January, 1942

The valuation of contracts awarded during January for all types of construction amounted to \$350,661,000, according to the F. W. Dodge Corporation on Feb. 19. This is an 11% increase over January, 1942, but represents a 50% decrease from December.

Non-residential and residential building valuation, combined, ex-

ceed January a year ago by 17%. Heavy engineering work fell 6% behind. Compared with December, the January valuation of combined non-residential and residential building is off 40% while heavy engineering is off 68%.

New dwelling units created in January in new buildings and through conversion of existing buildings totaled 27,127 or 54% more than in the previous month and 16% more than in January a year ago.

House Cuts Funds For Treasury, Post Office

The first departmental supply bill of the new Congress carrying \$1,998,840,960 for Treasury and Postoffice operations during the 1944 fiscal year, was passed by the House on Feb. 9 and sent to the Senate. The measure was \$14,014,870 below Budget Bureau estimates, with more than \$3,000,000 of this amount representing cuts made on the House floor by economy minded Representatives. The House Appropriations Committee had recommended a total appropriation of \$1,202,007,320, with \$899,282,855 for the Postoffice Department and \$302,724,465 for the Treasury. The last supply bill for the two departments carried \$902,978,564 for the Postoffice and \$412,918,149 for the Treasury.

As finally passed, the measure carries two controversial amendments—one abolishing postage-free mail for Government agencies and the other cutting off Treasury silver purchases under the 1934 and 1939 Silver Purchase Acts.

Limits Feed Wheat Sale

The Commodity Credit Corporation announced on Feb. 16 that it has instructed its field agents to limit the sale of government-owned wheat for livestock feed because these stocks were running low. From Associated Press advices we also quote:

"Last July Congress authorized the sale during the current fiscal year of not more than 125,000,000 bushels of wheat for feed at 85% of the parity price of corn.

"With the recent rise in prices of corn and an increased demand by feeders, prices of the government feed wheat became more favorable compared with corn. As a result purchases have been heavy in recent months. Officials said the latest reports indicated that more than 100,000,000 bushels had been disposed of.

"Further sales will be limited pending determination of the amount committed under unfilled sales and redemptions to farmers."

Prices Of Mill Feed To Be Supported By CCC

The Department of Agriculture announces that, in an effort to prevent a rise in flour and bread prices and encourage increased production of livestock, the Commodity Credit Corporation will support the price of mill feeds to flour millers when market prices of mill feed average more than \$1.50 a ton below the ceiling price set by the Office of Price Administration. With reference thereto advices from Washington to the "Wall Street Journal" stated:

"Payments will be made by the CCC only on mill feeds sold on or subsequent to Jan. 25, 1943, and prior to July 1, 1943. To receive payments, notarized certification of shipments of mill feeds must be submitted to a regional director of the corporation. The support price applies only to mill feeds processed from flour for human consumption."

Latin America Seen Offering Opportunity For Investment Of U. S. Private Capital

Dr. Francisco Pardo de Zela, Consul General of Peru in New York, on Feb. 15 at the luncheon of the Pan American Society at the Bankers Club of New York in honor of the Latin American consular corps in this city, stated that "American capital will be welcomed in the Latin American mineral and agricultural countries if it is willing to participate with local capital in the development of new enterprises or in the expansion of existing sources." But, he added, "American capital cannot expect to go back to the old exploitative basis of the 1920's."

He asserted that "the wealth produced in those pre-1929 days did not circulate in the country. It simply passed through to the ports of export. And the eventual outcome was the stringent mining and tax laws which most of the Latin American countries have felt themselves forced to adopt and which have quite effectively discouraged any large amount of North American capital investment down there in the past ten years."

The Peruvian Consul General added that there is a great need and great opportunity for United States private capital and skill now and that it could be employed with reasonable profits. He likewise said that "the tremendous job of keeping Nazi Germany or Japan from gaining in the future an economic stranglehold on Latin America requires that North American capital go to work down there, in cooperation with local capital."

Frederick E. Hasler, President of the Pan American Society, who presided at the luncheon which marked the 31st anniversary of the founding of the society, called attention to the approaching expiration of the Reciprocal Trade Agreements on June 12. In his remarks he charged that "selfish trade interests and isolationists in Congress" have "started a movement in opposition to the renewal of the trade act." He added:

"This movement must be stopped at all costs before its virus is allowed to create suspicion abroad of the sincerity of our policies in regard to international trade and thus implant the germ of disunity among the United Nations. We must all realize that what adversely affects our neighbors reacts to our detriment."

"A continuance of the Trade Agreements Act is not only essential to the speedy and successful prosecution of the war, but to the peace we shall write after we win the war. No better instrument has yet been devised than the mechanism under which the act has operated since its enactment in 1934. It has lowered excessive trade barriers and improved our commercial relations with 25 other countries. It may well serve as a pattern to implement the principles of mutual trade aid agreed upon in the Atlantic Charter."

At the luncheon the annual aviation safety awards for 1942 of the Inter-American Safety Council were presented to the eastern and western divisions of Pan American Airways and two affiliates—Compania Mexicana de Aviacion and Compania Nacional Cubana de Aviacion for flying nearly 190,000,000 passenger-miles last year without a passenger fatality. The awards, in the form of certificates, were presented by R. A. Hummel, President of the Council, which also gave two medals for life saving to two employees of the Costa Rica Power & Light Co.

In Foreign Relief Post

Herbert H. Lehman, Director of Foreign Relief and Rehabilitation, announces the appointment of Lithgow Osborne as assistant in charge of special relief problems. Mr. Osborne was formerly New York State Conservation Commissioner.

Extend Lend-Lease Aid House Group Urged

The House Foreign Affairs Committee on Feb. 8 heard Secretary of War Henry L. Stimson and War Shipping Administrator Emory S. Land stress the necessity of continuing the lend-lease program for another year. In urging continuance of the Lend-Lease Act until July, 1944, Secretary Stimson declared that "any other decision would seriously jeopardize and delay our complete and total victory." Mr. Stimson expressed his personal conviction that this nation could not and should not seek a post-war "dollar and cents" settlement of international debts arising from the lend-lease program, according to the Associated Press, which further reported:

He was joined by Admiral Land, who told the committee:

"I favor the extension of the Lend-Lease Act. Lend-Lease and lend-lease in reverse should not be abandoned. The Lend-Lease Act is a flexible instrument, which has proven in time of emergency that a democracy can meet and out-match the challenge of so-called Fascist efficiency."

From Admiral Land came the disclosure that American-controlled vessels, in the year ended Oct. 31, 1942, had made 1,745 sailings loaded with lend-lease material—1,375 for Britain, 304 for Russia and 66 for China.

"Unfortunately," he said, "not every vessel that sailed arrived at her destination, but by far the largest portion of them did. In the current year, lend-lease sailings of American vessels will greatly increase, and may even double the 1942 volume."

The bill to extend the life of the Lend-Lease Act another year was introduced on Jan. 26 by Representative Bloom (Dem., N. Y.) Chairman of the Committee, in a move to assure an uninterrupted flow of war materials between this nation and its allies.

The House group opened its hearings on Jan. 29 with Lend-Lease Administrator Edward R. Stettinius, Jr., as the first witness. Stressing the importance of the program in forcing an "unconditional surrender" of the Axis, Mr. Stettinius said:

"If there is any question to be debated in connection with the Lend-Lease Act, it is, to my mind, the question of why we have not sent more to our Allies, not whether we should continue to send supplies to them."

The following regarding his testimony is from Associated Press advices:

Mr. Stettinius reported that Lend-Lease aid had made the British Isles "an impregnable base for offensive operations" and reviewed the shipments of war material and equipment to Britain, Russia, Africa, Egypt and China. He told also how Lend-Lease operates in reverse, bringing supplies to American troops in the field and in billets abroad.

But this point he stressed in particular: "There has not been and there never will be developed a standard of values by which we can measure lives lost against the cost of airplanes or guns."

"It is difficult," he said, "to estimate how much the peoples of Russia have helped us by holding back the Nazi forces and taking the offensive away from them, or to estimate the value to our national interests of the superb fight of the Chinese against the Japanese."

"By the lives lost, the cities and homes destroyed—and in the other losses of war, Russia and China and Great Britain have made limitless contributions to their cause, as well as to ours."

Mr. Stettinius on Feb. 10 disclosed that American Lend-Lease aid now was being supplied to the nation's Allies "at an annual rate in excess of \$10,000,000,000." He reported also that the amount furnished Russia had "increased sharply" during January over that for the previous month.

In a statement issued after his reappearance before the House Committee to amplify his arguments on the necessity for continuing the Lend-Lease Act another year, Mr. Stettinius also reported that the total Lend-Lease aid extended from the beginning of the program through Jan. 31 of this year now amounts to approximately \$9,064,000,000.

Mr. Stettinius' report to Congress, showing that total amount of Lend-Lease aid from March 11, 1941, through Dec. 31, 1942, was \$8,253,000,000, was referred to in our issue of Feb. 4, page 500.

Dean G. Acheson, Assistant Secretary of State, told the House Committee on Feb. 3 that "Lend-Lease has become the cornerstone of our war-time relations with friendly Powers" and that the mutual aid agreements were laying the "foundation upon which peace can be built."

Asserting that it has become an indispensable instrument of this nation's foreign policy, Mr. Acheson, in a prepared statement said:

"Lend-Lease is the most expeditious way in which we can join America's technological genius and industrial might with the fighting men of our Allies already in the field against the enemy. Reciprocal Lend-Lease is the most expeditious way in which our Allies can, in turn, provide, on the spot, weapons and food and other necessities for our own fighting men overseas."

"This," he said, "is a war of alliance and it can be won only if all the resources of all the Allies are pooled in ways which permit the fighting forces of the United Nations to hit the enemy hardest where it hurts him most."

Mr. Acheson emphasized no final accounting between nations on Lend-Lease could be based upon the "dollar sign" nor a requirement that this Nation be repaid for its aid in gold.

"To do so," he said, "would stop altogether the triangular movement of trade, wreck the currency of other countries as well as that of this country, and would result in financial chaos."

Bill Of Rights Rally

In observance of Bill of Rights Week (Feb. 14-20), a public rally, attended by 400 children, each representing a New York school, was held on Feb. 15 at the Great Hall of the Chamber of Commerce of the State of New York at 65 Liberty Street. The rally, which was sponsored by the New York Chamber and the Federal Hall Memorial Associates, was to have been held on the steps of the Sub-Treasury Building at Wall and Nassau Streets, but because of the zero weather was moved to the Great Hall. So far as known, it was the first time that the weather ever prevented such an observance being held at the Sub-Treasury.

Frederick E. Hasler, President of the Chamber—the oldest commercial organization in the nation—stated at the opening exercises in the Chamber that "in proclaiming the week of February 14 Bill of Rights Week, Governor Dewey wisely urged observances which would impress the full meaning of these freedoms upon 'the spirit of youth,' for it is the young people of today who, as the men and women of tomorrow, must shoulder the responsibility of perpetuating these sacred rights

which have contributed so much to our national greatness and our individual progress." Mr. Hasler added:

"I do not need to tell you that there are forces at large in the world today who mock God and contaminate decency and who would tear up the American Bill of Rights and replace it with a Code of Slave Regulations. There can be no security for the United States or any other free country until these evil forces are conquered."

"Our forefathers could have left us no more sacred heritage than the Bill of Rights. Within its text is written the authority and sanction for all the rights and privileges essential to human freedom, opportunity and security. Little wonder then that even as we are sitting here our sons and brothers in the Pacific, in Africa and over Europe are facing death, unafraid to safeguard for us and future generations the precious freedoms which this consecrated document guarantees to every American."

"Let us hold steadfastly to the great principles of human rights and human freedom embodied in the Bill of Rights and our country will ever remain the home of free men."

Reproductions of the original Bill of Rights were presented by the Chamber to the school children for permanent display in the 400 schools they represented.

Besides Mr. Hasler the speakers were: George McAneny, Chairman of the Federal Hall Memorial Associates; Newbold Morris, President of the City Council; Dr. Jacob Greenberg, Assistant Superintendent of Schools; Arthur Pound, State Historian, and Martin Steadman, of Public School 125, winner of the 1942 Essay Contest on "The Bill of Rights." Dr. Richard E. Evans presided and Miss Evelyn Lane, radio and concert artist, sang patriotic selections, accompanied by the Brooklyn Technical High School Band.

World Guarantee Of Press Freedom Asked

The American Society of Newspaper Editors concluded in Washington on Feb. 14 a two-day "war" conference, with the objective of reaching a better general understanding of the problems existing between the Government and the press.

The Association's annual meeting consisted largely of confidential exchanges of ideas behind closed doors with Government, civilian and military leaders. However, it was made known that the ASNE adopted resolutions calling for a post-war world guarantee of freedom of the press, advocating a Government policy of making public "facts to which the people are entitled, instead of giving this information, as in the past, to privileged writers," and opposing efforts to put any press association under the power of Congress to regulate commerce.

The editors held as "off-the-record," meetings with President Roosevelt, Secretary of State Hull, Elmer Davis, Director of the Office of War Information; Byron Price, head of the Office of Censorship; General George C. Marshall, Army Chief of Staff; Admiral Ernest J. King, Commander-in-Chief of the U. S. Fleet; Lieut.-Gen. Henry H. Arnold, of the Army Air Corps, and others.

The Society appointed a liaison committee of three Washington editors to bring about closer contact between press and Government. The Committee is headed by Ben M. McKelway of the "Washington Star," and includes Alexander F. Jones of the "Washington Post" and David Lawrence of the "United States News."

Roy Roberts, managing editor of the "Kansas City Star," was elected the new President of the

Society, succeeding W. S. Gilmore of the "Detroit News."

The resolutions read as follows:

"1. Resolved, That the action of Secretary of State Hull in publishing the recent White Book be commended, the hope of the American Society of Newspaper Editors being that this marks the beginning of a policy whereby the government will officially inform the public of facts to which the people are entitled, instead of giving this information, as in the past, to privileged writers who, with their publishers, have reaped unearned financial rewards by commercializing that which belongs to all the people."

"2. Whereas, the American Society of Newspaper Editors takes the occasion of this annual convention to reaffirm the unity of the American press in support of the war; and,

"Whereas, military victory must be followed by a settlement providing the basis of lasting peace; and,

"Whereas, at its 1934 meeting this society resolved that our government should refuse to participate in any international conference without freedom of information for newspapers and press associations; and,

"Whereas, freedom of expression and of communication, uncontrolled in any way by governments, is among the strongest safeguards of peace; therefore, be it

"Resolved, That this society affirms its adherence to a world guarantee of freedom of the press according to American tradition and practice."

"3. Resolved, That we are opposed unalterably to any efforts to put the news report of any press association in the United States under the power of Congress to regulate commerce."

Role Of Advertising In US Progress Lauded

Advertising has been a far more helpful and constructive force in the progress of the American people than all the economic theories, plans and schemes proposed by those who have recently criticized it, Frederick P. Champ, past President of the Mortgage Bankers Association of America, told members of the Utah-Idaho Advertising Association at their recent annual convention in Ogden, Utah.

Mr. Champ said: "Advertising isn't only a token of better business—it is a symbol of freedom. Advertising has been far more constructive and helpful to the American people, closer to the realities and sounder in its basic conception of our democratic process and the fabric of free enterprise, than all the economic schemes devised by its critics."

"Advertising is an integral part of today's program of American business when it has temporarily turned from its primary job of improving the material well being of the American people to its wartime job of lending a strong hand in producing more dead Germans and Japs. In the totalitarian countries the process of persuasion, which is the basis of advertising, is suspended insofar as it relates to the sovereignty of the individual as a reasonable being, and as a man to be dealt with and persuaded. No persuasion is needed. The citizens are slaves."

"Advertising can build morale by strengthening our faith in the American way of life, and in repeating its truths, it can help sweep aside the fog of demagoguery and social planning which now clutters up the road to victory and divides us in time of peace."

Second Cotton Forum To Hear Army Report

The second National Cotton Conference-Forum and dinner, under the auspices of the New York Cotton Exchange, will be held on March 8 at the Biltmore, New York City, and the subject will be "The Army Reports to the Cotton Industry." Major Keith Morgan, Chief of the Management Branch of the Industrial Services Division of the War Department, will be in charge of the program. Speakers will include Col. A. Robert Ginsburgh, of the General Staff Corps, Aide to the Under Secretary of War Robert P. Patterson, and Chief of the Industrial Services Division of the War Department. He will speak on "The Progress of the War—Its Pattern and Needs." Col. Robert T. Stevens of the Quartermaster Corps and Chief of the Textile and Clothing Branch, Procurement Division, Office of the Quartermaster General, and Maurice Hirsch of the Office of the Price Adjustment Board, War Department, will speak on military needs and contract renegotiation. As in the previous Forum sponsored by the Exchange in January, adequate opportunity will be afforded the guests to write out and submit questions to the Forum speakers. It is expected that a record number will be in attendance to hear the report from the Army representatives. The Exchange is sponsoring this series of forums for the purpose of providing free and authoritative discussion of the multiple problems confronting the cotton industry.

The January forum meeting was referred to in these columns Feb. 4, page 500.

OPA Rules Discourage Home Ownership, Says Head Of Realty Bd.

"Americans will stand a lot of rationing, but when Government seeks to ration a man's right to own a home, it's time to do something about it," said Cyrus Crane Willmore, St. Louis, newly installed President of the National Association of Real Estate Boards, on January 24. "OPA's requirement of one-third down payment and a three months' wait before taking possession means just that—a 'rationing' of the right to buy a home." Mr. Willmore added:

"Home ownership is the backbone of America and American institutions. The family and the home are more important during war than in peace. We must not cut off the possibility of home ownership, as this order does to thousands of people. The boys at the front teach us that. They are fighting for the dear ones at home. Home is America to them."

Urging amendment of the order to eliminate the one-third down payment, and pledging that modification of OPA sales restrictions will be an important aim in a broad-gauged four-point program of the National Association during 1943, President Willmore said: "Aim No. 1 continues and will continue to be the winning of the war. Realtors will make every sacrifice to aid in the winning of the war—they will cooperate with military authorities—they will assist Federal agencies in all objectives having to do with the facilitation of the war effort."

"Right here, second only to winning the war, we must preserve free private enterprise. We oppose unnecessary regimentation of citizens and the elimination of initiative. Without free enterprise this war would have been lost months ago."

"Too many people seem to forget that America was built by free enterprise. Under free enterprise our people have attained

a scale of living never before dreamed of by any people on the face of the globe. Faith and thrift built America—faith in God, faith in country, faith in self. Thrift—the savings of the people by hard work—earnest application to the task and sacrifice has provided all the material things we have had. Only by one's own individual initiative can there be material gain—and someone must provide materially before there can be social gains. Government cannot provide—it does not produce—it can only distribute the savings of others—and then only so long as savings last.

"It will be one immediate objective of our Association to assist the Government in any way we can in its present tentative plans for giving relief to the 300,000 small businesses which may be expected to suspend activities during 1943, including relief and help to the owners and mortgagees who will be affected. Such standby aid is a part of the war cause. It can mean saving of billions in possible losses that would seriously affect cities and their business and industrial properties.

"Fourth, we urge our Government to encourage wartime home buying. No better outlet for high wartime earnings of millions of our people can be found than investment in a home."

Urging, as primary also, the purchase and sale of war bonds, and pointing out that 1943 will be a year of sacrifice, and that realtors are ready to do their share, Mr. Willmore stated:

"Money in war bonds is needed to win the war, to control inflation, to win the peace.

"With inflation a very real and alarming danger, purchases of real estate now will aid our Government in its splendid fight to curb inflation. Realtors have been advocating a 'buy now plan' on real estate now will aid our Government looking individuals will select their home sites now and have their plans prepared to build immediately following the war. Materials will be cheaper then than later on. Architects are not busy now but they will be later on when, it is estimated, 900,000 living units annually will be needed for ten years after the war."

Paper Exporters Council Elects New Officers

Eli deVries, President of Parsons & Whittemore, Inc., was elected President of the United States Paper Exporters Council, Inc., at the annual meeting held in New York City on Feb. 18.

George G. Cobean, President of Bulkley Dunton Paper Co., was elected Vice-President for the coming year, and Frank W. Smith, Vice-President of the National Paper & Type Co., was reelected Secretary-Treasurer of the Council.

In addition to these three officers the new Board of Directors will also include:

Harry Bengtsson, Executive Vice-President of The Paper Company Van Reekum of New York, Inc.

Adalbert Greiner, President of China American Paper & Pulp Co. Fred C. Stryve, President of Fred C. Stryve, Inc.

Elwin Walker of Walker Goulard Plehn Co., Inc., retiring President of the Council, reviewed the Council's activities for the first year of operation, emphasizing its spirit of cooperation with our government agencies and the resultant clarification of paper exporters' problems under necessary government control.

Mr. deVries in assuming the Presidency expressed his hope for continued cooperation with the government as a necessary means of emphasizing the paper exporters' role in the furtherance of the war effort and in the supply of an essential civilian commodity to our friendly allies.

N. Y. Commerce Assn. Advocates Tax Relief Based On Ruml Plan

Favorable consideration to the adoption of a plan of tax relief based on the Ruml plan or one embracing the same principles is recommended by the Commerce and Industry Association of New York, Inc. (formerly The Merchants' Association of New York), in a letter on Feb. 13 to Robert L. Doughton, Chairman, and to each member of the House Ways and Means Committee and to the Senate Finance Committee, and to Senators Robert F. Wagner and James M. Mead of New York. The letter urged the adoption by the Federal Congress of a pay-as-you-go or a pay-as-you-earn income tax plan, and that it provide a withholding tax at a rate sufficient to cover the normal income tax, plus the first surtax bracket, plus the Victory Tax, if continued; and that, in order to simplify the collection and overcome practical difficulties which large corporations and business houses employing large numbers of people encounter in making deductions from payrolls to meet the requirements of various tax laws, there be only a single withholding tax with a single exemption of \$624, as now provided for in the Victory Tax, so that employers will be relieved from the responsibility of determining the ever-changing domestic status of employees, and that such withholding tax should be applied to all income from salaries, bonuses, commissions and wages.

The text of the Association's letter, signed by Thomas J. Miley, Secretary of the Association, follows:

"The Commerce and Industry Association of New York, Inc., through its Committee on Taxation and Public Revenue, has carefully considered the various plans suggested and submitted to the Congress to afford tax relief and to place taxpayers on a current payment basis through the medium of a withholding tax.

"This Association after careful deliberation, respectfully recommends that, for the purpose of relieving taxpayers from the hardship of paying two years' taxes in one year, because the huge increase in taxes levied by the 1942 Revenue Act will impose an impossible burden, favorable consideration should be given to the plan of tax relief proposed by Mr. Beardsley Ruml or some other plan embracing the same principles and features of the Ruml plan, such as that proposed in House Joint Resolution 17, 78th Congress, first session, introduced by Mr. Carlson of Kansas, now pending before the Ways and Means Committee.

"In regard to the proposal to place taxpayers on a current payment basis, the Commerce and Industry Association of New York, Inc., urges the adoption by the Federal Congress of a pay-as-you-go or a pay-as-you-earn income tax plan, and that it provide a withholding tax, at a rate sufficient to cover the normal income tax, plus the first surtax bracket, plus the Victory Tax, if continued; that, in order to simplify the collection and overcome practical difficulties which large corporations and business organizations employing large numbers of people encounter in making deductions from payrolls to meet the requirements of various tax laws, there be only a single withholding tax, with a single exemption of \$624.00, the same as now provided for the Victory Tax, so that employers will be relieved from the responsibility of determining the ever-changing domestic status of employees, and that such withholding tax should be applied to all income from salaries, bonuses, commissions and wages.

Plan Now For Post-War United Nations Urged

Under-Secretary of State Sumner Welles urged on Feb. 12 that the United Nations plan now a program for the post-war period to carry out the principles of the Atlantic Charter and to achieve general economic reconstruction through international cooperation.

Mr. Welles spoke at ceremonies opening a series of exhibits, "This Is Our War," sponsored by the Office of War Information in New York City. Other speakers included: Viscount Halifax, British Ambassador; Dr. Wei Tao-ming, Chinese Ambassador, and Dr. Don Francisco Castillo Najera, Mexican Ambassador.

Expressing the belief that the continued partnership of the United Nations is essential to post-war peace, Mr. Welles reviewed the principles of the Atlantic Charter, adding that it seemed to him that there were "established therein all of the objectives which men and women who are struggling to preserve our civilization and to achieve their own freedom and security would wish to have held up before them."

He further said: "But principles and objectives unfortunately remain only words and noble aspirations, unless they are translated into reality. That translation into reality is by far the hardest part of the task which lies ahead."

Mr. Welles noted that the British Commonwealth, China and Mexico were represented at the exercises but expressed regret that no representative of Soviet Russia was present. On this point, he commented:

"We recognize that in any gathering which symbolizes the United Nations, the presence and participation of the Soviet Union is imperatively required."

Mr. Welles said, in part: "I cannot but believe that the greatest inspiration and the most positive assurance which the peoples of the world today could possess would be the realization that the governments of the United Nations had united the work which each is doing individually, and were joined in charting the course which must be followed when the war is ended.

"Surely there is much that could now be done to determine the practical manner in which the police power will be exercised in the world of the future; for only in that way can we be sure that we will indeed lighten 'the crushing burden of armaments for peace-loving peoples'; much that could be done to make sure that men and women in the future may in fact 'live out their lives in freedom from fear and want.'

"Surely there is also much that could now be done to determine the path by which the nations of the world can obtain that full measure of general economic reconstruction which can only be achieved by international cooperation.

"There could be no surer road to disaster, no surer means of bringing about unmitigated havoc in the future, than for the United Nations to enter the post-war period as rivals and opponents in their commercial and financial policies, rather than as collaborators in a common task of seeking and achieving international economic stability and general well-being.

"Together we can solve this gigantic problem; opposed to one another, no one of us will profit. All would share the consequences of a general ruin.

"Can any one doubt that it would be far easier to teach that essential common agreement on the practical measures required to

"Because of the urgent need for action, we urge your favorable consideration and support of the above recommendations."

carry out these great principles of the Atlantic Charter during these months in which the United Nations are joined together in the common struggle than if the search for that agreement be postponed until after the war is won?

"It is urgent that we be prepared, by common agreement, to make righteous and effective use of the day of triumph so that the union against the enemies of mankind may become a permanent pledge for the welfare of all peoples."

Post-War Housing Plans Criticized

The biggest error in current thinking and discussion about post-war housing—too much theory and too little common sense—should be corrected now before the nation gets off to a false start in what will undoubtedly be one of the greatest sources of employment in the post-war era, Charles A. Mullenix, President of The Mortgage Bankers Association of America, declared on Feb. 13 in an announcement of the organization's plans for exploring the subject at its forthcoming Chicago Conference. According to Mr. Mullenix "there is too much theorizing by reformers and planners and uplift elements and far too little consideration of what the people themselves want in post-war housing, urban rehabilitation and slum clearance. Commendable though the motives of these groups may be, it is becoming apparent that we may be getting off to a false start in planning for what will be one of our greatest national ventures in the post-war world, that is new rental housing, new residential construction, re-planning of cities and slum clearance."

Mr. Mullenix said that post-war housing and housing financing, along with the immediate problems of further war housing, will be the subjects of addresses by John B. Blandford, Jr., administrator, National Housing Agency; Abner H. Ferguson, Commissioner, Federal Housing Administration; Louis Wirth, Professor of Sociology, University of Chicago and regional chairman, National Resources Planning Board, and others at the Association's second War and Post-War Clinic at the Drake Hotel, Chicago, Feb. 26 and 27.

Jan. War Expenditures Were \$6.2 Billions

The War Production Board announced on Feb. 15 that war expenditures by the United States Government totaled \$6,254,000,000 in January. This was \$129,000,000, or 2.1% higher, than in December and 185% greater than in January, 1942. The Board's advances state:

"The average daily rate of expenditure in January was \$240,500,000, compared with \$235,300,000 in December. The daily rate is based on the twenty-six days in January and December on which checks were cleared by the Treasury. In January, 1942, \$81,200,000 were spent daily for war purposes.

"The figures cover expenditures both by the Treasury and by the Reconstruction Finance Corporation and its subsidiaries."

Insolvent Nat'l Bank Div.

Comptroller of the Currency Preston Delano announced on Feb. 18 that during the month ended Jan. 31, authority was granted for payment of a dividend to the creditors of one insolvent national bank (First National Bank of Darby, Pa.). The dividend so authorized, a second (final) payment of 3.87%, represented a distribution of \$91,600 to 8,309 claimants who had proved claims aggregating \$2,392,500.

Moody's Bond Prices And Bond Yield Averages

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

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

Table with columns: 1943 Daily Averages, U.S. Govt. Bonds, Ave. Corporate Rate, Corporate by Ratings (Aaa, Aa, A, Baa), Corporate by Groups (R.R., P.U., Indus.). Rows include Feb. 23, 22 Exchange Closed, 20, 19, 18, 17, 16, 15, 14, 13, 12 Exchange Closed, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1, Jan. 29, 22, 15, 8, 1 Exchange Closed, High 1943, Low 1943, High 1942, Low 1942, 1 Year ago, 2 Years ago.

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

Table with columns: 1943 Daily Averages, U.S. Govt. Bonds, Ave. Corporate Rate, Corporate by Ratings (Aaa, Aa, A, Baa), Corporate by Groups (R.R., P.U., Indus.). Rows include Feb. 23, 22 Exchange Closed, 20, 19, 18, 17, 16, 15, 14, 13, 12 Exchange Closed, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1, Jan. 29, 22, 15, 8, 1 Exchange Closed, High 1943, Low 1943, High 1942, Low 1942, 1 Year ago, 2 Years ago.

†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.

Steel Operations Off 0.6%—Lend-Lease Orders In Second Quarter To Be Heavy—Scrap Quiet

"Slightly higher steel production plus easier order volume may enable a temporary reduction of some steel company backlogs, but the slack is expected to be taken up quickly," says "The Iron Age" in its issue of today (Feb. 25), further adding in part as follows: "According to reliable information, Lend-Lease steel orders are scheduled to be heavy during second quarter and will involve considerable semi-finished material."

The volume of new orders in the past two weeks at some steel plants has been 8% to 15% below the level in the corresponding part of January. This has not had much effect on backlogs to date, however. The decline is attributed to the more practical attitude on actual needs forced by the new Controlled Materials Plan.

"Following last week's revelation in 'The Iron Age' that the Government is uncovering large quantities of idle steel, the question arose as to how large inventories could be built up in view of the tight situation which has prevailed for many months. According to a regional official administering the new CMP, the switch to CMP is showing that many steel buyers weren't operating in conformity with Government regulations. This would help account for at least part of the inventory material. Instead of getting under the old PRP plan

part of the advantage gained by the introduction of new melting facilities is threatened by an increase in off-heats at a few plants. The bad heats are caused by heavy charges of alloy scrap turnings which are now over abundant. At least one major producer has advised customers that their favorable positions on melting schedules might not be so advantageous unless they accept higher residuals than they ordered. It was suggested strongly that the customers adopt substitute analysis or place their business on the basis of mechanical qualities rather than chemical specifications. The rise of off-heats is not industry-wide and should not occasion undue alarm at this time, but the effect on the aircraft industry's operations might constitute a threat eventually.

"Two recent directives issued by Donald M. Nelson have almost knocked the pins out from the ill-fated War Materials, Inc., an organization created last fall to help get more scrap. By fixing a maximum of \$40 a gross ton as the amount which WMI can pay for recovered scrap, the scope of WMI was greatly restricted since it had been paying considerably higher than \$40 per ton for buried street car rails and other scrap. "Scrap markets have been quiet recently, and some experts do not expect another tight situation until late next fall, when additional supplies would be needed for certain new steel making units."

The American Iron and Steel Institute on Feb. 22 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 98.9% of the capacity for the week beginning Feb. 22, compared with 99.5% one week ago, 98.6% one month ago and 96.3% one year ago. This represents a decrease of 0.6 point or 0.6% from the preceding week. The operating rate for the week beginning Feb. 22 is equivalent to 1,691,900 tons of steel ingots and castings, compared to 1,702,100 tons one week ago, 1,686,700 tons one month ago, and 1,635,800 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Feb. 22 stated in part as follows: "Increasingly good balance is evident in the steel market as application of new methods of control is broadened. In general little change is noted, though sellers in the East feel a slightly stronger demand, mainly in small orders rather than large lots, while in the Midwest a lull in activity has appeared. On the other hand cancellations have practically ceased."

"A factor in the situation is permission for consumers to place orders for second quarter under PRP up to 70% of first quarter allowances, with the remaining 30% to be placed after March 31 on the same basis. Some orders are being issued now with information that CMP numbers will be furnished later. These orders carry priority ratings, which will govern schedules until the CMP numbers are supplied.

"Mill deliveries appear somewhat tighter in most products as more high preference tonnage is placed.

"Pig iron output in January failed to equal that of December, 5,136,543 net tons being made, with 57,702 tons of ferromanganese and spiegel. This compares with 5,143,829 tons of pig iron and 57,594 tons of ferroalloys in December. Operating rate was 100.7% of capacity in January, 101.1 in December.

"Tremendous increase in use of alloy steel for war purposes is indicated by statistics of the American Iron and Steel Institute for 1942. Total output of alloy ingots was 11,351,000 tons, 40% above the 1941 peak. The proportion of alloy steel to total steel through

the year was about one in eight tons and at the close of the year it had risen to about one in six, with indications of a larger ratio this year. At the time of the first World War alloy steel represented about one ton in 50 of total production.

"War requirements for wire in many forms are crowding mills and orders are greater than production and shipments, exceeding those of January. Demand for wire normally used in civilian products is notably light. Wire rods are in short supply, with directives necessary in many cases.

"Conditions continue easy in the scrap market, reserves for several weeks having been accumulated by most steelmakers and shortages through the winter thus are averted. Receipts are about equal to current melt and little recourse to stockpiles is necessary."

Lumber Movement—Week Ended Feb. 13, 1943

According to the National Lumber Manufacturers Association, lumber shipments of 437 mills reporting to the National Lumber Trade Barometer exceeded production by 20.0% for the week ended Feb. 13, 1943. In the same week new orders of these mills were 18.5% greater than production. Unfilled order files in the reporting mills amounted to 85% of stocks. For reporting softwood mills, unfilled orders are equivalent to 38 days' production at the current rate, and gross stocks are equivalent to 42 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 18.1%; orders by 21.9%.

Compared to the average corresponding week of 1935-39, production of reporting mills was 124% greater; shipments were 130% greater, and orders were 121% greater.

FIC Banks Place Debs.

An offering of \$31,875,000 consolidated debentures of the Federal Intermediate Credit Banks was made Feb. 16 by Charles R. Dunn, New York, fiscal agent for the banks. The aggregate included \$11,385,000 0.65% debentures due Aug. 2, 1943, and \$20,490,000 0.80% debentures due Dec. 1, 1943. All were dated March 1, 1943, and the offering price was par. The proceeds from the sale of the debentures went to pay off maturing issues amounting to \$33,540,000, the balance for this purpose being from cash on hand. At the close of business March 1, 1943, the banks will have a total of \$293,165,000 debentures outstanding.

Barring Post-War Planning Called False Economy

President Roosevelt on Feb. 16 criticized those Congressional economy advocates who voted to eliminate appropriations for post-war planning, charging that they were spendthrifts and their action will cost the nation billions.

Speaking of the recent action of a House Appropriations subcommittee in voting to deny funds to the National Resources Planning Board, the President told his press conference that he was in a little publicized role of saver of money and watchdog of the pocketbooks of the country.

Then he went on to say, according to the Associated Press, that the agency was compiling a backlog of work projects which could be started in the post-war years when people would be leaving jobs in war factories and soldiers would be coming home. Advance

preparation of engineering and architectural details, he said, might save billions of dollars in time and employment.

The advices continued: At the same time, he said Congress had a perfect right to abolish the board, and that he had no objection if it would set up some other agency to do the job.

Discussing the Congressional economy efforts in general, Mr. Roosevelt said there had been much talk of curtailing non-war expenditures which currently involved only 3 1/2% of total Government spending.

He commented that pages and pages of the Congressional Record would be taken up with discussion of efforts which might whittle non-war items from 3.5 to 3.4% of the total. He suggested it might be interesting to figure out whether the size of the saving would not be surpassed by the amount of Congressional salaries, secretarial salaries at the Capitol and cost of printing the Record—all the costs, he said, which might be assigned to legislative work on the pruning process.

Cotton Consumption In January

Under date of Feb. 15, 1943, the Census Bureau at Washington issued its report showing cotton consumed in the United States, cotton on hand, and active cotton spindles in the month of January.

In the month of January, 1943, cotton consumed amounted to 915,479 bales of lint and 110,578 bales of linters, as compared with 935,511 bales of lint and 108,113 bales of linters in December, 1942, and 947,539 bales of lint and 116,279 bales of linters in January, 1942.

For the six months ending with Jan. 31 cotton consumption was 5,627,756 bales of lint and 685,353 bales of linters, against 5,390,724 bales of lint and 736,505 bales of linters in the same six months a year ago.

There were 2,506,639 bales of lint and 505,690 bales of linters on hand in consuming establishments on Jan. 31, 1943, which compares with 2,567,188 bales of lint and 503,124 bales of linters on Dec. 31, 1942, and with 2,497,795 bales of lint and 542,965 bales of linters on Jan. 31, 1942.

13,069,379 bales of lint and 90,713 bales of linters were on hand in public storage and at compresses on Jan. 31, 1943, and 13,576,030 bales of lint and 84,128 bales of linters on Dec. 31, 1942, and 12,857,476 bales of lint and 176,826 bales of linters on Jan. 31, 1942.

There were 22,889,954 cotton spindles active during January, 1943, which compares with 22,887,072 active cotton spindles during December, 1942, and with 23,087,308 active cotton spindles during January, 1942.

Moody's Daily Commodity Index

Table with columns: Date, Index Value. Rows include Tuesday, Feb. 16 (246.2), Wednesday, Feb. 17 (245.9), Thursday, Feb. 18 (245.6), Friday, Feb. 19 (246.1), Saturday, Feb. 20 (245.8), Monday, Feb. 22 (246.9), Tuesday, Feb. 23 (246.9), Two weeks ago, Feb. 9 (244.5), Month ago, Jan. 23 (243.5), Year ago, Feb. 21 (228.1), 1942 High Dec. 22 (239.9), Low, Jan. 2 (220.0), 1943 High, Feb. 23 (246.9), Low, Jan. 2 (240.2), *Holiday.

Bankers' Dollar Acceptances Outstanding On January 30 Advance To \$1,968,200

The volume of bankers' dollar acceptances advanced again in January, totaling \$1,968,200 on January 30, it was reported on Feb. 15 in the monthly acceptance survey issued by the Federal Reserve Bank of New York. This amount was \$1,643,000 above the Dec. 31, 1942 total, but still \$77,596,000 below a year ago.

The monthly advance was due mainly to a sharp increase in credits for exports and slight advances in credits for imports and domestic warehouse credits. In the year-to-year comparison, only credits based on goods stored in or shipped between foreign countries were higher.

The Reserve Bank's report follows:

BANKERS' DOLLAR ACCEPTANCES OUTSTANDING—UNITED STATES BY FEDERAL RESERVE DISTRICTS			
Federal Reserve District—	Jan. 30, '43	Dec. 31, '42	Jan. 31, '42
1 Boston	\$23,131,000	\$21,370,000	\$30,392,000
2 New York	69,774,000	71,729,000	117,552,000
3 Philadelphia	5,888,000	4,897,000	9,917,000
4 Cleveland	1,828,000	1,919,000	4,305,000
5 Richmond	540,000	482,000	1,486,000
6 Atlanta	2,271,000	2,130,000	3,247,000
7 Chicago	3,999,000	4,170,000	5,786,000
8 St. Louis	225,000	314,000	794,000
9 Minneapolis	55,000	51,000	114,000
10 Kansas City	—	—	—
11 Dallas	521,000	235,000	2,833,000
12 San Francisco	—	—	—
Grand Total	\$119,682,000	\$118,039,000	\$197,278,000
Increase for month	\$1,643,000	Decrease for year	\$77,596,000

ACCORDING TO NATURE OF CREDIT			
	Jan. 30, '43	Dec. 31, '42	Jan. 31, '42
Imports	\$57,111,000	\$56,637,000	\$115,889,000
Exports	12,269,000	9,124,000	16,662,000
Domestic shipments	11,052,000	11,456,000	11,676,000
Domestic warehouse credits	27,349,000	26,663,000	39,028,000
Dollar exchange	359,000	361,000	2,810,000
Based on goods stored in or shipped between foreign countries	11,542,000	13,798,000	11,213,000

BILLS HELD BY ACCEPTING BANKS		
Owns Bills	Bills of Others	Total
\$60,263,000	\$35,040,000	\$95,303,000
Increase for month	\$1,947,000	

CURRENT MARKET RATES ON PRIME BANKERS ACCEPTANCES FEB. 15, 1943			
Days	Dealers' Buying Rates	Dealers' Selling Rates	
30	1/2	1/2	
60	1/2	1/2	
90	1/2	1/2	
120	1/2	1/2	
150	1/2	1/2	
180	1/2	1/2	

The following table, compiled by us, furnishes a record of the volume of bankers' acceptances outstanding at the close of each month since Feb. 29, 1940:

1940—	1941—	1942—	
Feb. 29	\$233,015,000	\$211,865,000	
Mar. 30	229,795,000	217,312,000	
Apr. 30	223,305,000	219,551,000	
May 31	213,685,000	215,005,000	
June 29	206,149,000	212,932,000	
July 31	188,350,000	209,899,000	
Aug. 31	181,813,000	197,472,000	
Sept. 30	176,614,000	176,801,000	
Oct. 31	186,786,000	184,806,000	
Nov. 30	196,683,000	192,590,000	
Dec. 31	208,659,000	194,220,000	
1941—		1942—	
Jan. 31	\$212,777,000	Jan. 31	\$197,278,000
		Jan. 30	\$119,682,000

National Fertilizer Association Commodity Price Index Continues To Advance

The weekly wholesale commodity price index compiled by The National Fertilizer Association, and made public on Feb. 22, last week continued to advance to new high levels. Advancing for the eleventh consecutive week, this index is now 134.9% of the 1935-1939 average, compared with 134.5 in the preceding week, 133.7 a month ago, and 123.4 a year ago. The Association's report continued as follows:

The increase in the general level was due to higher prices of farm products and fractional gains in some industrial commodities. Despite slightly higher prices for corn meal and potatoes the food group index declined, due to lower prices for butter. The farm product price index rose still further as 10 items included in the group advanced and none declined. Advancing quotations for raw cotton lifted the textile price index to a new peak level. Higher quotations for raw cotton lifted the textile price index to a new peak level. Higher quotations for linseed oil resulted in another slight rise in the building materials group index. The miscellaneous commodity average was higher, due to gains in the prices of feedstuffs. The other groups in the composite index remained the same as in the preceding week.

During the week 17 price series included in the index advanced and 1 declined; in the preceding week there were 13 advances and 4 declines; in the second preceding week there were 11 advances and 7 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association [*1935-1939=100]				
%	Group	Latest Week	Preceding Week	Month Ago
25.3	Foods	137.7	137.8	137.3
	Fats and Oils	148.1	148.5	148.5
	Cottonseed Oil	159.0	159.0	159.0
23.0	Farm Products	152.6	151.6	150.8
	Cotton	197.3	194.7	193.9
	Grains	136.3	134.1	138.7
	Livestock	149.5	149.0	147.2
17.3	Fuels	121.7	121.7	119.3
10.8	Miscellaneous commodities	129.4	129.2	127.2
8.2	Textiles	150.9	150.5	150.3
7.1	Metals	104.4	104.4	104.4
6.1	Building materials	151.9	151.7	151.4
1.3	Chemicals and drugs	127.6	127.6	127.6
.3	Fertilizer materials	117.6	117.6	117.6
.3	Fertilizers	117.6	117.6	115.3
.3	Farm machinery	104.1	104.1	104.1
100.0	All groups combined	134.9	134.6	133.7

*Indexes on 1926-1928 base were Feb. 22, 1943, 105.1; Feb. 13, 1943, 104.9; Feb. 21, 1942, 56.1

Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report, states that for the first time in any week since February, 1929 production of soft coal has passed the 12,000,000-ton mark. The total output in the week ended Feb. 13, 1943, is estimated at 12,200 net tons, an increase of 320,000 tons, or 2.7%, over the preceding week. Production in the week of Feb. 14, 1942 was estimated at 11,039,000 tons. For the current year to date, output was 0.3% in excess of that for the corresponding period last year.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended Feb. 13, 1943, was estimated at 1,337,000 tons, a decrease of 7,000 tons (0.5%) from the preceding week. When compared with the output in the corresponding week of 1942, there was an increase of 169,000 tons, or 14.5%. The calendar year to date shows a gain of 2.1%.

The U. S. Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended Feb. 13, 1943, showed an increase of 11,200 tons when compared with the output for the week ended Feb. 6, 1943. The quantity of coke from beehive ovens decreased 800 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM

	Week Ended			January 1 to Date		
	Feb. 13 1943	Feb. 6 1943	Feb. 14 1942	Feb. 13 1943	Feb. 14 1942	Feb. 13 1937
Bituminous coal and lignite—	12,200	11,880	11,039	71,209	70,963	61,761
Total, incl. mine fuel	2,033	1,980	1,840	1,925	1,868	1,669
Daily Averages						
Crude Petroleum—	6,200	6,172	6,533	39,020	43,075	32,434
Coal equivalent of weekly output						

*Total barrels produced during the week converted into equivalent coal assuming 6,000,000 B. t. u. per barrel of oil and 13,100 B. t. u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal (Minerals Yearbook, Review of 1940, page 775). †Revised. ‡Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

	Week Ended			Calendar Year to Date		
	Feb. 13 1943	Feb. 6 1943	Feb. 14 1942	Feb. 13 1943	Feb. 14 1942	Feb. 16 1929
Penn. anthracite—	1,337,000	1,344,000	1,168,000	6,995,000	6,850,000	11,020,000
Total, incl. colliery fuel	1,284,000	1,290,000	1,121,000	6,715,000	6,576,000	10,227,000
Commercial production						
Beehive coke—	158,700	159,500	161,000	967,600	959,000	780,200
United States total	1,220,400	1,209,200	1,166,700	7,629,100	7,562,900	†
By-product coke—						
United States total						

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

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

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

State—	Week Ended			Feb. 8 1941	Feb. 6 1937
	Feb. 6 1943	Jan. 30 1943	Feb. 7 1942		
Alaska	6	5	5	3	2
Alabama	374	381	368	340	296
Arkansas and Oklahoma	105	108	73	77	107
Colorado	189	192	180	150	240
Georgia and North Carolina	1	1	1	2	††
Illinois	1,454	1,388	1,321	1,222	1,423
Indiana	507	515	515	435	458
Iowa	61	67	75	71	127
Kansas and Missouri	217	204	168	155	203
Kentucky—Eastern	935	893	758	798	313
Kentucky—Western	307	300	273	240	60
Maryland	33	29	38	37	38
Michigan	8	7	10	13	29
Montana (bituminous and lignite)	88	101	65	62	84
New Mexico	37	38	34	25	50
North and South Dakota (lignite)	85	70	48	58	88
Ohio	742	680	637	559	626
Pennsylvania (bituminous)	2,798	2,745	2,777	2,701	2,680
Tennessee	147	135	140	142	111
Texas (bituminous and lignite)	6	8	5	7	16
Utah	131	120	92	99	147
Virginia	398	380	344	350	270
Washington	38	36	39	41	62
*West Virginia—Southern	2,087	2,070	1,960	1,896	1,714
*West Virginia—Northern	926	820	829	705	709
Wyoming	198	207	156	119	165
†Other Western States	2	1	1	1	††
Total bituminous and lignite	11,880	11,500	10,912	10,318	10,018
Pennsylvania anthracite	1,344	1,322	1,150	1,183	1,093
Total all coal	13,224	12,822	12,062	11,501	11,111

*Includes operations on the N. & W.; C. & O.; Virginia; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona, California, Idaho, Nevada and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month. **Alaska, Georgia, North Carolina, and South Dakota included with "Other Western States." ††Less than 1,000 tons. ‡Revised.

Pending Tax Plan Does Not Relieve Taxpayers From March 15 Payment

Secretary of the Treasury Morgenthau, Chairman Doughton of the House Ways and Means Committee, and Chairman George of the Senate Finance Committee on Feb. 15 joined in a radio discussion of income tax to emphasize that no pending tax plan will relieve taxpayers of the necessity of filing an income tax return and paying their first quarterly instalment on or before March 15. Prompt filing of the tax return was also urged in order to ease the work at Collector's offices.

Secretary Morgenthau said that the discussion of how to put taxpayers on a current basis had caused a misunderstanding among many people over the March 15 tax payment.

In clearing up this question, Representative Doughton said that there has been no cancellation of taxes on 1942 income, nor has there been any postponement. In his remarks, Senator George

and, what is more, going higher, that the need for a more convenient method of payment is today so great. It is day-dreaming to believe that a change-over in our method of tax collections means paying less taxes. The changeover will undoubtedly be followed by still higher taxes. It is of the utmost importance, therefore, that you make as large a payment as you possibly can on 1942 liabilities. Every dollar credited to your account on March 15th means so much less to pay later on when the burden will undoubtedly be greater.

"This is certainly no time for illusions—especially for illusions on the subject of taxes. With war expenditures increasing from day to day, the Government needs more, not less, revenues. Even cancellation in whole or in part of 1942 liabilities will only make it so much more necessary to increase taxes on 1943 incomes."

Issues Rules For 48-Hour Work Week

With respect to the President's Executive Order establishing the 48-hour week, Paul V. McNutt, Chairman of the War Manpower Commission, issued on Feb. 9 the following regulations to apply to the designated 32 "labor shortage areas," where the order is in effect:

"Those establishments in which the minimum work week is less than 48 hours are to stop recruiting at once unless they can go to a 48-hour week without need for releasing workers or due to expansion or production schedule still need more workers.

"They will go on a 48-hour week in such a manner as will assure orderly absorption of surplus workers by absorption or transfer within the employers' operations.

"No employer should prior to March 31 release workers for the purpose of attaining the 48 hour week. If by March 31, 1943, an employer has not attained a 48-hour week without the need for releasing workers for other employment, he will advise the areas representative of the War Manpower Commission of what number need be released to attain a 48-hour week. The employer will at that time present a proposed schedule for release of workers or for further absorption within his own plant in order to attain the 48-hour week. The area director will then authorize a proper schedule of release or absorption in terms of the local labor market needs.

"In cases where employers have not attained a 48-hour week by March 31, 1943 due to shortage of materials or other special circumstances beyond their control, their cases will be reviewed at that time by the War Manpower Commission area representative and provision will be made for proper adjustments.

"This order is not intended to interfere with work schedules designed to utilize workers who on account of other activities or limitations are available for part time work only."

An item listing the 32 labor shortage areas and giving the text of the 48-hour week order appeared in these columns Feb. 11, page 564.

Thurman Arnold Named To Federal District Court

President Roosevelt on Feb. 11 nominated Thurman W. Arnold of Connecticut to be an Associate Justice of the United States Court of Appeals for the District of Columbia. Mr. Arnold, who is Assistant Attorney General in charge of the Anti-Trust Division of the Department of Justice, was named to succeed Wiley B. Rutledge, new Associate Justice of the U. S. Supreme Court.

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

The monthly compilation of companies listed on the New York Stock Exchange reporting changes in their holdings of reacquired stock was made available on Feb. 17. Following is the tabulation issued by the Stock Exchange:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report	
Allegheny Ludlum Steel Corp., common	3,496	1,171 (1)	
Allied Kid Co., common	40,045	40,699	
Allied Stores Corp., 5% preferred	7,317	7,517	
American Machine & Metals, Inc., capital	—	10,000	
Armour & Co. (Delaware), 7% preferred	7,024	537 (2)	
Armour & Co. (Illinois), common	6	4 (2)	
Associates Investment Co., common	27,390	28,324	
5% cumulative preferred	7,310	1,242 (3)	
Atlantic Gulf & West Indies Steamship Lines, 5% pfd.	23,700	24,100	
Blaw-Knox Co., capital	—	3,015 (4)	
Borden Co. (The), capital	41,254	43,154	
Bucyrus-Erie Co., 7% preferred	11,438	11,473	
Burlington Mills Corp., cum. pfd. \$2.75 ser.	2,600	—	(17)
Century Ribbon Mills, Inc., 7% preferred	—	211	
Chicago Yellow Cab Co., capital stock	37,268	38,369	
Consolidated Cigar Corp., 7% preferred	—	—	(5)
Consolidated Laundries Corp., common	37,800	39,100	
Continental Baking Co., 8% cumulative preferred	—	200	
Copperwell Steel Co., cumulative convertible preferred	5,699	6,299	
Cunco Press, Inc. (The), 4 1/2% cumulative preferred	—	—	(6)
Cushman's Sons, Inc., 7% cumulative preferred	—	—	(7)
Davega Stores Corp., common	12,350	13,850	
5% cumulative convertible preferred	200	300	
Detroit Edison Co. (The), common	4,735	4,095 (8)	
Distillers Corp.-Seagrams, Ltd., cum. pfd. 5% ser.	—	—	(9)
Gaylord Container Corp., 4 1/2% cum. conv. pfd.	—	—	(10)
General Motors Corp., common	3,764	41,171	
General Time Instruments Corp., 6% cum. pfd.	109	159	
Gillette Safety Razor Co., \$5 conv. preference	13,349	13,649	
Goodyear Tire & Rubber Co. (The), \$5 cum. conv. pfd.	7,012	7,312	
Howe Sound Co., common	32,891	33,591	
Insuranshares Certificates, Inc., common	—	—	(11)
Interstate Department Stores, Inc., 7% preferred	5,606	5,656	
Jewel Tea Co., Inc., common	2,684	2,664	
Jones & Laughlin Steel Corp., common	12	2	
5% preferred "A"	5	2	
5% preferred "B"	5	2	
McGraw-Hills Publishing Co., Inc., common	10,000	12,100	
National Cylinder Gas Co., common	2,240	2,311 (12)	
National Department Stores Corp., 6% preferred	91,388	92,788	
National Steel Corp., common	5,650	5,150	
Neisner Bros., Inc., 4 3/4% cum. ser. pref.	69	—	(13)
Newport News Shipbuild. & Dry Dock Co., \$5 cum. cv. pfd.	6,700	7,200	
Plymouth Oil Co., common	1,184	1,984	
Purity Bakeries Corp., common	33,569	33,169 (14)	
Real Silk Hosiery Mills, Inc., 7% cum. pfd.	5,634	5,669	
Reliable Stores Corp., common	51,860	51,960	
Revere Copper & Brass, Inc., 7% preferred	300	—	(15)
5 1/4% preferred	488	258 (2)	
Russell Iron & Steel Corp., common	—	2	
Safeway Stores, 5% cumulative preferred	3,255	3,286	
Schenley Distillers Corp., 5 1/2% cumulative preferred	5,420	5,620	
Sheffer (W. A.) Pen Co., common	4,403	4,306	
Squibb (E. R.) & Sons, common	45,343	42,343	
Sterling Drug, Inc., capital	32	33	
Superheater Co. (The), common	118,250	122,350	
Swift & Co., capital	77,724	77,721	
Transamerica Corp., capital	1,110,000	1,110,944	
United Merchants & Mfrs., Inc., v. t. c. for common	12,004	17,404	
United States Hoffman Machinery, 5 1/2% cum. conv. pfd.	—	—	(16)
United States Leather Co. (The), prior preference	3,245	3,645	
Willys-Overland Motors, Inc., 6% cum. conv. pfd.	59,155	62,720	

NOTES

- Issued to employees.
- Retirement.
- 6,305 shares retired in December; 237 shares acquired in January.
- 8,015 shares acquired; 5,000 shares sold.
- 560 shares acquired and retired.
- 550 shares acquired and retired.
- 417 shares acquired and retired.
- 640 shares delivered to employees under option agreements.
- 2,940 shares acquired and retired.
- 900 shares acquired and retired.
- 3,300 shares acquired and retired.
- Correction.
- 375 shares retired; 306 acquired.
- Due to exercise of options.
- 827 shares retired; 527 shares acquired.
- 570 shares acquired and retired.
- 1,000 shares acquired; 3,600 shares retired.

The New York Curb Exchange issued on Feb. 15 the following list of issuers of fully listed securities which have reported changes in their holdings of reacquired stock:

Name—	Shares Previously Reported	Shares Per Latest Report
Air-Way Electric Appliance Corp., common	1,748	1,867
American General Corp., \$2 div. ser. pfd.	9,931	10,381
Common	358,762	358,763
Blue Ridge Corp., \$3 convertible pref.	9,600	10,450
Crown Central Petroleum Corp., common	583	584
Dejay Stores, Inc., common	11,966	12,166
Dennison Manufacturing Co., debenture stock	8,469	—
Prior preferred	6,715	—
"A" common	6,997	8,305
Detroit Gasket & Mfg. Co., 6% preferred	12,766	12,866
Equity Corp., \$3 convertible preferred	51,673	51,773
General Finance Corp., 5% "A" preferred	—	55,364
Ken-Rad Tube & Lamp Corp., "A" common	9,350	9,550
Klein (D. Emil) Co., Inc., common	17,069	17,269
Mangel Stores Corp., \$5 convertible preferred	1,740	1,840
Midland Oil Corp., \$2 convertible pref.	8,450	8,465
Nehi Corp., first preferred	1,977	77
New York Merchandise Co., Inc., common	121,937	123,537
Oilstocks, Ltd., capital	2,168	3,248
Sterchi Bros. Stores, Inc., 6% 1st preferred	246	—
5% 2nd preferred	290	—
Sterling, Inc., common	70,100	71,900
Tobacco & Allied Stocks, Inc., capital	100	1,130
Trunz, Inc., common	16,909	17,209

*Initial report.

Retail Food Costs Advanced 0.2% Between Mid-Dec. And Mid-Jan., Labor Dept. Reports

"An increase of 0.2% in the index of food costs between Dec. 15 and Jan. 12, marked the smallest monthly rise in a year," Secretary of Labor Perkins said on Feb. 14. "The advance was a result of continued moderate advances in prices of meats, dairy products and some other foods which are under OPA control, and sharp declines for some fresh fruits and vegetables, which had risen sharply in the last few months," she said. "Prices of foods under OPA control since May rose 0.6% during the month to a level 1.8% above 1st May. Prices of foods not controlled by OPA, making up about 10% of the family food bill, decreased 2.3% from mid-December to

mid-January and now stand 27% above the May level. This is the first decline in uncontrolled foods since May and resulted partly because of normal seasonal declines and partly from contra-seasonal reactions from previous high peaks."

The Labor Department's announcement further said: "The following table shows the trend of food prices from Dec. 15 to Jan. 12.

Group—	Percentage Change—	
	Dec. 15, 1942 to Jan. 12, 1943	May 12, 1942 to Jan. 12, 1943
ALL FOODS	+0.2	+9.4
Foods under direct control Jan. 12, 1943	+0.6	+7.4
Controlled on May 18, 1942	+0.6	+1.8
*Brought under control since May 18, 1942	+0.3	+18.7
Foods not under direct control Jan. 12, 1943	-2.3	+27.2

*Includes peanut butter placed under control on May 18, exempted from control in August, and new ceilings set in December.

"On Jan. 12, the Bureau's index of food costs stood at 133% of the 1935-39 average, 9.4% above May 12, and 14% above a year ago. "At the present time the family food bill is being affected by many factors other than price changes. Short supplies have forced the consumer to purchase substitutes which are not currently priced. Reports of black market operations for meats cannot be fully reflected in official reports. Difficulties in obtaining certain foods are being reported from all over the country.

"Among the principal increases during the past month were higher prices of meat, which rose 1.1%, with beef, veal, pork, and lamb increasing less than 1%, and prices of chickens and fish, used by many consumers as substitutes for the red meats, advancing by 3.3% and 2.9%, respectively.

"Prices of fresh milk rose 1.4% on the average, with 8 cities reporting increases in delivered milk prices and 13 showing increases for milk sold through stores. On Jan. 8, the Office of Price Administration set fixed markup ceilings for evaporated milk, to be determined before March 10, and the Bureau's average price rose 4.3% between Dec. 15 and Jan. 12. Despite the apparent nationwide butter shortage, the average price rose only 0.5%, while cheese, frequently used as a meat substitute, advanced 3%.

"Prices of canned and dried fruits and vegetables, coffee, lard and other shortenings, all under the markup type of OPA price ceiling, advanced by amounts ranging as high as 3.3% for dried navy beans, with reports indicating short supplies locally for most of these articles.

"Among the fresh vegetables not under OPA price control, lettuce dropped seasonally by 16.2%, while carrots and spinach moved downward 21.7% and 5.6% contra-seasonally. Prices of oranges, grapefruit, and bananas, all under OPA price control, declined seasonally. The usual winter increases were reported for cabbage, green beans, apples, sweetpotatoes, onions, and potatoes. The first four are uncontrolled by OPA but the latter two are under the markup type of ceiling. The Department of Agriculture reports decreases in farm prices for truck crops and citrus fruits over the same period.

"Moderate increases in food prices were fairly general throughout the country. Thirty-four cities reported increases, 16 showed decreases, and one (Chicago) remained unchanged. Local variations were greatest for dairy products and fruits and vegetables. The largest increases in total food costs were reported in Norfolk, Buffalo, Atlanta, and Savannah where there were sharp increases for these foods. Declines in prices for fresh fruits and vegetables were reported in Detroit, St. Louis, and Los Angeles, where the largest decreases in total food costs occurred."

Index numbers of food costs by commodity groups for Jan. 12, 1943, Dec. 15, Nov. 17, May 12, March 17, and Jan. 13, 1942, and Aug. 15, 1939 are shown below:

Commodity Group—	INDEXES OF RETAIL COSTS OF FOOD BY COMMODITY GROUPS (Five-Year Average 1935-39 = 100)							
	Jan. 12 1943*	Dec. 15 1942	Nov. 17 1942	May 12 1942	Mar. 17 1942	Jan. 13 1942	Aug. 15 1939	
ALL FOODS	133.0	132.7	131.1	121.6	118.6	116.2	93.5	
Cereals and bakery products	105.8	105.8	105.7	105.2	104.8	103.2	93.4	
Meats	134.7	133.2	131.9	124.3	120.5	116.4	95.7	
Beef and veal	128.2	127.5	126.6	124.1	119.7	120.4	99.6	
Pork	125.5	125.2	124.8	123.2	117.5	107.2	88.0	
Lamb	136.6	135.7	134.0	118.2	108.7	111.8	98.8	
Chickens	139.4	134.9	133.5	113.4	112.2	107.3	94.6	
Fish, fresh & canned	188.7	183.3	177.9	150.9	158.9	145.1	99.6	
Dairy products	134.2	132.3	131.8	123.3	121.7	121.5	93.1	
Eggs	166.5	167.2	166.3	115.4	112.1	130.9	90.7	
Fruits & vegetables	144.1	146.6	141.5	128.7	123.4	117.2	92.4	
Fresh	147.1	151.0	144.6	130.0	123.7	119.0	92.8	
Canned	129.2	127.7	126.8	122.7	120.8	108.6	91.6	
Dried	153.6	150.5	149.7	131.2	127.9	121.8	90.3	
Beverages	124.5	124.5	124.6	124.6	119.6	115.5	94.9	
Fats and oils	126.2	125.3	124.2	122.4	116.8	110.6	84.5	
Sugar	127.4	127.7	127.0	127.1	128.5	118.5	95.6	

*Preliminary. †Revised.

Study Of Post-War Economic Possibilities Urged To Further Industrial Reconversion

Banking and finance were urged to undertake studies of post-war economic possibilities to determine the role they can play in financing reconversion of industry to peace time operation and to aid in achieving new highs in production for peace, by Arthur R. Upgren, Vice-President and Economist of the Federal Reserve Bank of Minneapolis, in an address on Feb. 11 in New York, before the Wartime Conference on Trust Problems held by the American Bankers Association. "In the postwar period," Mr. Upgren declared, "in view of the excellent prospects for levels of civilian business and output that bid fair to be considerably higher than any known in the past, banking and finance are faced with a challenge to meet which it is most important that they be fully prepared to understand in advance." He went on to say:

"Banking and finance generally should now attempt to measure and judge with great care the immense role they can play immediately upon conclusion of the war to finance business in reconver-

ably high level of national income and reasonably full employment, which can be had if we maintain a high level of income, should constitute our objective for the years after the war. The very high level of income itself which will continue until war expenditures have tapered off is the most powerful force for post-war recovery.

"This is true because consumers in the United States have not been able to use the high level incomes they have been receiving to purchase goods they want and could pay for with these incomes during the war. When the war is ended and goods can be made available to them again we can be fairly certain that they will want to use the high incomes they will be receiving to make good what is generally referred to as 'wartime starvation' of consumers. . . .

"The demand for goods by consumers will be extremely high after the war because the level of purchases, if high levels for the national income can be maintained, will be higher than any that have been known in the past. If a net national income of from 110 to 120 billion dollars can be maintained, the takings by consumers of all kinds of goods, and the requirements of both producers and consumers for construction and housing, and the demand for export and replenishing working inventories of civilian goods all give excellent promise of being reasonably adequate to close a new kind of gap. That gap is the one that will come when war expenditures are ended as a major factor in the economy."

ABA Issues Booklet On Banking Legislation

A summary in booklet form of Federal legislation affecting banking which was passed during the 77th Congress has been prepared by the Committee on Federal Legislation of the American Bankers Association and is being sent to all A. B. A. members; it was announced on Feb. 15 by A. L. M. Wiggins, chairman of the committee, who is Vice-President of the Association and President of the Bank of Hartsville, of Hartsville, S. C.

The booklet contains digests of the more important laws and is intended to serve as a ready reference manual for all banks. It is divided into fourteen sections, as follows:

- Revenue Acts of 1941 and 1942.
- Public Debt Acts of 1941 and 1942.
- Soldiers' and Sailors' Civil Relief Act Amendments of 1942.
- Financial Aid to Small Business—Government Guaranteed Loans—Insured Banks as Government Depositories—Suspension of Federal Antitrust Laws.

Emergency Price Control Act of 1942.

- Wage and Salary Stabilization—RFC War Damage Insurance.
- Federal Reserve Act Amendments.

Direct Purchase of Government Bonds by Federal Reserve Banks—Second War Powers Act.

Foreign Accounts in Federal Reserve Banks and FDIC Insured Banks.

- First War Powers Act.
- National Housing Act Amendments.

Temporary Federal Statutes Extended During 1941 and 1942.

Appendix: Bills Which Failed of Enactment.

Extra copies of the booklet may be obtained at A. B. A. headquarters. Copies of all laws discussed in the booklet may be obtained from the Association's Washington office.

Daily Average Crude Oil Production For Week Ended Feb. 13, 1943 Increased 17,450 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Feb. 13, 1943, was 3,870,800 barrels, a gain of 17,450 barrels over the previous week. The current figure, however, was 207,700 barrels per day less than during the corresponding period last year, and was 291,500 barrels below the daily average figure for the month of February, 1943, as recommended by the Petroleum Administration for War. Daily production for the four weeks ended Feb. 13, 1943 averaged 3,849,900 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 3,605,000 barrels of crude oil daily and produced 10,453,000 barrels of gasoline; 4,138,000 barrels of distillate fuel oil, and 7,573,000 barrels of residual fuel oil during the week ended Feb. 13, 1943; and had in storage at the end of that week 92,109,000 barrels of gasoline; 34,292,000 barrels of distillate fuels and 70,666,000 barrels of residual fuel oils. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P.A.W. Recommendations February 1943	*State Allowables Beginning Feb. 1 1943	Actual Production—		4 Weeks Ended		Week Ended
			Week Ended Feb. 13 1943	Change From Previous Week	Feb. 13 1943	Feb. 13 1943	Feb. 14 1942
Oklahoma	395,300	395,300	352,600	+ 3,100	349,100	393,000	
Kansas	310,500	310,500	299,850	- 5,850	301,200	249,900	
Nebraska	3,000		12,350		2,350	4,400	
Panhandle Texas			88,900		88,650	82,750	
North Texas			135,350		136,000	145,650	
West Texas			213,900	+ 12,800	204,300	300,050	
East Central Texas			100,000		100,800	89,550	
East Texas			325,100		326,350	368,150	
Southwest Texas			157,750	- 9,050	154,500	219,350	
Coastal Texas			320,000		314,400	297,150	
Total Texas	1,452,000	1,452,714	1,341,000	+ 3,750	1,335,000	1,502,650	
North Louisiana			91,550	+ 50	91,350	80,150	
Coastal Louisiana			246,550		247,150	277,150	
Total Louisiana	349,800	362,300	338,100	+ 50	338,500	357,300	
Arkansas	78,700	74,826	75,700	- 150	74,400	74,100	
Mississippi	50,000		156,900	+ 2,550	56,000	88,250	
Illinois	272,200		245,200	+ 6,700	238,300	342,900	
Indiana	17,200		115,700	- 2,650	16,250	17,600	
Eastern (not incl. Ill. & Ind.)	114,600		94,550	+ 5,450	92,100	95,550	
Michigan	63,700		63,200	+ 6,500	59,900	52,600	
Wyoming	94,100		86,850	+ 350	87,150	89,000	
Montana	24,700		21,450	+ 50	21,900	21,550	
Colorado	7,000		7,250	+ 200	6,750	6,600	
New Mexico	105,800	105,800	96,600	- 1,700	97,900	120,750	
Total east of Calif.	3,338,600		3,097,300	+ 18,350	3,077,850	3,416,150	
California	823,700	823,700	773,500	- 900	772,050	662,350	
Total United States	4,162,300		3,870,800	+ 17,450	3,849,900	4,078,500	

*P.A.W. recommendations and state allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline prorations. Actual state production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline and allied products in November, 1942, as follows: Oklahoma, 29,900; Kansas, 5,800; Texas, 106,300; Louisiana, 20,800; Arkansas, 3,000; Illinois, 10,300; Eastern (not including Illinois and Indiana), 11,500; Michigan, 100; Wyoming, 2,600; Montana, 300; New Mexico, 5,800; California, 42,100.

†Oklahoma, Kansas, Nebraska, Mississippi, Indiana figures are for week ended 7 a.m. Feb. 3.

‡This is the net basic allowable as of Feb. 1 calculated on a 28-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 3 to 13 days, the entire state was ordered shut down for 10 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 of 10 days shut-down time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED FEB. 13, 1943

(Figures in Thousands of barrels of 42 Gallons Each)

District	Daily Refining Capacity	Crude Runs to Still Daily	Production of Gasoline at Refineries	Stocks of Gasoline	Stocks of Gas Oil	Stocks of Residual Fuel Oil	Total		
							Finished	Unfinished	Total
Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,444	88.2	1,562	63.9	4,739	40,254	16,094	10,629	
Appalachian	177	84.8	148	83.6	434	3,016	686	586	
Ind., Ill., Ky.	811	85.0	731	90.1	2,194	19,109	4,182	2,689	
Okl., Kansas, Mo.	416	80.1	351	84.4	1,117	7,520	1,386	1,385	
Rocky Mountain	147	48.0	83	56.5	314	1,943	372	518	
California	817	89.9	730	89.4	1,655	20,267	11,572	54,859	
Tot. U. S. B. of M. basis Feb. 13, 1943	4,812	85.9	3,605	74.9	10,453	192,109	34,292	70,666	
Tot. U. S. B. of M. basis Feb. 6, 1942	4,812	85.9	3,692	76.7	10,479	90,253	35,503	71,095	
U. S. Bur. of Mines basis Feb. 14, 1942			3,764		12,416	104,554	37,465	88,759	

*At the request of the Petroleum Administration for War. †Finished, 82,203,000 barrels; unfinished, 9,906,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 4,138,000 barrels of gas oil and distillate fuel and 7,573,000 barrels of residual fuel oil produced during the week ended Feb. 13, 1943, which compares with 4,220,000 barrels and 7,690,000 barrels, respectively, in the preceding week, and 3,799,000 barrels and 6,813,000 barrels, respectively, in the week ended Feb. 14, 1942.

Civil Engineering Construction Gains 39% Over Week Ago

Civil engineering construction volume for the week, \$98,861,000, is 39% above the total for the preceding week, and compares with \$102,218,000 reported for the holiday-shortened week in 1942, according to "Engineering News-Record" on Feb. 18. Private construction is 3% lower than a week ago, but public work is 43% higher as a result of the gains in both State and municipal construction and Federal work. Federal volume, which makes up 93% of the week's

total, is 43% above last week, and State and municipal is 37% higher. The report also added:

The current week's new construction brings 1943 volume to \$478,422,000, an average of \$68,346,000 for each of the seven weeks of the year. On the weekly average basis, the total is 45% below a year ago, private work is 61% lower, and public construction is down 43%.

Civil engineering construction volumes for the short 1942 week, last week, and the current week are:

	Feb. 19, 1942 (four days)	Feb. 11, 1943 (five days)	Feb. 18, 1943 (five days)
Total Construction	\$102,218,000	\$70,939,000	\$98,861,000
Private Construction	26,690,000	5,532,000	5,386,000
Public Construction	75,528,000	65,407,000	93,475,000
State and Municipal	12,533,000	1,225,000	1,674,000
Federal	62,995,000	64,182,000	91,801,000

In the classified construction groups, gains over last week are in bridges, commercial and public buildings, streets and roads, and unclassified construction. Gains over the short week last year are in public buildings, and unclassified construction. Subtotals for the week in each class of work are: waterworks, \$409,000; sewerage, \$784,000; bridges, \$196,000; industrial buildings, \$719,000; commercial buildings and large-scale private housing, \$4,275,000; public buildings, \$63,078,000; earthwork and drainage, \$314,000; streets and roads, \$2,437,000, and unclassified construction, \$26,649,000.

New capital for construction purposes for the week totals \$9,220,000 and is made up entirely of State and municipal bond sales. The week's new financing brings 1943 volume to \$14,667,000, a figure that compares with \$1,369,231,000 reported for the eight-week period in 1942.

Non-Ferrous Metals—March Allocations To Brass Mills—Copper Miners Jobs Frozen

Editor's Note.—At the direction of the Office of Censorship certain production and shipment figures and other data have been omitted for the duration of the war.

"E. & M. J. Metal and Mineral Markets," in its issue of Feb. 18, stated: "Market developments in non-ferrous metals during the last week centered around March allocations of copper to the brass mills and an increased volume of business in lead. The industry was deeply interested in the situation in Washington that resulted in the appointment of Charles E. Wilson as Executive Vice-Chairman of WPB. Donald M. Nelson, Chair-

man of WPB, asked for the resignation of Ferdinand Eberstadt. The Controlled Materials Plan will probably be modified under the new leadership, Washington observers believe, and the production program covering major non-ferrous metals will come in for general overhauling." The publication further went on to say in part:

Copper

Brass mills obtained word on Feb. 15 on tonnages allotted to them by WPB for March. Wire mills will be notified shortly. Quotations on domestic and foreign copper were unchanged.

The Copper Division of WPB has been reorganized into four staff sections and nine operating branches, H. O. King, chief of the division, announced Feb. 16. The staff functions cover programs, under F. R. Kenney; distribution, under A. R. Mosler; resources, under G. B. Holderer; and administration, under V. H. Arnold.

The nine operating branches are: Primary Production, Frank A. Ayers, chief; Secondary Production, J. J. Hines, Jr., chief; Brass Mill, J. W. Douglas, chief; Wire Mill, E. H. Hammond, Jr., chief; Foundry, L. W. Taylor, chief; Mill Facilities, F. R. Pyne, chief; Scrap, G. P. Norton, chief; Copper Recovery, J. A. Wright, chief; and Conservation (chief not yet named).

About 55,000 workers, nearly one-half of whom are engaged in producing copper in Arizona, have been frozen to their jobs, under a stabilization order issued Feb. 15 by Henry K. Arneson, Arizona State Director of the War Manpower Commission. The order provides that workers in designated essential industries may change their jobs only if they have a certificate of availability from the United States Employment service or the War Manpower Committee. Similar action was taken in California, Nevada, Oregon, and Washington.

Lead

With the monthly meeting of members of the trade and WPB officials on allocations of foreign lead scheduled for Feb. 24, producers booked business in domestic metal for March delivery more freely during the last week. Sales

plants, involving the expenditure of \$12,059,507, have been revoked by WPB, to divert machinery and equipment for more essential war work. This action does not indicate an easing of either the tin or scrap steel situation, it was pointed out in Washington.

Quotations for tin remained unchanged on the basis of 52¢ a pound for "Grade A." Straits quality tin for forward shipment was as follows:

	Feb.	March	April
Feb. 11	52.000	52.000	52.000
Feb. 12		Holiday	
Feb. 13	52.000	52.000	52.000
Feb. 15	52.000	52.000	52.000
Feb. 16	52.000	52.000	52.000
Feb. 17	52.000	52.000	52.000

Chinese tin, 99% grade, continued at 51.125¢ a pound.

Quicksilver

Advices from London indicate that production of quicksilver in Spain has been increased this winter. What disposition will be made of the metal is not known. The feeling prevails here that stocks of quicksilver in that country must be fairly large.

The domestic market for quicksilver remains a routine affair. There is no marketing problem in disposing of production so long as Metals Reserve stands ready to accumulate supplies for the stockpile. Quotations in New York continued at \$196 to \$198 per flask, nearby positions.

Silver

During the past week the silver market in London has been quiet, with the price unchanged at 23½d.

The New York Official and the U. S. Treasury prices are also unchanged at 44¼¢ and 35¢, respectively.

Daily Prices

The daily prices of electrolytic copper (domestic and export, refinery), lead, zinc, and Straits tin were unchanged from those appearing in the "Commercial and Financial Chronicle" as of July 31, 1942, page 380.

Brazil Signs Pact Of United Nations

Brazil's adherence to the Declaration of the United Nations was announced in Rio de Janeiro on Feb. 6 thus proclaiming its full partnership in the war against Japan as well as Germany and Italy.

Brazil had formally been at war with the European Axis countries since last Aug. 22 but not against Japan, although being an ally of the United States.

By the decision to sign the pact of the United Nations, Brazil pledges its complete resources for the prosecution of the war and promises not to sign a separate peace. In addition to this action, Brazil subscribed to the principles of the Atlantic Charter, on which are based the hopes for a better future for the world.

Brazil's declaration of war on Germany and Italy was referred to in these columns Aug. 27, 1942, page 727.

The action of Brazil follows President Roosevelt's recent visit to that country and his conferences with President Vargas, noted in our Feb. 4 issue, page 493.

Treasury Calls Bonds

Secretary of the Treasury Morgenthau announced on Feb. 13, that all outstanding 3% Treasury Bonds of 1943-47 are called for redemption on June 15, 1943. Approximately \$454,000,000 of these bonds are now outstanding. The Secretary stated that the bonds will be paid off in cash, and holders will not be offered other obligations of the United States in exchange for their called bonds.

Plans to call these bonds were noted in these columns of Feb. 4, page 492.

Tin

According to the "Metal Bulletin" London, the Belgian Minister of Colonies has stated that the Belgian Congo is now producing tin at the rate of 21,000 tons a year, compared with 12,000 tons a year in 1941. By 1945, he said, production should reach 45,000 tons.

Preference ratings for construction of ten detinning and recovery

Wholesale Commodity Index Advanced 0.1% During Week Ended Feb. 13, Says Labor Dept.

The Bureau of Labor Statistics, U. S. Department of Labor, announced on Feb. 18 that prices in primary markets advanced 0.1% during the second week of February as a result of further gains in quotations for agricultural commodities and their products. The all-commodity index of the Bureau now stands at 102.1% of the 1926 average, 6% higher than at this time last year.

The Bureau's announcement further stated:

"Farm Products and Foods"—Let by a gain of 1.1% in livestock markets, average prices for farm products advanced 0.3% during the week to a new war-time high. Hogs and steers both rose by about 2% and prices were also higher for eggs, for milk at wholesale in the Chicago market, and for flaxseed, oranges, onions, and potatoes. Prices for all grains weakened. Corn, oats, and rye dropped about 4% and wheat was down 0.5%. In the past 4 weeks prices of farm products have advanced 1.7% and they are nearly 18% higher than at this time last year.

"Average prices for foods in primary markets rose 0.4% during the week as a result of higher prices for flour, for milk and butter in some markets, and for certain fresh fruits and vegetables. Foods as a group are 12% higher than in mid-February a year ago.

"Higher quotations for bran and middlings brought average prices for cattle feed up 0.8%.

"Industrial Commodities"—There was very little movement in prices for industrial commodities. Bituminous coal and coke advanced slightly and a 2% increase was reported in prices for Pennsylvania fuel oil. Boxboard continued to advance and quotations for maple flooring were somewhat higher than for last week. Prices for rosin continued weak.

"The index for chemicals and allied products was adjusted upward because of an increase in coal tar which became effective several months ago."

The Bureau makes the following notation:

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

The following table shows index numbers for the principal groups of commodities for the past 3 weeks, for Jan. 16, 1943 and Feb. 14, 1942 and the percentage changes from a week ago, a month ago, and a year ago:

Commodity Groups—	(1926=100)			Percentage changes to Feb. 13, 1943 from				
	2-13 1943	2-6 1943	1-30 1943	1-16 1943	2-14 1942	2-6 1942	1-16 1942	2-14 1942
All commodities.....	*102.1	*102.0	*101.8	*101.6	96.2	+0.1	+0.5	+0.1
Farm products.....	118.6	118.2	117.7	116.6	100.7	+0.3	+1.7	+17.8
Foods.....	105.5	105.1	105.0	104.8	94.0	+0.4	+0.7	+12.2
Hides and leather products.....	118.4	118.4	118.4	118.4	116.1	0	0	+2.0
Textile products.....	96.8	96.8	96.8	96.7	93.6	0	+0.1	+3.4
Fuel and lighting materials.....	80.4	80.4	80.1	80.1	78.7	0	+0.4	+2.2
Metals and metal products.....	*103.9	*103.9	*103.9	*103.9	103.6	0	0	+0.3
Building materials.....	110.1	110.1	110.1	110.0	109.8	0	+0.1	+0.3
Chemicals and allied products.....	100.0	99.5	99.5	99.5	96.9	+0.5	+0.5	+3.2
Housefurnishing goods.....	104.1	104.1	104.1	104.1	104.0	0	0	+0.1
Miscellaneous commodities.....	90.6	90.5	90.5	90.5	89.0	+0.1	+0.1	+1.8
Raw materials.....	108.9	108.6	108.3	107.6	96.4	+0.3	+1.2	+13.0
Semimanufactured articles.....	92.7	92.5	92.5	92.5	91.9	+0.2	+0.2	+0.9
Manufactured products.....	*100.5	*100.4	*100.3	*100.3	96.9	+0.1	+0.2	+3.7
All commodities other than farm products.....	*98.6	*98.5	*98.4	*98.3	95.2	+0.1	+0.3	+3.6
All commodities other than farm products and foods.....	*96.4	*96.4	*96.3	*96.3	94.9	0	+0.1	+1.6

*Preliminary.

January Department Store Sales in New York Federal Reserve District 9% Below Year Ago

The Federal Reserve Bank of New York announced on Feb. 18 that January sales of department stores in the Second (New York) Federal Reserve District decreased 9% below a year ago. Stocks of merchandise on hand in department stores at the end of January were 9% above a year ago.

The apparel stores in the New York Reserve District reported a loss of 7% in net sales in January and their stocks on hand on Jan. 31 were 12% above last year.

The following is the bank's tabulation:

DEPARTMENT STORE TRADE BY MAJOR LOCALITIES: JANUARY, 1943
Second Federal Reserve District

Department Stores—	Percentage changes from a year earlier	
	Net Sales	Stock on hand, Jan. 31, 1943
New York City.....	-9	+11
Northern New Jersey.....	-15	0
Newark.....	-13	-1
Westchester and Fairfield Counties.....	-14	+17
Bridgeport.....	-16	+20
Lower Hudson River Valley.....	-13	0
Poughkeepsie.....	-11	--
Upper Hudson River Valley.....	-20	+21
Albany.....	-26	--
Central New York State.....	+2	+3
Mohawk River Valley.....	+8	+15
Syracuse.....	+5	-1
Northern New York State.....	-13	--
Southern New York State.....	+2	+18
Binghamton.....	+5	--
Elmira.....	-7	--
Western New York State.....	-4	+5
Buffalo.....	-2	+8
Niagara Falls.....	+29	0
Rochester.....	-8	+2
*All department stores.....	-9	+9
*Apparel stores.....	-7	+12

*Subject to possible revision.
25 Shopping days, 1943.
26 Shopping days, 1942.

INDEXES OF DEPARTMENT STORE SALES AND STOCKS Second Federal Reserve District [1923-25 average = 100]

	1942			1943
	Jan.	Nov.	Dec.	
Sales (average daily), unadjusted.....	r102	144	r215	97
Sales (average daily), seasonally adjusted.....	r130	121	119	123
Stocks, unadjusted.....	100	151	118	108
Stocks, seasonally adjusted.....	110	134	r121	118

r Revised.

Trading On New York Exchanges

The Securities and Exchange Commission made public Feb. 19 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 Feb. 6, 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 Feb. 6 (in round-lot transactions) totaled 1,710,550 shares, which amount was 15.45% of total transactions on the Exchange of 5,536,300 shares. This compares with member trading during the week ended Jan. 30 of 2,064,060 shares, or 16.86% of total trading of 6,122,290 shares. On the New York Curb Exchange, member trading during the week ended Feb. 6 amounted to 326,095 shares, or 13.83% of the total volume of that Exchange of 1,178,795 shares; during the Jan. 30 week trading for the account of Curb members of 336,260 shares was 14.93% of total trading of 1,126,375 shares.

The Commission made available the following data for the week ended Feb. 6:

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total number of reports received.....	944	657
1. Reports showing transactions as specialists.....	171	87
2. Reports showing other transactions initiated on the floor.....	177	16
3. Reports showing other transactions initiated off the floor.....	207	75
4. Reports showing no transactions.....	495	518

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares) WEEK ENDED FEBRUARY 6, 1943

A. Total Round-Lot Sales:	Total for week	% Per Cent
Short sales.....	112,980	
Other sales.....	5,423,320	
Total sales.....	5,536,300	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases.....	383,850	
Short sales.....	46,800	
Other sales.....	360,650	
Total sales.....	407,450	7.15
2. Other transactions initiated on the floor—		
Total purchases.....	251,170	
Short sales.....	14,800	
Other sales.....	277,530	
Total sales.....	292,330	4.91
3. Other transactions initiated off the floor—		
Total purchases.....	204,940	
Short sales.....	26,400	
Other sales.....	144,410	
Total sales.....	170,810	3.39
4. Total—		
Total purchases.....	839,960	
Short sales.....	88,000	
Other sales.....	782,590	
Total sales.....	870,590	15.45

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares) WEEK ENDED FEBRUARY 6, 1943

A. Total Round-Lot Sales:	Total for week	% Per Cent
Short sales.....	6,435	
Other sales.....	1,178,360	
Total sales.....	1,178,795	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases.....	102,765	
Short sales.....	5,835	
Other sales.....	96,685	
Total sales.....	102,520	8.71
2. Other transactions initiated on the floor—		
Total purchases.....	26,900	
Short sales.....	0	
Other sales.....	26,150	
Total sales.....	26,150	2.25
3. Other transactions initiated off the floor—		
Total purchases.....	32,660	
Short sales.....	0	
Other sales.....	35,100	
Total sales.....	35,100	2.87
4. Total—		
Total purchases.....	162,325	
Short sales.....	5,835	
Other sales.....	197,935	
Total sales.....	163,770	13.83
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales.....	0	
Customers' other sales.....	35,774	
Total purchases.....	35,774	
Total sales.....	26,518	

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

†Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

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

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

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Feb. 19 a summary for the week ended Feb. 13 of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle 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 NEW YORK STOCK EXCHANGE

Week Ended Feb. 13, 1943	Total for Week
Odd-lot Sales by Dealers: (Customers' Purchases).....	16,676
Number of Orders.....	472,580
Number of Shares.....	15,353,189
Dollar Value.....	
Odd-lot Purchases by Dealers: (Customers' Sales)	
Number of Orders: Customers' short sales.....	129
Customers' other sales.....	15,110
Customers' total sales.....	15,239
Number of Shares: Customers' short sales.....	4,243
Customers' other sales.....	410,863
Customers' total sales.....	415,106
Dollar Value.....	11,756,490
Round-lot Sales by Dealers: Number of Shares: Short sales.....	80
Other sales.....	88,000
Total sales.....	88,080
Round-lot Purchases by Dealers: Number of Shares.....	156,640

*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."

Independent Offices Bill Passed By House

The House on Feb. 17 approved a \$2,610,000,000 Independent Offices Appropriation Bill for the fiscal year 1944, with about 90% of the funds in the measure directly related to the war effort.

The Budget estimate for this bill was \$2,627,552,585, but the House Appropriations Committee reduced this total by \$6,448,206 and the other reductions were made on the House floor. A major part of the reduction was accomplished by the Committee's elimination of a recommended \$1,400,000 for the National Resources Planning Board, which is headed by Frederic H. Delano, the President's uncle. Other large cuts made by the Committee were \$750,000 in the funds for the Securities and Exchange Commission and of \$1,178,000 from the Civil Service Commission fund. During House action on the bill on Feb. 17 an attempt to include funds for the National Resources Planning Board was blocked on a parliamentary technicality, according to the Associated Press, which said:

"The move to give the Board new funds was made by Representative Magnuson (Dem., Wash.) through an amendment which would have provided an appropriation of \$415,000 for a national resources planning council."

"Representative Dirksen (Rep., Ill.), a member of the Appropriations Committee, promptly protested that the amendment could not be offered to the appropriations bill under parliamentary rules because it would provide funds for an agency which has not been created by Act of Congress."

The principal change made on the House floor was a cut of \$3,-831,466 from the Home Owners' Loan Corporation. This Republican-sponsored motion to give impetus to eventual liquidation of the HOLC was approved on a roll-call vote of 224 to 159.

The major items included in the bill are \$1,289,780,000 for the Maritime Commission and \$887,-017,000 for the Veterans Administration.

Revenue Freight Car Loadings During Week Ended Feb. 13, 1943 Amounted To 764,950 Cars

Loading of revenue freight for the week ended Feb. 13, 1942, totaled 764,950 cars, the Association of American Railroads announced on Feb. 18, 1943. This was a decrease below the corresponding week of 1942, of 17,751 cars or 2.3%; but an increase above the same week in 1941, of 43,774 cars or 6.1%.

Loading of revenue freight for the week of Feb. 13, increased 9,564 cars or 1.3% above the preceding week.

Miscellaneous freight loading totaled 363,828 cars, an increase of 6,235 cars above the preceding week, and an increase of 11,936 cars above the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 94,071 cars, an increase of 2,594 cars above the preceding week, but a decrease of 57,446 cars below the corresponding week in 1942.

Coal loading amounted to 178,447 cars, an increase of 4,263 cars above the preceding week, and an increase of 23,722 cars above the corresponding week in 1942.

Grain and grain products loading totaled 48,264 cars, a decrease of 3,760 cars below the preceding week, but an increase of 9,519 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of Feb. 13 totaled 32,887 cars, a decrease of 2,655 cars below the preceding week but an increase of 7,635 cars above the corresponding week in 1942.

Live stock loading amounted to 12,471 cars, a decrease of 210 cars below the preceding week, but an increase of 1,274 cars above the corresponding week in 1942. In the Western Districts alone, loading of live stock for the week of Feb. 13, totaled 8,833 cars, a decrease of 309 cars below the preceding week, but an increase of 734 cars above the corresponding week in 1942.

Forest products loading totaled 38,243 cars, an increase of 1,002 cars above the preceding week but a decrease of 9,360 cars below the corresponding week in 1942.

Ore loading amounted to 14,025 cars, a decrease of 1,234 cars below the preceding week but an increase of 1,105 cars above the corresponding week in 1942.

Coke loading amounted to 15,601 cars, an increase of 724 cars above the preceding week, and an increase of 1,499 cars above the corresponding week in 1942.

All districts reported decreases compared with the corresponding week in 1942, except the Pocahontas and Southwestern, but all districts reported increases above the corresponding week in 1941 except the Eastern and Northwestern.

	1943	1942	1941
5 weeks of January	3,530,849	3,858,479	3,454,409
Week of Feb. 6	755,386	783,962	710,196
Week of Feb. 13	764,950	782,701	721,176
Total	5,051,185	5,425,142	4,885,781

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Feb. 13, 1943. During this period only 53 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED FEB. 13

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Eastern District—					
Ann Arbor	262	661	525	1,280	1,630
Bangor & Aroostock	2,450	1,959	1,939	187	220
Boston & Maine	5,920	8,229	7,838	14,597	13,768
Chicago, Indianapolis & Louisville	1,353	1,393	1,201	2,046	2,300
Central Indiana	38	25	16	55	66
Central Vermont	891	1,242	1,200	2,102	2,085
Delaware & Hudson	6,386	6,609	6,608	11,825	11,102
Delaware, Lackawanna & Western	7,558	8,923	9,740	11,145	9,329
Detroit & Mackinac	210	277	223	111	152
Detroit, Toledo & Ironton	1,863	2,293	3,283	2,144	1,875
Detroit & Toledo Shore Line	292	307	383	3,609	3,786
Erie	12,054	14,222	13,441	19,055	16,050
Grand Trunk Western	3,867	4,508	5,650	8,733	8,418
Lehigh & Hudson River	184	208	135	3,062	4,108
Lehigh & New England	1,966	1,702	1,747	1,560	1,670
Lehigh Valley	8,305	8,737	8,898	12,146	9,762
Maine Central	2,457	3,496	3,573	4,022	3,602
Monongahela	6,451	6,079	5,033	359	425
Montour	2,624	1,799	2,095	24	33
New York Central Lines	43,495	45,518	45,090	57,363	51,078
N. Y., N. H. & Hartford	9,478	12,592	10,892	17,786	17,579
New York, Ontario & Western	1,018	1,075	1,121	2,268	2,175
New York, Chicago & St. Louis	7,189	7,132	5,499	15,178	14,369
N. Y., Susquehanna & Western	448	530	407	1,336	1,330
Pittsburgh & Lake Erie	7,374	7,816	7,732	8,202	7,175
Pere Marquette	4,261	5,345	6,275	7,963	6,378
Pittsburgh & Shawmut	735	550	603	10	38
Pittsburgh, Shawmut & North	360	391	441	241	281
Pittsburgh & West Virginia	798	662	929	4,175	2,091
Rutland	296	491	536	841	1,120
Wabash	5,799	5,722	5,778	12,583	11,306
Wheeling & Lake Erie	4,942	4,543	4,473	6,040	4,180
Total	151,249	165,136	163,270	232,058	209,481
Allegheny District—					
Akron, Canton & Youngstown	780	734	541	1,197	1,081
Baltimore & Ohio	38,898	39,253	34,701	28,531	22,864
Bessemer & Lake Erie	3,331	3,153	3,220	1,777	1,440
Buffalo Creek & Gauley	316	303	279	3	5
Cambria & Indiana	2,009	1,984	1,972	4	15
Central R. R. of New Jersey	6,617	7,583	7,263	20,674	17,705
Cornwall	488	619	622	75	89
Cumberland & Pennsylvania	252	321	327	9	11
Ligonier Valley	98	119	184	27	50
Long Island	948	873	718	3,865	3,469
Penn-Reading Seashore Lines	1,552	1,769	1,345	2,502	2,016
Pennsylvania System	74,106	77,762	70,734	62,889	57,972
Reading Co.	14,536	16,141	16,005	29,636	25,803
Union (Pittsburgh)	20,955	20,126	20,098	4,811	3,559
Western Maryland	3,958	3,987	3,871	14,303	10,615
Total	168,844	174,707	161,880	170,303	146,654
Pocahontas District—					
Chesapeake & Ohio	28,150	23,566	23,673	11,052	10,190
Norfolk & Western	22,651	20,920	22,203	7,881	6,180
Virginian	5,114	3,953	4,602	2,147	1,987
Total	55,915	48,439	50,478	21,080	18,357

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Southern District—					
Alabama, Tennessee & Northern	333	395	239	336	318
Atl. & W. P.—W. R. R. of Ala.	833	921	780	2,479	2,142
Atlanta, Birmingham & Coast	675	830	692	1,409	1,123
Atlantic Coast Line	14,751	13,072	10,846	10,628	8,538
Central of Georgia	4,010	4,499	4,438	4,830	3,906
Charleston & Western Carolina	440	423	432	1,651	1,684
Clinchfield	1,683	1,605	1,603	2,933	2,846
Columbus & Greenville	355	262	271	205	279
Durham & Southern	112	189	165	508	544
Florida East Coast	3,243	1,467	918	1,684	1,214
Gainesville Midland	40	37	35	97	105
Georgia	1,507	1,514	1,172	2,699	2,294
Georgia & Florida	428	406	341	537	662
Gulf, Mobile & Ohio	3,621	4,448	3,684	5,307	3,713
Illinois Central System	28,331	28,913	22,415	17,268	14,720
Louisville & Nashville	25,123	24,711	23,543	11,672	8,542
Macon, Dublin & Savannah	167	204	175	865	744
Mississippi Central	214	138	163	573	492
Nashville, Chattanooga & St. L.	3,354	3,364	3,137	5,031	3,613
Norfolk Southern	1,204	1,201	1,127	1,647	1,408
Piedmont Northern	345	526	420	1,077	1,598
Richmond, Fred. & Potomac	381	445	403	9,492	8,983
Seaboard Air Line	10,796	10,745	10,395	9,145	7,572
Southern System	22,021	24,695	23,980	24,721	21,986
Tennessee Central	505	558	496	907	728
Winston-Salem Southbound	111	147	143	1,233	850
Total	124,564	125,715	112,013	118,932	100,594
Northwestern District—					
Chicago & North Western	14,390	18,152	15,410	12,403	13,560
Chicago Great Western	2,459	2,819	2,337	3,060	3,069
Chicago, Milw., St. P. & Pac.	18,826	21,686	20,146	10,428	9,497
Chicago, St. Paul, Minn. & Omaha	3,646	4,512	3,963	3,612	3,894
Duluth, Missabe & Iron Range	1,241	1,157	910	297	469
Duluth, South Shore & Atlantic	543	774	624	520	572
Elgin, Joliet & Eastern	9,101	10,027	8,444	10,855	10,655
St. Dodge, Des Moines & South	415	492	412	115	149
Great Northern	9,575	11,308	9,482	4,695	4,578
Green Bay & Western	470	540	501	882	786
Lake Superior & Ishpeming	213	371	248	49	62
Minneapolis & St. Louis	1,863	2,189	1,604	2,033	2,328
Minn., St. Paul & S. S. M.	4,444	5,693	4,955	3,223	3,340
Northern Pacific	8,353	10,391	9,205	4,213	4,444
Spokane International	43	93	66	444	293
Spokane, Portland & Seattle	1,537	2,693	2,011	2,946	2,469
Total	77,119	92,897	80,318	59,775	60,166
Central Western District—					
Atch., Top. & Santa Fe System	20,571	20,877	17,945	12,350	8,680
Alton	3,031	3,300	3,202	4,305	3,239
Bingham & Garfield	537	529	367	77	105
Chicago, Burlington & Quincy	17,526	17,058	15,408	12,068	11,068
Chicago & Illinois Midland	2,767	3,055	2,543	919	799
Chicago, Rock Island & Pacific	11,845	11,784	10,886	13,624	11,324
Chicago & Eastern Illinois	2,300	3,006	2,644	6,230	3,002
Colorado & Southern	748	747	723	1,803	1,566
Denver & Rio Grande Western	3,705	2,651	2,534	5,886	4,411
Denver & Salt Lake	909	532	504	8	8
Fort Worth & Denver City	1,007	1,170	948	970	997
Illinois Terminal	1,753	2,058	1,759	1,718	1,552
Missouri-Illinois	870	1,159	753	507	708
Nebraska Northern	2,068	1,988	1,921	131	142
North Western Pacific	960	957	576	684	480
Peoria & Pekin Union	27	10	25	0	0
Southern Pacific (Pacific)	26,289	27,252	22,997	12,691	8,678
Toledo, Peoria & Western	268	275	341	1,723	876
Union Pacific System	13,565	14,838	13,380	13,703	10,464
Utah	508	368	383	2	0
Western Pacific	1,961	2,119	1,484	2,831	3,673
Total	113,315	115,743	101,323	62,230	71,786
Southwestern District—					
Burlington-Rock Island	683	124	153	165	309
Gulf Coast Lines	6,651	4,466	3,152	2,489	2,822
International-Great Northern	3,684	2,388	1,520	3,507	2,670
Kansas, Oklahoma & Gulf	357	357	171	989	1,054
Kansas City Southern	4,920	3,464	2,319	2,586	2,522
Louisiana & Arkansas	3,934	2,621	2,075	2,382	2,295
Litchfield & Madison	319	325	377	1,005	1,113
Midland Valley	654	500	620	271	251
Missouri & Arkansas	141	229	139	411	512
Missouri-Kansas-Texas Lines	6,147	4,995	4,127	6,931	4,072
Missouri Pacific	16,723	16,618	15,233	18,563	13,910
Quannah Acme & Pacific	113	109	114	180	211
St. Louis-San Francisco	9,140	8,753	7,753	8,008	7,025
St. Louis Southwestern	3,654	3,407	2,814	6,574	4,446
Texas & New Orleans	12,860	7,514	7,481	5,310	4,714
Texas & Pacific	3,872	4,026	3,906	8,206	6,914
Wichita Falls & Southern	85	139	119	36	47
Weatherford M. W. & N. W.	27	29	21	92	30
Total	73,944	60,064	51,894	68,605	54,963

Items About Banks, Trust Companies

Harry E. Ward, Chairman of the Board of Irving Trust Co. of New York, announced the following official changes on Feb. 18:

Harold G. Brownson, Hugh M. Marsh, Jr., and William E. Petersen promoted to be Assistant Vice-Presidents.

Donald C. Adams, Lester L. Allen, Harry S. Bayer, George W. Dietz, C. Gordon Lynn and Edward J. Veitch appointed Assistant Secretaries.

Manufacturers Trust Co. of New York on Feb. 17 drew by lot 14,595 shares of convertible preferred stock for redemption on March 25, 1943, at \$51 per share, plus the accumulated dividend of 39 cents per share from Jan. 16 to the date of redemption. Notice of the redemption has been mailed to those whose shares have been selected and copies of the certificate numbers for the shares drawn are available at the office of the company.

The Bank of Montreal announces the appointment of R. J. Williams and L. W. Townsend as Assistant General Managers. Mr. Williams has been Manager of the bank's chief branch in Montreal

for the past seven years and will continue in that position in addition to his new duties. Mr. Townsend had been Manager of the bank's staff department since 1933.

The net profits of the Westminster Bank Limited (head office, London) for the past year were £1,237,585 and exceeds 1941 profits by about £47,000. R. E. Beckett, Chairman of the bank, said that this result has been due to the expansion in the institution's deposits which, on Dec. 31, 1942, totaled £501,504,528, a rise of about £31,000,000 during the year. Added to the profits earned is the sum brought forward from the previous year, £563,863, making a total available of £1,801,448. The interim dividends of 9% on the £4 shares and 6 1/4% on the £1 shares, paid last August, absorbs £388,481, and these same dividends are now declared, bringing this total to £776,962. The directors also appropriated £200,000 to the bank premises reinstatement and rebuilding account and £300,000 to the officers' pension fund, leaving a balance to be carried forward to the next account of £524,486.

ees. It is equally important that we raise living standards by providing better housing and employment conditions, which will tend to improve health standards and reduce the amount of hospital and medical care required.

"The rapid enlargement of social security benefits contemplated may fail and injure the entire movement, if they are based on a war economy. War babies seldom endure. Sir William wisely makes it clear that he is planning for peace. Any extension that we make must fit into a peace economy, for global wars seldom occur, and if there is proper planning for a just and workable peace, no major war should ever come again.

"A 10% levy on payrolls is a very real burden. It cannot be imposed above existing high taxes and the still higher taxes yet to come, unless the earning capacity is able to carry it in the years to come. After the war there will still be a huge tax burden, and even under the most optimistic views, with upwards of 10,000,000 young men and women seeking new jobs, there must come a considerable dislocation of our economic system. We should buy now only as much additional social security as we can continue to pay for after the war without seriously reducing living standards.

"Increasing the number of persons covered and the amount of benefits, provided such broadening is based upon long term ability to pay, need not be postponed until after the war. But, standing alone, increased insurance coverage cannot provide freedom from want. Security must be based first of all upon a different kind of world. The nations must cooperate with each other so that economic benefits will be available to all and trade may flow freely. The standard of living must be increased, not only in one or two nations but generally throughout the world. We must, through encouragement and stimulation of private initiative and worthwhile public enterprises, see to it that people are fully employed in productive effort. If these two objectives are not accomplished, it is idle to talk about any considerable extension of social security as a permanent plan.

"Social insurance cannot create wealth, it can only distribute it more equitably. Any politician can propose a plan for extending social security, but only a statesman can erect it upon the base of full employment and international economic cooperation. We should increase our social security benefits and extend them as rapidly as we can, but there is danger that if we get this intricate machine spending too rapidly and have not sufficient oil, we may burn out the bearings."

Newsprint Production Declined 25% In January

Total North American production of newsprint for January amounted to 316,961 tons, compared with 425,154 tons in January, 1942, a decrease of 25.4%, the News Print Service Bureau reports. January production in Canada totaled 233,544 tons, a decline of 25.1%; United States output at 69,792 tons down 17.5%, and the Newfoundland total of 13,625 tons, down 52.4%.

Canadian shipments in January totaled 215,016 tons and United States shipments amounted to 69,691 tons.

Stocks of newsprint at the end of January totaled 110,514 tons at Canadian mills and 9,702 tons at United States mills, making a combined total of 120,216 tons. This compared with 101,587 tons on Dec. 31, 1942, and 154,904 tons at the end of January, 1942.

Controllers Favor Pay-As-You-Go Plan

Endorsing a pay-as-you-go basis for all Federal taxation of individuals "without discrimination and without requiring the payment of more than one year's taxes in a single year," the Controllers Institute of America on Feb. 11 adopted a statement of policy on the subject and conveyed it to Chairman Robert L. Doughton of the House Ways and Means Committee.

The statement of policy, which was adopted by the Institute's Board of Directors after preparation by a special committee appointed for that purpose by T. C. McCobb, President of the organization and Controller of the Standard Oil Co. (New Jersey), stresses the protection which a pay-as-you-go taxation policy will provide against defaults. The declaration reads as follows: "The Controllers Institute of America is aware of the effect on individuals of the much higher income tax rates now prevailing, the much lower base for taxpayers and the difficulties which are present in connection with the prompt payment and collection of such taxes.

"The Institute heretofore has confined its suggestions within the field of corporate taxation. However, because of the importance of the pay-as-you-go principle to the economy of the nation in the collection of the maximum revenues possible; its importance to the individual taxpayer now, as well as in the readjustment period following the declaration of peace; and because of the protection it affords to the internal revenue system from the demoralizing effect of widespread defaults in tax payments, the Institute feels warranted in departing from its customary policy and declaring its support of the proposition that all Federal taxes upon individuals be placed on the pay-as-you-go basis without discrimination and without requiring the payment of more than one year's taxes in a single year.

"The Institute is of the opinion that the principle can be adopted without creating windfall benefits and without substantial loss of revenue."

Arthur R. Tucker, Managing Director of the Institute, said that the organization's Tax Committee is supplying the technical staff of the Joint Committee on Internal Revenue Taxation with data regarding the practicability of withholding, based on questionnaires submitted to the members of the Institute.

Mortgage Bankers To Meet In Chicago

H. H. Thomas, British consul in Chicago; Louis Wirth of the University of Chicago and Regional Chairman, National Resources Planning Board; Dr. Gustav Stolper, New York, economist and former member of the German Reichstag; John B. Blandford, Jr., Administrator, National Housing Agency; and Abner H. Ferguson, FHA Commissioner, will be among the principal speakers at the second 1943 "War and Post War Clinic," sponsored by the Mortgage Bankers Association of America, to be held in Chicago Feb. 26 and 27, at the Drake Hotel, it is announced.

Other speakers will be Charles A. Mullenix, Cleveland, President of the Association; Lorin A. Torrey, Ernst & Ernst, Chicago; Arthur F. Schubert, Illinois Association of Certified Real Estate Appraisers, Chicago; and Stephen G. Cohn, Dovenmuehle, Inc., Chicago.

Mortgage problems including rent control, portfolio "raiding," the Soldiers' and Sailors' Act and advertising will be reviewed in two-panel discussions. Speaking at

these sessions will be N. E. Wolfsohn, President, Eastern Mortgage Service Co., Philadelphia; W. E. Miller, Vice-President, A. D. Fraser, Inc., Cleveland; Roland A. Benge, Vice-President, the Detroit Bank; Carl Q. Harris, Executive Vice-President, Laclede Bond & Mortgage Co., St. Louis; and John H. Sehr, A. C. Sehr Co., Milwaukee.

The meeting is being sponsored in cooperation with the Association's affiliated chapters in Chicago, Cleveland, Detroit, St. Louis and Milwaukee and 11 other Central West cities. Around 400 mortgage and commercial bankers, life insurance and title and trust company executives, real estate men and government agency officials are expected to attend.

Mr. Ferguson will speak on FHA's 1943 war housing program and Mr. Mullenix will address the group on mortgage problems created by war conditions. Mr. Torrey will speak on Federal taxation and Mr. Schubert on the results of a survey undertaken to show what sort of rental units mortgage bankers and real estate men can build and finance in the post war era and what rentals must be charged to show an adequate investment return.

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Too Rapid Enlargement Of Social Security May Injure Entire Movement, Says Pink

Plans of Secretary of Labor Perkins shortly to make known "a comprehensive plan for the extension of social security, similar to that proposed for Great Britain," were referred to in an address by Louis H. Pink, President of the Associated Hospital Service of New York in an address before Kings County Medical Society on Feb. 16. Incidentally, Mr. Pink, who was formerly Superintendent of Insurance of New York State,

observes that "Sir William Beveridge, whose report has aroused interest not only in Britain and the United States, but all over the world, is said to have been in close consultation with those working on the plan in this country." Mr. Pink in his remarks points out that "although compulsory social insurance as outlined by Miss Perkins, leaves out for the time being, medical care, one of the most important features of any social plan, it will cost approximately 10% of the payrolls. Medical insurance may be deferred but is undoubtedly very much in the minds of the authorities." He further states:

"In applying the British plan to the United States, consideration must be given to the differences which exist in wage scales in the two countries; to the sincere attachment of our people to the preservation of reasonable political power and authority in the States and local communities; and to their desire to voluntarily provide for themselves and their families. The development and acceptance of all types of insurance as a means for achieving social security have come gradually; there has been a process of trial and error; one step has led to another.

"No forward-looking person objects to the gradual extension of social insurance if properly integrated with local and private efforts. But Europe had various forms of social insurance more than a quarter of a century before we started here, and we cannot make up for lost time, or even surpass Europe, as some suggest, in a very short period. Any comprehensive extension must be based on past experience, sound principles, and adequate financial safeguards.

"While we have always had some class distinctions in this country, we profess that we have none. To our great credit, it has always been possible for a person in the lower economic brackets to rise by his own energy and ability to a higher economic level. There is no social distinction here such as existed in Britain before the war. This democratic social at-

titude and the opportunity for individual initiative should not be discouraged.

"While Sir William calls his proposal a 'British Revolution,' it does not seem to be a revolution at all in so far as Great Britain is concerned. It is merely an extension of what already exists. Because of our higher standards of living, anything done here will have to be priced much higher.

"While the immediate plans of the Federal Administration apparently exclude medical care, hospitalization, which is so intimately connected with it, is included in many of the plans. This is undoubtedly due in part to the fact that hospitalization insurance is so much easier to administer, and that so much experimental work has already been accomplished by the voluntary non-profit hospitalization plans and the insurance companies. These non-profit plans have developed in a brief period of about 10 years, and now provide hospital care by prepayment in small amounts for more than 10,000,000 people. In addition, the group and commercial insurance companies provide hospital coverage to some 5,000,000 people. The present rate of growth of the non-profit plans alone is running at the rate of approximately 2,000,000 persons a year. This development is only the beginning, and so far has been confined largely to employed groups. Such voluntary methods of prepaid hospital insurance can and should be extended to groups not now included, and to individuals who cannot belong to groups.

"While hospitalization is one of the first things contemplated in the proposed extensions in the United States, it is one of the last things in the Beveridge Plan.

"Important as is the extension of social insurance, it should be gradual, and we should always try to put first things first. Before we provide new benefits, the base for the present benefits should be broadened to include these persons not now covered, such as individually employed persons, employees of non-profit organizations, farm and domestic employ-