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THE FINANCIAL SITUATION

Post-war planning, in its domestic aspects at least, appears to have come to some sort of climax last week when the President sent to Congress what the public seems to suppose is, but which is not, a new set of proposals for winning the peace here at home, or to speak more accurately perhaps, two sets of proposals, one dealing with "social security" and the other with various other matters. One of the documents appears to be the regular annual report of the National Resources Planning Board, and the other seems to be a somewhat formalized draft of what the President and others around him have long been advocating in broadening and revising the so-called social security program of the Administration.

Why Now?

Considerable speculation is current as to why the President chose this particular moment to bring these matters pointedly to the attention of Congress. He is being accused of using this means of opening or furthering next year's political campaigns. This he may well be undertaking to do, but, if so, the cool reception accorded in Congress grows in significance. The fact is that there is very little, if anything, new in these proposals. The significance of the entire episode seems to us to lie, first, in the fact that the President has made a point of urging Congress to "give these matters full consideration during this session," and, second, in the further fact that Congress apparently has little intention of doing any such thing.

As to the proposals themselves, they are for the most part on a par with the vague and high-falutin discussions of "global thinking" which have of late been incessant—"globaloney" is the term that has been aptly coined for them. These Planning Board proposals are certainly enough to arouse the suspicions, not to say the wrath, of Congressmen—and of all others with the good of their country at heart—but they have for the most part long been before Congress with the blessings of the President. The propaganda machine in Washington has found in them a "new bill of rights." Here it is:

1. The right to work, usefully and creatively through the productive year.
2. The right to fair pay, adequate to command the necessities and amenities of life in exchange for work, ideas, thrift and other socially valuable service.
3. The right to adequate food, clothing, shelter and medical care.
4. The right to security, with freedom from fear of old age, want, dependency, sickness, unemployment and accident.
5. The right to live in a system of free enterprise, free from compulsory labor, irresponsible private power, arbitrary public authority and unregulated monopolies.
6. The right to come and go, to speak or to be silent, free from the spyings of secret political police.

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"These Matters"

I am transmitting herewith two reports of the National Resources Planning Board. . . .

Because of their basic importance to our national welfare during the war and after the war, it is my earnest hope that the Congress will give these matters full consideration during this session. We must not return to the inequities, insecurity and fears of the past, but ought to move forward toward the promise of the future. When the Congress has agreed on procedures for the consideration of these problems, the executive agencies responsible for the administration of programs in these fields are prepared to provide the Congress with all assistance within their power in devising appropriate ways and means of accomplishing these high purposes.—The President.

The general nature of "these matters" has now been brought to the attention of everyone.

What we should like to know is whether the President does not understand that with each step he would like to take in "these matters," plain, ordinary business becomes less able to provide the jobs and the goods the people need—and with this progressive disability of business to function adequately there inevitably arises more and more pressure for further governmental undertakings?

There can be but one end to such a process—State socialism.

And that would end many things besides this process.

President Offers Congress Post-War Program And Security, Work And Relief System

President Roosevelt submitted to Congress on March 10 two reports of the National Resources Planning Board dealing with post-war development of national resources and social security; the first, designated "National Resources Development—Report for 1943," and the second, entitled "Security, Work and Relief Policies." The President expressed the hope that consideration during this session because, he said, "of their basic importance to our national welfare during the war and after the war." "We must not," he said, "return to the inequities, insecurity and fears of the past."

The Board's report proposing measures to meet the problems of the transition period from war to peace contained these features, according to the Associated Press: "Guarantee every man released from armed forces or war plants a job with fair pay and working conditions."

"Continue rationing and other war-time restrictions so long as necessary."

"Give labor responsibility in organization and sharing in management."

"Consolidation of railroads into a limited number of regional systems."

"Government-private partnership in some plants and facilities with Government deciding what concerns should be left operating in such fields as aircraft, shipbuilding, aluminum and magnesium."

The Board's report on plans for the transition period warned that "extremes of hope and fear will inevitably be present," but said that "post-war adjustment plans must head off both 'boom' and depression and substitute orderly

gradual progress." Three "essential safeguards of democracy" in any post-war plans were listed as:

"1. Measures to prevent the rise of new industrial oligarchies during the war or during the period of readjustment following the cessation of hostilities, including enforcement of anti-trust laws to break up monopolies and provide opportunities for small business enterprises."

"2. Measures to uphold the right of labor to collective bargaining, fair wages and hours, healthy and effective working conditions, responsibility in organization and sharing in management."

"3. Measures to maintain the fair share of the farmers in the benefits of an expanding economy with opportunity for higher standard of living and greater security."

The recommendations dealt mainly with the demobilization of men, machines and controls and plans for private enterprise, finance and fiscal policies, and for improvement of physical facilities.

The Board's report for improving the security system listed the following as specific objectives of public-aid policy:

- "1. Increasing emphasis upon policies aiming at the prevention of economic insecurity through a fuller utilization of our productive resources, including labor, and by more comprehensive measures to improve the health of our people."
- "2. Government provision of

work for all adults who are willing and able to work, if private industry is unable to provide employment.

"3. Appropriate measures to equip young persons beyond the compulsory school-attendance age for assuming the full responsibilities of citizenship."

"4. Assurance of basic minimum security through social insurance, so far as possible."

"5. Establishment of a comprehensive underpinning general public-assistance system providing aid on the basis of need, to complete the framework of protection against economic insecurity."

"6. Expansion of social services which are essential for the health, welfare and efficiency of the whole population; this expansion should be as wide and as rapid as possible."

The text of the President's message transmitting the Planning Board's reports follows:

"To the Congress of the United States:

"To assist the Congress in the development and consideration of appropriate legislation to achieve normal employment, to give assurance for all our people against common economic hazards and to provide for the development of our national resources, I am transmitting herewith two reports of the National Resources Planning Board.

"The first, 'National Resources Development—Report for 1943,' presents the results to date of the Board's work on post-war plans and a record of wartime planning activities. The Board proposes measures to meet the problems of the transition period from (Continued on page 1024)

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From Washington Ahead Of The News

By CARLISLE BARGERON

In the whirligig of Washington these days, its social movements and counter social movements, its struggles for power, the significance of Jimmy Byrnes' activities is becoming more and more pronounced. A few weeks ago your correspondent wrote of the stories being put out by Mr. Roosevelt's friends to the effect that he had figuratively already moved on over to Geneva to take up the Presidency of World Affairs and that Jimmy was the Executive Vice-President of Domestic Affairs.

At the time I thought it was more funny than actual and expressed doubt about the statement that Jimmy was the complete domestic generalissimo. He is still limited in authority and has to out-argue other men in Mr. Roosevelt's counsels to gain his point. But it is a fact that he is being given wide scope in a very definite effort to recapture the Administration for the Democrats. He seems to be making painstaking progress in a program of ridding the town of New Dealers and replacing them with Democrats. Furthermore, he is making progress with Democratic members of Congress in his ef-

forts to convince them that this is his program.

After the November elections these Democrats were openly determined to join with the Republicans in running the New Dealers out. Told that they were making for an overturn in 1944 whereby they would lose their majority party positions, their chairmanships, etc., they unhesitatingly replied: "What the hell do we care, we've held them only as rubber stamps as it is." There were mighty few of them who did not think the jig was up anyway and they wanted to make sure of their own individual skins.

But Jimmy has been doing a (Continued on page 1031)

THE FINANCIAL SITUATION

(Continued from first page)

7. The right to equality before the law, with equal access to justice in fact.

8. The right to education, for work, for citizenship and for personal growth and happiness.

9. The right to rest, recreation and adventure, the opportunity to enjoy and take part in an advancing civilization.

Now the fact of the matter is that this passage is taken word for word, syllable for syllable, letter for letter, comma for comma, from the 1942 Report of the National Resources Planning Board submitted to the President on Dec. 16, 1941, and submitted to Congress on Jan. 14, 1942, with the remark that "in this report the Board outlines some of our major objectives in planning to win the peace." The extract quoted is merely illustrative. Except for the section on "the social securities," the summary of the Board's recommendations could in all major respects have been as well prepared from last year's report as this.

No "Rebellion" Then

Yet last year there was no "rebellion" in Congress, and the public appeared hardly to be aware that the report had been filed. Perhaps peoples' attention was too much centered upon getting ready to fight a desperate war. At any rate, much water has flowed over the dam since then. For one thing, ever since the report last year—and, for that matter, even before that time—there has been a continuous barrage of "planning pamphlets" and other propaganda reprinting and often further embellishing the proposals contained in that report. For the past six months or more various officials, notably the Vice President, have been constantly bombarding the public with doctrines which in effect would apply the same wholly unworkable and highly hazardous principles of this report to international relations. One result has been to arouse Congress and the more alert members of the community generally to the amazing programs being formulated by the dreamers in Washington.

Then came the Budget Message which proposed a vast increase in the funds to be made available to the National Resources Planning Board—and the refusal of the House to permit the item to stand. Finally the President brought the situation to a definite head by re-submitting in effect the proposals of a year ago, and adding to them essentially the recommendation concerning social security which he and his followers have been urging for a good while past.

A New Congress

But the public meanwhile had sent a new Congress to Washington, and that new Congress has balked. The American people may well be thankful, and may well insist that their representatives stand by their guns. Let no one suppose, however, that this report is the be-all and the end-all of the matter. The National Resources Planning Board is, after all, merely a planning organization. It has no power to act. It may only recommend—and propagandize. There are other organizations in Washington which are not only planning post-war policies, but acting in such a way as to tie the hands of objectors. The chief of these are the Board of Economic Warfare and the Lend-Lease organization. Congress has just continued Lend-Lease for another year. It could scarcely avoid doing so. Whatever its merits, this arrangement has now become so interwoven with the prosecution of the war that it was unthinkable to bring it to a sudden end at this critical time. It is, however, well known that this arrangement is "emerging," as the President phrased it, as perhaps the leading instrument for "winning the peace." The idea of its indefinite continuation as an instrument in post-war operations appears to be gaining rather than losing adherents. Some day the public will awake to the fact that we have here a scheme which can be fully as disastrous to us in the international field as the Planning Board's nonsense is in the domestic field. We may only hope that such a day will come before too much damage has been inflicted.

The work of the BEW, as the Board of Economic Warfare is popularly known, is cloaked in great secrecy. An example of its work recently came to the attention of the public when it learned of the large shipments of many vital commodities and articles to Spain. Here is one of the most active, one of the most ambitious, one of the most unrealistic, and one of the dangerous of the war-born organizations in the national capital. Its powers are nearly unlimited. It is under the thumb of the Vice President and the similarly-minded Milo Perkins. It has been granted access to virtually unlimited funds. It has been and is engaged in vast operations, particularly in Latin America, often without much apparent connection with winning the war—unless playing Santa Claus to backward peoples, and some that are not so backward, really helps to win the war. It has already cost us hundreds of millions of dollars which we shall never

The State Of Trade

Reports from most of the heavy industries were favorable the past week. However, carloadings showed a decline of 33,965 cars to 748,890, according to reports filed by the railroads with the Association of American Railroads up to March 6. This was a substantial drop from the previous week; it was 21,595 cars fewer than the corresponding week in 1942 and 6,273 cars above the same period two years ago.

This total was 119.18% of average loadings for the corresponding week of the ten preceding years.

Electrical energy distributed by the electric light and power industry for the week ended March 6 was 3,946,630,000 kwh., an increase of 16.3% over the total of 3,392,121,000 for the like 1942 week, according to the Edison Electric Institute.

Output for the latest reporting week came close to the record total of 3,960,242,000 in the week ended Feb. 6, and was 53,834,000 hours over the preceding week's production of 3,892,796,000.

Consolidated Edison Co. of New York announced output for the week ended March 7 was 169,400,000 kilowatt hours, compared with 157,400,000 for the like 1942 week, an increase of 7.6%.

Steel production is scheduled this week at 99.3% of rated capacity, indicating production of 1,719,500 net tons, compared with 99.1% and output of 1,716,100 tons last week, the American Iron & Steel Institute announced.

Production for the week beginning March 16, 1942, was 1,663,000 tons. Present capacity is 1,731,700 net tons of ingots and castings weekly.

It is said that waning public concern about the iron and steel scrap situation leads steel producers to fear for the success of vital 1943 salvage drives.

Easing of a severe scrap shortage that cost the industry hundreds of thousands of tons of steel in 1942 has created unwarranted optimism over this year's outlook, officials reported.

It is pointed out that while the mills now are better off than at this time a year ago they will need more scrap than ever before to keep their steel-making furnaces at capacity.

Authorities state that this year furnaces may require about 5,000,000 tons more scrap than last year, when approximately 55,000,000 tons were consumed. At least a third of an estimated 60,000,000-ton requirement must come from salvage sources, it is said.

Department store sales on a country-wide basis were up 14% for the week ended March 6, compared with the same week a year ago, according to the Federal Reserve Board.

Store sales were up 29% for the four weeks ended March 6, compared with the same period a year ago.

Department store sales in New York City in the week ended March 13 were 3% larger than in the corresponding week of 1942, according to a preliminary estimate issued by the New York Federal Reserve Bank.

In the previous week, ended March 6, sales of this group of stores had increased 14% over the comparable week of a year ago.

The slackening of retail trade this week narrowed the margin of gains over a year ago, according to the weekly review of Dun & Bradstreet, Inc. Retailers attributed the decrease in buying interest to a combination of factors, including the approaching income-tax deadline, unfavorable weather in many sections of the country and efforts to slow stock-up buying.

Trade increases over a year ago

see again, and it has its eyes admittedly upon post-war as well as war problems.

We should make a serious mistake if we supposed that we should dispose of post-war planning nonsense by squelching the National Resources Planning Board. Congress has apparently reached a point where it is willing to roll up its sleeves and go to work. It has many tasks awaiting it.

Hemingway Urges Banks to Support Gov's War Financing Drive

Member institutions of the American Bankers Association are urged by A. B. A. President W. L. Hemingway to lend their assistance to the War Finance committees in their local areas in selling Government securities to the public during the April financing drive of the Treasury Department, in a letter sent to the membership on March 5. Mr. Hemingway urged that the banks "lend every assistance to the War Financing committees to make the next campaign a big success." He pointed out that after every effort had been made to distribute bonds to the public the banks will be called upon to purchase securities for their own investment and suggested that every bank determine its share of this load.

In his letter asking the banks to get behind the April war financing drive, Mr. Hemingway took cognizance of the action of the Department of Agriculture in reviving the Regional Agricultural Credit Corporation as an additional Government agency to compete with country banks. "No war has ever been fought perfectly," he said. He added:

"Mistakes are made, but men in the armed services never stop fighting. So it should be with us. I think the Department of Agriculture made a mistake in reviving the RACC. Its program is both stupid and unfair. As you know, the Association is fighting this proposal. We will continue to fight to the end. The mistake of one department, however, cannot diminish our loyalty to our Government in time of war. Let's roll up our sleeves and do our job at home as well as our boys on ship and shore are doing theirs."

This letter of Mr. Hemingway's is the opening gun in the program of the A. B. A. for the April Treasury war bond drive. The Association's Economic Policy Commission will follow up with a report on Government financing on March 15, and a sales manual now in preparation will be sent to the banks about March 25. Other material will be supplied.

Financial Libraries Revise Service List

An up-to-date supplement to the "Handbook of Commercial and Financial Services" containing both additions and changes will be issued in the near future by the National Financial Group of the Special Libraries Association. The Revision Committee is headed by Walter Hausdorfer, Librarian, School of Business Library of Columbia University, New York City.

The Handbook issued in 1939 will still be the basic volume, but because of the national emergency and the wider scope of Government regulations which have caused changes in existing services and the establishment of many new services, it was thought advisable to issue a more up-to-date listing.

The Supplement, it is said, will probably follow the general outline of the Handbook in arranging its entries alphabetically and including a subject index. Anyone wishing to find, for instance, a description of various services devoted to the subject of banking, railroad finance, or tax laws, will have only to consult the subject index to find the desired pages. The word "service" is defined as "that information collected by individuals or companies who make a business of compiling and publishing for general distribution data and statistics on given subjects and keep this information up to date by regularly revised and supplemental data."

were sharply smaller in all sections of the country, the country-wide average being estimated at 5 to 12%. Regional percentage increases were estimated as New England, 5 to 7%; East, 4 to 6; Mid-West, 6 to 12; South, 9 to 14; Southwest, 14 to 20; Northwest, 6 to 8, and Pacific Coast, 11 to 16%.

Farm income rose to a new high level in 1942 under the impetus of a record demand for farm products and unusually favorable growing conditions, the Department of Agriculture announced.

A preliminary review of the data available on farm income and expenditures during 1942 indicates that the net return to farm operators for their labor, capital investment, and management, and for other unpaid family labor, was about \$10,200,000,000 in 1942. In 1941 the net return to farmers was estimated at \$6,748,000,000. The previous record net income, in 1919, amounted to \$8,799,000,000.

Although total income from farm marketings in 1942 was substantially higher than in any previous year, returns from crops, \$6,484,000,000, were smaller than in each of the three years from 1918 to 1920. In 1919 income from crops totaled \$7,674,000,000.

Wage & Salary Orders Subject Of NYU Forum

Officials of the War Labor Board will participate in a four-day Institute on Wage and Salary Stabilization which will be conducted from March 22 to March 25 by the New York University War Training Center at Washington Square for employers, employees, trade union representatives, accountants, lawyers, and teachers.

Purpose of the Institute, according to Prof. Paul A. McGhee, Director of the Center, will be to provide a clearer understanding of the issues involved in wage and salary stabilization "so that misinterpretation by an employer or agent of the Executive Orders and the Regulations issued thereunder may not lead to illegal actions and consequently to the imposition of substantial penalties." Prof. McGhee pointed out that emphasis will be on specific problems facing employers and employees seeking approval of wage or salary revisions.

Dr. Emanuel Stein, acting director of the University's Graduate Division for Training in Public Service and a member of the staff of the Division of Review and Analysis of the Regional War Labor Board, will be permanent chairman of the Institute.

Lecture sessions will be held at the Center from 4 to 6 p.m. each day. In addition, the Institute will include dinner sessions on March 23 and March 24 at the University's Faculty Club, 22 Washington Square North. Dr. Stein will preside at the dinner forums.

Editorial—

"Social Insurance And Allied Services"

By W. C. BETTS

The announcement that Sir William Beveridge is on the way to America, to visit the White House, will revive interest in his Report on "Social Insurance and Allied Services."

Recent cables told us that it has met with a varied reception by political groups in Britain. The "Plan" was originally intended to be in operation by July 1, 1944. One cannot avoid comparing it with the Report of the National Resources Planning Board, which came out a week ago.

"For every recommendation and every word in the Report," says Sir William Beveridge, he is "alone responsible." Anyone who has studied its 172 pages (and 120 more of Appendices and Statistics) will see in the material disclosed a most impressive review of social conditions in Britain. Sir William says himself that "the scheme he proposes is in some ways a revolution, but in more important ways it is a natural development from the past. It is a British revolution."

First and foremost, it is a plan of **Insurance**, whereby in return for contributions made by all men, women and children (above 16) they shall receive, as a right, benefits which seek to prevent them from sinking beneath a set **subsistence level**.

This form of social insurance aims at guaranteeing to every one gainfully employed, the minimum income needed for subsistence, and to provide such income, whenever earnings cease, from a State Fund created by the **obligatory** weekly payment of premiums, by employers and workers, and by the State. (This obligatory insurance, however, may be supplemented by certain forms of insurance, procured from private channels, by any one wishing to do so.)

The entire population, regardless of income-size or occupation, will fall into one of six classes, namely:

1. Those normally employed under contract of service.
2. Others gainfully employed, including employers, traders, and independent workers of all kinds.
3. Housewives, i.e., married women of working age.
4. Others of working age, not gainfully occupied.
5. Below working age.
6. Retired above working age.

Benefits which, as an example, will be insured to a man in, say, Class 1, include: Retirement Pensions; Widow's and Guardian Benefits; Unemployment Benefits; Disability Benefits; Industrial Disability Benefits; Maternity Grant and Benefit; Funeral Grant.

The proposed rates of contribution per week, for these benefits, will total 103.2 pence, including an administration cost of 4.9 pence. (One penny—plural, pence—now equals 1.68 cents.) The total of 103.2 pence will come from: the insured man 41.3, the employer 38.4, the State 23.5. (Or, in percentages, 40, 37, 23.)

A woman, also in Class 1, would get the same benefits (less widow's and guardian benefits, but plus marriage grants) for a total contribution of 81.6 pence, contributed as to 34.1 pence by the woman, 30 pence by the employer, and 17.5 pence by the State. (In percentages, 39, 34, 27.)

These weekly contributions would be made in the shape of stamps, attached by the insured person to a single document, covering all forms of insurance.

As to benefits, limitations of space preclude giving more than a few illustrative figures for males in Class 1, namely:

Retirement pension, at age 65, single	\$4.85 weekly
Unemployment, and disability benefits:	
If single	4.85 "
If married	8.08 "
Widow's Benefit: if under 60, 13 weeks	7.27 "
Industrial Pensions, if inability to work was caused by an accident:	
For first thirteen weeks, single	4.85 "
For first thirteen weeks, married	8.08 "
Thereafter, up to	12.12 "
Funeral grant, age 21, payable to the person defraying cost of funeral	80.80 (once)

These benefits and grants are illustrations, only, of what is covered by the all-inclusive weekly premium of 69.4 cents. There are sundry further benefits such as allowances for dependents, medical attendance, etc.

During unemployment, benefits are payable for indefinite periods, regardless of the possession of means, or savings by the insured. For those whose occupation may preclude the chance of re-employment at the former trade, after a certain period, benefits are payable subject to attendance at a work or training centre.

It is claimed for the Plan that it will provide all that is now available in the shape of benefits, and more. Premium rates will be the same for all trades, regardless of the hazards of the industry. (But if extra-hazardous, subject to a special levy on the employer.) Also, anomalies and overlapping, multiplicity of agencies, and needless administrative cost will be removed and replaced by co-ordination, simplicity and economy.

While the Ministry of Social Security will administer the Fund, local authorities will be available for all local services, within easy reach of all insured persons.

Insurance now provided by certain Friendly (Benevolent) Societies will be superseded. So will the present scheme of Workmen's Compensation Insurance. Also, it is proposed that Industrial Life insurance be taken over by a special Board which would issue policies up to £300 (\$1,212). Private Life companies would be allowed to issue policies in larger sums. Their existing staffs and collectors would be taken over on reasonable terms, as far as needed. Their shareholders would be indemnified.

Such, in outline, are the most important of some (23) changes in the achievements of the past. It must be emphasized that the Plan, based on a State Fund, is above all one of **compulsory insurance** providing a flat rate of benefits, regardless of earnings, in return

* The Macmillan Company. New York. Price, One Dollar.

for a flat rate of contribution by all (differentiated through six classes into which the population falls).

The Administration of the Fund is not to be centralized, but carried out through regional and local officers, and representatives of the communities served. It retains the association of Friendly Societies with Health Insurance; and entrusts to Local Authorities the provision of institutions of welfare, and their maintenance and organization. Service such as the visiting of the sick, and provision of nurses, as now performed by Friendly Societies and Trade Unions, possibly may be retained in connection with the general plan of national security insurance.

Supplementing these main features of the Social Insurance Plan, we find "Allied Services"—Children's Allowances, Health and Rehabilitation Services, etc.—into which we can not enter now. It is estimated that the total expenditure for this entire program of Social Security (including administration) will amount to:

	In 1945	In 1965
Total Social Insurance	£367,000,000	£553,000,000
Total Allied Services	330,000,000	305,000,000
Totals	£697,000,000	£958,000,000

(£1 equals \$4.04)

The difference between the cost in 1945 and 1965, is explained by the increase in the cost of providing Retirement Pensions. This reflects the growing number of retiring pensioners in the population and the proposed gradual increase (every two years) in the amounts of the pensions.

These estimates do not represent new expenditures for Social Insurance and Allied Services: in the first year, the "net addition to the burden on the National Exchequer, as compared with the expenditure under the existing arrangements, will be about £86,000,000." (About \$347,000,000.) This includes administration cost.

Thus, the fiscal argument in favor of the proposed plan boils down to this: the entire population is to be furnished various forms of insurance and services, to an extent either greater than are now being enjoyed by some of the population, or not enjoyed at all. In all cases, the extra cost to the population would furnish direct benefits substantially greater than it now enjoys, and at a relatively lower rate of contribution per inhabitant. This can be done, it is contended, because the State can and will remove existing anomalies and overlapping, the multiplicity of agencies, and reduce cost of administration. "This conclusion rests not on any denial of any good in the present system, but on the possibility of replacing it by a better system. Neither in this, nor any other field should the good be allowed to be the enemy of the better."

Every assertion made is buttressed in most cases by comprehensive material intended to justify the claims presented and recommendations made.

As an illustration, consider the manner of justifying the advocacy of the removal of Workmen's Compensation Insurance from the field of private operation—certainly a breath-bereaving project! After reviewing the history of this form of insurance, it presents evidence of the following "disadvantages" and others, said to have grown up under the present system of providing against industrial accidents or diseases:

1. The present system in the last resort rests upon the threat or practice of litigation. Disputes are generally settled by formal proceedings in the courts.
2. The claimant feels that he is subjected to improper pressure to reduce his claim, to accept an unfair lump settlement, to go back to light work which is not beneficial or for which he is unfit.
3. The employer may be inadequately insured, and the claimant may thereby suffer.
4. Allowances for disability are often inadequate, specially during prolonged litigation. In the process of bargaining for a lump sum settlement, the claimant is deterred from taking any form of work, lest he prejudice his bargain.
5. Demarcation disputes are inevitable.
6. Workmen's Compensation costs more than need be—substantially more than under any form of compulsory State insurance.
7. The onset of industrial disease is often gradual. With successive employers, it is often hard to know who is liable for the disease or injury. Workers who show signs of industrial disease run the risk of discharge.
8. For many employees, insurance is hard to obtain at all, or at rates which work a hardship on the employer.
9. Promotion of safety regulations against accidents have been left largely to individual initiative, often with indifferent results. Industrial diseases have been inadequately combated. Rehabilitation measures have been neglected.

These are the quintessence of some reasons given for the recommendation that the present system of Workmen's Compensation Insurance be taken out of the hands of private companies.

While the report recommends the conversion of the business of industrial life insurance into a public service under a special Industrial Life Assurance Board, this feature is not considered a prerequisite to the "Plan's" success. The "principal defects" of the present system are set forth in such detail that they do not lend themselves to laconic presentation. (Many of these were presented in the Temporary National Economic Committee's investigation in this country a few years ago.)

The magnitude of this change in Britain may be gauged from some figures presented: In 1939, there were 103,000,000 industrial life policies in force; 65,000 full-time collectors, besides several thousand part-time. Premiums received were over £74,000,000; expenses of management nearly £24,000,000; dividends to shareholders nearly £1,750,000 after payment of £1,600,000 income tax. In addition to the premiums, about £20,000,000 was received as "interest" on "accumulations of earlier premiums."

Since compulsory funeral grants are definitely an integral part of the "Plan," and the recommendation is made that all industrial life insurance up to £300 be transferred to the State, companies transacting this class of business in this country will doubtless give thought to what may be advocated here, also, when, as and if the Beveridge report has been translated into action.

New Type House Seen For Post-War Building

Suggesting the possibility that if the war is of short duration, the nation will have in the next decade the largest number of couples with children the country has seen since 1910, Arthur F. Schuberth, Chicago, of the Illinois Association of Certified Real Estate Appraisers and Cooper, Kanaley & Co., said on Feb. 27 that we may have the largest building program after the war any country has ever known, and even though the Government decides to prorate it on a yearly per capita basis it is doubtful whether it can be controlled, particularly during the first few post-war years. Mr. Schuberth spoke at the War and Post War Clinic of the Mortgage Bankers Association of America at Chicago on Feb. 27 on the type of rental units most likely to be built after the war.

"Not many of the 'imaginings' of the present crop of planners will immediately come to pass," Mr. Schuberth said in discussing the long-range view, adding that the future is dependent not so much on the type of physical structure we build as the type of tenant we build for.

Among the expectations of the future he listed much more sensible codes decreasing neighborhood obsolescence and construction costs and a gradual diminution of the "rentier" class, those who live off rental and unearned income. Another will be the effect of prefabrication—that is, the use of standardized interchangeable parts which will result in giving all houses of the future that item practically absent now—interior flexibility. With prefabrication, the houses, whether single-family or multi-unit, can be cheaply and easily altered from time to time to suit changing needs. Thus obsolescence and physical depreciation will be slowed.

As to who the nation will build new houses for in the future, Mr. Schuberth said past building programs largely represented the development of vacant land by speculators but that site and city planning will be increasingly important in the future. "Long-term amortized loans, yes even longer than 20 years, may be considered sound—and why not, if buildings properly built and designed in communities protected from blight can easily have an economic life of two or three times 20 years?"

According to Mr. Schuberth, one important development in the housing field that may occur is some sort of mutual cooperative plan, but it will not be similar to the cooperative apartments of the twenties. These, he said, failed because they were primarily built for promotion profits and not for mutual interests and were practically all built for the higher-income groups. A type of housing of this kind that may become popular is the row-type house. This type of building, with its obvious economies of construction, may be the answer to providing new shelter for the greatest mass market. As to this market, he said:

"We will find our largest market among the same type of persons who today are earning from \$2,000 to \$3,600 per year but who actually have purchasable incomes of from \$1,700 to \$2,800 per year. These families, because of necessity, will only be able to spend from 25% to 30% of their net income or from \$500 to \$700 for shelter. With present costs of new building and operating costs it will be impossible to build new housing units for them."

House Nullifies Salary Limit Order; Disregards President's War Supertax Plan

By a vote of 268 to 129, the House on March 12 passed the legislation repealing President Roosevelt's \$25,000 salary limitation order and substituting a more liberal Congressional limitation on salaries.

The bill, providing a method of salary "limitation by law rather than by directive," would freeze high salaries at their Dec. 7, 1941, level and prohibit salary increases to a point above \$25,000 after Federal taxes. This measure, sponsored by Representative Disney (Dem., Okla.), is an amendment to the bill raising the debt limit from \$125,000,000,000 to \$210,000,000,000.

The passage of the bill on March 12 came after an attempt by the Administration to have the Disney "rider" to the debt bill eliminated was defeated by a vote of 212 to 145. Other amendments were also voted down, including one to recommit the measure to the Ways and Means Committee.

The Senate Finance Committee at a meeting on March 16 voted to amend the House version of the bill by approving its own salary-limit formula. Under the Senate group's plan, the President would be prevented from reducing salary below the highest level existing between Jan. 1 and Sept. 15, 1942. A sub-group was named to work out this plan.

The House Ways and Means Committee had favorably reported the salary repealer—debt limitation bill on Feb. 25, after refusing to consider President Roosevelt's alternative plan of levying a special war supertax.

In its formal report, the House Committee asserted that "it was never the intent of Congress in either of the anti-inflation bills to give the President authority to issue the executive order of Oct. 3, 1942, but it is evident that the intent of Congress was to the contrary."

The report of the House Committee said that the new method "does not admit of confiscation or liquidation of incomes. This provision offers an orderly, legal process."

The President, in a letter to Chairman Doughton of the Committee, recommended on Feb. 17 that, before Congress rescinds his \$25,000 salary limitation order, a supertax be imposed to limit all wartime income, however derived, to \$25,000 for single persons and \$50,000 for married couples, after taxes. As an alternative to a Treasury proposal for a flat 100% supertax on excess income, Mr. Roosevelt proposed that the tax range from 50% to 90%.

However, the House Committee had already (Feb. 13) voted 15 to 10 for the Disney proposal and refused to reconsider this decision in the light of the President's views.

Under the Disney plan, salaries below the \$25,000 net limit before the Pearl Harbor date would be permitted to rise subject to restrictions that the Treasury could disallow the increase if it is unreasonable and would cause the compensation to exceed \$67,200, or \$25,000 net.

The "compromise" Disney proposal was accepted after the Committee voted down an amendment by Representative Gearhart (Rep., Cal.) which only provided for outright repeal of the salary limitation order.

The action was called "a revolt against government by directive" by Representative Disney. The new salary policy would be retroactive to Oct. 2, 1942, the date of final enactment of the amended Emergency Price Control Act of 1942. It was under the wage and salary provisions of this act that the President last October issued his salary limitation order after the Congress had rejected previous requests for such a limit.

The House Committee had twice previously (Jan. 29 and Feb. 6) postponed consideration of the debt-limit bill with its sal-

ary "rider" in order to permit the President to voice his position in the matter. Mr. Roosevelt wrote to Representative Doughton on Feb. 5 expressing the hope that Congress would pass the debt-limit measure without unrelated amendments. He offered, at the same time, to submit his views "as to the merits" of the salary proposal but his letter to Mr. Doughton was not received until after the Committee had taken its position in the matter.

The Senate Finance Committee voted favorably on January 29 on the bill raising the debt limit to \$210,000,000,000 but delayed reporting the measure, pending the outcome of the controversy in the House Committee. It is believed that the Senate group will now reconsider the bill to make it similar to the House measure.

The bills to increase the national debt limit from \$125,000,000,000 to \$210,000,000,000 were introduced in Congress on Jan. 25 by Senator George (Dem., Ga.), Chairman of the Senate Finance Committee, and Representative Doughton. However, the Committee-approved House bill now includes the new salary policy.

The \$210,000,000,000 limit is based on the President's budget message in which he estimated the debt would approximate this figure by June 30, 1944, the end of the next fiscal year.

In introducing his bill Senator George called the attention of the Senate to two additional sections of the legislation, as follows:

"The first section would give to the Secretary of the Treasury the power and authority to permit payments in connection with the redemption of savings bonds to be made by incorporated banks and trust companies; and the second section would authorize and permit the Secretary of the Treasury to pay losses resulting from payments made in connection with redemption of savings bonds out of the fund established by the Government Losses in Shipment Act, as amended."

With respect to this first section, the House Committee, in reporting the bill, said as bond sales increase "it is natural to assume the volume of normal redemptions will increase in proportion" and it is necessary to provide facilities so there will be no undue delays in the redemption process.

Savings bonds now may be redeemed only at the Treasury Department or at Federal Reserve banks.

The text of the President's letter to Mr. Doughton follows:

"Some days ago you wrote me that there was a proposal before your Committee to amend the Public Debt Bill by adding a provision nullifying the executive order issued by me under the act of Oct. 2, 1942, limiting salaries to \$25,000 after taxes, and asked if I cared to submit any views with references to the proposal. In reply I told you that I hoped the Public Debt Bill could be passed without adding amendments not related to the subject, but that if the Committee thought otherwise I would later write you my views.

In a message to the Congress on April 27, 1942, I stated:

"* * * Discrepancies between low personal incomes and very high personal incomes should be lessened; and I therefore believe that in time of this grave national danger, when all excess income should go to win the war, no American citizen ought to

have a net income, after he has paid his taxes, of more than \$25,000 a year."

Thereafter the Treasury advised the Committee: "To implement the President's proposal, the Treasury now recommends the enactment of a 100% war supertax on that part of the net income after regular income tax which exceeds a personal exemption of \$25,000. * * * It is recommended that for the purpose of the supertax, joint returns be made mandatory and that a personal exemption of \$25,000 for each spouse be allowed, or in effect \$50,000 for the married couple."

So far as I know, neither House of the Congress acted upon the recommendation.

When the act of Oct. 2, 1942, was passed, it authorized me to adjust wages or salaries whenever I found it necessary "to correct gross inequities and also aid in the effective prosecution of the war." Pursuant to this authority, I issued an executive order in which, among other things, it was provided that in order to correct gross inequities and to provide for greater equality in contributing to the war effort no salary should be authorized to the extent that it exceeds \$25,000 net after the payment of taxes. Provision was made for certain allowances in order to prevent undue hardships.

The legality of the executive order was attested by the Attorney General prior to its issuance. No executive order is issued without such approval.

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 by Executive Order. The correction of such inequities, I believed, would aid in the effective prosecution of the war.

I call your attention to the fact that the limitation of salaries was, by the language of the order, limited to the war period, and that the law upon which the order was based expires June 30, 1944, and can be continued only by the affirmative action of the Congress. Therefore no fair argument can be made that the limitation was intended either by the Congress or by the Executive to become permanent law. The intention was made plain in my original message. I then and there affirmed my belief that this limitation should be made "in time of this grave national danger when all excess income should go to win the war."

This desire to limit personal profits during wartime is no new thought. Its origin is neither alien nor obscure. It is in accord with the solemn pledges of the Republican Party and the Democratic Party.

In 1924, just after our soldiers had returned from the First World War and the leaders of both parties were conscious of the views of the returning soldiers as to war profiteering, the Republican Party declared in its platform:

"We believe that in time of war the nation should draft for its defense not only its citizens but

also every resource which may contribute to success. The country demands that should the United States ever again be called upon to defend itself by arms the President be empowered to draft such material resources and such services as may be required and to stabilize the prices of services and essential commodities, whether utilized in actual warfare or private activity."

The Democratic Party platform the same year solemnly pledged: "In the event of war in which the manpower of the nation is drafted, all other resources should likewise be drafted. This will tend to discourage war by depriving it of its profits."

I repeat, this was in 1924, not 1928, and that these were the platforms of the Republican and Democratic Parties.

I agree with those who say that the limitation of salaries does not deal adequately with the problem of excessive personal profits and that the limitation should extend to all income. My executive order endeavored to correct the inequity to the extent of the power granted me. The Congress can, however, make the limitation adequate by extending it to the coupon clipper as well as the man who earns the salary.

Therefore, I urge the Congress to levy a special war supertax on net income from whatever source derived (including income from tax-exempt securities), which, after payment of regular income taxes, exceeds \$25,000 in the case of a single person and \$50,000 in the case of a married couple.

If the Congress does not approve the recommendation submitted by the Treasury last June that a flat 100% supertax be imposed on such excess incomes, then I hope the Congress will provide a minimum tax of 50%, with steeply graduated rates as high as 90%. The exact amount of the exemptions to be allowed and the exact rate of taxation to be applied are necessarily arbitrary, and these are matters the Congress must decide.

If taxes are levied which substantially accomplish the purpose I have indicated, either in a separate bill or in the general revenue bill you are considering, I shall immediately rescind the section of the executive order in question. The Congress may appropriately provide that such taxes should take the place of the \$25,000 limitation imposed by executive order.

I trust, however, that without such tax levies the Congress will not rescind the limitation and permit the existence of inequities that seriously affect the morale of soldiers and sailors, farmers and workers, imperiling efforts to stabilize wages and prices, and thereby impairing the effective prosecution of the war.

Return To Economics Of Opportunity Is Advocated By Arnold

A return to the old economics of opportunity instead of being obsessed with the idea of security was called for by Thurman Arnold in a recent speech before the Economic Club of New York.

Mr. Arnold, Assistant Attorney General in charge of anti-trust violations, has been nominated to be an Associate Justice of the United States Court of Appeals for the District of Columbia.

The following regarding his talk was reported in the New York "Sun" of Feb. 26:

"For the past ten or twenty years, and I don't blame this on the Democrats because I have heard more of it from Republicans and business men than any other source, we have been obsessed with the economics of security.

"We have been thinking of stabilizing profits, keeping a fool

from losing his money, social security, ironing out depressions, creating a situation where anybody who remained sober and didn't run off with somebody else's wife was assured of a comfortable old age," he continued.

"I am not opposed to any of these methods of social security or humanitarian measures. I only say that if your whole thinking is obsessed with the idea of security, the same thing will happen to your industrial structure that happened to the French Army that was obsessed with the idea of the Maginot Line.

"We must get back to the old economics of opportunity, of taking a chance, which made America great, and I think this war is going to do it for us.

"Providing we lose our illusions of the benefits of stability and security and are willing to take a chance on our capitalistic system, full production will in itself bring about solutions of the problems of distribution, as it did in the automobile industry.

"The only thing we need to get over is our fear of full production—our idea that wealth consists of sitting in a position where you can collect money by restricting production. I think the labor monopoly is really a product of the industrial monopoly. Give me a competitive industry, with full production, and I think the labor monopoly will disappear.

"Labor should be restricted to its legitimate aims and not be allowed to prevent the use of machinery or compel useless and unnecessary work. That issue has been decided by the Supreme Court, but I think the pressures of this war are going to cure that labor problem."

Latin America To Join In Export Plan

The Board of Economic Warfare at Washington formally announced on March 7 adoption of a plan whereby the other American governments are to cooperate in selection of United States exports of commercial goods southward in the hemisphere. According to Associated Press advices from Washington, the plan was officially described as designed to decentralize export controls with the view of bringing about closer correlation of available cargo space and essential supplies.

Under the plan the release of United States goods for export to the other Americas is to follow this new procedure, said the press advices from which we quote:

"In each of the other Americas a new local governmental agency is to be set up to receive requests from importers for authorization to obtain goods from the United States.

"Such requests are to be checked and recommended by the new agency in each country before they are forwarded to the Board of Economic Warfare in Washington for further check and final decision."

It was further reported that the announcement stated that the new system is already operative in Brazil and Argentina, and agreed to in all of the other American Republics except Cuba, Haiti, Chile and the Dominican Republic where negotiations were said to be under way.

Barnes Named Aide To FDR

James M. Barnes, former Democratic Congressman from Illinois, has been named an administrative assistant to President Roosevelt, the White House announced on March 4. Mr. Barnes, who was defeated in the November election by Representative Simpson (Rep., Ill.), will receive \$10,000 a year in his new position.

Under an Act of Congress, the President is permitted to have six administrative assistants.

M. S. Eccles Proposes 30% Withholding Tax; Taxes, Savings Should Equal Half Expenditure

The assertion that "we should aim at raising taxes and compulsory savings, equal to at least half of our expenditures" was made on March 11 by Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, in an address before the Central States Group of the Investment Bankers' Association of America in Chicago. Mr. Eccles went on to say that "as much as possible of our remaining requirements should come from borrowing from the public, thus reducing to a minimum reliance upon borrowings from the banks. I believe that without further delay Congress should authorize a withholding tax on all income in excess of the income tax exemptions, the withholding tax to amount to 25% if the Victory tax is retained. I think it would be preferable to repeal the Victory tax and make the withholding rate 30%, some part of which, possibly 5%, might be refundable after the war. Such a withholding at the source would not only collect funds before they reach the inflation stream and channel them immediately into the Treasury, but it would insure collection of taxes that are likely otherwise to escape altogether. The adoption of a high withholding rate would require some form of pay-as-you-go plan."

Mr. Eccles further declared: "We must have another general revision of the revenue laws as soon as practicable, and tax rates must be further increased, particularly for the lower and middle income groups where the great increase in purchasing power has developed. Various remaining loopholes need to be closed. Imposition of the withholding tax, however, can be accomplished promptly without waiting for a general revision."

"If we fail to absorb enough spending power through the medium of income taxes, based as they are on ability to pay—if we are not willing to impose income taxes comparable to those in Canada and Great Britain—then I can see no practical alternative except resort to the sales tax which can best be applied at the retail level. It has been estimated that an 11% rate might be expected to yield about \$5,000,000,000 if food and other items are not exempted."

"While I realize how difficult it would be to gain a general acceptance of the idea, it would be to the interest of labor if all who receive additional half-time or premium pay for the hours worked above the 40-hour week were to accept that premium pay in the form of a post-war credit instead of in dollars that only go to swell the spending stream and thus run the risk of losing their buying power."

"Much can be done in this fight on inflation on the production side. For, of course, if production of goods and services were able to keep up with rising supplies of purchasing power, there would be no inflationary problem. We cannot profess to be making an all-out effort unless we all work much longer and harder, unless we avoid absenteeism as well as strikes and other interruptions of the flow of production."

"Indeed, if we are to face up to this situation as realistically as we should, we must not only pay far heavier taxes, buy more war bonds, work longer hours, abstain from increased pay, prices and profits, submit to more and more rationing and price controls—in short, we must not only have much more of these things of which we are prone to complain, but we must consider additional measures and techniques demanded by the unprecedented problems resulting from this unprecedented war. I can see no logical reason why, when we are all engaged in this life and death struggle, we should not all be subject to draft and assignment to the duties we can best perform; those on the home front just as much as those on the battle front."

"Inflation cannot be controlled either now or after the war by a restrictive monetary policy. That would serve only to demoralize the Government bond market. The deficit is the basic source of the inflation danger which we face today, and the danger is magnified to the extent that Congress fails to provide for taxes, savings, and other measures that will help to close the enormous gap between what is being poured out to pay for the war and what is being pulled back in taxes and savings out of this inflationary stream. That gap is widened every time wages, salaries, farm prices and profits are boosted. If anybody is to have pay increases, let's provide them for the men on the firing line and their families—they are not organized into pressure groups, and they are the ones who are making the greatest sacrifices."

Earlier in his remarks Mr. Eccles stated that "while we are doing our utmost to draw off the surplus of purchasing power from the market places, while we are doing all we can to bring about a fair distribution of the goods available for the civilian population, we must exert every possible means of preventing this tide of purchasing power from reaching ever greater dimensions." "That means," he said, "that wages, salaries, farm prices, profits, cannot be permitted to go on rising."

In part, Mr. Eccles further said: "To the extent that we succeed in drawing the existing supply of money into the war effort, it is unnecessary to go to the banks and create new supplies of money. Conversely, to the extent that we fail to draw off the overabundance of buying power in taxes and savings, the more we have to turn to the inflationary process of bank financing and creation of new supplies of money, a process that for some strange reason does not seem to excite some of our economists as much as the question of the form in which our currency is printed. Yet, the real danger lies in multiplying the money supply represented in bank deposits and not in the form of words that happen to be engraved on the pieces of paper we use for pocket money. The supply of pocket money is trifling in comparison with the supply of bank deposits which the public could, if it wished, convert into currency."

"While we all recognize that the transition from a low tax to a high tax country cannot be made overnight, and that allowance must be made for the fact that we came into the war later than our principal Allies; nevertheless, our record in levying taxes and channeling savings, first into our relatively small defense program, then into our very large war program, suffers badly by comparison."

"If we fail to tax sufficiently, if we fail to divert much more of the current income of the public into the war effort, both through taxes and savings, if we do not rely much less upon creating new money supplies through bank borrowing, we will have sown an economic whirlwind. Its shadow will be seen in the figures of public debt and money supply expanded to explosive proportions. Its effects will be felt by every one of us, most of all by the workers and farmers who make up the vast majority of our people. Any such betrayal of them, of all of our armed forces, because we lacked the courage and the leadership to impose taxes and other restraints would, with justice, recoil upon all of us who have responsibility in any degree

for formulating and gaining public acceptance of measures necessary to protect the economic front."

In conclusion, Mr. Eccles said: "But let us not fool ourselves that we are helping to win this war or to protect this nation by a blind scramble for more pay and profits in this critical hour. We cannot get rich out of this war. We cannot have victory and soft living. The enslaved peoples of this world who look to us for deliverance will not be heartened unless we set a far better example of self-sacrifice and national conscience than we have so far displayed."

February Business Failures Again Lower

February business failures follow the trend of previous months and are smaller than in January as well as being below those of February, 1942, both as to the number of liabilities and the amount involved. Business insolvencies in February, according to Dun & Bradstreet, Inc., totaled 422 and involved \$4,163,000 liabilities as compared with 458 involving \$5,515,000 in January, 1943, and 916 involving \$9,631,000 in February, 1942.

The falling off in the number of failures in February from January took place in all of the divisions of trade that the report is divided into, with the exception of the wholesale group, which was larger and, the Commercial Service group, which was the same. When the amount of the liabilities is taken into consideration, all of the groups, without exception, had a smaller amount of liabilities in February than in January.

Manufacturing failures last month numbered 67, involving \$1,342,000 liabilities, compared with 79 in January with \$2,249,000 liabilities. Wholesale failures increased to 34 with \$329,000 liabilities, from 31 with \$372,000 in January. In the retail trade section insolvencies declined to 255 from 267 in January and liabilities dropped to \$1,782,000 from \$1,800,000 the previous month. Construction failures numbered 38 with \$379,000 liabilities, which compares with 53 with \$698,000 liabilities in January. Commercial Service failures numbered 28, the same as in January, but liabilities decreased to \$331,000 in February from \$396,000 in January.

When the country is divided into Federal Reserve Districts it is seen that eight districts had fewer insolvencies in February than in January, while the Cleveland, St. Louis, Dallas and San Francisco Reserve Districts had more. When the amount of liabilities is considered, seven districts had smaller liabilities in February than in January, while the Philadelphia, Cleveland, St. Louis, Dallas and San Francisco Reserve Districts had more liabilities involved last month than in the previous month. It is also worthy of note that the Minneapolis Reserve District had only one failure that involved only \$2,000 in liabilities in the month of February.

Chicago Real Estate In Strong Position

The strong position of the Chicago real estate market is indicated by the extremely favorable foreclosure situation which exists at the present time, according to Arthur C. Marriott, Vice-President of the Chicago Title & Trust Co. It is noted that in the month of February only 50 foreclosure suits were filed in Cook County for a total amount of but \$354,773. This is a decline in number from the corresponding month of last year of over 52% and in amount of nearly 70%. Both the number and the amount of foreclosures for February were the lowest of any month since the Title & Trust Co. has kept foreclosure records.

Country Is Awakening To Realization That Free Enterprise Can Be Destroyed: Montague

An awakening by the country and the Congress "to the realization that free enterprise can be destroyed by measures put forward on the pretext of preserving," it was hailed by Gilbert H. Montague, of the New York Bar, on March 9 in an address before the Connecticut Economic Council, Inc., at Hartford.

Warning that "each new curb on free enterprise is put forward in the guise of a new device for helping it," Mr. Montague urged that free enterprise be defended against such measures. He added that "free enterprise need not fear its enemies, if it can only protect itself against some of its professed friends."

Mr. Montague further declared: "Anti-trust laws were enacted on the assurance that they would help free enterprise. They now invite labor racketeering, threaten fields of business now thoroughly regulated by the States, and forbid many group activities, patent arrangements and business plans that might enable small producers, manufacturers, distributors and retailers to compete more efficiently against their larger rivals."

"Statutes enacted in the past 10 years regarding labor relations, corporate finance and social security, and more recently the statutes and executive orders dealing with the present war emergency, though they may have been necessary as war measures, have nevertheless imposed prohibitions, procedures and record-keeping that are proportionately more burdensome to small business than to big business, and have thus imposed additional curbs on free enterprise."

"American economic life today is dominated by war agencies, such as War Production Board, Office of Price Administration, War Labor Board, Office of Economic Stabilization, Office of Economic Management, Office of Defense Transportation, Board of Economic Warfare, War Manpower Commission, Petroleum Coordinator for War, Office of War Information, Office of Censorship, and many others."

"Unlike peace-time agencies, such as Federal Reserve Board, Securities and Exchange Commission, National Labor Relations Board, and many others, most war agencies were originally created by executive order of the President instead of by Act of Congress."

"No one believes that Congress could ever have been induced to pass an Act conferring upon the President or the War Labor Board any such powers and jurisdiction as the Board now asserts and exercises under the executive order of the President."

"By executive order and administrative regulations, the Government is now doing what Congress expressly declined to do, and is limiting salaries of business executives and employees to \$25,000 net after taxes."

"This salary limitation order affects only a few hundred business executives and their families. Tenderness for them does not account for the present rebellion in Congress against this order. This order has become the symbol of 'government by directive.' It typifies the curbs by which government is now curtailing opportunity to get ahead through initiative and hard work. It is awakening the country and Congress to the realization that free enterprise can be destroyed by measures put forward on the pretext of preserving it, and that it must be defended against such measures."

Mr. Montague also cited figures showing that farmers and manufacturing employees have been "richly rewarded for their war effort, because they have insisted on full reward," but pointed out that "no such rewards have accrued to business."

Bank Stock Acquired By RFC Not Taxable Supreme Court Rules

A ruling holding constitutional legislation providing that shares of preferred stock of national banks acquired by the Reconstruction Finance Corp. before or after March 20, 1936, should not be subject to taxation by Federal, State, county or municipal governments was handed down by the U. S. Supreme Court on March 1. Reporting this, Associated Press advices from Washington on March 1 stated:

"Justice Douglas delivered the unanimous opinion on a challenge of the 1936 statute, as applied retroactively, by Maricopa and Pima Counties, Arizona. They sought to tax for 1935 and 1936 preferred stock owned by the RFC of the Valley National Bank of Phoenix."

"The legislation was passed March 20, 1936, after the Supreme Court had ruled on the preceding Feb. 3 that preferred National Bank stock held by the RFC then was subject to State taxation under the law as it existed at that time."

"The 1935 taxes involved totaled \$43,598 and those for 1936 were \$45,075. The counties contended that the 1935 taxes were levied and assessed before the legislation was passed and the 1936 tax year had started before enactment of the statute."

Aviation Committee Bill Is Defeated

A resolution to establish a special standing committee to deal with civilian and commercial aviation was defeated by the House on March 2 on a roll-call vote of 257 to 142.

Creation of such a committee was part of the Republican legislative program outlined by Representative Martin (Rep., Mass.), minority leader, when the new session opened in January. However, many Republicans joined with the Democratic majority in voting against the resolution, contending that it would be unwise at this time to transfer jurisdiction of aviation legislation from the Interstate and Foreign Commerce Committee to a new, inexperienced committee. The chief argument in favor of a separate aviation committee was that the Commerce Committee is too busy with its other transportation problems to give aviation the attention it will require in the post-war world.

In urging passage of the resolution, Representative Martin said that it would give the House the opportunity "to make a real contribution to America's progress." He also said that creation of the committee would mark "a forward, progressive step in putting America in a position to fully utilize this dynamic industry in providing jobs, trade, security, and greater progress and prosperity for the people."

There were eight resolutions, all virtually seeking the same end, introduced when the new session began. The one which the House disapproved was offered by Representative Nichols (Dem., Okla.), who has headed a special House committee investigating air accidents.

The Nichols resolution called for a committee of 21 members to handle exclusively the post-war problem of the development of commercial and civilian aviation.

Dividend Paid In Stock Not Taxable By Government, Supreme Court Rules

In an action involving the levying of a Federal tax on stock dividends, the United States Supreme Court on March 1 denied the power of the Department of Justice to impose such a tax. The Court's opinion, was handed down in a 5 to 3 decision, in a test case brought by the Government to challenge a 1920 Supreme Court decision (Eisner vs. Macomber) which held that a dividend of voting common stock distributed on voting common stock did not constitute income to the recipient and was not subject to taxation.

Justice Jackson, who delivered the opinion, said that the court was "unable to find that Congress intended to tax the dividend in question, and without Congressional authority we are powerless to do so."

The court's conclusions specifically had to do with a test case involving a \$9.60 tax assessed for 1939 against Mrs. Sylvie R. Griffiths of New York on 1/2 shares of common stock of Standard Oil Co. (New Jersey) received as a dividend on 100 shares of common stock.

According to Washington advices to the "Wall Street Journal" the Government, in seeking to collect this tax, asked the Court to do two things, viz.:

"First, it requested the Court to interpret a 1936 Act of Congress as imposing a tax on stock dividends. That act, now Section 115 (F) (1) of the Internal Revenue Code, says: 'A distribution made by a corporation to its shareholders in its stock or in rights to acquire its stock shall not be treated as a dividend to the extent that it does not constitute income to the shareholder within the meaning of the 16th Amendment to the Constitution.'

"Second, the Government asked the Court to overrule its decision in Eisner versus Macomber rendered in 1920. This decision contains the basic constitutional rulings which for 23 years have prevented taxation of stock dividends. It was a five-to-four decision. Its main reasons for holding such dividends non-taxable were that the transaction caused no severance between income and capital of the corporation and that there was no actual realization of income to the stockholder."

Regarding the findings of Justice Jackson, the "Wall Street Journal" advices said:

"Justice Jackson reviewed the history of the Tax Act of 1936 on which the Treasury based its claim that Eisner vs. Macomber should be overruled. That Act provides that a distribution made by a corporation to its shareholders in its stock or in rights to acquire its stock shall not be treated as a dividend to the extent that it does not constitute income to the shareholder within the meaning of the 16th Amendment to the Constitution."

"The question was whether that language in effect overruled the Eisner case."

"We think if Congress had passed or intended to pass an Act challenging a well-known constitutional decision of this court, there would at least one clear statement of that purpose appear either from its proponents or its adversaries," Justice Jackson said. "Not one contemporaneous word in or out of Congress discloses the purpose which the Government says we should find that this legislation accomplished."

"It should be observed that the question of the Constitutional validity of Eisner vs. Macomber is plainly one of the first magnitude, but that is not to say that it is presented in this case. Under our judicial tradition we do not decide whether a tax may constitutionally be laid until we find that Congress has laid it. Unless the tax asserted by the Commissioner has been authorized by Congress it fails of validity before we even reach the constitutional question. To reach that question we must decide whether Congress intended by Section 115 (F) (1) to do what

Eisner against Macomber squarely held it could not. We cannot find that it did."

A dissenting opinion was delivered by Justice Douglas, in which Justices Black and Murphy joined; the dissenting views, read by Justice Douglas, stated, according to Associated Press advices:

"I think Eisner vs. Macomber should be overruled," Justice Douglas asserted. "The Sixteenth Amendment (authorizing a Federal income tax) gives Congress the power to lay and collect taxes on incomes, from whatever source derived."

"We are asked to make a retroactive holding," the majority opinion said, "that for some seven years past a multiple of transactions have been taxable although there was no source of law from which the most cautious taxpayer could have learned of the liability."

"The importance of overruling Eisner vs. Macomber," the Justice Department had contended, "is not merely that the Government may be able to tax stock dividends, although many millions of dollars in taxes may be involved each year with respect to stock dividends. Of far greater importance is the removal of the restriction that it imposes upon the taxation of corporate earnings in the hands of the shareholders at the appropriate surtax levels."

A previous reference to the case appeared in these columns Dec. 17, last page 2165.

Newspaper Printing And Publishing Panel

The National War Labor Board announced on Feb. 25 the establishment of a six-man advisory panel for the daily newspaper printing and publishing industry, to make recommendations on wage and salary adjustments and on all labor disputes. The panel, first of its type, will serve for a 90-day experimental period.

Robert K. Burns, Chairman of the Sixth Regional War Labor Board, with headquarters in Chicago, was appointed Chairman of the Advisory Panel, and Professor F. S. Deibler of Evanston, Ill., Professor of Economics and History at Northwestern University, Vice-Chairman. They will represent the public on the panel.

Two members and their alternates to represent industry and two members and their alternates to represent labor also were appointed.

The panel will be governed by the policies and procedures of the National War Labor Board and its findings and recommendations will be filed directly with the NWLB, it was stated in the directive order establishing the panel.

The NWLB's announcement further explained:

"The Regional War Labor Boards will refer applications for wage and salary adjustments to the panel in all voluntary cases. The NWLB will refer dispute cases to the panel. The NWLB will take final action on the panel's recommendations and will direct the appropriate Regional Board to notify the parties of the disposition of the case."

"After the 90-day experimental period, the Board will consider the permanent establishment of the panel. It will act either upon its own initiative or upon request of representatives of either management or labor. The Board will review the work of the panel,

consider the advisability of changes in the personnel and determine the jurisdiction, function and powers of the panel at that time.

"The Board has established commissions for the entire industries before but it never before had set up an advisory panel of this type."

"Because of the long-established history of collective bargaining in the newspaper industry, the Board agreed to the establishment of the advisory panel, after requests for creation of such a panel came from both industry and union representatives."

"Mr. Burns will serve both as Chairman of the Sixth Regional War Labor Board and as Chairman of the Advisory panel. He is a veteran arbitrator in newspaper disputes and is author of a book on collective bargaining procedure in the newspaper industry. Mr. Burns was a teacher of labor economics and industrial relations at the University of Chicago before being called to his first WLB post last November. He was the unanimous choice of the newspaper industry and labor representatives for the Panel post."

"The labor members and alternates were chosen from crafts and industrial groups whose memberships may be involved in matters within jurisdiction of the panel. The labor member sitting in each case will be the member chosen from the craft or industrial group involved in the particular case."

"The panel may sit as a three-man tripartite panel, provided that one member shall be the Chairman or Vice-Chairman, and one shall represent industry and one labor. The Chairman, however, will exercise general supervision and will not participate in any case except when specifically requested to do so by the NWLB."

"The panel will have its headquarters in Chicago, at 222 West Adams Street, Room 555. Members will be paid on a per diem basis."

"The panel's jurisdiction will include employees in the following departments: mechanical, maintenance, mailing, editorial, art, circulation (including newsboys), and commercial and kindred departments. Cases involving services related to the newspaper industry may also be referred to the panel by the NWLB or the Regional Boards, if the interested parties so request."

FDR Greets Negro Press

President Roosevelt, in a letter March 6 to the Negro Newspaper Publishers Association of America, celebrating National Negro Newspaper Week, said the observance has "particular significance this year," because freedom of the press is one of the things for which this nation is fighting. The text of the President's letter follows:

"The observance of National Negro Newspaper Week has particular significance this year, a year that has seen the fighting men of the United Nations, battling shoulder to shoulder to protect and guarantee those freedoms that we in this country took for granted. Freedom is the press is not the least of these, and the Negro press like the rest of the American press has always been free to say what it thinks, print what it believes."

"A free press has responsibilities as well as liberties. It must keep pure the stream of public information, for this is the stream that waters democracy and assures us growth. The free press must fight for the right, conscious always that the greater good is more important than personal advancement or personal profit."

"I leave you with one further word and promise: Democracy is on the march."

April Financing Drive Set At \$13 Billion; 3 New Issues Scheduled In Record Borrowing

Secretary of the Treasury Morgenthau announced on March 12 that the United States Treasury will borrow during the month of April the huge sum of \$13,000,000,000 in its Second War Loan Drive. Mr. Morgenthau said that \$3,000,000,000 of this total will come from non-banking investors and the balance from banking sources, including the increased weekly offerings of Treasury Bills.

Secretary Morgenthau further explained:

"This money, which is needed to back up our armed forces, will be raised through the continuing sale of War Savings Bonds, and Tax Savings Notes, Treasury Bills, and the offering of a number of new Treasury issues designed for every class and type of investor."

"As we move forward into full production in the war effort, it is increasingly important that every American invest in his Government's securities to the limit of his or her ability."

"As announced on March 3, a new organization under the title of U. S. Treasury War Finance Committee, will conduct the sales campaign beginning April 12 on the several issues of securities offered. In order to combine all of our forces behind the Second War Loan drive, this organization will bring together the Victory Fund Committees, which so successfully carried out the December campaign, and the War Savings Staff organizations, which have done such a grand job in the sale of War Savings securities. The President of the Federal Reserve Bank in each of the 12 districts is Chairman of the War Finance Committee in his district and will be in complete charge of the drive for that area."

The Treasury Department at the same time (March 12) announced that the offerings to be sold under the direction of the War Finance Committee will consist of:

"1. Twenty-six-year 2 1/2% bonds dated April 15, 1943, due June 15, 1969, callable June 15, 1964, to be issued in coupon or registered form at the option of the buyers. Commercial banks, which are defined for this purpose as banks accepting demand deposits, will not be permitted to own these bonds until April 15, 1953. There will be no limit to the amount of this issue and no restriction upon the issuance excepting the temporary exclusion of commercial banks from ownership for their own account. Subscription books will be opened April 12 and will remain open several weeks. The bonds will be sold in denominations from \$500 to \$1,000,000."

"2. Two per cent Treasury bonds dated April 15, 1943, due Sept. 15, 1952, callable Sept. 15, 1950. This security will be available for subscription by commercial banks for their own account for the period April 28, 29 and 30. It will be available for subscription by all other classes of investors for the entire period of the drive. Sales to commercial banks will be limited to \$2,000,000,000 or thereabouts. Applications from commercial banks in amounts up to \$100,000 will be allotted in full and larger bank subscriptions on an equal percentage basis. All applications from other than commercial banks will be allotted in full. These bonds will be in denominations of from \$500 to \$1,000,000 and will be issued in coupon or registered form at the option of the buyer."

"On individual subscriptions of \$1,000 or less, no accrued interest will be charged on the 2% or 2 1/2% bonds during the period of the drive, but accrued interest from April 15 will be collected on all subscriptions in excess of that amount entered after that date."

"3. A 7/8% Certificate of Indebtedness dated April 15, 1943, due April 1, 1944. This security will be available for subscription by commercial banks for their own account for the first three days

of the drive, namely, April 12, 13 and 14, and will be available for subscription by all classes of investors during the entire period of the drive. Sales to commercial banks will be limited to \$2,000,000,000 or thereabouts. Applications from commercial banks up to \$100,000 will be allotted in full and larger bank subscriptions on an equal percentage basis, and all applications from other than commercial banks will be allotted in full. The certificates will be in denominations of \$1,000 to \$1,000,000 and will be issued in coupon form only."

"4. Tax Savings Notes of Series C."

"5. Series E War Savings Bonds."

"6. U. S. Savings Bonds, Series F and G."

The announcement also stated: "Any bank or trust company qualified to hold War Loan deposits will be permitted to make payment by credit for securities, whether for its own account or that of its customers up to any amount for which it shall be qualified in excess of existing deposits."

"In addition to the foregoing securities offered during the month of April, the Treasury will offer on April 20, outside of the Second War Loan campaign, a 7/8% one-year certificate of indebtedness dated May 1, in exchange for the Treasury certificates of indebtedness in the amount of \$1,506,000,000, and Commodity Credit Corp. notes in the amount of \$289,000,000, all maturing on that day. This exchange offering should not be considered as a precedent for future refunding operations of the Treasury."

In the first Victory Loan campaign the Treasury sought \$9,000,000,000 but raised a total of \$12,906,000,000 of "new money;" these results were noted in our Jan. 28 issue, page 383.

Plans for the second War Loan drive were mentioned in these columns March 11, page 930.

WLB To Discontinue Strike Statistics

Announcement was made on March 8 by the War Labor Board that it will no longer issue statistics on strikes in war industries. The Board indicated that its action was due to the fact that "the war effort now affects practically every industry in the nation and the ratio of man days lost through strikes to the total time worked is virtually the same in the war industries as in the non-war industries."

Hereafter, said the WLB, figures on strikes will be issued by the Bureau of Labor Statistics of the Labor Department, but they will not differentiate between war and other industries. Associated Press accounts from Washington on March 8, indicating this, added:

"An interdepartmental committee on strike statistics, composed of members from the War, Navy and Labor Departments, WLB, War Production Board and Maritime Commission, will no longer function. The announcement said the action was taken on the recommendation of the committee itself."

"Throughout 1942 the group collected statistics on strikes in war industry and they were issued monthly by the WLB. The latest figure, for December, showed the man days lost to be .03 of 1% of the total time worked."

New York Stock Exchange Maintains Strong Financial Position In '42 Despite Operating Loss

The New York Stock Exchange indicates that it "maintained its strong over-all financial position in 1942 and increased slightly its liquid resources, in spite of an operating loss of approximately \$198,000 resulting from a sharp decrease in revenues," in the annual financial report issued March 5 by Emil Schram, President of the Stock Exchange. Mr. Schram said that this was gratifying to report "although our business last year was the smallest since 1914, reaching what I am confident will prove to have been the lowest ebb of the prolonged depression through which this industry has been passing."

The consolidated statement of income and expenses for 1942 of the Stock Exchange and its affiliated companies shows that operating costs, excluding depreciation, exceeded income by \$198,379, compared with an excess of expenses over income in 1941 of \$42,285. Initiation fees of \$296,000 collected in 1942 and of \$348,000 in 1941, are not reflected in these results because they are capital contributions. The report also says: "The fact that, in spite of the operating loss of \$198,000, the cash position as of Dec. 31, 1942, showed an improvement of \$165,000 is accounted for largely by the initiation fees received in 1942, and a refund of approximately \$59,100 in real estate taxes, of which \$44,377 was applicable to prior years."

"The total deficit for 1942, taking into account depreciation charges of \$548,191 and a loss of \$69,402 resulting from liquidation of the World's Fair Corporation and the receipt during 1942 of a final payment on its bonds owned by the Exchange (against which full reserves had been set up in previous years) was \$815,972, compared with \$2,229,561 in 1941. The 1941 figure, it should be noted, includes the loss of approximately \$1,600,000 on the sale during that year of the 39 Broad Street building."

Mr. Schram's report further disclosed: "Income in 1942 declined \$787,443, from \$4,676,767 in 1941 to \$3,889,324 in 1942, a decrease of more than 16%. Listing fees of \$221,577 in 1942 compared with \$558,192 in 1941, a reduction of \$336,615. Stock Clearing Corporation charges were lower by \$239,111; stock and bond ticker service by \$58,826; quotation service by \$67,629."

"Membership dues for 1942

Expenses 1941	Expenses 1942	Reduction	
Salaries and wages	\$2,743,621	\$2,508,059	\$235,562
Employees' insurance, annuities, etc.	408,840	254,249	154,591
Real estate taxes	569,207	532,948	36,259
Printing, stationery, postage, etc.	127,587	92,800	34,787
Legal and other professional services	185,084	97,070	88,014

"Total expenses in 1942 of \$4,087,703 were lower than in any of the past twenty years. In connection with the continuing economies of operation, I should like to express the Exchange's appreciation of the whole-hearted cooperation received from members and employees in maintaining the Exchange's high standards of performance and efficiency with a personnel reduced not only by previous necessary retrenchments but by the fact that a very large number of our employees entered the armed forces during the past year."

Employee Relations

"During 1942, an independent employees' association was certified by the National Labor Relations Board as the bargaining organization for the employees of the Department of Floor Operations of the Exchange, excluding the supervisory employees. Negotiations with a bargaining committee of the Association have resulted in substantial agreement on proposed salary scales and other conditions of employment. Approval of such salary scales and of proposed readjustments affecting other employees of the Exchange and its affiliated companies are now before the War Labor Board, although in separate proceedings. The principal issues to be determined by the War Labor Board, other than approval of the salary

were \$201,049 less than in 1941, the decrease having resulted, in part, from exemptions granted to members in service with the armed forces and, in part, from the reduction of 25% in the rate of dues for the last two quarters of last year.

"Income from telephone spaces and other floor charges declined by \$103,129, principally because of reductions in rates adopted last May as part of a broad program under which Exchange charges for floor facilities were readjusted to a basis more equitable in relation to their use. "Total receipts during 1942 from the new charge based on net commission income of members and member firms were \$283,292, slightly less than the total loss of income in dues and floor charges."

"Income from rents increased slightly during the year in spite of the loss of income resulting from the closing down during 1941 of a portion of the 24 Broad Street and 20 Broad Street buildings and the sale of the 39 Broad Street building."

Expenses
"The total reduction in expenses during the year was \$631,349, or about 13%. This followed reductions averaging \$572,000 in each of the preceding four years. The total decline in the annual rate of expenses since 1937, the last full year prior to the first reorganization of the Exchange, has been approximately \$2,900,000. Reductions during 1942 were shown in almost all of the expense categories, only two items, insurance and miscellaneous expenses, having shown an increase over the totals for the previous year. The increase in these two items resulted from expenses incurred in connection with air raid precautions, including the complete coverage of the Exchange buildings under war risk insurance."

"The principal reductions were as follows:

Expenses 1941	Expenses 1942	Reduction	
Salaries and wages	\$2,743,621	\$2,508,059	\$235,562
Employees' insurance, annuities, etc.	408,840	254,249	154,591
Real estate taxes	569,207	532,948	36,259
Printing, stationery, postage, etc.	127,587	92,800	34,787
Legal and other professional services	185,084	97,070	88,014

scales under the Executive "freezing" order, are whether or not the contract with floor employees should provide for some form of closed or union shop and what the effective date of the proposed salary increases should be. Throughout the negotiations we maintained the position that the Exchange could not agree to require any employee to join a union or to maintain his membership as a condition of continued employment."

In paying tribute to the thousands of former co-workers in the community who have entered the armed forces, Mr. Schram said:

"It is with special pride that we record the fact that almost 15% of our personnel—members, allied members, Exchange employees and employees of member firms—are in various branches of the service at this time. They have a right to expect that those of us who remain at home will preserve this and other free institutions in health and usefulness. This requires of all of us the utmost exertion and sacrifice to the end that the war may be brought to a victorious conclusion as speedily as possible. Thus, we can best protect our civilian economy and insure a stable order after the war has been won."

The consolidated balance sheet as of Dec. 31, 1942, compared with a year ago, follows:

	Dec. 31, 1942	Dec. 31, 1941
Assets		
Cash	\$1,176,905.19	\$3,162,371.20
Accounts receivable from members or their firms	416,615.52	367,264.79
Accounts receivable, others (net of reserves)	99,065.92	180,375.69
Loans to employees	6,266.45	7,264.03
Miscellaneous securities (net of reserves)		2,402.00
United States Government Securities, at cost (market value \$1,708,333.37)	1,705,800.00	
Prepaid taxes, insurance, etc.	331,805.34	357,641.08
	\$3,736,458.42	\$4,077,338.79
Liabilities		
Cash deposited in special funds (contra):		
Stock Clearing Corp., clearing fund	\$6,800,000.00	\$9,325,000.00
Stock Clearing Corp., mark to market deposits	40,461.37	129,059.46
Stock Clearing Corp., deposits account of special intermediate clearances	2,572,230.67	1,248,466.43
United States War Savings Bonds, series E	562.50	
Proceeds of sales of memberships	5,600.00	244,537.73
	\$9,418,854.54	\$10,947,063.62
Bonds deposited under franchise, at cost (market value \$24,750 at Dec. 31, 1942)	\$21,125.00	\$21,125.00
Cash deposit at Federal Reserve Bank for issuance of United States War Savings Bonds, series E	\$150,000.00	
Fixed assets (see footnote):		
Land	\$9,551,424.58	\$9,551,424.58
Buildings and improvements	18,278,128.76	18,271,908.39
Furniture, fixtures and equipment	183,997.00	217,061.70
Ticker equipment	1,179,023.87	1,179,023.87
	\$29,192,574.21	\$29,219,418.54
Less reserve for depreciation	10,009,652.09	9,494,018.60
	\$19,182,922.12	\$19,725,399.94
Total assets	\$32,509,360.08	\$34,770,927.35
Liabilities		
Amount received from Trustees of the Gratuity Fund pursuant to Article XVI, Section 7, of the Constitution to be refunded to or to be applied against amounts paid or payable by members		\$296,563.97
Accounts payable	\$126,589.17	171,477.03
Accrued payroll, taxes, etc.	57,375.80	39,407.41
	\$183,964.97	\$507,448.41
Deposits in special funds (contra):		
Stock Clearing Corp., clearing fund	\$6,800,000.00	\$9,325,000.00
Stock Clearing Corp., mark to market deposits	40,461.37	129,059.46
Stock Clearing Corp., deposits account of special intermediate clearances	2,572,230.67	1,248,466.43
United States War Savings Bonds, series E	562.50	
Proceeds of sales of memberships	5,600.00	244,537.73
	\$9,418,854.54	\$10,947,063.62
Unearned income	\$5,438.13	\$6,892.48
Capital investment of the exchange	\$22,901,102.44	\$23,309,522.84
Total liabilities	\$32,509,360.08	\$34,770,927.35

*Dissolved during 1942.
Footnotes—The amount stated for fixed assets is book value, based mainly upon cost. The cost of obtaining premises under long lease, demolition and new construction has been capitalized; the allocation of costs between land and buildings is that made to meet the accounting requirements for tax purposes. The amount stated does not represent realizable value, which is believed to be substantially less.

The New York Stock Exchange was contingently liable at Dec. 31, 1942, with respect to pending law suits totalling \$1,259,713.25, which in the opinion of counsel to the Exchange should not result in material liability.

The statements of income and expenses for the years 1942 and 1941 follow:

	Year ended Dec. 31, 1942	Year ended Dec. 31, 1941
Income from members or their firms:		
Membership dues	\$1,165,162.24	\$1,366,211.03
Telephone spaces and other floor charges	424,130.43	527,259.07
Charge on commissions	263,292.47	
Stock Clearing Corporation charges	518,575.39	757,686.55
Stock and bond ticker service	309,824.67	368,650.62
Quotation service	163,872.45	231,501.54
Branch office, registered employee and wire connection fees, and partnership application charges	142,620.00	157,615.00
Fines and powers of attorney	8,243.90	16,716.50
	\$3,015,720.95	\$3,425,640.31
Income from others or not entirely from members or their firms:		
Rents, including light and power	\$391,504.12	\$384,693.36
Stock Clearing Corporation charges	80,400.00	80,400.00
Ticker, Trans-Lux and Teleregister	135,841.76	161,942.89
Subscriptions, services, etc.	11,068.33	12,847.74
Listing fees	221,576.67	558,192.49
Interest, discounts	12,767.31	7,586.94
Miscellaneous	20,444.96	45,463.46
	\$873,603.15	\$1,251,126.88
Gross income	\$3,889,324.10	\$4,676,767.19
Expenses:		
Salaries and wages	\$2,508,059.23	\$2,743,621.23
Employees' insurance, annuities, etc.	254,249.43	408,840.44
Social security and unemployment taxes	90,444.02	101,281.06
Building, light, heat, maintenance, etc.	195,312.19	203,943.29
Rent	139,459.93	149,079.04
Real estate taxes	532,948.11	569,206.83
Miscellaneous taxes	36,152.63	48,514.24
Printing, stationery, postage, etc.	92,800.51	127,587.08
Telephone and telegraph	75,587.54	101,164.71
Legal and other professional services	97,069.99	185,083.60
Committee fees	21,630.00	39,285.00
Insurance	22,849.98	19,462.26
Rents and accounts charged off	281.65	1,128.83
Miscellaneous	20,857.74	20,854.21
	\$4,087,702.95	\$4,719,051.82
Excess of expenses (excluding depreciation) over income	\$198,378.85	\$42,284.63
Depreciation	548,151.41	566,579.69
Loss on sale of securities		7,596.85
Loss on redemption of World's Fair bonds	69,402.00	
Undepreciated balance night branch improvement account		8,929.48
Loss on sale of 39 Broad St. (land building and miscellaneous equipment)		1,604,169.98
Loss for the year	\$815,972.26	\$2,229,560.63

*Dissolved during 1942. **Dissolved during 1941.

WLB Affirms Award In 'Tribune'-Guild Case

The National War Labor Board on Feb. 26 upheld the arbitration award in the case of the New York "Herald Tribune" and the CIO New York Newspaper Guild, thereby affirming its policy that selective pay increases granted on a merit basis cannot be credited toward a general increase for the whole unit to compensate for higher costs of living. The vote was 8 to 4, with employer members dissenting, according to Associated Press accounts from Washington Feb. 26 which also said:

"The award sets up classification minimums ranging up to \$70 a week, with the provision that a further increase shall be granted if the minimum does not provide a 15% increase for those earning \$40 a week or less, 10% for those earning \$40 and up to \$75 a week, and 5% for those earning over \$75 but less than \$100 a week."

On Feb. 24 it was indicated from Washington that the New York "Herald Tribune" management had asked the National War Labor Board that day to decide whether wage increases awarded last Dec. 22 by three WLB arbitrators in negotiations between the newspaper and the Newspaper Guild of New York were in harmony with the government's economic stabilization program. We quote from the "Herald Tribune," which also had the following to say in the Washington account Feb. 24:

"Elisha Hanson, attorney for the 'Herald Tribune' in this case, expressed the view at a WLB hearing that the increases could not be reconciled with the stabilization program. He said the awards constituted an average increase of 18.25% in the newspaper's payroll level of Jan. 1, 1941."

"Mr. Hanson argued that the 'Herald Tribune' management felt that the WLB's 'Little Steel' formula for granting general wage increases of up to 15% above Jan. 1, 1941, levels to match a similar rise in living costs had been 'improperly applied' in this case."

"A. J. Isserman, counsel for the American Newspaper Guild, asked the WLB to approve the arbitrators' award 'forthwith.' He held that the payroll increases involved were 'consistent' with the wage-stabilization program."

"Mr. Isserman said that the 'Herald Tribune's' policy of granting merit increases to deserving reporters was 'capricious, arbitrary and whimsical.'"

"After a three-hour public hearing this morning, the WLB, under William H. Davis, Chairman, met in executive session this afternoon to discuss the case and other matters. The Board then adjourned without announcing a decision, which is not expected for several days."

"Others who testified at the hearing were:

"For Management: George T. Townley, counsel for the Publishers' Association of New York City, and Louis M. Loeb, counsel for the New York 'Times.'"

"For the Guild: Milton Murray, President of the American Newspaper Guild; John F. Ryan, general organizer of the New York Guild, and Samuel Eubanks, Executive Vice-President of the American Newspaper Guild."

Lend-Lease Aid To India

The Office of War Information at Washington reported on March 5 that lend-lease aid to India totaled \$295,501,491 up to Jan. 1. Two-thirds of the shipments consisted of munitions or military machines, the OWI said, adding that most of the rest included industrial machinery and tools.

President Offers Congress Post-War Program And Security, Work And Relief System

(Continued from first page)

war to peace and for the longer-range development of an expanding economy. It is appropriate that each year the immediate programs contained in the Budget of the United States should be considered by the Congress in the light of much longer range plans and programs. To facilitate such use of this report, I recommend that the report be printed, in accordance with past custom.

"We can all agree on our objectives and in our common determination that work, fair pay and social security after the war is won must be firmly established for the people of the United States of America.

"Men in the armed forces and all those engaged in the war effort rightly expect us to be considering their future welfare.

"We fight today for security for our nation and at the same time we can endeavor to give our citizens and their families security against attacks from without, and against fear of economic distress in old age, in poverty, sickness, involuntary unemployment and accidental injuries. We need to look forward to the accomplishment of these objectives—world peace, democratic society and a dynamic economy.

"The second report transmitted herewith, on 'Security, Work, and Relief Policies,' has been developed over the last three years by the National Resources Planning Board, at my request, with the cooperation of the Federal agencies concerned and with the help of citizens with special knowledge and competence in this field. It reviews the accomplishments and experience of the last ten years, pointing out some of the weaknesses of our security system, and suggesting ways of improving and strengthening the whole program.

"Because of their basic importance to our national welfare during the war and after the war, it is my earnest hope that the Congress will give these matters full consideration during this session. We must not return to the inequities, insecurity and fears of the past, but ought to move forward toward the promise of the future. When the Congress has agreed on procedures for the consideration of these problems, the executive agencies responsible for the administration of programs in these fields are prepared to provide the Congress with all assistance within their power in devising appropriate ways and means of accomplishing these high purposes.

"FRANKLIN D. ROOSEVELT, The White House, March 10, 1943."

The findings and recommendations of the National Resources Planning Board on "Security, Work and Relief Policies" are as follows, according to the Associated Press:

We have given our reasons for believing that the adoption of certain policies and the application of certain financial and administrative principles would result in a more nearly adequate, well-rounded, and orderly system of public-aid measures. In summarizing these proposals, we wish again to emphasize that, precisely because we have attempted to develop a well-coordinated and consistent body of policies and principles, no one of our specific recommendations can be considered apart from the whole system of which it is an integral part.

In this context, and for the reasons we have given in the preceding pages, we therefore make the following recommendations:

I. THE PUBLIC-AID PROBLEM

The American people should base public-aid policy upon the

acceptance of the following facts:

1. The need for public aid will be both large and persistent for some time to come.

2. The need for public aid is in large measure caused by serious maladjustments in the operation of our economy and by personal physical or psychological defects, many of which can be remedied.

3. The social problem created by economic insecurity is many-sided and requires for its solution a series of diversified programs.

II. BROAD OBJECTIVES OF PUBLIC AID

The over-all objective of public aid should be the assurance of access to minimum security for all our people, wherever they may reside, and the maintenance of the social stability and values threatened when people lack jobs or income.

III. SPECIFIC OBJECTIVES

The specific objectives of public-aid policy should be:

1. Increasing emphasis upon policies aiming at the prevention of economic insecurity through a fuller utilization of our productive resources, including labor, and by more comprehensive measures to improve the health of our people.

2. Government provision of work for all adults who are willing and able to work if private industry is unable to provide employment.

3. Appropriate measures to equip young persons beyond the compulsory school-attendance age for assuming the full responsibilities of citizenship.

4. Assurance of basic minimum security through social insurance, so far as possible.

5. Establishment of a comprehensive underpinning general public assistance system providing aid on the basis of need, to complete the framework of protection against economic insecurity.

6. Expansion of social services which are essential for the health, welfare and efficiency of the whole population; this expansion should be as wide and as rapid as possible.

IV. FINANCE AND ADMINISTRATION

The following financial and administrative principles should be consistently applied in all public-aid programs:

1. The financing of public aid should be provided for as a normal and continuing function of government in a revised and re-organized fiscal system.

2. Public-aid financing, even if treated on a compartmentalized basis, should be coordinated with the broader economic and monetary policies of government.

3. Reliance on consumption and earmarked taxes should in general be avoided.

4. A distribution of financial responsibility for total public-aid costs between the various units of government is advisable and should reflect differences in need and in economic and fiscal capacity.

5. The objectives of the various special programs should be clearly stated and distinguishable and the beneficiaries of each should be those, and only those, for whom the specific program is appropriate.

6. Although Federal-State cooperation is preferable as a general principle, the allocation of administrative responsibility for the various diversified programs between Federal, State and local governments should be determined by reference to:

A. The capacity of the different governmental units for the exercise of specific financial, pol-

icy-forming, technical and routine administrative functions; and

B. The national importance attached to the attainment of the objectives of the given program.

7. In jointly administered programs special attention should be paid to defining as logically and clearly as possible the respective responsibilities of the participating governments and to developing techniques for cooperative action.

8. The advantages of administrative decentralization should be explored to the full, especially through a more constructive development of the regional basis of organization.

9. The personnel administering public-aid programs should be fully qualified by training and experience for the performance of tasks which call for a high degree of skill and professional competence.

10. Citizen participation in policy formation and program operation should be encouraged wherever this is consistent with sound and impartial administration.

V. SPECIFIC PROGRAMS

The existing programs should be modified in the light of these policies and principles in the following ways:

1. Federal Work Programs

A. To carry out the principle that work should be provided for all adults willing and able to work, a Federal work agency charged with responsibility for developing and operating work programs should be established on a permanent basis. The organization should operate with a high degree of flexibility.

In developing appropriate projects, the organization should work in close contact with the public works programming division of the National Resources Planning Board, the Bureau of Employment Security of the Social Security Board and appropriate technical agencies, and with State and local public works and welfare administrations. State and local governments should be encouraged to intensify the efforts now made to develop long-range public-works planning with a view to maximizing the amount of work given during periods of economic depression. It is recognized that the types and volume of public works which will lend themselves to such programming will change from time to time. Increasing attention should, however, be paid to planning for non-construction work and service activities.

B. The character of the work performed should be adapted to the developing needs of the nation and of communities for both construction and non-construction work, including social services. It should also reflect the occupational characteristics and geographical distributions of the unemployed and the probable future needs of the economy for workers with specific skills and occupational experience. Necessarily the programs must be flexible and highly diversified.

C. The standards of performance demanded of project workers should be those normally required in private industry and should be strictly enforced.

D. Rates of remuneration, conditions of employment, and hours of work should parallel as closely as possible those prevailing in private employment. Where, however, the work projects are primarily used as an instrument for training or retraining, suitable training grants should be paid in lieu of wages.

E. Eligibility for employment on work programs should be restricted to persons normally dependent upon full-time employment and those who are not entitled to receive unemployment compensation benefits, or whose unemployment is likely to persist for an extended period of time. Persons undergoing short spells of unemployment and partially unemployed workers should not nor-

mally be assigned to work-project employment. Special work projects, limited in duration, should be devised for farmers and agricultural workers during slack seasons.

F. Eligibility for employment should be determined by relative employability and need for work. Access to the program should not be dependent upon undergoing an investigation of economic need. Adequate appropriations for a work program and a general public-assistance system would make such a test unnecessary.

G. All persons seeking work should be required to register at public employment offices and access to the work program should be through the employment office.

H. Major responsibility for the operation of work programs should remain with the Federal Government, although every effort should be made further to develop cooperative relationships with the States and localities.

I. Major financial responsibility should be carried by the Federal Government. In sponsored programs the share which sponsors are required to contribute should reflect the fiscal capacity of the sponsor.

2. Programs for Youth

A. Federal financial aid as needed, to assure educational opportunity for all young people above the age of compulsory school attendance who desire and can benefit by continued schooling, should take the form of educational grants. These grants should be distributed by the educational authorities and, in determining payments to be made to families under public-aid programs, no part of the payments made to enable youth to continue schooling should be treated as part of the resources of the family.

B. The curricula of the schools should be revised so as to provide that all young people obtain meaningful unpaid work experience in the school or in community service during the period of school attendance.

C. Apprenticeship should be recognized as an appropriate channel for the occupational adjustment of youth.

D. Young people who are not in full-time attendance at schools or institutions of higher learning or who are not in private employment should be provided with productive work for a wage. The character of work and the wages paid should reflect the inexperience of the young workers. Both resident and non-resident types of programs are desirable. Special stress should be placed upon the educational aspects of the work and upon the inculcation of work habits and disciplines and familiarity with the use of a variety of tools. The hours of work and related training should be the equivalent of full-time work. Close relations should be maintained between the educational authorities responsible for related training and the administrators of the youth work programs.

E. All young people seeking public work should be required to register at public employment offices, and they should be referred to the various special programs by this service. Access to the youth work programs should not be limited to young people in economic need.

F. Eligibility for the youth work programs should be ordinarily restricted to persons under 21 years of age unless it can be shown that, because of the absence of public provisions they have not had access to special youth programs or have not had adequate work experience through private employment prior to reaching this age.

G. Facilities for counseling and guidance should be made available to all young people and their parents. The actual counseling should be performed by the

schools and the public employment service. The employment service, through a special youth-service unit, should act as the local coordinating body.

H. All youth programs should devote special attention to the physical health of youth, and financial provision should be made accordingly.

I. The youth work programs should be financed and administered on a national basis, and the present CCC and NYA out-of-school work programs should be combined in a unified administration. Local sponsorship of work projects should be encouraged so long as this is consistent with the development of work projects appropriate to the needs of youth.

3. Work Programs for the Handicapped

Further study should be given to the development of therapeutic work programs for those with special physical and mental handicaps and disabilities.

4. The Social Insurances

A. Disability Insurance

The existing protection against economic insecurity through social insurance measures should be expanded by the development of a system of social insurance to provide at least partial compensation for loss of income attributable to permanent or temporary disability.

B. Unemployment Compensation

The unemployment compensation system should be strengthened and expanded in the following ways:

(A) Coverage should be extended to embrace seamen and employes of non-profit corporations and of firms employing one worker or more. The inclusion of workers in domestic, agricultural and other low-paid employments should be considered in relation to the patterns of employment, the character and amount of their earnings, and the feasibility of devising a benefit formula which will yield them significant payments. Consideration might be given to the desirability of developing a separate system with its own eligibility, benefit, and contribution provisions for agricultural workers.

(B) The duration of benefits should be extended to 26 weeks and should be uniform for all eligible workers.

(C) The benefit formulas should be reconsidered with a view to assuring benefits which will enable the vast majority of recipients to maintain themselves for a period up to 26 weeks without recourse to supplementary payments under other forms of public aid. The payment of dependents' allowances would be a first step in this direction.

(D) Eligibility rules should be revised so as to admit to insurance benefits only workers whose past earnings and employment records offer a presumption that they will draw significant benefits from the system and yet not such amounts as to induce them to prefer benefit status to self-support. The adoption of duration of past employment in place of previous earnings as a criterion of eligibility should be explored.

(E) Experience rating should be abandoned. If experience rating is retained, minimum Federal standards relating to eligibility, duration, and amount of benefit are essential.

(F) The present Federal-State system should be replaced by a wholly Federal administrative organization.

(G) There should be a single national unemployment compensation fund, part of which should be drawn from general tax sources. If, however, the system is not placed upon a national basis, a reinsurance system accompanied by Federal standards relating to eligibility, duration and

amount of benefit should be developed.

C. Old-Age and Survivors Insurance

The old-age and survivors insurance system should be strengthened and made more widely available by the following changes:

(A) Coverage should be extended to employees of non-profit corporations. Additional groups of employees should be covered as rapidly as it can be demonstrated that they will receive adequate or significant benefits from the system.

(B) Continuing study should be given to the feasibility of revising the benefit formulas and the minimum-earnings eligibility requirement, with a view to making it possible for the vast majority of covered workers to qualify for benefits and to enabling the system to offer significant monthly benefits to a larger proportion of the low-paid and irregularly employed workers. Periods of involuntary unemployment, sickness and military service should not impair eligibility for an amount of benefits.

(C) The general principle of a governmental contribution to the costs of the program should be specifically embodied in legislation.

5. General Public Assistance

A. In addition to adequate work and social insurance programs, there should be a comprehensive general public-assistance program.

B. There should be a Federal grant-in-aid for general public assistance, which should be available on a basis reflecting differences in need and economic and fiscal capacity as between the States. The States should be required to distribute Federal and State moneys within their political subdivisions on a similar variable basis. The costs of public assistance granted to persons with less than one year's residence in a State should be a wholly Federal charge.

C. The system should be administered through a single State agency responsible for the administration or supervision of the plan. The Federal administrative agency should be the Social Security Board. Where a State refuses to comply with the Federal requirements in accordance with the Federal law or refrains from participation in the program, the Federal Government should have the power to operate the program within that State with Federal personnel until the State demonstrates its ability and willingness to reassume its responsibilities, provided:

(a) That a public hearing should be called at which the Federal Government should show why this step is believed to be necessary and at which the State government should have an opportunity to answer the allegations; and

(b) That the hearing should take place within the State concerned.

D. In addition to the provisions laid down for the special types of public assistance in the Social Security Act relating to availability of aid, throughout the State, selection of staff on a merit basis, the assurance of appeal rights, and the rendering of reports to the Social Security Board, the States' plans for general public assistance should provide:

(a) That public assistance may not be denied any person by reason of race, sex, marital or employment status, or failure to have resided within the State for more than one year.

(b) That public assistance should be administered in accordance with general standards adopted under rules and regulations of the Social Security Board relating to adequacy of aid and methods of payment.

(c) That the same standards regarding eligibility (other than residence) and assistance given

shall be applied to persons with less than one year's residence as to the remainder of public-assistance recipients.

6. Special Types of Public Assistance

(A) Public assistance now provided for special groups such as the needy, aged and blind and dependent children should be continued with such modifications of existing provisions as are necessary to develop a more fully coordinated program. Consideration should be given to extending the categories to embrace all groups whose need for socially provided income is likely to be relatively permanent or of long and predictable duration.

(B) The present equal-matching Federal grant should be replaced by a grant in which the amount of the Federal contribution would take into account differences between the States in need and in economic and fiscal capacity.

(C) The States' plans should provide for a distribution of Federal and State money within their political subdivisions in accordance with relative need and fiscal capacity.

(D) The Federal act providing aid to dependent children should provide specifically for payments to mothers. Grants under the aid-to-dependent-children program should be comparable in adequacy with those for the aged and blind.

7. Public Social Services

(A) Public social services essential to the health, education and welfare of the population should be available throughout the country, especially in areas which are disadvantaged in respect to income and taxable wealth. In most communities marked expansion of present services will be required in order to achieve these objectives. The planning and administration of public social services should be lodged in the appropriate agencies of government and responsibility for their development should be shared by local, State and Federal authorities. The administration should be in the hands of qualified full-time personnel selected on the basis of merit.

B. It is essential that public provision be made for meeting the needs of our people for more adequate medical care. Toward this end the Federal Government should stimulate, assist, or undertake constructive action to provide such care for the millions of our people whose need cannot be fully met from their own resources. Such a program should include adequate provision for promoting the health of mothers and children.

C. State and local child-welfare services for the prevention of child neglect and delinquency and for promoting adequate care of children requiring special attention should be expanded with the assistance of the Federal Government so as to be everywhere available.

D. Free school lunches should be provided for all school children.

E. The bulk distribution of surplus commodities should be replaced by the stamp plan, and greater efforts should be made to prevent the availability of commodities from concealing the inadequacies of general public assistance or from leading to a reversion to payment in kind. Surplus commodities should be available to the entire low-income population and not merely to public aid recipients.

8. General Administrative Arrangements

A. The merit system should be extended upward, downward and outward for all personnel in the field of public aid. Opportunity for employment on these programs should not be restricted on the

basis of residence in a particular State or locality. Greater use should be made of insurance training and staff-development programs. Interchange of staff between Federal, State and local governments should be encouraged.

B. Appropriations for administrative costs, which directly condition the size and quality of staffs, should not take the form of a uniform percentage of the total costs of any program, but should be variable, depending on the character of the job to be done.

C. In every community there should be a central information office responsible for informing applicants of the availability of community resources, both public and private, and putting them in touch with the administrators of measures appropriate to their needs.

D. The administration of all public-assistance programs operating within a locality should be the responsibility of a single agency, which should be the channel of access to all programs where eligibility is based upon need.

E. Access to all programs offering employment or training should be through public employment offices. The federalization of the employment service should be continued as a permanent policy. The work of the employment service in developing an intimate knowledge of the labor market, mechanisms for interstate exchange of labor, vocational guidance and counseling, as well as its activities in the administration of unemployment compensation, should be further developed. The activities of the public employment service along these lines in the defense period should be incorporated into the permanent program of the agency. The employment service should be empowered to make advances to workers for the purchase of tools and the payment of fares, to give financial assistance to those incurring heavy costs due to geographical transference, and to pay training allowances to workers undergoing approved training courses.

F. The Federal Security Agency should be given the status of an executive department and the administrator should be given the status of a member of the Cabinet. The agency should be vested with primary and continuing responsibility for promoting and safeguarding the general welfare, health and education of the people. Continuing study should be given to the basis of organization of the agency and to its relationship to other agencies administering related public aid programs.

G. There should be established a permanent national advisory body charged with the function of studying and advising the President, the Congress and the country on the over-all operation of public-aid policies and programs.

H. Similar advisory bodies, composed of representatives of public and private agencies and of the public should be established at the State level, charged with the function of investigating State and local needs for public aid in relation to existing community resources, both public and private.

I. Greater efforts should be made to bridge the gap between administrators and the public by increased efforts on the part of public agencies to inform the public of the purposes, achievements and limitations of public-aid programs; by citizen participation in policy-making and in appropriate phases of administration; and by more effective use of the cooperation of private welfare agencies which have a necessary part to play in this enlarged conception of public welfare service.

J. All public-aid programs involving Federal participation

Europe Food Supplies 3% Below Last Year

Total food supplies in Continental Europe, exclusive of Russia, are this year estimated to be from 2% to 3% below those of 1941-42 and about 15% below the pre-war average, according to the semi-annual survey of the Office of Foreign Agriculture Relations of the Department of Agriculture made available March 3. This estimate is based on a roundup of all of the information available to date on 1942 crops.

The Department's announcement further said:

"The food supply in Continental Europe varies greatly from country to country and even between urban and rural areas within the same country. Most of the farm population is still living at pre-war levels while food consumption by many other consumer groups has been drastically curtailed. The general reduction in food supplies is having less effect on conditions in Germany and Italy than in the occupied countries.

"Greater reliance than before the war is now being placed on foodstuffs of plant origin, especially on grains and potatoes. Such diversions from feed to food uses, however, have resulted in a further decline in the production of meat, milk and eggs, the output of which had already been affected unfavorably by the elimination of imported feedstuffs.

"With respect to 1942 crops, indications are that wheat and rye production was considerably below the average but that the total grain crop came within 93% of the 1933-37 level. Despite lower wheat and rye crops, bread consumption apparently is being maintained at last year's level by mixing larger percentages of barley and corn and by enforcing higher flour extraction ratios.

"The 1942 potato crop, chiefly because of increased plantings to offset damage to wheat and rye acreages by winter kill, is believed to have been larger than in any recent year and considerably above the 1933-37 average.

"The 1942 sugar-beet crop appears to indicate a potential production of sugar somewhat below that of the preceding year but still above the pre-war average. It is believed, however, that a larger than usual proportion of the 1942 sugar-beet crop is being diverted to feed for livestock and that much larger than normal quantities will have to be used for alcohol and other industrial purposes. Should this be the case, the quantities of sugar available for human consumption may prove to be below the pre-war average.

"As a result of the high mortality of fruit trees during the unusually severe winter of 1941-42 and the continued shortages of fertilizers, spray materials and equipment needed by orchardists, the 1942 fruit crop is believed to have been very low. The vegetable crop, however, appears to have been generally larger than a year ago because of acreage expansion and favorable growing conditions. Indications are that there was a considerable increase in vegetable canning after the 1942 crop compared with former years.

"Of special significance are the indications that the 1942-43 supply of vegetable oils is below that of 1941-42. The reduction is attributed mainly to the low olive oil output in Greece, to a poor rapeseed crop because of winter kill, and to the impossibility of obtaining oil supplies from Africa. The shortage is probably being felt mainly in France, which has depended largely on oil imports from West Africa. Reserve stocks of oilseeds by this time have been

should include Puerto Rico and the island possessions, except where constitutional provisions forbid.

practically exhausted in all European countries.

"The opinion is expressed that total supplies of meats and animal fats and oils in Continental Europe are no larger than they were last year and may even show a further decline because of the continued impossibility of importing concentrated feedstuffs, and the reductions in livestock numbers which are known to have taken place in northwestern Europe.

"Factors which will have an unfavorable bearing on 1943-44 crops in Continental European countries will be the further reduction in agricultural labor because of the increased need for workers in plants producing supplies for the armed forces, a continued and probably increased shortage of effective agricultural equipment, increasing discontent of farmers as a result of requisitioning of supplies for the Axis and the enforcement of measures designed to increase compulsory deliveries of farm products, and especially the loss of North African phosphates which are badly needed for the manufacture of commercial fertilizers."

President Signs Bill Providing Funds For Floating Drydocks

A measure authorizing an appropriation of \$210,000,000 for the construction of floating drydocks for the Navy was signed by President Roosevelt on Feb. 19, following its recent passage by Congress.

The Navy Department, following a comprehensive global study of the drydocks available to the United Nations, recommended construction of at least five floating drydocks for vessels the size of cruisers, 18 for destroyer tonnage and 25 for patrol craft. The cost was estimated at \$133,000,000. The additional \$77,000,000 is the estimated cost of collateral facilities and work incidental thereto. It is expected that the program will be completed in 20 months.

This authorization is in addition to existing naval authorizations for ship-repair facilities totaling \$385,000,000, nearly all of which has been committed.

In urging enactment of the legislation, Under-Secretary of the Navy James Forrestal wrote the following on Jan. 22 to Speaker of the House Rayburn:

"There is a pressing need for vastly increased ship drydocking facilities all over the world. As the United Nations' navies and merchant marine increase in number and as the operations of our fleets are extended into new areas, this need will be accentuated and aggravated."

The bill passed the House on Feb. 2 and the Senate on Feb. 15.

Gen. Giraud Accepts Atlantic Charter

Gen. Henri Honoré Giraud, French Civil and Military Commander in Africa, declared on March 1 that he accepted the Atlantic Charter heartily, and "while making war, we must prepare for peace."

According to United Press advices from Algiers, General Giraud said:

"From the foreign viewpoint, I accept the Atlantic Charter heartily and without reticence. These are the principles that France has always supported in every epoch of her history. I do not believe at all in the need of a revolution with disorder and anarchy, which will add a number of years of civil war to the foreign war."

General Giraud called for patience. He continued:

"Arms are arriving. America has not gone back on her word. She has confidence in France, as France has confidence in her."

National Fertilizer Association Index Decline In Commodity Price Average

The general level of wholesale commodity prices was fractionally lower last week, according to the price index compiled by the National Fertilizer Association and made public on March 15. In the week ended March 13 this index declined to 135.4 from 135.5 in the preceding week. It was 134.1 a month ago and 124.0 a year ago, based on the 1935-1939 average as 100. Since the first of January, 1943 there has been a 2.3% increase in the index. The Association's report added:

The drop in the all commodity index last week was due principally to declines in the prices of some farm products. Cotton quotations were higher, but declines in grains and livestock were more than sufficient to lower the farm product group index. Advancing prices for eggs, prunes, and cottonseed oil were responsible for a further advance in the food price average. The building materials index was higher, reflecting price advances for linseed oil. A fractional advance was also recorded by the textile index.

During the week changes in the index were quite evenly balanced, with eight price series advancing and seven declining; in the preceding week there were 18 advances and two declines; in the second preceding week there were 11 advances and five declines.

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

Each Group Bears to the Total Index	Group	Latest Preceding		Month Ago	Year Ago
		Week	Week		
25.3	Foods.....	137.6	137.4	137.5	121.6
	Fats and Oils.....	148.5	148.1	148.5	136.1
	Cottonseed Oil.....	160.1	159.0	159.0	159.0
23.0	Farm Products.....	154.9	155.6	151.0	133.8
	Cotton.....	193.8	199.0	195.6	183.8
	Grains.....	141.4	141.9	134.5	119.8
	Livestock.....	151.2	152.2	147.9	127.0
17.3	Fuels.....	121.7	121.7	120.0	113.3
10.8	Miscellaneous commodities.....	130.4	130.4	129.0	127.5
8.2	Textiles.....	151.2	151.1	150.6	146.9
7.1	Metals.....	104.4	104.4	104.4	104.4
6.1	Building materials.....	152.2	152.1	151.7	139.6
1.3	Chemicals and drugs.....	127.1	127.1	127.6	120.3
.3	Fertilizer materials.....	117.6	117.6	117.6	118.9
.3	Fertilizers.....	119.8	119.8	119.1	115.3
.3	Farm machinery.....	104.1	104.1	104.1	103.8
100.0	All groups combined.....	135.4	135.5	134.1	124.0

*Indexes on 1926-1928 base were March 13, 1943, 105.5; March 6, 105.6, March 14, 1942, 96.6. †Revised.

Pay-Go Tax Urged By N. Y. Chamber; Double Tax Called Confiscation, Unconstitutional

Declaring that the principle of the present income tax law which makes "dead men pay income taxes" is illogical and unjust, the Executive Committee of the Chamber of Commerce of the State of New York made public on March 2 a report petitioning Congress to enact "a just pay-as-you-go plan." The report adopted by the Chamber on March 4 denies that the Ruml plan placing the payment of income taxes on a current basis "forgives" anything in the way of taxes and says it is not now pertinent whether the word as applied to the plan "was instituted maliciously" or through misunderstanding. The report further said:

"Assessing an income tax to be paid in one year upon the income of a different year departs widely from the principle of taxation based on ability to pay, which has been presumed to be an underlying factor of our tax laws. Demanding payment of income taxes from dead men or from others who have ceased to have incomes is complete violation of such a principle. Ability to pay relates to the ability in the year in which payment must be made, not to the condition in some other year.

"Under our present law the Government is demanding income tax payments from widows or orphans who have no income, and from incapacitated men who no longer have an income. Illogical as such a system has been, its results are becoming more tragic with the adoption of the high rates applicable to the 1943 payments."

The application of the word "forgiveness" to the Ruml plan implies "a relationship between two parties utterly at variance with the relationship of the U. S. Government and the taxpaying people of this country," the report said, adding:

"The people through their chosen representatives (the Government) decide how much revenue the people must contribute to the needs of the country as a whole. That is taxation. The people through their elected representatives may decide at any time to improve the method of allocating these contributions to the Government. Under such new allocation duly enacted into law, the amount each taxpayer must contribute becomes his obligation in lieu of his prior obligation. There is no for-

giveness. There is merely a substitution of the amount determined under the new basis for the amount determined under the old basis. To change the base of such contributions in order to reduce the inequities of the past method has no relation whatsoever to 'forgiveness.'"

Characterizing the double taxation proposals made to Congress to pay a tax upon more than the income of any one year in a single year as "double taxation," the report said:

"If the present allocation of assessment of the required tax on the basis of differing amounts of income is fair and just, then any such double taxation in any year, or in any series of years, would result in a ratio of assessment utterly unjust. In many cases it would mean that the amount of tax to be paid would be greater than the income. That would mean confiscation of capital. It would be contrary to the 16th Amendment to the Constitution of the United States as, under the guise of an 'income tax' it would assess a tax upon capital."

Lend-Lease For Chile

A mutual aid pact based on lend-lease principles was signed by the United States and Chile on March 2.

The State Department said the agreement was similar to other lend-lease arrangements entered into by the United States and other countries.

The agreement was signed at the State Department in Washington by Acting Secretary of State Sumner Welles and the Chilean Ambassador Don Rudolfo Michels.

Chile broke off relations with the Axis nations in January, as was noted in these columns Jan. 28, page 381.

N. Y. Board Of Trade Calls For Retail Sales Tax; Advocates Pay-As-You-Go Tax Plan

Recognizing that "tax collections must be stepped up to unprecedented proportions," the New York Board of Trade petitions Congress for a national retail sales tax at as high a rate, and over as wide a field, as our war economy can stand—in addition to our present income taxes.

The New York Board of Trade also recommends pay-as-you-go and suggests a reasonable discount for taxpayers who pay the full tax at the first instalment.

M. L. Seidman, Chairman of the Board's Taxation and Finance Committee; who for many years has been the New York Board of Trade's representative before Congressional Committees on Federal Taxes, submitted the Committee's report to a recent meeting of the directors. Copies of the Board's opinion were mailed on March 6 to Congress and to the Treasury Department.

The Board's report says, in part:

"The New York Board of Trade deeply regrets that our tax affairs should have been so handled in Washington as to give the impression that anyone's tax liability will be cancelled, or lowered this year.

"With an expenditure budget at the astronomical figure of \$109,000,000,000 for a single year; with tax collections running only at about a quarter of that pace; with the President's recommendation for raising taxes an additional \$16,000,000,000 to bring revenues that much nearer to expenditures, and with inflation getting progressively out of hand, it should be obvious even to the financially nearsighted that tax collections must be stepped up to unprecedented proportions.

"In this gigantic money raising task, the taxpayer is entitled to every consideration. Certainly he should not be required to conserve the Government's tax money for a year or longer after the receipt of taxable income. Certainly, temptations for spending this tax money should be removed. That would seem to be only common sense.

"It is indisputable that with the vast broadening of the income tax base, simultaneous collection of the tax with the receipt of taxable income has become a matter of imperative necessity. To the extent that such collections can be made at the source that is obviously desirable. And, tax which is impracticable to collect at the source, should be payable at much shorter intervals than is now the case.

"Also, a reasonable discount should be allowed the taxpayer for paying his full tax at the time his first instalment is due. That is good business for the Government in any event, but under present conditions it would have the additional advantage of curbing spending power and inflation.

"While some such arrangement is sorely needed to correct present collection defects and to bring the money into the Treasury more quickly and efficiently, it would, nevertheless, still fall far short of meeting requirements. Much more new revenue must be raised and it must be done currently and continuously. In short, what we need is a real pay-as-you-go system.

"The very best pay-as-you-go plan that has yet been devised is the retail sales tax. It collects the Government's revenue daily and it is done almost automatically. Under today's conditions, it would also have the effect of putting a brake upon spending, and would provide further inducement for the great mass of our people to invest in our war bonds.

"Such a tax should be superimposed upon and be in addition to our present income taxes."

To Pay On San Paulo 7s

J. Henry Schroder Banking Corp., as special agent on March 3 notified holders of State of San Paulo (United States of Brazil)

7% secured sinking fund gold bonds external waterworks loan of 1926, that it had received funds to pay on or after March 4, 1943, 15.05% of the face amount of the coupons due Sept. 1, 1940, appertaining to these bonds. The payment will amount to \$5,2675 for each \$35 coupon and \$2,63375 for each \$17.50 coupon. The announcement says:

"The acceptance of this payment is optional with the holders, but pursuant to the terms of Presidential Decree No. 23829 of Feb. 5, 1934, as modified by Decree-Law No. 2085 of March 8, 1940, payment if accepted must be for full payment of the coupons and of claims for interest represented thereby.

"Holders of Sept. 1, 1940, coupons may obtain payment of the amounts prescribed upon presentation and surrender of the coupons at the office of the special agent, 48 Wall Street, New York.

"No provision has been made for unpaid coupons which matured prior to April 1, 1934, but they should be retained for future adjustment."

Senate Forms Post-War Planning Committee

Following President Roosevelt's remark that responsibility for post-war planning rests with Congress, the Senate on March 12 passed a resolution setting up a special committee on post-war economic problems.

A nine-member bi-partisan planning committee under the chairmanship of Senator George (Dem., Ga.) was created by the Senate and \$50,000 was appropriated to launch an immediate inquiry. The other members of the group are: Senators Barkley (Dem., Ky.), McNary (Rep., Ore.), Hayden (Dem., Ariz.), O'Mahoney (Dem., Wyo.), Lucas (Dem., Ill.), Pepper (Dem., Fla.), Vandenberg (Rep., Mich.), Austin (Rep., Vt.) and Taft (Rep., Ohio).

Senator George, who sponsored the proposal, said that his group will consider all plans and recommendations submitted for post-war programs.

The President, at his press conference on March 12, said that it is up to Congress whether the nation should suffer any delay in providing jobs to men leaving the armed forces and discharged war workers. Mr. Roosevelt said the matter of post-war planning for employment comes to a question of whether there will be jobs only on paper or real jobs ready to start.

The Senate group, it is reported, will study the voluminous reports of the National Resources Planning Board on the subjects of post-war economics and social security.

The House has refused to vote for continuing the work of the Planning Board but the Senate has not yet taken final action on the issue.

Payment On Rio 6½s

City of Rio de Janeiro (Federal District of the United States of Brazil) has remitted funds to White, Weld & Co. and Brown Brothers Harriman & Co., special agents for its 6½% external sinking fund bonds due Feb. 1, 1953, for payment of the Aug. 1, 1940, interest coupons at the rate of 13.975% of their dollar face amount. The announcement states: "Bondholders will receive payment upon presentation of their

coupons beginning March 16 at the New York offices of the special agents, at the rate of \$4.541875 per \$32.50 coupon, in full satisfaction, according to the notice to bondholders. Unpaid coupons maturing Aug. 1, 1931, to Feb. 1, 1934, must remain attached to the bonds for future adjustment under the decree.

"This payment is being made in accordance with the provisions of Presidential Decree 23829 dated Feb. 5, 1934, of the United States of Brazil, as re-enacted and modified March 8, 1940, by Decree Law 2085."

President Opposes Ruml Pay-Go Tax Plan

Last week President Roosevelt criticized the Ruml pay-as-you-go tax plan as favoring persons with large incomes and reducing the Government's revenue. Mr. Roosevelt is said to have told his press conference he thought it wise to point out that individual taxpayers, particularly those in the higher brackets, would save a great deal of money under the Ruml plan.

The President indicated that his opposition to the Ruml plan was based on figures furnished by the Treasury, showing how individual taxpayers in the higher brackets would save money.

The plan, sponsored by Beardsley Ruml, Chairman of the Federal Reserve Bank of New York, provides that taxes paid this year would be on income earned in 1943, instead of on 1942 income.

The Treasury figures showed that if the 1942 tax liability were forgiven the Treasury would lose \$9,815,000,000. This tabulation was referred to by the Associated Press as follows:

The statement showed that 60 persons with incomes of \$1,000,000 or more would have a total of \$94,000,000 in 1942 income taxes abated or an average of \$1,566,666 each.

A person with an income of \$1,000,000 would escape a 1942 tax liability of \$854,000; for an income of \$500,000 the abatement would be \$414,000 and for an income of \$100,000 it would be \$64,060.

A person with an income of \$10,000 would benefit by \$2,152 in 1942 income taxes while one with an income of \$5,000 would find the tax liability of \$746 canceled. A person with an income of \$1,300 would benefit to the extent of \$13.

Wheat-For-Feed Program Extended

The House Agriculture Committee approved on March 3 legislation authorizing the Commodity Credit Corp. to sell an additional 100,000,000 bushels of wheat for feed purposes. The Committee amended the measure to provide that sales must be made at 100% of corn parity. Under the legislation passed last summer, authorizing the sale of 125,000,000 bushels of wheat, the price was set at 85% of corn parity.

Secretary of Agriculture Wickard had urged the Committee on Feb. 24 to enlarge the program since the CCC had disposed of almost all of the 125,000,000 bushels originally earmarked for this purpose. These sales are urgently required, he said, to stimulate additional output of livestock products, particularly milk, eggs and poultry.

The sale of Government-owned wheat for feeding purposes was favored by the American Farm Bureau Federation, but only if the price of wheat is held at 100% of corn parity instead of at 85%. Government officials, however, are opposed to this sale price, contending that it will result in wholesale liquidation in the poultry and dairy industries because cheap feed is necessary to meet present price ceilings.

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)

1943— Daily Averages	U. S. Govt. Bonds	Ave. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Mar 16	116.87	109.42	117.60	115.43	110.52	95.92	100.32	113.12	115.63
15	116.87	109.42	117.80	115.43	110.52	95.77	100.16	112.93	115.43
13	116.87	109.42	117.80	115.43	110.52	95.77	100.32	113.12	115.43
12	116.87	109.24	117.60	115.43	110.34	95.77	100.16	112.93	115.43
11	116.89	109.24	117.60	115.43	110.34	95.77	100.16	112.93	115.63
10	116.89	109.24	117.60	115.43	110.34	95.62	100.16	112.93	115.43
9	116.93	109.42	117.80	115.43	110.34	95.77	100.16	112.93	115.43
8	116.98	109.24	117.60	115.24	110.34	95.77	100.16	113.12	115.43
6	116.98	109.24	117.60	115.24	110.34	95.77	100.16	113.12	115.43
5	116.97	109.42	117.80	115.43	110.34	95.77	100.16	113.12	115.43
4	117.02	109.42	117.80	115.24	110.34	95.92	100.32	112.93	115.43
3	117.02	109.24	117.60	115.24	110.15	95.77	100.16	112.93	115.43
2	117.07	109.24	117.60	115.24	110.15	95.62	100.16	112.93	115.43
1	117.10	109.24	117.60	115.43	110.15	95.77	100.16	112.93	115.43
Feb 26	117.11	109.24	117.60	115.43	110.15	95.47	100.00	112.93	115.43
19	117.11	109.06	117.60	115.24	110.15	95.01	99.68	112.93	115.43
11	117.13	108.88	117.60	115.24	109.97	94.86	99.36	112.93	115.43
5	117.09	108.88	117.60	115.04	109.97	94.71	99.04	112.75	115.63
Jan. 29	117.04	108.70	117.60	115.04	109.79	94.56	99.04	112.56	115.43
22	117.05	108.34	117.20	114.66	109.60	94.26	98.73	112.37	115.24
15	117.05	108.16	117.20	114.66	109.42	93.82	98.41	112.19	115.04
8	117.02	107.62	116.80	114.08	109.06	92.93	97.62	112.00	114.66
1 Exchange Closed									
High 1943	117.14	109.42	117.80	115.43	110.52	95.92	100.32	113.12	115.63
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
High 1942	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
1 Year ago									
Mar. 16, 1942	117.52	106.21	115.43	112.93	107.27	91.34	96.85	109.60	112.93
2 Years ago									
Mar. 15, 1941	117.90	106.21	117.60	113.31	106.56	90.48	96.54	110.15	113.31

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

1943— Daily Averages	U. S. Govt. Bonds	Ave. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Mar 16	2.07	3.20	2.77	2.88	3.14	4.01	3.73	3.00	2.87
15	2.07	3.20	2.76	2.88	3.14	4.02	3.74	3.01	2.88
13	2.07	3.20	2.76	2.88	3.14	4.02	3.73	3.00	2.88
12	2.07	3.21	2.77	2.88	3.15	4.02	3.74	3.01	2.88
11	2.07	3.21	2.77	2.88	3.15	4.02	3.74	3.01	2.87
10	2.07	3.21	2.77	2.88	3.15	4.02	3.74	3.00	2.87
9	2.07	3.21	2.77	2.89	3.15	4.03	3.74	3.01	2.88
8	2.07	3.20	2.76	2.88	3.15	4.02	3.74	3.01	2.88
6	2.07	3.21	2.77	2.89	3.15	4.02	3.74	3.00	2.88
5	2.07	3.20	2.76	2.88	3.15	4.02	3.74	3.00	2.88
4	2.06	3.20	2.76	2.89	3.15	4.01	3.73	3.01	2.88
3	2.06	3.21	2.77	2.89	3.16	4.02	3.74	3.01	2.88
2	2.06	3.21	2.77	2.89	3.16	4.03	3.74	3.01	2.88
1	2.06	3.21	2.77	2.88	3.16	4.02	3.74	3.01	2.88
Feb 26	2.06	3.21	2.77	2.88	3.16	4.04	3.75	3.01	2.88
19	2.06	3.22	2.77	2.89	3.16	4.07	3.77	3.01	2.88
11	2.06	3.23	2.77	2.89	3.17	4.08	3.79	3.01	2.88
5	2.06	3.23	2.77	2.90	3.17	4.09	3.81	3.02	2.87
Jan. 29	2.06	3.24	2.77	2.90	3.18	4.10	3.81	3.03	2.88
22	2.06	3.26	2.79	2.92	3.19	4.12	3.83	3.04	2.89
15	2.06	3.27	2.79	2.92	3.20	4.15	3.85	3.05	2.90
8	2.07	3.30	2.81	2.95	3.22	4.21	3.90	3.06	2.92
1 Exchange Closed									
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	2.06	3.20	2.76	2.88	3.14	4.01	3.73	3.00	2.87
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	1.93	3.30	2.79	2.94	3.23	4.23	3.91	3.05	2.92
1 Year ago									
Mar. 16, 1942	2.01	3.38	2.88	3.01	3.32	4.32	3.95	3.19	3.01
2 Years ago									
Mar. 15, 1941	1.99	3.38	2.77	2.99	3.36	4.38	3.97	3.16	2.99

*These prices are computed from average yields on the basis of one "typical" bond (3 1/4% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages the latter being the true picture of the bond market.
†The latest complete list of bonds used in computing these indexes was published in the issue of Jan. 14, 1942, page 202.

February Civil Engineering Construction 35% Above Month Ago

February civil engineering construction, \$306,242,000, climbed 35% over the volume for January, but was 52% below the high total for February, 1942, as reported by "Engineering News-Record" on March 10.

Private construction topped its last month's mark by 136%, and public work rose 28%. Federal construction, 33% higher than a month ago, was responsible for the public gain as State and municipal work declined 60% from the January figure. Compared with February, 1942, however, the current private volume was 47% lower, and public construction was down 52%. State and municipal work and Federal volume were 38 and 50% lower, respectively, than in the corresponding month last year.

Civil engineering construction volumes for February, 1942, January, 1943 and February, 1943 are:

	Feb., 1942	Jan., 1943	Feb., 1943
Total Construction	\$634,823,000	\$226,826,000	\$306,242,000
Private Construction	69,284,000	15,498,000	36,561,000
Public Construction	565,539,000	211,328,000	269,681,000
State and Municipal	39,352,000	12,072,000	4,797,000
Federal	526,187,000	199,256,000	264,884,000

The February construction total brought 1943 volume to \$533,068,000, an average of \$66,634,000 for each of the eight weeks in the two-month period. On the weekly average basis, the 1943 cumulative total was 53% below the \$1,263,603,000 reported for the nine weeks in the opening two months of 1942. Private construction, \$52,059,000, declined 51% from last year, and public work, \$481,009,000, was down 53% when adjusted for the difference in the number of weeks.

New Capital

New capital for construction purposes for February totaled \$11,041,000. This compares with \$812,549,000 reported for the corresponding month last year.

The month's volume brought 1943 new construction financing to \$15,539,000, a volume 99% lower than the \$1,372,463,000 for the opening two months of 1942.

Electric Output For Week Ended Mar. 13, 1943 Shows 17.5% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended March 13, 1943, was approximately 3,944,679,000 kwh., compared with 3,357,444,000 kwh. in the corresponding week last year, an increase of 17.5%. The output for the week ended March 6, 1943, was 16.3% in excess of the similar period of 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended			
	Mar. 13	Mar. 6	Feb. 27	Feb. 20
New England	7.7	3.6	4.5	4.6
Middle Atlantic	11.7	11.3	8.4	9.2
Central Industrial	16.2	15.0	11.8	13.1
West Central	16.2	14.4	12.8	13.7
Southern States	24.1	20.1	17.7	19.7
Rocky Mountain	13.1	11.9	9.4	14.8
Pacific Coast	25.8	30.6	31.0	30.8
Total United States	17.5	16.3	14.2	15.3

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	% Change					
	1942	1941	1940	1932	1929	
Dec 5	3,883,534	3,414,844	+13.7	2,975,704	1,518,922	1,806,225
Dec 12	3,937,524	3,475,919	+13.3	3,003,543	1,563,384	1,840,863
Dec 19	3,975,873	3,495,140	+13.8	3,052,419	1,554,473	1,860,021
Dec 26	3,655,926	3,234,128	+13.0	2,757,259	1,414,710	1,637,683

Week Ended—	% Change					
	1943	1942	1941	1932	1929	
Jan 2	3,779,993	3,288,685	+14.9	2,845,727	1,619,265	1,542,000
Jan 9	3,952,587	3,472,579	+13.8	3,002,454	1,602,482	1,733,810
Jan 16	3,952,479	3,450,468	+14.5	3,012,638	1,598,201	1,736,729
Jan 23	3,974,202	3,440,163	+15.5	2,996,155	1,588,967	1,717,312
Jan 30	3,976,844	3,468,193	+14.7	2,994,047	1,588,853	1,728,203
Feb 6	3,960,242	3,474,638	+14.0	2,989,392	1,578,817	1,726,161
Feb 13	3,939,708	3,421,639	+15.1	2,976,478	1,545,459	1,718,304
Feb 20	3,948,749	3,423,589	+15.3	2,985,585	1,512,158	1,699,250
Feb 27	3,892,796	3,409,907	+14.2	2,993,253	1,519,679	1,706,719
Mar 6	3,946,630	3,392,121	+16.3	3,004,639	1,538,452	1,702,570
Mar 13	3,944,679	3,357,444	+17.5	2,983,591	1,537,747	1,687,229
Mar 20	3,357,032			2,983,048	1,514,553	1,683,262
Mar 27	3,345,502			2,975,407	1,480,208	1,679,589

Steel Operations Maintained At High Level—Orders Up Sharply—Deliveries Hold Steady

"A steep upsurge in steel orders is one of the highlights of this week," states "The Iron Age" in its issue of today (March 18), which further goes on to say, in part:

"Mill schedules for April have been filling with directives and CMP orders at a rapid rate. Very large gains are reported at individual companies for the month to date compared with the corresponding February period when most plants were booking at a rate in excess of shipments. Meanwhile the confusion existing over CMP procedure is greater as CMP order volume rises, and there is disagreement over whether Form CMP-6, the form which was scheduled to accompany orders, should be reinstated.

"Efforts of the steel industry to ease the critical shortage of electric furnace alloy steel are gaining headway a little. After months of experimenting, bullet-core wire is now being made from cold-drawn open-hearth steel, a development which releases some electric furnace capacity for other purposes. In the important aircraft field, manufacturers are believed to be looking more kindly upon the use of open-hearth alloy steels for certain purposes where formerly electric furnace steel was considered mandatory. It is interesting to note that output of all alloy steels in January, 1943, was 239% above the average 1929 monthly output, and that currently alloy steel production accounts for about 17 1/2% of the total steel produced. With the drive for the production of more alloy steel in open-hearth furnaces and with the substantial increase in electric steel capacity expected later this year, the per cent of alloy steel to total steel produced will be above the expectations of even the most optimistic observers. It is to be remembered, however, that making open-hearth alloy steel displaces much more than a like amount of carbon steel.

"Attempts to smooth out rough spots in the war steel picture by putting idle inventories to use and by reallocating orders are being speeded over the nation.

"Facing the WPB is the problem of giving the oil industry a 'fair show' for carrying on its work during 1942 by the utilization of various steel stocks throughout the country. It is estimated that actual steel shipments to the oil and gas industry during 1942 were 27% below the 1935 to 1939 yearly average, after having been approximately 35%

above that average in 1941. Despite pleas of the Petroleum Administration for War and pressure by oil companies, the WPB consistently refused to loosen up steel supplies for oil well casing and tubing until late in 1942, when the nation's vast reservoir of casing and tubing had been reduced to a mere 260,000 tons.

The American Iron and Steel Institute on March 15 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 99.3% of capacity for the week beginning March 15, compared with 99.1% one week ago and 98.3% one month ago and 97.9% one year ago. This represents an increase of 0.2 point or 0.2% from the preceding week. The operating rate for the week beginning March 15 is equivalent to 1,719,500 tons of steel ingots and castings, compared to 1,716,100 tons one week ago, 1,702,100 tons one month ago and 1,663,000 tons one year ago.

"Steel", of Cleveland, in its summary of the iron and steel markets, on March 15, stated in part as follows:

"Volume of Controlled Materials Plan orders continues to grow, with increasing emphasis on validation of old contracts. While experience differs, some sellers find most tonnage placed under CMP by manufacturers is for delivery late in second quarter, with the exception of sheets, where a large portion is for April and early May. Deliveries have not been greatly dislocated by the preference which CMP orders are given.

"Many orders under CMP are being received without formal approval and serial numbers. These cause a problem as to disposition. Some mills are putting them through regular order routine but are not placing them on rolling schedules, pending validation. In general, understanding of the new plan is improving but some confusion continues, especially in Class B products. In

some cases mills have more tonnage covered by these orders than can be rolled during April.

"Deliveries remain at about the same position as for the past few weeks.

"A survey of the steel and iron scrap situation by the American Iron and Steel Institute leads that body to look at this year's prospects hopefully. Material in steel company yards Jan. 1 was 2,000,000 tons greater than at March 31 and unprocessed scrap in dealers' yards promises a continuing supply as it comes out gradually. Unusual cold and snow recently limited collection and preparation, already slowed by lack of labor. Efforts to correct the latter condition have not been successful. Progress is being made in disposing of the overload of turnings, Steel Division of WPB reporting allocation of 30% more than were handled in January.

"Intensified demand for steel plates to supply the enlarged shipbuilding program and other war industries has resulted in new production records. In February the average daily rate was the highest in history, though the short month precluded a tonnage record. With March three days longer it seems probable all prior output records will go by the board.

"Steel ingot production in February was

Wholesale Commodity Index At New Peak During Week Ended Mar. 6, Says Labor Dept.

The U. S. Department of Labor announced on March 11 that the Bureau of Labor Statistics' comprehensive index of prices in primary markets rose 0.2% during the first week of March to a new peak, 102.9% of the 1926 average. Further gains in prices for grains and for fruits and vegetables largely accounted for the advance. The all-commodity index is nearly 1% higher than it was at the same time last month.

The Department's announcement further said:

"Farm Products and Foods—Led by an advance of 2.6% for grains, average prices for farm products rose 0.7% during the week. Corn, rye and wheat prices were up about 3% and oats and barley nearly 0.5%. Prices were also higher for flaxseed and alfalfa seed, for onions and sweet potatoes, and for white potatoes in Eastern markets. Weakening prices for hogs caused the index for livestock and poultry to drop slightly notwithstanding an advance of nearly 2% in quotations for steers. Peanuts were down nearly 5% and prices were also lower for lemons and for apples in the Chicago market.

"Average prices for foods in primary markets rose 0.4% during the first week of March largely as a result of higher prices for rye flour, for fruits and vegetables, for eggs and peanut butter and for cured fish. Lower prices were reported for oatmeal and corn meal.

"Higher prices for bran were responsible for an increase of 1% in average prices for cattle feed.

"Industrial Commodities—There were comparatively few changes in industrial commodity markets during the week. Quotations for bituminous coal in some areas again rose slightly and fuel oil in the Pennsylvania region and kerosene also advanced. Linseed oil continued to reflect the high prices for flaxseed and rose over 4%. A downward revision in ceiling prices for alcohol caused the index for chemicals and allied products to drop 0.4%, while quotations for oleic acid advanced. Prices for boxboard continued to rise."

The following notation was made:

"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 three weeks, for Feb. 6, 1943, and March 7, 1942, and the percentage changes from a week ago, a month ago, and a year ago:

Commodity Groups—	(1926=100)					Percentage changes to Mar. 6, 1943 from				
	3-6 1943	2-27 1943	2-20 1943	2-6 1943	3-7 1942	2-27 1943	2-6 1943	3-7 1942	2-6 1942	3-7 1942
All commodities.....	*102.9	*102.7	*102.4	*102.0	96.9	+0.2	+0.9	+6.2		
Farm products.....	122.0	121.2	120.0	118.2	101.5	+0.7	+3.2	+20.2		
Foods.....	106.4	106.0	105.7	105.1	95.8	+0.4	+1.2	+11.1		
Hides and leather products.....	118.4	118.4	118.4	118.4	116.4	0	0	+1.7		
Textile products.....	96.8	96.8	96.8	96.8	95.1	0	0	+1.8		
Fuel and lighting materials.....	80.9	80.7	80.5	80.4	78.5	+0.2	+0.6	+3.1		
Metals and metal products.....	*103.9	*103.9	*103.9	*103.9	103.7	0	0	+0.2		
Building materials.....	110.1	110.0	110.0	110.1	109.9	+0.1	0	+0.2		
Chemicals and allied products.....	99.9	100.3	100.3	99.5	97.1	-0.4	+0.4	+2.9		
Housefurnishing goods.....	104.1	104.1	104.1	104.1	104.1	0	0	0		
Miscellaneous commodities.....	91.0	90.9	90.7	90.5	89.2	+0.1	+0.6	+2.0		
Raw materials.....	111.2	110.6	109.8	108.6	97.1	+0.5	+2.4	+14.5		
Semimanufactured articles.....	92.9	92.8	92.8	92.5	92.0	+0.1	+0.4	+1.0		
Manufactured products.....	*100.6	*100.5	*100.5	*100.4	97.7	+0.1	+0.2	+3.0		
All commodities other than farm products.....	*98.7	*98.7	*98.6	*98.5	95.9	0	+0.2	+2.9		
All commodities other than farm products and foods.....	*96.6	*96.5	*96.4	*96.4	95.1	+0.1	+0.2	+1.6		

*Preliminary.

Civil Engineering Construction Gains 5% Over Week Ago

Civil engineering construction volume for the week, \$90,400,000, is 5% higher than in the preceding week, but is 32% below the total for the corresponding 1942 week as reported by "Engineering News-Record" on March 11. Public construction tops last week by 7% due to the 10% gain in Federal work. Private work, however, is 16% below a week ago. Comparisons with the 1942 week reveal public volume 29% lower; private work down 63%; and Federal construction off 24%.

The current week's construction brings 1943 volume to \$709,277,000, an average of \$70,928,000 for each of the ten weeks of the year. On the weekly average basis, 1943 volume is 49% below the \$1,542,271,000 reported for the eleven-week period last year. Private work, \$61,893,000, is 56% lower, and public work is down 49% when adjusted for the difference in the number of weeks.

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

	Mar. 12, 1942	Mar. 4, 1943	Mar. 11, 1943
Total Construction.....	\$133,267,000	\$85,809,000	\$90,400,000
Private Construction.....	12,167,000	5,351,000	4,483,000
Public Construction.....	121,100,000	80,458,000	85,917,000
State and Municipal.....	11,052,000	3,923,000	2,089,000
Federal.....	110,048,000	76,535,000	83,828,000

In the classified construction groups, gains over last week are in bridges, streets and roads, and unclassified construction. Increases over the 1942 week are in sewerage and unclassified construction. Subtotals for the week in each class of work are: waterworks, \$639,000; sewerage, \$1,550,000; bridges, \$578,000; industrial buildings, \$1,492,000; commercial building and large-scale private housing, \$2,848,000; public buildings, \$42,755,000; streets and roads, \$3,422,000; earthwork and drainage, \$47,000, and unclassified construction, \$37,069,000.

New capital for construction purposes for the week totals \$29,720,000, an increase of 377% over the volume for the 1942 week. The week's new financing total is made up of \$26,632,000 in State and municipal bond sales, and \$3,088,000 in Government loans for public housing.

New construction financing for the year to date, \$58,759,000, is 95% below the \$1,382,371,000 reported for the opening eleven-week period in 1942.

Market Value Of Bonds On N. Y. Stock Exchange

The New York Stock Exchange announced on March 9 that as of the close of business February 27, there were 1,133 bond issues aggregating \$72,961,678,106 par value listed on the Stock Exchange with a total market value of \$71,346,452,852. This compares with 1,132 bond issues, aggregating \$72,880,365,437 par value, listed on the Exchange on January 30 with a total market value of \$71,038,674,932.

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

Group—	Feb. 27, 1943		Jan. 30, 1943	
	Market Value \$	Average Price	Market Value \$	Average Price
U. S. Government (Incl. N. Y. State, Cities, etc.).....	55,153,775,740	104.25	55,170,520,688	104.29
U. S. companies:				
Amusements.....	38,498,652	103.09	38,281,254	102.51
Automobile.....	11,727,978	101.51	11,094,151	101.21
Building.....	13,541,441	100.25	13,166,896	97.48
Business and office equipment.....	15,487,500	103.25	15,431,250	102.88
Chemical.....	76,029,113	102.60	75,635,725	102.07
Electrical equipment.....	36,450,000	104.40	36,318,750	103.77
Financial.....	57,509,664	102.13	57,492,936	102.10
Food.....	235,754,318	105.06	235,360,219	104.73
Land and realty.....	10,023,958	74.60	9,993,750	74.38
Machinery and metals.....	39,656,875	100.27	39,605,903	100.14
Mining (excluding iron).....	89,311,086	57.70	88,117,086	56.85
Paper and publishing.....	40,951,805	101.47	40,729,173	100.79
Petroleum.....	595,374,515	104.22	594,488,716	67.05
Railroad.....	7,021,723,353	69.05	6,820,418,100	84.56
Retail merchandising.....	12,158,362	84.91	12,107,994	84.56
Rubber.....	75,350,333	102.83	75,475,333	103.00
Ship building and operating.....	11,615,400	101.25	11,529,360	100.50
Shipping services.....	19,181,589	69.71	19,436,045	70.64
Steel, iron and coke.....	498,893,744	100.19	506,097,510	100.26
Textiles.....	37,442,750	103.01	37,560,510	103.33
Tobacco.....	147,909,747	106.06	147,326,648	105.64
Utilities:				
Gas and electric (operating).....	3,360,082,316	108.16	3,330,813,597	107.86
Gas and electric (holding).....	97,057,438	102.18	96,467,875	101.20
Communications.....	1,219,859,578	108.99	1,212,296,708	108.31
Miscellaneous utilities.....	87,971,130	60.39	87,821,009	60.11
U. S. companies oper. abroad.....	123,948,572	68.38	122,941,999	67.77
Miscellaneous businesses.....	31,568,160	106.28	31,382,643	105.66
Total U. S. companies.....	14,005,079,377	82.70	13,767,991,138	81.33
Foreign government.....	1,452,938,045	63.89	1,364,153,547	62.26
Foreign companies.....	734,659,690	86.39	736,009,559	85.80
All listed bonds.....	71,346,452,852	97.79	71,038,674,932	97.47

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

1941—	Market Value \$	Average Price	1942—	Market Value \$	Average Price
Jan. 31.....	50,374,446,095	93.05	Feb. 28.....	57,584,410,504	95.13
Feb. 28.....	50,277,456,798	92.72	Mar. 31.....	58,140,382,211	95.97
Mar. 31.....	52,252,053,607	93.73	Apr. 30.....	57,923,553,616	95.63
Apr. 30.....	52,518,036,554	94.32	May 29.....	59,257,509,674	95.64
May 29.....	52,321,710,056	94.22	June 30.....	59,112,072,945	95.50
June 30.....	53,237,234,699	94.80	July 31.....	61,277,620,583	95.76
July 31.....	53,259,696,637	95.04	Aug. 31.....	62,720,371,752	96.08
Aug. 31.....	53,216,867,646	94.86	Sept. 30.....	62,765,776,218	96.18
Sept. 30.....	53,418,055,935	94.74	Oct. 31.....	64,843,877,284	96.48
Oct. 31.....	55,106,635,894	95.25	Nov. 30.....	64,543,971,299	96.11
Nov. 30.....	54,812,793,945	94.80	Dec. 31.....	70,583,644,622	96.70
Dec. 31.....	55,033,616,312	94.50	1943—		
1942—			Jan. 30.....	71,038,674,932	97.47
Jan. 31.....	56,261,398,371	95.24	Feb. 27.....	71,346,452,852	97.79

Finished Steel Shipments By Subsidiaries Of U. S. Steel Corporation Increased In February

Shipments of finished steel products by subsidiary companies of the United States Steel Corporation for the month of February, 1943, amounted to 1,691,592 net tons, compared with 1,685,993 net tons in the preceding month, an increase of 5,599 net tons, and with 1,616,587 net tons in the corresponding month in 1942, an increase of 75,005 net tons.

For the year 1943, to date, shipments were 3,377,585 net tons, compared with 3,355,480 net tons in the comparable period of 1942, an increase of 22,105 net tons.

February, 1943, shipments were the highest for any February in the corporation's history. Combined January and February shipments were the highest first two months.

In the table below we list the figures by months for various periods since January, 1929:

	1943	1942	1941	1940	1939	1929
January.....	1,685,993	1,738,893	1,682,454	1,145,592	870,866	1,364,801
February.....	1,691,592	1,616,587	1,548,451	1,000,256	747,427	1,388,407
March.....	1,780,937	1,720,368	1,720,368	931,905	845,108	1,605,510
April.....	1,758,894	1,687,674	1,687,674	907,904	871,752	1,617,302
May.....	1,834,127	1,745,295	1,745,295	1,084,057	795,689	1,701,874
June.....	1,774,068	1,688,637	1,688,637	1,209,694	607,562	1,529,241
July.....	1,765,749	1,666,667	1,666,667	1,296,887	745,364	1,480,008
August.....	1,788,650	1,753,665	1,753,665	1,455,604	895,636	1,500,231
September.....	1,703,570	1,664,227	1,664,227	1,392,838	1,086,683	1,262,874
October.....	1,787,501	1,851,279	1,851,279	1,572,408	1,384,855	1,333,355
November.....	1,665,545	1,624,186	1,624,186	1,425,352	1,406,205	1,110,550
December.....	1,849,635	1,846,036	1,846,036	1,544,623	1,443,969	931,744
Total by mos.	21,064,157	20,458,937	20,458,937	14,976,110	11,752,116	16,825,477
Yearly adjust.....		*42,333		37,639	*44,865	*12,827
Total.....		20,416,604	20,416,604	15,013,749	11,797,251	16,812,650

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

President Greets New Congressmen At Get-Acquainted Session At White House

New members of Congress who took their seats in January were guests of President Roosevelt at a get-acquainted session at the White House, on March 10.

Knowledge of the President's unusual invitation came simultaneously with the organization on Feb. 26 of some 40 Democratic "freshmen" Representatives, who were reported as banding together around a luncheon table to "make a contribution to the thinking of the Administration." The gathering was said to be purely social with no formal speeches. The President's main purpose for the fair was to have an opportunity to meet and talk briefly with the new Senators and Representatives. In his letter of invitation, Mr. Roosevelt had explained that nowadays it was very difficult for him to arrange to see all the new members, adding that it took a long time at the last session of Congress.

Regarding the meeting, the Associated Press on March 10 reported that it was generally interpreted as a conciliatory gesture from the Administration toward Congress. Vice-President Wallace, as President of the Senate; Speaker of the House Rayburn and House Majority Leader McCormack also were in attendance.

Mr. Roosevelt's letter, as received by one new member, said:

"In days like these it is very difficult for me to arrange to see all of the new Senators and Congressmen. At the last session it took a long time before I had a chance to meet the new members—and some of them, I fear, I did not have the opportunity to meet at all.

"Therefore, I am asking all of the new members of the Senate and the House to come to the White House on Wednesday evening, March 10, very informally (business suits), at 8:30 p.m. so that we can have an opportunity to see and talk to each other.

"I hope much that you will be able to come at that time."

NYSE Short Interest Higher On Feb. 26

The New York Stock Exchange announced on March 12 that the short interest existing as of the close of business on the Feb. 26 settlement date, as compiled from information obtained by the Stock Exchange from its members and member firms, was 663,750 shares, compared with 579,394 shares on Jan. 29, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of the Feb. 26 settlement date, the total short interest in all odd-lot dealers' accounts was 35,867 shares, compared with 34,117 shares on Jan. 29.

The Exchange's announcement added:

"Of the 1,241 individual stock issues listed on the Exchange on Feb. 26, there were 33 issues in which a short interest of more than 5,000 shares existed, or in which a change in the short position of more than 2,000 shares occurred during the month.

"The number of issues in which a short interest was reported as of Feb. 26, exclusive of odd-lot dealers' short positions, was 552 compared with 492 on Jan. 29."

In the following tabulation is shown the short interest existing at the close of the last business day for each month for the last two years:

1941—	1942—
Feb. 28.....	437,151
Mar. 31.....	537,613
April 30.....	510,969
May 29.....	496,892
June 30.....	478,859
July 31.....	487,169
Aug. 29.....	470,002
Sept. 30.....	486,912
Oct. 31.....	444,745
Nov. 28.....	453,244
Dec. 31.....	349,154
1942—	
Jan. 31.....	460,577
Feb. 27.....	489,223
Mar. 31.....	513,546
April 30.....	530,636
May 29.....	534,396
June 30.....	514,158
July 31.....	*517,422
Aug. 31.....	532,867
Sept. 30.....	548,365
Oct. 30.....	558,446
Nov. 30.....	551,053
Dec. 31.....	501,833
1943—	
Jan. 29.....	579,394
Feb. 26.....	663,750

*Revised.

Daily Average Crude Oil Production For Week Ended March 6, 1943 Increased 14,150 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended March 6, 1943, was 3,887,200 barrels, a gain of 14,150 barrels over the preceding week. The current figure, however, was 47,150 barrels per day less than during the corresponding period last year, and was 306,600 barrels below the daily average figure as recommended by the Petroleum Administration for War for the month of March 1943. Daily production for the four weeks ended March 6, 1943, averaged 3,876,350 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran on a Bureau of Mines basis approximately 3,626,000 barrels of crude oil daily and produced 10,058,000 barrels of gasoline; 3,731,000 barrels of distillate fuel oil, and 7,106,000 barrels of residual fuel oil during the week ended March 6, 1943; and had in storage at the end of that week 92,845,000 barrels of gasoline; 31,668,000 barrels of distillate fuels and 68,782,000 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 March	*State Allowables Mar. 1 Beginning	Actual Production—Week Ended Mar. 6 1943	Change From Previous Week	4 Weeks Ended Mar. 6 1943	Week Ended Mar. 7 1942
Oklahoma	390,700	390,700	†342,300	- 8,150	348,250	392,000
Kansas	309,900	309,900	†299,100	- 7,300	305,500	233,100
Nebraska	2,800		†2,500	- 50	2,500	3,900
Panhandle Texas			88,600	- 300	88,850	89,750
North Texas			135,200	- 150	135,300	149,250
West Texas			218,000	+ 4,100	214,950	263,300
East Central Texas			99,800	- 2,450	100,500	90,900
East Texas			323,400	- 1,700	324,650	368,200
Southwest Texas			173,050	+ 6,700	173,750	216,050
Coastal Texas			354,200	+ 34,600	328,950	296,000
Total Texas	1,502,000	†1,501,801	1,392,250	+ 40,800	1,356,950	1,473,450
North Louisiana			89,500	- 250	90,400	81,550
Coastal Louisiana			250,600	+ 4,050	247,550	268,450
Total Louisiana	349,800	370,300	340,100	+ 3,800	337,950	350,000
Arkansas	78,700	74,826	72,100	- 3,050	74,550	69,850
Mississippi	50,000		†54,950	+ 1,650	55,050	84,250
Illinois	262,300		238,000	+ 9,500	238,600	337,050
Indiana	16,500		†16,400	+ 300	15,500	20,950
Eastern (not incl. Ill. & Ind.)	115,000		88,300	-12,200	91,500	92,250
Michigan	63,700		57,900	+ 400	59,300	48,600
Wyoming	92,500		87,250	- 3,300	89,100	85,250
Montana	23,400		17,800	- 4,150	20,650	21,450
Colorado	7,000		6,650	+ 100	6,900	5,550
New Mexico	105,800	105,800	96,600	- 9,200	96,600	92,550
Total East of Calif.	3,370,100		3,112,200	+ 20,350	3,098,900	3,310,200
California	823,700	†823,700	775,000	- 6,200	777,450	624,150
Total United States	4,193,800		3,887,200	+ 14,150	3,876,350	3,934,350

*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 December, 1942, as follows: Oklahoma, 29,600; Kansas, 5,900; Texas, 107,400; Louisiana, 21,500; Arkansas, 2,700; Illinois, 10,200; Eastern (not including Illinois and Indiana), 12,600; Michigan, 100; Wyoming, 2,500; Montana, 400; New Mexico, 5,700; California, 43,900.

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

‡This is the net basic allowable as of March 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 3 to 14 days, the entire state was ordered shutdown for 11 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 11 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 MARCH 6, 1943

(Figures in Thousands of barrels of 42 Gallons Each)

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

District—	Daily Refining Capacity	Crude Runs to Still	Production			Stocks of Gas Oil and Distillate Fuel	Stocks of Residual Fuel Oil
			Crude	Gasoline	Gasoline		
	Potential % Re-	Average	at Re-	Finished	of Gas	of Res-	
	ports	Crude	fineries	and Un-	Oil and	idual	
	Rate	erated	Blended	finished	Distillate	Fuel	
*Combined: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,444	88.7	1,638	67.0	4,473	39,342	14,515
Appalachian	177	84.8	75	87.0	400	2,892	726
Ind., Ill., Ky.	811	85.0	72	89.1	2,240	20,211	3,496
Okl., Kansas, Mo.	416	80.1	360	86.5	1,108	7,517	1,528
Rocky Mountain	147	48.0	86	58.5	313	2,080	376
California	817	89.9	665	81.4	1,524	20,803	11,027
Tot. U. S. B. of M. basis March 6, 1943	4,812	86.2	3,626	75.4	10,058	†92,845	31,668
Tot. U. S. B. of M. basis Feb. 27, 1943	4,812	86.2	3,709	77.1	10,566	93,157	32,939
U. S. Bur. of Mines basis March 7, 1942			3,520		11,404	108,997	32,742

*At the request of the Petroleum Administration for War. †Finished, 82,758,000 barrels; unfinished, 10,087,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 3,731,000 barrels of gas oil and distillate fuel and 7,106,000 barrels of residual fuel oil produced in the week ended March 6, 1943, which compared with 4,230,000 barrels and 7,839,000 barrels, respectively, in the preceding week and 3,681,000 barrels and 6,411,000 barrels, respectively, in the week ended March 7, 1942.

February Retail Prices Continue Unchanged, According To Fairchild Publication Index

The month of February is the eighth consecutive month to find the Fairchild Publications Retail Price Index at the same level. It remains 113.1. This shows only a 1.1% increase over March 1, 1942, following one of 2.6% for Feb. 1, 1943 over last year. This indicates that while prices are still slightly higher than last year at this time,

the spread is gradually getting much narrower. Prices are still 27.2% greater than the 1939 period just before the outbreak of war.

The Fairchild Publications' announcement, issued March 15, further said:

"For the second time since the composite index has remained stationary, there has been no movement recorded by any of the five major groups. This month, instead of piece goods which for the most part has shown the greatest rise over last year, men's apparel increased the most with a percentage rise of 2.5%. Piece goods, women's apparel and infants' wear all show the same advance over last year, 1.3%. As has been noticed in the composite index, the spread in the major groups and also in the individual commodities is becoming very narrow. Piece goods still continue to show the most advance over the 1939 period, and infants' wear the smallest.

"Only four of the individual commodities recorded any change at all during February. Aprons and housedresses, men's hose and floor coverings advanced 0.1%. Fur decreased 0.1%. All the items with the exception of two showed some rise over 1942. Furs dropped 0.6%, and furniture dropped 0.5%. The greatest increase occurred in men's hose, 3.1%, followed by corsets and brassieres, women's hose, men's underwear, and men's shoes. The least advance was shown by women's underwear, infants' shoes, infants' underwear, and women's shoes. The comparison with the period just preceding the outbreak of war in 1939 shows that furs continue to show the largest advance, 49.8%, and women's shoes the smallest, 6.8%.

"With prices at the same level they have been for the past eight months, it still seems probable that they will continue to show little or no movement in the near future, according to A. W. Zelomek, economist under whose supervision the index is compiled. Whatever movement has been shown by the individual commodities or which might be shown by them, have been and probably will be due to the various price regulations which permit adjustment of the ceiling prices."

THE FAIRCHILD PUBLICATIONS RETAIL PRICE INDEX

JAN. 3, 1931=100

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	May 1, 1933	Mar. 1, 1942	Dec. 1, 1942	Jan. 2, 1942	Feb. 1, 1943	Mar. 1, 1943
Composite Index	69.4	111.9	113.1	113.1	113.1	113.1
Piece Goods	65.1	110.8	112.2	112.2	112.2	112.2
Men's Apparel	70.7	102.7	105.3	105.3	105.3	105.3
Women's Apparel	71.8	111.2	112.5	112.6	112.6	112.6
Infants' Wear	76.4	106.7	108.0	108.1	108.1	108.1
Home Furnishings	70.2	114.3	115.5	115.5	115.5	115.5
Piece Goods						
Silks	57.4	83.9	84.7	84.7	84.7	84.7
Woolens	69.2	106.6	108.0	108.0	108.0	108.0
Cotton Wash Goods	68.6	141.8	143.8	143.8	143.8	143.8
Domestics						
Sheets	65.0	124.9	126.8	126.8	126.8	126.8
Blankets & Comfortables	72.9	132.0	135.0	135.0	135.0	135.0
Women's Apparel						
Hosiery	59.2	91.5	94.1	94.1	94.1	94.1
Aprons & House Dresses	75.5	138.4	140.5	140.5	140.5	140.6
Corsets & Brassieres	83.6	108.1	111.2	111.2	111.2	111.2
Furs	66.8	135.3	134.3	134.5	134.6	134.5
Underwear	69.2	102.1	102.7	102.7	102.7	102.7
Shoes	76.5	91.6	92.4	92.4	92.4	92.4
Men's Apparel						
Hosiery	64.9	104.9	108.0	108.0	108.0	108.1
Underwear	69.6	111.7	114.8	114.8	114.8	114.8
Shirts & Neckwear	74.3	97.9	99.1	99.1	99.1	99.1
Hats & Caps	69.7	91.8	94.3	94.3	94.3	94.3
Clothing incl. Overalls	70.1	103.4	105.9	105.9	106.0	106.0
Shoes	76.3	106.6	109.6	109.6	109.6	109.6
Infants' Wear						
Socks	74.0	112.0	114.5	114.5	114.5	114.5
Underwear	74.3	102.8	103.6	103.7	103.7	103.7
Shoes	80.9	105.2	106.0	106.0	106.0	106.0
Furniture	69.4	129.8	129.2	129.2	129.2	129.2
Floor Coverings	79.9	144.8	146.8	146.8	146.8	146.9
Radios	50.6	66.6	66.8	66.8	66.8	66.8
Luggage	60.1	93.3	94.7	94.7	94.7	94.7
Electrical Household Appliances	72.5	92.7	93.5	93.5	93.5	93.5
China	81.5	109.6	110.6	110.6	110.6	110.6

NOTE—Composite Index is a weighted aggregate. Major group indexes are arithmetic averages of subgroups.

Non-Ferrous Metals—Limitation Orders For Antimony, Lead And Cobalt Eased Moderately

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 March 11, stated: "In those non-ferrous metals in which the supply situation has shown steady improvement the trend in Washington is to ease up on the regulations limiting consumption. During the last week, WPB modified the limitation orders for antimony, lead, and cobalt. However, extreme caution is being exercised by WPB in the matter of lifting any of the restrictions."

Though progress has been slow in modifying existing regulations, producers of the metals involved feel that the trend is in the right direction. Prices of major metals showed no change last week. The publication further went on to say in part:

Copper

Imports of copper have been holding at the same high level established during the last quarter of 1942. Prices being paid for foreign metal by Metals Reserve remain unchanged. Some new domestic production is scheduled to come into the picture this spring. Quotations in the domestic market last week were unchanged.

Allocations of copper chemicals were placed on a quarterly instead of a monthly basis on March 5 in an amendment to General Preference Order M-227. This was done to enable producers and

Lead

Demand for lead has been increasing. Additional tonnages have been released by Metals Reserve for delivery this month. Lead oxide has been moving at a good rate. March lead needs of consumers are about 85% covered, with April close to 40%.

Limitation Order L-64 has been amended by WPB, permitting use of more lead in the manufacture of caskets.

Zinc

Most of the zinc that is being allocated is moving either to brass mills or die casters. The price situation in zinc remains unchanged. Loss by fire of another

large mill in the Tri-State area may complicate matters in treating ore produced in that area.

Antimony

The trade looks for a moderate increase in the use of primary antimony under an amended version of General Preference Order M-112 issued by WPB on March 8. An analysis of the supply situation under the war economy points to a surplus over demand.

Restrictions have been relaxed on use of antimony in automotive battery plates and permissible alloys. Scrap figures largely in the production of battery plates, and additions to the alloy of primary antimony at present are not expected to be heavy.

Restrictions that apply to the antimony content of inorganic pigments, toys, decorative objects and ornaments remain unchanged.

Use of antimony in any form for the manufacture of white pigments, opacifiers, or frits for non-acid resisting ceramic enamels is allowed under the amended order.

Unallocated deliveries to individual customers have been raised from the 25-pound limit to quantities up to 2,240 pounds a month.

No change has been made in the 50-ton limit on the permissible antimony content of unallocated ores and concentrates that may be shipped by a producer during any one calendar month from mines located in the continental United States and Alaska.

Cobalt

General Preference Order M-39 was amended March 8, relaxing restrictions to the extent that the metal is now on a straight allocation basis. Previously, use of cobalt was limited to alloys entering into the production of 11 purposes listed in the regulations. Deliveries of 25 pounds of contained cobalt to any one person in any one month, or deliveries of any amount to subsidiaries of RFC, may be made without specific authorization.

Tin

The price situation in tin was unchanged. "Grade A" or Straits quality metal for shipment follows:

	March	April	May
March 4	52,000	52,000	52,000
March 5	52,000	52,000	52,000
March 6	52,000	52,000	52,000
March 8	52,000	52,000	52,000
March 9	52,000	52,000	52,000
March 10	52,000	52,000	52,000

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

Quicksilver

Conditions surrounding the marketing of quicksilver have not changed, with the result that quotations in New York continued last week at \$196 @ \$198 per flask.

Silver

Senator McCarran (Nevada) said on March 4 that an appropriations subcommittee had voted unanimously to strike from the Treasury-Postoffice bill a House-approved amendment which would withhold funds from the Treasury for the future purchase and transportation of silver under the Silver Purchase Act. He predicted that the Senate also would vote to kill the House amendment, should the matter come up for consideration.

The silver market in London has been quiet, with the price unchanged at 23½d. The New York Official and the 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.

Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended March 6 is estimated at 12,350,000 net tons, indicating a decrease of 2.6% from the preceding week. Compared with 10,263,000 tons produced in the corresponding week of 1942, the week ended March 6 shows an increase of 20.3%. For the current year to date, soft coal production was 4.6% in excess of that for the same period last year.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended March 6 was estimated at 1,243,000 tons, a decrease of 35,000 tons (2.7%) from the preceding week. When compared with the output in the corresponding week of 1942, however, there was an increase of 64,000 tons, or 5.4%.

The U. S. Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended March 6 showed a decrease of 5,200 tons when compared with the output for the week ended Feb. 27. The quantity of coke from bee-hive ovens decreased 4,800 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF SOFT COAL

	Week Ended			January 1 to Date		
	Mar. 6 1943	Feb. 27 1943	Mar. 7 1942	Mar. 6 1943	Mar. 7 1942	Mar. 6 1937
Bituminous coal and lignite—	12,350	12,680	10,263	108,399	103,669	95,339
Total, incl. mine fuel—	2,058	2,113	1,711	1,971	1,851	1,737
Daily average	2,058	2,113	1,711	1,971	1,851	1,737

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

	Week Ended			Calendar Year to Date		
	Mar. 6 1943	Feb. 27 1943	Mar. 7 1942	Mar. 6 1943	Mar. 7 1942	Mar. 9 1929
Penn. anthracite—	1,243,000	1,273,000	1,179,000	10,649,000	10,483,000	15,042,000
*Total, incl. colliery fuel	1,193,000	1,227,000	1,132,000	10,223,000	10,064,000	13,959,000
†Commercial production	1,193,000	1,227,000	1,132,000	10,223,000	10,064,000	13,959,000
Beehive coke—						
United States total—	163,100	167,900	151,800	1,449,400	1,408,500	1,167,000
By-product coke—						
United States total—	1,218,900	1,224,100	1,163,200	11,296,900	11,054,800	14,209,000

*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. 1923
	Feb. 27 1943	Feb. 20 1943	Feb. 28 1942	Mar. 1 1941	Feb. 27 1937	
Alabama	383	390	377	380	304	409
Alaska	6	6	6	3	2	00
Arkansas and Oklahoma	110	107	69	88	50	87
Colorado	178	171	186	165	197	231
Georgia and North Carolina	1	1	††	††	††	00
Illinois	1,552	1,493	1,350	1,351	1,493	1,993
Indiana	544	503	561	516	500	613
Iowa	62	65	81	80	116	136
Kansas and Missouri	205	194	162	189	192	174
Kentucky—Eastern	1,059	998	834	887	916	556
Kentucky—Western	342	322	276	243	322	226
Maryland	37	35	41	38	42	51
Michigan	8	6	9	6	23	26
Montana (bituminous and lignite)	101	112	61	69	68	80
New Mexico	41	40	32	26	45	58
North and South Dakota (lignite)	58	72	53	69	71	**37
Ohio	727	718	673	586	653	694
Pennsylvania (bituminous)	2,792	2,696	2,946	2,851	2,813	3,087
Tennessee	162	155	152	155	119	127
Texas (bituminous and lignite)	6	6	6	8	16	23
Utah	133	139	114	79	112	96
Virginia	463	425	349	348	307	212
Washington	41	45	38	39	46	77
*West Virginia—Southern	2,490	2,340	2,045	2,022	2,052	1,127
†West Virginia—Northern	978	917	886	777	731	673
Wyoming	200	203	145	121	157	156
‡Other Western States	1	1	††	††	1	**7
Total bituminous and lignite	12,680	12,160	11,452	11,096	11,348	10,956
†Pennsylvania anthracite	1,278	1,133	1,295	1,130	718	1,902
Total all coal	13,958	13,293	12,747	12,226	12,066	12,858

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

Bank Debits For Month Of February

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

SUMMARY BY FEDERAL RESERVE DISTRICTS

Federal Reserve District—	Feb.		—3 Months Ended—	
	1943	1942	1943	1942
Boston	2,615	2,452	9,083	8,560
New York	21,365	15,760	69,004	57,201
Philadelphia	2,491	2,268	8,344	8,094
Cleveland	3,496	3,081	12,113	10,865
Richmond	1,961	1,747	6,620	5,920
Atlanta	1,712	1,513	5,738	5,089
Chicago	7,877	8,275	26,124	22,182
St. Louis	1,542	1,378	5,228	4,826
Minneapolis	900	773	3,087	2,734
Kansas City	1,827	1,367	6,043	4,749
Dallas	1,391	1,187	4,738	4,120
San Francisco	4,693	3,743	15,515	12,390
†Total, 274 centers	51,871	41,545	171,641	146,732
*New York City	19,635	14,242	63,433	52,088
†140 other centers	28,005	23,543	93,830	81,704
‡133 other centers	4,230	3,760	14,377	12,941

*Included in the national series covering 141 centers, available beginning in 1919. †Excluding centers for which figures were not collected by the Board before May, 1942.

Trading On New York Exchanges

The Securities and Exchange Commission made public March 15 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. 27, 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. 27 (in round-lot transactions) totaled 2,407,810 shares, which amount was 15.07% of total transactions on the Exchange of 7,992,370 shares. This compares with member trading during the week ended Feb. 20, of 1,942,675 shares or 13.06% of total trading of 7,438,990 shares. On the New York Curb Exchange, member trading during the week ended Feb. 27 amounted to 367,698 shares, or 13.68% of the total volume of that Exchange of 1,343,458 shares; during the Feb. 20 week trading for the account of Curb members of 404,002 shares was 12.33% of total trading of 1,638,515 shares.

The Commission made available the following data for the week ended Feb. 27:

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	945	680
1. Reports showing transactions as specialists	171	79
2. Reports showing other transactions initiated on the floor	205	35
3. Reports showing other transactions initiated off the floor	237	80
4. Reports showing no transactions	442	331

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 to 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)

	Total for week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	145,200	
‡Other sales	7,847,170	
Total sales	7,992,370	

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	577,030	
Short sales	85,110	
‡Other sales	544,570	
Total sales	629,680	7.56
2. Other transactions initiated on the floor—		
Total purchases	431,790	
Short sales	19,700	
‡Other sales	352,540	
Total sales	372,240	5.03
3. Other transactions initiated off the floor—		
Total purchases	171,135	
Short sales	19,850	
‡Other sales	206,085	
Total sales	225,935	2.48
4. Total—		
Total purchases	1,179,955	
Short sales	124,660	
‡Other sales	1,103,195	
Total sales	1,227,855	15.07

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

	Total for week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	7,255	
‡Other sales	1,336,203	
Total sales	1,343,458	

B. Round-Lot Transactions for the Account of Members:

1. Transactions of specialists in stocks in which they are registered—		
Total purchases	108,398	
Short sales	4,970	
‡Other sales	113,350	
Total sales	118,320	8.44
2. Other transactions initiated on the floor—		
Total purchases	34,510	
Short sales	1,200	
‡Other sales	18,870	
Total sales	20,070	2.03
3. Other transactions initiated off the floor—		
Total purchases	39,805	
Short sales	0	
‡Other sales	46,595	
Total sales	46,595	3.21
4. Total—		
Total purchases	182,713	
Short sales	6,170	
‡Other sales	178,815	
Total sales	184,985	13.68

C. Odd-Lot Transactions for the Account of Specialists—

Customers' short sales	484
‡Customers' other sales	42,039
Total purchases	42,523
Total sales	30,700

*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 Mar. 13 a summary for the week ended March 6 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 N. Y. STOCK EXCHANGE

Week Ended March 6, 1943		Total for Week
Odd-Lot Sales by Dealers: (Customers' purchases)		
Number of Orders	27,023	
Number of Shares	788,294	
Dollar Value	23,951,910	

Odd-Lot Purchases by Dealers— (Customers' Sales)		Total for Week
Number of Orders:		
Customers' short sales	254	
Customers' other sales	23,810	
Customers' total sales	24,064	
Number of Shares:		
Customers' short sales	7,307	
Customers' other sales	659,113	
Customers' total sales	666,420	
Dollar value	18,702,977	

Round-Lot Sales by Dealers—		Total for Week
Number of Shares:		
Short sales	250	
‡Other sales	128,130	
Total sales	128,380	

Round-Lot Purchases by Dealers—		Total for Week
Number of shares	244,640	

*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."

Lumber Movement—Week Ended March 6, 1943

According to the National Lumber Manufacturers Association, lumber shipments of 434 mills reporting to the National Lumber Trade Barometer exceeded production by 10.5% for the week ended March 6, 1943. In the same week new orders of these mills were 3.3% greater than production. Unfilled order files in the reporting mills amounted to 89% of stocks. For reporting softwood mills, unfilled orders are equivalent to 39 days' production at the current rate, and gross stocks are equivalent to 40 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 18.7%; orders by 21.9%.

Compared to the average corresponding week of 1935-39, production of reporting mills was 25.5% greater; shipments were 15.9% greater, and orders were 17.8% greater.

Pay Rise For NY Pressmen

The Publishers Association of New York City announced on Feb. 25 that an arbitration award made last year for a new contract between 13 members of the association and the New York Newspaper Printing Pressmen's Union, Local 2, providing for an increase of 50 cents a shift for the pressmen, had been sustained in full by the International Arbitration Board of the Union and the American Newspaper Publishers Association. The New York "Times" of Feb. 26, from which we quote, added:

"Affirmation of the award by the International Board, headed by Prof. Willard E. Hotchkiss of the Carnegie Institute of Technology, came after the award had been appealed by the local union on 13 grounds. The seven-man International Arbitration Board considered the appeal at meetings in Pittsburgh during the last few weeks."

The award was referred to in these columns Aug. 20, 1942, page 637.

Revenue Freight Car Loadings During Week Ended Mar. 6, 1943 Amounted To 748,890 Cars

Loading of revenue freight for the week ended March 6, 1943 totaled 748,890 cars, the Association of American Railroads announced on March 11. This was a decrease below the corresponding week of 1942 of 21,595 cars or 2.8%, but an increase above the same week in 1941 of 6,273 cars or 0.8%.

Loading of revenue freight for the week of March 6 decreased 33,965 cars, or 4.3% below the preceding week.

Miscellaneous freight loading totaled 349,510 cars, a decrease of 24,876 cars below the preceding week, and a decrease of 7,971 cars below the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 93,729 cars, a decrease of 38 cars below the preceding week, and a decrease of 54,784 cars below the corresponding week in 1942.

Coal loading amounted to 174,617 cars, a decrease of 3,922 cars below the preceding week, but an increase of 29,399 cars above the corresponding week in 1942.

Grain and grain products loading totaled 50,440 cars, a decrease of 211 cars below the preceding week, but an increase of 12,084 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of March 6 totaled 35,189 cars, an increase of 346 cars above the preceding week and an increase of 10,840 cars above the corresponding week in 1942.

Livestock loading amounted to 12,850 cars, an increase of 451 cars above the preceding week, and an increase of 2,161 cars above the corresponding week in 1942. In the Western Districts alone, loading of livestock for the week of March 6 totaled 9,644 cars, an increase of 496 cars above the preceding week, and an increase of 1,814 cars above the corresponding week in 1942.

Forest products loading totaled 39,499 cars, a decrease of 3,731 cars below the preceding week and a decrease of 3,633 cars below the corresponding week in 1942.

Ore loading amounted to 13,024 cars, a decrease of 1,630 cars below the preceding week and a decrease of 317 cars below the corresponding week in 1942.

Coke loading amounted to 15,221 cars, a decrease of eight cars below the preceding week, but an increase of 1,466 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, Allegheny and Northwestern.

	1943	1942	1941
5 weeks of January	3,530,849	3,658,479	3,454,409
4 weeks of February	3,055,640	3,122,942	2,866,565
Week of March 6	748,890	770,485	742,617
Total	7,335,379	7,551,906	7,063,591

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended March 6, 1943. During this period only 45 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED MARCH 6

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1943	1942	1941	1943	1942	1941
Eastern District—						
Ann Arbor	256	639	517	1,339	1,512	1,512
Bangor & Aroostock	2,409	2,314	2,057	285	216	216
Boston & Maine	6,176	8,006	8,282	15,627	16,080	16,080
Chicago, Indianapolis & Louisville	1,295	1,594	1,320	1,990	2,358	2,358
Central Indiana	55	23	21	63	59	59
Central Vermont	1,092	1,397	1,298	2,152	2,501	2,501
Delaware & Hudson	6,076	6,745	6,456	12,144	12,571	12,571
Delaware, Lackawanna & Western	7,353	8,804	9,756	11,610	9,609	9,609
Detroit & Mackinac	241	283	182	119	171	171
Detroit, Toledo & Ironton	1,617	2,063	3,120	1,918	1,548	1,548
Detroit & Toledo Shore Line	299	365	416	3,846	3,377	3,377
Erie	12,309	13,518	14,219	19,097	16,191	16,191
Grand Trunk Western	3,562	4,509	6,188	9,256	8,873	8,873
Lehigh & Hudson River	169	202	194	3,395	3,858	3,858
Lehigh & New England	1,916	1,983	1,699	1,553	1,640	1,640
Lehigh Valley	6,907	6,684	9,212	11,951	10,010	10,010
Maine Central	2,495	3,167	3,482	4,173	4,132	4,132
Monongahela	6,289	5,975	6,093	460	449	449
Montour	2,421	2,060	2,206	18	41	41
New York Central Lines	46,356	44,109	46,829	57,197	52,121	52,121
N. Y., N. H. & Hartford	9,463	11,964	10,917	19,243	19,179	19,179
New York, Ontario & Western	862	1,176	1,116	2,653	2,708	2,708
New York, Chicago & St. Louis	6,724	6,970	5,643	16,540	14,664	14,664
N. Y., Susquehanna & Western	432	551	440	2,919	1,669	1,669
Pittsburgh & Lake Erie	7,522	7,827	7,993	7,885	6,949	6,949
Pere Marquette	4,416	5,173	6,332	7,922	6,489	6,489
Pittsburg & Shawmut	827	534	616	12	42	42
Pittsburg, Shawmut & North	341	416	412	274	296	296
Pittsburg & West Virginia	811	659	780	4,070	2,192	2,192
Rutland	323	507	595	976	1,185	1,185
Wabash	5,467	5,763	5,979	12,560	11,491	11,491
Wheeling & Lake Erie	4,955	4,732	4,383	6,216	3,937	3,937
Total	151,336	162,712	168,753	239,463	218,118	218,118
Allegheny District—						
Akron, Canton & Youngstown	681	725	586	1,383	1,032	1,032
Baltimore & Ohio	38,576	38,216	37,307	28,034	24,909	24,909
Bessemer & Lake Erie	2,876	3,359	3,604	1,401	1,469	1,469
Buffalo Creek & Gauley	258	248	277	2	3	3
Cambria & Indiana	1,933	1,854	1,765	1	8	8
Central R. R. of New Jersey	6,540	7,840	7,263	21,097	18,263	18,263
Cornwall	598	603	587	92	62	62
Cumberland & Pennsylvania	282	293	321	13	31	31
Ligonier Valley	130	109	170	44	40	40
Long Island	806	928	731	3,817	3,755	3,755
Penn-Reading Seashore Lines	1,568	1,840	1,337	2,409	2,162	2,162
Pennsylvania System	70,830	77,038	73,714	62,264	57,526	57,526
Reading Co.	14,124	15,685	16,390	30,884	27,158	27,158
Union (Pittsburgh)	20,621	19,643	19,993	4,457	3,864	3,864
Western Maryland	4,004	3,831	3,973	14,405	10,789	10,789
Total	163,832	172,212	167,998	170,303	151,071	151,071
Pocahontas District—						
Chesapeake & Ohio	29,132	21,161	25,236	11,768	10,058	10,058
Norfolk & Western	22,888	19,254	22,478	7,006	6,019	6,019
Virginian	4,726	3,545	4,632	2,138	2,217	2,217
Total	56,746	43,960	52,346	20,912	18,294	18,294

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Southern District—					
Alabama, Tennessee & Northern	236	273	266	403	423
Atl. & W. P.—W. R. R. of Ala.	841	896	841	2,825	2,101
Atlanta, Birmingham & Coast	606	679	708	1,479	1,168
Atlantic Coast Line	14,364	13,012	11,383	11,504	9,200
Central of Georgia	4,045	4,271	4,474	5,035	3,920
Charleston & Western Carolina	469	308	438	1,911	1,537
Clinchfield	1,638	1,176	1,625	3,182	2,501
Columbus & Greenville	312	241	302	216	252
Durham & Southern	117	170	171	533	414
Florida East Coast	3,577	2,291	1,141	1,599	1,205
Gainesville Midland	51	31	34	137	134
Georgia	1,064	1,217	1,078	2,917	2,667
Georgia & Florida	340	381	331	542	571
Gulf, Mobile & Ohio	3,342	3,880	3,771	5,789	3,472
Illinois Central System	24,352	27,997	22,508	15,191	14,640
Louisville & Nashville	23,880	23,903	24,423	11,376	9,071
Macon, Dublin & Savannah	157	186	146	908	696
Mississippi Central	221	165	171	448	412
Nashville, Chattanooga & St. L.	2,933	3,366	3,045	5,363	3,652
Norfolk Southern	1,098	1,116	1,088	1,770	1,281
Piedmont Northern	391	495	480	1,269	1,241
Richmond, Fred. & Potomac	397	444	359	11,610	9,657
Seaboard Air Line	10,403	9,858	10,283	9,619	7,220
Southern System	20,970	23,097	24,178	25,023	21,239
Tennessee Central	539	586	513	802	853
Winston-Salem Southbound	120	124	144	1,021	958
Total	116,488	120,223	113,903	122,466	100,455
Northwestern District—					
Chicago & North Western	14,700	17,798	15,812	13,368	14,333
Chicago Great Western	2,389	2,835	2,443	3,290	3,448
Chicago, Milw., St. P. & Pac.	19,353	21,579	20,757	10,530	10,037
Chicago, St. Paul, Minn. & Omaha	3,757	4,120	3,662	5,408	4,232
Duluth, Missabe & Iron Range	1,265	1,229	788	250	462
Duluth, South Shore & Atlantic	595	791	674	553	644
Elgin, Joliet & Eastern	9,050	10,081	9,764	9,821	10,521
Ft. Dodge, Des Moines & South	421	539	423	109	152
Great Northern	10,762	12,140	10,231	5,864	4,509
Green Bay & Western	469	584	537	751	968
Lake Superior & Ishpeming	245	315	241	50	73
Minneapolis & St. Louis	2,130	2,324	1,613	2,135	2,337
Minn., St. Paul & S. S. M.	4,559	5,815	5,043	3,091	3,773
Northern Pacific	8,898	10,400	9,448	4,638	4,598
Spokane International	79	81	97	498	309
Spokane, Portland & Seattle	2,135	2,749	2,328	3,144	2,723
Total	80,807	93,380	83,861	63,500	63,119
Central Western District—					
Atch., Top. & Santa Fe System	19,837	20,929	17,826	12,531	8,769
Alton	2,798	3,426	3,349	3,709	3,436
Bingham & Garfield	472	588	458	74	106
Chicago, Burlington & Quincy	18,883	16,288	16,225	12,230	10,755
Chicago & Illinois Midland	3,094	2,807	2,765	940	711
Chicago, Rock Island & Pacific	12,416	11,667	10,597	13,958	11,680
Chicago & Eastern Illinois	2,375	2,882	2,961	4,948	3,162
Colorado & Southern	747	892	726	1,839	1,577
Denver & Rio Grande Western	3,612	3,161	2,486	5,750	4,381
Denver & Salt Lake	834	642	491	6	12
Fort Worth & Denver City	838	889	969	1,261	968
Illinois Terminal	1,787	2,063	1,747	1,583	1,601
Missouri-Illinois	903	1,230	739	538	576
Nevada Northern	2,047	2,002	1,955	134	130
North Western Pacific	730	971	642	656	509
Peoria & Pekin Union	36	20	6	0	0
Southern Pacific (Pacific)	26,094	27,926	23,529	12,858	9,158
Toledo, Peoria & Western	345	267	337	1,695	1,115
Union Pacific System	13,529	15,504	14,422	14,133	11,827
Utah	571	552	337	1	6
Western Pacific	1,880	1,748	1,393	3,454	3,151
Total	113,933	116,454	103,960	92,298	73,350
Southwestern District—					
Burlington-Rock Island	651	485	151	214	255
Gulf Coast Lines	4,892	5,273	3,773	2,401	2,571
International-Great Northern	1,810	2,319	1,824	3,524	2,954
Kansas, Oklahoma & Gulf	307	308	183	987	926
Kansas City Southern	4,343	3,701	2,369	2,756	2,811
Louisiana & Arkansas	3,028	2,713	1,998	2,310	1,944
Litchfield & Madison	301	291	349	1,196	999
Midland Valley	683	478	643	350	234
Missouri & Arkansas	145	186	136	476	432
Missouri-Kansas-Texas Lines	5,621	4,955	4,135	6,432	3,970
Missouri Pacific	16,138	15,919	15,020	17,552	14,769

Items About Banks, Trust Companies

Guaranty Trust Co. of New York announces that K. J. Panke, formerly Vice-President and Sales Manager of C. F. Childs & Co., has become associated with its U. S. Government Bond Department, in a senior capacity.

Frank H. Becker has become associated with the Guaranty Trust Co. of New York, in the U. S. Government Bond Department. Mr. Becker was formerly an officer of H. M. Bylesby & Co., Inc., for many years.

T. J. Ross, senior partner of Ivy Lee & T. J. Ross, has been elected a Trustee of the Emigrant Industrial Savings Bank, New York City.

William C. Robertson, Secretary-Treasurer of the Emigrant Bank, has been made a Vice-President and retains his former title.

The bank also announces that W. Francis FitzGerald has been appointed to the newly-created office of Assistant Vice-President in charge of public relations. Mr. FitzGerald recently resigned as Chairman of the impartial grievance committee of the Board of Transportation of the City of New York.

Clarence B. Plantz, Assistant Vice-President of the New York Savings Bank of New York since March, 1939, has been promoted to Vice-President. Mr. Plantz is Chairman of the Savings Banks Association Committee on Savings Bank Life Insurance and Secretary-Treasurer of Group IV of the Association.

Jules Adell has been appointed Assistant Secretary of the Trust Co. of North America.

Charles Oldenbittel, Vice-President and Trust Officer of the People's National Bank of Brooklyn, was on March 9 elected a Director of the institution to fill a vacancy created by the resignation of F. L. Mills.

At a meeting of the Directors of the State Street Trust Co. of Boston on March 15, Marland C. Hobbs was elected to the Board. Mr. Hobbs is Vice-President and Director of Arlington Mills; also a Director of Atlantic Rayon Co. and Nonquitt Mills.

William S. Porter, retired Vice-President of the Summit Trust Co., Summit, N. J., died on March 8 at his home in Summit. He was 87 years old. Mr. Porter had served as Secretary-Treasurer of the trust company for more than 30 years before becoming Vice-President.

Directors of the First National Bank of Chicago on March 12 declared two extra dividends of 50 cents each, along with two regular quarterly payments of \$2.50 each, representing a total distribution of \$1,800,000 on the 300,000 shares of stock outstanding. The bank paid \$10 a share in each of the last two years. Bank officers, in explaining the cash distribution, said the Board's decision was prompted by the recent U. S. Supreme Court ruling on the non-taxability of stock dividends, together with the impossibility of predicting whether Congress in its 1943 tax bill would specifically permit levying income taxes on dividends paid in stock, according to the Chicago "Tribune" of March 13. Last November the Directors decided against either increasing the dividend rate or declaring a stock dividend in view of the uncertainties of the times and the pending court case; this was reported in our issue of Nov. 19, page 1816.

The Chicago "Tribune" of March 13 further reported:

"As an indication of the trend of bank earnings, it was announced the funds for the extra disbursements came from the regular

banking sources. The decision to pay in cash rather than stock does not represent a commitment for or against future action with respect to possible dividends in stock, it was said.

"The stock distribution had been anticipated through realization of funds from liquidation of the trust which holds stock of the First-Chicago corporation, a former underwriting affiliate of the bank that has been in process of liquidation for several years. Brown said last November that the bank eventually would realize more than \$9,000,000 from this source."

Directors of the Bank of America National Trust & Savings Association of San Francisco have formally appointed Otto Jeidels as Vice-President, Vice-Chairman of the general Finance Committee and a member of the bank's advisory council. For the past four years Mr. Jeidels has been a partner of Lazard Freres & Co., New York, and previous to that was a well-known European banker. He will assume his new duties April 1. Greeting the opportunity to participate in the development in California and the Far West which may be expected to follow the war, Mr. Jeidels stated that this area always had represented to him a combination of vast resources and vigorous population endowed with courage and enterprise. He said:

"Sound counsel and judicious foresight will be required. Courage to expand a great nation's activities into distant and unaccustomed ventures will be indispensable in the position in which this war has placed the country."

"For great banks of this part of the country, and for business and financial centers on the Pacific Coast, there is a wide field among the United Nations to the north, west and south of us. This can be developed as industry, agriculture and commerce join their skill and pioneering spirit with the advice, the domestic and international contacts and the instrumentalities of the banks."

In keeping with previously announced decision that dividends on Bank of America common stock hereafter would be paid semi-annually instead of in quarterly instalments, directors of the bank took no action on dividends at their March meeting. The change in method, advice of which went to all common stockholders when dividends were declared for the half-year last September, is an economy measure, it is stated, designed to effect substantial savings in accounting, clerical labor and mailing expense. The next dividend meeting of the directors will be on June 8.

Nat'l Bank Assets Up; Loans Show Decline

The total assets of national banks on Dec. 31, 1942, amounted to nearly \$55,000,000,000, it was announced March 9 by Comptroller of the Currency Preston Delano. Returns from the call covered the 5,087 active national banks in the United States and possessions. The assets reported were greater by \$10,662,000,000 than those reported by the 5,107 national banks on June 30, 1942, the date of the previous call, and showed an increase of \$11,243,000,000 over the amount reported by the 5,123 active banks on Dec. 31, 1941. The Comptroller's announcement adds: "Since the current figures exclude \$349,000,000 of reciprocal interbank demand balances, reported gross on call dates prior to June 30, 1942, the increase in the total assets in December, 1942, over December, 1941, on a comparable basis would be greater by that amount."

"Loans and discounts as of Dec.

31, 1942, were \$10,201,000,000, a decrease of \$701,000,000 since June, 1942, and a decrease of \$1,551,000,000 since December, 1941.

"The deposits totaled \$50,649,000,000, an increase since June of \$9,990,000,000, and an increase over Dec. 31, 1941, of \$11,094,000,000 which, on a comparable basis, would be further increased by \$349,000,000 of reciprocal bank balances. Deposits at the latest call date consisted of demand and time deposits of individuals, partnerships and corporations of \$26,731,000,000 and \$8,308,000,000, respectively, U. S. Government deposits of \$4,833,000,000, deposits of States and political subdivisions of \$2,695,000,000, postal savings of \$9,000,000, certified and cashiers' checks, etc., of \$672,000,000, and deposits of banks, excluding reciprocal balances, of \$7,401,000,000.

"Investments by the banks in U. S. Government obligations direct and guaranteed as of Dec. 31, 1942, aggregated \$23,825,000,000. These were \$8,896,000,000 more than held by the banks on June 30, 1942, and \$11,752,000,000 more than held in December the year previous. The direct and indirect obligations held on Dec. 31, last, were \$22,261,000,000 and \$1,564,000,000, respectively. Other bonds, stocks and securities held totaling \$3,657,000,000, including obligations of States and political subdivisions of \$2,022,000,000, showed decreases in the 6- and 12-month periods of \$57,000,000 and \$157,000,000, respectively.

"Cash of \$733,000,000, balances with other banks, excluding reciprocal balances, of \$7,267,000,000, and reserve with Federal Reserve banks of \$8,250,000,000, a total of \$16,250,000,000, increased \$1,934,000,000 since June, and \$1,248,000,000 since December, 1941.

"Bills payable, rediscounts, and other liabilities for borrowed money of \$3,500,000 showed an increase of \$1,500,000 since June, but a decrease of \$262,000 in the amount reported as of December, 1941.

"The unimpaired capital stock of the banks was \$1,504,000,000, including \$146,000,000 preferred stock. Surplus of \$1,439,000,000, undivided profits of \$541,000,000, and reserves of \$255,000,000, a total of \$2,235,000,000, increased \$63,000,000 and \$101,000,000 in the 6- and 12-month periods, respectively.

"The percentage of loans and discounts to total deposits on Dec. 31, 1942, was 20.14, in comparison with 26.81 on June 30, 1942, and 29.71 on Dec. 31, 1941."

Money In Circulation

The Treasury Department in Washington has issued the customary monthly statement showing the amount of money in circulation after deducting the moneys held in the United States Treasury and by Federal Reserve banks and agents. The figures this time are for Jan. 31, 1943, and show that the money in circulation at that date (including, of course, that held in bank vaults of member banks of the Federal Reserve System) was \$15,589,577,244, as against \$15,410,130,365 on Dec. 31, 1942, and \$11,174,681,997 on Jan. 31, 1942, and compares with \$5,698,214,612 on Oct. 31, 1920. Just before the outbreak of the first World war, that is on June 30, 1914, the total was \$3,459,434,174.

W. A. Alexander Denver Reserve Director

The Board of Governors of the Federal Reserve System announced on March 2 the appointment of William A. Alexander, Vice-President of the Denver Tramway Corp., as a Director of the Denver Branch of the Federal Reserve Bank of Kansas City for the unexpired portion of the term ending Dec. 31, 1945.

Senate Group Urges Allied Organization To Maintain Peace In Post-War World

A resolution suggesting that the United States take the initiative in calling meetings of United Nations' representatives to work out war-time collaboration and peace-time security was introduced in the Senate on March 16.

The sponsors of the proposal are Senators Hatch (Dem., N. M.); Hill, (Dem., Ala.); Ball (Rep., Minn.), and Burton (Rep., Ohio). This group, together with Senator Connally (Dem., Tex.), Chairman of the Foreign Relations Committee, and Senator Wagner (Dem., N. Y.), conferred with President Roosevelt at the White House on March 14 as to his views on such a proposal and were reported to be in agreement on the broad objectives of the program.

The plan briefly provides that the United States take the lead in forming a United Nations organization with authority to carry out the following program:

"(1) To assist in co-ordinating and fully utilizing the military and economic resources of all member nations in the prosecution of the war against the Axis.

"(2) To establish temporary administrations for Axis-controlled areas of the world as these are occupied by United Nations forces, until such time as permanent governments can be established.

"(3) To administer relief and assistance in economic rehabilitation in territories of member nations needing such aid and in Axis territory occupied by United Nations forces.

"(4) To establish procedures and machinery for peaceful settlement of disputes and disagreements between nations.

"(5) To provide for the assembly and maintenance of a United Nations military force and to suppress by immediate use of such force any future attempt at military aggression by any nation."

In a joint statement, Senators Hatch, Hill, Ball and Burton, the four authors, said:

"We believe that an organization of the United Nations with the authority and the power to stop any future attempts at military aggression offers the best hope for maintaining world peace and stability after this war and at the same time is the most efficient and the least costly method in lives and wealth for the individual nations to obtain security for themselves.

"It is our opinion that the overwhelming majority of the American people favor United States participation in such a United Nations organization, based on the just and democratic principles of the Atlantic Charter, as the most preferable way to maintain our own national security and help maintain world stability and peace. The only way the people can express their desire is through the Congress. Hence this resolution.

"It is our deep conviction that the basic foreign policy of the United States should not become an issue in partisan politics, that it should be decided as soon as possible so that post-war planning may be effective, and that our policy should be determined, not on the basis of past debates based on conditions then existing, but on the basis of world conditions as they are today and are likely to develop in the future."

On N. Y. Banking Board

Governor Dewey has reappointed F. Abbot Goodhue and named John Foster Dulles and George L. Harrison to three-year terms on the State Banking Board. Mr. Goodhue is President of the Bank of the Manhattan Co., New York City; Mr. Dulles is senior member of the New York law firm of Sullivan & Cromwell, and Mr. Harrison is President of the New York Life Insurance Co. and was formerly President of the Federal Reserve Bank of New York. Mr. Dulles was named to succeed George L. Burr, while Mr. Harrison succeeds Henry R. Talmage.

Bank Loans For War Production Increase

Nearly \$6,000,000,000 of war production loans and commitments by 414 of the nation's larger banks were outstanding on Dec. 31, according to the quarterly report of war lending activity prepared by the American Bankers Association. The survey, made available March 9, shows that bank loans and commitments for financing the manufacture of armaments and war supplies increased \$887,000,000 during the fourth quarter of 1942.

The ABA announcement further stated:

"Of the \$5,922,000,000 of total loans and commitments outstanding at the end of the year, \$913,000,000 were for construction of war plants and factories and \$5,008,000,000 were for the purchase of raw materials and other production expenses.

"Although the total of \$913,000,000 for war plant construction represents a slight decline below the amount outstanding at the end of the third quarter of 1942, the \$5,008,000,000 of loans and commitments for production of war supplies and equipment is an increase of \$1,022,000,000 over the amount of these loans outstanding at the end of the third quarter.

"The slight decrease in plant construction loans, coupled with the large increase in loans for production of war supplies and equipment, reflects the fact that construction of new plants and factories has passed its peak and that an increasing amount of goods and supplies is now rolling from the factories."

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