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The Financial Situation

Some Misconceptions Exist Regarding Post-War Employment, National Income And Savings

Current thinking about post-war matters is curiously bedeviled by a number of terms which are obviously misunderstood or not understood by many of those who make use of them. Most post-war plans take the form of neat statistical blueprints imagined to possess significance far beyond the fact. Continuance of this procedure in this atmosphere of economic witchcraft can scarcely fail to do inestimable harm sooner or later.

Possibly the most popular procedure is to start with the premise that a certain number of men and women must be provided with employment at once, or as nearly so as is humanly possible—or else we shall (to spite ourselves, perhaps?) promptly become communists, fascists, or something else equally undesirable. The number for whom employment must be "provided" (those seeking employment, which, of course, are us all, appear to bear no responsibility in the matter) is usually larger than were ever employed in this country in peace-time—often approximating the total of most of the men now in the armed forces plus those other men and women at work in agriculture, trade, industry, service and finance. The term used to describe the consummation of such plans was once "full employment"; now "high level employment" is apparently preferred. In most plans it appears to be the ultimate goal of all planning—the economic summum bonum.

"National Income"

Having made this postulate, the next step is usually to estimate the annual "national income" necessary to insure such employment. This usually comes to some figure far

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From Washington Ahead Of The News

By CARLISLE BARGERON

Henry Morgenthau is being roundly blamed now for something with which he had nothing to do—the publication of the Japanese atrocity stories. He is not averse to using them to whoop up his Fourth War Bond drive, but it is not a fact, as many are saying, that their publication at this time was Henry's idea, that of any of his henchmen, or, in fact, had any relation to the drive. For some time the McCormick-Patterson papers had had a personal experience story by Lieut.-Col. Dyess, other syndicates had similar stories, and Palmer Hoyt, publisher of the Portland "Oregonian," just retired as Vice-Deputy of OWI, is telling of the suppression of the stories in an article soon to appear in a nationally circulated magazine.

The point is that the Administration would just as soon the stories had not been published yet. They have made a profound impression in Congress and the indications are they have had a profound effect over the country. And the effect in Congress has been once again to raise doubts about Mr. Roosevelt's strategy of the war. The question arises as to just when we intend to do something about it. These are not the first Japanese atrocity stories. Some time ago we were told of the execution of members of the Doolittle expedition; we are frequently hearing of brutalities of the Japs against our troops. We have been at war with Japan for more than two years. When do we intend to do something about it?

This is not your correspondent's thinking necessarily. It is the thinking that is going on in Congress. It is significant that coinci-

dentally with these latter atrocity stories, the headlines tell us about the current invasion of the Marshall Islands, marking what apparently is a prelude to an all-out attack against Japan. However, it is a fact that prior to this move, our operations in that theater of the war have been mostly of a paper variety. Douglas MacArthur's name is frequently in the headlines and no one is questioning his soldierly ability. But the fact is that around the Pentagon building the propaganda officers are constantly laughing that they wish Eisenhower and Mark Clark had the gift of issuing communiques that MacArthur has. The point is that his communiques are notoriously exaggerated, misleadingly dramatic. Furthermore, a naval captain out on the Pacific has written a parody which is being widely circulated in military circles entitled "Doug's Communiques." It's a scream and incidentally reflects considerable Navy jealousy towards MacArthur.

The main thing, though, is that for two years we have been simply marking time in the Pacific, and the extent to which we have

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The News Behind The News

By PAUL MALLON

So much political nonsense has been heaped upon the soldier vote question, it is practically impossible to find the solid facts.

The Administration seems to have won a public conflict on the issue. It has managed to build up the popular notion that its Federal measure is a soldier vote bill, while the opposition State-voting measure would prevent soldiers from voting.



Paul Mallon

The radio and news headlines have helped particularly to build up this fallacy originally conceived by the radical groups. The truth is that no man in public life in any quarter would dare oppose the right of the soldier to vote. The only question on both sides is how to make the most of it for your side.

What most Republicans fear is that War Secretary Stimson and Navy Secretary Knox will build up a fourth term drive for Mr. Roosevelt in the Army and Navy and run away with the bulk of the 11,000,000 votes involved.

Stimson and Knox are both Republicans, but have allied themselves to the Roosevelt cause as cabinet members and, therefore, are personally interested in

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Raising Men For Business

Babson Discusses the Importance of Soil When Buying Land

Without doubt, land is one of the best hedges against inflation. Hence it is reasonable that a land boom is now starting in the Middle West. To such readers as are now tempted to buy agricultural land, I wish to say a word in my column this week. Land varies so much in productive qualities that it is foolish to talk about any price as "fair" for land. The price should depend upon what kind of men it produces.

Insist on Highly Productive Land

To begin with, there is the question of crop productivity. Some land in Nebraska, Kansas or Iowa is much cheaper at \$200 per acre than other land in the Dakotas at \$20 or even at \$2 per acre. The quantity of corn, wheat or what not that any acre of land will raise on a 10-year average is the first step in determining a just price. Hence, before buying or selling land get the figures on what it has produced in the past. By all means avoid buying unproven raw land.

The second question to consider is what the land's location and climate are best suited to produce. For instance, I have four tracts of land in mind in Florida which all



Roger W. Babson

look the same to a novice. Yet for one tract, suitable only for pasture, \$15 per acre is a fair price; for another, suitable only for citrus, \$40 per acre is a fair price; for another tract on the East Coast, suitable for beans, \$200 per acre is a fair price; while the best bargain of all is a tract in Sanford, Fla., at a price of \$1,000 per acre, which is ideal for celery. Yet land may be highly productive and profitable commercially while the stuff which it raises may have very little nourishment. Hence, it will not raise strong families.

Have Soil Analyzed for Minerals

For those readers who want not a commercial farm but a small sustenance farm for raising and feeding a good family of children, there is a third series of questions to consider. The farm should be within walking distance of schools, churches and stores, or else on a bus line; it should have drained, fertile land, and it should have good neighbors. In addition, the land should contain the right minerals for making brains, brawn and character. All we are—except for our spiritual and physical

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Monetary And Banking Trends To Continue Throughout 1944

In discussing probable monetary and commercial banking developments, B. H. Beckhart, Professor of Banking at Columbia University, stated in an address before the American Statistical Association on Jan. 19, that the tendencies in evidence in 1943 would persist in 1944. Money in circulation, he said, would continue its upward trend, the gold stock would continue to decline and commercial banks and



B. H. Beckhart

the Federal Reserve Banks would increase further their holdings of Government obligations. The deposit liabilities of commercial banks would continue to rise. According to Prof. Beckhart the function of the Federal Reserve Banks would continue to be that of keeping member bank excess reserves at about \$1,000,000,000 in order to maintain the present level and term structure of interest rates. Likewise, he added, commercial banks would continue to play the same role in the Government security markets as they did in 1943, purchasing Government obligations from cur-

rent holders and participating in new allotments by the Treasury.

In the absence of a reduction in member bank reserve requirements, Prof. Beckhart estimated that the Federal Reserve Banks would increase their holdings of Government obligations by a larger amount in 1944 than was the case in 1943. In his opinion, the amount of the public debt absorbed by commercial banks, however, would probably be less than it was in 1943, when it totaled \$19,000,000,000, of which about \$8,000,000,000 came from the market. Commercial bank deposit liabilities would also increase by a smaller amount than last year, when the rise approximated \$19,000,000,000. In conclusion, he stated that because of the continued decline in the ratio of capital funds to total loans and investments, commercial banks should carry excess net earnings to capital funds and should lay plans to strengthen their capital structure in the post-war period through the issuance of additional stock.

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The State Of Trade

The heavy industries continue to operate at their recent high levels, with reports from many business quarters favorable. Retail trade showed marked improvement last week, with a sales rise of 14% in the department stores of the United States.

The Federal Reserve Board reports that industrial activity declined slightly in December from the record October-November level, chiefly as a result of reduced steel and chemicals output. The board's seasonally adjusted industrial production index fell two points to 245% of the 1935-39 average. Despite a 6% drop in steel production to the same rate as December, 1942, the year's output of 88,900,000 tons, the board said, was 2,800,000 tons larger than that of the previous 12 months.

Production of electricity declined slightly to 4,531,662,000 kilowatt hours in the week ended Jan. 22nd, from 4,539,083,000 in the preceding week, according to the Edison Electric Institute. This was 14% above the year-ago comparative of 3,974,202,000. Consolidated Edison Company of New York reported system output of 226,200,000 kilowatt hours, an increase of 30.3% over the year-ago total of 173,600,000.

Carloadings of revenue freight for the week ended Jan. 22nd, totaled 798,722 cars, according to the Association of American Railroads. This was an increase of 18,502 cars from the preceding week this year, 95,428 cars more than the corresponding week in 1943 and 19,359 cars under the same period two years ago. This total was 124.42% of average loadings for the corresponding week of the 10 preceding years.

Steel production for this week has reached the highest level since Nov. 1st, just before the coal strike, the American Iron & Steel Institute announces. Current schedules call for output at 99.8% of rated capacity of ingots and castings, or 1,734,800 net tons for the week. Production last week was at 99.4%, equivalent to 1,727,900 tons, and for the week beginning Jan. 30, 1943, output totaled 1,702,100 tons.

The War Production Board's task of holding down the lid on civilian production will become more difficult as time goes on due to rising pressure in favor of faster easing of restrictions, "Iron Age" stated recently.

Despite official announcements that controls will be maintained for the time being, allotments have been issued recently for steel in small amounts for several consumer items and it has been reported that an experiment in producing civilian goods will get under way on a limited scale in three areas about Feb. 1, the trade journal asserts.

"In the interval before the resumption of civilian goods production, a resumption which is expected in official quarters to follow a successful invasion of the European continent, steel ingot operation may slump," the magazine states. Members of the Steel Industry Advisory Committee, it pointed out, have indicated that they expect a drop in ingot production soon to about 85% of capacity. If the invasion becomes stalled and controls are maintained rigidly, steel output may slide considerably below 85%, they said. The War Production Board meanwhile announced that it had recommended to the Defense Plant Corp. termination of work on seven steel plant expansion projects, it was pointed out.

There was a decided improvement in retail trade last week. Department store sales on a country-wide basis were up 14% for the week ended Jan. 22, compared with the like week a year ago, according to the Federal Reserve System. Sales for the four-week period ended Jan. 22 were up 2% compared with the like period last year. Department store sales in New York City in the week ended Jan. 29 were 10% larger than in the corresponding week of last year, ac-

ording to a preliminary estimate issued by the Federal Reserve Bank of New York. In the previous week, ended Jan. 22, sales of this group of stores were 6% better than in the like 1943 week.

Unusually mild weather, giving a spur to buying of spring clothing, lifted retail trade out of the doldrums last week after a period of post-holiday dullness, Dun & Bradstreet, Inc., reported.

Brunie To Mobilize Financial Firms For Red Cross War Fund

The financial firms of New York will be mobilized to support the Red Cross 1944 War Fund under the leadership of Henry C. Brunie, Chairman of the Board and President of the Empire Trust Co., it is announced by Eugene W. Stetson, Chairman of the Manhattan Commerce and Industry Committee for the campaign. The nationwide Red Cross appeal for \$200,000,000 will open on March 1. New York City has been assigned a quota of \$22,386,000 of which approximately two-thirds must be raised by Commerce and Industry. In 1943, 73% of New York City's \$14,344,000 was raised through Commerce and Industry's contributions.

Mr. Brunie's section of the Commerce and Industry Committee contains 31 divisions, each of which will be headed by its own chairman. Among the divisions in each major category are: Banks and Trust Companies, Savings Banks and Savings and Loan Associations, Loan Companies, Finance Companies, Collection Agencies, Brokerage and Investment Companies, the New York Stock Exchange, the Curb Exchange, the Produce Exchange, the Cotton Exchange, the Unlisted Securities Exchange, Investment Bankers and Counsellors, and Investment Trusts, as well as General Insurance and Life Insurance Companies, Brokers and Agents. In addition to the foregoing, all unallocated gifts are included in this section.

John E. Bierwith, President, of the N. Y. Trust Co., has been appointed Chairman of the Banks & Trust Companies division, it is announced by Mr. Brunie.

War Adv. Conference In Chicago In June

The Advertising Federation of America will hold its 40th annual meeting and second War Advertising Conference and Exhibit at the Hotel Sherman, Chicago, June 4 to 7 inclusive, according to announcement by President Joe M. Dawson. "It was the almost unanimous agreement of our Board," said Mr. Dawson in making the announcement, "that the high character and value of our first War Advertising Conference in New York last June justified a second such meeting this year. The war is still on. Advertising is playing an increasingly important part in directing our civilian wartime efforts as the struggle becomes more intense. These must be brought into our local communities with more telling effect. Besides, advertising has a tremendous responsibility just ahead in the post-war era. A portion of our discussion at the Chicago meeting will deal with this vitally important subject of advertising's job after the end of hostilities."

Immediate Action On Problem Of Disposal Of War Property Urged By Guaranty Trust Co.

Citing as "one of the major economic problems arising from modern wars—that of disposing of surplus war supplies," which, it notes, "has already appeared in a preliminary form," the Guaranty Trust Co. of New York in the Jan. 25 issue of "The Guaranty Survey," its monthly review, states that "it is obvious that, if this tremendous problem is to be dealt with successfully, preparations cannot be made too soon." It is pointed out in the Survey that "in its present stage, the problem is mainly one of redistributing raw material and productive equipment in such a way as best to promote the effective prosecution of the war. Contract terminations and 'cutbacks' in certain items, combined with unexpectedly favorable production records, are making supplies available for the use of producers of other items."

The problem as now brought forward "has drawn the attention of authorities," says the Survey, "to the vastly greater disposal problem that will inevitably confront Government and industry after the war, or during the final phase of the war, and has stimulated administrative and legislative efforts to prepare to meet the problem in an orderly and systematic way." "Such plans," it goes on to say, "of course, must not be allowed to interfere with the paramount task of winning the war; for it appears that the hardest fight of all still lies ahead. Developments have shown, however, that adequate preparation for the handling of the disposal problem must be made in advance. The steps taken now may go far in determining the speed and smoothness of the transition from wartime to peacetime economy and the strength of the foundations on which the post-war industrial structure must be built." The Survey continues:

"As the war goes on, the disposal problem will increase both in magnitude and in scope. Materials and equipment, instead of being rechanneled into new branches of war industry, will become available for civilian use. Actual military and naval supplies in the possession of the armed services will become surplus. And finally there will remain the most difficult and important problem of all—that of disposing of the huge industrial plants built and owned by the Government.

"Only a rough idea of the size of the task and the strength of the economic forces, good or evil, that will be created in disposing of surplus war materials can be gained from estimates of the total money value of the property involved. While it is apparently impossible to arrive at a close approximation, the amount of goods of all kinds that will eventually have to be disposed of has been placed by some authorities as high as \$65 billion—a sum not far below the entire national income in a fairly prosperous year before the war. The Government's investment in war plants and facilities alone includes about 2,600 establishments valued at approximately \$15 billion, and these totals will be even larger before the war is over.

"In the face of these complexities and uncertainties, it will be the difficult task of the authorities charged with disposal to redistribute the many types of surplus property at such rates and in such directions as will be most conducive to two main objectives: first, recovery of the largest possible share of the Government's original expenditure; second, maximum benefit, or minimum damage, to the general economic fabric of the nation. . . .

"Unless plants suitable for civilian production are made available in an orderly way for private production and employment as quickly as possible after the war is over, it is believed, employment will be reduced below what it could be. On the other hand, to 'dump' any excess consumer supplies acquired for war purposes

upon the market at the completion of hostilities is regarded as certain to lessen the possibilities of such production and employment, with a social loss that would far more than offset any immediate financial gain to be obtained by the Government from the quick sale of the supplies. It is recognized, however, that the goods should not be permanently 'frozen' in the hands of the Government. A joint board representing the armed forces should stipulate as quickly as possible what property is needed for national defense, and all other property should be completely disposed of during a specified period to be determined by the commission.

"Preliminary steps in the adoption of some such program should be taken without delay. Government agencies should immediately establish records of their war property, and any such property becoming surplus should be promptly placed under the control of the disposal authority. The whole plan should be administered with a view to the rapid stimulation of post-war employment, the effects on existing enterprise and the interests of the taxpayers. Equipment and supplies should be made available, as far as practicable, in quantities permitting acquisition by small as well as large concerns—an objective that can be attained only in part, since many of the facilities consists of extremely large units. No class of property should be disposed of, or terms fixed, except after consultation with committees representing the industry or industries most directly affected. Property should be disposed of, as far as possible, through regular trade channels by the industries that originally produced it.

"While sale is preferable to lease, there is no vital objection to the latter in cases where property cannot be promptly sold to advantage. Whether the property is sold or leased, however, the Government should not accept equity securities in payment. Surpluses held abroad, competitive with products of the United States, should be disposed of abroad when possible; and the disposal authority should have power to distribute property for the reconstruction and rehabilitation of devastated areas. When property is disposed of abroad it should be debarred from subsequent reimport into the United States, if such reimport would tend to have an adverse influence on domestic economy. . . .

"There will probably be strong agitation in certain quarters for the retention of some facilities by the Government for purposes of experimentation in industrial operation. The temptation to adopt this course will be especially strong with respect to the many properties that can be sold or leased for private operation only at considerable loss. To pursue such a policy, except in so far as considerations of national defense may require it, would be to strike a blow at business confidence that might delay indefinitely the return of millions of men to civil employment and force upon the country a system of economic regimentation that would be the direct negation of the principles of freedom for which the war is being fought. There could be few surer ways of 'losing the peace' than to make surplus war property an instrument of further penetration by government into the business field."

President Calls For Brotherhood Week February 20-26

In urging nation-wide observance of Brotherhood Week, Feb. 20 to 26, President Roosevelt recently declared that now is a good time for the people "to pledge renewed devotion to the fundamentals upon which this nation has been built."

The President's message was contained in a letter to Dr. Everett R. Clinchy, President of the National Conference of Christians and Jews, according to the New York "Times," in which the message was published as follows:

"The annual observance of Brotherhood Week is a time both of reminder and dedication. It reminds us of the basic religious faith from which democracy has grown—that all men are children of one Father and brothers in the human family. It dedicates us to the practice of understanding and justice through which freedom and equality flourish in human society.

"While we are engaged in a mighty struggle to preserve our free institutions and to extend the boundaries of liberty in the earth, it is good for us to pledge renewed devotion to the fundamentals upon which this nation has been built. Brotherhood must prevail. Our inescapable choice is brotherhood or chaos.

"On land and sea and in the air, the sons of the United States fight as one though they come from every racial and cultural strain and though they worship at different altars. They are brothers in arms now, soon, pray God, they shall be brothers in peace. We on the home front must see that history shall not repeat itself in post-war hatred and intolerance. It is for us to make the homeland more nearly a land of brotherhood, worthy of the victory our gallant sons and daughters shall surely win.

"I, therefore, heartily join with the National Conference of Christians and Jews and with all forces of good-will in our country in urging nation-wide observance of Brotherhood Week, Feb. 20 to 26, 1944. I hope that our citizens will meet in church and schoolhouse, in halls and public places to think through the implications of practical brotherhood today, to cement our country's unity during the trying times to come, and to pledge anew allegiance to the flag which is a living symbol of liberty and justice for all."

Biddle Joins Staff Of Invasion Army

President Roosevelt announced on Jan. 22 that he has accepted the resignation of Anthony J. Drexel Biddle Jr. as Ambassador-Minister to the exile governments of Poland, Norway, Belgium, Czechoslovakia and Luxemburg in London to permit him to become a Lieutenant Colonel on the staff of Gen. Dwight D. Eisenhower, Supreme Allied Commander, in London. Mr. Biddle will serve as liaison officer for relationships between Gen. Eisenhower and the Allied Governments.

In accepting Mr. Biddle's resignation, the President wrote that "in view of the fact that we are, I hope, approaching the period when these governments must look forward to the re-establishment of their countries, I think it is very wise for us to take up the military side of the restoration problems, and it is, therefore, entirely right and proper that you should act as liaison officer between them and our own armies."

Mr. Biddle was sworn into his Army post at a brief ceremony in the Munitions Building, Washington, on Jan. 22.

Industrial Activity Declined Slightly In December, Says Federal Reserve Board

The Board of Governors of the Federal Reserve System announced on Jan. 26 that industrial activity declined slightly in December from the record levels reached in preceding months. Prices of commodities at retail showed little change and distribution was maintained in large volume.

The Board's summary of general business and financial conditions follows:

Industrial Production

"The Board's seasonally adjusted index of industrial production, which had been at 247% of the 1935-39 average in October and November, declined to 245% in December, reflecting largely decreases in output of steel and chemicals.

"Steel production dropped 6% in December to the same rate as in December, 1942. Output for the year, however, totaled 88,900,000 tons, which was 2,800,000 tons larger than the year before. Activity in the transportation equipment and machinery industries was maintained in December at a high level. The number of aircraft accepted during the month was slightly larger than in November and was at approximately the average monthly rate scheduled for 1944. The average weight of planes to be produced, however, will continue to increase. Deliveries of merchant vessels in December were the largest on record, bringing the total for the year to 19,238,626 deadweight tons, as compared with 8,089,732 tons in 1942. Lumber production in the last two months of 1943 was above the level of a year ago in contrast to the first ten months of 1943 when output averaged 10% below the same period in 1942.

"Activity in the chemical industry declined 5% in December, reflecting a large reduction in output of small arms ammunition in accordance with plans of the armed forces. Cotton consumption declined further in December to a level 13% below December, 1942. Newsprint consumption declined seasonally. Further restrictions on its use, as well as on the use of printing paper in books and magazines, were made effective Jan. 1, 1944, owing to inadequate supplies of pulpwood. Output in the petroleum refining and rubber products industries increased further.

"Crude petroleum production showed little change in December and output of coal was restored to a high level. Bituminous coal production for the year exceeded 1942 output by 1.6%. Iron ore production continued to decline seasonally in December and output for the year was approximately 4% below 1942.

"The value of construction contracts awarded in December, according to reports of the F. W. Dodge Corp., was greater than in recent months, reflecting mainly increased Federal awards for manufacturing and other non-residential buildings.

Distribution

"December department store sales were slightly larger than a year ago and combined with November sales were 11% larger than in the corresponding months last year. For the year 1943 total value of sales reached a new peak—about 12% larger than 1942 and 55% larger than 1939. Sales during the first two weeks of January were about the same as last year.

"Railway freight traffic in December and the first part of January was unusually heavy for this season. For 1943 total freight carloadings were about the same as in 1942. Shipments of grain and livestock averaged about 20% above 1942, while loadings of ore, forest products, and less-than-carload-lot freight averaged 8% lower.

Commodity Prices

"Wholesale prices of agricultural and industrial commodities showed little change from the middle of December to the middle of January and the general

index of the Bureau of Labor Statistics remained at 103% of the 1926 average.

"Retail food prices declined slightly from mid-November to mid-December, while other groups of cost-of-living items increased and the total index advanced 0.2 to 124.4% of the 1935-39 average.

Bank Credit

"During the latter part of December and the first two weeks of January excess reserves at all member banks were maintained at an average level close to \$1,100,000,000. Purchases of Government securities by the Federal Reserve Banks offset the effect on reserves of increases in non-member deposits at the Reserve Banks and the increase in currency in circulation. The System portfolio of Government securities increased by \$900,000,000 in the five weeks ending Jan. 19. After allowance for expected seasonal movements, currency in circulation increased less in December than in November but there was little post-Christmas return flow.

"Loans and investments of reporting member banks in 101 leading cities, which had been decreasing steadily since late October, declined by an additional \$620,000,000 during the five weeks ended Jan. 19. A large part of the decline reflected sales of Government securities, principally Treasury bills, to the Federal Reserve Banks. Holdings of United States Government securities were reduced by \$370,000,000. Total loans declined by \$230,000,000, representing reductions in loans to banks, in commercial and industrial loans, and in "other" loans, mainly instalment credit. Adjusted demand deposits, which had increased sharply from the middle of October to the middle of December, declined somewhat over the year-end, but increased again in the first half of January. United States Government deposits at banks continued to decline."

Senator Van Nuys Dies

Senator Frederick Van Nuys (Dem., Ind.), Chairman of the Senate Judiciary Committee, died on Jan. 25 at his home in Vienna, Va., after a brief illness. He was 69 years old. In addition to the Judiciary Chairmanship, Mr. Van Nuys also was a member of the Senate Committees on Foreign Relations, Indian Affairs, and Executive Expenditures.

The Senator had been currently conducting an investigation of the liquor industry and was scheduled to hold a hearing on Jan. 25.

He had been a member of the Senate since March, 1933, taking an active part in legislative affairs and leading Democratic opposition to some New Deal measures, the most notable being the Supreme Court reorganization plan in 1937. However, Senator Van Nuys was a staunch supporter of President Roosevelt's foreign policy. He was the Senate sponsor for the anti-lynching bill, which still is pending before the Judiciary Committee, and advocated Federal legislation to outlaw the poll tax as a qualification for voting. Mr. Van Nuys was also co-author, with Senator Bailey (Dem., N. C.) of the bill to affirm the intent of Congress that the regulation of the insurance business remain under control of the States.

Mutual Savings Banks Gained \$1,086,000,000 Deposits In 1943

Record deposits and assets, representing about one-eighth of all American bank deposits, were reported at the beginning of 1944 by members of the National Association of Mutual Savings Banks. In 1943 deposits alone increased by \$1,086,067,095, a gain unmatched in 128 years of the mutual savings bank system, said the Association on Jan. 31, which indicated that this increase brought total deposits of mutual institutions in the 17 states where they operate, to the new peak of \$11,707,025,048. Increase of deposits in the last six months of the year was greater than in the first six months, pointing to the spread of thrift. It is added:

"This record peak of savings emphasizes that the American people are restricting their spending and applying their will to save for personal and national requirements," said George J. Bassett, President of the National Association of Mutual Savings Banks, and President, Connecticut Savings Bank, New Haven. He pointed out that "day-to-day saving is of utmost importance in financing the war thereby combating inflation and providing for the future of the individual." Mr. Bassett further said:

"Substantially every dollar of the large deposit gain made by mutual savings banks in 1943 was turned over to the Government for its securities. Thus holders of mutual savings accounts have the satisfaction of knowing that their deposits go into the war effort, but at the same time they enjoy the advantages of keeping their savings readily available. Besides, mutual savings banks have distributed \$1¼ billions of War Savings Bonds to the public."

The Association reports that assets of mutual institutions paralleled deposits, gain for the year being \$1,092,254,162. This addition raised the total to a new peak of \$13,042,381,668. Increase of assets in the second half of the year likewise was higher than in the first half. The announcement also states:

"Mutual savings bank officials maintain that number of depositors is a better yardstick of saving than sums deposited. The year 1943 showed a gratifying increase, mutual institutions reporting a gain of 418,068 depositors, raising the total to 15,712,211. As each account represented the welfare of at least two persons, the figures indicated that about one-fourth of the American population has a first line of defense in mutual savings accounts.

"Combined surplus account of mutual savings banks rose by \$46,966,310. This expansion increased total surplus to \$1,326,628,563, likewise a peak. The ratio of surplus to deposits stood at 11.3%, more than 11 cents of added protection for each dollar of deposits, this ratio constituting one of the highest average reserves for any similar accumulation of capital.

"Although total deposits of mutual savings banks at the year-end had reached such an imposing total, wide distribution of this money was shown by the average account, amounting to \$745.09, a rise from \$694.45 one year ago.

"Continued low returns from invested capital were reflected in the average interest-dividends paid by mutual savings banks, amounting to 1.81% upon deposits.

"While mutual savings banks gained largely in deposits and number of depositors, they served the Government as one of the principal distributing agencies of War Savings Bonds, having distributed approximately \$1¼ billions of such bonds, a twentieth

Cites Need For Advertising To Prevent Wholesale Post-War Bond Redemptions

It is time now to begin plans for national advertising which will help prevent wholesale redemption of war savings bonds immediately after the war is won, according to the monthly survey of business in the magazine "Banking," official publication of the American Bankers Association. The survey is prepared by William R. Kuhns, the publication's editor. The survey points out that since Pearl Harbor, much of the advertising materia-

of both Government and business has stressed that purchases of war bonds will provide funds for individuals and families to use in buying post-war goods. However, the survey says, steps should be taken to discourage wholesale liquidation of the bonds. The survey also states:

"The patriotic motive for buying War Bonds is paramount and assumed but the answer nobody knows is—should the public be urged to buy bonds as a means of saving money for post-Hitler purchases or is this a dangerous idea? Would it lead to wholesale War Bond redemptions as soon as the war seems about to end?"

"The question is far from academic. It is in fact the subject of innumerable cross-table discussions and the source of some headaches on the part of those concerned with present day advertising. Obviously it would be unwise to build up through advertising and other means the prospect of a bond redemption rush or a 'run' on the Treasury at the end of the war.

"On the other hand it is extremely important to build up a powerful latent demand for peacetime goods which must make itself felt immediately when war orders slacken. Certainly if the public is not in a frame of mind to want houses, automobiles, and all the post-Hitler goods that will be

available, there will be trouble. Also the public must have the money to pay for these things and logically they will start digging out their War Bonds unless some other way can be found to provide extra funds.

"There have been many suggestions looking toward a solution. One is that a national advertising campaign be planned under the aegis of the Treasury for the period roughly corresponding to the termination of hostilities. This would urge people to hold their bonds.

"However, unless this effort could be accompanied by some suggestion of an alternative, that is to say, a source where they could obtain money for post-war purchases, it would simply be a case of urging people not to spend. This would be not only harmful, but, all things considered, is well beyond the range of possibility. If people want to buy and need money, they will spend their bonds and no amount of persuasion will prevent large-scale redemptions. . . .

"Another possibility being urged by at least one nationally known manufacturing concern is to make the bonds available as collateral for loans. There could be devised some method of restricting the purposes for which such loans could be made and thus guide the money into useful channels."

WMC Policy On Wages of Prisoners-of-War Labor

Increases in the prices paid the Government by private employers for the labor of prisoners of war since the War Manpower Commission undertook to certify going wage rates were revealed on Jan. 6 in a statement by Paul V. McNutt, WMC chairman.

An agreement between the War Manpower Commission and the War Department under which the former certified the need for prisoner-of-war labor in any given case, and the wage rates to be used in determining the contract price for the work performed became operative Sept. 17 last, says the statement, which goes on to say:

"Up to Sept. 4, only 32% of all contracts in agriculture called for wage rates of 30 cents an hour or over. Between Sept. 17 and Nov. 15 this increased to 70%.

"Non-agricultural wage rates for such labor similarly increased. Between Sept. 17 and Nov. 15, one-half of the contracts called for wages of 40 cents an hour or over, while only 35% of the contracts before Sept. 4 specified such wage rates. Non-agricultural occupations include food processing, pulpwood cutting, and road work.

"Mr. McNutt said that the upswing in wage rates was due to WMC policy that the cost to the employer of war prisoner labor must not be less than that which would be incurred with the use of civilian workers. The Commission also requires that working conditions be equivalent to those prevailing in the locality for civilian workers performing similar jobs."

According to Mr. McNutt, "prisoners of war now in this country constitute a very important reserve source of manpower. This despite the fact that many circumstances militate against their utilization." Mr. McNutt is further quoted as saying:

"In the first place, the War part of all these bonds sold throughout the United States. Mutual institutions in 1943 invested at least \$1,600,000,000 in regular Government issues, or about half a billion dollars more than the increase in deposits."

Manpower Commission itself requires that before need for such labor is certified, all supplies of free labor, including secondary sources, within the area from which workers normally come to perform work of this type, must be exhausted. If there still is labor to be obtained by study of local employment office registration or Selective Service questionnaires; by recruitment of workers by personal canvass, advertising, or through cooperation with labor organizations and other community groups, or in any other way, then it cannot be said that an area's supply is 'exhausted.'

"In the second place, when a need is established, beyond question, there are certain conditions that must be met. These include limitations imposed by the Geneva Convention as to type of labor, etc., shortage of guards, transportation difficulties, the fact that detention camps are concentrated in areas where few work opportunities exist, and the unwillingness of the War Department to bring prisoners of war into congested areas.

"In any event, the War Manpower Commission will continue to operate, with respect to the employment of prisoners of war, in conformity with this fundamental policy:

"Prisoners of war shall not be used in any way which will impair the wages, working conditions and employment opportunities of resident labor, or displace employed workers."

States Rights Soldier Vote Bill Denounced By President As Fraud; Urges Federal Ballot

President Roosevelt, in a special message to Congress on Jan. 26, urged the prompt enactment of adequate legislation for service men's voting this year and denounced a proposed "States' rights" measure as "a fraud upon the American people".

While saying "this is solely a legislative matter" and that he was speaking "as an interested citizen", the President called for passage of a compromise bill under which the Federal Government would provide the machinery for distributing the ballots to the troops and collecting them but leaving determination of the validity of the absentee ballots and counting of them to the election officials of the States.

In his message the President asserted: "Our millions of fighting men do not have any lobby or pressure group on Capitol Hill to see that justice is done for them," and added:

"As their Commander in Chief, I am sure that I can express their wishes in this matter and their resentment against the discrimination which is being practiced against them."

Mr. Roosevelt discussed at length the "innumerable difficulties" involved in solving the problem through improvement by the States of their own absentee ballot machinery. He also took cognizance of the fact that it would be possible for members of Congress to decide on the soldiers' vote legislation without a roll-call vote and declared that they "ought to be willing in justice to stand up and be counted" so that the people could know how their individual representatives had expressed themselves on this legislation.

The President was particularly critical of the "meaningless bill", passed by the Senate on Dec. 3 and now pending in the House, under which the States would handle the servicemen's vote problem.

In advocating "a complete change of machinery for absentee balloting, which will give the members of our armed forces and merchant marine all over the world an opportunity to cast their ballots without time-consuming correspondence and without waiting for each separate state to hold its primary, print its ballots and send them out for voting," the President cited the recent bills proposed by Senators Green and Lucas and by Congressman Worley, S. 1612, H. R. 3982, which, he said "seem to me to do this job." The President's message to Congress follows in full:

To the Congress of the United States:

The American people are very much concerned over the fact that the vast majority of the 11,000,000 members of the armed forces of the United States are going to be deprived of their right to vote in the important national election this fall, unless the Congress promptly enacts adequate legislation.

The men and women who are in the armed forces are rightfully indignant about it. They have left their homes and jobs and schools to meet and defeat the enemies who would destroy all our democratic institutions, including our right to vote. Our men cannot understand why the fact that they are fighting should disqualify them from voting.

It has been clear for some time that practical difficulties and the element of time make it virtually impossible for soldiers and sailors and marines spread all over the world to comply with the different voting laws of 48 States and that unless something is done about it, they will be denied the right to vote.

For example the statutes of four of the States permit no absentee voting at all in general elections. Eleven other States require registration in person in order to be able to vote. Others permit absentee registration; but in some instances the procedure

is so complicated and the time is so limited that soldiers and sailors in distant parts of the world cannot practically comply with the State requirements.

But even if the registration requirements were met, there are still innumerable difficulties involved. For example, Private John Smith in Australia, and his brother Joe who is on a destroyer off the coast of Italy, who think they are entitled to vote as well as to fight, find that they have to write in and ask the appropriate public officials in their own State for absentee ballots.

In every State these ballots cannot even be printed until after the primary elections—and in 14 States the primaries do not take place until September. In due time the ballots are printed—but they cannot always be sent out immediately, since in about half the States the absentee ballots cannot be mailed until 30 days or less before the election.

Weeks after they are mailed out, they reach John Smith in Australia and Joe aboard his destroyer. Even assuming that John and Joe, in the meantime, have not been transferred to another station or ship, or have not been wounded and sent to a hospital, it is doubtful whether the ballots will get back in time to be counted. If they have been moved, as is very likely, the ballots may not even reach them before election day.

In 14 States the procedure is even more time-consuming and cumbersome—for instead of writing for an official ballot John and Joe must first obtain special application forms for official ballots, which must be received and filled out and returned before the ballots themselves are even mailed to them.

The Congress in September, 1942, took cognizance of this intolerable situation facing millions of our citizens and passed a Federal absentee balloting statute (Public Law 712). That law did three things: It provided for a Federal ballot to be prepared by the States; it abrogated State requirements for registration and poll tax payments in so far as they apply to members of the armed forces, and it required the War and Navy Departments to distribute postal cards to members of the armed forces with which they might request Federal absentee ballots from their State election officials.

The Federal law was a slight improvement in that it provided absentee voting procedures in those cases where there had been no action by the States. It also eliminated some of the strict procedural requirements contained in many of the State laws. The great defect in that statute, however, was that it still involved a time lag, so that the voter might not receive his ballot in time to return it to be counted.

This defect is inherent, and cannot be avoided, in any statute under which the forwarding of ballots for distribution must wait until the candidates have been selected in the primaries, or which requires correspondence between the local election officials and soldiers and sailors who may be transferred or moved at any minute.

If any proof were necessary to show how ineffective this Federal statute was—the fact is that out of 5,700,000 men in our armed forces at the time of the general elections of 1942, only 28,000 service men's votes were counted under the Federal statute.

The need for new legislation is

evident if we are, really sincere—and not merely rendering lip service to our soldiers and sailors.

By the 1944 elections there will be more than 5,000,000 Americans outside the limits of the United States in our armed forces and Merchant Marine. They, and the millions more who will be stationed within the United States waiting the day to join their comrades on the battlefronts, will all be subject to frequent, rapid, and unpredictable transfer to other points outside and inside the United States. This is particularly true in the case of the Navy and Merchant Marine, components of which are at sea for weeks at a time and are constantly changing their ports of entry and debarkation.

Some people—I am sure with their tongues in their cheeks—say that the solution to this problem is simply that the respective States improve their own absentee ballot machinery. In fact, there is now pending before the House of Representatives a meaningless bill, passed by the Senate Dec. 3, 1943, which presumes to meet this complicated and difficult situation by some futile language which "recommends to the several States the immediate enactment of appropriate legislation to enable each person absent from his place of residence and serving in the armed services of the United States * * * who is eligible to vote in any election district or precinct, to vote by absentee ballot in any general election held in his election district or precinct in time of war." This "recommendation" is itself proof of the unworkability of existing State laws.

I consider such proposed legislation a fraud on the soldiers and sailors and marines now training and fighting for us and for our sacred rights. It is a fraud upon the American people. It would not enable any soldier to vote with any greater facility than was provided by Public Law 712, under which only a negligible number of soldiers' votes were cast.

This "recommendation" contained in this piece of legislation may be heeded by a few States but will not—in fact, cannot—be carried out by all the States. Two States would require a constitutional amendment in order to adopt a practical method of absentee voting—which is obviously impossible to do before the November elections. Only a handful of the States—nine—will have Legislatures regularly in session this year; and, to date, only eight other States have called special sessions of their Legislatures for this purpose.

Besides, the Secretary of War, who will have the bulk of the administrative responsibility for distributing and collecting the ballots, has stated: "No procedure for offering the vote to servicemen can be effectively administered by the War and Navy Departments in time of war unless it is uniform and as simple as possible. Especially is this true with regard to the voting of persons outside the United States. * * * An army engaged in waging war cannot accommodate that primary function to multiple differences in the requirements of the 48 States as to voting procedure."

I am convinced that even if all the States tried to carry out the "recommendations" contained in this bill, the most that could be accomplished practically would be to authorize the Army and Navy to distribute and collect ballots prepared by the States in response to postcard requests from servicemen—the very procedure set forth in Public Law 712, which has been such a failure.

What is needed is a complete change of machinery for absentee balloting, which will give the members of our armed forces and merchant marine all over the world an opportunity to cast their ballots without time-consuming

correspondence and without waiting for each separate State to hold its primary, print its ballots, and send them out for voting.

The recent bills proposed by Senators Green and Lucas and by Congressman Worley, S. 1612, H. R. 3982, seem to me to do this job. They set up proper and efficient machinery for absentee balloting. These bills propose that blank ballots on special paper suitable for air delivery be sent by the War and Navy Departments to all the fronts and camps and stations out in the field, well in advance of election day.

Immediately after primary elections are held, the names of the various candidates would be radioed or wired to the various military, naval and merchant marine units throughout the world—on the high seas, on every front and at every training station. The lists of candidates would then be made available to the voters, and the ballots would be distributed for marking in secrecy.

But even if the candidates' names had not been made available in an area in time to allow the ballots to be sent back to the United States, the voters could cast their votes by designating merely the name of the party of the candidates they desired to vote for. The voting date would be fixed in each area in sufficient time to get the ballots back home before election day, even if the actual names of the candidates had not been received in that particular area. The ballots would be collected and transmitted back to the United States by the quickest method of delivery for forwarding to the appropriate State election officials.

Each State, under these bills, would determine for itself whether or not the voter is qualified to vote under the laws of his State. Each State would count the ballots in the same way in which it counts the other ballots that are cast in the State. The sole exceptions would be those conditions of registration and payment of poll tax which could not be satisfied because of the absence of a voter from his State of residence by reason of the war. Those conditions were abrogated by the Congress when it passed the existing Federal absentee balloting law (Public Law 712).

There is nothing in such a proposed statute which violates the rights of the States. The Federal Government merely provides quick machinery for getting the ballots to the troops and back again. Certainly it does not violate States' rights any more than Public Law 712, which was passed by a substantial majority of the Congress in September, 1942, and which specifically provided that no member of the armed forces had to register or pay a poll tax in order to vote in a Federal election. It is no more violative of States' rights than the Soldiers and Sailors Civil Relief Act, which the Congress passed in October, 1940—more than a year before the war began.

It is true that these bills do not provide a simplified method of voting for State and local officials. The Congress has not the same authority to provide a simplified voting procedure for the thousands of State and local candidates that it has for Federal candidates. Nor would it be practicable to do so. The inclusion of all the State and local candidates would increase the size and weight of the ballot so as to make air delivery a physical impossibility.

Furthermore, the transmission and distribution of names of the many thousands of State and local candidates throughout the United States to each voter in every military and naval unit and merchant ship raise insuperable difficulties.

Since these bills provide that if any voter wishes he may use the procedure of his own State for absentee balloting, he is given, to the extent that there is any

possibility of doing so, an opportunity to vote for State and local candidates. In fact, since they provide for a postcard system to implement the State laws, each voter is given at least as great an opportunity to vote for State and local candidates as he would have under any legislation.

The inclusion of other groups of voters who are engaged abroad in war work of various kinds would be desirable. But as to members of our armed forces and Merchant Marine, I deem the legislation imperative.

Our millions of fighting men do not have any lobby or pressure group on Capitol Hill to see that justice is done for them. They are not ordinarily permitted to write their Congressman on pending legislation; nor do they put "ads" in the papers or stimulate editorial writers or columnists to make special appeals for them. It certainly would appear unnecessary that our soldiers and sailors and merchant marine have to make a special effort to retain their right to vote.

As their Commander in Chief, I am sure that I can express their wishes in this matter and their resentment against the discrimination which is being practiced against them.

The American people cannot believe that the Congress will permit those who are fighting for political freedom to be deprived of a voice in choosing the personnel of their own Federal Government.

I have been informed that it would be possible, under the rules of the Congress, for a soldiers' vote bill to be rejected or passed without any roll-call, thus making it impossible for the voters of the country—military or civilian—to be able to determine just how their own Representative or Senator had voted on such a bill.

I have hesitated to say anything to the Congress on this matter for the simple reason that the making of these rules is solely within the discretion of the two houses of the legislative branch of the Government. I realize that the Executive as such has nothing to do with the making or the enforcement of these rules. Nevertheless, there are times, I think, when the President can speak as an interested citizen.

I think that there would be widespread resentment on the part of the people of the nation if they were unable to find out how their individual representatives had expressed themselves on this legislation—which goes to the root of the right of citizenship.

As I have said, this is solely a legislative matter, but I think most Americans will agree with me that every member of the two houses of Congress ought to be willing in justice "to stand up and be counted."

FRANKLIN D. ROOSEVELT,
The White House,
Jan. 26, 1944.

Deferred For Farm Work

A report of the Senate Appropriations Committee showed on Jan. 25 that 1,800,000 Selective Service registrants have been deferred from military service to work on farms, according to United Press Washington advices, appearing in the New York "World-Telegram," which likewise stated:

The report, on a \$36,359,200 appropriation to finance the 1944 farm labor recruitment program, said it is estimated an additional 300,000 will be deferred this year, making a total of 2,100,000.

The committee upheld a \$2,500,000 allocation made by the House to be used by the States to assist the Selective Service System in checking on "whether registrants deferred are actually contributing to production of food," the report said.

The Financial Situation

(Continued from first page)

beyond anything we have ever dreamed of in peacetime—often being about as high as or higher than we have reached during total war. Then begins the procession of schemes, devices and "programs" which are expected to build "national income" up to the figure chosen and make certain that the number of "jobs" believed to be essential will be available. In connection with all this we have of late been hearing a good deal about "liquid savings" accumulated during the war by almost every individual in the land and by most business enterprises, the notion apparently being that a substantial part of these funds, which are expected in some quarters at least to total some \$100 billion or more by the time the war is over, will at once enter the market for goods and services promptly after the end of hostilities.

Work For Its Own Sake?

Similar lines of reasoning and many other terms and concepts might be added to the list, but those already cited will suffice for the present discussion. Doubtless a number of questions have already come to the thoughtful reader's mind. By what strange process of reasoning has work come to be an end, yes, even a supreme end, in itself? Few, very few people work because they want to do so. Work, really, is merely a means by which things desired are obtained. If all our wants could be satisfied with the product of half the man-days of labor ordinarily worked in American business, it would be a blessing, not a calamity. The problem would be simply that of distributing what needed to be done, and the proceeds of the labor, equitably—and we should all have all we wanted, and no one would need to labor more than perhaps half as much as usual.

Those who imagine they have found the answer either to the matter of employment or to economic well-being in something they term "national income" are in equal degree deceiving themselves. It is a little difficult to understand why it is necessary to call so obvious a fact to the attention of the public, at a time when "national income" is far above anything ever before experienced in this country—and the people are hard put to it to obtain the essentials, or what they have always considered the essentials of ordinary living. Indeed, in more ways than are often realized they are able to have the necessities only by reason of stocks that had been accumulated prior to this era of magnificent "na-

tional income"! It certainly would not be difficult to keep "national income" at the wartime level—and employment, too, for that matter—for a good while after peace returns—by building a maginot line along the Canadian border, and a West Wall along our Southern border. But the people would presently be cold, hungry and half-shelterless amidst full employment and a "national income" as high as that dreamed of even by men like the Vice-President!

"Liquid Savings"

Economics, or life itself, is never so simple as many would have us believe. Much more is involved than adequate "employment," whatever that is, or a high "national income." But we find corresponding fallacies when we come to analyze much of the current talk of "liquid savings." Many commentators appear to suppose that these accumulated funds in the hands of almost every one and almost every business enterprise will be added to the stream of current post-war income seeking goods and services. That is to say, Mr. A, Mr. B and Mrs. C are expected to spend (either for immediately consumable goods or investment purposes) a very substantial part of their war savings and all their current earnings plus, possibly funds obtained by reinstating their usual installment debt. Business enterprises are expected to go at once into the market for various types of equipment and raw materials with funds they have been reserving for the purpose. Of course, they are expected to spend their current income either for business purposes or in dividends, or the equivalent, to owners. Thus we have literally every one buying more than he is selling—the individual buying more than he is able to sell his services for, and the business enterprise more than it is taking in from sales to the community. But, of course, unless some of these purchases are made from some source outside the community in question, such state of affairs is impossible. We need only to remind ourselves that the sum of purchases must equal the sum of sales. What then is this about everyone spending accumulated savings all at once immediately after the war?

Are They Liquid?

The truth is, of course, that a very large part of these "liquid savings" are not liquid at all. They consist of Government obligations purchased by individuals and corporations in response to ap-

peals to help in financing the war. The funds thus invested can be used by the investor only if he can find some one else to take the bonds off his hands. That means that he must find some one else who is spending less than his or her income plus savings—or the Treasury must do so in order to honor demands made upon it—or else the banks must be called upon to create the funds for the purposes in hand. There is grave danger that this latter may well come to pass—a process which adds directly to the sum total of "money" in the hands of the public, but which adds nothing to the amount of goods available. That is, of course, one form of what is commonly known and dreaded as "inflation."

But much of these "liquid savings" is liquid in the sense that it take the form either of actual currency or else of bank deposits subject to check. This, of course, can be "spent" provided goods can be found for which to spend it, or services are offered for which it can be exchanged. But it would be quite possible, however, to generate a substantial inflationary movement—indeed an enormous one—by merely activating funds thus now held idle, particularly in a situation in which goods are not very plentiful. Both the "savings" and the "investments" of wartime are likely to acquire rather exceptional characteristics, which must not be lost to sight by those who would understand the economics of the post-war world.

Personnel Specialists In Demand NYU Reports

The demand for trained personnel specialists by local war industries and government agencies has resulted in 93% of the students who have completed a program of courses in personnel administration at New York University obtaining employment in that field, it was announced on Jan. 13 by Prof. Ray F. Harvey, Executive Secretary of the University's special wartime program for the training of personnel specialists. Prof. Harvey announced that 245 students have attended courses given under the program since it was inaugurated last year. Of these, it is indicated 190 were employed in personnel work at the time and were taking the work for upgrading purposes. Of the others, 30 have already completed a full program of four courses. Twenty-eight of these have since obtained employment.

Announcing details of a new series of courses which began January 17, Prof. Harvey said that three new industrial personnel specialists have been added to those giving courses under the program. They are Robert D. Collins, personnel consultant of Barrington Associates, Inc.; Nicholas L. A. Martucci, staff assistant in personnel planning and research of the RCA-Victor division of the Radio Corporation of America; and Fred G. King, personnel director of the Star Electric Motor Company.

Instructions To Issuing Agents In Drive For Sale Of E Bonds

Incident to the Fourth War Loan Drive, under way from Jan. 18 to Feb. 15, Allan Sproul, President of the Federal Reserve Bank of New York, issued in advance the following instructions pertaining to operations of issuing agents qualified for sale of Series E War Savings Bonds:

1. Although the Drive will not open officially until Jan. 18, all sales of Savings Bonds made on and after Jan. 1 will be included in the totals for the Drive.

2. In anticipation of a substantial increase in the number of Series E Bonds to be issued during the Drive, issuing agents are urged to requisition in advance an adequate supply of bond stock so that they will be prepared to make prompt delivery of bonds during the Drive. If the maximum amount of bond stock which any agent is authorized to have on hand is considered insufficient to meet the demands anticipated during the Drive, we will consider a temporary increase in such maximum upon receipt of a written request therefor accompanied by a statement of the facts indicating the necessity for the increase.

3. For the duration of the Drive all issuing agents, except those issuing bonds exclusively to persons enrolled in payroll allotment plans, are requested to report and

remit for sales *not less frequently than twice each week*. Agents issuing bonds exclusively to persons under payroll allotment plans should report sales as frequently as possible. More frequent reporting by all agents will facilitate our work and will enable us to furnish accurate and up-to-date sales reports to the State War Finance Committees which will disseminate such information among the County Chairmen throughout the Second Federal Reserve District.

The greater emphasis on sales to individuals in the coming Drive, Mr. Sproul said, will call for increased efforts on the part of all issuing agents, and for a continuation of the splendid cooperation which they exhibited in the Third War Loan Drive. He added that the bank stands ready to render prompt service to issuing agents and to assist them in every way possible.

Sloan Asks Foundations To Assume Risks In Educational Changes For Post-War World

Educational foundations can best justify their existence today by assuming the risks involved in financing new and uncertain projects which may contribute to better education in the post-war world, Harold S. Sloan, Director of the Alfred P. Sloan Foundation, declared in an article in "After the War," a bulletin published Jan. 15 by the Institute on Post-War Reconstruction at New York University.

"Looking ahead to the post-war educational world, nothing seems more certain than change," Mr. Sloan wrote. "But intelligent change means research and experimentation. Old ways need to be rooted out and re-examined; new ideas have to be developed and promising innovations tested. Such work is costly—too costly, many times, to be charged against income from private endowments or from appropriations from public funds.

"This is where foundations fit in. They absorb the cost risks of new and uncertain projects. Successful results are free for all to use who will; failures are forgotten, but in any event administrative budgets remain unimpaired. Indeed I, for one, do not know how foundations today can justify their existence better than on the grounds of being risk-taking institutions."

Mr. Sloan estimated that there were between 300 and 400 endowed foundations in this country making grants to institutions in every conceivable field of human endeavor who pay out annually about \$40,000,000.

"I hope that every cent of this money is risked—intelligently, of course, but boldly. That is what we are trying to do with our small contribution, and for my part I do not know of a better way to assure progress."

Roth Leaves Treasury

The Treasury Department announces the resignation of Eugene F. Roth as an Assistant General Counsel in order to return to the private practice of law in New York City. Mr. Roth had been connected with the Treasury Department since March, 1943, and for the greater part of 1942 had been with the Special War Policies Unit of the Department of Justice. Except for another period in 1934, when he served with the National Recovery Administration, Mr. Roth has been engaged in private law practice in New York City since his graduation from the Columbia Law School in 1926.

Inter-American Inst. Of Farm Sciences

Six American Governments have to date signed the Convention for the establishment of the Inter-American Institute of Agricultural Sciences which was opened for signature at the Pan American Union in Washington on Jan. 15, in accordance with the action taken by the Governing Board of the Union at the session held on Dec. 15, 1943. The Convention was signed on behalf of the United States by Secretary of State Cordell Hull, and by the representatives of Costa Rica, Cuba, Ecuador, Nicaragua and Panama. In making this known Pan American Union press advisers, add:

"The Convention will give permanent inter-American status to the Institute, which was organized to encourage and advance the development of agricultural sciences in the American Republics. Since June 18, 1942, the Institute has been functioning under a District of Columbia Charter, the members of the Governing Board of the Pan American Union constituting the Board of Directors, and with funds supplied by the Office of the Coordinator of Inter-American Affairs. The Institute, field headquarters of which are at Turrialba, Costa Rica, was formally inaugurated on Oct. 7, 1942, and the cornerstone for its first permanent building was laid by President Rafael Angel Calderon Guardia of Costa Rica and Vice President Henry A. Wallace of the United States on March 19, 1943.

The direction of the Institute is entrusted to a Board of Directors composed of the representatives of the 21 American Republics on the Governing Board of the Pan American Union. There is an administrative committee and a technical Advisory Council to aid the Board of Directors and officers in the running of the Institute. The Director of the Institute is Dr. Earl N. Bressman and the Secretary, Jose L. Colom.

Associated Press To Appeal Court Ruling

The Board of Directors of The Associated Press instructed its counsel on Jan. 18 to appeal the Federal Court judgment in the Government's civil anti-trust suit against the non-profit news cooperative. The judgment, based on a two-to-one decision of three Circuit Judges in the Southern District of New York, would restrain The Associated Press perpetually from observing by-laws under which members might consider the competitive ability of an applicant for membership. The entire judgment, filed by the Circuit Court Judges on Jan. 13, is stayed pending the ruling by the United States Supreme Court. The Circuit Court's decision was handed down on the Government's motion for summary judgment without a trial and was based on affidavits, briefs and findings submitted by opposing attorneys. The AP had sought a full trial.

The AP Directors' statement announcing the appeal follows:

No newspaper, no press service can operate successfully under a court injunction. The Associated Press is a non-profit, cooperative organization dedicated to giving an unbiased, factual report of the news.

The decision of the statutory court in New York would subject the world's greatest news gathering organization to suit and harassment and to a perpetual injunction which would render it subject to future whims of administrative officials and continued supervision of the Federal courts.

The Court found The Associated Press was not a monopoly. It found that it was not a common carrier. Yet the decision, if not appealed and overturned, would impose a method of doing business upon The Associated Press which would hamper its efficiency and weaken its cooperative structure. There is no course open except to appeal from such intrusion. The board, therefore, passed the following resolution:

Whereas, the board of directors of The Associated Press has considered all the implications involved in the decisions of the statutory court, and

Whereas, the board has received the advice of counsel, and

Whereas, the board is unanimously of the opinion that the decision is one which limits the usefulness of The Associated Press in the proper performance of its duties;

Be it resolved, that the case be appealed to the United States Supreme Court and that counsel be directed to proceed with such appeal without delay.

In Associated Press advices appearing in the New York "Times" of Jan. 19, the following was reported:

The judgment declaring illegal by-laws under which the AP might "take into consideration the effect of admission upon the ability of (an) applicant to compete" with AP members in the same territory or field (morning, evening or Sunday) stipulated that the AP might restrict admission in other respects.

The judgment, signed by the three judges who sat as a special court in the Southern District of New York after the Government requested the case be expedited, contained three other restraints. The Court said these could be modified or terminated in the event the AP amended its by-laws respecting admission.

These additional restraints would:

Cancel the exclusive provisions of the news agreement between The Associated Press and The Canadian Press.

Enjoin observance of by-laws under which (1) the AP withholds its news report from newspapers owned by other than AP members and (2) AP members and their employees are restricted from furnishing local news of spontaneous origin gathered by them to persons other than the AP and its members.

The Court dismissed the Government's complaint that the AP's

acquisition of Wide World Photos, Inc., was illegal.

The Court's conclusions of law declared:

"AP does not monopolize or dominate the furnishing of news reports, news pictures, or features to newspapers in the United States.

"AP does not monopolize or dominate access to the original sources of news.

"AP does not monopolize or dominate transmission facilities for the gathering or distribution of news reports, news pictures or features."

Reference was made in our issue of Oct. 28 last, page 1719, to the action of the three-Judge Federal Court in upholding the right of The Associated Press to pass upon admission of applicants, but ruled that the news-gathering organization by-laws "in their present form" were a violation of Federal Anti-Trust laws.

Co-operative Bank To Finance Non Profit World Trade Proposed

Formation of a co-operative bank to finance non-profit world trade was recommended on Jan. 20 by the International Conference on Co-operative Reconstruction, according to Associated Press accounts from Washington, which stated that its creation would follow, "when conditions warrant" establishment of an International Co-operative Trading and Manufacturing Association that would confine its initial activities to petroleum and food production and distribution. From the associated Press advices we also quote further as follows:

"The two-fold venture topped a 12-point program adopted at the close of a two-day session called to offer assistance to the United Nations Relief and Rehabilitation Administration and to plan for the post-war period.

"Twenty-one nations were represented at the gathering, sponsored by the Co-operative League of the U. S. A.

"The 12-point program, submitted to the conference by the League's committee on International Co-operative Reconstruction, urged UNRRA to create a co-operative division to make maximum use of co-operatives in relief and rehabilitation work and to set up a loan fund to provide aid in rebuilding and repairing physical co-operative facilities in war-torn countries.

"The twin proposal for a Trading and Manufacturing Association and an International Bank is to be submitted to world co-operative headquarters in London for further consideration.

"The proposal for a world-wide non-profit petroleum organization that would have its own oil wells, refineries and tanker fleet was outlined by Howard A. Cowden, President and General Manager of the Consumers' Co-operative Association of North Kansas City, Mo., who envisaged the movement as a \$12,000,000 undertaking and described the possibilities as 'almost limitless.'"

"He said the suggested International Co-operative Trading and Manufacturing Association would have a second division to handle distribution of food and related supplies on a world basis.

"Mr. Cowden, Chairman of the League's Committee on International Co-operative Reconstruction, predicted at today's session that the world is 'on the thresh-

hold of a great co-operative advance."

"Using the \$12,000,000 estimate for the petroleum undertaking as a maximum, he said co-operatives would advance two-thirds of the original capital, with those in this country subscribing about 20%, the remaining third to be borrowed, and he indicated that some of the money might be obtained from the Petroleum Reserves Corporation, an RFC subsidiary.

"Although suggesting Texas as the location for the internationally owned refinery, Mr. Cowden said a world survey might develop a better site in Mexico, Venezuela, Colombia or elsewhere."

The News Behind The News

(Continued from first page) having the President re-elected to continue their jobs. The power of military officers over the men gives great controlling authority which well could be exercised in Mr. Roosevelt's behalf.

Apparently what the Administration fears is handling of the vote by the States where Republican or anti-administration Governors are in control.

By this Green-Lucas bill, Mr. Roosevelt also might save a number of Democratic Senators and Congressmen who otherwise could not be re-elected. He is supposed to have called two or three Southern Senators down to the White House and told them he must have the bill in order to save Senator Barkley, his floor leader.

Apparently Kentucky law requires a State constitutional amendment for soldier voting, and this could not possibly be enacted before November. Thus, under the States Rights Bill, Barkley could not possibly get any soldier votes, and the recent Kentucky elections showed he needs to get votes somewhere.

Neither method provides a satisfactory soldier vote system. The Roosevelt-endorsed bill, for instance, is only a half-a-vote bill for the soldier. He could ballot only for Federal officials, not State, county and local offices in his own home district.

Furthermore, it does not provide a "ballot" except in blank. All soldiers know the Roosevelt name as that of their commander-in-chief, but few know the names of their Senators and Congressmen. How many would split the ticket in Ohio, for instance, and write in the name of Taft for Senator if confronted only by a blank page?

No doubt more soldiers would vote under the Green-Lucas Bill than under the States Rights Bill, but no one can remotely guess how many. However, there is likely to be a Presidential contest on the constitutionality of whoever would be elected under that bill. No losing candidate will overlook the legal possibilities.

A Republican constitutional lawyer, Milliken of Colorado, contends the bill is clearly unconstitutional on two points (name blanks and voting for candidates rather than electors). The defense of leading advocates on this point varies from the weak position of Senator Lucas, who claims the Congress has assumed "war powers," to the still weaker notion of a Republican advocate who said:

"To hell with the Constitution on this question."

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WPB And Industrialists Agree On No Resumption Of Civilian Production Now

Donald M. Nelson, Chairman of the War Production Board, and a group of leading industrialists agreed on Jan. 17 that with America's major offensives still to come there can be no general resumption of civilian production at the present time, the WPB announced.

In indicating this, the Board states that the industrialists had been asked by Mr. Nelson to come to Washington to examine with him and with WPB Executive Vice-Chairman Charles E. Wilson problems government and industry must face as preparations for the all-out military drive approach a climax.

"With our biggest battles coming up," Mr. Nelson said, "this emphatically is not the time to divert any substantial quantities of materials, labor or facilities to less essential civilian production. There certainly cannot be any return to volume production of less essential goods until the war picture is a great deal clearer."

From the announcement of the WPB we also quote:

"Mr. Nelson explained that the situation respecting raw materials has changed substantially since many of the controls affecting non-military production were originally devised. Some materials which were extremely scarce a year or more ago are now comparatively easy; on the other hand, many materials which were then easy are now very scarce. Consequently, WPB is making a number of re-substitutions in the use of these materials and is re-examining the various orders and controls through which the use of all these materials is determined.

"He emphasized that an easing in the supply of a basic material—such as ingot aluminum—does not of itself bring a corresponding easing in fabricating capacity for that material. Hence, while some surpluses of certain materials do exist today, these surpluses cannot immediately be thrown into the production of consumer goods. On the contrary, it is necessary to take advantage of the opportunity these surpluses present to relieve the drain on other materials that have grown increasingly tight during the past year.

"An example of this sort of thing, Mr. Nelson said is the present program to permit the manufacture of some 900,000 steel baby carriages. Far from being a 'relaxation' of the restrictions on civilian production, this program is primarily a means of substituting steel, which is comparatively easy, for the wood previously used in the making of baby carriages—wood, which is now one of the scarcest of all materials. The net effect of the program, therefore, is to save critical materials and at the same time to meet essential civilian need for a more durable and satisfactory end product."

Majority Of Mortgage Bankers Think Rent Control Administration Equitable

Although they have expressed the opinion that rents generally were frozen an average of nearly 14% too low and that many OPA regulations have worked an unjust hardship on property owners, well over half of the members of the Mortgage Bankers Association of America who participated in a current study, believe that actual administration of rent control has been efficiently and capably handled. The Association under

date of Jan. 22 reports:

"This conclusion is based on findings in 100 cities in 40 States. Of those participating in the poll, 57.3% say rent control has been efficiently and capably administered in their communities. The remainder expressed opposite views, running all the way from 'too much politics' and 'incompetents in charge' to 'just what you might expect from bureaucracy' and 'rigid centralization in Washington prevented a good job being done.' In no single city of the 100, however, was there a unanimous opinion favoring OPA administration.

"Members generally believe that rents were frozen too low, based upon their experience so far. The average estimate of how much too low was 13.8%. Other prices have not been held firmly in line while rents have been, and thus property owners have not been able to control their expenses while their income remained frozen, was the most frequently expressed opinion."

L. E. Mahan, St. Louis, Vice-President of the Association, pointing out that "every post-war planning program assumes that new building will be resumed as soon as the war is over and that construction will be one of the big fields in which war-time labor will be absorbed," adds:

"If such is to be the case, rent control must be adjusted to a basis that such new construction will show a fair return. The prices at which rents are fixed must be correlated with wages, the cost of living, and all other factors; one cannot be penalized without making the other ineffective. It now seems conclusive, however, that OPA erred in freezing the rent level too low and it has certainly been unwise in some of its rulings."

This was the fourth report in a study now being conducted by the Association on nearly 30 war-time and post-war problems designed

to supply data for further planning.

The results of the MBA survey on the freezing of rents was referred to in these columns of Jan. 13, page 190.

Urges Early Filing Of Tax Returns

Harold N. Graves, acting Commissioner of Internal Revenue, urged all wage earners on Jan. 28 to start filling in their annual income and victory tax returns as soon as they receive the wage and tax receipts now being distributed by employers. It is pointed out that these receipts, which employers are required under law to issue by Jan. 31, show the amount of wages paid and the amount of income and victory tax withheld during 1943. Therefore, they provide the wage earner with two of the key figures he needs for filling in his return.

"As soon as you get your receipt," Commissioner Graves commented, "you should be in a position to make out your return and you will find it to your great advantage to do so at the earliest date." He added:

"One of the most important reasons for acting early is to determine how much if any tax you must pay by March 15, which is the deadline for filing. Some of you will owe a substantial amount, many will owe a small figure, others will get refunds. You owe it to yourself to find out at once about your own situation.

"The practical way to find out where you stand is to fill out your return. Then after you have filled it out, you should file it with the Collector of Internal Revenue in your district as long before March 15 as convenient."

Wage Control Program For Farm Workers To Be Set Up By War Food Administrator

What is termed as an unprecedented wage control program for agricultural workers, with maximum ceilings of \$2,400 a year, has been ordered by War Food Administrator Marvin Jones. Noting this the Associated Press indicated on Jan. 22 that the War Food Administration labor offices have been directed to set up State farm wage boards to hold hearings and establish maximum wages, according to aids of the administrator who disclosed the plan. Associated Press, on Jan. 22 also had the following to say in Washington advices:

"These groups would function much in the manner of the War Labor Board in determining the ceilings for industrial workers, on the basis of the 1942 wage stabilization act. Stabilization Director James F. Byrnes put farm wages under the supervision of WFA, but officials did not consider it necessary to take any immediate general action toward control.

"Now, however, farm wages have reached the highest point in 20 years. Many workers have gone into war plants. Those who have remained on the farms have repeatedly received what amounts to a blanket deferment from selective service. There are few restrictions on their transfer from one farm to another. Thus they are in a position to bargain.

"This, it was disclosed, has played a big part in leading the WFA into the unprecedented wage control program.

"A recent report of the Bureau of Agricultural Economics stated that in every section of the country farm wages had shown a sharp increase in the previous 12 months.

"For the year 1943, wages stood at 264% of the 1910-14

average, and 64 points above the 1942 level. Present rates are said to average \$63 a month, with board, compared with \$50.91 a year ago and with \$26 for the 1935-39 average. In some areas wages are considerably higher than the average.

"The farm wage boards will be instructed to set ceilings only for specific types of work or farm operations for certain designated areas. Wages considered substandard will not be affected. However, ceilings below the \$2,400 level may be set if boards consider it necessary.

"Increases in pay above the \$2,400 level would be permitted only with the approval of the Food Administrator, except in cases of increases above \$5,000, where control rests with the Commissioner of Internal Revenue.

"WFA officials said that the farm wage regulations would subject violators to severe penalties. Under provisions of the stabilization act, maximum penalty is a fine of \$1,000, and imprisonment for a year. Both employers and employees would be liable.

"The regulations also prohibit reductions in wage rates below the highest wage or salary paid for the particular work between Jan. 1, 1942, and Sept. 15, 1942."

From Washington

(Continued from first page) shown action has been largely for the purpose of just that—showing action. It is what is known as "political action" designed, mainly, to quiet impatience and support the strategy of getting Hitler first. It is relatively just as costly as any other action. In other words, men are killed, planes and ships are lost. But insofar as crushing Japan is concerned, it has had ridiculously little bearing.

There are members of Congress who say feelingly that the whole Pacific enterprise, from the sordid business at Pearl Harbor, on Bataan and on down, will constitute one of the most damnable chapters in this nation's history. It will probably remain for the historians to determine just how much the responsibility for Pearl Harbor and Bataan revolved around Mr. Roosevelt's determination, not under any circumstances, to be diverted from what he considered to be the No. 1 enemy. Notwithstanding that it was Japan that attacked us, it was his point and in this he has been upheld, that Hitler was at the bottom of it. So, instead of going after the attacker, go after the higher-up, so to speak. There is no doubt either that Mr. Roosevelt in those days was actually fearful that Hitler, having no limitations, would come through Dakar, land in Brazil and march on us from there. When we consider the dread with which we are now, two years later, contemplating invasion across the English channel, these fears seem rather ridiculous. But they existed, as borne out by the dispersal of our troops that was made at the time. A correspondent returning from Britain only a few days ago, crossed over the Sahara desert. Looking down he saw what seemed to be a group of desert tribesmen. They were a battalion of American soldiers placed there to keep Hitler from coming at us through Dakar.

As time has moved on, there have been many misgivings in Congress over the all-out get Hitler first policy. These misgivings are increasing in the light of the present situation. No one would seriously contend that Hitler is a menace now. He's bottled up and fighting for his life. The theory is, of course, that one or two more blows may knock him out. But in the meantime, the Japs have thousands of Americans in prison camps. American boys are fiddling around in the swamps and jungles, dying and rotting with disease and malaria, just as if they were in major engagements. There are always expert explanations of how this relative skirmish or that bears on the "periphery"; how we are gradually chipping it off. The atrocity stories make one wonder when we are to go after Japan and relieve the boys on whom the atrocities are being committed. So the Administration did not willingly put them out.

Heads WPB Division

Appointment of Arthur G. Eaton to be head of the Government Division of the War Production Board was announced Jan. 28 by Arthur D. Whiteside, WPB Vice-Chairman and Director of the Office of Civilian Requirements. The announcement said: "Mr. Eaton succeeds Maury Maverick, now a WPB Vice Chairman and Chairman of the Smaller War Plants Corporation, who was the Government Division's first director.

"Joining the staff of WPB's predecessor, the Office of Production Management, in October, 1941, Mr. Eaton has most recently served as chief of the Hospitals, Schools and Institutions Branch of the division he now heads."

Mr. Eaton's business career has included positions as director of purchasing for Dodge Bros., Detroit, Mich., automobile manufacturers, and as a vice-president of

Reduction In Policy Loans By Life Policyholders Now At Lowest Ratio Of Total Loanable Values

Life insurance policyholders have reduced their policy loans to the lowest ratio of total loanable values since aggregate U. S. records have been kept, the Institute of Life Insurance reported on Jan. 27. The total of policy loans outstanding at the opening of the year, \$2,350,000,000, represents a reduction of more than \$1,000,000,000 in the past five years, in spite of an increase in that period of over \$8,500,000,000 in total life insurance policyholder reserves, according to the Institute, which states that the ratio of loans to reserves is now about one-half that of five years ago. The Institute also says:

"The greatest annual reduction in policy loans was accomplished during the past year, the 1943 decrease being \$330,000,000, although reserves increased nearly \$2,400,000,000.

"Life insurance policy loans reached their peak in 1932, when they aggregated \$3,805,000,000, or 21.3% of total reserves. During the depression, these loans proved of great aid to millions of families faced with financial emergencies. It was estimated that, during the first three depression years, 1930-32, American policyholders received approximately \$2,400,000,000 in policy loans. Not only were many families able to carry themselves over the emergency with this aid, but many businesses were enabled to continue operations and maintain employment through loans on business insurance policies or personal policies of business men whose future was at stake.

"By the end of 1938, the last full year before the impact of the war in Europe, conditions had improved sufficiently to reduce the ratio of policy loans to total reserves to 13.8%, although the aggregate outstanding was still \$3,389,000,000.

"The total in force at the end of this year represents only about 7% of total reserves, one-third the rate of 1932 and about one-half the rate of 1938. The aggregate is now \$1,455,000,000 less than 1932 and \$1,038,000,000 less than 1938."

The Institute also states that "the reduction in policy loans is as important an anti-inflation factor as are the new funds put into life insurance premiums or other forms of saving. The policyholders who pay off their policy loans effect an increase in their policy values, in the event of claims, by the amount of the loan reduction or repayment. Thus, there has been a \$1,000,000,000 increase in policy values from this source alone in the past five years."

State Chamber Honors Retiring British Consul

Hope for continued cooperation between the United States and Great Britain in the post-war period to insure world peace was expressed on Jan. 18 by Sir Godfrey Haggard, retiring British Consul General in New York, at a farewell luncheon given by the Chamber of Commerce of the State of New York. "Our two countries have always joined forces and stood shoulder to shoulder against an aggressor who sought world domination," he said. "Although Britain and America have extended their territories, they have not been aggressors in that sense because wherever they have gone they have brought liberty and education and progress." He added:

"The closer friendship and deeper understanding which the war has wrought between our two countries is a guarantee that if another aggressor springs up in the post-war years, we will be able to avoid our Dunkirks and our Pearl Harbors. We know now that when we disagree as in the case of the League of Nations, for example, chaos and trouble all over the world follow."

Referring to the large force of American troops now in England,

Aluminum Industries, Inc., also of Detroit.

Sir Godfrey said that they gave both countries a better opportunity to understand and appreciate each other. Expressing the belief that his years of service in this country would enable him to interpret America to the British more clearly and sympathetically, he said:

"I will feel then that I am doing something worth while for the cause of Anglo-Americanism in return for the friendship and hospitality I have enjoyed in the United States."

Frederick E. Hasler, President of the Chamber, presided at the luncheon to Sir Godfrey which was attended by about 20 officials of banks, insurance companies and industrial corporations. In welcoming the guest of honor, Mr. Hasler paid a tribute to the British civil service for its ability to attract "men of such outstanding ability as Sir Godfrey," but said that it made a mistake in retiring them at the age of 60.

Other who spoke at the luncheon were: Willis H. Booth, Chairman of the Board of the Sierra Talc Co.; Richard W. Lawrence, President of the Bankers Commercial Corp., and George McAneny, Chairman of the Board of the Title Guarantee & Trust Co.

Francis E. Evans, who will succeed Sir Godfrey as Consul General next month, was one of the guests.

Thomson To Retire

Edward H. Thomson, President of the Federal Land Bank of Springfield (Mass.), has announced his intention to retire on July 15, next. In making this announcement, Mr. Thomson said:

"In electing the officers of the bank for 1944, I wish my name to be considered with the understanding that I be permitted to retire as of July 15, 1944, to devote my time to the fulfillment of some cherished ambitions which the unceasing pressure of bank work does not permit. July 16 of this year will be the 25th anniversary of my service as President."

The oldest in point of service of the 12 Land Bank Presidents, Mr. Thomson has worked under all Land Bank Commissioners. He has had an important part in the development of the system, nationwide, and for many years was Chairman of the Bond Committee of the Land Bank Presidents. He is a Director of the Massachusetts Mutual Life Insurance Co., the Springfield Fire and Marine Insurance Co., the Sentinel Fire Insurance Co., the New England Fire Insurance Co., the New England Casualty Co., and the Springfield Cooperative Bank. He is a Trustee of the Springfield Institution for Savings, the Eastern States Exposition, and the Wesson Memorial Hospital.

Eccles Reappointed

The Senate confirmed on Jan. 20 President Roosevelt's reappointment of Marriner S. Eccles as a member of the Board of Governors of the Federal Reserve System for a full 14-year term, from Feb. 1. Mr. Eccles is now Chairman of the Board, in which capacity he has served since, February, 1936. He was a member of the defunct Federal Reserve Board from November, 1934, until the new Board was created in January, 1936, in accordance with the Banking Act of 1935.

The President renominated Mr. Eccles on Jan. 12.

Simplified Income Tax Return Plan Proposed In Bill Of Rep. Carlson Of Kansas

Simplification of income tax laws to eliminate 9,000,000 persons from the tax rolls and make unnecessary the filing of returns by 30,000,000 was proposed on Jan. 24 in a bill by Representative Carlson (Rep., Kan.).

Mr. Carlson's bill, according to the Associated Press, would:

1. Provide for only one tax on personal income with a single base and a single set of rates and exemptions, through merger of the Victory Tax with the regular income tax.

2. Eliminate filing of returns by persons whose tax liability is substantially withheld at the source, but permit returns to be filed at the taxpayers' option. This would affect 30,000,000 of the approximately 50,000,000 taxpayers and in general cover those who are not now required to file declaration of estimated tax.

3. Permit use of the short form of return by taxpayers with up to \$5,000 gross income. (Present limit is \$3,000.)

4. Strip down both the short and long form of returns.

5. Give taxpayers until January, following the close of the taxable year in which to file an amended declaration of their estimated tax and thereby avoid penalty for any underestimate.

The Associated Press account further said:

Removed from further tax obligation would be those small taxpayers now subject to the Victory Tax but whose earnings are not enough to come within the regular income tax levies.

"The elimination of the Victory Tax through merger with the regular tax," Mr. Carlson said, "requires the increase of the existing surtax rates by approximately three points in each bracket, in order to preserve relatively the same total burden as at present.

"For the same reason, it is necessary to fix the married exemption at \$1,100, as compared with the present \$624 exemption under the Victory Tax and the \$1,200 exemption under the regular income tax. The \$500 exemption for single persons and the \$350 exemption for each depend-

ent would not be changed under my bill.

"I believe it was a mistake to levy an income tax on a married man with a gross income of as little as \$624 a year. From the revenue standpoint, the total tax paid by this group was not a very large percentage of the total."

This potential loss of revenue would be offset in part by the reduction of the married exemption under the regular income tax to \$1,100 and the remainder by readjustments in the surtax rates.

In order to have a single tax base, Mr. Carlson said, it is necessary to abandon the so-called earned income credit provided by existing law. The pending \$2,000,000-plus revenue bill contains a provision for repeal of this credit.

His simplification measure would make no change in the present 20% withholding against wages and salaries, although he said some adjustment may be necessary or desirable in any final legislation dealing with income tax readjustments, so as to eliminate overwithholding or underwithholding.

RFC Directors Renamed

President Roosevelt's reappointment of the five members of the Board of Directors of the Reconstruction Finance Corporation was confirmed by the Senate on Jan. 20. Those renamed to two-year terms, from Jan. 22, 1944, were: Charles T. Fisher Jr., Michigan; Charles B. Henderson, Nevada; Sam Husbands, South Carolina; Howard J. Klossner, Minnesota; Henry A. Mulligan, New York. The President reappointed them on Jan. 14.

Federal Home Loan Bank Of New York Had Net Income Of \$483,715 In 1943

Nugent Fallon, President of the Federal Home Loan Bank of New York, announced at the annual meeting of the stockholders on Jan. 27 that the bank's assets at the close of 1943 totaled \$39,455,299, an increase of \$2,563,170 for the year. He stated that the bank's gross income was \$701,768 and the net income was \$483,715, of which \$250,851 was distributed as dividends, the U. S. Government receiving \$189,632. "On Dec. 31, cash and Government obligations held by the bank stood at \$22,375,215, or 56.7% of total resources, as compared with 35.3% of resources at the end of 1942," Mr. Fallon said.

The advances from the bank state that its capital at the close of the year was \$25,293,600, an increase of \$401,500 from the preceding year. Of this, member savings banks and savings and loan associations owned \$6,330,400 and the U. S. Government owned \$18,963,200. It is further indicated that advances to member institutions declined during the year from \$23,760,930 to \$16,942,057, indicating an effect of the decline of new construction and the reduced demand for mortgage money in the Second District, which includes the States of New York and New Jersey, as well as Puerto Rico and the Virgin Islands.

The bank's 362 members had assets at the year end of \$638,333,117. Member assets showed an increase of 11% for the 12 months,

according to Mr. Fallon's report. From the bank's announcement we also quote:

"Member institutions showed 18% of assets in cash and Government bonds, as against 12.7% one year earlier. Member holdings of Government bonds totaled \$77,943,000, as against \$38,947,000 at the close of 1942.

"The Federal Home Loan Bank of New York is one of 12 regional banks making up the Federal Home Loan Bank System. The 12 banks serve the 48 States, the District of Columbia and the Territories. Total assets of the Federal Home Loan Bank System are now \$293,981,820. The banks constitute a reserve credit source for nearly 4,000 member institutions whose assets aggregate over \$6,000,000,000. The members are savings and loan associations, savings banks and insurance companies.

"Three hundred stockholders from the States of New Jersey and New York attended the meeting."

Two-Thirds Of U. S. Army Overseas By Year-End

As present plans shape up, two-thirds of America's steadily growing Army will be at overseas stations by the end of this year, according to Associated Press accounts from Washington Jan. 27, appearing in the New York "Journal American," in which it was further stated:

"That was the word today from War Secretary Stimson as he announced plans for closing a number of domestic Army camps during the next few months, and the transfer to combat units of a substantial proportion of the soldiers now assigned to administrative duties.

"The overseas expansion program will double our forces abroad. As of the end of 1943, only about a third of the Army had been sent outside the country.

[With the Army's total strength estimated to be 7,700,000 men and officers next Dec. 31, the Army overseas would total more than 5,100,000, according to Secretary Stimson's statement, INS pointed out.]

In addition a number of officers over 38, particularly those commissioned directly from civil life or in the National Guard and Reserve Corps, will be placed on the inactive list because "no suitable assignments are available, or in prospect, either at domestic or overseas installations or establishments."

"The readjustments were dictated generally by the progressive shift of Army operations from the defensive to the offensive, and by the growth of air power," said Mr. Stimson.

The Air Forces already have relinquished 69 or more establishments, and the ground forces have begun to close up some of their training camps and other facilities, including Pine Camp, N. Y.

Mr. Stimson announced the War Department has ordered physically qualified men in all branches of the Army who have a total of more than 12 months service at fixed stations or "overhead activities" in the United States to be reassigned to combat units "or mobile activities ultimately destined for overseas service."

WPB Regional Head

Appointment of Lewis S. Greenleaf, Jr., of New York, as Director of the New York Region of the War Production Board, was announced on Jan. 26 by Donald M. Nelson, WPB Chairman. Mr. Greenleaf, who has been Acting Regional Director since last November, became connected with the War Production Board, Washington, in March, 1942, as Chief of the Special Industrial Machinery Branch of the Office of Industry Operations.

Savings Banks Trust Has Record Business

August Ihlefeld, President of the Savings Banks Trust Co., which is completely owned by the savings banks in New York State, told stockholders at the annual meeting on Jan. 19 that the year's highly successful results reflected an increasing use of its facilities. Because savings banks placed on deposit with the trust company a record volume of funds, and because of war loan credits from their subscriptions to new Treasury offerings aggregating \$1,262,503,500, the savings banks in New York State received the largest amount of interest and the highest dividends in the company's ten-year history, said the Jan. 19 announcement, which also had the following to say:

"Net profits after taxes were \$2,028,755 or the equivalent of \$81.15 per share for 1943. This compares with profits of \$580,024 or \$23.20 per share for 1942. Interest on time deposits amounted to \$1,482,000 and dividends paid to the stockholding banks during the year included the regular dividend of \$8.00 per share plus a \$16.00 extra dividend.

"Earning assets at the year-end consisted entirely of United States Government obligations totaling \$489,851,379 carried at cost or par value, whichever is lower. Of these securities, 72% matures within one year.

"Total deposits of \$517,115,339 were a year-end high record, and the liquidity ratio of cash and Government securities to total deposits stood at the high figure of 107%."

In commenting on the trust company's services, Mr. Ihlefeld reported that the bank had handled subscriptions of over \$1,262,000,000 in various Government issues for the savings banks. At the same time demand for other services showed a substantial increase. As custodian for savings banks' securities, the bank had shown an increase in the past year of over 40%.

It is announced that the company now provides investment information service to 97 banks with portfolios amounting to approximately \$2,225,000,000, and, with the Savings Bank Uniform Money Order becoming increasingly attractive, the trust company cleared for the savings banks about 326,000 money orders for an aggregate of over \$8,280,000, an average of over 1,000 per day.

In his announcement Mr. Ihlefeld said:

"In the field of research, which has taken on added importance in planning for the post-war period, the primary effort of our Research Department has been devoted to the analysis of mortgage lending areas throughout the United States on behalf of Institutional Securities Corporation. Field studies were made in Charleston, (S. C.), Savannah, Atlanta, Mobile, Lake Charles (La.), in Houston, Cleveland, Knoxville, and the Tennessee Valley. Basic economic trends are studied in such areas, with a view to selecting mortgage investments which will be sound after the war." He added:

"A comprehensive statistical and tabulating job is underway relative to these and other cities, which when completed will afford detailed information relative to the economic and housing background of the 140 metropolitan districts of the United States.

"For the Savings Banks Association Committee on Post-war Planning and Reconstruction a study was made of the post-war plans which eighteen agencies and committees have under consideration for the New York metropolitan area. On behalf of a committee of the Auditors and Comptrollers Forum a study was made of the relative costs of various methods of paying dividends and

Savs.-Loan Associations In '43 Again Disbursed Over \$1,000,000,000 For Home Lending

For the fourth consecutive year the savings and loan associations and cooperative banks in 1943 lent upwards of \$1,000,000,000 on homes, the United States Savings and Loan League said on Jan. 22. On the basis of figures reported at more than 2,000 annual meetings of these institutions' shareholders during the week ended Jan. 22, and data for the first ten months of the year collected by the Federal Home Loan Bank System, the League concludes that last year saw a greater volume of new loans made than did the previous year.

The great middle part of the country, the Southwest, and the West Coast were the scenes of the most noteworthy increases in volume of loans over 1942, it is pointed out by Morton Bodfish, Executive Vice-President of the United States Savings and Loan League. Since the major part of the 1943 volume of loans was for purchase of homes, it is deduced that the geographical distribution of the increases reflects particularly active markets for residences in those areas.

The League also states:

"In the last four years, each of which has seen the savings and loan institutions disbursing more than \$1,000,000,000, this group of home lenders has assisted some 1,860,000 families to build, buy, remodel or refinance a home," he said. "Except for the great home building decade of the 1920's, no previous four-year period has seen so many new families borrowing from the savings and loan institutions. Their new borrowers for the four-year period 1940-1943 were just about as numerous as those for the previous five-year period."

President Creates War Refugee Board

President Roosevelt set up by Executive Order on Jan. 22 a War Refugee Board "to take action for the immediate rescue from the Nazis of as many as possible of the persecuted minorities of Europe, racial, religious or political, all civilian victims of enemy savagery."

The Board consists of Secretary of State Hull, Secretary of the Treasury Morgenthau and Secretary of War Stimson and will also have an Executive Director.

In the preamble of the Executive Order, the following was stated:

"It is the policy of this Government to take all measures within its power to rescue the victims of enemy oppression who are in imminent danger of death and otherwise to afford such victims all possible relief and assistance consistent with the successful prosecution of the war."

In Washington advices of Jan. 22 to the New York "Times," it was stated:

A White House statement said that while the President "would look directly to the Board for the successful execution of this policy, the Board, of course, would cooperate fully with the Inter-Governmental Committee, the United Nations Relief and Rehabilitation Administration and other interested international organizations."

More than being an isolated American move, the President said

the factors responsible for variations from bank to bank.

"This information is essential if we are to fulfill our role in the post-war economy."

The following directors were elected at the annual meeting: Dexter P. Rumsey, President Erie County Savings Bank; Roy C. Van Denbergh, President Savings Bank of Utica; Frank L. Gardner, President The Poughkeepsie Savings Bank; Robert L. Hoguet, President Emigrant Industrial Savings Bank New York City; Barnard F. Hogan, President The Greater New York Savings Bank; Elliott M. Eldredge, President Williamsburgh Savings Bank, Brooklyn

that he expected to obtain the cooperation of the United Nations and other foreign governments in carrying out what the White House called "this difficult but important task."

The President stressed, said the White House statement, "that it was urgent that action be taken at once to forestall the plan of the Nazis to exterminate all the Jews and other persecuted minorities in Europe."

The President's order said that the functions of the new Board "shall include, without limitation, the development of plans and programs and the inauguration of effective measures for (a) the rescue, transportation, maintenance and relief of the victims of enemy oppression, and (b) the establishment of havens of temporary refuge for such victims."

It said also that the State Department shall appoint "special attaches with diplomatic status" on the recommendations of the Board, and that these shall be "stationed abroad in places where it is likely that assistance can be rendered to war refugees."

"The Board and the State, Treasury and War Departments are authorized to accept the services or contributions of any private persons, private organizations, State agencies or agencies of foreign governments in carrying out the purposes of this order," the President directed.

NYSE Special Offerings Plan Extended to Bonds

The Securities and Exchange Commission on Jan. 26, declared effective an amended plan of special offerings recently adopted by the Board of Governors of the New York Stock Exchange. An announcement regarding this addressed to members and member firms of the Exchange states:

"The purpose and intent of the amendments is to make the plan apply to bonds as well as to stocks. Hereafter the Stock Exchange may approve special offerings in blocks of bonds provided they are of not less than \$15,000 principal amount with an aggregate market value of \$10,000. The special commission on such offerings in bonds shall not exceed 2½% of the selling price.

"Rule 492 (c) provides in part that unless otherwise specifically exempted by the Exchange, every special offering shall remain open for a minimum period of 15 minutes. An exemption from this minimum requirement is specifically given to any offering which has been announced on the New York Stock Exchange ticker tape at least one hour before the offering becomes effective. An offering so exempted from the minimum 15 minute requirement shall not be closed without the approval of the Exchange."

Chase Invites Tenders On Bonds Of New South Wales

The Chase National Bank of the City of New York is inviting tenders for the sale to it of an amount of State of New South Wales, Australia, external 30-year 5% sinking fund gold bonds due Feb. 1, 1957, sufficient to exhaust the sum of \$241,236.36. Tenders will be accepted at prices not exceeding par and accrued interest and will be opened at 12 o'clock noon on Feb. 8, 1944, at the corporate trust department of the bank, 11 Broad Street, New York.

High Court Will Not Review Decision Wage Act Does Not Apply To Newspaper Distributors

On Jan. 17 the United States Supreme Court refused to review a decision that the Federal Wage-Hour Act does not apply to persons engaged in distributing newspapers from the newspaper office to local newspaper racks. Associated Press accounts from Washington reporting this, said:

"That question was presented by three persons who were engaged in distributing the Baltimore 'Sun' papers until the rack system was abandoned in January, 1942.

"The trio — Fred Schroepfer, Charles R. Schroepfer and Abraham Berry—contended they were entitled to overtime compensation from Oct. 25, 1938, the date the act became effective, until Jan. 19, 1942.

"The Fourth Federal Circuit Court ruled the men had not been engaged in interstate commerce and hence were not covered by the act."

The question was brought before the Supreme Court for decision on Dec. 17, and that action was noted in our issue of Jan. 27, page 431.

FCC Not To Bar Radio Stations' Sale To Papers

The Federal Communications Commission voted unanimously Jan. 13 against any general rule discriminating against newspapers in acquiring radio stations, but said it would "not permit concentration of control in the hands of the few to the exclusion of the many who may be equally well qualified."

The decision was generally interpreted as meaning that while newspaper ownership is no bar, this factor would receive consideration in the event the Commission found two applicants for a station to be equally qualified.

In some decisions the Commission has followed such a policy, awarding the license to a non-newspaper applicant when it deemed other factors to be substantially equal.

Ending a long deadlock within the Commission over its report, the Commission decided "in the light of the record . . . and of the grave legal and policy questions involved" not to adopt any general rule regarding newspaper applications.

"Aside from the specific question of common ownership of newspapers and radio stations," the FCC said, "the Commission recognizes the serious problem involved in the broader field of the control of media of mass communications and the importance of avoiding monopoly of the avenues of communicating fact and opinion to the public.

"All the commissioners agree to the general principle that diversification of control of such media is desirable. The Commission does not desire to discourage legally qualified persons from applying for licenses, but does desire to encourage the maximum number of qualified persons to enter the field of mass communications and to permit them to use all modern inventions and improvements in the art to insure good public service."

"The Commission does not feel that it should deny a license merely because the applicant is engaged or interested in a particular type of business," the statement said.

The decision to close out the long proceedings was in accordance with a stand taken by Commissioner T. A. M. Craven.

In New York Harold V. Hough, Chairman of the newspaper-radio committee which met Jan. 14, said the FCC, "in dismissing the discriminatory order 79 and 79-A against newspapers and radio, has acted wisely. We observe that they are referring the matter to the Congress. We have left all

along that the proper place for the whole proceeding was with the Congress, and we are glad it is there."

Grace Bank Joins N. Y. Clearing House

At a meeting of the members of the New York Clearing House Association on Jan. 17, the Grace National Bank of New York was admitted to membership in the Association.

The bank's clearing number will be 132, this indicating the number of members which have been admitted since the Clearing House was organized in 1853.

In commenting on the action, Chester R. Dewey, President of the Grace National Bank, stated:

"Since our bank has always complied with the rules and practices established by the Clearing House banks, we feel that membership in the Association is a natural move in that we are associating ourselves with other banks of like ideas and similar aims. Particularly because of our close affiliation with international trade, and especially that of Latin America, we believe that the banks have a great responsibility and an important part to play in post-war developments. Since the Clearing House offers the best medium through which the banks of this city may function in discharging that responsibility, we are happy to identify ourselves with it."

The Grace bank is the fifth new member of the Clearing House in the last 2½ months. On Oct. 29, J. P. Morgan & Co., Inc., was admitted to membership, followed by the United States Trust Co. on Nov. 29, the Brooklyn Trust Co. on Dec. 13 and the Lawyers Trust Co. on Dec. 27.

Inter-American Safety Council Officers

The Inter-American Safety Council, Inc., organized to promote public and industrial safety in the Latin-American countries, elected on Jan. 20 the following new officers: President, Joseph T. Wilson, manager, world trade division, International Business Machines Corporation, and Assistant Secretary, C. de Groot, Pan American Airways, Inc. The following officers were reelected: Vice Presidents, John W. White, Westinghouse Electric International Co. and H. P. Harsen, Cia Panamena de Fuerza y Luz; Treasurer, W. B. Stafford, American & Foreign Power Co.; Assistant Treasurer, J. C. Kemp, John C. Kemp, Inc.; Secretary, R. O. Jacobson, Pan American Airways, Inc.; Counsellor, F. F. Vaughan, Cia Auxiliari Empresas Electricas Brasileiras.

The following directors were also reelected: Col. John Stillwell, Consolidated Edison Co. Inc. and President of the National Safety Council; James S. Carson, Vice-President, American & Foreign Power Co.; R. A. Hummel, President, Lone Star Cement Corp.; F. D. Mahoney, President, Cia Cubana de Electricidad; C. M. Mense, President, Lehigh Safety Shoe Co.; H. J. Segrave, Mine Safety Appliances Co.; E. E. Moore, Ebasco International Corp.; C. W. Hamilton, Vice-President, Gulf Oil Corp.; W. B. Van Dyck, International General Electric Co.; Burr Wheeler, Chile Exploration Co.

High Court Declines To Act In Dispute Over State Political Office

The U. S. Supreme Court refused on Jan. 17 to consider within Federal Court jurisdiction a State's political rights question. The case involved Joseph E. Snowden, a Negro of Chicago, who sued Illinois election officials for \$50,000 for failure to certify him as a Republican primary nominee for the State Legislature. Mr. Snowden alleged that failure to put his name on a ballot deprived him of his constitutional rights, privileges and immunities and of the equal protection of the laws. Chief Justice Harlan F. Stone, however, said in a 7-to-2 opinion, that the Constitution had not been infringed.

In Washington advices of Jan. 17 to the New York "Times," it was further reported:

The Canvassing Board of Cook County, it was stated, found that Mr. Snowden had received the second highest number of votes for one of two Republican nominees for Representative from the Third Senatorial District, but the State Primary Canvassing Committee "excluded" his name from the ticket.

Chief Justice Stone, saying that Mr. Snowden's constitutional rights were not affected by the action of the State Board, said:

"More than 40 years ago this court determined that an unlawful denial by State action of a right to State political office is not a denial of property or of liberty secured by the due process clause. Only once since has this court had occasion to consider the subject and it then reaffirmed that conclusion, as we reaffirm it now."

Mr. Stone said that where discrimination was sufficiently shown, the right to relief under the equal-protection clause of the Constitution was not diminished because the matter dealt with political rights.

"But," he added, "the necessity of showing of purposeful discrimination is no less in a case involving political rights than in any other. It was not intended by the Fourteenth Amendment and the Civil Rights Act that all matters formerly within the exclusive cognizance of the States should become matters of national concern.

"A construction of the equal-protection clause which would find a violation of Federal right in every departure by State officers from State law is not to be favored."

Mr. Stone noted that in the Supreme Court argument Mr. Snowden "disclaimed any contention that class or racial discrimination is involved," but merely said that his constitutional right to protection had been violated.

Justices William O. Douglas and Frank Murphy dissented.

Agency Service Corp. Formed In Chicago

Earl E. Sproul, well known in advertising and merchandising circles, has resigned as Vice-President of Western Newspaper Union and its affiliated Publishers' Auxiliary, and announces the formation of the Agency Service Corp. with offices at 105 West Monroe Street, Chicago. Mr. Sproul's contact with agencies, advertisers and publishers extends from coast to coast. The new agency was opened Feb. 1, to handle advertising and public relations programs.

Deferment Of Farm Workers Dependent On Amount Of Individual Production

The 1,700,000 deferred farm workers, especially the young bachelors, were advised by a draft official at Chicago on Jan. 27 that they might be called for military duty unless they produced substantial shares of the nation's food supply. This is learned from Associated Press advices from Chicago, which further stated:

"Reporting that about 1,000,000 deferred farm workers were not fathers and that about 400,000 were under 22, Comdr. Patrick H. Winston, Assistant Executive of National Selective Service headquarters, stated:

"Non-fathers and young men cannot be left on the farm while fathers take their places in the armed forces unless such registrants by their own efforts are producing food in such a substantial amount as to justify their deferment."

"He related that industry had been told to prepare to make young and single registrants available for induction, and said:

"We can ill-afford to further defer farm registrants whose production does not substantially exceed their own family consumption and add to the nation's food supply."

"Late in 1942 the Selective Service devised a yardstick of farm activity in terms of 'war units' and set an individual 16-unit objective as a guide for agricultural classification.

"Commander Winston, speaking before the National Council of Private Motor Truck Owners, Inc., said that some registrants had been deferred although they were credited with as few as eight war units of production. He suggested that, in the coming agricultural season 16 war units might become 'the minimum of individual activity.'"

SEC Releases On Independence Of Certifying Accountants

The Securities and Exchange Commission announced on Jan. 25 the publication of an additional release in its Accounting Series dealing with the independence of certifying accountants. With respect thereto the SEC said:

"Various statutes administered by the Securities and Exchange Commission recognize the necessity of independence on the part of an accountant who certifies financial statements. In administering these Acts the Commission has consistently held that the question of independence is one of fact, to be determined in the light of all the pertinent circumstances in a particular case. For this reason it has not been practicable, and the Commission has made no attempt, to catalog all of the relationships or situations that might prevent an accountant from being independent. However, in Rule 2-01 (b) of Regulation S-X the Commission has indicated certain relationships such as those of officer, director, or employee which it believes are so likely to prevent a completely objective review of the financial statements of a registrant as to preclude its recognizing an accountant occupying such a position as independent.

"In addition to summarizing past releases of the Commission on the question of independence, the new release includes a compilation of hitherto unpublished rulings in cases or inquiries arising under the Securities Act of 1933, the Securities Exchange Act of 1934, or the Investment Company Act of 1940. Preparation of this compilation, announced in Accounting Series Release No. 44, was undertaken as a result of a suggestion by representatives of professional accounting societies that knowledge of informal rulings would be of particular assistance to accountants and others interested in determining the circumstances under which a certi-

fying accountant is likely to be considered to be not in fact independent."

N. Y. Community Trust Has Composite Fund

Creation of the Community Trust Composite Fund for the aggregation and administration of charitable gifts of smaller size than those usually acceptable as separate trust funds, was announced on Jan. 23 by the New York Community Trust. The new Composite Fund is in the form of an "open-end" account to which successive contributors may make additions for charitable purposes on uniform terms stated in identical letters of transmission accompanying each donation. Other funds of the Community Trust are administered as individual units. The Chase National Bank has agreed to act as trustee of the initial group of gifts to the Composite Fund. Additional units may later be instituted in the custody of other trustees of the Community Trust.

For the present it is planned to accept trustee contributions of \$1,000 or more for use in furtherance of the broad charitable objectives of the New York Community Trust, without preferential designation by the contributor for specific charitable purposes. Maintenance of the Composite Fund will not alter the form of administration of other funds utilizing the mechanism of the Community Trust.

Wants Pulp Workers Declared Essential

A bill designed to assure a continued supply of pulpwood to the paper mills of the country has been introduced in the House by Representative Philbin (Dem., Mass.) and referred to the House Military Affairs Committee. The bill seeks deferments for workers engaged in timber or pulpwood and logging operations by amending the Selective Training and Service Act. Mr. Philbin fears that unless the manpower shortage in the logging industry is relieved at once, very serious consequences will ensue. As to his bill Mr. Philbin says that "unless this or some similar relief is speedily given, I am very much afraid that our pulpwood, paper and newsprint supply will be even more critically reduced, and thousands of loyal employees in many of our communities thrown out of work."

Rep. Philbin proposed two remedies, in addition to legislation he is sponsoring to have woods labor classified as essential, to help clear up the pulp shortage:

1. Lifting of what amounts to an embargo on the export of logs from Canada to the United States. He said he was seeking the intervention of Secretary Hull and the State Department to make possible a decided increase of pulp logs to our domestic industry.

2. Making badly needed equipment available to produce pulpwood in the Pacific Northwest, which has been diverted to other uses. He indicated that he is taking this particular matter up further with WPB officials.

Civil Engineering Construction \$33,241,000 For Week—Volume Tops Week Ago By 30%

Civil engineering construction volume in continental U. S. totals \$33,241,000 for the week. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 30% higher than in the preceding week, but is 20% under the volume reported for the corresponding 1943 week by Engineering News-Record on Jan. 27, which went on to say:

Private construction is 65% above last week, and gains 86% over last year. Public construction is up 23% compared with a year ago, but down 32% from a year ago.

The current week's construction brings 1944 volume to \$179,018,000 for the four-week period, a decrease of 21% from the \$226,826,000 for the period in 1943. Private work, \$24,356,000, is 57% higher than in 1943, but public construction, \$154,662,000, is 27% lower as a result of the 37% decline in state and municipal work, and the 26% decrease in Federal.

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

	Jan. 28, '43	Jan. 20, '44	Jan. 27, '44
Total U. S. Construction	\$41,855,000	\$25,500,000	\$33,241,000
Private Construction	4,018,000	4,542,000	7,486,000
Public Construction	37,837,000	20,958,000	25,755,000
State and Municipal	1,349,000	1,095,000	3,379,000
Federal	36,488,000	19,863,000	22,376,000

In the classified construction groups, gains over a week ago are in sewerage, bridges, commercial buildings, earthwork and drainage, streets and roads, and unclassified construction. Increases over the 1943 week are in sewerage, bridges, commercial buildings, earthwork and drainage, and unclassified construction. Sub-totals for the week in each class of construction are: waterworks, \$356,000; sewerage, \$597,000; bridges, \$372,000; industrial buildings, \$975,000; commercial building and large-scale private housing, \$6,295,000; public buildings, \$13,312,000; earthwork and drainage, \$1,751,000; streets and roads, \$1,260,000; and unclassified construction, \$8,323,000.

New capital for construction purposes for the week totals \$3,376,000, an increase of 136% over the volume reported a year ago. The week's new financing is made up of \$325,000 in State and municipal bond sales, \$876,000 in corporate security issues, and \$2,175,000 in RFC loans for private industrial improvements.

New construction financing for the year to date, \$147,172,000, compares with \$4,498,000 for the four-week 1943 period.

National Fertilizer Association Price Index Continues To Advance

The weekly wholesale commodity price index, compiled by the National Fertilizer Association and made public on Jan. 31, advanced to 137.2 in the week ending Jan. 29 from 137.0 in the preceding week. A month ago this index stood at 136.5 and a year ago at 134.0, based on the 1935-1939 average as 100. The Association's report continued as follows:

The fractional advance in the all-commodity index was due principally to higher quotations in the farm products group. The slight increase in the price of rye was not sufficient to change the grains group. The livestock group advanced due to higher quotations for hogs and lambs even though good cattle and calves declined slightly. The foods group continued to advance as higher prices for eggs were more than sufficient to offset lower quotations for potatoes. An increase in the textile index was the result of an advance in raw cotton. During the week none of the group averages in the composite index declined.

During the week six price series in the index advanced and three declined; in the preceding week seven advanced and two declined; and in the second preceding week five advanced and five declined.

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
		Jan. 29, 1944	Jan. 22, 1944		
25.3	Foods	140.2	139.9	139.8	137.8
	Fats and Oils	146.1	146.1	146.4	148.5
	Cottonseed Oil	159.6	159.6	160.7	159.0
23.0	Farm Products	156.1	155.2	154.7	150.9
	Cotton	193.1	191.4	189.8	194.6
	Grains	164.8	164.8	165.5	133.4
	Livestock	147.6	146.4	145.8	148.1
17.3	Fuels	129.5	129.5	127.6	120.0
10.8	Miscellaneous commodities	131.4	131.4	131.4	129.0
8.2	Textiles	150.9	150.6	150.4	150.4
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	152.4	152.4	152.4	151.6
1.3	Chemicals and drugs	127.7	127.7	127.7	127.6
.3	Fertilizer materials	117.7	117.7	117.7	117.6
.3	Fertilizers	119.9	119.9	119.8	119.1
.3	Farm machinery	104.2	104.2	104.2	104.1
100.0	All groups combined	137.2	137.0	136.5	134.0

*Indexes on 1926-1928 base were: Jan. 29, 1944, 106.9; Jan. 22, 106.7; and Jan. 30, 1943, 104.4.

Steel Operation Again Increased—Buying Resumed After Lull—Additional Cutbacks

"Stronger steel production, typical of the high tempo centering upon the making of invasion equipment, is the feature of this week on the domestic war front," states "The Iron Age" in its issue of today (Feb. 3), which further goes on to say: "The current jump of one-half point is the fifth consecutive gain in steel ingot output, the total movement since Jan. 1 being about two points.

"With continued heavy demand likely for landing craft, many steel makers are more inclined than ever to doubt that important relaxations in civilian controls which would involve large tonnages can occur until after a well-established foothold has been gained in Europe. But at the same time, in other parts of the metal producing and metal

using industries, there have been additional cutbacks and new evidences of post-war thinking.

"Conservation policies which have been stressed so vigorously in the aircraft industry since the war began, in order to save critical materials, are going into reverse now that metals are more plentiful. The Operating Commit-

tee on Aircraft Materials Conservation points out that copper base alloy sheet and strip are in better supply because of cutbacks in the small arms program. Reversions are suggested. New uses for aluminum other than forgings and castings are encouraged. It is also pointed out that magnesium for other than forgings is available, while ferro-alloys, zinc and beryllium-copper are easier.

"Producers of the light metals are urging large tonnage usage through a wide range of industries and some Government officials are considering 'substantial' programs. Meanwhile, the closing of three more aluminum production lines was announced this week.

"Market trends in steel indicate that the tightest products still are plates, sheets, certain structurals and pipe. Demand for ingots and semi-finished steel for sale is off considerably from a few months ago. Cold finished bar demand has picked up recently due to war requirements. It is reported that WPB may raise the quota on galvanized sheet production, permitting some mills to re-enter the business and that a large mail order house has applied for permission to stock galvanized sheets.

"Tin plate production during the third quarter, because of recent revisions is M-81, is expected to top second quarter output, which may run around 750,000 tons of tin mill products. It is understood that the sheet situation has been further tightened recently by definite increases in the landing mat program. Previous estimates, before the increase, amounted to about 1,100,000 tons for 1944.

"Other highlights include two major moves of the WPB which seem to indicate that the stockpiling of critical materials may be tapered; the cutback of 741 locomotives in the Army's requirements, new evidences as to the adequacy of pig iron supplies; and moderate relaxation of some curbs on the use of iron and steel for auto parts and small tonnage items.

"Makers of farm equipment, competing against war goods firms for vital components, are lagging slightly behind their timetable but hope to get back on schedule before the June 30 deadline which customarily marks the end of the farm machinery production year. The industry has been allotted and has placed orders for 974,000 tons of steel covering the periods from last July to next April."

The American Iron and Steel Institute on Jan. 31 announced that telegraphic reports it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 99.8% of capacity for the week beginning Jan. 31, compared with 99.4% one week ago, 95.9% one month ago and 98.3% one year ago. The operating rate for the week beginning Jan. 31 is equivalent to 1,734,800 tons of steel ingots and castings, compared to 1,727,900 tons one week ago, 1,667,000 tons one month ago, and 1,702,100 tons one year ago.

"Steel," of Cleveland, in its summary of the iron and steel markets on Jan. 31 stated in part as follows:

"While some easing of restrictions on use of steel for civilian production has been evident in recent weeks the disposition in Washington now appears to be caution in allowing further releases until after the European invasion has started and better appraisal can be made of subsequent war needs, in materials and manpower.

"After the decided drop resulting from a major shift in armament the market is reasserting its fundamental strength and orders again exceed production, deliveries being further deferred. With War Production Board insisting that war requirements in 1944 will

exceed those of 1943 it appears that any easing now apparent is temporary, pending formulation of programs and placing of steel for their execution.

"Some tin plate producers are hopeful this year will see output of 3,000,000 tons, based on the assumption that last half will duplicate output of the first period. Current production is at about 50% of capacity, sufficient to meet quotas, electrolytic lines are at about 70%.

"Alloy steel production in 1943 totaled 13,116,000 net tons, 14% above the 11,526,000 tons made in 1942. March was the peak month, with 1,284,000 tons, later months showing a steady recession. Of the total, open-hearth furnaces produced 70%, the remainder coming from electric and crucible furnaces.

"For the sixth consecutive year pig iron production in 1943 set a new record with a total of 61,777,296 net tons, compared with 59,861,047 tons in 1942, including ferromanganese and spiegeleisen. December pig iron production was 5,139,541 tons, with ferromanganese and spiegeleisen 73,605 tons, making a total of 5,213,146 tons. December output was at an average of 95.6% of capacity and the year's production averaged 96.4%.

"Consumption of Lake Superior iron ore in the United States and Canada in 1943 set a new record at 89,027,689 gross tons, compared with 86,225,460 tons in 1942. As of Jan. 1, 1944, ore at furnaces and on Lake Erie docks totaled 43,428,641 tons, compared with 47,424,421 tons a year earlier, a result of the smaller tonnage moved during the 1943 season. Consumption in December was 7,509,096 tons, compared with 7,409,213 tons in the shorter November, and 7,759,366 tons in December, 1942.

"Office of Price Administration has raised prices of by-product and retort gas coke 50 cents per ton in the eastern area, to compensate for higher prices of labor and coal, the first increase for eastern producers since price control was instituted in 1941.

"Pig iron and scrap are in the easiest position for months, supply being enough to meet all demands and melters are buying only as need arises."

Alloy Steel Output Set Record in 1943

Production of alloy steels in the United States during 1943 reached the record-breaking total of 13,116,000 tons of ingots and castings, according to preliminary reports compiled by the American Iron and Steel Institute, which further add:

The 1943 total was nearly 14% above the previous record of 11,526,000 tons of alloy steel produced in 1942 and is more than four times production in 1939.

The peak month for alloy steel production during 1943 came in March when 1,284,000 tons of alloy steel were produced. Since that month, almost without interruption, alloy steel production declined, reflecting decreased demand.

In December, production of alloy steels amounted to 799,000 tons which compares with 1,185,000 tons in the same month in 1942. Some part of the decline in the December 1943 figure was caused by strikes at various steel plants.

Of the total tonnage of alloy steel output in 1943, open hearth furnaces produced 70% or 9,221,000 tons. About 30%, or 3,895,000 tons, were produced in electric and crucible furnaces.

That same ration of open hearth to electric furnace alloy steel production prevailed in 1942. Before the war, however, open hearth furnaces produced as much as 75% of the total alloy steel tonnage.

Raising Men For Business

(Continued from first page) heritage—comes from what we eat, drink and breathe. This means that the soil in which our food and fruit are raised is of great importance in determining our health, intelligence and character.

Why do the best trotting horses come from Kentucky? The answer is in the soil, and this applies only to certain small sections. Why have the best brains grown in certain valleys of New England, New York State, Pennsylvania and Virginia? The answer is that the soils of these valleys—washed down during the centuries from rocky hills—contain the needed minerals to make the best brains. I have especially in mind potassium, phosphorus, iron, iodine, calcium and magnesium. If you doubt me, ask the publishers of "Who's Who" to give you their opinion on this subject.

The third factor of the mineral content of the soil, including the treatment of the soil, is now very seldom discussed. The Department of Agriculture has avoided reporting on it because it is a "hot potato loaded with dynamite." However, it is of prime importance to every family planning to live on the products of its own land. Furthermore, the time is coming when vegetables and fruits will be sold under the Pure Food and Drug Act according to their mineral content, whether sold fresh, canned or dehydrated. Some beans may be cheap at \$10 per bushel, while other beans, which appear just the same, may be worth only \$1.50 per bushel and good only to eat for bulkage. Hence, by all means consider this mineral content, needed for brains and character, when buying land. If you cannot afford to consult a high-class soil expert, go to the nearest graveyard, study the headstones and see how long the people lived.

Why Germany Is Hard to Lick I pass on just one more thought for readers to ponder over. It is this: Some years ago when I was in Switzerland making a study for the New York "Times," a Swiss scientist said to me: "Europe will always have trouble with those Prussians. There is something in the soil of Prussia which grows people with that fighting instinct. European peace is unalterably linked up with the minerals of the soil. Permanent peace in Europe will come about only by systematically moving people about. That is the only way physical, economic and spiritual opportunities can be equalized."

Certainly, there is a relation between soil and fatigue. For a scientific study of fatigue, send 10 cents to the Medical Journal and Record Publishing Co., 667 Madison Avenue, New York City, for Dr. Max B. Gerson's article published in the "Medical Record" of June, 1943.

P.S.—Churchill believes in the importance of soil. This is why England will try to take Belgium, Holland and the other Low Countries into the British Commonwealth and is willing to leave Austria, Czechoslovakia and the Baltic States to Stalin.

Named To Hotel Group

Royal W. Ryan, Director of Sales and Advertising of the Hotel New Yorker, has been appointed Program Chairman of the 1944 Post-War Planning Conference of the National Hotel Sales Managers Association by Clayton Hicks, National President of the NH SMA. In preparing the tentative program for the Conference, which will be held in June of this year, city as yet undecided, Mr. Ryan proposed that all attention at present should be directed toward promotion of business for hotels in the post-war period.

Daily Average Crude Oil Production For Week Ended Jan. 22, 1944 Increased 16,650 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Jan. 22, 1944 was 4,389,200 barrels or 16,650 barrels per day more than produced in the previous week and 540,200 barrels per day more than recorded for the week ended Jan. 23, 1943. However, the current figure is 40,400 barrels less than the daily average figure recommended by the Petroleum Administration for War for the month of January, 1944. Daily output for the four weeks ended Jan. 22, 1944 averaged 4,370,950 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,368,000 barrels of crude oil daily and produced 12,945,000 barrels of gasoline; 1,711,000 barrels of kerosine; 4,334,000 barrels of distillate fuel oil, and 9,041,000 barrels of residual fuel oil during the week ended Jan. 22, 1944; and had in storage at the end of that week 79,763,000 barrels of gasoline; 8,683,000 barrels of kerosine; 38,296,000 barrels of distillate fuel, and 53,431,000 barrels of residual fuel oil. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

State	*P. A. W. Recommendations	*State Allowables	Actual Production		4 Weeks Ended	Week Ended
			Week Ended	Change from		
Oklahoma	328,000	325,000	329,800	+11,000	326,950	346,650
Kansas	285,000	269,400	281,050	+7,450	271,600	307,500
Nebraska	1,300		1,500	+200	1,450	2,450
Panhandle Texas						
North Texas			97,900		97,050	88,400
West Texas			140,200		141,000	136,700
East Central Texas			364,600		362,150	201,100
East Texas			116,400		119,000	101,600
Southwest Texas			366,200		366,650	327,600
Coastal Texas			293,550		292,850	166,700
			520,800		520,750	308,800
Total Texas	1,892,000	1,909,526	1,899,650		1,899,450	1,330,900
North Louisiana						
North Louisiana			77,500	+200	77,700	90,500
Coastal Louisiana			280,000		279,550	247,700
Total Louisiana	343,700	368,200	358,400	+200	357,250	338,200
Arkansas						
Arkansas	76,900	77,891	78,400	-1,300	79,250	75,050
Mississippi						
Mississippi	48,000		45,700	-1,050	46,200	57,500
Illinois						
Illinois	215,000		204,700	-2,100	207,750	240,050
Indiana						
Indiana	14,400		12,650	+500	12,400	14,350
Eastern (Not incl. Ill., Ind., Ky.)						
Kentucky	73,900		71,300	+2,150	70,050	73,900
Michigan	26,000		22,450	-1,100	22,450	16,300
Wyoming	56,000		51,600	-5,500	49,750	58,900
Montana	100,000		90,600	+2,800	88,450	85,300
Colorado	23,500		21,100	-2,100	20,900	22,450
New Mexico	7,000		7,500	+300	7,600	6,400
Total East of Calif.	3,601,300		3,589,500	+13,150	3,574,450	3,074,200
California	828,300	828,300	799,700	+3,500	796,500	774,800
Total United States	4,429,600	4,389,200	4,389,200	+16,650	4,370,950	3,849,000

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

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a. m. Jan. 20, 1944.

‡This is the net basic allowable as of Jan. 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 shut down for 8 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 8 days shutdown time during the calendar month. §Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED JAN. 22, 1944

(Figures in Thousands of Barrels of 42 Gallons Each)
 Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis—

District	Daily Refining Capacity	Crude Runs to Stills	Gasoline Production	Stocks of Gasoline	Stocks of Gas Oil	Stocks of Distillate Fuel	Stocks of Residual Fuel Oil
Combined East Coast	2,448	89.5	2,120	86.6	6,037	36,039	19,373
Texas Gulf, Louisiana Gulf, North Louisiana-Arkansas, and Inland Texas							
Appalachian							
District No. 1	130	83.9	99	76.2	361	1,860	850
District No. 2	47	87.2	50	106.4	173	1,113	68
Ind., Ill., Ky.	824	85.2	789	95.8	2,691	16,456	5,531
Okla., Kans., Mo.	416	80.1	377	90.6	1,273	7,494	1,753
Rocky Mountain							
District No. 3	8	26.9	11	137.5	33	74	20
District No. 4	141	58.3	103	73.0	301	1,511	366
California	817	89.9	819	100.2	2,076	15,216	10,335
Total U. S.—B. of M.	4,831	86.8	4,368	90.4	12,945	79,763	38,296
basis Jan. 22, 1944							
Total U. S.—B. of M.	4,831	86.6	4,203	87.0	12,682	78,557	39,925
basis Jan. 15, 1944							
U. S. Bur. of Mines basis Jan. 23, 1943			3,555		9,930	86,086	40,303

*At the request of the Petroleum Administration for War. †Finished, 68,891,000 barrels; unfinished, 10,872,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,711,000 barrels of kerosine, 4,334,000 barrels of gas oil and distillate fuel and 9,041,000 barrels of residual fuel oil produced during the week ended Jan. 22, 1944, which compares with 1,481,000 barrels, 4,231,000 barrels and 8,459,000 barrels, respectively, in the preceding week and 1,265,000 barrels, 3,814,000 barrels and 7,290,000 barrels, respectively, in the week ended Jan. 23, 1943. ¶Revised in California district due to error by reporting company. **Combined area revised account inclusion of stocks not previously reported. ††Finished gasoline stocks* (in thousands of barrels); Jan. 15, 152; Jan. 8, 152; Jan. 1, 150; Dec. 25, 129; and Dec. 18, 23. Add to 'gas oil and distillates' (thousands of barrels); Jan. 15, 826; Jan. 8, 580, and Jan. 1, 297.

Notes—Stocks of kerosine at Jan. 22, 1944 amounted to 8,683,000 barrels, as against 8,907,000 barrels a week earlier and 8,047,000 barrels a year before. District No. 1 inventory indices are: Gasoline, 41.9%; kerosine, 45.3%; gas oil and distillate, 87.3%, and residual fuel, 67.9% of normal.

November Retail Buying, Money In Circulation At New Highs

A new national high in retail buying, war expenditures and money in circulation was recorded during November, the Office of War Information said on Jan. 14 in releasing the fourth in a series of monthly economic stabilization summaries based on data from the Department of Commerce, War Production Board, Treasury Department, Bureau of Labor Statistics and Federal Reserve Board.

From the advices we quote:
 The index of retail sales adjusted for seasonal variations, exceeded by 4% the previous all-time high registered during February, 1943. Considering non-durable goods alone, November dollar sales were slightly more than double the pre-war averages and 14% higher than November, 1942. The summary:

FACTORS AGAINST STABILIZATION
 (Figures for 1943 based on latest Government estimates available. Annual, monthly and quarterly figures are actual, unless otherwise designated)

	1942	1943 (estimated)
Income payments to individuals	\$116,000,000,000	\$142,000,000,000
Consumers goods and services available	82,000,000,000	90,600,000,000
Excess of income over consumer goods and services available (after taxes)	27,000,000,000	33,400,000,000
War expenditures	52,400,000,000	86,000,000,000
November war expenditures	6,100,000,000	7,800,000,000
*Amount of war bond redemptions (Nov.)	36,800,000	164,400,000
Money in circulation (Nov. 30)	14,800,000,000	19,900,000,000
Money in checking accounts (Dec. 1) (Federal Reserve reporting member banks)	29,400,000,000	33,700,000,000

FACTORS TOWARD STABILIZATION

	1942	1943 (estimated)
Personal taxes (Federal, State and local)	\$7,000,000,000	\$18,000,000,000
War bond sales (Nov.) (Sales to commercial banks excluded)	734,500,000	665,200,000
Individuals making payroll savings (Nov.)	23,700,000	26,500,000
Amount purchased through deductions (Nov.)	320,000,000	425,000,000
Savings deposits (July, Aug. and Sept.)	Not available	1,400,000,000
Life insurance premiums collected (Oct.)	266,400,000	262,400,000

INDEXES

	Nov., 1943	Oct., 1943	Nov., 1942
Cost of living	124.1	124.4	119.8
Cost of food	137.3	138.2	131.1
Wholesale prices	102.9	103.0	100.3
Farm products	121.4	122.2	110.5
Retail sales adjusted index (1935-39=100)	177.1	166.3	158.2
Weekly earnings in manufacturing (Oct.)	\$44.90	\$44.39	\$38.89
†Straight time hourly earnings (Oct.)	\$0.90	\$0.909	\$0.839

*E, F and G bonds outstanding (Nov. 30) totaled \$23,082,302,000. †Does not allow for shifts in occupation since October, 1942.

The Treasury pointed out that war bond redemptions vary from month to month, due to emergencies such as medical expenses as well as anticipated major expenditures and fixed financial commitments.

November war expenditures of \$7,794,000,000 were nearly 10% above the October, 1943, total of \$7,005,000,000 and \$106,000,000 above the previous high, reported for June, 1943, according to WPB.

The \$19,900,000,000 in circulation during November, 1943, was 34% above the total for November, 1942, and followed the pattern of setting a new high for every month of 1943 to date. November's figures brought the total amount of monetary purchasing power in the hands of the public to an all-time high of more than \$76,000,000,000.

Purchase of war bonds, payment of life insurance premiums and other investments continued at a high rate but all indexes point to the conclusion that people are continuing to spend about the same percentage of their income on non-durable goods as they did in pre-war years, and that the growth of savings has been due to the growth in incomes of individuals and the non-availability of durable goods, the summary pointed out.

Cotton Ginned from Crop of 1943 Prior to Jan. 16

The census report issued on Jan. 24, compiled from the individual returns of the ginners is shown below:

Number of bales of cotton ginned from the growth of 1943 prior to Jan. 16, 1944, and comparative statistics to the corresponding date in 1942 and 1941.

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

State—	1943	1942	1941
United States	*10,938,138	*12,116,690	*10,225,179
Alabama	930,058	890,413	773,316
Arizona	101,285	133,800	147,291
Arkansas	1,071,173	1,399,600	1,375,222
California	291,754	312,854	308,295
Florida	14,131	14,465	14,869
Georgia	844,019	850,210	635,558
Illinois	1,984	4,048	5,474
Kentucky	10,778	14,902	17,039
Louisiana	707,825	571,799	310,073
Mississippi	1,773,157	1,880,456	1,385,990
Missouri	285,839	401,697	469,192
New Mexico	93,344	98,884	87,720
North Carolina	606,138	666,821	567,084
Oklahoma	366,728	691,108	660,659
South Carolina	687,745	594,285	405,999
Tennessee	474,517	594,285	572,895
Texas	2,658,569	2,853,660	2,464,678
Virginia	19,094	26,106	23,825

*Includes 107,053 bales of the crop of 1943 ginned prior to Aug. 1 which was counted in the supply for the season for 1942-43, compared with 48,626 and 1,969 bales of the crops of 1942 and 1941.

The statistics in this report include no round bales for 1943; none for 1942 and 871 for 1941. Included in the above are 52,550 bales of American-Egyptian for 1943; 57,407 for 1942 and 50,111 for 1941; also 329 bales Sea-Island for 1943; 810 for 1942 and 3,388 for 1941.

The statistics for 1943 in this report are subject to revision when checked against the individual returns of the ginners being transmitted by mail. The revised total of cotton ginned this season prior to Dec. 13 is 10,773,834 bales.

Consumption and Stocks — United States

Cotton consumed during the month of December, 1943, amounted to 852,016 bales. Cotton on hand in consuming establishments Dec. 31, was 2,400,170 bales, and in public storages and at compresses 12,649,999 bales. The number of active consuming cotton spindles for the month was 22,596,322.

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

World Statistics

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

Brazil Profits Tax And Reconversion Reserve

A combined excess profits tax and industrial reconversion reserve law was signed on Jan. 24 by President Getulio Vargas, retroactive through 1943. In reporting this an Associated Press dispatch from Rio de Janeiro said:

As explained by the Government the law sets up levies ranging from 20% on profits deemed less than 100% above normal, to 50% on profits adjudged more than 300% above normal.

Taxpayers would have a choice of paying the assessment or depositing double that amount with the Bank of Brazil in the form of "deposits of guarantee" or "equipping certificates," each bearing 3% interest.

This would serve the dual purpose of taking money out of circulation—a move against inflation—and providing funds for post-war industrial expansion.

The "guarantee deposits" could be drawn upon only for company improvements and conversion. The "equipping certificates" would be available to pay for imports of industrial machinery. Holders would be given import priorities.

A business can use either of two methods to find a base period for figuring its "normal profit." This can be the average of any two consecutive years from 1936 through 1940 plus 50% and also plus 25% of any sum spent for improvement since 1941. Or it can be figured as 25% of the company's capital investment.

Profits under about \$5,000 a year will be exempt.

Lauds Refugee Service

President Roosevelt praised on Jan. 16 the National Refugee Service for its successful program of aid to new Americans and congratulated William Rosenwald, retiring head of the organization, for his ten years of leadership to the refugee program.

The President's letter, read to the group's meeting in New York City, follows, according to the New York "Times":

My dear Mr. Rosenwald:
 By maintaining its tradition of asylum for the oppressed in a decade when the world was infested with group hatred and persecution, our country has done itself honor. The neighborly assistance and guidance offered by public spirited organizations and individuals to those who have found haven here has helped them to adjust more rapidly to our American life, to contribute to the enrichment of our economy and culture and to participate loyally in our struggle for national survival.

I know that the National Refugee Service is responsible in large measure for the successful program of aid to new Americans. I therefore take pleasure in extending my good wishes to you personally on the rounding out of ten years of able and devoted leadership, and to the organization you head on its completion of five years of outstanding service in this patriotic and human cause.

You will recall that three years ago I suggested that the program of the National Refugee Service might provide a model of constructive absorption of immigrants into the American life. The record of accomplishment since then, under stress of war conditions, has confirmed that view. It is heartening to know that, due to the efforts of high-minded men and women, our country is prepared to continue the well-conceived and effective program for aiding newcomers to fulfill their hope of becoming good Americans.

Very sincerely yours,
 FRANKLIN D. ROOSEVELT.

Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES* (Based on Average Yields)										
1944—	U. S. Govt. Bonds	Avg. Corporate Rate	Corporate by Ratings*				Corporate by Groups*			
Daily			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.	
Averages	119.42	111.25	118.40	116.22	111.07	100.32	104.14	113.31	116.61	
Feb. 1	119.42	111.07	118.20	116.22	111.25	100.16	104.31	113.12	116.41	
Jan. 31	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
29	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
28	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
27	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
26	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
25	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
24	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
22	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
21	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
20	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
19	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
18	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
17	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
15	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
14	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
13	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
12	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
11	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
10	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
8	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
7	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
6	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
5	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
4	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
3	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
1	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
High 1944	119.71	111.25	118.80	116.41	111.25	100.16	104.31	113.50	116.61	
Low 1944	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	
High 1943	120.87	111.44	117.00	111.81	108.88	99.36	103.47	114.27	117.40	
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46	
1 Year ago	117.04	108.88	117.60	115.04	109.97	94.71	99.20	112.56	115.43	
Feb. 1, 1943	117.04	108.88	117.60	115.04	109.97	94.71	99.20	112.56	115.43	
2 Years ago	117.07	106.92	116.22	113.70	107.80	92.06	97.16	110.52	113.70	
Jan. 31, 1942	117.07	106.92	116.22	113.70	107.80	92.06	97.16	110.52	113.70	

MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices)										
1944—	U. S. Govt. Bonds	Avg. Corporate Rate	Corporate by Ratings*				Corporate by Groups*			
Daily			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.	
Averages	1.87	3.10	2.73	2.84	3.11	3.73	3.50	2.99	2.82	
Feb. 1	1.87	3.11	2.74	2.84	3.10	3.74	3.49	3.00	2.83	
Jan. 31	1.87	3.11	2.74	2.84	3.10	3.74	3.50	2.99	2.83	
29	1.87	3.11	2.74	2.84	3.11	3.74	3.50	2.99	2.83	
28	1.87	3.11	2.74	2.84	3.10	3.74	3.49	2.99	2.83	
27	1.86	3.10	2.73	2.83	3.10	3.74	3.49	2.99	2.83	
26	1.86	3.10	2.73	2.83	3.11	3.74	3.49	2.99	2.83	
25	1.86	3.11	2.73	2.84	3.11	3.74	3.50	2.99	2.83	
24	1.86	3.11	2.73	2.84	3.11	3.74	3.49	2.99	2.83	
22	1.86	3.10	2.73	2.83	3.11	3.74	3.49	2.99	2.83	
21	1.86	3.11	2.73	2.84	3.10	3.75	3.50	2.99	2.83	
20	1.86	3.10	2.72	2.83	3.10	3.76	3.51	2.99	2.82	
19	1.86	3.10	2.72	2.83	3.10	3.75	3.50	2.99	2.82	
18	1.86	3.10	2.72	2.83	3.10	3.76	3.51	2.99	2.82	
17	1.86	3.10	2.72	2.83	3.10	3.76	3.50	2.98	2.82	
15	1.86	3.10	2.72	2.83	3.10	3.76	3.50	2.98	2.83	
14	1.86	3.11	2.71	2.83	3.11	3.77	3.51	2.98	2.83	
13	1.86	3.11	2.71	2.83	3.11	3.77	3.51	2.98	2.83	
12	1.86	3.11	2.71	2.83	3.10	3.79	3.51	2.98	2.84	
11	1.85	3.11	2.71	2.83	3.11	3.79	3.51	2.98	2.84	
10	1.85	3.11	2.72	2.83	3.11	3.79	3.52	2.98	2.84	
8	1.85	3.11	2.72	2.83	3.11	3.79	3.53	2.98	2.84	
7	1.85	3.12	2.72	2.84	3.11	3.80	3.53	2.98	2.84	
6	1.85	3.12	2.73	2.84	3.12	3.81	3.54	2.98	2.85	
5	1.86	3.13	2.73	2.84	3.12	3.81	3.55	2.99	2.84	
4	1.87	3.13	2.74	2.84	3.12	3.81	3.55	2.99	2.84	
3	1.87	3.13	2.74	2.84	3.12	3.81	3.55	2.99	2.84	
1	1.87	3.13	2.74	2.84	3.12	3.81	3.55	2.99	2.85	
High 1944	1.87	3.13	2.74	2.84	3.12	3.81	3.55	3.00	2.85	
Low 1944	1.85	3.10	2.71	2.83	3.10	3.74	3.49	2.98	2.82	
High 1943	2.08	3.21	2.81	2.96	3.23	4.25	3.93	3.07	2.93	
Low 1943	1.79	3.09	2.68	2.80	3.07	3.79	3.54	2.94	2.78	
1 Year ago	2.06	3.23	2.77	2.90	3.17	4.09	3.80	3.03	2.88	
Feb. 1, 1943	2.06	3.23	2.77	2.90	3.17	4.09	3.80	3.03	2.88	
2 Years ago	2.05	3.34	2.84	2.97	3.29	4.27	3.93	3.14	2.97	
Jan. 31, 1942	2.05	3.34	2.84	2.97	3.29	4.27	3.93	3.14	2.97	

*These prices are computed from average yields on the basis of one "typical" bond (3% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.
†The latest complete list of bonds used in computing these indexes was published in the issue of Jan. 14, 1943, page 202.

ago, and a year ago and (2) percentage changes in sub-group indexes from Jan. 15 to Jan. 22, 1944:

Commodity Groups—	(1926=100)				Percentage changes to Jan. 22, 1944 from—		
	1-22 1944	1-15 1944	1-8 1944	12-25 1943	1-23 1944	1-15 1943	1-23 1943
All commodities	103.0	103.0	102.9	102.9	101.7	0	+0.1 + 1.3
Farm products	121.9	122.1	121.9	122.0	117.2	-0.2	-0.1 + 4.0
Foodstuffs	104.6	104.8	104.6	105.7	104.7	0	0 - 0.4
Hides and leather products	117.9	117.9	117.9	117.9	96.8	0	0 + 0.4
Textile products	97.2	97.2	97.2	97.2	80.1	+0.1	+0.2 + 3.4
Fuel and lighting materials	82.8	82.7	82.6	82.6	103.9	0	-0.1 - 0.1
Metals and metal products	103.8	103.8	103.8	103.8	110.0	0	+0.1 + 3.1
Building materials	113.4	113.4	113.4	113.4	99.5	0	+0.1 + 0.9
Chemicals and allied products	100.4	100.4	100.4	100.4	104.1	0	0 + 0.3
Housefurnishing goods	93.0	93.0	93.0	93.0	90.5	0	0 + 2.8
Miscellaneous commodities	93.0	93.0	93.0	93.0	108.0	0	+0.1 + 4.0
Saw materials	112.3	112.3	112.3	112.3	92.5	0	0 + 0.6
Semimanufactured articles	93.1	93.1	93.1	93.1	100.3	0	0 + 0.1
Manufactured products	100.4	100.4	100.4	100.4	100.3	0	0 + 0.1
All commodities other than farm products	98.9	98.9	98.9	98.9	98.4	0	0 + 0.5
All commodities other than farm products and foods	97.9	97.9	97.8	97.8	96.3	0	+0.1 + 1.7
*Preliminary.							

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM JAN. 15, 1944 TO JAN. 22, 1944			
Increases			
Bituminous coal	0.4	Agricultural implements	0.1
Decreases			
Other foods	0.5	Grains	0.2
Fruits and vegetables	0.3	Livestock and poultry	0.1
Other farm products	0.3	Brick and tile	0.1

Non-Ferrous Metals—Less Foreign February Lead Asked—Further Decline In Quicksilver

"E. & M. J. Metal and Mineral Markets," in its issue of Jan. 27 stated: "Officials in Washington made it clear during the last week that WPB intends to move slowly in the matter of releasing critical metals for civilian consumption. Modification of the program in this country is unlikely until after the invasion of Europe. That copper's position so far as the United Nations are concerned is definitely easier on Jan. 26 that Rhodesian producers will curtail production during April, May and June by 20 to 25%. Domestic lead consumers asked for a smaller tonnage of foreign metal for February shipment. Quicksilver again declined sharply, but some good buying developed at the lower levels." The publication further went on to say in part:

Copper
Producers of copper appeared satisfied that the tonnage of copper allocated for February will absorb the domestic output and a fair tonnage of foreign metal as well. In other words, the question of accumulating domestic copper will not come up in February and the marketing problem again is free from fresh complications.

Lead
Buying of lead during the last week was in better volume than anticipated. Producers expected business to drop sharply after the active market of the preceding week, but consumers asked for additional tonnages, and sales for the last week involved 5,461 tons. Call for foreign lead, owned by Metals Reserve Co., to supplement domestic deliveries for February was even smaller than in January. From present indications, hardly more than 8,000 tons of foreign lead will be allotted to consumers for February.

Shipments of refined lead during December by domestic refiners amounted to 49,135 tons, making the total for the year 548,417 tons, against 618,947 tons in 1942. Production of refined lead during December was 54,247 tons, making the total for the year 546,673 tons. Stocks in the hands of domestic refiners at the end of 1943 amounted to 33,090 tons, which compares with 34,937 tons a year ago. The statistics of the domestic industry do not include foreign refined lead.

To keep essential transportation in operation, WPB will increase quotas of manufacturers of automobile batteries in 1944 to produce a total of about 19,300,000 batteries. This action raises the permissible figure from 105% to 110% of the number of batteries

Weekly Coal And Coke Production Statistics

The Solid Fuels Administration for War, U. S. Department of the Interior, in its latest report, states that the total production of bituminous coal and lignite in the week ended Jan. 22, 1944, is estimated at 12,650,000 net tons, a decrease of 100,000 tons, or 0.8%, from the preceding week. Output in the corresponding week of 1943 amounted to 11,200,000 tons. Total production for the current year to date is 9.1% 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 Jan. 22, 1944, was estimated at 1,218,000 tons, an increase of 71,000 tons (6.2%) over the preceding week. When compared with the output in the corresponding week of 1943 there was an increase of 147,000 tons, or 13.7%.

The Bureau of Mines also reported that the estimated output of by-product coke in the United States for the week ended Jan. 22, 1944, showed an increase of 4,600 tons when compared with the production for the week ended Jan. 15, 1944. The quantity of coke from beehive ovens increased 11,200 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL (In Net Tons)

	Week Ended			January 1 to Date		
	Jan. 22, 1944	Jan. 15, 1944	Jan. 23, 1943	Jan. 22, 1944	Jan. 23, 1943	Jan. 23, 1943
Bituminous coal and lignite—	12,650,000	12,750,000	11,200,000	36,880,000	35,629,000	32,599,000
Total, incl. mine fuel—	1,218,000	1,147,000	1,071,000	3,451,000	3,091,000	5,931,000
Commercial production—	1,169,000	1,101,000	1,028,000	3,313,000	2,967,000	5,504,000
By-product coke—	1,274,200	1,269,600	1,209,500	3,970,400	3,977,400	—
United States total—	167,900	156,700	154,700	497,500	494,000	439,500
Beehive coke—	—	—	—	—	—	—

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE (In Net Tons)

	Week Ended			Cal. Year to Date		
	Jan. 22, 1944	Jan. 15, 1944	Jan. 23, 1943	Jan. 22, 1944	Jan. 23, 1943	Jan. 26, 1929
Penn. anthracite—	1,218,000	1,147,000	1,071,000	3,451,000	3,091,000	5,931,000
Total incl. coll. fuel—	1,169,000	1,101,000	1,028,000	3,313,000	2,967,000	5,504,000
Commercial production—	1,169,000	1,101,000	1,028,000	3,313,000	2,967,000	5,504,000
By-product coke—	1,274,200	1,269,600	1,209,500	3,970,400	3,977,400	—
United States total—	167,900	156,700	154,700	497,500	494,000	439,500
Beehive coke—	—	—	—	—	—	—

*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 (In Net tons)

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

State	Week Ended			
	Jan. 15, 1944	Jan. 8, 1944	Jan. 16, 1943	Jan. 16, 1937
Alabama	396,000	391,000	378,000	277,000
Alaska	4,000	5,000	6,000	2,000
Arkansas and Oklahoma	83,000	102,000	98,000	114,000
Colorado	198,000	182,000	192,000	239,000
Georgia and North Carolina	1,000	1,000	1,000	1,000
Illinois	1,606,000	1,594,000	1,345,000	1,315,000
Indiana	593,000	580,000	510,000	393,000
Iowa	55,000	53,000	66,000	116,000
Kansas and Missouri	172,000	175,000	200,000	200,000
Kentucky—Eastern	1,003,000	935,000	919,000	830,000
Kentucky—Western	352,000	311,000	311,000	199,000
Maryland	39,000	35,000	29,000	40,000
Michigan	6,000	3,000	7,000	18,000
Montana (bituminous and lignite)	113,000	115,000	106,000	78,000
New Mexico	40,000	38,000	37,000	47,000
North and South Dakota (lignite)	79,000	88,000	74,000	66,000
Ohio	678,000	634,000	694,000	567,000
Pennsylvania (bituminous)	3,000,000	2,831,000	2,696,000	2,727,000
Tennessee	165,000	153,000	143,000	111,000
Texas (bituminous and lignite)	4,000	7,000	8,000	15,000
Utah	143,000	134,000	130,000	141,000
Virginia	429,000	427,000	407,000	308,000
Washington	36,000	31,000	49,000	54,000
*West Virginia—Southern	2,240,000	2,290,000	2,135,000	1,952,000
*West Virginia—Northern	1,007,000	944,000	841,000	620,000
Wyoming	207,000	190,000	193,000	170,000
†Other Western States	1,000	1,000	††	††
Total bituminous and lignite	12,750,000	12,250,000	11,575,000	10,600,000
‡Pennsylvania anthracite	1,147,000	1,076,000	1,046,000	999,000
Total all coal	13,897,000	13,326,000	12,621,000	11,599,000

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

Electric Output For Week Ended Jan. 29, 1944, Shows 13.8% 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 Jan. 29, 1944, was approximately 4,523,763,000 kwh., compared with 3,976,844,000 kwh. in the corresponding week a year ago, an increase of 13.8%. The output of the week ended Jan. 22, 1944, was 14.0% in excess of the similar period of 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended			
	Jan. 29	Jan. 22	Jan. 15	Jan. 8
New England	5.6	3.2	5.3	6.0
Middle Atlantic	11.9	13.0	14.5	16.1
Central Industrial	9.1	9.9	10.3	8.3
West Central	5.8	6.2	6.4	4.6
Southern States	15.8	16.7	17.4	20.1
Rocky Mountain	12.0	11.5	12.8	18.1
Pacific Coast	30.8	29.4	29.9	32.9
Total United States	13.8	14.0	14.8	15.6

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	% Change					
	1943	1942	over 1942	1941	1942	1929
Nov. 6	4,413,863	3,761,961	+17.3	3,368,690	1,520,730	1,798,164
Nov. 13	4,482,665	3,775,878	+18.7	3,347,893	1,531,584	1,793,584
Nov. 20	4,513,299	3,795,361	+18.9	3,247,938	1,475,268	1,718,002
Nov. 27	4,403,342	3,766,381	+16.9	3,339,364	1,510,337	1,718,002
Dec. 4	4,560,158	3,883,534	+17.4	3,414,844	1,518,922	1,840,863
Dec. 11	4,566,905	3,937,524	+16.0	3,475,919	1,563,384	1,840,863
Dec. 18	4,612,994	3,975,873	+16.0	3,495,140	1,554,473	1,860,021
Dec. 25	4,295,100	3,655,926	+17.5	3,234,128	1,414,710	1,637,683
Week Ended—	% Change					
1944	1943	over 1943	1942	1932	1929	
Jan. 1	4,337,387	3,779,993	+14.7	3,288,685	1,619,265	1,542,000
Jan. 8	4,567,959	3,952,587	+15.6	3,472,579	1,602,482	1,733,810
Jan. 15	4,539,083	3,952,479	+14.8	3,450,468	1,598,201	1,736,721
Jan. 22	4,531,662	3,974,202	+14.0	3,440,163	1,588,967	1,717,315
Jan. 29	4,523,763	3,976,844	+13.8	3,468,193	1,588,853	1,728,203

Trading On New York Exchanges

The Securities and Exchange Commission made public on Jan. 22 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 Jan. 8, 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 Jan. 8 (in round-lot transactions) totaled 1,775,526 shares, which amount was 18.56% of the total transactions on the Exchange of 4,781,880 shares. This compares with member trading during the week ended Dec. 31 of 1,724,422 shares, or 16.47% of total trading of 5,233,610 shares. On the New York Curb Exchange, member trading during the week ended Jan. 8 amounted to 337,720 shares, or 16.10% of the total volume on that exchange of 1,049,135 shares; during the Dec. 31 week trading for the account of Curb members of 310,560 shares was 13.46% of total trading of 1,153,975 shares.

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

WEEK ENDED JANUARY 8, 1944		Total for Week	%
A. Total Round-Lot Sales:			
Short sales	134,700		
†Other sales	4,647,180		
Total sales	4,781,880		
B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:			
1. Transactions of specialists in stocks in which they are registered—			
Total purchases	412,130		
Short sales	64,100		
†Other sales	419,400		
Total sales	483,500	9.36	
2. Other transactions initiated on the floor—			
Total purchases	274,180		
Short sales	19,310		
†Other sales	299,450		
Total sales	318,760	6.20	
3. Other transactions initiated off the floor—			
Total purchases	155,735		
Short sales	12,700		
†Other sales	118,521		
Total sales	131,221	3.00	
4. Total—			
Total purchases	842,045		
Short sales	96,110		
†Other sales	837,371		
Total sales	933,481	18.56	

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

WEEK ENDED JANUARY 8, 1944		Total for Week	%
A. Total Round-Lot Sales:			
Short sales	11,090		
†Other sales	1,036,045		
Total sales	1,049,135		
B. Round-Lot Transactions for the Account of Members:			
1. Transactions of specialists in stocks in which they are registered—			
Total purchases	82,885		
Short sales	7,210		
†Other sales	98,600		
Total sales	105,810	8.99	
2. Other transactions initiated on the floor—			
Total purchases	19,975		
Short sales	2,625		
†Other sales	33,100		
Total sales	35,725	2.66	
3. Other transactions initiated off the floor—			
Total purchases	52,245		
Short sales	430		
†Other sales	40,650		
Total sales	41,080	4.45	
4. Total—			
Total purchases	155,105		
Short sales	10,265		
†Other sales	172,350		
Total sales	182,615	16.10	
C. Odd-Lot Transactions for the Account of Specialists—			
Customers' short sales	0		
‡Customers' other sales	43,016		
Total purchases	43,016		
Total sales	32,691		

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

†In calculating these percentages the total of members' purchases and sales is compared with twice the total round-lot volume on the Exchange for the reason that the Exchange volume includes only sales.

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

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

December Life Insurance Sales Advance

The sale of ordinary life insurance in the United States in December amounted to \$690,847,000, a 27% increase over the amount sold in the same month of 1942, according to the monthly survey issued by the Life Insurance Sales Research Bureau, Hartford, Conn. The total sales volume for the year 1943 aggregated \$7,304,910,000, a 12% increase over 1942.

The sales volume and the ratios for all sections are reported by the Bureau as follows:

	DECEMBER, 1943		YEAR 1943	
	Sales Volume in \$1,000	Ratios '43-'42 All Cos.	Sales Volume in \$1,000	Ratios '43-'42 All Cos.
U. S. Total	\$690,847	127%	\$7,304,910	112%
New England	51,072	134	555,079	107
Middle Atlantic	168,421	112	1,887,535	108
E. N. Central	154,214	129	1,622,565	109
W. N. Central	72,454	134	740,182	115
S. Atlantic	69,835	133	746,503	116
E. S. Central	28,279	136	291,215	111
W. S. Central	49,915	130	509,885	110
Mountain	21,982	133	214,283	125
Pacific	74,675	149	737,663	120

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Jan. 29 a summary for the week ended Jan. 22 of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE N. Y. STOCK EXCHANGE

Week Ended Jan. 22, 1944		Total for Week
Odd-Lot Sales by Dealers (Customers' purchases)		
Number of orders	19,127	
Number of shares	510,444	
Dollar value	\$19,694,246	
Odd-Lot Purchases by Dealers (Customers' Sales)		
Number of Orders:		
Customers' short sales	213	
Customers' other sales	17,438	
Customers' total sales	17,651	
Number of Shares:		
Customers' short sales	7,021	
Customers' other sales	443,008	
Customers' total sales	450,029	
Dollar value	\$14,694,242	
Round-lot Sales by Dealers (Customers' purchases)		
Number of Shares:		
Short sales	10	
†Other sales	112,740	
Total sales	112,750	
Round-lot Purchases by Dealers (Customers' Sales)		
Number of shares	179,120	
*Sales marked "short exempt" are reported with "other sales." †Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."		

Revenue Freight Car Loadings During Week Ended Jan. 22, 1944 Increased 18,502 Cars

Loading of revenue freight for the week ended Jan. 22, 1944, totaled 798,722 cars, the Association of American Railroads announced on Jan. 27. This was an increase above the corresponding week of 1943 of 95,428 cars, or 13.6%, but a decrease below the same week in 1942 of 19,359 cars or 2.4%.

Loading of revenue freight for the week of Jan. 22, increased 18,502 cars, or 2.4% above the preceding week.

Miscellaneous freight loading totaled 367,389 cars, an increase of 11,229 cars above the preceding week, and an increase of 31,839 cars above the corresponding week in 1943.

Loading of merchandise less than carload lot freight totaled 101,009 cars, an increase of 2,121 cars above the preceding week, and an increase of 16,479 cars above the corresponding week in 1943.

Coal loading amounted to 182,165 cars, a decrease of 1,721 cars below the preceding week, but an increase of 18,119 cars above the corresponding week in 1943.

Grain and grain products loading totaled 58,857 cars, an increase of 1,415 cars above the preceding week and an increase of 13,573 cars above the corresponding week in 1943. In the Western Districts alone, grain and grain products loading for the week of Jan. 22, totaled 41,651 cars, an increase of 921 cars above the preceding week, an increase of 11,970 cars above the corresponding week in 1943.

Live stock loading amounted to 16,164 cars, a decrease of 1,003 cars below the preceding week, but an increase of 4,681 cars above the corresponding week in 1943. In the Western Districts alone loading of live stock for the week of Jan. 22, totaled 11,446 cars, a decrease of 904 cars below the preceding week, but an increase of 3,527 cars above the corresponding week in 1943.

Forest products loading totaled 43,365 cars, an increase of 5,537 cars above the preceding week and an increase of 9,659 cars above the corresponding week in 1943.

Ore loading amounted to 14,363 cars, an increase of 959 cars above the preceding week and an increase of 804 cars above the corresponding week in 1943.

Coke loading amounted to 15,410 cars, a decrease of 35 cars below the preceding week, but an increase of 274 cars above the corresponding week in 1943.

All districts reported increases compared with the corresponding week in 1943, but all districts reported decreases compared with 1942 except the Pocahontas, Centralwestern, and Southwestern.

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Jan. 22, 1944. During the period 102 roads showed increases when compared with the corresponding week a year ago.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED JAN. 22

Railroads	1944	1943	1942
Week of January 1	643,474	621,173	676,534
Week of January 8	762,999	717,176	736,972
Week of January 15	780,220	755,498	811,327
Week of January 22	798,722	703,294	818,081
Total	2,985,415	2,797,141	3,042,914

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Jan. 22, 1944. During the period 102 roads showed increases when compared with the corresponding week a year ago.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED JAN. 22

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1944	1943	1942	1944	1943	1942
Eastern District—						
Ann Arbor	276	227	608	1,641	1,122	1,955
Bangor & Aroostook	2,534	1,668	2,062	3,171	14,022	1,948
Boston & Maine	6,473	5,529	8,551	14,869	1,948	62
Chicago, Indianapolis & Louisville	1,495	1,290	1,539	2,274	1,948	62
Central Indiana	31	32	19	35	2,113	2,612
Central Vermont	1,000	951	1,364	2,457	11,838	11,838
Delaware & Hudson	5,494	5,916	6,642	13,641	11,068	88
Delaware, Lackawanna & Western	7,218	6,691	9,517	10,932	11,468	1,458
Detroit & Mackinac	179	213	314	1,865	1,458	2,888
Detroit, Toledo & Ironton	2,099	1,528	2,525	3,841	2,888	16,731
Detroit & Toledo Shore Line	325	278	379	3,841	2,888	16,731
Erle	12,491	11,328	14,838	20,002	16,731	8,499
Grand Trunk Western	3,508	2,989	5,562	9,431	3,077	2,447
Lehigh & Hudson River	168	139	196	3,077	1,302	1,568
Lehigh & New England	1,904	1,735	1,845	1,302	16,289	10,321
Lehigh Valley	8,538	7,135	9,764	4,512	3,054	3,054
Maine Central	2,293	2,165	3,005	337	337	337
Monongahela	6,376	6,087	6,005	18	33	33
Montour	2,547	2,511	1,806	18	33	33
New York Central Lines	48,149	42,242	49,078	55,816	52,817	16,387
N. Y., N. H. & Hartford	10,046	6,749	12,648	18,836	2,221	2,221
New York, Ontario & Western	1,013	906	1,126	2,857	14,733	2,698
New York, Chicago & St. Louis	6,669	6,676	6,476	16,605	2,794	2,698
N. Y., Susquehanna & Western	622	416	523	2,794	8,421	7,226
Pittsburgh & Lake Erie	7,776	7,328	8,302	8,036	8,421	7,226
Pere Marquette	4,879	3,824	5,767	9,088	24	21
Pittsburgh & Shawmut	331	309	415	275	235	3,518
Pittsburgh, Shawmut & North	1,191	852	874	2,666	818	818
Pittsburgh & West Virginia	375	273	552	1,005	13,373	11,377
Rutland	6,389	5,465	6,130	13,623	5,893	5,893
Wabash	4,780	4,655	4,780	4,712		
Wheeling & Lake Erie						
Total	157,912	140,735	174,202	243,291	216,171	

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1944	1943	1942	1944	1943	1942
Allgheny District—						
Akron, Canton & Youngstown	739	735	601	1,209	1,091	26,179
Baltimore & Ohio	41,054	35,691	39,446	28,976	1,748	3
Bessemer & Lake Erie	2,772	2,893	3,191	1,442	7	7
Cuyahoga Creek & Gauley	272	341	320	3	3	3
Cambria & Indiana	1,830	1,682	1,866	3	7	52
Central R. R. of New Jersey	6,379	5,664	8,332	19,569	20,117	52
Cornwall	630	570	701	59	20	20
Cumberland & Pennsylvania	221	255	317	8	44	44
Ligonier Valley	171	112	129	36	20	20
Long Island	1,278	891	811	3,449	3,158	2,450
Penn-Reading Seashore Lines	1,587	1,305	1,888	2,229	58,347	27,803
Pennsylvania System	76,492	68,400	79,984	67,262	4,999	4,999
Reading Co.	14,650	13,669	16,597	29,959	13,732	13,732
Union (Pittsburgh)	19,933	20,046	19,902	4,312		
Western Maryland	3,996	3,711	4,021	13,811		
Total	172,004	155,965	178,106	172,327	159,250	
Pocahontas District—						
Chesapeake & Ohio	28,473	26,119	25,447	11,251	10,863	7,815
Norfolk & Western	21,902	21,582	21,078	7,624	7,815	2,484
Virginian	4,697	4,694	4,436	2,413		
Total	55,072	52,395	50,961	21,288	21,662	

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Southern District—					
Alabama, Tennessee & Northern	1944	1943	1942	1944	1943
Atl. & W. P.—W. R. R. of Ala.	363	374	398	513	2,940
Atlanta, Birmingham & Coast	709	711	818	2,582	1,145
Atlantic Coast Line	756	599	862	1,341	1,168
Central of Georgia	13,059	14,807	13,088	11,340	11,568
Charleston & Western Carolina	3,767	3,460	4,538	4,961	1,643
Clinchfield	384	371	421	1,774	2,966
Columbus & Greenville	1,594	1,778	1,631	3,377	210
Durham & Southern	274	316	311	732	449
Florida East Coast	108	94	184	1,500	1,502
Gainesville Midland	3,607	2,769	1,255	1,115	99
Georgia	47	41	41	2,619	3,464
Georgia & Florida	1,215	1,206	1,543	760	497
Gulf, Mobile & Ohio	418	369	494	3,838	5,062
Illinois Central System	3,936	3,560	4,265	16,081	17,204
Louisville & Nashville	24,774	26,030	30,413	16,081	10,765
Macon, Dublin & Savannah	24,205	24,794	25,495	11,910	863
Mississippi Central	178	213	154	537	438
Nashville, Chattanooga & St. L.	268	179	334	4,924	4,410
Norfolk Southern	3,123	3,175	1,238	1,743	1,581
Piedmont Northern	856	1,144	335	1,641	1,076
Richmond, Fred. & Potomac	356	365	502	10,839	11,259
Seaboard Air Line	10,086	10,654	11,219	8,961	9,507
Southern System	22,638	21,468	25,447	24,394	22,997
Tennessee Central	701	486	619	1,049	933
Winston-Salem Southbound	149	89	135	1,066	835
Total	121,466	119,387	129,061	119,690	118,114

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Northwestern District—					
Chicago & North Western	16,173	12,373	18,157	15,905	11,666
Chicago Great Western	2,814	1,855	2,975	3,344	2,486
Chicago, Milw., St. P. & Pac.	22,002	15,970	23,775	11,593	9,291
Chicago, St. Paul, Minn. & Omaha	4,311	3,235	4,754	4,068	2,759
Duluth, Missabe & Iron Range	1,333	1,087	1,265	251	256
Duluth, South Shore & Atlantic	891	568	736	554	386
Elgin, Joliet & Eastern	9,019	8,066	10,456	10,519	9,685
Ft. Dodge, Des Moines & South	413	300	512	110	85
Great Northern	12,855	8,431	12,698	5,189	4,236
Green Bay & Western	535	425	550	1,014	37
Lake Superior & Ishpeming	291	207	266	259	1,691
Minneapolis & St. Louis	2,355	1,490	2,444	2,459	2,764
Minn., St. Paul & S. S. M.	5,841	4,197	6,148	3,491	3,561
Northern Pacific	10,875	7,437	11,140	5,643	382
Spokane International	148	63	83	596	2,784
Spokane, Portland & Seattle	2,461	1,265	2,302	3,028	
Total	92,317	66,969	98,261	67,820	52,764

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Central Western District—					
Atch., Top. & Santa Fe System	22,729	19,216	23,048	13,163	10,872
Alton	3,308	3,095	3,687	3,651	4,010
Bingham & Garfield	624	472	434	105	105
Chicago, Burlington & Quincy	22,087	15,898	18,578	12,378	9,608
Chicago & Illinois Midland	2,790	2,920	3,110	1,114	822
Chicago, Rock Island & Pacific	12,118	10,319	13,289	12,897	12,184
Chicago & Eastern Illinois	2,887	2,184	2,968	6,293	4,997
Colorado & Southern	782	668	841	2,029	1,784
Denver & Rio Grande Western	3,774	3,632	3,574	7,238	4,347
Denver & Salt Lake	879	787	834	11	5
Fort Worth & Denver City	938	978	1,178	1,625	1,204
Illinois Terminal	2,260	1,555	2,041	1,893	1,613
Missouri-Illinois	960	817	1,118	492	518
Nevada Northern	1,793	1,914	1,934	119	106
North Western Pacific	790	731	1,066	798	443
Peoria & Pekin Union	48	17	20	0	0
Southern Pacific (Pacific)	29,234	22,042	27,346	13,796	10,638
Toledo, Peoria & Western	473	369	214	1,914	1,447
Union Pacific System	16,973	12,741	16,273	17,147	12,612
Utah	707	591	735	4	2
Western Pacific	1,881	1,784	2,120	4,765	2,544
Total	128,035	102,730	124,408	101,632	79,861

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Southwestern District—					
Burlington-Rock Island	206</				

Federal Reserve December Business Indexes

The Board of Governors of the Federal Reserve System issued on Jan. 26 its monthly indexes of industrial production, factory employment and payrolls, etc. At the same time, the Board made available its customary summary of general business conditions. The indexes for December, together with comparisons for a month and a year ago, are as follows:

BUSINESS INDEXES									
1935-39 average = 100 for industrial production and freight-car loadings;									
1939 = 100 for factory employment and payrolls;									
1923-25 average = 100 for all other series									
	Adjusted for Seasonal Variation			Without Seasonal Adjustment			Annual Indexes		
	Dec. 1943	Nov. 1943	Dec. 1942	Dec. 1943	Nov. 1943	Dec. 1942	1943	1942	
Industrial production—									
Total	*245	247	223	*243	247	221	*239	239	199
Manufactures—									
Total	*264	268	240	*263	268	239	*258	212	
Durable	*374	377	328	*373	377	327	*361	279	
Nondurable	*175	179	169	*174	180	168	*176	158	
Minerals	*139	133	127	*132	131	119	*132	129	
Construction contracts, value—									
Total	*66	60	175	*53	53	139	*69	166	
Residential	*39	37	91	*33	35	77	*40	82	
All other	*87	78	243	*68	67	190	*92	235	
Factory employment—									
Total	*169.4	170.7	164.2	*169.7	170.7	164.5	*168.7	152.3	
Durable goods	*233.0	233.5	215.5	*233.0	233.6	215.5	*227.8	191.5	
Nondurable goods	*119.2	121.2	123.7	*119.8	121.2	124.3	*122.1	121.4	
Factory payrolls—									
Total				†	336.2	287.9	†	242.3	
Durable goods				†	473.9	391.6	†	321.3	
Nondurable goods				†	201.4	186.4	†	164.9	
Freight-car loadings	144	139	135	133	142	126	137	138	
Department store sales, value	*129	158	125	*229	180	222	*138	124	
Department store stocks, value	†	98	101	†	113	95	†	118	

*Preliminary or estimated. †Data not yet available.
 Note—Production, carloadings, and department store sales indexes based on daily averages. To convert durable manufactures, non-durable manufactures and minerals indexes to points in total index, shown in Federal Reserve Chart Book, multiply durable by .379, non-durable by .469, and minerals by .152.
 Construction contract indexes based on three-month moving averages, centered at second month, of F. W. Dodge data for 37 Eastern States. To convert indexes to value figures, shown in the Federal Reserve Chart Book, multiply total by \$410,269,000, residential by \$184,137,000, and all other by \$226,132,000.

Employment index, without seasonal adjustment, and payrolls index compiled by Bureau of Labor Statistics.

INDUSTRIAL PRODUCTION (1935-39 average = 100)

	Adjusted for Seasonal Variation			Without Seasonal Adjustment			Annual Indexes	
	Dec. 1943	Nov. 1943	Dec. 1942	Dec. 1943	Nov. 1943	Dec. 1942	1943	1942
Manufactures—								
Iron and steel	199	209	200	199	209	200	207	199
Pig iron	198	200	197	198	200	197	198	193
Steel	221	235	221	221	235	221	232	218
Open hearth	176	184	179	176	184	179	184	179
Electric	533	592	523	536	592	523	576	495
Machinery	*463	463	407	*463	463	407	*444	340
Transportation equipment	*784	785	630	*784	785	630	*737	464
Non-ferrous metals & products	†	304	242	†	304	243	*273	214
Lumber and products	*136	136	130	*126	133	120	*129	134
Lumber	*129	127	122	*112	124	106	*119	130
Furniture	*152	152	146	*152	152	146	*149	142
Stone, clay, & glass products	*168	168	173	*171	172	169	*173	168
Plate glass	55	54	35	55	54	35	*44	37
Cement	†	98	171	†	105	156	*128	171
Clay products	*126	124	144	*131	129	149	*134	154
Gypsum and plaster products	*196	196	191	*199	198	194	*199	186
Abrasive and asbestos products	*325	329	293	*325	329	293	*319	236
Textiles and products	*147	152	157	*147	152	157	*154	157
Cotton consumption	142	153	163	142	153	163	159	171
Rayon deliveries	*189	191	178	*189	191	178	*183	173
Wool textiles	†	153	163	†	153	163	156	156
Leather products	*106	104	117	*108	106	116	*114	122
Tanning	†	99	126	†	102	125	*115	128
Cattle hide leathers	†	101	141	†	105	141	*121	143
Calf and kip leathers	†	67	93	†	69	91	*85	92
Goat and kid leathers	†	92	84	†	89	85	*89	96
Sheep and lamb leathers	†	148	154	†	157	146	*167	150
Shoes	*112	109	110	*112	109	110	*114	119
Manufactured food products	*147	149	143	*143	150	139	*142	134
Wheat flour	*132	128	120	*130	129	118	*116	107
Meat packing	*167	185	156	*199	206	186	*164	148
Other manufactured foods	*148	145	144	*145	151	142	*142	134
Processed fruits and vegetables	*125	121	122	*97	111	95	*118	126
Tobacco products	†	148	146	†	151	137	*133	131
Cigars	†	101	154	†	101	154	*99	119
Cigarettes	†	186	160	†	190	147	*164	150
Other tobacco products	†	100	94	†	103	83	*89	94
Paper and products	†	140	133	†	140	132	*140	142
Paperboard	135	151	134	135	151	134	147	141
Newsprint production	†	86	100	†	87	98	*89	105
Printing and publishing	*105	106	111	*108	110	114	*111	115
Newsprint consumption	89	90	103	93	98	108	99	103
Petroleum and coal products	*216	213	155	*216	213	156	*185	147
Petroleum refining	*223	220	155	*223	220	155	*188	144
Gasoline	*128	123	104	*128	123	104	*111	110
Fuel oil	†	159	137	†	159	137	*145	129
Lubricating oil	†	137	113	†	137	112	*121	121
Kerosene	†	117	99	†	120	102	*116	109
Coke	*173	163	166	*173	163	166	*167	164
Byproduct	*163	155	156	*163	155	156	*157	154
Beehive	*536	462	501	*536	462	501	*495	513
Chemicals	*372	390	344	*373	392	346	*385	278
Rayon	*225	223	196	*225	223	196	*215	185
Industrial chemicals	*398	398	319	*398	398	319	*367	286
Rubber	*247	241	212	*247	241	212	*228	172
Minerals—								
Fuels	*141	134	126	*141	134	126	*133	125
Bituminous coal	*156	131	143	*156	131	143	*147	145
Anthracite	*114	102	105	*114	102	105	*118	117
Crude petroleum	*139	139	121	*139	139	121	*129	118
Metals	*122	123	133	*76	115	79	*125	148
Iron ore	†	*223	223	†	182	19	*218	229

FREIGHT-CAR LOADINGS (1935-39 average = 100)									
Coal	147	127	132	147	127	132	138	135	
Coke	192	186	184	202	186	193	186	181	
Grain	153	161	139	144	157	130	146	121	
Livestock	122	132	117	118	166	113	117	104	
Forest products	154	150	137	138	147	122	141	155	
Ore	209	191	189	65	193	59	192	206	
Miscellaneous	148	147	144	139	153	135	145	146	
Merchandise, l.c.l.	68	67	59	65	68	56	63	69	

*Preliminary or estimated. †Data not yet available.
 Note—To convert coal and miscellaneous indexes to points in total index, shown in the Federal Reserve Chart Book, multiply coal by .213 and miscellaneous by .548.

Condition Of National Banks

The statement of condition of the National banks under the Comptroller's call of Oct. 18, 1943, has just been issued and is summarized below. For purposes of comparison, like details for previous calls back to and including Dec. 31, 1942, are included.

CONDITION OF NATIONAL BANKS IN THE UNITED STATES ON DEC. 31, 1942, JUNE 30, 1943 AND OCT. 18, 1943			
[In thousands of dollars]			
	Dec. 31, 1942 (5,087 banks)	June 30, 1943 (5,066 banks)	Oct. 18, 1943 (5,058 banks)
ASSETS			
Loans and discounts, including overdrafts	\$ 10,200,798	\$ 9,190,143	\$ 10,775,316
U. S. Government securities, direct obligations	22,261,410	28,514,634	
Obligations guaranteed by U. S. Government	1,563,941	1,675,768	35,709,814
Obligations of States and political subdivisions	2,022,493	2,026,333	1,984,169
Other bonds, notes and debentures	1,441,184	1,340,099	1,266,527
Corporate stock, including stock of Federal Reserve banks	193,760	171,744	145,811
Total loans and investments	37,683,586	42,918,721	49,881,637
*Cash, balances with other banks, including reserve balances, and cash items in process of collection	16,250,270	15,227,391	15,423,236
Bank premises owned, furniture and fixtures	580,476	568,697	564,415
Real estate owned other than bank premises	61,060	47,530	40,748
Investments and other assets indirectly representing bank premises or other real estate	51,340	49,285	47,769
Customers' liability on acceptances outstanding	23,294	30,509	34,411
Interest, commissions, rent and other income earned or accrued but not collected	74,926	86,079	107,788
Other assets	56,026	46,140	56,978
*Total assets	54,780,978	58,972,352	66,156,984
LIABILITIES			
Demand deposits of individuals, partnerships and corporations	26,730,691	20,518,146	30,901,323
Time deposits of individuals, partnerships and corporations	8,307,519	8,971,178	9,501,379
Deposits of U. S. Government and postal savings	4,842,182	4,589,354	10,853,187
Deposits of States and political subdivisions	2,695,194	2,900,361	2,603,884
*Deposits of banks	7,401,534	7,156,360	7,313,763
Other deposits (certified and cashiers' checks, etc.)	671,696	633,962	613,519
*Total deposits	50,648,816	54,769,361	61,787,055
*Demand deposits	41,970,784	45,429,851	51,918,952
Time deposits	8,678,032	9,339,510	9,868,103
Bills payable, rediscounts and other liabilities for borrowed money	3,516	4,231	36,718
Mortgages or other liens on bank premises and other real estate	69	67	66
Acceptances executed by or for account of reporting banks and outstanding	26,008	34,390	37,836
Interest, discount, rent and other income collected but not earned	30,118	25,622	26,442
Interest, taxes and other expenses accrued and unpaid	75,197	98,816	111,884
Other liabilities	258,899	214,460	238,413
*Total liabilities	51,042,623	55,146,947	62,238,414
CAPITAL ACCOUNTS			
Capital stock (see memoranda below)	1,503,682	1,498,008	1,496,455
Surplus	1,438,645	1,474,673	1,510,737
Undivided profits	540,524	584,169	635,839
Reserves (see memoranda below)	255,504	268,555	275,539
Total capital accounts	3,738,355	3,825,405	3,918,570
*Total liabilities and capital accounts	54,780,978	58,972,352	66,156,984
MEMORANDA			
Par value of capital stock:			
Class A preferred stock	133,910	126,199	122,287
Class B preferred stock	12,137	10,877	9,839
Common stock	1,358,794	1,361,604	1,364,937
Total	1,504,841	1,498,680	1,497,063
Retirable value of preferred capital stock:			
Class A preferred stock	†178,014	168,944	164,350
Class B preferred stock	14,085	12,645	11,606
Total	†192,099	181,589	175,956
Pledged assets and securities loaned:			
U. S. Government obligations, direct and guaranteed, pledged to secure deposits and other liabilities	7,610,039	8,887,463	14,613,515
Other assets pledged to secure deposits and other liabilities, includ. notes and bills rediscounted and securities sold under repurchase agreement	507,682	475,922	449,279
Assets pledged to qualify for exercise of fiduciary or corporate powers and for purposes other than to secure liabilities	92,811	94,353	94,679
Securities loaned	10,477	11,603	20,873
Total			

Items About Banks, Trust Companies

Howell T. Manson, former President of the Dollar Savings Bank, Bronx, N. Y., died on Jan. 17 at his home in New Rochelle. He was 68 years old. Mr. Manson served as head of the bank from 1925 until July, 1941, when he was made Chairman of the Board. At his death he was a Trustee of the bank.

S. Sloan Colt, President of Bankers Trust Company of New York, announced on Feb. 1 the election of Ward Melville, President of the Melville Shoe Corp., as a member of the Board of Directors, at a meeting of the board held that day. The advices from the Bankers Trust state:

"Besides the active direction of his own company, which operates 556 John Ward and Tom McAn stores as far west as Salt Lake City, Mr. Melville has served for last five years, first, as Chairman of the Board, and latterly as President of Institute of Distribution, an association whose membership comprises virtually all of the large non-grocery chain store operators. He is largely credited with supplying the leadership which has been responsible for a vast improvement in the chains' public relations in recent years.

"Mr. Melville is a director of R. H. Macy & Co., Macy's Bank, and the J. F. McElwain Co., manufacturers of Thom McAn shoes, as well as a trustee of the Bowery Savings Bank and of Columbia University. He was graduated from Columbia in 1909 and went immediately into the retail shoe business, being successively salesman, manager, buyer and advertising director of the John Ward Stores. In 1918, after serving as Captain in the Quartermasters Corps of the Army, he was elected Vice-President of the Melville Shoe Corp., which post he filled until April, 1930, when he became President, succeeding his father, founder of the business."

At a meeting of the Board of Directors of Bankers Trust Company of New York on Feb. 1, G. H. Brewer, formerly a Trust Officer, was elected to the position of Investment Officer, and R. V. Voorhees was elected Credit-Investment Officer.

Stockholders of the Pilgrim Trust Co., Boston, are being offered the right to buy at \$150 per share one additional share for each five shares now held. The "Boston News Bureau" of Jan. 22 reporting this said: "Of the \$150,000 new capital funds to be raised through this offer, \$100,000 will be added to capital and \$50,000 to surplus, making each \$600,000."

Harry B. MacDonald, Executive Vice-President of the Plainfield (N. J.) Savings Bank, was recently elected President of the institution, succeeding Louis K. Hyde, who retired. A. W. Hutchinson, Secretary-Treasurer, succeeds Mr. Hyde as a member of the board, and A. R. Walker was elected a new Vice-President. F. M. Turner, a teller, was made Assistant Treasurer, and Miss Caroline Dorman, also a teller, was made Assistant Secretary.

Surplus account of the Union Bank of Commerce of Cleveland, Ohio, was increased to \$3,000,000 on Jan. 27, when directors authorized the transfer of \$892,200 from undivided profits to surplus. The surplus addition now gives the bank capital and surplus of \$7,000,000.

Ralph C. Gifford, President of the First National Bank and the Kentucky Title Trust Co., both of Louisville, has become Chairman of the Boards of these institutions. Mr. Gifford's former posts have been assumed by J. McFerran Barr, who becomes President of the First National, and by Henry

Y. Offutt, who was made President of the Kentucky Title. The Louisville "Courier Journal" reporting this said: "Each of these two men will continue as Vice-President of the institution headed by the other. Henry D. Ormsby simultaneously was promoted from assistant Vice President to Vice President of the First National Bank."

Sale of the controlling interest in the First National Bank of Key West, Fla., by William P. Porter, President, to the Florida National group of banks has been announced by Julius F. Stone, Jr., who handled the negotiations, said Associated Press advices from Key West, published in the New York "Times," which further stated:

"Mr. Stone said a 'comfortable working majority' of the stock was obtained by the Florida group. The price paid was not revealed. At the close of business Jan. 27 the bank had deposits in excess of \$5,400,000, with capital surplus and undivided profits of \$268,000.

"The Florida National group is owned by the estate of the late Alfred I. du Pont, who came to Florida in 1926 after retiring from business in Wilmington, Del. The group now operates 14 banking institutions. The combined statement issued Dec. 31, 1943, showed aggregate deposits of \$199,000,000, with total resources in excess of \$212,000,000."

Total assets of the Bank of Nova Scotia (head office Halifax) were at a record high level of \$493,195,832 on Dec. 31, 1943, an increase of more than \$82,000,000 during the year, according to the bank's 112th annual statement released on Jan. 26. Deposits totaling \$426,753,927 showed a gain of more than \$81,000,000, and the investment account was up \$49,000,000. Net earnings of the bank for 1943 amounted to \$1,717,961, after taxes of \$1,542,488, compared with earnings of \$1,860,262 in 1942, after taxes of \$1,357,773. Cash, clearings and amounts due from other banks at \$116,067,431, represented 25.46% of liabilities to the public. Total quick assets (including the above items) together with investments and call and short loans secured by stocks and bonds, represented 73.53% of the liabilities to the public, compared with 68.10% last year. Investments amounted to \$210,386,369, an increase of approximately \$49,000,000 during the year. Short-term Dominion and Provincial securities represented 53% of all investments and the total of both short and long term Dominion and Provincial securities represented 89%. Call loans, at \$8,740,568, were up approximately \$4,000,000. Other loans, totaling \$126,389,377, were practically unchanged. Loans to Provincial and Municipal governments were down \$614,141, and non-current loans, amounting to \$301,680, were down \$31,621. Liabilities of customers under acceptances and letters of credit were \$23,738,260, a gain of approximately \$2,500,000 in the year. Notes in circulation, amounting to \$3,885,921, were down \$1,147,295 in accordance with Bank Act requirements. Total deposits of \$426,753,927 were up \$1,152,375. Of this total, non-interest-bearing deposits of the public, at \$155,829,700, increased \$25,242,137. Interest-bearing deposits of the public, totaling \$270,924,227, were up approximately \$30,000,000 from a year ago, despite substantial withdrawals made during the year for two Victory Loan campaigns. Deposits of Dominion and Provincial governments, at \$50,612,269, increased \$24,021,423.

The net profits of the Westminster Bank, Ltd., of London, for the past year, after providing for rebate and taxation, and after appropriations to the credit of Con-

Sweden Ups Holdings Of Gold, Foreign Exchange

Record Note Circulation At End of Year

Sweden continued to strengthen her defense in all its branches. The cost was to a large extent covered by loans, which increased the public indebtedness.

Riksbank holdings of gold and foreign exchange rose by 300,000,000 kronor during the year. The note circulation grew with about 13%, being close to 2,270,000,000 kronor (about \$567,500,000) at the end of 1943. This figure sets a new high record. The current note circulation corresponds to 16% of the national income, which is now estimated at about 14,000,000,000 kronor (about \$3,500,000,000). — (See "Sweden—A Wartime Survey," Chapter 17, "The Money Market," by Klas Bock, Head of Statistical Department, Bank of Sweden.)

Stability of Living Costs and Wholesale Prices

Private incomes increased about 8%. Deposits in commercial banks and savings banks were about 10% greater than at the end of 1942. One of the most important features of the economic development in 1943 was the stability of the living costs and of the wholesale prices. Thus the cost-of-living index compiled by the Social Welfare Board, which is based on the 1935 prices as 100, increased only one point between October, 1942, and Jan. 1, 1944, or from 153 to 154. The index based on the 1914 prices remained unchanged at 239.

N. Y. Finance Institute Announces Spring Term

The New York Institute of Finance, 20 Broad St., New York City, announces the schedule of courses being offered for the spring term, which begins Jan. 31. The sessions will be divided into three general groups: general business, investment analysis, and brokerage procedure.

The general business courses offered are:

Accounting Principles I and II; instructor: Jerome J. Kern of the New York Stock Exchange.

Federal Income Tax Practice I and II (two terms)—Chas. Meyer, C. P. A. and Attorney; lecturer on Law of Taxation, Rutgers University.

Preparation of Federal Tax Return—Mr. Meyer.

Foreign Funds Control—Irwin A. Brodsky of J. & W. Seligman & Co.

Interest Yields and Basis Prices—F. Warren Green, Hallgarten & Co.

Investment Analysis Courses: Security Analysis I and II—Herman J. Borneman, New York Stock Exchange, and Stephen M. Jaquith, President of Investors Counsel, Inc.

Investment Account Management—Mr. Jaquith.

Analysis of Public Utility Operating Companies—Theron W.

tingency Accounts, out of which accounts full provision for Bad and Doubtful Debts has been made, amount to \$1,347,815. This sum, added to \$524,487 brought forward from 1942, leaves available the sum of \$1,872,302. The bank advices also state:

"The dividends of 9% paid in August last on the £4 shares and 6¼% on the stock absorb £388,481. A further dividend of 9% is now declared in respect of the £4 shares, making 18% for the year; and a further dividend of 6¼% on the stock will be paid, making the maximum of 12½% for the year.

"The dividends will be payable (less income tax) on the 1st February to those shareholders and stockholders whose names were registered in the books of the company on 31st December last.

"£250,000 has been transferred to bank premises reinstatement and rebuilding account and £300,000 to officers' pension fund, leaving a balance of £545,340 to be carried forward."

Locke, Granbery, Marache & Lord. Public Utility Break-Up Values—Harold H. Young, Bear, Stearns & Co.

Marginal Rails—Herbert F. Wyeth, Shields & Co.

Receivership Rails—Patrick B. McGinnis, Pflugfelder, Bampton & Rust.

Brokerage Procedure Courses: Work of the Stock Exchange and Brokerage Office Procedure—John H. Schwieger, New York Stock Exchange.

Advanced Margin Problems—Paul C. Fitzgerald, Hirsch, Lienthal & Co.

Advanced Stock Transfer Taxes—Irwin A. Brodsky, J. & W. Seligman & Co.

Transfer of Securities—Mr. Brodsky.

Work of the Cashier's Department—George E. Rieber, National Association of Securities Dealers.

Work of the Margin Department—Mr. Fitzgerald.

Work of the Order Department—Fred W. Hansen, Pershing & Co.

Work of the P. & S. Department—F. Warren Green, Hallgarten & Co.

Work of the Trading Department—Fred Barton, Eastman, Dillon & Co.

Brainard Again Heads Cleveland Reserve Bk.

George C. Brainard, President of the General Fireproofing Co. of Youngstown, O., has been reappointed Chairman of the Board of Directors of the Federal Reserve Bank of Cleveland, and Reynold E. Klages, President of the Columbus Auto Parts Co. of Columbus, O., has been reappointed Deputy Chairman, it was announced by the Board of Governors of the Federal Reserve System at Washington.

The Board of Directors simultaneously announced reappointment of the Board Chairmen and two directors each of the Cincinnati and Pittsburgh Branches, and of B. G. Huntington, President of the Huntington National Bank of Columbus, as representative of the Fourth Federal Reserve District on the Federal Advisory Council.

Mr. Brainard also was reappointed Class C director for the three-year term which began Jan. 1, 1944, and was again designated Federal Reserve Agent for the current year. He became a Director July 31, 1936, and has been Chairman since Jan. 1, 1939.

Mr. Klages, whose term as Class C director will expire Dec. 31, 1945, first was appointed to the board Jan. 7, 1937, and became Deputy Chairman Jan. 1, 1939.

Chairman Robert E. Doherty of the Pittsburgh board and Chairman Francis H. Bird of the Cincinnati board, both of whose terms expired Dec. 31, were reappointed directors and chairmen of their respective boards. Mr. Doherty is President of the Carnegie Institute of Technology and Mr. Bird is Professor of Commerce at the University of Cincinnati.

Four branch directors whose terms also expired Dec. 31 were reappointed for two-year terms. They are:

Clarence Stanley, President of the Union Trust Co. of Pittsburgh, and Archie J. McFarland, President of the Wheeling Steel Corp., both of the Pittsburgh Branch, and Frederick V. Geier, President of the Cincinnati Milling Machine Co., and Buckner Woodford, Vice President and cashier of the Bourbon-Agricultural Bank & Trust

Reserves Necessary for Post-War Conversion Says William S. Jack

William S. Jack, President of Jack & Heintz, Inc., of Cleveland, Ohio, in an extemporaneous address at the Advertising Club in New York City on Jan. 26, charged that the Roosevelt Administration "hasn't recognized its obligation to see to it that industry has something left for post-war conversion."

In an extemporaneous address at the Advertising Club in New York City on Jan. 23.

He asserted that industry would be "crippled" after the war if it was not allowed to earmark for post-war conversion money that is being made currently. He said that he could see danger signs ahead, because "the Government has mortgaged practically all industry today."

"Frankly, I am afraid of socialized industry," he said. "I'm afraid of the men coming back who don't want to be mortgagees of the Government. I'm afraid of tomorrow."

Questioned after the meeting on estimates made by the Under-Secretary of War Robert P. Patterson that industry will have \$42,000,000,000 in post-war reserves at the end of this year, Mr. Jack challenged this figure as "without foundation." He declared he knew of no company that was able to put away anything like the required reserve.

Program Completed For ABA Conference

Completion of the program for the 25th annual Mid-Winter Trust Conference, which will be held by the Trust Division of the American Bankers Association in New York City, Feb. 8-9-10, was announced in New York on Jan. 13 by Henry A. Theis, President of the Division. Mr. Theis is Vice-President of the Guaranty Trust Company of New York. Five morning and afternoon sessions will be held at which addresses by experts in the fields of trust business and banking, panel discussions, and brief reports by the chairmen of the division's various committees, will be featured.

Among the speakers are A. L. M. Wiggins, President of the ABA; Joseph Henderson, President of the American Bar Association; Rollin Browne, Commissioner of Taxation and Finance of the State of New York; Elmo Roper, market analyst, and Gilbert T. Stephenson, Director of Trust Research of The Graduate School of Banking. Leon Fraser, President of The First National Bank of New York, who is Chairman of the Clearing House Committee of the New York Clearing House Association, will present greetings to the attending delegates at a luncheon to be held for them by the New York Clearing House Association on Feb. 10, the closing day of the conference. Captain Maurice M. Witherspoon, U. S. N., Chaplain of the Third Naval District, will deliver an address at the luncheon meeting.

The sessions of the conference will be held at The Waldorf-Astoria Hotel. An earlier reference to the conference appeared in our issue of Dec. 23, page 2542.

Co. of Paris, Ky., both of the Cincinnati Branch.

In reappointing Mr. Stanley the Board relaxed its rule that no branch director may serve more than six years consecutively, asserting that war-time exigencies make desirable the retention of men of experience and proven capacity. The same reason was given for the retention of Mr. Huntington, who has served four consecutive terms.