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The Financial Situation

It would be unfortunate indeed if the political controversy which appears to be rapidly growing up around the so-called Baruch report on post-war adjustment policy were in any degree to obscure two vital facts. The first of these is that whatever is good in the Baruch report, and there is much in it that is constructive and valuable, must be given effect whether by Administrative authorities or by Congress, or both. The second is that this report undertakes to cover only one phase, or at the most a relatively small group of related phases, of post-war policy, and that the territory it does not touch is fully as vital as that which it does explore.

The fact that the report has been plunged into the current "unpleasantness" between Congress and the President is no doubt in part a result of the mere fact that such a struggle, if such it may be termed, already existed. It is also in part due to the fact that there is widespread dislike in both political parties both in and outside Congress of the President's obvious ambition for a fourth term in office. Fundamentally, the whole controversy owes most of its feeling to the long-established habit of the President to ignore Congress when he felt he could with impunity, and to browbeat it into placing unprecedented power in his hands when such a course suited his plans and purposes best. This habit on the part of the Chief Executive, of course, long antedates the outbreak of the war, as does the corresponding habit of Congress of giving the President his way when all the tumult and the shouting were over.

Congressional Irritation

The fact that so much power now lies in the hands of the President, and that so much of it can effectively be taken from him either now or in the peace to come only (Continued on page 819)

Four "Invasions" Seen By Babson

Looks For Few War Casualties

Babson Park, Fla.—Well, I am back again in Florida—I hope to be here for the remainder of the Winter. I am more and more convinced if we followed the habits of the birds instead of men, we all would be better off. This is one reason why I have a Bird Sanctuary at Babson Park, Massachusetts, and gladly support the John Willison Bird Museum there. Well—among other good things—



Roger W. Babson

birds know when to go South and when to return North. Don't Get Excited As soon as I can get some gasoline to get about (it's awful tight here) I'm going to write a column about Florida. It rather looks now that Florida is getting all set for another boom. At any rate, it makes me cheerful to be here. The low figures for the number of our boys who are being killed in the war are also encouraging. Statistics indicate they are almost as safe in the army as at home. They enjoy better health, have no joy-riding and are free from industrial accidents. In fact—based upon an average of 5,000,000 in the armed forces since Pearl Harbor—only one man out of every 140 has been killed; while

an even smaller proportion have been wounded severely enough not to return to active duty. Having nothing to do today but sit in the sunshine, pick flowers, drink orange juice and listen to the birds sing, I have time to study my maps! Now, I am not a military man; but only a humble statistician. During World War I, I was an Assistant to the Secretary of Labor in Washington, in charge of heading off industrial strikes, and did a pretty good job of it. During that war I learned that the big things really going on are not talked about. Hence, we should "prove all things," as the Bible says, before getting excited.

There Will Be Four "Invasions"
With this thought in mind and a deep interest in future war casualties, I am now wondering about this much heralded and pre-digested Second Front. This is promised to start in northern France where the Channel is narrowest. Without doubt there will be a landing on the shores of northern France; but whether it will come before Germany shows more definite signs of col-

(Continued on page 826)

Baruch-Hancock Recommendations For Effecting Transition From War To Peace Economy

A voluminous report, embodying recommendations for dealing with the "transition from a war economy to that of peace" has been evolved by Bernard M. Baruch and John M. Hancock, and was presented by them on Feb. 18 to James F. Byrnes, Director of the Office of War Mobilization, in Washington. While prepared by Messrs. Baruch and Hancock at the direction of the White House, it is stated that the report "represents the cumulative effort of many top-flight executives in and out of government, who contributed ideas and criticisms."

The report says there is no need for a post-war depression. Handled with competence, our adjustment, after the war is won, should be an adventure in prosperity. Our soldiers will not be let down. They are our chief concern. No pressure group of self-seekers will take our thoughts from the duty we owe them.

Finally, while the producers should be restrained from excessive profits during the war, the workers, as long as hostilities are on, should refrain from strikes. No grievance, however just, should be permitted to slow our march to victory.

From the report we also quote: Our specific assignment was to study the immediate demobilization policies which have to do, necessarily, with the stimulation of the war effort, since victory is the first essential, and with the preparation for peace to follow victory—to win the war and to prepare for peace.

In the development of this theme we find certain considerations to be of first importance. They include:

Getting us all back to work in peace-time enterprises. * * * Taking the Government out of business. * * * Place all war agencies under running review to cut them down as their work dwindles; also review of all war industrial controls; immediate extension of

laws governing price control, priorities and requisitioning, all three expiring this year. * * * Prepare now for future action reducing taxes from war to peace-time levels, thereby providing necessary incentive for initiative and enterprise and stimulating employment. * * * Prepare an emergency "X" day reconversion plan to be used in the event of a sudden collapse of Germany so as to enable us to go on with our crusade against Japan and at the same time to prevent the dislocation resulting from lack of preparation. This phase of the broader plan is to be worked out by the armed services with the War Production Board.

Pointing out that the report and an accompanying 30,000 words of explanatory material contain ten main proposals and dozens of lesser ones, ranging from the creation of two new White House positions under Mr. Byrnes to a policy statement that once the war is ended government must get out of business and leave the field to private enterprise, the Associated Press advices from Washington stated (Feb. 19):

The first objective is stated as

"getting us all back to work in peace-time enterprises." This problem is assured by the fact that \$50,000,000,000 of current annual production "represents strictly war goods—that is, things which when peace comes, we will stop making."

"This gap must be filled in large part by civilian production and services, if we are to keep the needed volume of employment," the report says.

The Associated Press advices, as given in the New York "Sun," also had the following to say:

Publication of the 10,000-word document, constituting in effect a strategy for economic victory on the post-war home front, apparently signalled the beginning of a new era for government, business and workers—an era in which continuing production for war will be meshed increasingly from now on into restored production for peace.

The expressed aim of the program, drawn up by Bernard M. Baruch and John M. Hancock, White House advisers and veterans of industrial mobilization in both world wars, is to avoid economic chaos in the period of readjustment from war to peace and to create instead an adventure in prosperity.

This period, the report makes plain, is already beginning as war (Continued on page 824)

From Washington Ahead Of The News

By CARLISLE BARGERON

Several of our newspaper editors are quite perplexed over the flare-up by several Senators, notably Senator George, against the so-called Baruch reconversion report. The underlying reason is that they can't see why there had to be a Baruch report, and the fact that there has nevertheless been one, is part of the politics of Washington in which the whole reconversion business is likely to get caught.

Senator George heads up the Senate Post-War Problems Committee. It labored long and laboriously over the formulation of a report. It has been out for several weeks. It has received some study and some editorial comment. Now along comes a virtual rewrite of it labelled the Baruch report and a headline episode is created. You can appreciate the resentment of the Senators. All discussion in the future about reconversion will likely turn on the "Baruch" report.

The plain fact is that there are more reconversion reports or studies or programs around Washington than you can shake a stick at. Indeed, this writer has done one, which is to say that anyone who does a fair amount of reading these days and who is willing to peck on the typewriter long enough can do one. With the exception of that pioneer in post-war programs, the National Resources Planning Board, headed by the President's uncle, Fred-eric A. Delano, there is a set formula for reconversion reports or reconversion discussions.

We all believe in the private

enterprise system, we would think of nothing else. Industry will have a tremendous problem of getting back to the production of peace-time goods, not for the sake of production, or of making money, of course, but to give employment to our returning armed forces and those who have been brought into the war plants. The formula calls for its being kept on a very high idealistic plane. To accomplish this good deed, the Government must dispose of its surplus materials, reasonably and quickly, to private enterprise, particularly small business. We've got to mention small business. The Government's huge war plant, costing about \$15 billion, must similarly be disposed of to private enterprise, particularly small business. Terminated contracts must be quickly and adequately compensated so industry will have the money to reconvert. And those industries that have trouble getting financed the Government must finance them.

Mr. Hoover has written a report on this order; Senator Taft wrote one for the Saturday Eve-

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All Things Are Possible, If--

Transition from a war economy to that of peace is not easy; nothing worth-while is.

The frame of our operation shows the gigantic nature of the change-over. It affects every part of our economic life. Nothing comparable ever has been known before.

As one indication of the size of the job, about \$50,000,000,000 of the current annual production represents strictly war goods—that is, things, which when peace comes, we will stop making. This gap must be filled in large part by civilian production and services, if we are to keep the needed volume of employment. The demobilization of the armed forces will come gradually.

Their absorption by industry will be aided materially by several factors, the weight of which is not now clear, such as: the giving up of war jobs by many women; the retirement of older workers; the increase of travel and recreation time; the return of many younger workers to school; the resumption of college and professional training by many now in the services or in war industry; the renewal of many professional and service businesses that have stopped during the war; the starting of new enterprises; the business involved in meeting the needs of the world; reduction in the work week; the normal enforcement of child labor laws.

The net increase in employment in industry from 1937 to 1944 is estimated at 7,600,000 people. Considering factors mentioned above, the problem of demobilization, though difficult, is soluble, if we create the atmosphere in which private initiative and resourcefulness—the traditional American spirit—can again take hold.—Bernard M. Baruch and John M. Hancock.

The American people must see to it that there is no "if" in this matter.

The State Of Trade

The heavy industries continued to turn in favorable reports last week, though carloadings showed another decline. Retail trade in some quarters showed quite a drop for the week. However, these recessions were more than offset by the favorable reports on steel production, electric output and domestic civil engineering construction.

Production of electricity increased slightly to 4,532,730,000 kilowatt hours in the week ended Feb. 12 from 4,524,134,000 in the preceding week, according to the Edison Electric Institute. This was an increase of 15.1% over the year-ago output of 3,939,708,000 kilowatt hours.

Consolidated Edison Co. of New York reports system output of 219,000,000 kilowatt hours in the week ended Feb. 13, an increase of 30% over the 1943 comparative of 168,500,000.

Carloadings of revenue freight for the week ended Feb. 12 totaled 795,262 cars, according to the Association of American Railroads. This was a decrease of 10,813 cars from the preceding week this year, 29,991 cars more than the corresponding week in 1943 and 12,561 cars above the same period two years ago.

The total was 122.93% of average loadings for the corresponding week of the ten preceding years.

Steel production in the United States is scheduled this week at 97.7% of capacity, equivalent to production of 1,750,000 net tons of ingots and castings, unchanged from last week, according to American Iron & Steel Institute. For the last week of February, 1943, steel production amounted to 1,691,900 net tons.

The steel industry currently is experiencing heavy buying, reminiscent of former peak periods during this war, with backlogs higher than a month ago, "Iron Age" declares.

"Added demand for alloy bars also appears likely to materialize soon as a result of a new ammunition project," the publication said. "Farm equipment manufacturers have placed orders for large tonnages, while maritime and Navy orders remain brisk

and include sizable requirements for 1945."

Domestic civil engineering construction volume amounted to \$37,043,000 for the week ended Feb. 17, compared with \$23,151,000 a week earlier and \$98,861,000 for the same week of 1943, "Engineering News-Record" reports.

The week's aggregate brings 1944 volume to \$252,235,000, down 47% from \$478,422,000 reported in the same period of last year, the engineering construction weekly said.

Thomas S. Holden, President of the F. W. Dodge Corp., expressed belief recently "that the potential construction demand is so great that no artificial stimulation of any sort is required to produce a very healthy revival of construction activity as soon as relaxation of wartime restrictions will permit."

Retail and wholesale trade activity was somewhat slower last week than the previous week, with the weather adversely affecting retail volume, according to Dun & Bradstreet, Inc.

Wholesale trade in general has been more satisfactory than retail, although reports lack uniformity. Where shortages are serious, the volume has fallen behind last year, but where inventories are adequate, as in most apparel lines, gains over last year continue.

Department store sales on a country-wide basis were down 21% for the week ended Feb. 12, compared with the like week a year ago, according to the Federal Reserve System.

Sales for the four-week period ended Feb. 12 were down 1%, compared with the like period last year.

Department store sales in New York City in the week ended

Text Of Baruch And Hancock Letter Regarding Report On War And Post-War Adjustment Policies

Includes Recommendations For Taking Government Out Of Business, Which Is Viewed As Major Requirement In Facilitating Peacetime Functioning Of Enterprises—Says Plans Should Be Considered Now With View To Reducing Taxes From War To Peace Levels In Order To Stimulate Post-War Employment Activities—Cites Magnitude of Changeover To Peace Economy

Following is the text of the covering letter by Bernard M. Baruch and John M. Hancock which accompanied their report to James F. Byrnes, Director of the Office of War Mobilization, on war and post-war adjustment policies. A summary of the recommendations appended to the report, which was forwarded to Mr. Byrnes under date of Feb. 18, appears on another page in this issue.

The Hon. James F. Byrnes, Esq., Dir., Office of War Mobilization, The White House, Washington, D. C.

Dear Mr. Byrnes:

Pursuant to the instructions you gave us to inquire into War and Post-War Adjustment Policies, we submit herewith our report. It is divided into three parts: (1) This letter, which is a rough synopsis of our major suggestions; (2) the report itself; and (3) additions giving a more extensive treatment of three subjects—contract termination, surplus property and tightening the industrial war machine.

Victory is our first and only duty, but just as we prepare for war in time of peace, so we should prepare for peace in time of war. Through preparation we visualize a prosperity, sound and lasting. We see, not merely civilian needs crying to be filled, but a world requiring the things we can supply—an unlimited market for our products.

Our specific assignment was to study the immediate demobilization policies which have to do, necessarily, with the stimulation of the war effort, since victory is the first essential, and with the preparation for peace to follow victory—to win the war and to prepare for peace.

In the development of this theme we find certain considerations to be of first importance. They include:

1. Getting us all back to work in peacetime enterprises. This may require a special authority under the Director of War Mobilization to give its entire attention to the problem of bringing jobs to all workers, with emphasis laid upon the returning service men and service women who are our first concern.

2. Taking the Government out of business by:

(a) Payments for work done and work under way. In connection with this phase of the problem, we have assembled a complete "Financial Kit" that should prove effective. The Government must pay its debts, and pay them quickly and fully, so that business will have its working capital freed for payrolls and purchase of materials.

(b) These payments can be made with ample protection to the Government against fraud.

(c) Move out and store war materials from plants so as to make room for equipment and materials for civilian production.

(d) Centralize the control and

Feb. 19 were 1% smaller than in the corresponding week of last year, according to a preliminary estimate issued by the Federal Reserve Bank of New York. In the four weeks ended Feb. 19, sales were 2% less than in the like 1943 period. In the previous week ended Feb. 12, sales of this group of stores were 17% below those of the like period a year ago.

Department store sales in New York City in January were 3% larger than in the corresponding 1943 month, according to the monthly compilation on store sales and stocks released by the Federal Reserve Bank of New York.

disposal of surpluses of all types in such a way as to bring them into ready and effective use and insure orderly markets. This too may require a special administrator in the Office of War Mobilization.

3. A general tightening up of the industrial war front so as to finish the bloody business with finality, and thus be ready for peace.

4. Spreading acceptance by war contractors of the "Uniform Contract Article," as recommended by us and approved by you.

5. Place all war agencies under running review to cut them down as their work dwindles; also review of all war industrial controls.

6. Immediate extension of laws governing price control, priorities and requisitioning, all three expiring this year.

7. Early engineering on public works to be ready if needed to fill in the valley of unemployment.

8. Provide credit means for those requiring it during the adjustment period, particularly for the smaller business groups and returning servicemen.

9. Prepare now for future action reducing taxes from war to peacetime levels, thereby providing necessary incentive for initiative and enterprise and stimulating employment.

10. Prepare an Emergency "X" Day Reconversion Plan to be used in the event of a sudden collapse of Germany so as to enable us to go on with our crusade against Japan and at the same time to prevent the dislocation resulting from lack of preparation. This phase of the broader plan is to be worked out by the armed services with the War Production Board.

Transition from a war economy to that of peace is not easy; nothing worth-while is. In our reconversion we shall try, as this country always does, to cure the things that caused us worry and to strengthen the good; to hold to the proven but be ready to test the new. That is progress.

The frame of our operation shows the gigantic nature of the change-over. It affects every part of our economic life. Nothing comparable ever has been known before.

As one indication of the size of the job, about \$50,000,000,000 of the current annual production represents strictly war goods—that is, things, which when peace comes, we will stop making. This gap must be filled in large part by civilian production and services, if we are to keep the needed volume of employment. The demobilization of the armed forces will come gradually.

Their absorption by industry will be aided materially by several factors, the weight of which is not now clear, such as: the giving up of war jobs by many women; the retirement of older workers; the increase of travel and recreation time; the return of many younger workers to school; the resumption of college and professional training by many now in the services or in war industry; the renewal of many professional and service businesses that have

stopped during the war; the starting of new enterprises; the business involved in meeting the needs of the world; reduction in the work week; the normal enforcement of child labor laws.

The net increase in employment in industry from 1937 to 1944 is estimated at 7,600,000 people. Considering factors mentioned above, the problem of demobilization, though difficult, is soluble, if we create the atmosphere in which private initiative and resourcefulness—the traditional American spirit—can again take hold.

It is an easier task to convert from peace to war than from war to peace. With the coming of war a sort of totalitarianism is asserted. The Government tells each business what it is to contribute to the war program—just what it is to make and where it is to get the stuff out of which to make it. The planning and execution rest upon one over-all purpose and a single control. Patriotism exercises a strong compulsion.

With peace, the opposite becomes true. Each has the right to make what he pleases. Governmental direction and aid disappear. The markets become free and each individual is dependent upon his vision, his courage, his resourcefulness, and his energy.

Everyone has the privilege of building up, but no one has the right to pull down. That is democracy at its best.

In the reconversion and readjustment will come improvements in our standards of life—better houses, better clothes, better food, better safeguards for children, better health protection, and wider educational opportunities. These bring hope for the future instead of fear; they give security instead of unrest.

There is no need for a post-war depression. Handled with competence, our adjustment, after the war is won, should be an adventure in prosperity. Our soldiers will not be let down. They are our chief concern. No pressure groups of self-seekers will take our thoughts from the duty we owe them.

Finally, while the producers should be restrained from excessive profits during the war, the workers as long as hostilities are on should refrain from strikes. No grievance, however just, should be permitted to slow our march to victory.

Sincerely yours,
Bernard M. Baruch,
John M. Hancock.

U. S. War Expenditures

United States war expenditures amounted to \$7,416,000,000 in the month of January, an increase of \$465,000,000 over December, 1943, or 6.7%, the War Production Board reported on Feb. 17. The Board adds:

"The average daily rate of war expenditures in January was \$285,200,000, as compared with \$267,300,000 in December, an increase of \$17,900,000 per day. The daily rate is based on the 26 days in each month on which checks were cleared by the Treasury.

"From July 1, 1940, through Jan. 31, 1944, the U. S. Government has expended \$160,800,000,000 for war purposes. These figures include checks cleared by the Treasury and payable from war appropriations and net outlays of the Reconstruction Finance Corporation and its subsidiaries."

The Financial Situation

(Continued from first page)

by a two-thirds vote further galls many members of the Legislative branch at the same time that it makes a correction of the situation doubly difficult. The President's well-fixed habit of stretching the powers actually granted him to the breaking point, and of actually finding powers in legislation where no one else is able to discern them does not ease the situation. All this, however, if it is not of Congress' own doing, has been able to develop only because of the lack of spine on Capitol Hill. It can be remedied only by Congress, and the sooner it is so remedied, the better for us all. We must, however, add, and members of Congress must never forget, that it will not be remedied by mere obstructionism. The Baruch report at several points gives recognition to the need for legislation if its program is to be given full effect in good faith. If at others it appears to exclude full Congressional participation or to place undue dependence upon the Executive branch, Congress itself can, as its abler members well know, take the situation effectively in hand if it really cares to do so. Its course, must, however, be plainly constructive, and controlled by evident ability—not all too plainly political in its nature and management.

Many Other Problems

But as regards all this it is of the utmost importance that the public never for one moment forget that there are many, many other problems which will face us after this war is over, and that the way we deal with them will affect the economic welfare of the country fully as much and for fully as long as any of those mentioned in the so-called Baruch report. To make this statement is, of course, not to criticize Mr. Baruch or Mr. Hancock, their report, or any of those connected in any way with it. These other problems simply lie outside their terms of reference. It is clear enough that some of these other questions, at least, have not escaped the attention of Mr. Baruch and his associates. The insistence of the report, for example, that the Government carefully refrain from use of either its war plant or its war stocks to compete with private business; its suggestion that sums received in the course of liquidation of war stocks be employed to reduce the national debt; and its suggestions on the subject of taxation, all make it clear enough that the minds of its authors had not been poisoned by the fantastic conceptions and imaginings of some heretofore influential dream-

ers which touch directly or indirectly upon such subjects as these.

Since such recommendations as these do imply a great deal about the broader aspects of post-war policy, it would be the part of wisdom on the part of the public to keep a particularly close eye upon actions taken, or professedly taken, to give them effect. Such programs as these sometimes suffer the most from their self-styled friends. The Administration has many members who are fully capable of the Machiavellian tactics of pretending to give these recommendations full and prompt effect, when their real purpose is to defeat their intent. Proceeds of sale of surplus property can, for example, be applied to debt reduction at the same time that enormous borrowings for unwarranted purposes adds much more to that debt. Equally evasive tactics could be employed in dealing with the employment of war manufacturing equipment owned by the Government, and in other matters.

The New Deal

But quite apart from all this, many, many alterations in policy and in Administrative procedures and attitudes were urgently needed in 1939, when this war first broke in Europe. As many were still as urgently required when in 1940 we entered upon our greatly enlarged defense program. They were still, for the most part, without serious attention when the Japanese made their infamous attack upon Pearl Harbor at the end of 1941. They still lie unnoticed for the most part today. Various factors at various times have served to obscure their existence, and possibly to lead the unthinking to the easy assumption that they no longer exist, or that they will have lost their blighting effect when the artificial stimulation provided by the war has subsided. All this, however, has served merely to conceal, not remove, these once fully visible and usually well-recognized evils.

We refer, of course, to that maze of enactments, administrative acts and attitudes, ambitious not to say fantastic "programs," and all the rest which constituted, and which today constitutes the New Deal. Until the over-riding compulsions of war arrived, these factors for years on end had been holding business initiative in check and leaving the entire economy without that state of health and that sense of well-being which enables it to proceed as it has in times past proceeded to meet the needs of

Senator O'Mahoney Urges Industry Speed Plans For Reconversion

Warns End of Hostilities Will Force U. S. to Choose Between Free Enterprise and Totalitarian Regime

Senator Joseph C. O'Mahoney, at a luncheon of the Sales Executives Club of New York, on Feb. 15, asserted that complete victory over both Germany and Japan "is much closer than most of us imagine" and declared that it behooves American industry to speed its plans for reconversion to peacetime output. We quote the foregoing from the New York "Times" of Feb. 16, the account also reporting his further remarks as follows:

"Speaking on the subject of economic freedom in the post-war world, Senator O'Mahoney warned that the end of hostilities will force the United States to make a choice between a capitalistic system of free enterprise and maximum production which guarantees a job to all who seek employment, a totalitarian regime dominated by centralized governmental planning for industry and individuals, and a system of managed economy in which cartels would fix prices and regulate production without government control. The latter two, he added, would destroy the freedom of the individual in this country.

"Senator O'Mahoney said he based his opinions regarding the possible duration of the war on the failure of Japan's navy to prevent penetration of her Pacific island empire by the numerically outnumbered United States Navy, as well as on the expectation that Germany would not be able to withstand the Russian army in the west and the constant American and British bombing of her production centers.

"He regarded it as very significant, he said, that in the recent occupation of the Marshall Islands by United States forces not a single Japanese battleship, cruiser, aircraft carrier or submarine would accept the challenge of battle. 'The tables have been turned since Pearl Harbor,' he declared.

"An interesting fact about the war with Japan, according to the Senator, is that the United States now has floating dry docks in the Pacific built at a cost of \$25,000,-

the public. The impression seems to prevail in some quarters that in respect of such matters we shall start more or less from scratch when the war is over, that the New Deal is definitely and certainly "on the way out" in a very real sense, that even though the President's strong personal appeal succeeds in returning him to the White House, he will have a distinctly hostile Congress confronting him, and hence will be incapable of pursuing his destructive policies of the past.

Work To Be Done

For our part, we find it difficult to follow this reasoning at points. Those who use it seem to forget the mass of legislation now on the statute books which must be repealed or at least greatly modified before the New Deal can be considered ineffective. They appear, too, to overlook the extended authority now in the President's hands, much of which can be removed only by a two-thirds vote in Congress. We should be wise not to overlook this situation for one moment, while insisting that that which is good in the Baruch report be given effect without quibble.

000 each. Terming this 'a truly new development in naval warfare,' he added that it took 250 men one and a half years to draw the plans for the first floating dry dock equipped with machine shops, cranes and complete facilities for repairing battleships.

"Turning to the peacetime production task facing American industry under a capitalistic system of free enterprise, Senator O'Mahoney warned against thinking that the pent-up demand for consumer goods will be sufficient to enable industry to slip easily into a peacetime economy. Empha-

sizing the necessity for providing maximum employment, he reminded his listeners that American industry in 1940 produced more in goods and services than it had ever produced before in a single year, including the boom year of 1929, and yet there were 9,000,000 unemployed in the country during that year.

"For the post-war, Senator O'Mahoney urged consideration of the premise that by building up the income of the masses of people they would be enabled to buy the things they want. 'We cannot hope to build a future for a free economy merely upon the sale of the necessities of life,' he added. 'We have to make up our minds that we are going to sell the luxuries of life and make it possible for 130,000,000 people to buy those luxuries.'

"The luncheon was attended by approximately 300 sales executives and guests. Dr. Paul H. Nystrom, President of the group, presided. Senator O'Mahoney was introduced by Paul West, President of the Association of National Advertisers."

Post-War Dangers In Restrictions Of New Enterprises Seen By Arnold

Thurman W. Arnold, Associate Justice of the U. S. Court of Appeals, in an address on Feb. 18, at a luncheon meeting of the Federation of Protestant Welfare Agencies, in New York City, said that post-war attempts to protect an even greater threat to inflation than exists today and asserted that they will also bring about an "international NRA" and a relief

problem as great as that of the depression. The New York "Times" of Feb. 19, from which these remarks were taken, gave other comments to Mr. Arnold as follows:

Mr. Arnold attacked those who seek to "protect their dividends against new enterprise." In giving pre-war examples of this practice he singled out the railroads. Their restriction of airplane construction, he asserted, caused us to enter the war with 400 commercial planes and no cargo planes.

"The country that invented the airplane had suppressed its use," he declared, adding that this policy on the part of the railroads "is the kind of thing that has hap-

pened in the control of all the technological development of all mechanized industry."

"We have the beginning of a new struggle which will break into conflict when the war is over," the speaker declared, describing this era as being "the struggle of the various aggregations of investment and economic power to maintain a policy of scarcity after the war."

Reminding the 400 welfare workers attending the luncheon that their greatest tasks came with the last depression, he told them that another depression would make their burdens "insuperable."

ABA Savings Division Sponsors Conferences In New York City, Mar. 23 & Cincinnati Mar. 29

A one-day conference on savings banking sponsored by the Savings Division of the American Bankers Association will be held in New York City March 23, it is announced by Fred F. Lawrence, President of the division, who is Treasurer of the Maine Savings Bank, Portland, Maine. A. L. M. Wiggins, President of the American Bankers Association and President of the Bank of Hartsville, Hartsville, S. C., and Dr. Paul F. Cad-

man, economist for the ABA, will be among the principal speakers who will address the meeting. The morning session of the meeting will be presided over by Mr. Lawrence. H. R. Templeton, Vice-President of the Cleveland Trust Company, Cleveland, who is Vice-President of the Division, will preside over the afternoon session. The afternoon session will be given over to an open forum discussion of such topics as Service Charges and Activity of Savings Accounts, Post-War Home Building and Financing, and The Legal Framework Governing the Investment of Savings. Invitations to attend the conference will be sent to all banks in New England, New York and New Jersey. In previous years, banks in this area have attended an Eastern Regional Savings Conference sponsored by the Association, which has been replaced this year by the forthcoming conference dealing largely with the effects of the war on savings banking and the likely post-war developments in this field. Headquarters for the conference will be the Waldorf-Astoria Hotel.

The Savings Division is also sponsoring a conference on savings banking to be held in Cincinnati, Ohio, on March 29. This conference will also be a one-day

meeting, similar in theme and program to the meeting to be held by the Division in New York City on March 23. The theme of both conferences is, "The Importance of Savings in the War and Post War Economy." Banks in Ohio, Kentucky and West Virginia have been invited to attend the Cincinnati conference. The morning session of the Cincinnati conference will be presided over by Mr. Lawrence and the afternoon session will be under the chairmanship of Mr. Templeton. Among the principal speakers at the Cincinnati conference will be Mr. Wiggins and Dr. Harold Stonier, Executive Manager of the ABA. The afternoon session of the conference will be given over to an open forum discussion of questions such as Over-Active Savings Accounts, Encouragement of Savings, and Withdrawals in the Post-War Period. William A. Reckman, President of the Western Bank & Trust Co., Cincinnati, Ohio; Merle E. Robertson, President of the Liberty National Bank & Trust Co., Louisville, Ky., and Dr. Ernest M. Fisher, Director of the ABA's Department of Research in Mortgage and Real Estate Financing, will be leaders of this open forum discussion. The conference will be held at the Gibson Hotel in Cincinnati.

3,750 Strikes In 1943, U. S. Labor Dept. Reports

Preliminary estimates of the Bureau of Labor Statistics, Department of Labor show 3,750 strikes during the calendar year 1943, with 1,900,000 workers involved, and 13,500,000 man-days idle because of strikes, Secretary of Labor Perkins reported on Feb. 9. "The four coal strikes, each of brief duration but involving 400,000 men account for 8,500,000 of these man-days idle or 63% of the total days lost," she said. The announcement from the Labor Department further stated:

"The average man-days lost per worker involved in the non-coal strikes of 1943 was three days as compared with five days in 1942, ten days in 1941 and 15 days in 1939. This indicates an improvement in the handling of these strikes by Government agencies and reflects the active cooperation of many leaders of organized labor throughout the country in assisting the administrative agencies dealing with labor disputes to get the people back to work promptly in case of strike. The number of strikes and the number of workers involved was greater in 1943 than in 1942. National labor leaders and Government officials having any part in labor relations cannot relax their efforts to prevent strikes, to settle strikes and to keep men at work. Any work stoppage in time of war is a hazard to the national program.

"Since 1939 the number of workers in industry where strikes are likely to occur has increased from about 25½ to 30½ million. The actual number of workers involved in strikes rose from 1,170,000 in 1939 to 2,362,000 in 1941, and was 1,900,000 in 1943.

"The amount of time worked in industry has increased more rapidly than the number of persons employed as the country has gone generally on a full six-day week in industry. The ratio of time lost by strikes to available working time was about the same in 1939 and 1941, namely, a little less than 1/3 of 1%, while in 1942 and 1943 the ratio was at 5/100 of 1% (the loss of time in the coal strike being excepted). This reduced ratio was brought about chiefly because workers returned to work promptly when they were requested to do so by their leaders, by the Conciliation Service, or by the War Labor Board pending settlement of their grievances.

Year—	Workers involved		Man-days idle	
	Number of strikes	Number	Percent of total employed workers	Percent of available working time
1939	2,613	1,170,962	4.7	17,812,219
1940	2,508	576,988	2.3	6,700,872
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1942	2,968	839,961	2.8	4,182,557
1943	3,750	1,900,000	6.2	13,500,000
1943 (excluding the large coal strikes)	3,696	1,500,000	5.0	5,000,000

*The 1943 figures are preliminary estimates.

Extensive Development of Life Insurance Throughout World Seen in Post-War Period

The early post-war period is expected to see an extensive development of life insurance throughout the world, with the probability of an increased demand for American insurance facilities in many foreign countries, it was stated on Jan. 28 by the Institute of Life Insurance. The Institute states, however, that the increased demand for United States insurance from abroad is expected to be predominantly in the fields of reinsurance and marine insurance. In Latin America, the post-war economic progress in prospect suggests that insurance facilities existing there now will not be sufficient to meet the demands. In Europe, it says, the dislocations of pre-war insurance organizations in some of the occupied countries where all companies were replaced by German or German-sponsored companies, are expected to result in a need and demand for British and American insurance facilities. The Institute further says:

"These demands may be felt to some extent in the field of life insurance, it is indicated by reports from abroad. There has been an important growth in life insurance during the war years in most countries, the world over, and the domestic facilities in many countries do not appear large enough to meet the possible post-war needs, especially in view of low policy limits written by

"Including the coal stoppages, the ratio of lost time to total available working time was 1/7 of 1%. Including the coal stoppages, the average man-days lost per worker involved in a strike, is increased to seven days as against three days without coal.

"Of the 3,750 strikes listed by the Bureau of Labor Statistics, many were too small or settled too quickly to come to official attention before they were ended. The U. S. Department of Labor had notice in 2,352 strikes in the settlement of which it took an active part. In 1,968 cases a full settlement was brought about with no further action required than that taken by the Conciliator. In 350 strikes further or other action was required, usually a reference to the National Labor Relations Board for action under the National Labor Relations Act, or to the National War Labor Board for settlement of issues, such as wages or maintenance of membership and other items which cannot lawfully be settled by agreement between the parties.

"The preventive work done by the U. S. Department of Labor was a very large part of the contribution to the reduction of the strikes that interfere with the war effort. In addition to the strike cases, about 16,000 industrial disputes were handled by the Department's Conciliation Service during the year and brought to a conclusion without any stoppage of work or lost time. In addition, 3,955 disputes not developing into strikes were certified to the War Labor Board for settlement of some one or more issues after preliminary processing."

The Department supplies the following data for all strikes occurring in the country from 1939 through 1943 which lasted one day (or shift) or longer and involved six or more workers:

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many of the foreign companies.

"To meet this situation, several American life insurance companies are now considering the possibilities of entering some foreign countries after the war, both in Latin America and in Europe. There will probably be some such foreign expansion, though its extent is not likely to be of large proportions because of the handicaps existing in many countries for American company operations. In Latin America especially, the restrictions in many of the countries are such that United States companies cannot meet their own state legal requirements if they endeavor to meet those of countries in question. These nationalistic restrictions, having to do in large part with the investment of policyholders' reserves, may be eased if the post-war period sees a tendency towards international cooperation in contrast with pre-war nationalism, but the general

belief is that any such post-war tendency would only affect new legislation and would not change the restrictions already on the books.

"On the other hand, certain other handicaps to foreign underwriting by American companies are expected to be eased after the war. Exchange difficulties and war disruptions have been among the most troublesome factors in a foreign business. Some insurance executives believe that the peace treaty will include a plan for international exchange stabilization and that out of this war will emerge an effective organization for maintaining world peace.

"There is no evidence of interest in a foreign business, however, on the part of the life insurance companies which had an extensive European business before the last war. They may be called on to serve overseas employees of United States policyholders, if any extensive world trade develops after the war, but they are not at present interested in actively engaging in business in foreign countries when the war ends.

ABA Expects Tokens To Cut Ration Stamps In Circulation By 60%

The Ration Token Program which goes into effect Feb. 27, is expected to reduce the number of ration stamps in circulation by 60% and within a short time will eliminate entirely the need for bank verification of the coupon content of envelopes, according to a bulletin issued by the Ration Banking Committee of the American Bankers Association. The bulletin, which is now being sent to banks throughout the country, states that "it is estimated that under the Token Program the number of ration stamps will be reduced by approximately 60%. All stamps in the two programs affected—Meats and Fats, and Processed Foods—will be of one denomination only. Validity dates of stamps will cover much longer periods than heretofore and the burdensome and unsatisfactory verification of envelopes by banks will be entirely eliminated within a short time."

The bulletin points out that although considerable work will be involved in the initial distribution of the tokens and some confusion may result, "the Committee believes that after a few weeks of trial and adjustment the improvement in ration banking operations will be well worth the extra effort employed during the transition period." "After the initial distribution," says the bulletin, "it is expected that the tokens will circulate primarily between merchants and consumers and no appreciable volume will flow through the banks. It should be kept in mind that the adoption of the Token Program is only one phase in the simplification of the entire Ration Banking Plan and the net result will be less work for the banks."

It is indicated in the bulletin that the Ration Banking Committee is now working on recommendations to the Office of Price Administration for readjustment of the reimbursement schedule for banks to include the new factors resulting from the adoption of the Token Plan. "It is expected that the announcement of the new schedule will be made in April. Charges established for the handling of tokens will be retroactive to the start of the Token Program," the bulletin says.

In stating that no new printed forms for use by banks will be required by the Token Program, and new containers will be provided for the tokens by the OPA, the bulletin says:

"The American Bankers Association Committee does not be-

Bill To Place Insurance Rates Under State Control Backed By New Jersey Commissioner

Says Measure Would Prevent "Chaos" In Event Supreme Court Held That Insurance Is Commerce

Commissioner Eugene E. Agger of the New Jersey Department of Banking and Insurance declared on Feb. 10 his approval of a bill offered for introduction in the State legislature, which would require that virtually all insurance rates charged by companies operating in the State be approved as "reasonable and adequate" by Mr. Agger's department. Mr. Agger, according to an Associated Press dispatch from Trenton, stated that the pending legislative measure, sponsored by State Senator Charles K. Barton, Republican of Passaic, is intended to prevent a "chaotic condition" which he asserted might develop in New Jersey should the United States Supreme Court rule that insurance is commerce. The dispatch went on to say as follows:

New Jersey at present exerts no control over insurance rates, except those charged for workmen's compensation and employers' liability. In New Jersey and most other States combinations of insurance companies for the purpose of fixing rates are permitted.

But, said Dr. Agger, if the U. S. Supreme Court in a pending case reserves a long line of previous Supreme Court decision and decides that insurance is commerce the system prevailing in most States will be in conflict with the

Sherman anti-trust act.

Dr. Agger said it was believed that in States which fixed or approved insurance rates, but permitted certain variations on the basis of operating economies or other factors, there would be no such conflict.

If the Supreme Court held that insurance was commerce and there was no State or Federal regulation of rates in effect at the time the resulting open competition might be "against the public interest," he said.

The work of the State Department of Banking and Insurance would be greatly increased if the Barton bill was enacted, Dr. Agger asserted, as all rates and changes of rates would be under constant study.

Rate decisions of the commissioner would be appealable to the State Supreme Court.

Earnings, Employment, Payrolls At New Peak In Dec. In Mfg. Industries Conference Bd. Reports

Hourly and weekly earnings, employment and payrolls again rose to new peaks in December, according to the regular monthly survey of 25 manufacturing industries by The National Industrial Conference Board. The Board, in its announcement made public on Feb. 23, also says:

"The Board's figures, however, show small declines in the length of the work week, total man hours worked, and "real" weekly earnings.

"Average hourly earnings, at \$1.046 in December, were 0.5% higher than in the previous month, 7.8% higher than in December, 1942, 37.8% above January, 1941, the base date of the Little Steel formula, and 77.3% higher than the 1929 average.

"Weekly earnings averaged \$47.59 in December, against \$47.58 (revised) in November. The December figure exceeds that of December, 1942, by 10.7%, that of January, 1941, by 55.5%, and the average for the year 1929 by 66.7%.

"Real weekly earnings, or dollar weekly earnings adjusted for changes in living costs, declined 0.4% in December, but in that month stood 7.6% above December, 1942, 28.7% higher than in January, 1941, and 60.5% higher than the 1929 average.

"The work week averaged 45.3 hours in December against 45.5 in November. The December figure was 1.1 hours, or 2.5% above the corresponding month of 1942,

but was three hours, or 6.2%, below the 1929 average.

"Employment in these 25 manufacturing industries rose 0.2% in December and stood 3.4% above December, 1942. The gain since 1929 was 48.6%. Man hours worked in December were 0.3% below those of November, but 6.0% above December, 1942, and 39.3% above the 1929 average. Payrolls in December were 0.2% larger than in November, 14.5% larger than in December, 1942, and 147.6% above the 1929 level."

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Detailed instructions for figuring correctly such items as the Victory tax credit and the unforgiven part of the 1942 income taxes, which will have to be paid March 15, are contained in the 1944 edition of "Understanding Your Income Tax," published on Feb. 15 by the National Association of Manufacturers.

Designed primarily for Association members to distribute to plant personnel, this booklet attempts to simplify and un-complicate for the average taxpayer the most complicated income tax form in history.

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The back cover of the booklet is devoted to income tax information concerning those in the armed forces.

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lieve that it is necessary for a bank to order additional printed forms for use in the Token Program. The Ration Token Control Sheet is a simple form for which any columnar sheet will suffice.

"The first boxes manufactured as containers for the tokens have proved unsatisfactory and the Office of Price Administration has arranged to provide immediately a box of a sturdier construction and more compact design. The new boxes will be narrower and will have but a slight space at the end of each row of tokens whereas the first boxes have a wide margin of play in each row.

"It should be kept in mind that banks are not authorized to handle loose tokens and they should insist that all transactions in tokens be in units of 250, packed in the standard boxes. Banks are urged to provide safe custody for the tokens in their possession. They should be treated in the same manner as cash and given equal care and supervisory attention."

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"It should be kept in mind that banks are not authorized to handle loose tokens and they should insist that all transactions in tokens be in units of 250, packed in the standard boxes. Banks are urged to provide safe custody for the tokens in their possession. They should be treated in the same manner as cash and given equal care and supervisory attention."

Heimann Asks Support For Legislation Creating Federal Tax Commission

Commenting on the complicated Federal tax form required to be filled out between now and March 15, and referring to the fact that "its intricacy is due to the Topsy-like growth of our tax legislation," Henry H. Heimann, Executive Manager-on-leave of the National Association of Credit Men, in his Monthly Business Review Feb. 15 points out that this nation has never had a direct scientific tax bill, but that it now has a

country. But bank checks constituted our principal money and if a credit man or anyone else accepts a check in payment of a bill, he feels he has the right to assume he will receive the amount of money or credit called for on the face of the check. . . . Some banks in certain sections of our country have developed the practice of charging an exchange charge for the payment of checks drawn by their customers on the account their customer keeps in their bank. They do not make the charge against their customer. Instead, the charge is made against the creditor to whom their customer has sent his check or if not to the creditor against the creditor's bank who has forwarded it for collection.

"Now this organization and every right thinking individual wants a sound banking system but there is no justification nor need for discounting the nation's currency to attain a sound banking system. If these banks who make exchange charges need more revenue, then they should increase their service charges to the depositors they service or what is to be more desired, increase their local loans or make other sound investments. If they increase their service charges they will be competing for their customers' patronage and unreasonable service charges will be disposed of through loss of business. It is just as sound for the Treasury Department to tell a person that because it may cost the Treasury a penny, for example, to print a dollar bill the dollar bill will only be redeemable at 99c. . . .

"The whole principle of charging exchange on checks is bad. It tends to destroy the function of our national currency 'bank checks.' This organization and its members will continue to fight and protest this form of taxation. We urge our members to stand firm in their insistence that checks they receive clear at par. Tell your customer to take back his check that he sent to you and which his own banker intended to discount, and ask your customer to have his banker tell him why there is a difference of his account. If this practice of exchange charges continues to grow you can readily see where it will lead."

"As has been frequently stated," says Mr. Heimann, "such a tax bill has been a crying need for years. You will do your country a real service if you write your Representatives and Senators urging the passage of this resolution, and I am sure you will resolve to do so before you have read two paragraphs of the jig-saw puzzle you must construct before March 15."

Mr. Heimann devotes a part of his Monthly Business Review to the increasing number of exchange charges being made by smaller state banks for the collection of checks. "Bank checks constitute the principal currency of our country," Mr. Heimann points out. "In fact, the ratio of bank checks in use to actual currency is better than ten to one." In part he added:

"You wouldn't like to hand a man to whom you owed a dollar a dollar bill and have him tell you he could only credit your account with 99c. You would indignantly ask him what was wrong with the money of this

Rollins Asks Dismissal of SEC Charge—Denies Excessive Profits On Church Funds

Dismissal of the proceedings instituted by the Securities and Exchange Commission a year ago against E. H. Rollins and Sons, Inc., New York, and the firm's St. Louis office manager, Walter Cecil Rawls, was asked by counsel for both respondents at oral argument before the Commission Feb. 2. A special dispatch from Philadelphia to the New York "Herald Tribune" had the following:

The proceedings are for the purpose of determining whether the licenses and registrations of the company and Mr. Rawls as brokers and dealers should be suspended or revoked. They are the result of allegations made by the Commission's staff, after an investigation, that the firm and its St. Louis manager violated provisions of the Securities Exchange Act of 1934 in transactions between Mr. Rawls and the Board of Missions of the then Methodist Episcopal Church, South. The staff charged that "excessive profits" were made by the Rollins company.

Points to Record of Firm

John T. Cahill, counsel for Rollins, called the Commission's attention to the 70-year record of the firm, and its position in the

SEC staff that Rollins made "excessive profits" out of their transactions with the Board of Missions, Mr. Cahill referred the Commission to the company's exhibit No. 11, which purported to show that during the four-year period involved, Rollins' profits, after deducting losses, on both sales and purchases, aggregated \$387,734.39, and that the average profit for each \$1,000 transaction was 2 2/5 points.

Change in Methods

Counsel for Rollins also pointed out that subsequent to the hearings, which were conducted in Chicago, the entire Rollins organization voluntarily adopted a comprehensive program of changes in its methods of operations.

"This program constitutes as complete a protection to customers of the firm in the future as ingenuity and sound judgment can devise," he said. "This Commission can take notice of the fact that the business in which Rollins is engaged rests upon the confidence of the public and its customers in particular. The imposition of any penalty on the firm would have a shattering effect upon the firm's relations with its customers, and, as a practical matter would destroy this old and large organization."

Oliver T. Remmers, counsel for Rawls, also asked for dismissal of the charges against his client.

Abe L. Hoffman, counsel for the Trading and Exchange Division of the Commission, charged in his argument that the New York officers of the Rollins firm were conversant with all the transactions effected by Rawls with the woman's work fund of the Board of Missions. This fund, he said, at the end of 1942 showed a paper loss of approximately \$250,000, while the profits to the Rollins firm over the 1940-43 period totaled approximately \$383,000.

Flanders To Succeed Paddock As Head Of Boston Reserve Bank

William W. Paddock, President of the Federal Reserve Bank of Boston, will resign his post on May 1, according to announcement Feb. 14 by Albert M. Creighton, Chairman of the Board. Mr. Paddock will be succeeded by Ralph E. Flanders, whose appointment has been approved by the Board of Governors of the Federal Reserve System in Washington.

In the Boston "Herald" of Feb. 15 it was noted that Mr. Paddock has served the Federal Reserve System in various capacities since 1918. The "Herald" also states:

Following a brief period as Chief of the Division of Examination of the Federal Reserve Bank of Philadelphia, he joined the staff of the Federal Reserve Board in Washington and on Sept. 1, 1919, became Chief of the Division of Operations and Examination. He entered the service of the Federal Reserve Bank of Boston on Oct. 1, 1920, as Deputy Governor and on March 1, 1936, was appointed First Vice-President. He succeeded Roy A. Young as President April 1, 1942.

Mr. Flanders, a native of Barre, Vt., has been President of the Jones & Lamson Machine Co., of Springfield, Vt., since 1933. He is a member of the business advisory council of the U. S. Department of Commerce, the Economic Stabilization Board and chairman of the research committee of the Committee for Economic Development. He is a trustee of Norwich University, life member of the Corporation of Massachusetts Institute of Technology and served as President of the New England Council in 1941 and 1942.

field of underwriting and trading in securities, with 24 offices scattered throughout the country. Only one of these, the St. Louis sub-office, is involved in the proceedings, he said, and the account of but one customer, the Board of Missions, is under scrutiny.

Mr. Cahill pointed out that under the former decentralized method of operations of the Rollins Company, the principal officers in the New York office had no detailed knowledge of the Board of Missions transaction with Rawls, the actual accounts being kept in the Chicago office.

"None of the other offices had any knowledge of the details of the questioned transactions until the hearings," Mr. Cahill said. Disputing the contentions of the

Roosevelt And Churchill On War Situation In Italy

While President Roosevelt was reported on Feb. 11 to have expressed the view that the situation we confronted in the Italian campaign was tense, Prime Minister Winston Churchill on Feb. 12 was indicated as stating that there was no justification for pessimism about the battle in the Anzio-Nettuno beachhead and that the Allied commanders had expressed their confidence to him that the battle for Rome would be won. A cable-

gram from London Feb. 12 to the New York "Herald Tribune," in reporting the Prime Minister's views, as contained in the preceding sentence, gave the text of Mr. Churchill's statement, issued from No. 10 Downing Street, as follows: "The Prime Minister has received reports from General Wilson and General Alexander in which both commanders express their confidence that the great battle now proceeding for the capture of Rome will be won."

"In the bridgehead itself the Allies have a very strong army and superiority in both artillery and tanks. Although spells of bad weather interrupt from time to time the deliveries of supplies, the amount landed in the bridgehead substantially exceeds the schedule prescribed before the operation was begun, owing to the reserves which have been built up in fair weather."

"All battles are anxious as they approach the climax, but there is no justification for pessimism, according to the latest reports from responsible authorities."

The advices from Washington in the matter Feb. 11, as given in the New York "Times," said in part: "President Roosevelt met with the American Chiefs of Staff at noon today, shortly after he had told his news conference that we confronted a tense situation in the Italian campaign."

"Those who met with the Chief Executive were Gen. George C. Marshall, Army Chief of Staff; Admiral Ernest J. King, Chief of Naval Operations; Admiral William D. Leahy, the President's personal Chief of Staff, and Gen. Henry H. Arnold, Chief of the Army Air Forces.

"There was no announcement regarding the purpose of the conference, but the range of speculation was from urgent discussion of the Italian situation to the possibility that the invasion of western Europe had been the topic."

"The President volunteered no information at his press conference regarding the Italian campaign, but in reply to a question he said it was a very tense situation with heavy fighting."

"But we should realize, he said, that we still have, on the whole, control of the seas, subject to bombing attacks, and control of the air. On both accounts," he added, we are praying for good weather, which seems to be an important factor.

"The only volunteered information from the President related to the final conquest of the Huon peninsula in New Guinea, which he called the most important news of the day. It was terribly rough country, he said, and it took a long time, but it meant that a corner of New Guinea was now clear."

National Labor-Management Exposition Incident To Campaign To Increase 1944 War Output

The intensive campaign to increase production of war material by 25% before the end of 1944 will be given impetus by a national Labor-Management Exposition to be held in the Department of Commerce Auditorium in Washington, D. C., Feb. 28 to March 11, the War Production Drive Headquarters announced on Feb. 4. This exposition, it is stated, will be a tribute to the American war

workers who, working through Labor-Management Committees have been responsible for saving millions of man hours and greatly accelerating war production. It is added that outstanding examples of the ingenuity of American workers, who are making thousands of suggestions to help production will be shown at the Exposition. These include new gadgets, labor-saving devices and safety ideas.

"Today in almost 4,000 war plants, Labor-Management Committees, set up by WPB, are solving problems of absenteeism turnover and labor utilization," according to T. K. Quinn, Director General of the War Production Drive. He further said:

"If we are to increase production by 25%, the number of committees must be stepped up to 6,000. These committees are designed to speed up production, to bring about team work between labor and management, and to act as a clearing house for thousands of suggestions originating with war workers."

The exhibition will have two groups of exhibitors. WPB and other Government departments will show their part in the campaign to increase production, and several score corporations will demonstrate what their Labor-Management Committees are accomplishing. The Exposition, the first of its kind held during the war, will be sponsored by WPB with the cooperation of the U. S. Department of Commerce.

All space, it is announced, has already been taken. About 60 companies are now at work setting up blue prints for their exhibits. These companies have more than 200 Labor-Management Committees composed of representatives of management and of various unions—AFL, CIO independent, employers associations—as well as non-union workers.

George Cobean Heads U. S. Paper Exporters

The United States Paper Exporters Council, Inc., at its Annual Meeting held on Feb. 17 at the Waldorf-Astoria Hotel in New York elected George G. Cobean, President of Bulkley Dunton Paper Co. (S. A.) to lead the Exporters organization for the coming year. Mr. Cobean, who has had a lifetime of experience in the paper export trade, expressed confidence in the ability of the well-established and experienced American paper exporter, supported by forward-looking paper mills, to maintain and enlarge the position of American-made papers in the foreign markets. He emphasized the need for definite planning now by the industry to permanently establish the United States as a real factor among the paper-exporting nations of the world.

Eli de Vries, President of Parsons & Whittemore, Inc., retiring President of the Council, in a report on his stewardship, stressed the post-war future of paper exporters and the representative status which this Council has attained. He also stated that many of the war agencies have become increasingly aware of the essentiality of paper export in furtherance of the war effort.

The Council also elected Frank W. Smith, Vice-President of National Paper & Type Co., as its Vice-President, and Fred C. Strype, President of Fred C. Strype, Inc., as its Secretary-Treasurer. The new Board of Directors, in addition to the foregoing, includes Adalbert Greiner, President of China American Paper & Pulp Co., and Elwin Walker, Treasurer of Walker Goulard Plehn Co., Inc. Javits & Javits, 165 Broadway, continue as legal advisers for the Council.

Labor Department Reports On Factory Workers' Hours And Earnings In November

Factory workers put in 2,500,000 more man-hours per week in November than in October, bringing total manufacturing man-hours up to 636,000,000, Secretary of Labor Frances Perkins reported on Jan. 23. The average number of hours worked per man per week in November was 45.5 for all manufacturing, indicating a scheduled work-week of 48 hours. Secretary Perkins further stated:

"Four of the nine durable groups reported fewer manufacturing hours in November than in October. In each case the drop in total hours reflected a shorter work-week and occurred in spite of an increase in employment. The declines of 431,000 hours per week in the automobile group and of 383,000 hours in the lumber group reflect the observance of the Thanksgiving Day holiday. (Many firms in the automobile and lumber groups report data for a whole month rather than for the week ending nearest the 15th. Reports from these firms would therefore include the Thanksgiving holiday). The furniture and stone groups each reported approximately 40,000 fewer hours in the mid-week of November than in October.

"Only two of the non-durable groups reported fewer manufacturing hours in November than in October. The decline of 748,000 hours per week in the chemicals group was due to a cut-back in employment coupled with a shorter work-week, while the decline of 51,000 hours in the petroleum group was due entirely to a shorter work-week.

"Average weekly earnings in November amounted to \$45.27. The earnings in the durable-goods group, where most of the war production is concentrated, amounted to \$51.68, while the earnings in the non-durable group

averaged \$35.65 a week. Such civilian goods groups as textiles, apparel, leather, and tobacco are still averaging \$30 a week or less. "Average hourly earnings for all manufacturing increased from 98.9 cents to 99.5 cents, which is almost 10% above November, 1942. These earnings figures include the payment of overtime premiums and shift differentials. Adjusting to eliminate the effect of the overtime premium payments, the average hourly earnings for all manufacturing amounted to 92.2 cents. This compares with a straight-time hourly earnings figure of 84.8 cents in November of last year and of 74.5 cents in November, 1941.

"The average hours per week in anthracite and bituminous coal mining declined to 25.5 and 28.6, respectively, because of strikes during November. The increase in pay of 32.2 cents a day to anthracite miners resulted in a 3.8% increase in average hourly earnings in the anthracite industry. Average hourly earnings in bituminous coal mining declined between October and November, in spite of the decision to pay these miners portal-to-portal pay. Some bituminous coal mining firms reported that because of the book-keeping involved, November wages were being paid on the old basis, and supplementary payments would be made later."

Tax Court Denies Treasury Claim That Bonds Of Port Of New York Authority Are Taxable

Triborough Bridge Bonds Also Exempt

The Tax Court of the United States declined on Jan. 28 to support the Treasury's contention that interest from bonds of such public enterprises as the Port of New York Authority and the Triborough Bridge Authority of New York should be taxable, citing in its conclusion the need to encourage facilities for both motor and air travel. At the same time the Court declined in the two long-pending test actions to rule whether there is any Constitutional bar to taxing the income from some \$20,000,000,000 of State and local Government bonds. We quote from Associated Press advices from Washington, Jan. 28, which went on to say:

"Specifically the Tax Court held that both the Port and the Triborough Bridge Authorities are political subdivisions and as such are entitled to the exemption provided in present income-tax laws for their securities. Five members of the 16-Judge Court dissented and one did not participate.

"The majority opinion pointed to the great 'motor age' of the last quarter century, asserting that it called for the development of great highway and parkway systems through combined efforts of Federal and local Governments.

"The future, the decision said, may see an even greater need for the creation of local facilities adapted to the necessities of air transportation. It is hard to conceive that a statute tending to encourage and assist in the contribution of public improvements by debt-burdened localities should have been intended to stop short merely because the method selected for financing such accommodations to current needs is the issuance of obligations secured by facility revenues, as opposed to the levy of special assessments upon benefited properties."

"The Treasury, following through on long-standing Administration efforts to wipe out the tax exemption of all Government securities, said it would appeal the decisions to the Circuit Court

of Appeals. Whatever the decision is there, it was assumed that the loser would appeal to the Supreme Court.

"The Treasury Department weathered a similar Tax Court rebuff in its campaign several years ago to tax the salaries of State and local Government officials and has obtained legislation since removing all tax exemption features of Federal securities now being issued.

"The fight over State and local Government bonds has been bitter. Opposed to the Treasury's contention that income from the securities should be taxable has been the argument that to remove tax exemption would place a burden on States, cities and towns by impairing the marketability of their bonds and forcing them to carry a higher interest rate."

Action to test the right of the Federal Government to tax income from State and municipal securities, was brought several years ago in the case of the Port of New York Authority and an item bearing thereon appeared in our issue of March 22, 1941, page 1842. The Port Authority is owned jointly by the States of New York and New Jersey and operates several bridges and tunnels linking New York City and New Jersey. The Bridge Authority operates the Triborough Bridge of New York City, said the Associated Press.

The issuance of the following statement by Frank C. Ferguson, Chairman of the Port of New York Authority, on Jan. 28, regarding the Tax Court's decision, was noted in the New York "Times."

"The Tax Court upholds our

long-standing contention that our bonds are on the same plane as the direct obligations of the States and cities, a position which has been maintained by the Port Authority from the time of its first bond issue almost 20 years ago. At that time our position was supported in an opinion written by the Hon. Charles Evans Hughes. It has been consistently supported by our counsel ever since. It has been accepted as one of the attributes of Port bonds in the market, and is now, despite the Treasury's attack, upheld by the Tax Court of the United States.

"The Port Authority participated in the organization of the Conference on State Defense, which over the past five years has successfully maintained the position of the States and cities on this fundamental issue in the Congress of the United States. The Congress consistently supported the State and municipal position culminating in September, 1942, with the defeat in the Senate of the Treasury's efforts to tax local bonds. The local governments have always pointed out that Federal taxation of their financing simply means an increase in local real estate taxation.

"In the light of the respect with which decisions of the U. S. Tax Court are treated by the Supreme Court of the United States, we trust that this decision will mark an end to efforts to interfere with the fiscal affairs of the States and cities. The municipalities should now be able to go forward with their plans for post-war development without the fear of Federal interference with local financing."

Lodge Resigns From Senate To Serve With Army Overseas

Sinclair Weeks, Treasurer of the Republican National Committee, was sworn in on Feb. 15 as United States Senator from Massachusetts, succeeding Henry Cabot Lodge, Jr., who recently resigned from the Senate to return to active service as an army officer. Mr. Weeks was accompanied to the front of the Senate for the ceremonies by Senator Walsh, Senior Senator from Massachusetts.

Mr. Weeks, a resident of Newton, Mass., was appointed to the Senatorship by Gov. Leverett Saltonstall on Feb. 8 during brief State House ceremonies. The Governor then announced his own candidacy for the Senate seat in the November election. Senator Lodge (Republican), a Major in the Army Reserve Corp., resigned from the Senate on Feb. 4; in his letter of withdrawal he stated "that with the United States entering the period of large scale ground fighting, he reached the conclusion that in view of his age (41 years) and military training, I must henceforth serve my country as a combat soldier in the Army overseas." In Associated Press advices from Boston on Feb. 4 it was stated, Mr. Lodge, namesake and grandson of a famous United States Senator, first was elected to the Senate on Nov. 3, 1936, and was re-elected for another six-year term in 1942. He served earlier in this war with an American tank detachment in Libya.

Senator Walsh, Democrat, his colleague, expressed regret that Mr. Lodge was leaving the Senate, and the minority leader, Senator White of Maine, said that his retirement would be "a distinct loss to the Senate and to the people of his State."

Mr. Lodge's resignation came after a ruling by President Roosevelt that members of Congress may not serve simultaneously in the armed forces and the National Assembly. His term expires in 1949. Mr. Saltonstall's term as Governor expires this year.

Nelson Says Small Business Must Be Given First Opportunity To Reconvert

Donald M. Nelson, Chairman of the War Production Board, said on Feb. 12 that small business must be given the first opportunity to reconvert to peace-time production in the post-war period, asserting that he believed that small business should be given top priority when surplus materials over and above the stockpile needed for war are released.

"The most important single thing we face is the future and fortune of small business in America," Mr. Nelson said in an address at the concluding session of a three-day meeting in Washington, D. C., of the 14 regional directors of the Smaller War Plants Corporation. "Small business is more important to this nation today than ever before in the history of our country."

Mr. Nelson said that, in his opinion, small business does not want, or need, a WPA organization. All small businessmen want is an opportunity to use their own initiative and ingenuity, he continued. The WPB chairman praised the leadership of Maury Maverick, as director of the SWPC and warned the regional directors of the serious nature of the problems confronting them. "You have had many heartaches and the job ahead is a difficult one," he said.

Representative Wright Patman promised the regional directors 100% cooperation from the House Small Business Committee. He told them the organization was in the hands of a "good, courageous,

hard-hitting man" who is "one of the best administrators in the country today."

Senator James E. Murray congratulated Mr. Maverick on "the opportunity you have to be of real service to the country as a whole. Only small, independent business is genuinely competitive," he continued, assuring the regional directors of the fullest cooperation of the Senate Small Business Committee. "I admire the vigorous way you have taken hold of your job," he said. "Small business must be preserved if we are to have free enterprise."

Closing the session, Mr. Maverick, promised that SMWC under his direction would be conducted as a strictly non-political organization. "We are not going to sell out to anyone," he said. "We are carrying out a vital program which must transcend all political lines. We are happy to have heard the co-founders of the SWPC and its executive head. Only with their active cooperation can we carry our fight to its ultimate conclusion."

Would Exempt Issuers Of Mining And Oil Securities From Provisions Of Securities Act

Congressman Maurice J. Sullivan of Nevada, former Lieutenant-Governor of that State, last December introduced in the House a bill (H. R. 3764) to amend the Securities Act of 1933. The amendment is designed to exempt mining and oil development and securities from the supervision and licensing authority of the Securities and Exchange Commission.

Congressman Sullivan, according to the "California Mining Journal," made the following statement as to the desirability of the proposed amendment:

"We hear a lot about 'free enterprise' nowadays, but under the existing law there is no such freedom. The prospector who has developed the West must either sell to concentrated capital in the East on its own terms, or go unrewarded through inability to incorporate and sell shares of stock, inasmuch as administrative red tape surrounding the issue of permits is prohibitive.

Supervision No Protection
"The theory of the existing Act is that mining and oil development can be made a 'sure thing' and investors can be protected by supervision. The theory is fallacious because one man can see no farther into the ground than another. Mining and mining-stock buying is and always has been a gamble. There are and always have been men willing to risk a small amount on the prospect of a ten-fold return. It is this tendency that has developed not alone mines and oil wells but all our major industries.

"When our Government undertakes to protect against loss and guarantee success to every citizen, the pioneer spirit of this nation will die and progress will cease. Oppressive visitatorial powers by Government are no less odious and destructive than private monopoly. Restraint of free enterprise is no better than unreasonable restraint of trade and commerce. The existing law has been tried and cries loudly for amendment."

The full text of the bill, introduced on Dec. 1, 1943, which was referred to the Committee on Interstate and Foreign Commerce, follows:

H. R. 3764—A Bill to amend section (3) (a) of the Securities Act of 1933, as amended, relating to exempted securities.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section (3) (a) of the Securities Act of

1933, as amended, is amended by striking out the period at the end of paragraph (11) and inserting in lieu thereof a semicolon, and by adding after such paragraph (11) the following new paragraph: "(12) Any security issued by any person engaged primarily in the mining or production of metallic or non-metallic minerals or mineral substances, including petroleum and natural gas."

Jan. Cotton Consumption

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

In the month of January, 1944, cotton consumed amounted to 819,489 bales of lint and 99,117 bales of linters as compared with 852,016 bales of lint and 107,559 bales of linters in December, 1943, and with 916,785 bales of lint and 110,772 bales of linters in January, 1943.

In the six months ending with Jan. 31, cotton consumption was 5,090,896 bales of lint and 652,868 bales of linters, against 5,623,308 bales of lint and 686,234 bales of linters in the same six months a year ago.

There were 2,377,580 bales of lint and 466,078 bales of linters on hand in consuming establishments on Jan. 31, 1944, which compares with 2,400,170 bales of lint and 457,919 bales of linters on Dec. 31, 1943, and with 2,495,764 bales of lint and 506,439 bales of linters on Jan. 31, 1943.

On hand in public storage and at compresses on Jan. 31, 1944, there were 12,120,142 bales of lint and 82,227 bales of linters, which compares with 12,649,909 bales of lint and 60,879 bales of linters on Dec. 31, 1943, and with 13,069,529 bales of lint and 90,878 bales of linters on Jan. 31, 1943.

There were 22,217,994 cotton spindles active during January, 1943, which compares with 22,596,322 active cotton spindles during December, 1943, and with 22,935,012 active cotton spindles during January, 1943.

President Vetoes Bill Banning Subsidies; Veto Is Sustained By House

President Roosevelt vetoed on Feb. 18 the anti-subsidy bill, declaring it to be "an inflation measure, a high-cost-of-living measure, a food shortage measure." Following the action of the President, the House on the same day sustained the veto by a vote of 226 to 151—that vote falling short by 26 votes of the necessary two-thirds majority required to pass the bill over the veto. It was noted in the Associated Press accounts from Washington Feb. 18 that Republicans voted preponderantly to override the President and were joined by a substantial number of Democrats from farming areas. The action of the House, it was added, obviated the necessity of the Senate's voting on the veto.

The Associated Press likewise said:

The subsidy repealer was attached as a rider to a bill extending the life of the Commodity Credit Corporation, which expired yesterday. Speaker Rayburn said the Corporation would be continued by new legislation.

The legislation vetoed by the President proposed to end Government subsidy payments for food after June 30. In addition, it would extend the life of the Commodity Credit Corporation until June 30, 1945.

Mr. Roosevelt said that in effect, would reverse a Congressional policy and repeal the economic stabilization act.

He said no major warring nation had been able to stabilize living costs without subsidies and that he did not see how the wage line could be held if the bill became law.

Once that line breaks, he asserted, food costs will rise still further and all other costs will go up, including those of munitions and supplies for the armed forces.

Reference to the Congressional action on the bill is given further below. We give herewith the President's veto message:

To the House of Representatives:

I received yesterday afternoon, Feb. 17, 1944, HR 3477 (S 1458)—a bill which extends the life of the Commodity Credit Corporation until June 30, 1945, but which by its restrictive provisions would compel an increase in the cost of food and cost of living to the people of the United States.

I promptly return the bill, without my signature, and urgently recommend that the Congress take action as soon as possible to extend without hampering restrictions the life of the Commodity Credit Corporation. Farmers could thereby make plans for the planting of crops and know the support prices on which they can rely.

The reason for my disapproval of HR 3477—my most emphatic and vigorous disapproval—must already be known to every Senator and every Representative. The issue of using Government funds to hold down the cost of living is not a new issue, and my views on it have been expressed before and at some length, particularly in my message vetoing a similar bill (HR 2869) on July 2, 1943.

This bill, like that bill, is an inflation measure, a high cost of living measure, a food shortage measure.

This bill will raise the cost of food in the Bureau of Labor Statistics index not less than 7% and will raise the whole cost of living materially.

If this bill were to become law the housewife would soon have to pay:

Ten cents a pound more for butter.

Nearly 8 cents more a pound for cheese.

One cent more for a quart of milk.

One cent more for a loaf of bread.

Seven cents more for a ten-pound bag of flour.

Hamburger would go up 4 cents a pound.

Pork chops would go up 4½ cents a pound.

Sliced ham would go up 6½ cents a pound.

Chuck roast would go up 3½ cents a pound.

Round steak would go up 5 cents a pound.

The cost of many other necessities would be increased materially.

While increasing the cost of living, the prohibition of consumers' subsidies will not add one dollar to the income of the farmers.

This bill would in effect reverse the policy of the Congress; in effect, it repeals the Stabilization Act of Oct. 2, 1942.

It is clear that we cannot hold the wage line if the Congress deprives us of the means necessary to hold the cost-of-living line.

No major country at war today has been able to stabilize the cost of living without the use of subsidies.

If the wage line breaks—and I do not see how it can be held if this bill becomes law—not only will food costs rise still further, but all other costs will rise—including the cost of all munitions and supplies for the Army and Navy, by many billions.

Not only will it cost every American family more to buy the necessities of life, not only will it cost more to run our factories and our farms, but also the costs of conducting the war will rise proportionately day by day.

The weight of the increased burden will fall on all of us, but most of all on the unorganized workers and others who live on small and relatively fixed incomes, among whom are most of the dependents of our fighting men.

The bill presented to me would destroy the stabilization program. I cannot accept responsibility for its disastrous consequences.

I hope that the Congress will not compel these consequences.

FRANKLIN D. ROOSEVELT.
The White House, Feb. 18, 1944.

Reference to the postponement by Congress on Dec. 18 last of a decision on the controversial food subsidy issue was referred to in our Dec. 30 issue, page 2676, at which time it was noted that both branches agreed to continue the life of the CCC and the existing subsidy program until Feb. 17.

On Jan. 19 the Senate Banking and Currency Committee rejected the Administration's request for the use of \$1,500,000,000 on food subsidies in 1944, acted favorably on the Bankhead bill to terminate all such subsidies by June 30 of this year and sent the whole issue to the Senate floor for debate. Regarding the action the Associated Press, Jan. 19, stated:

The committee reversed itself in taking these actions against the subsidy system which administration officials have described as the cornerstone of their program for controlling retail food prices.

Despite President Roosevelt's vigorous representations to Congress on behalf of the system, a favorable report on the bill by Senator Bankhead (D., Ala.) to end food subsidies on June 30, 1944 was voted 10 to 9, though such a report had been rejected a month ago. The bill is substantially similar to the anti-subsidy legislation passed by the House in November when that chamber acted on an extension of the life of the Commodity Credit Corporation to June 30, 1945.

Two Republican Senators, Taft of Ohio and Tobey of New Hamp-

shire, swung to support of the bill in today's executive session after previously having opposed it. The administration's proposal to authorize the expenditure of \$1,500,000,000 for subsidies in 1944 was rejected also on a 9-10 division. A bitter and perhaps long fight on the Senate floor impends.

Senator Maloney (D., Conn.) said that he would introduce on the floor the \$1,500,000,000 amendment which the committee turned down. Senator Wagner (D., N. Y.), Banking Committee Chairman, foresaw an opening of the floor battle by next week.

On Feb. 9 the Senate by a vote of 49 to 26, rejected the proposal of Senator Maloney to amend the Bankhead bill where-by the spending of \$1,500,000,000 on consumer food subsidies would be permitted in 1944. In part we quote from Associated Press Washington advices, Feb. 9, as given in the New York "Journal of Commerce":

The vote came at the end of the first day of debate on the revived issue, which produced a charge from Senator George (Dem., Ga.) that the subsidy program constituted "politics of the rawest kind" and a prediction from Maloney that without the payments there will be "a hue and cry for wage increases the like of which we have never seen."

Senator George elaborated on an "inflation" protest already raised by Bankhead, and told the Senate that the whole plan was basically one on labor appeasement at the expense of the farmer.

To continue the subsidy system, he declared, would "amount to appeasement because we are repeatedly warned that if we break the line labor is going to demand constant increases in wages."

"Senators may vote appeasement if they want—but the moment you do you open the floodgates for inflation."

Before the vote Senator Taft ((Rep., Ohio) suggested a compromise, saying the Maloney limitation was "too high" but favoring limited subsidies.

Senator George said that, if the Maloney proposal became law, farmers' prices would be reduced in the market places and all they would get in return would be "a miserable subsidy." He contended that even production subsidies were "hard to justify" because they tended to shift production from one field to another at the cost of the first.

Senator Taft is sponsoring a proposal which would authorize \$1,000,000,000 for subsidies this year, but abolish so-called "roll-backs" on meats and butter and the milk subsidy being paid to 3,000,000 dairymen. A vote on this plan may come tomorrow.

Although favoring limited subsidies, Senator Taft charged the Administration with political motives in inaugurating, late last year, the \$300,000,000 a year plan of subsidy payments to dairymen.

Subsidies now are being paid. Mr. Taft continued, with funds of the Commodity Credit Corporation and the Reconstruction Finance Corporation without direct authorization from Congress.

On Feb. 11 the Senate by a vote of 43 to 28 approved the Bankhead bill barring the food subsidy programs after June 30, 1944, continuing the life of the CCC to June 30, 1945, and increasing its borrowing power from \$3,000,000,000 to \$3,250,000,000. Following the Senate action, the House (which had previously, Nov. 23, passed a bill continuing the CCC until July 1, next, but banning subsidies after Dec. 31, 1943) agreed on Feb. 14 to send the bill to conference. The Senate on Feb. 16 unanimously approved the compromise bill agreed to in conference prohibiting the use of subsidies after June 30, and the House approved the conference report on Feb. 17 by a vote of 249 to 118, following which the bill was sent to the White House,

From Washington

(Continued from first page)

ning Post along the same lines. (Oh, we forgot, our tax system must be revised to encourage investment and particularly, risk capital.) The Republicans at their Mackinaw Conference wrote one. Senator George has been talking along this line for at least a year; he has written along this line. Long before Mr. Baruch was named by Assistant President Jimmy Byrnes to do a report, which means paying some bright young men, to go around and assemble these other reports, a lot of and apparently satisfactory work was being done by a group of industrialists who had been given offices in Jesse Jones' Department of Commerce and who had his blessing.

Indeed, this group was going right along working with Senator George's committee, which was embarked upon getting all these studies and reports into legislation, when Mr. Roosevelt told Jimmy that the Assistant President's office had better get in on the parade. Thus the Baruch report, which for some reason or another, makes it all official. This is exactly what burns the Senators up. They were suspicious when the President stepped into the picture, wondered just what was up his sleeve. Senator George came very near to blowing up at the time but Baruch visited with him and assured him that he was to work with the Senate committee, not against it. It hasn't turned out to be a supplementing of their work, though. It has become apparently THE report. They have great confidence in Mr. Baruch but they know his vanity for underwriting these semi-official documents and they are most suspicious of the President's moving into the picture. The perplexed editors, studying the "Baruch" report, avow they can't see where he is stepping on the legislative branch's toes. Why, he proposes that it be done by legislation, they say.

All right, that is the way Congress was bent upon doing it. Why another report. It is not easy to put one's hands on it, but the Senators think it is part of Mr. Roosevelt's determination to keep the job, with all the power it entails, to himself. They see Mr. Baruch's vanity making him an unwitting vehicle in this.

There is one thing that is very definite. It can become a very deceptive document. The presumption will be that this is Mr. Roosevelt's program. He will likely never say so. But it was done at his direction. He has been credited with saying it was a splendid campaign document, and the fact that it will be taken for his is probably what he meant.

You may rest assured, however, that the National Resources Planning Board has more accurately reflecting his policy about the whole post-war structure before Congress indignantly cut off its funds. These planners were moving boldly for not only a continuation but an acceleration of the deficit spending policy, to the extent of the Government's buying into key industries. You can understand just how Mr. Roosevelt's mind is moving, from his and Harry Hopkins' action in forcing a Government partnership onto the oil companies having properties in the Persian Gulf area.

It is not a question of there being any dearth of "reports" or "studies" on the reconversion program, or of there being any conflict among them. The question is what sort of philosophy will administer the program.

and promptly vetoed as indicated above.

Resume Partial Civilian Mail Service To Italy

Postmaster Albert Goldman announced, effective Feb. 16, that international mail service for civilian correspondence would be resumed between the United States and certain parts of Italy now held by United Nations forces (service to the Italian territories in Africa has already been resumed). Service will be resumed at the same time between the United Kingdom and the same Italian regions, said the announcement, which further stated:

"Letters and postcards will be accepted, beginning Feb. 16, in the United States for delivery to Sicily, Sardinia and the 10 Italian provinces of Bari, Brindisi, Catanzaro, Cosenza, Lecce, Matera, Potenza, Reggio Calabria, Salerno, and Taranto. A postal delivery service, within the limits of existing conditions, already is operating in and between these areas. It is important that senders of letters and cards to Italy include the name of the Province in the address.

"For the present, correspondence to the Italian zones mentioned will be limited to letters and postcards up to a maximum weight limit of two ounces from the United States and 40 grams from Italy. Postage for such correspondence will be for letters five cents for the first ounce and three cents for additional ounce. Postcards, three cents.

"No registration, insurance, money order, air mail, or parcel post service will be available.

"Postal authorities of the countries where the mail originates are issuing regulations as to the nature and content of letters which specify that for the present only personal communications will be permitted and that communications of a business, financial or commercial character must be prohibited until additional shipping can be provided. In order to avoid rejection of correspondence these regulations should be consulted by all persons using the service. The regulations will be available at post offices.

"Treasury officials pointed out that General License No. 32A, issued on Feb. 7, 1944, by the Foreign Funds Control Division of the Treasury Department, authorizes the remittance of funds to Sicily for living expenses, provided the terms and conditions of the license are complied with. General License No. 32A also authorizes communications to or from Sicily relating to such remittances. Accordingly, communications to or from Sicily relating to living expense remittances will be permitted, notwithstanding the prohibition on financial, commercial or business communications.

"Thus, for example, persons in Sicily may send communications to the United States containing requests for funds for living expenses and persons in the United States may write to persons in Sicily with respect to living expense remittances. It was stressed, however, that the regulations do not authorize the sending of checks, drafts, securities or currency to or from Sicily. The Treasury advises that persons desiring to effect remittances to this area should consult their local banks concerning the proper procedures to be followed.

"Living expense remittances to other parts of Italy controlled by Allied forces will be allowed as soon as conditions permit. It is expected that communications relating to such remittances will then be permitted to such areas.

"All correspondence will be subject to censorship."

Baruch-Hancock Recommendations For Effecting Transition From War To Peace Economy

(Continued from first page)

needs slack off slightly. But the job will start in earnest the day Germany is defeated and only Japan remains to be licked.

In our issue of Nov. 25, page 2144, it was noted that a war and post-war readjustment unit, headed by Mr. Baruch, had been set up in the Office of War Mobilization and was at work developing a uniform policy for war-contract termination. The report, just made available, proposes, among other things, the establishment, on an operating basis, of a joint Contract Termination Board, within the Office of War Mobilization, to unify procedures and policies of all agencies. It was noted in *advice to the New York "Journal of Commerce"* from the Washington bureau Feb. 18, that "no post-audit of termination settlements except in the case of fraud, advance planning for cancellations and speedy payments to contractors form the basis of comprehensive Baruch Committee recommendations covering termination of war contracts.

"Contractors would receive 100% payment immediately for all completed and uncompleted articles and for payments to subcontractors. The Government would be required to pay interest to the contractor on termination claims until settlement was consummated."

The report, among other things, deals with measures which should be taken in behalf of small business and in part urges:

Provision for special credit to assist small business in the change-over and to encourage new enterprises.

(a) Extension of the lending authority of the Smaller War Plants Corporation, at present restricted to purposes of war production, to cover financial assistance for change-over problems.

(b) Expansion and liberalization of the Federal Reserve System's authority to make industrial loans, permitting one-half billion dollars of such loans outstanding at any one time.

(c) These two additional sources of credit to supplement—not compete with—the enormous volume of savings in the hands of individuals and banks which await tapping.

(Text of Baruch-Hancock letter which accompanied transmittal of their report appears on page 818.)

Summary Index of Recommendations

The summary index of recommendations appended to the report, as contained in Associated Press advices from Washington on Feb. 18, follows:

(A) Human Side of Demobilization

1. That the government forces dealing with the human problems of demobilization be unified on two fronts—the Executive and Congress.

2. On the executive side, creation in the Office of War Mobilization of the new post of "work director" to "see that the human side of demobilization is not forgotten."

3. This "work director" to be a man "of such outstanding caliber as to command the immediate confidence of the country."

4. This "work director" to work with Congress in the development of a combined program of legislation and operations "to carry out the objectives that all of us share."

5. Among the fields to be covered by this "work director"—personnel demobilization of the armed forces, developing adequate machinery for job placement of veterans and demobilized war workers; adequate care for returning veterans; physical

and occupational therapy for wounded and disabled; resumption of education interrupted by war; vocational training; the special employment problems of the great war industries, and others.

6. That there be in each community only one place to which returning service men and service women need to go to learn all their rights and how to get them.

(B) Settlement of Terminated War Contracts

1. To assure quick cash pending settlement a complete "financial kit" is assembled, including:

(a) Immediate payment—the full 100%—for all completed articles.

(b) On the uncompleted portion of the contract immediate payment—the full 100%—of the Government's estimate of "factual" items, where proof ordinarily is simple, such as direct labor or materials, and of other items on which the Government is able to satisfy itself, up to 90% of the contractor's total estimated costs.

(c) Immediate payment—the full 100%—of settlements with subcontractors as soon as approved.

(d) Payment by the Government of interest on termination claims until settled.

(e) As insurance against delays in validating claims, a new, simplified system of T (termination) loans by local banks, with Government guaranties, to be available to all war contractors, primes and subs.

(f) For those unable to obtain such loans from their local banks in thirty days, the Government to make the loans directly.

(g) Until the new T loans are authorized by Congress, extension of V and VT loans to all eligible borrowers.

(h) Finally, for hardship cases unable to use any of the tools outlined above, expedited settlements.

2. Quick, fair and final settlement through negotiation by contractors and procurement agencies.

3. As a more effective safeguard of the public interest than the kind of review suggested by the Comptroller General:

(a) Review powers of Comptroller General limited to fraud with every administrative aid for detecting fraud.

(b) That all sizable settlements be made by teams of negotiators.

(c) These teams to file written reports and keep full records of the bases of settlement.

(d) Contractors to keep records for three years.

(e) That the Comptroller General and the Attorney General be added to the Joint Contract Termination Board.

(f) Further administrative safeguards now under study.

4. Establishment on an operating basis of a joint contract termination board within the Office of War Mobilization, to unify procedures and policies of all agencies:

(a) The board chairman to be a civilian, independent of any of the procurement agencies, answerable to the Director of War Mobilization.

(b) This chairman to require progress reports from all agencies and to report regularly to Congress.

(c) Also to maintain a running survey of the extent to which V and VT loans and the new T loans are taken out.

(d) To keep a constant eye on all aspects of contract settlement, recommending any changes that become necessary.

(e) The War Production Board be added to the joint contract board.

5. Spread acceptance by war contractors of the uniform termination article for fixed-price contracts.

6. Speed the handling of subcontractor claims:

(a) The procurement agencies to be authorized by legislation to protect subcontractors in event of insolvency or default of their customers.

(b) A standard termination article for subcontractors to be completed soon to supplement the uniform termination article for prime contractors.

(c) A minimum figure to be set by the Director of War Mobilization below which "nuisance-sized" claims can be immediately validated with suitable safeguards.

(d) Vigorous experiment with the so-called "company-sized" type of settlement, seeking a workable plan.

7. Schools to be set up around the country for training Government negotiators and contractor representatives in the same classrooms.

8. Prompt clearance of Government property from private plants not later than 60 days after the filing of inventory lists, the manufacturers having the right to remove and store the property earlier at their own risks.

9. This entire termination program to be put into effect by the agencies at once to the extent administratively possible.

10. Prompt enactment of legislation to make this program fully effective, including appropriate authority to permit company-wide settlements, to the extent found practicable.

C. Surplus Property

1. The Director of War Mobilization to name a *Surplus Property Administrator* in the Office of War Mobilization with full authority for handling every aspect of surplus disposal.

2. A *surplus Property Policy Board*, the Administrator as Chairman, with full and final authority, and with these agencies represented: War, Navy, Treasury, Reconstruction Finance Corporation, Maritime Commission, War Production Board, Bureau of the Budget, the Food Administrator, the Attorney General, Federal Works Agency, State Department and Foreign Economic Administration.

3. Four major outlets to handle actual disposal, each in a clearly defined field, with no overlapping:

(a) *Consumer Goods* to the *Treasury Procurement Division*.

(b) *Capital and Producer Goods*, all types of industrial property, to a *single corporation within the Reconstruction Finance Corporation*, consolidating present RFC subsidiaries.

(c) *Ships and Maritime Property* to the *Maritime Commission*.

(d) *Food* to the *Food Administrator*.

4. All of these agencies, as well as any other agencies called upon to handle special disposal problems, to follow policies laid down by the administrator in consultation with policy board.

5. The surplus administrator to report to Congress as soon as possible on legislation needed, basing his recommendations on actual experience with the problem.

6. Our own suggestions as to the broad policies that the surplus administrator may wish to follow are summed up in ten basic principles:

(1) Sell as much as he can as early as he can without unduly disrupting normal trade.

(2) Listen to pressure groups, but act in the national interest.

(3) No sales, no rentals to speculators; none to promoters.

(4) Get fair market prices for the values with proceeds of all sales going to reduce the national debt.

(5) Sell as in a goldfish bowl, with records always open to public inspection.

(6) As far as practicable, use the same regular channels of trade that private business would in disposing of the particular properties.

(7) No Government operation of surplus war plants in competition with private industry.

(8) No monopoly; equal access to surpluses for all businesses; preference to local ownership, but no subsidizing of one part of the country against another.

(9) Scrap what must be scrapped, but no deliberate destruction of useful property.

(10) Before selling surplus equipment abroad, assure America's own productive efficiency, on which our high wages and high living standards rest.

7. The surplus administrator to be a man of proved executive capacity, business sagacity, unquestioned integrity and great courage to fight off the selfish interests who will be seeking to exploit these surpluses.

8. The facts on all sales to be open to public inspection, with regular reports from each disposal agency to Congress.

9. All of the disposal agencies to make effective use of industry advisory committees.

10. The disposal agencies to lease as well as sell, to exchange properties, to sell on credit—but leasing must not become a hidden device for government ownership or subsidies.

11. The Army and Navy to examine their inventories of the most critical civilian items to see what can be safely released during the war for the civilian economy without hurting the war.

12. Surplus administrator to study how to centralize the handling of real property, also to explore the possibilities of beginning to liquidate government holdings.

13. The closest cooperation between the War Production Board and the surplus administrator so that controls do not necessarily hinder disposition by unduly limiting potential buyers, particularly in assuring prompt disposal of small quantities of surplus materials.

14. The surplus administrator and the disposal agencies to have available to them in carrying out their policies the entire field force of all the various agencies, including the services.

15. Surpluses to be offered in lots of such size as to permit businesses of all sizes to participate.

16. The Attorney General is placed on the policy board because of the importance of preventing monopoly in disposal.

17. The Bureau of the Budget is on the board to develop policy for permanent good housekeeping of government properties.

18. The membership of the Surplus Property Board to be made up of men who will carry out the decisions that are made.

19. The broad functions of the Surplus Property Board are summarized on page 5 in the chapter on surplus in the addenda.

D. A general tightening of the entire Government war machine for both mobilization and demobilization—the two going hand in hand.

1. A running review of the functions of all war agencies by the Bureau of the Budget, reporting regularly to the Director of War Mobilization with recommendations for cutting down the agencies as their work dwindles.

2. Intensification of the fine work already being done in sweating out unnecessary requirements in the services' programs.

3. An early, equally effective review of the programs for raw material production, stockpiling, imports, subsidies and premiums to marginal producers, so as not to continue any of these programs beyond being needed.

4. Early review of all war-time material controls and limitation measures to determine under what conditions these orders can or should be modified.

5. Strengthening of the Industry Advisory Committees in the War Production Board.

6. Tightened handling and advance planning of new contracts and contract cancellation.

7. Closer working together of the WPB and the OPA to avoid pricing delays in the resumption of civilian production.

8. The armed services to furnish all civilian agencies full information in adequate time for these agencies to do their planning.

9. The civilian agencies to organize themselves to use this information effectively.

10. A running conspectus by the Office of War Mobilization of the tasks assigned each agency.

11. No new demobilization agency needed at this time.

E. Advance Planning for "X Day"

1. To be prepared in event of a sudden collapse of Germany: the Armed Services and the War Production Board to cooperate in the immediate preparation of an "X Day" reconversion plan based on the assumed defeat of Germany on a hypothetical "X Day."

2. This plan to seek to estimate cancellations in advance; to make tentative selections of the industries and plants to be freed, to be used to get a head start on all demobilization problems.

3. Advance listing of the priorities to be given different civilian needs in any opening up of civilian supply.

4. The highest priority to go to those things which contribute directly or indirectly to improved military efficiency, such as vital repairs, transportation.

5. As far as possible, all competitors to be treated alike in the resumption of civilian production but not so as to interfere with war requirements or to hold back production of needed items.

6. While this advance planning is being done, no let-up on the war.

F. Prompt Extension of Needed War Powers

1. The price control law.

2. Priorities and allocations power on which functioning of War Production Board rests.

3. Requisitioning power of President.

4. Attorney General to study other war powers of agencies to determine when they will expire, which can be allowed to elapse and which should be extended.

G. Tightened Handling of Cancellations

1. Prompt cancellation of war contracts as soon as it is seen goods are no longer needed.

2. Procurement agencies to inform the War Production Board of possible cancellations or cutbacks as soon as they begin to think of them.

3. The WPB to work out in advance the policies governing the choices as to which producers should be canceled and which left in production.

4. The actual choices to be made after full consultation with the WPB, War Manpower Commission, and other interested agencies.

5. That contract cancellations be guided, first by what will contribute to a more efficient prosecution of the war.

6. With war needs satisfied, second by what will contribute to the quick balanced resumption of civilian production and to an orderly change-over from war to peace.

7. Contract cancellation to be integrated with procurement and expansion of civilian production so that facilities and manpower which are released are shifted to new war work or, as far as practicable, to expanded civilian production.

8. A full, frank information policy on all cutbacks and cancellations.

H. Small Business

1. That surpluses be disposed of in small lots to permit small as

well as large business to participate.

2. Similarly, the disposal agencies to be able to lease and to sell on credit, expanding opportunities for small business.

3. Effective representation of small business on Industry Advisory Committees.

4. Protection of small business in the resumption of civilian production, as far as is practicable, without interfering with war.

(a) Earlier cancellations where small business can be converted.

(b) Care to protect competitive position of small business.

(c) Possible relaxation of "nuisance" type production control sooner than broader controls.

5. Provision for special credit to assist small business in the change-over and to encourage new enterprises.

(a) Extension of the lending authority of the Smaller War Plants Corporation, at present restricted to purposes of war production, to cover financial assistance for change-over problems.

(b) Expansion and liberalization of the Federal Reserve System's authority to make industrial loans permitting one-half billion dollars of such loans outstanding at any one time.

(c) These two additional sources of credit to supplement—not compete with—the enormous volume of savings in the hands of individuals and banks which await tapping.

I. So that the loans made available can be repaid and to encourage new enterprises, a post-war tax law be drafted now, during the war, and put on a shelf for use at the end of the war.

1. This tax law to make known in advance the reductions in tax rates from the present war-time levels to normal peace-time levels.

2. That this tax law provide for reduction of the national debt. The importance of reducing the debt being "to return to a strong position of national defense."

3. That this recommendation not be interpreted as meaning that present tax rates are too high for war—if anything they are too low—or that there should be an upward revision of our standards of fair war-time profits. "We have never swerved from the position that the profit be taken out of war."

J. Public Works

1. Early engineering, planning, and designing of public works to be put on the shelf for use if needed.

2. Any fund created to assist local bodies in such planning be administered with full recognition that the debt burden of many communities, cities, and States is far lower than the Federal Government's.

3. Immediately needed projects which have been deferred during the war to be kept under review by the War Production Board for possible clearance as war needs slacken, with due regard to the competing demands of other essential production and employment.

January Total Construction Contracts Below Last Year

Construction contracts awarded during January totaled \$159,238,000 in the 37 Eastern States, according to F. W. Dodge Corp. in a report made public on Feb. 18. This was the lowest January total since 1935; it also declined relative to the \$252,223,000 recorded in the preceding month and to the \$350,661,000 recorded in January, 1943. The entire decrease from January of last year was in public-ownership projects, the \$37,363,000 of private construction money spent during the month being 6% above the corresponding figure last year.

All major categories declined from January, 1943: non-residential building, off 56%; residential building, off 63%, and combined public works and utilities, off 41%.

Steel Production Still Strong — New Projects Replace Cuts In War Output — Wage Hearings

"Currently, the nation's railroads are facing a hurdle of getting certificates of necessity for the 1944 equipment program scheduled by ODT, because opposition has arisen in certain Washington quarters to amortizing all-steel freight cars under the five-year Treasury plan," states "The Iron Age" in its issue of today (Feb. 24), further adding:

"Railroad executives say they do not think more than 50,000 cars and 1,000 locomotives will be made this year due to lack of manpower in shops. Only 9,000 cars are scheduled now for production in third quarter, but orders for 13,000 additional have been placed, pending the decision on amortization. Orders for about 11,000 cars have been placed for first and second quarters.

"The total metal allocation to ODT for second quarter was: Carbon steel, 1,490,000 tons; alloy steel, 105,900 tons; copper and copper products, 24,510,000 pounds and 5,756,000 pounds of aluminum. "Approximately 370,000 tons of steel were allocated in the second quarter for freight cars, 37,500 tons for locomotives, 550,000 tons for rails, 291,000 tons for track accessories, and about 80,000 tons for frogs and switches.

"Recognizing the increasingly critical situation in automotive replacement parts, the WPB granted the entire ODT request of 137,000 tons of carbon steel for this purpose, a 47% increase over the 93,000 tons granted for the first quarter. The military spare parts program, too, is larger this year, and constitutes a sizable share of all combat vehicle production today.

"Two widely heralded civilian goods ventures, the providing of more household irons and the experimental production of diversified goods by small plants in three areas, are lagging. Difficulty in proving non-interference with war work and difficulty in holding down to 1942 ceiling price levels are said to be a drag on the civilian iron project.

"The tight situation in flat rolled steel appears likely to become even more hectic since a new Ordnance Department packaging program requiring large quantities of 12 to 14-gage sheet is imminent. Third quarter tin mill production is expected to exceed 800,000 tons, compared with an approach to 800,000 tons for the second quarter and slightly more than 600,000 tons in first quarter. Tubular goods mills are working at top speed against huge backlogs of orders.

"Getting ready for hearings on the demand of the CIO-USW for a 17c. per hour increase in wages, the War Labor Board has announced a panel of six which will consider the case and called a hearing for Feb. 23 on the question of extending contracts between USW and 74 steel companies. A further angle to the labor picture is a report that steel fabricators and miscellaneous manufacturers may be pressing to have their own WLB panel hearing, instead of being included with the companies actually producing iron and steel."

The American Iron and Steel Institute on Feb. 21 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 97.7% of capacity for the week beginning Feb. 21, compared with 97.7% one week ago, 96.5% one month ago and 97.7% one year ago. The operating rate for the week beginning Feb. 21 is equivalent to 1,750,000 tons of steel ingots and castings, compared to 1,750,000 tons one week ago, 1,727,900 tons one month ago, and 1,691,900 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Feb. 21 stated in part as follows:

"Expected easing in the plate and sheet situation has failed to materialize and now is looked

for as a third-quarter development, with current demand strong.

"When the present landing craft program was outlined last Fall producers were given extra tonnage in expectation that reductions in other directions would make it possible for them to provide the added requirements. The cutbacks apparently have not been sufficient to allow mills to catch up on schedules. Some expect the end of March may see deliveries more nearly met.

"Meanwhile, requirements for high-test gasoline refinery construction have increased and are given equal rating with landing craft, the relatively smaller tonnage serving to fill gaps and some directives for this purpose have been issued, displacing other steel already scheduled. This has served to extend delivery promises and tighten further the sheet situation through increased demand for plates from continuous mills.

"Some tightening in scrap supply has resulted from snow in the Midwest but stocks of melters are sufficient to tide over the emergency. Some steelmakers have resumed buying after being out of the market temporarily.

"Recent sale of 25,000 tons of reinforcing bars by the Maritime Commission, rendered excess by abandonment of a reinforced concrete barge program, probably will have little effect on the market."

Annual Assay Commission Meets

Mrs. Nellie Tayloe Ross, Director of the Mint, announced that the traditional sampling and testing of 1943 coinage as provided by law brought together at the Philadelphia Mint on Feb. 9 and 10 members of an Annual Assay Commission appointed by the President.

The Commission this year consisted of 11 appointed and three ex-officio members.

They are: C. E. Bell, passenger traffic manager, Seaboard Railway Co., Norfolk, Va.; Dr. J. Ellwood Amos, Associate Professor of Finance, University of Pittsburgh; Ray A. van Clief, New York City business man, now living in Washington, D. C.; Fred R. Mann, Philadelphia business leader; Miss Grace Nixon, former postmistress, Phillipsburg, N. J.; Arthur T. Pienkowsky, Washington, D. C., recently retired weights expert of the Bureau of Standards; William E. Leahy, Washington, D. C., Selective Service official, attorney, and President of Columbus University; Mrs. Hale Shenefield, Washington, D. C., instructor at American University; Dr. Benjamin Salzer, New York City; Mrs. Brewer L. Stouffer, Hagerstown, Md., woman counsellor for Fairchild Aircraft Corp., and Morton Schwartz, New York City business man.

Statutory ex-officio members are Judge William H. Kirkpatrick, of the United States District Court for Eastern Pennsylvania, Philadelphia; Preston Delano, Comptroller of the Currency, Washington, and Joseph Buford, assayer, the United States Assay Office, New York City.

The announcement from the Treasury Department also said:

"The annual 'trial of the coins,' as the function is known, has been made without interruption since 1792. At all United States Mints, one of each 2,000 silver coins produced is taken at random and pre-

Man Power Needs For First Half Of 1944

A new survey of the nation's man power needs for the first half of 1944 was made public on Feb. 1 by Paul V. McNutt, Chairman of the War Man Power Commission. In a statement prepared for a press conference held on Feb. 1, Mr. McNutt said: "I am making public today our statement on man power requirements for January and July of 1944.

"An analysis of the requirements indicates that we face five primary problems in the coming months:

"1. Although war production as a whole has leveled off and total munitions employment will remain on a plateau, many specific production programs are expanding rapidly. We must find more workers for aircraft, ship repair, radio and radar, heavy trucks, landing craft, and other items which are on the increase. The many areas where these munitions are produced will continue to grow tighter. Production will decline in other areas, but a lay-off of workers as a result of a cutback in a midwestern ammunition plant does not in itself staff the ship repair yards in San Francisco. Therefore, we must continuously conserve and reallocate our present supply of munitions workers.

"2. We must replace the men and women being drawn every day into military service, which becomes increasingly difficult as time goes on. To provide a net increase of 800,000 in the strength of the armed services, approximately 1.4 million will have to be inducted, in order to compensate for those who are discharged or lost.

Men who are withdrawn from industry for military service are becoming harder and harder to replace. In each successive month a higher level of skill and experience must be tapped to fill Selective Service calls.

"3. Workers must remain in essential jobs in the face of growing attractions which operate in the other direction. The impulse to seek out a safe berth in non-war work of a permanent character, must be put aside in this crucial phase of the war. Our twelve Regional Directors have reported almost unanimous concern over this tendency. Too many manufacturers have one eye on their post-war civilian market; when this is so, it is only natural for workers to seek out their post-war jobs. We should be clear about one thing: the man-power shortage will not permit any extensive expansion of non-war production before the collapse of Germany, even if materials should be available. The amount of reconversion we can afford is not commensurate with the amount of talk that has been given to it. Let us put our mind back on the job to be done.

"Cutbacks create a further psychological hazard; a layoff of 300 workers receives more attention than a new demand for 3,000. The inevitable uncertainty has an injurious effect on the production line, despite the fact that workers who have been laid off by cutbacks are sorely needed in other employment.

"4. The seasonal labor needs of agriculture—about 3,400,000 between January and July—must be filled. This seasonal swing is

served under seal for testing by the Assay Commission. The procedure was set up by the early lawmakers to insure that the nation's money is maintained at standards of fineness and weight.

"Members of the Commission serve without compensation, but are reimbursed for their expenses. They received a special medal as a token of their service.

"Mint activities of extra-curricular interest to the Commission this year include the recently resumed coinage of bronze one-cent pieces, in which scrapped shell cases and new copper are combined; and the production of thousands of medals for heroes of the Navy, Coast Guard and Merchant Marine."

usually accompanied by a corresponding increase in labor supply. The bulk of the additional labor will consist of women and young persons who are already residents in farming areas, but who work in the fields only during the busy season. We will again need the services of these people.

"5. The labor shortage in a number of highly critical industries is still extremely serious. I might mention railroad transportation, ball bearings, foundries, coal, meat packing and radio tubes as examples. These industries have not received the same wide attention as others such as aircraft and shipbuilding, but every one is directly and intimately connected with the flow of materials to the fighting fronts.

"Apart from seasonal agricultural requirements, our civilian employment plus the Armed Forces must increase by 900,000 by July 1944. This increase is small compared to those which have been achieved in former years but will be more difficult to attain. We do not have reserves of unemployed to draw from. The women who were readily available for employment have already been drawn into the labor market. Workers are no longer being made available for transfer by declining civilian activities; as a matter of fact the trend is the other way. From now on, we will have to operate within a fixed and limited man-power budget.

"Our man-power resources are strained. We have never before in our history had so many people at work. Our only remaining substantial labor reserve consists of women; but the number of new women entering the labor market barely compensates for those who are returning to their homes. Nonagricultural employment of females has remained relatively constant over the past six months. About 8 women leave the labor market for every 10 who enter it.

"The bulk of our war production is carried on in labor shortage areas—those in Group I and Group II. It is in these areas that the strain on our labor resources will be hardest. Despite the spread of vigorous and effective local man-power programs, very few major Group I areas have so far been able to move out of this category.

"The man-power job has not been cut back."

Ton-Miles of Revenue Freight Continues To Rise

The volume of freight traffic, measured in ton-miles of revenue freight, handled by the Class I railroads in January, 1944, was the greatest for any January on record, the Association of American Railroads announced today (Feb. 24). Traffic in that month amounted to approximately 59,750,000 ton-miles, according to preliminary estimates based on reports just received by this Association from Class I railroads. This was an increase of 8.4% compared with the same month in 1943, 39% over January, 1942, and an increase of 134% compared with January, 1939.

The following table summarizes revised ton-miles statistics for the 12 months of 1943 and 1942, and shows preliminary figures for January, 1944 (000 omitted):

	1943	1942	% Inc.
1st 11 mos.	\$666,433,031	\$583,038,993	14.3
Mo. of Dec.	\$59,900,000	\$55,630,990	8.8
Total 12 mos.	726,333,031	638,669,983	13.8
	1944	1943	%
Mo. of Jan.	\$59,750,000	\$55,120,899	8.4
	-Revise estimate. †Preliminary estimate. ‡Actual.		

Four "Invasions" Seen By Babson

(Continued from first page)
lapsing is a debatable question. Certainly, such a landing will be only a part of the Second Front invasion.

A careful study of maps will convince anyone that if the Allies institute an effective invasion against the will of Germany, landings will be made at four different points:

(1) At the Balkans, aimed to destroy the Rumanian oil fields if Russia has not already taken them. Watch General Patton's army.

(2) At southern France, by moving troops in from the island of Corsica where they are now assembling.

(3) At northern France, Belgium and Holland by moving troops in from England.

(4) At Norway, where the Germans have the fewest troops and where it would be very difficult to bring re-enforcements. I feel very sure that Norway will be a part of the program. There are excellent airfields just south of Stavanger, which is only about 400 to 500 miles to Hamburg, Bremen and Berlin. Furthermore, securing such Norwegian air bases should enable the Allies to get a foothold in Denmark. From northern Denmark it is only 250 miles to the industrial cities and seaports of Germany.

Weather An Important Factor

In view of weather conditions in Norway and elsewhere, this may mean a delay of the real invasion of Europe until Spring or Summer, although men are now being rapidly sent to England and elsewhere. Delay is in favor of the Allies because (1) Germany is being systematically destroyed by continued bombing; and (2) because the Allies can be better prepared with more troops and armaments the greater the delay. Then there is always the hope that the German army leaders will dethrone Hitler. They surely had rather let us march triumphantly into Germany than have Russia. This thought was the reason for the Pravda article about German and English peace talks which created such excitement last month.

Certainly, the Allies are not advertising in advance their plans. Rather, their leaders are talking publicly about the very opposite of what they actually will do. Note that 90% of our European war news comes from London and every word of it must pass the English censors. It also should be remembered that more news is put out for German consumption and to mislead our enemies than to inform our own people. This is no criticism of our governments. It does, however, suggest that most time spent listening to radio war commentators is wasted. We had better use this time figuring how our returning soldiers will get jobs when World War II is over.

Our Boys Not In Great Danger

My real reason for writing of these things this week is to cheer up parents, sisters and wives who now have boys in England and elsewhere awaiting the invasion. War is almost wholly a question of mathematics and spirit. The Great Invasion will not start until the Allies are 100% ready—Russia notwithstanding. Hence, mathematics and spirit will be greatly in favor of our boys. Thus, our casualties should continue low. In addition, the invasion will not be confined to northern France where we might expect heavy casualties. Washington may be justified in scaring us; but statisticians and geographers are not frightened.

The invasion will come simultaneously at about four places. These will reduce the striking power of the German Army 75%.

Proposal To Make Freight Rates Uniform Called Threat To Free Flow Of Commerce

According to the National Industrial Traffic League, a serious threat to the free flow of commerce is found in 12 bills and two resolutions now pending in Congress. They propose, says the League, to make railroad freight rates "uniform" throughout the United States, with mileage and cost as the primary elements to be considered. Two of the bills, one in the House and the other in the Senate, go farther by proposing a rate system patterned on the parcel post system of rate making. One is sponsored by the Governors of Southern States. The League further states:

"These bills would deprive the Interstate Commerce Commission of its authority to make freight rates in keeping with prevailing conditions in industry and agriculture. Territorial relationships and the needs of industry would be totally disregarded.

"As commerce and industry developed, the freight rate structure of the country has been changed to meet new conditions. It is now proposed to change this method by making freight rates 'uniform' and then let industry fit itself into the new rigid pattern. The method of permitting the ICC to determine just and reasonable rates, after hearing the interested parties, would be discarded. The bill sponsored by the Governors of Southern States requires the Commission to prescribe a scale for uniform application. Any change in it, therefore, could be made only after application therefor and hearing thereon, under the Commission's present procedure. At present, any carrier or carriers may propose a change by the simple expedient of filing a tariff, giving 30 days' notice. That period of notice, by application to the Commission, can be reduced to one day's notice. Such short notice is often authorized after shippers and carriers, in conference, have agreed on the nature and desirability of a change.

"The National Industrial Traffic League points out in a statement prepared by its Special Committee appointed to study this subject, that the emphasis laid on mileage

by the proposal of the Southern Governors would have a destructive effect not only on group relationship of freight rates but on the groups themselves; also on export and import rates via the various ports. For example: Coal to Chicago, the requirement respecting mileage would result in widening the difference between the Brazil-Clinton, Ind., group and the Springfield, Ill., group from 10 to 42 cents; and between the Brazil-Clinton group from 35 to 59 cents.

"Uniform rates, treated in accordance with the Southern Governors' rules of mileage emphasis, would break the existing parity of rates on exports and imports via the ports of Baltimore, Savannah and New Orleans. At present the first-class export rates from Chicago via Baltimore, Savannah and New Orleans are \$1.54. Under the proposal of the Southern Governors, the rate to and from Baltimore would become \$1.95, from Savannah, \$2.47, and from New Orleans, \$2.31.

"Experienced traffic men, with possibly some exceptions, hold a conviction that rates resulting from the proposed 'uniform' directive from Congress, would be to localize trade and industry, forcing small areas to become self-sufficient. Long hauls would be prohibitive in cost, at least over railroads. Inasmuch as the bill refers only to railroad transportation, other agencies of transport might extend their operations. However, hauls of sugar from mills in the Rocky Mountain area to St. Louis and Chicago, large users of sugar, under present conditions and costs, traffic men would probably suggest, would be rare.

Russia Forms National Council In Poland

A National Council inside Poland has been organized by the Russian-sponsored Union of Patriots. This was disclosed on Feb. 12 in a Moscow radio, said Associated Press advices from London, in which it was stated that this added a new climax to the open conflict between Russia and the Polish Government-in-exile. As to the new Council, the Associated Press also had the following to say:

"The disclosure that the Union, organized in Moscow, had set up operations in Poland, followed an editorial in the Communist Party newspaper 'Pravda,' attacking the Polish regime in London anew and implying that a government acceptable to Russia might be established in Poland.

The text of the broadcast, as recorded by the Ministry of Information, follows:

"A national Council has been formed in Poland to unite all national forces in order to speed the German defeat and the liberation of Poland.

"The National Council includes representatives of the Polish Peasants' Party, Polish Socialists, the Polish Workers' Party and other democratic national groupings. It has issued a manifesto in which it outlines its unshakable determination to fight for the complete liberation and rebirth of the Polish Republic.

"The formation of the National

"But why will this division not also reduce our striking power?" you ask. The answer again is one of statistics. The Allies can choose where to place each of their men. A man properly placed is worth four men hunting aimlessly for intruders. The old comparison between defense and offense no longer applies in this day of airplanes and radio. Therefore, let us not worry about our boys just yet. There will be no massacre of our men in Europe.

Council is a step forward in the consolidation of all national elements inside Poland in the face of the complete ruin and annihilation with which the Germans threaten the Polish nation.

"The Union is headed by Wanda Vassilevskaya, whose husband, Alexander Korneichuk, is the new Foreign Commissar of the Russian Ukraine.

"Although the announcement contained no specific reference to the exiled regime in London, which also has said that it has a formal governmental structure operating inside Poland, the broadcast was obviously one of the sharpest warnings yet that a framework was being erected that could possibly become a Polish Government recognized by Russia.

"All Poles to whom the honor and independence of Poland are precious march together with the Union of Polish Patriots... who, not in words but in deeds, are showing their solidarity with the Red Army, with the armies of the Allies and with the Soviet people the Pravda article said, according to another Moscow broadcast.

"Pravda' asserted that the Polish Government-in-exile 'has completely cut itself off from the real Polish people, who are waging a bitter struggle against the German invaders and their Polish accomplices. The London Polish politicians are backed by no one in Poland except pro-Fascist

Count Coudenhove-Kalergi Proposes European Federation For Lasting Peace

Count Richard N. Coudenhove-Kalergi, Austrian author of "Crusade for Pan-Europe," at a dinner on Feb. 18 of the New York Academy of Public Education in the Waldorf-Astoria, New York City, said the only assurance of a lasting peace after the defeat of the Axis is through a European federation with a common defense and a bill of rights. Thomas J. Watson, President of the International Business Machines Corporation,

was presented at the dinner with the Academy's annual award for distinguished service in the field of education. The New York "Times" of Feb. 19, from which the foregoing is taken, also reported the remarks of Count Coudenhove-Kalergi and Mr. Watson as follows:

Count Coudenhove-Kalergi said that America would profit tremendously from European union.

"European union offers lasting peace by the establishment of a common defense system," he added. "It offers prosperity by breaking down the tariff boundaries and establishing a vast area of free trade. It offers liberty and justice by assuring for all Europeans a common bill of rights, based on the principles of President Roosevelt's four freedoms.

"Beyond this continental solidarity in matters of defense, of economy and of a bill of rights, the nations of Europe will be able to continue their colorful diversity in matters of civilization, constitution, religion, education and tradition."

Mr. Watson said that taxpayers as well as State and local officials should not think in terms of expense of carrying of schools and colleges but rather as an investment. He advised cooperation in increasing financial backing for education so that satisfactory salaries could be paid to the proper number of instructors and administrative officials and said increased education facilities should be provided.

"We have experimented in this country with the exchange of professors and students between our own and other countries," he went on. "I have followed this very carefully, particularly the exchange students, and I am convinced that this experiment has

been a success. We have to find ways and means of increasing this type of education."

Mr. Watson declared that with proper attention to the development of better understanding between groups and nations through education, "we shall have the more constructive relations and greater cooperation which are so essential in the building of a better world." He pointed out that work has already been started on post-war plans for fair adjustment of trade barriers so there can be a proper flow of goods and services both ways across borders of countries, which he said is one of the most important elements in the development of political policies that will maintain peace in the world.

William C. Bullitt, former United States Ambassador to Russia and France, endorsed the plan of Count Coudenhove-Kalergi. He said the central problem of peace is in Europe rather than in Asia and that if post-war Europe consists merely of spheres of influence instead of something like a federation another war is likely. A divided Europe, he said, will lead to differences and finally to another conflict.

Dr. J. B. Condliffe, Associate Director, Division of Economics and History, Carnegie Foundation for International Peace, asserted that the American contribution to international good-will can best be made by reducing diplomacy to consultations on the ordinary day-to-day relations between individuals in different countries. "One of the best ways to do this," he said, "is to bring it down to the bread and butter level."

Dr. Harry Woodburn Chase, Chancellor New York University and President of the New York Academy of Public Education, presided.

Shifts In War Production Seen By Gen. Browning

Brigadier General Albert J. Browning, Director of Purchases of the War Department and Chairman of the Procurement Policy Board of the War Production Board, speaking at a dinner meeting of the Economic Club of Chicago, said that industry faces continued severe cuts in war orders in the next few months with complete or partial cancellation of a large number of contracts. A special dispatch to the New York "Times," in reporting this from Chicago on Feb. 17, added:

"The overall volume of deliveries to the Army this year will be only slightly below that of 1943, but there will be significant shifts in the composition of goods delivered, General Browning said. That means, he emphasized, that many war contractors will be cancelled out entirely because the product they are supplying is no longer needed.

"The job of supplying the Army ground forces is now largely one of replacement, General Browning said. The big job of supplying

agents who are helping the Germans."

"A dispatch from Moscow quoted the newspaper as declaring that 'the Polish Government-in-exile, part of which is made up of Fascists, has lost touch with reality. It is living in a visionary world of Hitlerite mirages.' The editorial said that 'yesterday and always, the Polish Government-in-exile has considered the Soviet Union its enemy.'

"Pravda' said that there was documentary proof of charges that the Polish Government collaborated with the Germans. It accused the Polish underground radio and some Polish publications published in London of professing false friendship for Russia."

the original equipment has been completed.

"General Browning did not touch on release of materials for civilian goods manufacture in his speech, but said that there was nobody in Washington who is prepared at this stage to give the go-ahead signal for civilian production.

"There is no person who can foretell when the war will end," he said. "Without that knowledge no man is willing to take responsibility for deciding to tear down war-production lines."

"Aircraft deliveries this year will make up for a large part of the reduction in deliveries of other goods to the Army, General Browning said. Ordnance will be further reduced. He stressed, however, that a shift in war needs might require an increase later in ammunition production.

"Production of ammunition has run far ahead of needs up to now because the Army has not done as much shooting as the supply services prepared for, he said. Furthermore, the amount coming off production lines was 50% greater than had been estimated. The winning of air superiority by the Allies also cut severely into ammunition needs. Anti-aircraft guns, big consumers of ammunition, have not been used to the degree anticipated."

National Fertilizer Association Commodity Price Average Advances

The weekly wholesale commodity price index, compiled by The National Fertilizer Association and made public Feb. 21, advanced to 137.4 in the week ending Feb. 19 from 137.0 in the preceding week. A month ago this index stood at 137.0 and a year ago at 134.9, based on the 1935-1939 average as 100. The Association's report added:

The increase in the general level of the wholesale commodity price average was due primarily to higher quotations for livestock. A marked rise in prices for both light and heavy hogs, lambs and sheep was sufficient to cause a sharp advance in the farm products average. Eggs advanced slightly, causing a slight rise in the foods group average. Although there was a slight decrease in the price of rye, it was not sufficient to cause a change in the grains group index number. Cotton continues to move into higher ground, causing the textiles group to advance fractionally. During the past week none of the group averages in the composite index declined.

During the week six price series advanced and one declined; in the preceding week five price series advanced and five declined; and in the second preceding week there were five advances and four declines.

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

Each Group Bears to the Total Index	Group	Latest Preceding Week		Month Ago		Year Ago
		Feb. 19, 1944	Feb. 12, 1944	Jan. 22, 1944	Feb. 20, 1943	
25.3	Foods	139.2	139.0	139.9	137.7	
	Fats and Oils	146.1	146.1	146.1	149.1	
	Cottonseed Oil	159.6	159.6	159.6	159.0	
23.0	Farm Products	157.4	155.9	155.2	152.6	
	Cotton	198.5	197.5	191.4	197.3	
	Grains	164.8	164.8	164.8	136.3	
	Livestock	148.4	146.3	146.4	149.5	
17.3	Fuels	130.1	130.1	129.5	121.7	
10.8	Miscellaneous commodities	131.4	131.4	131.4	129.4	
8.2	Textiles	151.7	151.5	150.6	150.9	
7.1	Metals	104.4	104.4	104.4	104.4	
6.1	Building materials	152.4	152.4	152.4	151.9	
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	119.9	119.8	
3	Farm machinery	104.2	104.2	104.2	104.1	
100.0	All groups combined	137.4	137.0	137.0	134.9	

*Indexes on 1926-1928 base were: Feb. 19, 1944, 107.0; Feb. 12, 106.7, and Feb. 20, 1943, 105.1.

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 soft coal in the week ended Feb. 12, 1944, is estimated at 12,950,000 net tons, as compared with 12,850,000 tons in the preceding week and 12,200,000 tons in the corresponding period last year. Total output for the current year to date is 8.8% in excess of that for the same period in 1943.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended Feb. 12, 1944, which includes Sunday, Feb. 6, was estimated at 1,424,000 tons, an increase of 160,000 tons (12.7%) from the preceding week. When compared with the output in the corresponding week of 1943 there was an increase of 58,000 tons, or 4.2%. The calendar year to date shows an increase of 4.6% when compared with the corresponding period of 1943.

The Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended Feb. 12, 1944, showed a decrease of 1,200 tons when compared with the output for the week ended Feb. 5, 1944. The quantity of coke from beehive ovens decreased 7,800 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL
(In Net Tons)

Bituminous coal and lignite— Total, incl. mine fuel	Week Ended			January 1 to Date		
	Feb. 12, 1944	Feb. 5, 1944	Feb. 13, 1943	Feb. 12, 1944	Feb. 13, 1943	Feb. 13, 1937
Daily average	2,158,000	2,142,000	2,033,000	2,112,000	1,925,000	1,669,000

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

Penn. anthracite— Total incl. coll. fuel	Week Ended			Cal. Year to Date		
	Feb. 12, 1944	Feb. 5, 1944	Feb. 13, 1943	Feb. 12, 1944	Feb. 13, 1943	Feb. 16, 1937
Commercial production	1,424,000	1,264,000	1,366,000	7,512,000	7,182,000	11,020,000
Byproduct coke	1,367,000	1,213,000	1,311,000	7,212,000	6,895,000	10,227,000
United States total	1,287,600	1,288,800	1,221,900	7,825,600	7,631,700	
Beehive coke						
United States total	156,900	164,700	158,800	985,700	967,700	780,200

*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)

State	Week Ended			
	Feb. 5, 1944	Jan. 29, 1944	Feb. 6, 1943	Feb. 6, 1937
Alabama	397,000	409,000	374,000	296,000
Alaska	5,000	5,000	6,000	2,000
Arkansas and Oklahoma	102,000	103,000	105,000	107,000
Colorado	192,000	195,000	189,000	240,000
Georgia and North Carolina	1,000	1,000	1,000	
Illinois	1,655,000	1,649,000	1,454,000	1,423,000
Indiana	590,000	545,000	507,000	458,000
Iowa	50,000	53,000	61,000	127,000
Kansas and Missouri	188,000	188,000	217,000	203,000
Kentucky—Eastern	1,003,000	958,000	935,000	313,000
Kentucky—Western	370,000	360,000	307,000	60,000
Maryland	40,000	38,000	33,000	38,000
Michigan	8,000	4,000	8,000	29,000
Montana (bituminous and lignite)	105,000	99,000	88,000	84,000
New Mexico	39,000	38,000	37,000	50,000
North and South Dakota (lignite)	51,000	76,000	85,000	88,000
Ohio	698,000	674,000	742,000	626,000
Pennsylvania (bituminous)	3,070,000	3,060,000	2,798,000	2,680,000
Tennessee	168,500	171,000	147,000	111,000
Texas (bituminous and lignite)	4,000	6,000	6,000	16,000
Utah	148,000	127,000	131,000	147,000
Virginia	423,000	437,000	398,000	270,000
Washington	35,000	36,000	38,000	62,000
West Virginia—Southern	2,278,000	2,363,000	2,087,000	1,714,000
West Virginia—Northern	1,020,000	1,023,000	926,000	709,000
Wyoming	203,000	206,000	198,000	165,000
Other Western States	1,000	1,000	2,000	
Total bituminous and lignite	12,850,000	12,830,000	11,880,000	10,018,000
Pennsylvania anthracite	1,264,000	1,274,000	1,373,000	1,093,000
Total all coal	14,114,000	14,104,000	13,253,000	11,111,000

*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, California, Idaho, Nevada, and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Less than 1,000 tons.

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— Daily Averages	U. S. Govt. Bonds	U. S. Corp. rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Feb. 22	STOCK EXCHANGE CLOSED								
21	120.11	111.25	118.40	116.41	111.25	100.32	104.31	113.50	116.41
19	119.96	111.25	118.20	116.41	111.07	100.49	104.31	113.50	116.41
18	119.96	111.25	118.40	116.41	111.07	100.49	104.31	113.50	116.41
17	119.94	111.25	118.20	116.22	111.07	100.49	104.14	113.50	116.41
16	119.89	111.25	118.20	116.41	111.07	100.49	104.31	113.50	116.41
15	119.83	111.25	118.20	115.41	111.25	106.4	104.43	113.50	116.41
14	119.76	111.25	118.20	116.22	111.25	100.49	104.31	113.50	116.41
12	STOCK EXCHANGE CLOSED								
11	119.69	111.25	118.40	116.22	111.25	100.49	104.31	113.50	116.41
10	119.69	111.25	118.40	116.22	111.25	100.49	104.31	113.50	116.41
9	119.70	111.25	118.40	116.22	111.25	100.49	104.31	113.50	116.41
8	118.73	111.25	118.40	116.22	111.25	100.49	104.31	113.50	116.41
7	119.68	111.25	118.40	116.22	111.07	100.49	104.14	113.50	116.41
5	119.59	111.25	118.40	116.22	111.25	100.49	104.14	113.50	116.41
4	119.45	111.25	118.40	116.22	111.25	100.49	104.14	113.50	116.41
3	119.41	111.25	118.40	116.22	111.25	100.49	104.14	113.50	116.41
2	119.41	111.25	118.20	116.22	111.25	100.32	104.14	113.31	116.41
1	119.42	111.25	118.40	116.22	111.07	100.32	104.14	113.31	116.41
Jan. 28	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41
21	119.58	111.25	118.40	116.41	111.07	100.16	104.31	113.31	116.41
14	119.57	111.25	118.60	116.41	111.25	99.84	104.14	113.50	116.41
7	119.69	111.07	118.60	116.41	111.07	99.36	103.30	113.50	116.22
High 1944	120.11	111.25	118.80	116.41	111.25	100.49	104.48	113.50	116.61
Low 1944	119.41	110.70	118.20	116.22	110.88	99.04	103.30	113.12	116.02
High 1943	120.87	111.44	119.41	117.00	111.81	99.36	103.47	114.27	117.40
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
1 Year ago	117.11	109.06	117.60	115.43	110.15	95.01	97.68	112.93	115.43
2 Years ago	116.36	106.56	115.82	113.31	107.62	91.62	97.00	110.15	113.50

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

1944— Daily Averages	U. S. Govt. Bonds	U. S. Corp. rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Feb. 22	STOCK EXCHANGE CLOSED								
21	1.82	3.10	2.73	2.83	3.10	3.73	3.49	2.98	2.83
19	1.83	3.10	2.74	2.83	3.11	3.72	3.49	2.98	2.83
18	1.83	3.10	2.73	2.83	3.11	3.72	3.49	2.98	2.83
17	1.83	3.10	2.74	2.83	3.11	3.72	3.50	2.98	2.83
16	1.83	3.10	2.74	2.83	3.11	3.72	3.49	2.98	2.83
15	1.84	3.10	2.74	2.83	3.10	3.72	3.48	2.98	2.83
14	1.84	3.10	2.74	2.84	3.10	3.72	3.49	2.98	2.83
12	STOCK EXCHANGE CLOSED								
11	1.85	3.10	2.73	2.84	3.10	3.72	3.49	2.98	2.83
10	1.85	3.10	2.73	2.84	3.10	3.72	3.49	2.98	2.83
9	1.85	3.10	2.73	2.84	3.10	3.72	3.49	2.98	2.82
8	1.84	3.10	2.73	2.84	3.10	3.72	3.49	2.98	2.82
7	1.85	3.10	2.73	2.84	3.11	3.72	3.50	2.98	2.82
5	1.86	3.10	2.73	2.84	3.10	3.72	3.50	2.98	2.82
4	1.87	3.10	2.73	2.84	3.10	3.72	3.50	2.98	2.82
3	1.87	3.10	2.73	2.84	3.10	3.72	3.50	2.98	2.82
2	1.87	3.10	2.74	2.84	3.10	3.73	3.50	2.99	2.83
1	1.87	3.10	2.73	2.84	3.11	3.73	3.50	2.99	2.82
Jan. 28	1.87	3.11	2.74	2.84	3.11	3.74	3.50	2.99	2.83
21	1.86	3.10	2.73	2.83	3.11	3.74	3.49	2.99	2.83
14	1.86	3.10	2.72	2.83	3.10	3.76	3.50	2.98	2.83

Bankers' Dollar Acceptances Outstanding On January 31 Increase To \$120,497,000

The volume of bankers' dollar acceptances outstanding on Jan. 31 amounted to \$120,497,000, an increase of \$3,683,000 from the Dec. 31 total, according to the monthly acceptance survey issued Feb. 14 by the Federal Reserve Bank of New York. As compared with a year ago, the Jan. 31 total represents a gain of \$815,000.

In the month-to-month comparison, domestic warehouse credits, shipments, and those based on goods stored in or shipped between foreign countries were lower, while in the yearly analysis only credits for imports were higher.

The Reserve Bank's report follows:

Federal Reserve District—	Jan. 31, '44	Dec. 31, '43	Jan. 30, '43
1 Boston.....	\$20,739,000	\$21,083,000	\$23,131,000
2 New York.....	74,242,000	71,133,000	69,774,000
3 Philadelphia.....	5,971,000	5,508,000	5,868,000
4 Cleveland.....	1,217,000	1,699,000	1,828,000
5 Richmond.....	2,098,000	2,059,000	540,000
6 Atlanta.....	2,922,000	2,668,000	2,271,000
7 Chicago.....	3,578,000	3,634,000	2,999,000
8 St. Louis.....	242,000	437,000	225,000
9 Minneapolis.....	36,000	43,000	55,000
10 Kansas City.....	—	—	521,000
11 Dallas.....	296,000	510,000	11,450,000
12 San Francisco.....	9,156,000	8,440,000	—
Grand Total.....	\$120,497,000	\$116,814,000	\$119,682,000
Increase for month.....	\$3,683,000	Increase for year.....	\$815,000

Imports	Exports	Domestic shipments	Domestic warehouse credits	Dollar exchange	Based on goods stored in or shipped between foreign countries
Jan. 31, '44	Dec. 31, '43	Jan. 30, '43			
\$70,795,000	\$65,926,000	\$57,111,000			
11,541,000	11,490,000	12,269,000			
9,195,000	9,581,000	11,052,000			
20,203,000	20,889,000	27,349,000			
130,000	64,000	359,000			
8,633,000	8,864,000	11,542,000			

Own Bills	Bills of others	Total
\$55,355,000	\$38,275,000	\$93,630,000
Increase for month.....	\$3,571,000	

Days	Dealers' Buying Rates	Dealers' Selling Rates
30	1/2	1/4
60	1/2	1/4
90	1/2	1/4
120	1/2	1/4
150	1/2	1/4
180	1/2	1/4

The following table, compiled by us, furnishes a record of the volume of bankers' acceptances outstanding at the close of each month since Jan. 31, 1941:

1941—	\$	1942—	\$	1943—	\$
Feb. 28	211,865,000	Feb. 28	190,010,000	Feb. 27	127,062,000
Mar. 31	217,312,000	Mar. 31	182,675,000	Mar. 31	129,818,000
Apr. 30	219,561,000	Apr. 30	177,293,000	Apr. 30	128,350,000
May 31	215,005,000	May 29	173,906,000	May 29	135,815,000
June 30	212,932,000	June 30	162,849,000	June 30	139,846,000
July 31	209,899,000	July 31	156,302,000	July 31	138,692,000
Aug. 30	197,472,000	Aug. 31	139,304,000	Aug. 31	130,244,000
Sept. 30	176,801,000	Sept. 30	123,494,000	Sept. 30	117,016,000
Oct. 31	184,806,000	Oct. 31	118,581,000	Oct. 30	114,883,000
Nov. 29	193,590,000	Nov. 30	116,067,000	Nov. 30	111,287,000
Dec. 31	194,220,000	Dec. 31	118,039,000	Dec. 31	116,814,000
1942—		1943—		1944—	
Jan. 31	197,278,000	Jan. 30	119,682,000	Jan. 31	120,497,000

Harris, Hall & Co. Financial Statement

In the annual report to the stockholders of Harris, Hall & Co. (Inc.) of Chicago for the calendar year 1943, Edward B. Hall, President, on Feb. 16, 1944, said in part:

"The net income of \$107,547 for the year ended Dec. 31, 1943, was at the rate of about \$1.87 per share with respect to the 57,333 shares of common stock, which were the only shares outstanding at the end of the year. A dividend of \$1 per share was paid in December.

"Net worth at the end of the year was \$1,243,044. Dividing this by the above number of shares gives a book value, or indicated liquidating value, of about \$21.67 per share.

"Early in the year the company purchased in the market 602 shares of its common stock at prices well below book value. These are held in the treasury together with all the preferred stock and 2,060 shares of common previously purchased.

"During 1943 there was a moderate amount of new financing, largely for refunding purposes, and increased market activity. Government borrowing for the financing of the war was on an unprecedented scale and our organization devoted much time to the War Loan Drives, in connection with which neither banks nor investment houses receive any compensation, other than the satisfaction of serving the country."

	1943	1942	1941
†Gross profits on sales and commissions earned.....	\$336,430	\$173,987	\$216,333
Interest and dividends earned (net).....	44,392	27,497	143,386
Total income.....	\$380,822	\$201,484	\$359,719
Salaries.....	127,783	128,954	165,636
Taxes other than income taxes.....	17,992	10,544	27,884
Contributions to employees' trust fund.....	5,663	708	4,463
Office, traveling, legal and other miscell. expenses.....	53,084	47,423	72,322
Net income from operations.....	\$176,300	\$13,855	\$89,413
Provision for Federal income taxes.....	68,753	400	4,608
Net income carried to earned surplus.....	\$107,547	\$13,455	\$84,805
Balance earned surplus at close of previous year.....	374,155	363,301	337,684
Total.....	\$481,702	\$376,756	\$422,489
Dividends on preferred stock.....	—	2,601	13,438
Dividends on common stock.....	57,338	—	45,750
Balance earned surplus at Dec. 31.....	\$424,364	\$374,155	\$363,301

*Earned surplus is restricted to the extent of the cost of treasury stock (\$290,739) until such stock is sold or canceled. †After deducting losses realized and adjustment of securities owned to the lower of cost or market. ‡Earned surplus is restricted to the extent of the cost of treasury stock (\$298,257) until such stock is sold or canceled, including \$4,198 provision for prior years.

ASSETS			
Cash in banks and on hand.....	1943	1942	1941
Interest accrued and dividends receivable.....	\$219,508	\$267,802	\$435,810
Securities owned:			
Bonds.....	11,222,503	\$804,551	853,069
Stocks.....	139,853	**108,384	60,573
Deposits under security underwriting commitments.....	78,400	19,500	18,000
Miscellaneous receivables, prepaid expenses, etc.....	8,164	5,767	7,171
Total.....	\$1,940,886	\$1,211,959	\$1,383,006
LIABILITIES			
Bank loan.....	\$601,000	—	—
Accounts payable.....	9,943	\$2,637	\$5,272
Customers' payments on securities not delivered.....	13,347	7,107	23,448
Accrued taxes other than Federal income taxes.....	3,332	1,417	4,038
Provision for Federal income taxes.....	64,556	445	2,973
Provision for contribution to employees trust fund.....	5,663	—	—
Preferred dividends payable.....	—	—	1,563
Capital stock:			
‡5% cumulative preferred stock (par \$100).....	250,000	250,000	250,000
Common stock (par \$10).....	600,000	600,000	610,000
§§Capital surplus.....	266,937	266,937	267,000
¶Earned surplus.....	424,364	374,155	353,301
‡‡Less treasury stock at cost.....	298,257	230,739	144,589
Total.....	\$1,940,886	\$1,211,959	\$1,383,006

*Including \$40,000 in 1943, \$20,000 in 1942 and \$50,000 in 1941 in special account to cover customers' payments on securities not delivered. †At the lower of cost or quoted market price. ‡Quoted market value, \$1,228,597, and includes bonds carried at \$446,402 pledged as collateral to bank loan. §Quoted market value, \$807,004, and includes bonds carried at \$24,420 deposited as guarantee. ¶Quoted market value, \$399,591, and includes stocks carried at \$244,154 pledged as collateral to bank loan. **Quoted market value, \$109,071. ††Represented by 2,500 shares of 5% preferred stock (\$267,644) and 2,662 shares of common stock (\$30,613) at Dec. 31, 1943; 2,500 shares of 5% preferred stock (\$267,644) and 2,060 shares of common stock (\$23,095) at Dec. 31, 1942; and by 1,250 shares of 5% preferred stock (\$134,526 and 1,000 shares of common stock (\$10,063) at Dec. 31, 1941. †††All in treasury. ††††Arising from excess of cash received over par value of common stock issued therefor.

Note—Security underwriting commitments at Dec. 31, 1943, were approximately \$1,100,000 at close of 1943, compared with \$980,000 at Dec. 31, 1942 and \$1,090,000 at close of 1941.

WLB Labor Members Urge Upward Revision Of "Little Steel" Formula To Meet Rising Cost

The assertion was made on Feb. 9 by the four American Federation of Labor members of the War Labor Board that the nation's workers cannot rely upon price control as it now functions to preserve their standards of living in again petitioning the Board to revise upward the Little Steel Formula limiting wage increases to 15% of the rates of January 1, 1941. Associated Press accounts from Washington reporting this went on to say:

The four petitioners — George Meany, Matthew Woll, Robert Watt and James Brownlow—asked the Board to request President Roosevelt to modify realistically an Executive Order limiting increases to the Little Steel Formula "as heretofore defined by the National War Labor Board for the rise in the cost of living between January 1, 1941, and May 1, 1942."

They asked also that employers be allowed to apply the increases without obtaining approval from the WLB.

The four A. F. of L. members called attention to recent investigations by the labor members of the President's cost-of-living committee whose report indicated living costs have risen 43.3% since January, 1941, or almost twice the amount shown by the Labor Department's cost-of-living index.

They said that the only recourse left to workers is to obtain wage rate increases which will adequately compensate them for the ever-widening disparity between wage rates and prices.

Moffatt Again Named President Of N. Y. Curb; New Governors—Committee Appointments

At the 34th inaugural meeting of the Board of Governors of the New York Curb Exchange on Feb. 15, Fred C. Moffatt, Chairman, was designated President Pro Tem. He succeeds himself, having held that office since July 1, 1942. At the annual election of the Exchange on Feb. 14 Mr. Moffatt was re-elected Chairman of the Board of Governors of the institution for one year. Mr. Moffatt has been a member of the Exchange since 1923 and served as President from 1935 to 1939.

At the inaugural meeting on Feb. 15 Edwin Posner, of Andrews, Posner & Rothschild, was re-elected Vice-Chairman of the Board to serve for one year. John T. Madden, Dean of New York University School of Commerce; Benjamin H. Namm, President of the Namm Department Store in Brooklyn, and Victor F. Ridder, publisher, were re-elected class C Governors for the fourth time to represent the public on the Curb Exchange Board. They are not engaged in the securities business.

The Board also approved appointments by the Chairman of officers, department heads and committees. Charles E. McGowan was re-named Secretary and director of the Department of Transactions; Christopher Hengeveld, Jr., Treasurer and Director of Department of Administration; Francis X. Gaudino, Assistant Treasurer; Henry H. Badenberger, Director of Department of Outside Supervision; and Martin J. Keena, Director of the Department of Securities.

Regarding the action of the annual election on Feb. 14 it is announced that five class A Governors regular members of the Ex-

change), six class B Governors (associate member or non-member partners doing business for the public), and a trustee of the gratuity fund were at that time elected. The class A Governors elected for a three-year term are Joseph F. Crowley of Thomson & McKinnon, Edwin Posner of Andrews, Posner & Rothschild, Edward J. Shean, Edward C. Werle of Johnson & Wood, and Martin Wohlgenuth of Ernst & Co.

The class B Governors are Chas. D. Halsey of Laird, Bissell & Meeds, Eugene S. Brooks of Coggeshall & Hicks, Charles E. Judson of C. E. Judson & Co., and Edward J. Cohan of Pershing & Co.—all elected for a three-year term. Joseph M. d'Assern of d'Assern & Co., was elected for a two-year term, and Dimitri Yassukovich of White, Weld & Co., was elected for the ensuing year. E. R. McCormick was elected a trustee of the Gratuity Fund for three years.

On Feb. 15 the six new Governors received assignments to committees. Mr. Crowley will serve on the Admissions, Arbitration, and Stock Transactions Committees, and the General Committee on Transactions. Mr. Werle will serve on the Arbitration Committee, General Committee on Trans-

actions, Committee on Stock Transactions, and Committee on Public Relations. Mr. Brooks was appointed a member of the General Committee on Securities, Committee on Listing, General Committee on Outside Supervision, and Committee on Communications and Commissions. Mr. Cohan is a member of the General Committee on Outside Supervision. Mr. d'Assern will serve on the General Committees on Securities, Security Rulings, and Public Relations, and Mr. Yassukovich was appointed to the General Committee on Securities and the Committee on Listing.

Standing committee assignments for the year were announced as follows on Feb. 15:

Admissions—Edward J. Shean, Chairman; Andrew Baird, Thomas W. Bartsch, Joseph F. Crowley, John A. Ludlow, Frederick J. Roth, and Herbert G. Tully.

Arbitration—Benjamin B. McAlpin, Jr., Chairman; Thomas W. Bartsch, Joseph F. Crowley, Edward C. Werle and William S. Wilson.

Executive—Fred C. Moffatt, Chairman; Charles D. Halsey, Mortimer Landsberg, Benjamin B. McAlpin, Jr., William S. Muller, David U. Page, Edwin Posner and Albert G. Redpath.

General Committee on Securities—Mortimer Landsberg, Chairman; Eugene S. Brooks, Joseph M. d'Assern, Charles D. Halsey, William S. Muller, Herbert G. Tully, William S. Wilson, Morton Wohlgenuth and Dimitri Yassukovich.

Listing—Mortimer Landsberg, Chairman; Eugene S. Brooks, Charles D. Halsey, William S. Muller, H. G. Tully and Dimitri Yassukovich.

Security Rulings—William S. Muller, Chairman; Joseph M. d'Assern, William S. Wilson and Morton Wohlgenuth.

General Committee on Transactions—David U. Page, Chairman; Andrew Baird, Joseph F. Crowley, H. Lawrence Jones, John A. Ludlow, Edwin Posner, Frederick J. Roth, Edward J. Shean, Edward C. Werle and Morton Wohlgenuth.

Stock Transactions—David U. Page, Chairman; Andrew Baird, Joseph F. Crowley, H. Lawrence Jones, Edwin Posner, Frederick J. Roth and Edward C. Werle.

Bond Transactions—Edward J. Shean, Chairman; John A. Ludlow and Morton Wohlgenuth.

General Committee on Outside Supervision—Albert C. Redpath, Chairman; Eugene S. Brooks, Edward J. Cohan, Charles D. Halsey, H. Lawrence Jones, Paul L. Hughes, Charles E. Judson, Edwin Posner, Edward J. Shean, John P. Wark and John Whitney.

Member Firms—Albert G. Redpath, Chairman; H. Lawrence Jones, Paul L. Hughes and John Whitney.

Business Conduct—Edwin Posner, Chairman; Charles D. Halsey, Edward J. Shean and John P. Wark.

Communications and Commissions—Charles E. Judson, Chairman; Eugene S. Brooks, Edward J. Cohan and John Whitney.

Finance—William S. Muller, Chairman; H. Lawrence Jones, Mortimer Landsberg, John A. Ludlow, David U. Page, Frederick J. Roth and Edward J. Shean.

Public Relations—Herbert G. Tully, Chairman; Joseph M. d'Assern; Raymond A. McMann, Edward C. Werle, William S. Wilson and, in an advisory capacity, Benjamin H. Namm.

Wholesale Commodity Index Again Unchanged In Week Ended Feb. 12 Labor Dpt. Reports

There was little change in the general level of commodity prices during the week ended Feb. 12, said the U. S. Department of Labor on Feb. 17 which reported that "prices for fruits and eggs were seasonally lower and there were further slight advances in market prices for coal as the result of ceiling adjustments to take account of higher costs."

The Department states that the Bureau of Labor Statistics' comprehensive index of nearly 900 price series remained unchanged for the third consecutive week at 103.1% of the 1926 average. Average prices for these commodities in mid-February were 1% higher than at this time last year.

The Department likewise said:

"Farm products and foods. Seasonally lower prices for eggs and for fruits and vegetables together with a decrease of 1.3% of rye and 1% for wheat brought average prices for farm products in primary markets down 0.2% during the week. Higher prices were reported for livestock, cotton and oranges, and for potatoes in the New York market. In the past four weeks prices for farm products have dropped fractionally, but they are nearly 3% higher than for the corresponding week of last year.

"In addition to the decline for eggs, lower prices for lemons, onions and sweet potatoes, for apples at New York, and for white potatoes in the Boston and Chicago markets caused average prices for foods to drop 0.2% in the week ended Feb. 12. Slightly higher prices were reported for butter in the New Orleans market.

"Industrial commodities. Changes in industrial commodity markets were moderate and limited to a very few products. Prices for goatskins rose nearly 1% following the decline of the preceding week.

"Quotations for anthracite and bituminous coal advanced fractionally and petroleum products in the Pennsylvania region were up from 2 to 3%. Quicksilver again dropped about 3 1/2%. Higher prices were reported for some types of farm machinery, under revised OPA regulation.

"In the building materials field, prices were adjusted upward for certain types of yellow pine lumber to balance production costs. Quotations were higher for roofing tile and for rosin."

The following notation is contained in the Department's advices:

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

The following tables show (1) index numbers for the principal groups of commodities for the past three weeks, for Jan. 15, 1944, and Feb. 13, 1943, and the percentage changes from a week ago, a month ago, and a year ago and (2) percentage changes in subgroup indexes from Feb. 5 to Feb. 12, 1944.

WHOLESALE PRICES FOR WEEK ENDED FEB. 12, 1944 (1926=100)

Commodity Groups—	Percentage changes to Feb. 12 from—								
	2-12 1944	2-5 1944	1-29 1944	1-15 1944	2-13 1944	2-5 1944	1-15 1944	2-13 1944	1-15 1944
All commodities	103.1	103.1	103.1	103.0	102.1	0	+0.1	+1.0	
Farm products	121.9	122.1	122.6	122.1	118.6	-0.2	-0.2	+2.8	
Foodstuffs	104.0	104.2	104.7	104.8	105.5	-0.2	-0.8	-1.4	
Hides and leather products	117.8	117.7	117.8	117.9	118.4	+0.1	-0.1	-0.5	
Textile products	97.2	97.2	97.2	97.2	96.8	0	0	+0.4	
Fuel and lighting materials	83.5	83.2	83.1	82.7	80.4	+0.4	+1.0	+3.9	
Metals and metal products	103.8	103.8	103.8	103.8	103.9	0	0	-0.1	
Building materials	113.7	113.5	113.5	113.4	110.1	+0.2	+0.3	+3.3	
Chemicals and allied products	100.4	100.4	100.4	100.4	100.0	0	0	+0.4	
Housefurnishing goods	104.4	104.4	104.4	104.4	104.1	0	0	+0.3	
Miscellaneous commodities	93.0	93.0	93.0	93.0	90.6	0	0	+2.6	
Raw materials	112.4	112.4	112.7	112.3	108.9	0	+0.1	+3.2	
Semimanufactured articles	93.2	93.2	93.1	93.1	92.7	0	+0.1	+0.5	
Manufactured products	100.6	100.5	100.4	100.4	100.5	+0.1	+0.2	+0.1	
All commodities other than farm products	99.1	99.0	99.0	98.9	98.6	+0.1	+0.2	+0.5	
All commodities other than farm products and foods	98.1	98.0	98.0	97.9	96.4	+0.1	+0.2	+1.8	

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM FEB. 5, 1944 TO FEB. 12, 1944

Increases		Decreases	
Anthracite	1.5	Livestock and poultry	0.2
Petroleum and products	0.8	Brick and tile	0.2
Lumber	0.3	Paint and paint materials	0.2
Hides and skins	0.2	Bituminous coal	0.1
Fruits and vegetables	1.1	Other farm products	0.3
Grains	0.5	Other foods	0.1
Non ferrous metals			0.1

Decline In November Mortgage Financing In Non-Farm Areas

The steady month-to-month increase in the volume of mortgage financing in non-farm areas, evidence since the beginning of 1943, was broken in November, it is reported by the Federal Home Loan Bank Administration. However, it is stated, the estimated \$354,000,000 of non-farm mortgages of \$20,000 or less recorded in November represented a less-than-seasonal drop of 8% from October; was 27% greater than estimated for November, 1942; and was only 5% less than in November, 1941. The advices from the FHLBA added:

"With the exception of mutual savings banks, all types of lenders shared in the decline from October. Banks and trust companies suffered the sharpest decline, 13%, followed by savings and loan associations with a drop of 9%. Recordings by insurance companies and miscellaneous mortgagees declined 8% and those by individuals declined 6%.

"An examination of the table below reveals that the relative participation of the several types of lenders in the November mortgage market differs significantly from their participation one year earlier. For example, insurance companies, who recorded 9.3% of the November 1942 total, accounted for only 6.5% of the current month's volume. Similarly, bank and trust company participation dropped from 21.0% to 18.3%, and for "other" mortgagees participation dropped from 16.3% to 16.0%. The loss in relative participation by these types of mortgagees is reflected almost entirely in gains shown by individuals and savings and loan associations whose

"per cent of total" in this year to year comparison increased 3.2 and 2.5 percentage points, respectively.

Type of Lender	November, 1943		November, 1942		Cumulative Recordings January-November		
	Volume (000)	% of Total	Volume (000)	% of Total	1943	1942	Change
S. & L. Assns.	\$111,818	31.8	\$80,970	29.1	\$1,136,329	\$1,095,052	+ 3.8
Insurance Cos.	23,115	6.5	25,950	9.3	257,678	338,440	-23.9
Bank & Tr. Cos.	64,877	18.3	58,519	21.0	685,529	828,660	-17.3
Mut. Svgs. Bks.	15,141	4.3	11,596	4.2	140,142	155,034	-9.6
Individuals	82,307	23.3	55,830	20.1	781,249	678,490	+15.1
Others	56,415	16.0	45,456	16.3	529,485	581,531	-8.9

Total \$353,673 100.0 — 8.4 \$278,321 100.0 — 22.1 \$3,530,412 \$3,677,207 — 4.0
 "During the first 11 months of 1943 mortgages of \$20,000 or under recorded on non-farm property aggregated more than \$3,500,000,000, only 4% less than in the same period of last year but 19% less than in the January-November period of 1941. The greatest contraction from 1942 to 1943 was shown by insurance companies, 24%, while banks and trust companies reported a decline of 17%. Increases were noted only for individuals, 15%, and savings and loan associations, 4%."

Civil Engineering Construction \$37,043,000 For Week—Gains 60% Over Preceding Week

Civil engineering construction volume in continental United States totals \$37,043,000 for the week. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 60% higher than in the preceding week, but is 62% below the total reported to "Engineering News-Record" for the corresponding 1943 week. The report made public on Feb. 17, continued as follows:

Public construction is up 84% compared with last week, but declined 63% from last year. Private work is 46 and 57% lower, respectively, than a week ago and a year ago.

The current week's construction brings 1944 volume to \$252,235,000 for the seven weeks of the year, a decrease of 47% from the \$478,422,000 reported for the corresponding 1943 period. Private construction, \$50,272,000, is 36% higher than a year ago, but public work, \$201,963,000, is 54% lower as a result of the 23% decline in State and municipal construction and the 55% drop in Federal volume.

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

	Feb. 18, 1943	Feb. 10, 1944	Feb. 17, 1944
Total U. S. construction	\$98,861,000	\$23,151,000	\$37,043,000
Private construction	5,386,000	4,243,000	2,293,000
Public construction	93,475,000	18,908,000	34,750,000
State and municipal	1,674,000	1,969,000	1,219,000
Federal	91,801,000	16,939,000	33,531,000

In the classified construction groups, gains over last week are in waterworks, bridges and unclassified construction. Increases over the 1943 week are in waterworks and industrial buildings. Subtotals for the week in each class of construction are: waterworks, \$1,028,000; sewerage, \$69,000; bridges, \$28,000; industrial buildings, \$813,000; commercial buildings and large-scale private housing, \$1,475,000; public buildings, \$9,537,000; earthwork and drainage, \$287,000; streets and roads, \$1,176,000; and unclassified construction, \$22,625,000.

New capital for construction purposes for the week totals \$2,750,000 and is made up entirely of State and municipal bond sales. New construction financing for 1944 to date totals \$155,824,000 and compares with \$14,667,000 for the corresponding seven-week period in 1943.

Non-Ferrous Metals — Copper Authorizations For March Heavy—Week's Lead Business Good

"E. & M. J. Metal and Mineral Markets," in its issue of Feb. 17, stated:

"Authorizations for March copper by the Copper Division, WPB, made their appearance during the last week. Requests for the metal were surprisingly large, owing to a combination of circumstances. Consumers find that the war program is taking more copper than earlier estimates indicated. At the turn of the year, inventories were allowed to decline to a level viewed as too low, these are being replenished. Demand points to near-record or possibly record copper deliveries for March. The less favorable January statistics attracted only mild interest. Lead was fairly active. Zinc and quicksilver were quiet."

The publication further went on to say in part:

Copper

The volume of business being placed for March delivery is larger than most observers expected. Some authorities now believe that at least 150,000 tons of copper will be moved next month, which contrasts sharply with 101,586 tons actually delivered to customers during the first month of the current year. The peak in deliveries for the war period to date was 150,451 tons in April, 1943. Foreign copper will be drawn upon extensively to round out March deliveries.

Lead

With the deadline for establishing March needs of foreign lead near at hand, buying of lead from domestic sources continued at a good rate throughout the week that ended Feb. 16. Sales for the week involved 10,217 tons, against 12,522 tons in the preceding week and 8,812 tons in the week ended Feb. 2. In spite of the recent activity in lead, the trade believes

Zinc

An improvement in brass making is expected to make itself felt soon in an enlarged call for zinc. During the last week the market for zinc was inactive. Mine production of zinc (recoverable zinc) in 1943 amounted to 740,587 tons, according to a preliminary estimate by the Bureau of Mines. This compares with 768,025 tons in 1942. The Bureau estimates 1943 smelter output of zinc at 987,700 tons. Production by grades was: Special High Grade, 293,200 tons; Regular High Grade, 310,500 tons; Intermediate, 54,100 tons; Brass Special, 83,100 tons; Select 6,800 tons; and Prime Western, 242,000 tons.

Aluminum

Philip D. Wilson, director of the Aluminum and Magnesium Division, WPB, issued a statement Feb. 10 warning aluminum sheet producers that production must be increased immediately to meet 1944 requirements of the aircraft program. The trend in aircraft production is toward larger planes, and Mr. Wilson stated that the weight of frames for this year's production has been increased about 60%, com-

pared with 1943. Though a surplus exists in supplies of pig aluminum, there is no surplus in aluminum sheet, he said.

Tin

A detinning plant constructed for the government in Birmingham, Ala., has been placed in operation. The plant has a capacity for treating about 20,000 tons of old cans a year. Production will be supervised by the Johnston & Jennings Co., Cleveland, Ohio.

The over-all supply situation in tin remains about unchanged. Metal is being released for essential needs only. Quotations continued on the basis of 52c. a pound for Straits quality tin. Futures were nominally as follows, in cents a pound:

	Feb.	March	April
Feb. 10	52.000	52.000	52.000
Feb. 11	52.000	52.000	52.000
Feb. 12	HOLIDAY		
Feb. 14	52.000	52.000	52.000
Feb. 15	52.000	52.000	52.000
Feb. 16	52.000	52.000	52.000

Chinese, or 99% tin, was 51.125c. all week.

Quicksilver

Quiet prevailed in the New York market for quicksilver, and most sellers viewed prices as steady at \$130 to \$135 per flask. Should production decline to the extent that a balanced condition between supply and demand is finally attained, the price structure could easily strengthen, the trade believes. Forward material on the Pacific Coast was more or less nominal.

Inventories were held down to a minimum during the first month of the year.

Silver

Refineries operating in this country produced 104,738,000 oz. of silver during 1943, of which total 45,305,000 oz. was obtained from domestic sources and 59,433,000 from foreign material, the American Bureau of Metal Statistics reports. The last-named figure excludes production from refining of foreign coin and re-treatment of foreign refined bullion.

The London market was unchanged last week at 23 1/2 d. The New York Office for foreign silver continued at 44 3/4 c., with domestic metal at 70 3/4 c.

Daily Prices

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

Two States Added To ABA 100% Member List

Colorado and North Dakota were added during January to the list of States having 100% membership in the American Bankers Association, it is announced by Robert L. Dominick, Chairman of the Association's Organization Committee, who is Vice-President of the Traders Gate City National Bank of Kansas City, Missouri. With the addition of Colorado and North Dakota, the 100% membership list now includes nine States and the District of Columbia. The other States are Nevada, Utah, Louisiana, Idaho, Oregon, Arizona and New Mexico. The activities of the Organization Committee in Colorado are under the direction of A. F. Cruse, ABA State Vice-President, and W. J. Breidenthal, Regional Vice-President. In North Dakota, the Committee's activities are under the State Vice-Presidency of R. A. H. Brandt. Herman C. Matzke is Regional Vice-President of the area in which North Dakota is located.

Altogether, 76 banks in all parts of the country, says the announcement, became members of the ABA during the month of January. The total since Sept. 1, last, the beginning of the Association's current year, was 588 banks on Feb. 1.

Trading On New York Exchanges

The Securities and Exchange Commission made public on Feb. 14 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. 29, 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. 29 (in round-lot transactions) totaled 1,324,496 shares, which amount was 16.69% of the total transactions on the Exchange of 3,969,070 shares. This compares with member trading during the week ended Jan. 22 of 1,653,579 shares, or 17.83% of total trading of 4,634,140 shares. On the New York Curb Exchange, member trading during the week ended Jan. 29 amounted to 386,010 shares, or 14.82% of the total volume on that exchange of 1,302,475 shares; during the Jan. 22 week trading for the account of Curb members of 359,950 shares was 14.69% of total trading of 1,224,920 shares.

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

WEEK ENDED JAN. 29, 1944		Total for Week	%
A. Total Round-Lot Sales:			
Short sales	102,730		
Other sales	3,866,340		
Total sales	3,969,070		
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	339,760		
Short sales	46,330		
Other sales	300,420		
Total sales	346,750	8.65	
2. Other transactions initiated on the floor—			
Total purchases	192,980		
Short sales	10,150		
Other sales	209,570		
Total sales	219,720	5.20	
3. Other transactions initiated off the floor—			
Total purchases	106,200		
Short sales	7,000		
Other sales	112,086		
Total sales	119,086	2.84	
4. Total—			
Total purchases	638,940		
Short sales	63,480		
Other sales	622,076		
Total sales	685,556	16.69	

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

WEEK ENDED JAN. 29, 1944		Total for Week	%
A. Total Round-Lot Sales:			
Short sales	9,070		
Other sales	1,293,405		
Total sales	1,302,475		
B. Round-Lot Transactions for the Account of Members:			
1. Transactions of specialists in stocks in which they are registered—			
Total purchases	97,910		
Short sales	4,870		
Other sales	114,755		
Total sales	119,625	8.35	
2. Other transactions initiated on the floor—			
Total purchases	43,975		
Short sales	2,000		
Other sales	38,780		
Total sales	40,780	3.25	
3. Other transactions initiated off the floor—			
Total purchases	43,930		
Short sales	100		
Other sales	39,690		
Total sales	39,790	3.22	
4. Total—			
Total purchases	185,815		
Short sales	6,970		
Other sales	193,225		
Total sales	200,195	14.82	
C. Odd-Lot Transactions for the Account of Specialists—			
Customers' short sales	50		
Customers' other sales	49,737		
Total purchases	49,787		
Total sales	34,550		

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

Commercial Paper Outstanding

The Federal Reserve Bank of New York announced on Feb. 15 that reports received by the bank from commercial paper dealers show a total of \$208,900,000 of open market paper outstanding on Jan. 31. This was a decline of \$6,900,000 from the revised Dec. 31 total of \$202,000,000, and a decline of \$11,500,000 from the Jan. 30, 1943 total of \$220,400,000.

Following are the totals for the last two years:

1944—	\$	1943—	\$
Jan 31	208,900,000	Jan 30	220,400,000
Dec 31	202,000,000	Dec 31	229,900,000
Nov 30	203,300,000	Nov 30	260,600,000
Oct 30	187,800,000	Oct 31	271,400,000
Sep 30	169,500,000	Sep 30	281,800,000
Aug 31	156,200,000	Aug 31	297,200,000
July 31	149,800,000	July 31	305,300,000
June 30	143,300,000	June 30	315,200,000
May 29	159,600,000	May 29	354,200,000
Apr 30	178,900,000	Apr 30	373,100,000
Mar 31	200,600,000	Mar 31	384,300,000
Feb 27	209,100,000	Feb 28	388,400,000

Daily Average Crude Oil Production For Week Ended Feb. 12, 1944 Only Off 1,000 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Feb. 12, 1944 was 4,399,500 barrels, a decrease of 1,000 barrels per day when compared with the preceding week and 19,650 barrels per day less than the daily average recommended by the Petroleum Administration for War for the month of February, 1944. The current figure, however, is 528,350 barrels per day in excess of that recorded for the week ended Feb. 13, 1943. Daily output for the four weeks ended Feb. 12, 1944 averaged 4,399,500 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 4,228,000 barrels of crude oil daily and produced 13,101,000 barrels of gasoline; 1,640,000 barrels of kerosene; 3,946,000 barrels of distillate fuel oil, and 9,000,000 barrels of residual fuel oil during the week ended Feb. 12, 1944; and had in storage at the end of that week 82,322,000 barrels of gasoline; 7,545,000 barrels of kerosene; 34,854,000 barrels of distillate fuel, and 52,453,000 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)

	*P. A. W. Recommendations February	*State Allowables Begin. Feb. 1	Actual Production Week Ended Feb. 12, 1944	Change from Previous Week	4 Weeks Ended Feb. 12, 1944	Week Ended Feb. 13, 1943
Oklahoma	328,000	328,000	327,200	- 1,300	328,600	352,600
Kansas	285,000	269,400	281,750	+14,850	279,100	299,850
Nebraska	1,200		1,100		1,200	2,350
Panhandle Texas			102,000		99,950	88,900
North Texas			139,950		140,100	135,350
West Texas			362,000		363,300	213,900
East Central Texas			110,250		113,300	100,000
East Texas			390,600		378,400	325,100
Southwest Texas			288,250		290,900	157,750
Coastal Texas			516,600		518,700	320,000
Total Texas	1,886,000	1,916,693	1,909,650		1,904,650	1,341,000
North Louisiana			77,200	- 1,550	77,550	91,550
Coastal Louisiana			283,100		282,000	246,550
Total Louisiana	348,700	370,200	360,300	- 1,550	359,550	338,100
Arkansas	76,600	78,591	78,800	+ 50	78,550	75,700
Mississippi	46,000		43,950	- 1,850	44,950	56,900
Illinois	215,000		263,850	+14,550	211,050	245,200
Indiana	14,000		14,350	+ 1,050	13,550	15,700
Eastern—						
(Not incl. Ill., Ind., Ky.)	72,200		69,450	- 2,100	71,500	74,900
Kentucky	25,200		22,900	+ 1,150	22,400	19,650
Michigan	50,000		53,400	+ 1,800	52,350	63,200
Wyoming	93,000		98,500	+ 150	96,150	86,850
Montana	23,700		20,950	- 1,150	21,000	21,450
Colorado	7,000		8,450	+ 50	7,700	7,250
New Mexico	110,700	110,700	113,050	+ 50	113,050	96,600
Total East of Calif.	3,582,300		3,607,650	- 2,300	3,605,350	3,097,300
California	836,500	836,500	791,500	+ 1,300	794,150	773,500
Total United States	4,418,800		4,399,150	- 1,000	4,399,500	3,870,800

*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. Feb. 10, 1944.

‡This is the net basic allowable as of Feb. 1 calculated on a 29-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 FEB. 12, 1944

(Figures in Thousands of barrels of 42 Gallons Each)

District	Daily Refining Capacity Potential % Reporting	Crude Runs to Still Daily Average	Production at Refineries % Op-Natural Blended	Stocks of Finished Gasoline	Stocks of Unfinished Gasoline	Stocks of Distillate Fuel Oil	Stocks of Residual Fuel Oil
District—							
*Combin'd: East Coast Texas Gulf, Louisiana Gulf, North Louisiana-Arkansas, and inland Texas	2,448	90.0	2,081	85.0	6,172	36,060	16,755
Appalachian—							
District No. 1	130	83.9	91	70.0	258	2,029	762
District No. 2	47	87.2	50	106.4	152	1,241	141
Ind., Ill., Ky.	824	85.2	754	91.5	2,695	17,879	5,665
Okla., Kans., Mo.	416	80.1	357	85.8	1,238	7,844	1,720
Rocky Mountain—							
District No. 3	8	26.9	11	137.5	34	72	20
District No. 4	141	58.3	87	61.7	334	1,801	355
California	817	89.9	797	97.6	2,218	15,396	9,436
Total U. S. B. of M. basis Feb. 12, 1944	4,831	87.1	4,228	87.5	13,101	82,322	34,854
Total U. S. B. of M. basis Feb. 5, 1944	4,831	87.1	4,324	89.5	13,192	81,784	36,023
U. S. Bur. of Mines basis Feb. 13 1943			3,569		10,452	91,758	36,888

†At the request of the Petroleum Administration for War. ‡Finished, 71,774,000 barrels; unfinished, 10,548,000 barrels. †At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,640,000 barrels of kerosene, 3,946,000 barrels of gas oil and distillate fuel oil and 9,000,000 barrels of residual fuel oil produced during the week ended Feb. 12, 1944, which compares with 1,648,000 barrels, 4,138,000 barrels and 9,087,000 barrels, respectively, in the preceding week and 1,463,000 barrels, 4,079,000 barrels and 7,688,000 barrels, respectively, in the week ended Feb. 13, 1943. †On new basis in Combined Area due to reclassification of 130,000 barrels as "other oils." **Revised in Indiana, Illinois, Kentucky district due to error by reporting company.

Notes—Stocks of kerosene at Feb. 12, 1944 amounted to 7,545,000 barrels, as against 8,130,000 barrels a week earlier and 6,673,000 barrels a year before.

The East Coast (District No. 1) index numbers previously published have been temporarily suspended.

More Freight Cars Put In Service In January

Class I railroads on Feb. 1, 1944, had 33,411 new freight cars on order, the Association of American Railroads announced on Feb. 21. This included 12,567 hopper, 4,430 gondolas, 1,352 flat, 10,277 plain box, 3,385 automobile, 1,200 refrigerator and 200 stock freight cars. On Jan. 1, they had 35,737 on order, and on Feb. 1, 1943, a total of 19,281.

The class I railroads also had 863 locomotives on order on Feb. 1, this year, compared with 955 on Jan. 1 and 471 on Feb. 1, 1943. The number on order on Feb. 1, 1944, included 303 steam, two electric and 558 Diesel locomotives contrasted with 335 steam and 136 electric and Diesel one year ago.

The class I railroads put 2,856 freight cars in service in January, 1944, which included 1,310 hopper, 474 gondola, 163 flat, 123 automobile box and 786 plain box freight cars. In January, last year, the railroads placed 1,683 freight cars in service.

Of the 92 new locomotives put in service in January, 36 were steam, one electric and 55 Diesel. New locomotives installed in January, 1943, totaled 49, of which 44 were steam and five were electric and Diesel.

The ODT reported 36 new locomotives on order on Feb. 1, but no new locomotives installed in January by other than class I carriers. This brings to 899 the total of new locomotives on order on Feb. 1, by all classes of railroads.

President Pays Tribute To Boy Scouts Of America

President Roosevelt, paying tribute to the Boy Scouts of America on their 34th anniversary, said on Feb. 7 that the war might have been averted if the world has been guided by the principles of Scouting. We quote from United Press advices from Washington, which further said:

Mr. Roosevelt, honorary Scout President and active in the organization for years, praised its members for a "superb record of war service."

"But carry on your normal Scouting, too," he said. "It will be of lasting value to you as you grow into manhood. Live democracy in your troops and in your home."

"If the people of all countries had taken the basic philosophy of Scouting to heart, perhaps there would never have been a second world war."

Lumber Movement—Week Ended February 12, 1944

According to the National Lumber Manufacturers Association, lumber shipments of 498 mills reporting to the National Lumber Trade Barometer were 5.7% above production for the week ended Feb. 12, 1944. In the same week new orders of these mills were 3.0% greater than production. Unfilled order files of the reporting mills amounted to 105% of stocks. For reporting softwood mills, unfilled orders are equivalent to 38 days' production at the current rate and gross stocks are equivalent to 34 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 5.6%; orders by 11.6%.

Compared to the average corresponding week of 1935-39, production of reporting mills was 57.4% greater; shipments were 45.5% greater; and orders were 34.2% greater.

Revenue Freight Car Loadings During Week Ended Feb. 12, 1944 Decreased 10,813 Cars

Loading of revenue freight for the week ended Feb. 12, 1944, totaled 795,262 cars, the Association of American Railroads announced on Feb. 17. This was an increase above the corresponding week of 1943 of 29,991 cars, or 3.9%, and an increase above the same week in 1942 of 12,561 cars or 1.6%.

Loading of revenue freight for the week of Feb. 12 decreased 10,813 cars, or 1.3% below the preceding week.

Miscellaneous freight loading totaled 365,745 cars, a decrease of 7,884 cars below the preceding week, but an increase of 1,569 cars above the corresponding week in 1943.

Loading of merchandise less than carload lot freight totaled 99,385 cars, a decrease of 3,090 cars below the preceding week, but an increase of 5,314 cars above the corresponding week in 1943.

Coal loading amounted to 187,352 cars, an increase of 4,210 cars above the preceding week, and an increase of 8,937 cars above the corresponding week in 1943.

Grain and grain products loading totaled 54,352 cars, a decrease of 918 cars below the preceding week but an increase of 6,137 cars above the corresponding week in 1943. In the Western Districts alone, grain and grain products loading for the week of Feb. 12, totaled 38,191 cars, a decrease of 647 cars below the preceding week but an increase of 5,374 cars above the corresponding week in 1943.

Live stock loading amounted to 14,814 cars, a decrease of 522 cars below the preceding week, but an increase of 2,372 cars above the corresponding week in 1943. In the Western Districts alone loading of live stock for the week of Feb. 12, totaled 10,803 cars, a decrease of 234 cars below the preceding week, but an increase of 2,013 cars above the corresponding week in 1943.

Forest products loading totaled 44,600 cars, a decrease of 1,671 cars below the preceding week but an increase of 6,276 cars above the corresponding week in 1943.

Ore loading amounted to 13,964 cars, a decrease of 907 cars below the preceding week and a decrease of 61 cars below the corresponding week in 1943.

Coke loading amounted to 15,050 cars, a decrease of 31 cars below the preceding week, and a decrease of 553 cars below the corresponding week in 1943.

All districts reported increases compared with the corresponding week in 1943 except the Southern and Southwestern. All districts reported increases compared with 1942 except the Eastern, Southern and Northwestern.

	1944	1943	1942
5 Weeks of January	3,795,477	3,531,811	3,858,479
Week of February 5	806,075	755,514	783,962
Week of February 12	795,262	765,271	782,701
Total	5,397,814	5,052,596	5,425,142

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Feb. 12, 1944. During the period 84 roads showed increases when compared with the corresponding week a year ago.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED FEB. 12

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Eastern District—					
Ann Arbor	261	262	661	1,540	1,280
Bangor & Aroostook	2,153	2,450	1,959	283	187
Boston & Maine	6,414	5,920	8,229	14,758	14,597
Chicago, Indianapolis & Louisville	1,422	1,353	1,393	2,078	2,046
Central Indiana	29	38	25	43	55
Central Vermont	975	891	1,342	2,221	2,102
Delaware & Hudson	6,006	6,366	6,609	12,823	11,835
Delaware, Lackawanna & Western	7,538	7,558	8,923	10,188	10,544
Detroit & Mackinac	217	210	277	111	111
Detroit, Toledo & Ironton	1,993	1,808	2,293	1,817	2,144
Detroit & Toledo Shore Line	300	292	307	3,717	3,609
Erie	12,797	12,054	14,222	20,333	19,055
Grand Trunk Western	3,754	3,867	4,503	9,696	8,733
Lehigh & Hudson River	193	194	208	3,111	3,052
Lehigh & New England	1,941	1,966	1,702	1,476	1,560
Lehigh Valley	8,551	8,305	8,737	15,072	12,145
Maine Central	2,373	2,437	3,496	4,110	4,022
Monongahela	6,525	6,451	6,079	304	359
Montour	2,471	2,624	1,799	26	24
New York Central Lines	45,446	43,495	45,518	57,002	57,363
N. Y., N. H. & Hartford	9,567	9,478	12,592	18,415	17,786
New York, Ontario & Western	1,218	1,018	1,075	2,640	2,268
New York, Chicago & St. Louis	6,317	7,189	7,132	17,245	15,178
N. Y., Susquehanna & Western	500	448	530	2,533	1,336
Pittsburgh & Lake Erie	7,493	7,374	7,816	8,005	8,202
Pere Marquette	4,559	4,261	5,345	8,161	7,963
Pittsburg & Shawmut	950	735	550	29	20
Pittsburg, Shawmut & North	358	360	391	252	141
Pittsburgh & West Virginia	1,148	798	662	2,683	4,175
Rutland	341	296	491	1,032	841
Wabash	6,021	5,799	5,722	12,567	12,583
Wheeling & Lake Erie	4,807	4,942	4,543	4,843	6,040
Total	154,727	151,249	165,136	239,116	231,457

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Allgheny District—					
Akron, Canton & Youngstown	650	780	734	1,321	1,197
Baltimore & Ohio	43,353	38,898	39,253	28,402	28,531
Bessemer & Lake Erie	3,181	3,331	3,153	1,580	1,777
Buffalo Creek & Gauley	350	316	303	4	3
Cambria & Indiana	1,710	2,069	1,964	10	4
Central R. R. of New Jersey	6,949	6,617	7,583	22,318	20,674
Cornwall	589	488	619	73	75
Cumberland & Pennsylvania	223	252	321	14	9
Ligonier Valley	159	98	119	58	27
Long Island	1,240	948	873	3,745	3,865
Penn-Reading Seashore Lines	1,631	1,552	1,769	2,696	2,502
Pennsylvania System	77,600	74,106	77,762	66,174	62,889
Reading Co.	14,796	14,536	16,141	31,571	29,636
Union (Pittsburgh)	20,113	20,955	20,126	4,515	4,811
Western Maryland	4,608	3,958	3,987	14,930	14,303
Total	177,152	168,844	174,707	177,411	170,303
Pocahontas District—					
Chesapeake & Ohio	29,884	28,150	23,566	12,162	11,052
Norfolk & Western	22,753	22,651	20,920	8,245	7,881
Virginian	4,886	5,114	3,953	2,299	2,147
Total	57,523	55,915	48,439	22,707	21,080

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Southern District—					
Alabama, Tennessee & Northern	315	333	395	373	336
Atl. & W. P.—W. R. R. of Ala.	867	833	921	2,632	2,479
Atlanta, Birmingham & Coast	798	675	920	1,575	1,409
Atlantic Coast Line	13,337	14,731	13,072	11,581	10,628
Central of Georgia	3,697	4,010	4,499	5,207	4,830
Charleston & Western Carolina	355	440	423	1,846	1,651
Clinchfield	1,726	1,683	1,605	3,951	2,933
Columbus & Greenville	289	355	262	320	205
Durham & Southern	115	112	189	921	506
Florida East Coast	3,385	3,243	1,467	2,012	1,684
Gainesville Midland	39	40	37	147	97
Georgia	980	1,507	1,514	2,504	2,699
Georgia & Florida	357	428	406	906	537
Gulf, Mobile & Ohio	4,104	3,724	4,448	4,460	5,414
Illinois Central System	28,727	28,331	28,913	18,213	17,268
Louisville & Nashville	25,410	25,123	24,711	11,977	11,672
Macon, Dublin & Savannah	173	167	204	954	865
Mississippi Central	364	214	138	645	573
Nashville, Chattanooga & St. L.	3,163	3,354	3,364	4,942	5,031
Norfolk Southern	1,127	1,204	1,201	1,834	1,647
Piedmont Northern	383	346	526	1,878	1,077
Richmond, Fred. & Potomac	402	381	445	11,944	9,492
Seaboard Air Line	10,875	10,796	10,745	9,905	9,145
Southern System	22,112	22,021	24,695	26,114	24,721
Tennessee Central	648	505	558	1,091	907
Winston-Salem Southbound	133	111	147	1,072	1,233
Total	123,881	124,667	125,715	129,064	119,039

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Northwestern District—					
Chicago & North Western	15,684	14,390	18,152	14,213	12,403
Chicago Great Western	2,753	2,459	2,819	3,514	3,060
Chicago, Milw., St. P. & Pac.	20,596	18,826	21,686	10,487	10,428
Chicago, St. Paul, Minn. & Omaha	3,772	3,646	4,512	4,076	3,612
Duluth, Missabe & Iron Range	1,512	1,241	1,157	279	297
Duluth, South Shore & Atlantic	811	543	774	635	520
Elgin, Joliet & Eastern	8,570	9,101	10,027	11,292	10,855
Ft. Dodge, Des Moines & South	443	415	492	120	115
Great Northern	11,755	9,575	11,308	5,304	4,695
Green Bay & Western	522	470	540	966	882
Lake Superior & Ishpeming	298	213	371	74	49
Minneapolis & St. Louis	2,105	1,863	2,189	2,337	2,033
Minn., St. Paul & S. S. M.	5,431	4,444	5,693	3,910	3,223
Northern Pacific	10,378	8,353	10,391	5,471	4,213
Spokane International	137	43	93	796	444
Spokane, Portland & Seattle	2,458	1,537	2,693	2,746	2,946
Total	87,231	77,119	92,897	66,220	59,775

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Central Western District—					
Atch., Top. & Santa Fe System	21,501	20,571	20,877	13,174	12,350
Alton	2,919	3,031	3,300	4,164	4,305
Bingham & Garfield	481	537	529	72	77
Chicago, Burlington & Quincy	20,559	17,526	17,058	10,894	12,068
Chicago & Illinois Midland	2,871	2,767	3,055	817	919
Chicago, Rock Island & Pacific	11,670	11,845	11,784	12,771	13,624
Chicago & Eastern Illinois	2,761	2,300	3,006	6,103	6,230
Colorado & Southern	785	748	747	2,177	1,803
Denver & Rio Grande Western	3,534	3,705	2,651	5,324	5,886
Denver & Salt Lake	927	909	532	8	8
Port Worth & Denver City	787	1,007	1,170	1,370	970
Illinois Terminal	1,949	1,753	2,068	1,718	1,718
Missouri-Illinois	967	870	1,159	512	507
Nevada Northern	1,896	2,068	1,988	140	131
North Western Pacific	812	960	957	846	684
Peoria & Pekin Union	13	27	10	0	0
Southern Pacific (Pacific)	29,850	28,289	27,252	15,975	12,691
Toledo, Peoria & Western	380	268	275	1,889	1,723
Utah	677	608	338	11	2
Western Pacific	1,459	1,961	2,119	2,515	2,831
Total	122,018	113,315	115,743	96,207	92,230

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Southwestern District—					
Burlington-Rock Island	275	683	124	498	165
Gulf Coast Lines	7,832	6,651	4,666	2,578	2,489
International-Great Northern	1,930	3,414	2,338	4,004	3,507
Kansas, Oklahoma & Gulf	252	357	357	1,189	989
Kansas City Southern	5,466	4,920	3,464	2,592	2,586
Louisiana & Arkansas	3,208	3,934	2,621	2,717	2,382
Litchfield & Madison	322	319	325	1,233	1,005
Midland Valley	807	654	500	437	271
Missouri & Arkansas	215	141	229	451	411
Missouri-Kansas-Texas Lines	5,395	6,147	4,995	4,910	6,931
Missouri Pacific	16,745	16,723	16,618	21,358	18,563
Quanaah Acme & Pacific	116	113	109	340	180</