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The Financial Situation

From 1933 to 1940, when a greatly enlarged defense program got under way, New Deal deficit financing through the banks and New Deal monetary manipulation increased money supply some $25.5 billion, from $42.9 billion to $68.4 billion. These funds during those years were often spoken of by the economic managers as the Government's contribution to recovery. As such, of course, they were something of which to boast.

From 1940 to date the increase in money supply, stemming almost wholly from deficit financing of defense and war through the banks, probably approximates $62 billion, the rise being from $68 billion to $130 billion. These funds, although observed at a somewhat different stage in the economy and measured in other, and we often suspect, less suitable ways, have become known as the "inflationary gap," whose influence is sinister and whose results are to be guarded against in ways always various, and sometimes both devious and strange.

And Now "Liquid Savings"!

But as the war has approached its end—so we must all hope—another name has been found for these sums of money, and another significance attached to them. They now constitute the larger and more important part of the "liquid savings" of wartime, and are being cited by many authorities as the hope of early if not immediate prosperity when the war is over. For a time the SEC led the procession with astounding estimates of the aggregates of currency and bank deposits held by consumers. Later inquiries of a reliable sort indicated that the SEC had "gone off half-cocked," and that the increases in the money supply was in much larger degree held by business enterprises. This change in the putative identity of the holders of excess funds

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From Washington Ahead Of The News

By CARLISLE BARGERON

It is impossible to know, since the Barkley flare-up, what is Mr. Roosevelt's own disposition regarding his future relations with Congress, and particularly with the Kentucky Senator. And it really make no difference because regardless of what he may want and not want to do, the feud will go on in increasing intensity. The forces dominating him will see to that. There may be, for a brief time, an apparency of trying to get together, of the leaders and even rank and file members being brought to the White House for dinners. But in the end they will be right back where they were in an accentuated state.

Insofar as Barkley is concerned, the same thing now is about to happen to him that happened to Jack Garner. The New Deal smear artists are out to do a job on him and these same influences are determined that Barkley and the President shan't get back together.

In the case of Garner, a story which this writer knows at first hand, Roosevelt had no more loyal lieutenant. At the beginning of the Supreme Court fight in 1937 he purposely left town and returned to Uvalde, Texas, because the "conservative" writers were trying to pit him against his chief; they were saying he and the President were in serious disagreement. Garner knew of no better way to prevent their playing him against the President than to get clean out of town. When the debacle came after Joe Robinson's death, the President wired him to join the Robinson funeral train at Little Rock and find out what were the prospects of his winning the court packing fight. After exhaustive discussions with Senators in the funeral party Garner learned what every Washington newspaperman knew and that was that the court packing jig was up. Garner so reported frankly to the President. Roosevelt thereupon accepted defeat and directed Garner to set to work repairing the party wounds. A week later, the young New Dealers with their access to columnists then playing and still playing their game, began representing Garner as having doublecrossed the President, as having misinformed him. Furthermore, they reported, the President was on to what Garner had done and had no more confidence in him. Garner let this go on for several weeks. Then he called the President and said he thought it was bad to let these representations of their relationship continue. To his amazement he learned the President believed the stories of Garner's disloyalty. From then on their coolness deepened.

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The News Behind The News

By PAUL MALLON

Harold Ickes, the multi-job Administration handyman, has sought to soothe all financial doubts about the war debt-ridden future we are coming into by writing a piece for a magazine saying this country is worth 12 trillions of dollars.

Paul Mallon

"We are every one a Croesus!" he says (your share would be $88,888). The prospective Federal debt of 200 to 300 billions of dollars (now $145,000,000,000) he considered to be offset already by this great wealth.

Ickes' article demonstrates that he got his fabulous figure of 12 trillion dollars mainly "by having his experts in the various mining branches of his Interior Department compute the amount of coal, iron, oil they think is still in the ground." All we have to do to realize it, he suggests, is to maintain "the freedom Americans have enjoyed."

By Ickes' calculation, Russia must be the richest nation in the world—5 or 10 times as rich as the United States. She has many times more resources of lumber, coal, oil—say 50 trillions of dollars (I am saying this without any experts, but probably just as authoritatively).

But we all know Russia is not the richest nation, that, indeed, she always has been poor and one

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GENERAL CONTENTS

Editorial

Plans For Post-War Currency Stabilization

By ACADEMICIAN E. VARGA

The following article is a translation from the Russian Government official organ, "War and the Working Class," published in Moscow, Dec. 1, 1943. As Chairman (since 1929) of the Institute of World Economy connected with the Communist Academy at Moscow, the author, Professor Varga, holds a distinguished position in the Soviet Union. He was born in Hungary in 1879, and became identified with the labor movement there in 1906. Ten years later he was Professor of Political Economy at Budapest University and during the Communist revolution there following the last war, became the People's Commisar of Finance and Chairman of the National Economic Council. Arriving in Moscow in 1920, he joined the Communist Party and since has been studying world economic problems. A short review of Russia's attitude toward the gold standard and international exchange stabilization, with particular reference to Professor Varga's views is given in the article by Herbert M. Bratter which also starts on this page.—Editor.

Of special interest among the post-war economic problems is the question of currency stabilization. The danger of a general depreciation of currencies similar to that which took place at the end of the first World War is quite real. At that time the currencies of all countries involved in the war, with the exception of the United States, declined in value. The exchange rates of a number of European countries — Germany, Poland, Austria, Rumania, Hungary —fell to negligible proportions. The Italian lira and the French franc retained only between one-fourth to one-fifth of their gold parity. Even the British pound sterling at times lost more than one-fourth of its gold parity.

Sharp depreciation of currencies went hand in hand with a steep increase in prices and brought about serious dislocations within the economies of the various countries as well as in international trade. Instead of calculations on a businesslike basis, uncontrolled speculation in "real values" prevailed. The depreciation of currencies meant the impoverishment of persons living on income from investments, tor-

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USSR And Monetary Stabilization

By HERBERT M. BRATTER

Both Russia's importance in world affairs and the recent discussions in Washington between representatives of the USSR and the U. S. Treasury Department on the subject of world currency stabilization lend interest to the views of Academician Eugene Varga as presented in the official magazine, "War and the Working Class," last December. The full text of this article has only now become available in the United States. Unfortunately, the USSR Government has long been very guarded in its published statements on monetary matters, and the Varga article is therefore the only recent comment to emanate under official auspices.

Herbert M. Bratter

The sketchy descriptions of the Varga article heretofore available in this country caused it to be hailed in New York newspapers as reinforcement for the cause of the gold standard with such headlines as: "Russians for Gold Basis," and "Russia Comes Out for Gold, Making Wall Street Gasp." It is important to note that the USSR is one of the two or three leading gold producing countries of the world. It exports but does not on balance import gold, has a strictly managed currency divorced from gold at home, has had no gold in domestic circulation since 1916, and uses gold only for the purpose of acquiring foreign exchange. In short, to the USSR gold has monetary value only for the purpose of buying goods from the capitalist world and the USSR's interest in the future of gold is merely the interest of a mining country in converting its output into some useful goods. The Government of the USSR is a very realistic one when it comes to foreign trade. And secretive. How much gold Russia now produces and how much bullion the Government now holds are virtually military secrets. The only statistics available to us are guesses. The USSR's gold stock may be estimated at between one and a half and two billions of dollars. The mine production of gold is perhaps $150,000,000 per annum.

That Russia today has a large stock of gold is due not to a desire to hoard the metal, but—as the London Economist has pointed out—to American lend-lease. Possibly a more accurate index of Russia's regard for gold is to be had in a Moscow radio broadcast by Professor Bogolepov in 1940, before either the USSR or the United States were involved in the war. The broadcast was reported in a news dispatch from Riga in part as follows:

> Gold now is flowing into the United States from all over the world, and American scientists and financiers are developing headaches trying to think of a way to prevent gold from losing its value. Gold can remain

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Inconsistent, To Say The Least!

"I recognize that the war cannot be wholly, or even nearly, paid for by current taxation. Economic incentives must be provided for workers to put forth their best efforts in hard, grueling work and for businessmen to strain every nerve to operate their businesses efficiently.

"Within these limits, however, taxes can be advanced. This should be done as rapidly as possible, because the war will not wait and risks of inflation will not wait.

"How far we are from the economic limit of Federal taxation is shown by the fact that one of the major economic problems now confronting the country is that of 'excess' consumer spending power —i.e., spending power in excess of the available supply of civilian goods at present prices.

"This 'excess' spending power is created by the excess of Federal expenditures over Federal taxes; and constitutes, on the one hand, a threat of inflation and, on the other hand, an evidence of ability to pay additional taxes.

"The taxes needed to round out a sound program of war finance should be levied in accordance with the principle of ability to pay. This does not necessarily imply sole reliance on any particular type of tax. It is my sincere hope, however, that all of the needed revenue will be raised by levying taxes upon those best able to bear them and that none of it will be raised by the imposition of taxes on the necessities of life."—The Secretary of the Treasury.

Does not the Secretary suggest taxes which, however heavy, must fail to absorb the "excess consumer spending power" of which he speaks?

The Secretary apparently would ride two horses going in opposite directions.

The State Of Trade

Business reports were not so favorable last week and most of the heavy industries showed declines. Electric output was off slightly compared with the previous week, while carloadings showed a substantial decline. Steel production continues to about hold its previous high level. Reports from the retail trade also disclosed substantial declines last week with department store trade of the country off 9%, compared with last year.

Production of electricity declined to 4,511,562,000 kilowatt hours in the week ended Feb. 19th, from 4,532,730,000 in the preceding week, according to the Edison Electric Institute. This was 14.3% above the year-ago total of 3,948,749,000. As usual, the Pacific Coast showed the largest gain over the 1943 week, increasing 27.5%, while the New England States reflected the smallest gain, being 5.9%.

Carloadings of revenue freight for the week ended Feb. 29th, totaled 775,692 cars, according to the Association of American Railroads. This was a decrease of 19,570 cars from the preceding week this year, 23,673 cars more than the corresponding week in 1943 and 1,272 cars above the same period two years ago. This total was 121.90% of average loadings for the corresponding week of the ten preceding years.

Steel production in the United States is scheduled this week at 97.5% of rated capacity against 97.7 last week, according to the American Iron & Steel Institute. The rate for the current week is equivalent to output of 1,746,500 net tons of ingots and castings, compared with 1,750,000 last week and 1,700,500 in the like 1943 week. Activity in all major steel products is well sustained, the magazine "Steel" says, with emphasis on sheets and plates and some quickening in hot-rolled and cold-drawn carbon bars. Meanwhile, the industry is faced with a redistribution problem resulting from excess stocks from contract cancellations and cutbacks. According to "Steel," more than 15,000 ordnance contracts have been cancelled since Pearl Harbor and prospects indicate further substantial readjustments in war programs soon.

On Dec. 31st, last, 4,200 of these cancelled contracts remained unsettled, indicating, according to the magazine, that the problem of termination contracts and the redistribution of inventories and equipment is not just a problem for the future, but to some extent is here now.

Steel production increased 4% last month and continued to rise during the first three weeks of February, the Federal Reserve Board reports. The gain reflected large military requirements for invasion equipment as well as increasing use of steel for farm machinery and railroad equipment, the Board said.

Business in the retail trade last week was spotty, with a slackening in the buying of spring lines, largely due to adverse weather conditions, according to the weekly review by Dun & Bradstreet, Inc. Apparel stores, particularly in suburban districts, reported sales volume lower than the previous week. Similar decreases were noted in men's wear. Inventory reports from several large cities indicated store stocks were larger than at this time last year, especially in apparel lines for the Easter season. Wholesale volume was lower in the week with some types of merchandise unavailable or on a quota basis. Retail sales on a country-wide basis were estimated at 4 to 5% lower than a year ago.

Department store sales on a country-wide basis were down 9% for the week ended Feb. 19, compared with the like week a year ago, according to the Federal Reserve System. Store sales were off 6% for the four-week period ended Feb. 19, compared with the like period last year.

Department store sales in New York City in the week ended Feb. 26 were 5% smaller than in the like week of last year, according to a preliminary estimate by the Federal Reserve Bank of New York. For the four weeks ended Feb. 26 sales were also off 5% compared with the like 1943 period. In the previous week, ended Feb. 19, sales of this group of stores were unchanged in total from the corresponding 1943 week.

Congress Passes Tax Bill Over President's Veto; Barkley Re-Elected Senate Leader

Texts Of Roosevelt And Barkley Letters

The over-riding of the President's veto of the tax bill by Congress was witnessed the latter part of last week—the House having passed the bill over the veto on Feb. 24 by a vote of 299 to 95, and the Senate taking similar action on Feb. 25 by a vote of 72 to 14, or 14 more than the necessary two-thirds majority. At that instant, it was noted by the Associated Press, the bill, which Congressional sources estimate will yield about $2,315,000,000 additional revenue annually, became a law. It was recorded in the Senate by the presiding officer of that body—the Vice-President—that:

"In order to prevent any doubt arising as to the time of passage of the bill if the question should arise hereafter, the Chair announces the time as 12:49 p.m."

The signing of the bill by Edwin A. Halsey, Secretary of the Senate, was witnessed by Senator George.

Regarding the House action the Associated Press said:

"Ninety-nine Democrats and one minor party member joined 199 Republicans in voting to override. Three Republicans, three minor party members and 89 Democrats voted to sustain the President."

Special advices to the New York "Sun" from its Washington bureau Feb. 25 reported as follows as to the Senate vote:

"President Roosevelt 'carried' only three States in the Senate today when the tax bill was enacted into law, over his veto, by a majority of better than 5 to 1.

"Here are the simple statistics of one of the most emphatic rebuffs ever delivered by the Senate against a Presidential veto:

"The members of the Republican party voted 32 to 1 against the President.

"The members of Mr. Roosevelt's own party voted 3 to 1 against him.

"The President's opposition on this issue came chiefly from within his own party. Thirty-nine Democrats voted against him, and 32 Republicans.

"Breaking the vote down geographically, it appears that the President won the support of the Senate delegations from only three States: New York, Utah and Washington.

"He broke even in the delegations from 9 other States: Alabama, Florida, Virginia, Pennsylvania, West Virginia, Delaware, Rhode Island, Montana and North Dakota.

"From the entire 'Solid South' he won exactly three votes—no more."

In protest over the strictures against Congress embodied in the veto message, Senator Alben W. Barkley of Kentucky, following his announced intention, tendered his resignation as Democratic leader of the Senate on Feb. 24, despite a plea by President Roosevelt that he would not persist in carrying out his intention; and "if you do," said the President, "I hope your colleagues will not accept your resignation, but if they do . . . that they will immediately and unanimously re-elect you." This procedure occurred in the Senate on Feb. 24, when the Senator tendered his formal resignation to the conference of Democratic Senators, which accepted his resignation, but immediately unanimously re-elected him as "the new leader of the Democrats in the Senate." The acceptance of the re-election by Senator Barkley followed.

Senator Barkley in the Senate on Feb. 23 unhesitatingly attacked the censures of Congress contained in the President's veto message, and brief reference thereto appeared in our issue of Feb. 24, page 789; it was then that he made known his intention to withdraw as majority leader. In his lengthy speech in the Senate (which we are giving in full elsewhere in this issue) the Senator said:

"In his effort to belittle and discredit Congress throughout his veto of this bill the President says:

"'This is not a tax bill but a tax relief bill, providing relief not for the needy but for the greedy.'

"That statement, Mr. President, is a calculated and deliberate assault upon the legislative integrity of every member of the Congress of the United States. The members of Congress may do as they please. But as for me, I do not propose to take this unjustifiable assault lying down.

"For 31 years I have continuously represented the great commonwealth of Kentucky in the Congress of the United States, 14 years in the House of Representatives, almost without opposition in my own party or in the Republican party throughout that entire period. When my present term as a Senator shall have expired I will have served that great commonwealth continuously for a period of 32 years.

* * *

"Mr. President, this is the first time during that long service, which I had thought was honorable, when I have been accused deliberately of voting for a bill that constituted a relief measure impoverishing the needy and enriching the greedy.

* * *

"Whether I have made a good majority leader, an indifferent majority leader or a bad majority leader, the record itself will speak. There is nothing in that record that I would now change; there is nothing in that record that I would not repeat under the same circumstances that existed during this course of my legislative history.

"But, Mr. President, there is something more precious to me than any honor that can be conferred upon me by the Senate of the United States or by the people of Kentucky or by the President of this republic, and that is the approval of my own conscience and my own self respect. That self respect and the rectitude of that conscience I propose on this occasion to maintain."

In conclusion Senator Barkley stated that "if the Congress of the United States has any self respect yet left it will override the veto of the President and enact this tax bill into law, his objections to the contrary notwithstanding."

In Associated Press advices from Washington Feb. 23, it was stated:

Senator Barkley's speech was a symptom of spreading rebellion in the Senate over the veto message in which the President called the tax bill much too small and said it was a relief bill for the "greedy."

In the House, Representative Doughton, Democrat, North Carolina, 80-year-old Chairman of the tax-writing Ways and Means Committee, declared in effect that the President was asking Congress to accept dictation. That is "where I part company with the President of the United States," said Senator Doughton.

Many other members joined Barkley and Doughton in their stand, and administration men freely predicted that the veto would be overridden.

The letter addressed by the President to Senator Barkley urging him not to persist in his "announced intention to resign as Majority leader," written under date of Feb. 23, follows:

"Dear Alben:

"As I am out of the city I am unable to have a personal talk with you. If I were there, of course, that is the first thing I would do.

"I regret to learn from your speech in the Senate on the tax veto that you thought I had in my message attacked the integrity of yourself and other members of the Congress. Such you must know was not my intention. You and I may differ, and have differed on important measures, but that does not mean we question one another's good faith.

"In working together to achieve common objectives we have always tried to accommodate our views so as not to offend the other whenever we could conscientiously do so. But neither of us can expect the other to go further.

"When, on last Monday, I read to you portions of my tax message and you indicated your disagreement, I made certain changes as a result of our talk. You did not, however, try to alter my basic decision when you realized how strongly I felt about it. While I did not realize how very strongly you felt about that basic decision, had I known, I should not have tried to dissuade you from exercising your own judgment in urging the overriding of the veto.

"I sincerely hope that you will not persist in your announced intention to resign as majority leader of the Senate. If you do, however, I hope your colleagues will not accept your resignation; but if they do, I sincerely hope that they will immediately and unanimously re-elect you.

"With the many serious problems daily confronting us, it is inevitable that at times you should differ with your colleagues and differ with me. I am sure that your differing with your colleagues does not lessen their confidence in you as leader. Certainly, your differing with me does not affect my confidence in your leadership nor in any degree lessen my respect and affection for you personally.

Very sincerely yours,

FRANKLIN D. ROOSEVELT."

Senator Barkley in his reply essayed that "in this great crisis of our Nation's history we must all seek some common ground upon which we can meet and have confidence in one another. That applies to all branches of our Government."

The Senator also stated in his letter: "I want you to know that you have my utmost confidence and affection and the personal and official relations which to me have been a source of infinite pride, I hope may be continued." Senator Barkley indicated in his letter that he had again accepted the majority leadership of the Senate. He expressed his "fervent trust" that this incident may be instrumental in bringing the executive and legislative departments closer together in fullest cooperation to the end that we may win this terrible war at the earliest possible moment." Senator Barkley's letter follows:

"My Dear Mr. President:

"When I reached my home late yesterday afternoon, after the events of the day, Steve Early was waiting with your gracious letter which he delivered to me in person.

"First, let me thank you for your prompt disavowal of any intention to reflect upon my own or the integrity of other members of the Congress. I accept your statement in this regard at full value and I am happy to feel that it was sincere. If, when I discussed the veto with you on last Monday, I had known that it would be couched in the language which it contained, I would then have protested against it and would have advised you that I would be compelled to reply. However, our argument over the

veto related to the measure itself, and when I learned that you had definitely decided to veto the measure notwithstanding any arguments which I had been able to put forward, I felt that there was no further occasion for discussion.

"I am sure I need not say to you that I have, during these eventful years, worked with you with an inspiration, a devotion and a personal affection which has not been approached by any other men, unless it be Woodrow Wilson, at whose feet I sat as a young member of Congress and learned from him many of the great lessons of liberalism in government and society which I have struggled to advance.

"I realize that sometimes language in a written document carries with it connotations not intended by the writer. Sometimes the expressions on one's countenance or the intonations in one's voice indicate a meaning not always carried in the written word. But I feel that upon reflection you will agree that some of the language contained in your veto message was abundantly susceptible of the interpretations which I put upon it in my address to the Senate and which many others put upon it throughout the country.

"I am happy to feel, as you have indicated, that you had no such purpose in mind.

"I realize that in these terrific times you are burdened with a responsibility no American President has ever borne. Throughout this perilous period my heart has gone out to you in sympathetic understanding, not only of your great responsibility, but your high purpose in meeting that responsibility. I want you to know that that faith in you endures in me today and will continue to endure because I have recognized in you a spokesman of the people, whose chief desire was to advance their welfare and their happiness.

"We have on some occasions disagreed as to policies and we have sometimes disagreed as to methods. Frequently I have submerged my own views in recognition of your more intimate knowledge and your greater responsibility. Sometimes you have yielded your views to mine. In all these circumstances we have maintained a mutual respect which I have deeply appreciated.

"But it seems to me there is something broader and more fundamental than any personal acquiescence as between you and me over matters of public policy and fundamental principles. In this great crisis of our nation's history we must all seek some common ground upon which we can meet and have confidence in one another. That applies to all the branches of our Government. If we cannot trust one another in this tragic period of the history of our nation and of the world, how can the people trust us?

"I want you to know that you have my utmost confidence and affection and the personal and official relations which have been to me a source of infinite pride, I hope may be continued.

"In view of all that happened, I felt compelled to tender my resignation as majority leader at the Democratic conference today. The conference unanimously accepted it and then unanimously re-elected me as majority leader. In spite of my own personal preference to yield this responsibility to some other, in view of their earnest and unanimous action, and in view of your own generous and manly statement to me, I have accepted again the majority leadership of the Senate.

"I fervently trust that this incident may be instrumental in bringing the executive and legislative departments closer together in fullest cooperation to the end that we may win this terrible war at the earliest possible moment, bring all of our armed forces back to their homes and loved ones, and be instrumental in bringing to a downhearted and distressed world peace at last.

"With great respect, I am

"Cordially and sincerely yours,

ALBEN W. BARKLEY."

Marked Expansion In The Supply Of Money—Gold Stocks In The United States Decline

The January number of the League of Nations Monthly Bulletin of Statistics, published by the League Mission at Princeton, N. J., contains, in addition to the usual tables, a series of graphs illustrating the Movement of Note Circulation and Commercial Bank Deposits in some 30 countries since July, 1939. Advices from the League Mission on Feb. 17 state:

The following indices indicate the relative changes in note circulation and bank deposits that have occurred between July, 1939, and the latest date for which figures are available (July, 1939, equals 100, unless otherwise indicated in notes):

Country—	Note Circulation 1943		Deposits 1943	Sight	Total
Bulgaria	July	740	Apr.	---	220
Iraq	Oct.	719	Jun.	782	†491
Hungary	Nov.	474	Sep.	258	204
India	Nov.	470	Aug.	332	245
Finland	Sep.	441	Oct.	392	201
France	Oct.	386	Sep.	---	273
Roumania	Oct.	372	May	186	234
Turkey	Oct.	362	----	‡	‡
Belgium	Nov.	357	Sep.	§228	§249
Germany	Nov.	351	----	¶	¶
Canada	Nov.	347	Nov.	313	177
Australia	Nov.	325	Nov.	235	152
Netherlands	Nov.	321	Oct.	209	217
Denmark	Nov.	302	Oct.	288	173
Japan	Sep.	300	Aug.	242	**232
Portugal	Sep.	295	Sep.	483	377
United States	Dec.	290	Dec.	194	176
Peru	Oct.	280	Sep.	264	239
Union of South Africa	Aug.	*267	Aug.	245	226
Chile	Sep.	249	May	180	††159
Mexico	Aug.	*232	Jun.	440	359
New Zealand	Nov.	225	Oct.	215	162
United Kingdom	Nov.	*214	Nov.	209	173
Ireland	Nov.	213	Sep.	---	143
Sweden	Nov.	203	Oct.	153	127
‡‡Brazil	July	201	----	‡‡	‡‡
Colombia	Sep.	197	Sep.	210	198
Switzerland	Nov.	168	Sep.	§§139	§§121
Argentine	Oct.	159	Sep.	194	146
¶¶Venezuela	May	*137	Oct.	229	---

*Notes (also coin in some cases) in the hands of the public. †Iraq, total deposits: Sept., 1943, 690. ‡Turkey, deposits: Dec., 1942, sight 173; total 145; May, 1943: total 161. §Belmium, deposits: base June, 1939=100. ¶Germany, deposits: base Dec., 1938=100. Dec., 1941: sight 194; total 199; Dec., 1942: total 230. **Japan, total deposits: Sept., 1943: 244. ††Chile, total deposits: Aug., 1943: 162. ‡‡Brazil: base June, 1939=100. Deposits: April, 1942: sight 137; total 147; June, 1942: total 149. §§Switzerland, deposits: base June, 1939=100. ¶¶Venezuela: base Dec., 1938=100.

A marked expansion in the supply of money has taken place in all the 30 countries covered. Measures adopted by various governments with a view to draining off surplus moneys, such as the promotion of savings on a voluntary or compulsory basis, the withdrawal of high-denomination notes, etc., do not appear to have seriously halted the almost continuous upward trend in note circulation and bank deposits, more particularly sight deposits.

The expansion in the supply of money is due basically to the great increase in Government expenditure, generally in connection with the war, this expansion having been neutralized only in part by increased taxation and savings. The following indices, based on data given in the Bulletin, show how Central Government expenditure and receipts have increased according to the latest budget estimates since 1938 (1938/1939):

1938 (1938-39)=100

*1943 (1943-44)	Expenditure	Receipts
†U. S. A.	1,118	789
Canada	995	548
Australia	792	363
United Kingdom	511	300
New Zealand	486	333
‡France	377	187
§Germany	317	198
¶Bulgaria	301	283
Switzerland	289	145
Union S. Africa	241	192
**Chile	223	212
**Colombia	199	155
Turkey	193	178
Mexico	142	159
Ireland	139	130
Venezuela	112	96

*Unless otherwise stated. †U. S. A.: 1944-45. ‡ France, expenditure: excluding financing of clearing accounts with Germany (including this item: 432). §Germany: 1942-43. Expenditure: total of taxes and net borrowing. Receipts: taxation receipts only. ¶Bulgaria: corresponding indices for 1942 (closed accounts): exp. 390; rec. 333. **Chile, Colombia: 1944.

In most of the above countries, particularly in the United States and in Europe, the budgets in 1938 (1938/1939) were not balanced, so the discrepancy between expenditure and receipts is now generally somewhat greater than these indices suggest.

The failure of taxation to keep pace with expenditure has led to a great increase in internal public debt. This development is brought out by the following indices, based on data published in the Bulletin and relating, unless otherwise stated, to internal debt only (months refer to 1943).

DECEMBER, 1939=100

Finland, September	1,009
Germany, August	512
United States of America, December	357
*Sweden, October	340
Japan, July	301
France, September	282
†Bulgaria, December	280
Belgium, September	275
Colombia, August	252
Netherlands, August	233
United Kingdom, December	231
Uruguay, November	158
Union of South Africa, September	157

*Internal and external debt. †December, 1942.

The other usual Bulletin tables show inter alia that:

Industrial production in the United States fell in December by two points, or about 1%, mainly as a result of a drop of eight points, or 4½%, in the iron and steel industry. Mineral production, however, rose by 5½% to reach a record level. Industrial production in Canada fell one point in November; there was a drop of 16 points (6%) in mining and a rise of 3 points (1%) in manufacturing where the wood and paper group showed an increase of 12 points (nearly 11%) over October's low level.

Wholesale prices in the United States and Canada were unchanged in December at levels 40% and 35%, respectively, over the prewar (Jan.-June, 1939) average; in the course of 1943, they had risen about 2% in the United States and 6% in Canada.

According to the latest figures available, wholesale prices appear to be more or less stabilized in Australia, New Zealand and in most European countries except Bulgaria, Finland and Hungary. In Latin America wholesale prices were either declining in some countries or else rising only very slowly in others.

Wholesale prices in Iran showed practically no change in September; they fell in India in October and in Palestine in September. According to latest information available, they exceeded the prewar level by no less than 359% in Iran, 239% in India and 217% in Palestine. In Egypt, wholesale prices were rising up to October, being then 187% over the pre-war average.

The cost of living in the United States rose one point in December to regain the May-June level, 26% above the prewar average (Jan.-June, 1939); during 1943, the total rise amounted to about 3%. In Canada the cost of living remained unchanged in December at 19% above the prewar average, having risen by rather less than 2% during the year.

In Latin America the latest data available point to the arrest or slowing down of the upward trend in living costs; in Uruguay, however, where there had been a drop about the middle of the year, a rise of 5% occurred between August and October.

In Europe, according to the latest official indices available, the rise in living costs appears to have been substantially checked except in Bulgaria, Finland, Hungary and also in Ireland, where there was a rise of 7% between May and November.

Between January and October the cost of living index (Jan.-June, 1939=100) for Iran rose from 444 to 783; for Egypt from 221 to 253, and for India from 195 in January to 226 in June. There are some indications that the rise in the cost of living in Palestine was halted during the third quarter of 1943.

Gold stocks in the United States declined during 1943 by $788,000,000, or by 3½%; at the end of the year they were for the first time since December, 1940, below $22,000,000,000 ($21,938,000,000).

Plans Under Way For Simplification Of Tax Returns; House Already At Work

Following the passage of the tax bill by Congress, effected through the overriding of the President's veto, the hope was held out to taxpayers on Feb. 27, by Chairman Doughton (Dem., N. C.) of the House Ways and Means Committee that "this may be the last return they will have to file." On that date, Associated Press advices from Washington said:

After "parting company" with President Roosevelt to steer the House in overriding the veto of the $2,300,000,000 new revenue bill, Doughton assumed leadership in the drive to simplify tax statutes.

He said today he hoped to see a simplification bill approved by his tax-formulating committee and presented for House consideration within two weeks.

The measure may provide:

1. Integration of the victory, normal and surtaxes into one overall tax base and rate structure, erasing the necessity of three separate computations.

2. That for most of the approximately 50,000,000 individual income tax payers the withholding against wages and salaries will become the actual, final tax, and no computations and returns will be required of those taxpayers at the year end.

3. That the integration and other simplification steps will be taken in a manner, so far as possible, to retain the present tax burdens against all levels of income, each taxpayer, including those paying small victory taxes, continuing to remit the same amount under the proposed collection system.

However, these simplification processes will not affect the returns on 1943 income due by March 15. Nor does the simplification effort contemplate lessening the taxes of any taxpayer at this time.

On Feb. 28, it was indicated that the Committee started work toward the simplification of the income tax return, and in about two weeks, it was said, when most of the 50,000,000 taxpayers will have completed the most intricate forms ever issued by the Treasury, the Committee hopes to have its streamliner ready for presentation to the House.

From the Associated Press we also quote:

Chairman Doughton (D. N. C.) said that the new bill may have these features:

1. Integration of the victory, normal and surtaxes into one overall levy;

2. Adjustment of withholding levies and individual tax indebtedness so that, in most cases, the amount withheld by employers will constitute the entire tax and supplementary payments and filing of returns will be made unnecessary;

3. Provisions provided in the new form will be such that tax burdens will be continued, as far as possible at their present level.

Though Mr. Doughton expressed the hope that the streamlining of the income-tax law might end returns for most taxpayers, Chairman George (D.-Ga.) of the Senate Finance Committee said he believed that the total tax for some 30,000,000 might be collected through the withholding tax alone, while the other 20,000,000 would continue to make returns. In the latter group, said Senator George, would be those in high income brackets, professional people and the self-employed.

Employment Declines Again In January

The general decline in employment which became evident in the closing months of 1943 grew more pronounced in January, according to preliminary reports reaching The National Industrial Conference Board. The Board in making public the report on Feb. 18 also said:

"Non-agricultural civilian employment, according to these sources, was reduced by more than a million in January, with a decline of more than 500,000 apparent in agriculture. Total employment, including the Armed Forces, dropped to approximately 60.5 million, as against 62.2 million in December and 64.5 million at the September peak. Trade, manufacturing, and the post offices all contributed to this sharp decline. Losses in the transportation equipment, iron and steel, lumber and automobile industries ranged from 17,000 to more than 50,000. In the nondurable manufacturing group, declines were especially pronounced in the food, textile mill products and chemical industries.

"December reports showed nearly 1.1 million fewer persons employed or in the Armed Forces than in the previous month. Most of this decline was in agriculture and was of a seasonal nature, but there were also losses in manufacturing and construction. By the end of the year employment was only 3.6 million greater than in December, 1942, as compared with year-to-year increase at the September peak of 5.3 million over September, 1942.

"Both durable and nondurable factory employment declined during December. The decrease in transportation equipment group reflected shifts in the type of product required and the inability to hire new workers. Losses of 24,000 were reported in the iron and steel, nonferrous metals, lumber, furniture and stone, clay and glass industries. Seasonal factors as well as cutbacks influenced the drop in non-durable goods.

"Only in trade, transportation and extraction of minerals did civilian employment increase in December. The number on manufacturing payrolls fell 76,000, while employment in contstruction again fell by 13.5%.

"The decline in farm employment was somewhat less than seasonal, and the 8.9 million at work in agriculture was the same as a year earlier."

The Financial Situation

(Continued from first page)

has, however, served to alter predictions of large immediate purchases merely as to the identity of the purchaser and the nature of the goods likely to be sought most immediately and persistently.

The latest delivery on this subject comes from the Department of Commerce which in the current issue of its Survey of Current Business publishes the results of an inquiry by two of its economists into the amount of liquid savings with which business enterprise in this country is likely to start the post-war period. Here are some of its more important conclusions:

Funds (all in cash or Government obligations) available to business in the Transition (that is, from a war to a peace economy) Year—in addition to holdings as of Dec. 31, 1941 (in billions of dollars):

Accumulated during 1942 and 1943	33-38
Provisions for depreciation, etc. (in first post-war year)	5- 6
Net amount due from Government on output delivered before Jan. 1, 1944	2- 3
Net claims on uncompleted contracts	7-11
Total	47-58

Summary of Maximum Charges Against Business Accumulation
(Billions of Dollars)

Retire wartime tax accruals	8
"Reconversion"	4
Replenish civilian goods inventory	8
Equipment purchases (deferred plus current replacements)	11
Deferred maintenance (net)	2
Reextension of consumer credit	3
Total	36

"Summarizing these calculations, it appears that a **maximum** of $36 billion might be required to restore the pre-war plant, inventories and receivables of American business, and to liquidate the increase in tax accruals since 1941. Although there is no basis for precise estimates of several of these items, it should be clear that $33 to $38 billion of funds accumulated by business during 1942 and 1943, plus the $14 to $20 billion which will become available during the transition, exceed these potential outlays by at least $10 to $20 billion. Since this calculation involves in every instance the maximum appropriate charge and since it does not allow for the further accumulation of business funds from the close of 1943 until the end of the war, this excess could not be less than $10 billion but might well be more than $20 billion."

In further development of the supposed significance of these figures, the article proceeds:

"Some idea of the relative magnitude of the minimum of $10 to $20 billion available from wartime accumulations for expansion purposes may be gained from a comparison with the net private outlays of very roughly $10 billion for expansion of productive facilities and inventories in 1941. This was the largest expansion in any one year during the past two decades. . . .

"It should be remembered that there will be individual firms in a less advantageous financial position. It can be said, however, that the lack of funds will be localized rather than general and that typically the uncertainty over the adequacy of business funds has to do with the requirements for business expansion rather than with the requirements for reestablishing the prewar volume of business."

Some Limitations Recognized

It is evident both from the passages quoted and from other parts of the study that the authors are well aware of many shortcomings of the data with which they are working. It is equally clear that they understand that certain limitations must be set upon the interpretation of the figures finally arrived at. Yet one is obliged to wonder if they have a full realization of certain underlying implications of the reasoning which they appear to be employing.

It may, of course, be that the enterprise with the surplus "liquid savings" is the firm which would wish to increase its inventories of consumer goods or enlarge its volume of consumer sales. It can, however, do neither unless and until the manufacturer of such goods has been able to make them in adequate amounts, which he, in turn, can not do until his suppliers, and quite possibly the equipment makers, can serve him. Now it may be that either the manufacturer of the consumer goods desired, his supplier, or the equipment maker may be short of "liquid savings" or have large claims against his accumulations, and in addition be one of those holders of Government contracts whose working capital becomes frozen as a result of contract cancellation and whose foresight did not provide V, VT or T loan protection. In fine, suitable distribution of adequately liquid working positions is in such a situation of about as much importance as the total or average liquidity of industry and trade in general.

But there are much more fundamental considerations. These "funds" take the form of cash in hand or in the banks and Government obligations. The authors apparently do not find anything strange in the thought of business spending all these sums in addition to whatever current income it has during the period in question. But who will convert the Government obligations into cash? Not business, surely, since it is business which is to spend the proceeds of their sale. Then either the Government must raise a sufficient surplus by taxation to reduce its debt in the amounts in question, individuals must take them up out of their "liquid savings", or the banks must buy them, thus adding further to the excess money supply.

But what about the large holdings of cash? Apparently business men are expected to spend with one another all these accumulations of cash plus their current income. But what would they buy? What other business men sell, of course. What else would they buy? But what business men sell equals current income. What, then, is left for which to spend cash accumulations? That is to say, the community is conceived of as making a continuing effort to buy more goods than there are. And such an outcome is heralded as sound and likely to be helpful!

Other Possibilities

There are possible offsetting factors—none of which is mentioned in such discussions and none of which appears to be very likely to appear. One is that the Government will sell its surplus goods reasonably and steadily to a famished market, and with the proceeds retire its debt to the banks in part. Better still were such retirement increased by a surplus of taxation over expenditures. Another is that the community absorb some of the Federal debt now owned by the banks. The third is that we buy more from abroad than we sell in foreign markets. But, of course, any of these would in one degree or another tend to spoil the beautiful picture of post-war booms now so often painted as a result of huge accumulations of funds seeking goods.

Of course, there is a fourth possibility—that the public, as was true during the thirties, simply hoard its funds, and business "go slow" in recognition of the unsoundness of the situation being generated by such conditions and by other untoward Government policies. That is to say, idle funds remain idle, and the more funds are brought arbitrarily into being the more funds become idle.

How long will it take us to recognize this old, old, pump-priming economic perpetual motion fallacy in a slightly new garb?

Industrial Activity Maintained In January According To Federal Reserve Board

The Board of Governors of the Federal Reserve System reported on Jan. 26 that industrial activity was maintained in January following a decline from November to December. Commodity prices were steady and retail sales continued in large volume in January and the first three weeks of February, says the Board; its summary of general business and financial conditions follows:

Industrial Production

"In January the Board's seasonally adjusted index of industrial production stood at 242% of the 1935-39 average as compared with the peak level of 247 in October and November 1943.

"Steel production increased 4% in January and continued to rise in the first three weeks of February, reflecting large military requirements for landing craft and other invasion equipment as well as increasing use of steel for farm machinery and railroad equipment. Aluminum production was curtailed in January from the peak rate in the last quarter of 1943.

"Activity in the transportation equipment group was 5% lower in January than at the peak in November. The largest decline occured in commercial shipyards, many of which were changing from the production of Liberty ships to Victory and other types of ships. In the automobile industry production of 3,000 trucks was reported during the month under the greatly enlarged civilian truck program for 1944 which calls for the production of 92,000 mediumweght and 31,500 heavy trucks during the year.

"Output of textiles, shoes, and manufactured foods rose slightly in January, following small declines in December. Chemicals production continued to decline, reflecting a further curtailment of small arms ammunition output. Output of petroleum and rubber products showed little change.

"Production of coal increased and crude petroleum output continued at a high level in January and the early part of February. Sunday work was instituted in anthracite mines during February as a measure to increase production, and output for the week ending February 12 was 13% higher than the preceding week.

"The value of construction contracts awarded in January, according to reports of the F. W. Dodge Corporation, declined to the lowest level for the month since 1935.

Distribution

"Value of department store sales in January and the first three weeks of February was maintained at a high level for this season of the year. Sales in January exceeded the large volume of a year ago by about 6% but in February sales were somewhat smaller than last year when a buying wave developed following the announcement of shoe rationing

Freight car loads declined less than usual in January and the first half of February, owing chiefly to the heavy volume of coal shipments. Movement of grain continued at the high level of last fall and livestock and lumber shipments were in large volume.

Commodity Prices

"Wholesale prices of most commodities continued to show little change in January and the early part of February. Maximum prices for coke, wood pulp, furniture, and certain other products were increased moderately.

"The cost of living index of the Bureau of Labor Statistics declined from 124.4% of the 1935-39 average in December to 124.1 in January.

Bank Credit

"Purchases of securities in the Fourth War Loan Drive by corporations and individuals resulted in a release of required reserves of member banks because funds were drawn from private deposit accounts, which require reserves, to the Government war loan accounts, which are exempt from reserve requirements. As a consequence, member banks repurchased bills from the Reserve Banks, and the latter's holdings of Government securities declined by $520,000,000.

"At reporting member banks in 101 leading cities, adjusted demand deposits decreased by $3,400,000,000 in the four weeks ending February 16, while U. S. Government deposits increased by $6,900,000,000, reflecting purchases of Government securities by bank customers during the war loan drive. Government security holdings at reporting member banks increased $2,800,000,000 over the four weeks.

"Loans to brokers and dealers increased by $320,000,000 during the drive which was substantially less than in either of the two previous campaigns. Loans to others for purchasing or carrying Government securities rose by about $610,000,000, two-thirds of which was at New York City banks. Commercial loans, which had increased substantially during the Third War Loan Drive, showed little increase during the current period."

Winthrop Carter Dead

The death on Feb. 22 of Winthrop Carter of Hollis, N. H., Chairman of the New Hampshire War Finance Committee of the Treasury, occasioned the expression of deep regret on Feb. 23 by Treasury officials. In the absence of Secretary Henry Morgenthau, Jr., Acting Secretary of the Treasury Daniel W. Bell said:

"Secretary Morgenthau and the Treasury Department have suffered a great loss in the death of Winthrop Carter. Mr. Carter made an outstanding record as State Chairman of the War Finance Committee in New Hampshire in behalf of the War Finance Program, and we here in the Treasury Department are deeply grieved at the passing of a fine friend and a faithful public servant."

Ted R. Gamble, National Director of the War Finance Division of the Treasury, who was closely associated with Mr. Carter also expressed his sense of deep personal loss. Mr. Carter had served as State Chairman in New Hampshire since August, 1943, when the old Victory Fund Committee and the War Savings Staff were merged into the War Finance Committee. Mr. Carter was President of the Nashua Gummed & Coated Paper Co., Director of the Second National Bank of Boston, and a member of the Industrial Loan Committee of the Federal Reserve Bank of the First [Boston] District, and was twice President of the New England Council.

Wooten to Become Officer Of Republic Bank Of Dallas

The intention of Ben H. Wooten, President of the Federal Home Loan Bank of Little Rock, Ark., to resign from that post April 1 to become Vice-President of the Republic National Bank at Dallas, Tex., was made known in Associated Press advices from Little Rock on Feb. 11, which also stated:

Mr. Wooten, head of the Home Loan Bank since 1932, is Chairman of the Arkansas State Planning Board and State Defense Council.

The Federal Home Loan Bank here serves Arkansas, Louisiana, Texas, Mississippi and New Mexico.

Text Of Barkley Resignation Speech In Senate Protesting Roosevelt Veto Of Tax Bill

Kentuckian Later Unanimously Relected Majority Leader And Tax Bill Passed By Congress Over President's Veto

While reference was made in our Feb. 24 issue, page 789, to the address in the Senate on Feb. 23, of Senator Alben W. Barkley, in which he tendered his resignation as Democratic leader of the Senate, in protest against the criticism of Congress by President Roosevelt in his message vetoing the tax bill, we are making room here for the speech of Senator Barkley in its entirety. The President's veto message was given a week ago in these columns, page 793. As we indicate in another item in this issue, the tax bill has been passed by Congress over the veto of the President. Senator Barkley's speech follows in full:

Mr. President, on yesterday the President of the United States sent to the House of Representatives, and indirectly to the Senate, a message vetoing the tax bill recently passed by both Houses of the Congress after six or eight months of deliberation upon it. I should have preferred to discuss this veto message on a proposal to pass the bill over the President's objections, but not knowing what action the House will take, and therefore not knowing whether the Senate will be given an opportunity to vote upon the veto, I have decided to discuss it now.

The President says in his message that he regrets it, but that he had to veto the bill in the public interest. He says that many months ago he asked Congress to increase the taxes by ten and one-half billion dollars, and that—

Since then—

To use his own language—

persons prominent in our national life have stated in no uncertain terms that my figure—

That is, the President's figure—

was too low.

This reference in justification of his veto is obviousy to Mr. Wendell L. Willkie, the up-to-date Halley's comet darting across the firmament hither and yon to illuminate the heavens with an array of fantastic figures which neither it nor anybody can comprehend. I cannot but wonder, Mr. President, whether this spectacular celestial nomad has frightened the President into the use of figures quite as fantastic, though not as large.

The President states that while the measure purports to increase the national revenue by a little more than $2,000,000,000, the actual net result is a little less than $1,000,000,000.

The Treasury Department has but yesterday reported that the net increase in taxes provided in this bill amounts to $2,194,000,000. The staff of the Joint Committee on Internal Revenue set up by Congress estimates the net income to be around $2,300,000,000.

But let us take the figures of the Treasury Department itself, which we might well admit are conservative. This $2,194,000,000 figure is arrived at after deducting from the gross increase in revenues provided in the bill any losses from other categories that may occur by reason of the bill itself. Whether these losses amount to $150,000,000, as the President states, or to a smaller, or a larger sum, as estimated by the Treasury, they were all taken into consideration and deducted from the gross increases carried by the bill in order to arrive at the $2,194,000,000 reported by the Treasury. It may be that that figure is subject to a further readjustment on account of what the Treasury calls nonrecurring items amounting to about $75,000,000.

In order still further to belittle the amount of revenue provided in this new tax bill the President has resorted to one of the most unjustifiable methods of calculation it is possible to conjure up, which obviously was handed to him by a mind more clever than honest. He refers to an amount which he figures as $1,100,000,000, which he claims would be collected by a doubling of the social security taxes on March 1 of this year. I am one of the members of the Committee on Finance who voted against the freezing of the social security tax when it was passed on by the Committee. I not only voted on the floor of the Senate against freezing that tax, but I made on argument against it when the amendment was before the Senate for its consideration. The amendment freezing the tax at 1%, instead of automatically raising it to 2%, was adopted overwhelmingly both in the Committee and in the Senate.

In my discussion of that proposal on the floor of the Senate I stated that I had never regarded the moneys procured by this tax as anything but a sacred fund to be used for the payment of the worthy purposes contemplated when the social security law was enacted, and that I did not at that time, nor at any other time would I, vote to increase this tax merely for the purpose of letting the Treasury use it as revenue to carry on the ordinary expenses of the Government. It is true that in order to hold this fund inviolate and to obtain an income from it the law provides that it shall be loaned to the Treasury, originally at 3% interest, but now at a rate averaging the rate on other loans. But it is a loan. It is not Treasury capital. It is no more to be regarded as income in the Treasury than is the money obtained by the sale of War bonds, and it must be repaid, just as they are to be repaid, the only difference being that this loan bears a higher rate of interest than that borne by any of the War bonds now being sold to the public.

But even if this social security tax should raise the amount which the President estimates, he has no right to say that if it is left in the pockets of employers and employees, instead of being collected from them, it will reduce the annual income of the Treasury by that or any other amount. It simply is not an accurate statement of the facts, and everybody knows it. As a matter of fact, it will not raise that amount, because two months of the year have already elapsed, during which time the increased social security taxes have not been and will not be collected.

In his desire to criticize the bill and complain of Congress, the President, in talking about the desire for tax simplification, said —and I quote him:

The Nation will readily understand that it is not the fault of the Treasury Department that the income taxpayers are flooded with forms to fill out which are so complex that even certified public accountants cannot interpret them. No—

Says the President, with a comma—

it is squarely the fault of the Congress of the United States in using language in drafting the law which not even a dictionary or a thesaurus can make clear.

Mr. President, no man could have made that extraordinary statement who has sat in tax committees in the Capitol of the United States. If it was made by anybody who ever sat in a tax committee, it was a deliberate and unjustified misstatement in order to place upon Congress the blame for universal dissatisfaction with tax complexities, and in order to produce the illusion that the executive departments have in vain protested against this complexity. Congress is to blame for these complexities to the extent, and only to the extent, to which it has accepted the advice, the recommendations, and the language of the Treasury Department, through its so-called experts who have sat in on the passage of every tax measure since I can remember. Every member of the House Ways and Means Committee and every member of the Senate Finance Committee knows that every time we have undertaken to write a new tax bill in the last 10 years we have started out with the universal desire to simplify the tax laws and the forms through which taxes are collected. We have attempted to adopt policies which would simplify them. When we have agreed upon a policy, we have submitted that policy to the Treasury Department to write the appropriate language to carry out that policy; and frequently the Treasury Department, through its experts, has brought back language so complicated and circumambient that neither Solomon nor all the wise men of the East could understand it or interpret it.

In his effort to justify this veto message, the President has gone forth with a searchlight and magnifying glass to find inconsequential faults. The President states—and I quote him:

The bill is replete with provisions which not only afford indefensible special privileges to favored groups but sets dangerous precedents for the future.

As evidence in support of this statement, the President refers to the provisions of the bill permitting corporations reorganized in bankruptcy to retain certain excess profits credits and other items attributable to the contributions of stockholders who are, to quote the President, "usually eliminated in the reorganization."

This is cited as a loophole in behalf of special privileges. As a matter of fact, nobody knows at this time whether there would be any loss whatever to the Treasury on account of this provision. It all depends upon the outcome of litigation now pending in the courts, the outcome of which no person can foresee with any degree of certainty. But even if the litigation should result in making this provision effective, it would merely allow corporations which have come out of bankruptcy to claim and obtain the same credits which corporations which are still in bankruptcy obtain. Therefore no person can categorically claim that this provision would result in loss to the Treasury.

The President cites the percentage depletion allowance on a few new and insignificant items in this bill, not heretofore carried in tax bills or in the present law, and says that such allowances are questionable in any case. It is well known, Mr. President, that the Treasury has always been opposed to any sort of depletion allowance in the development or marketing of minerals; and the use by the President of the phrase "questionable in any case" indicates that his objections in this regard coincide with the traditional views of the Treasury. But according to the Treasury's own figures, the amount of revenue involved in this provision is so insignificant as to make a veto on that ground almost grotesque.

The President refers to the lumber industry as being permitted to treat income from the cutting of timber as a capital gain rather than as annual income, and cites that provision of the bill as a loophole in favor of special privilege. In all fairness to the Congress and to the people who read the President's message, it ought to be stated that under the present law, if a man owns a tract of timber and sells that timber, or sells the land on which it grows, to another person, company, or industry, he is allowed to pay taxes upon the amount which he receives as capital gain, not as annual income, for the year in which it is sold.

The difference between the tax provisions relating to capital gains and those relating to annual income are technical and are not understood by the average citizen or by many experts. I have neither the time nor the disposition to go into an explanation of this difference at this time. Suffice it to say that under the present law the owners of timberland may sell it to a lumber or milling company, or to anyone else who moves in upon it and cuts the timber and sells it, and is allowed to pay taxes on the basis of a capital gain. The person who buys, cuts, and markets the timber pays taxes on an annual income basis, because he is in that business; and in order to arrive at his income for that year upon his operation in that or any other field, he is allowed to deduct the costs originally, together with the expenses of operation, to arrive at the net income upon which he will pay a tax. But if the owner of that same land and that same timber, instead of selling it to another, moves a sawmill upon it and cuts it himself and sells it himself in the market, he is taxed upon it as income for that year. In other words, if he sells it outright to another, he is taxed in one way. If he cuts it himself, he is taxed in another way. This discrimination was recognized by the committee as an injustice to owners of land containing timber.

I voted for this timber amendment as a member of the Finance Committee. I voted for it on the floor of the United States Senate. As one of the conferees on the part of the Senate, I signed the conference report containing it. For that vote I make no apology to any human being. I did not vote for it in order to create a fantastic or imaginary loophole to allow someone to escape taxes. I voted for it as an act of justice to those who grow timber over a period of a generation, or half a century, and who are entitled to just treatment, no matter in what manner they dispose of the timber.

The President, in order to justify his treatment of this amendment, cites his own experience as a timberman, and from his experience he regards such income as constituting annual income. I do not know to what extent the President is engaged in the timber business. I do know that he sells Christmas trees at Christmas time. They are no doubt of easy growth and short life, and I have no doubt that the income from their sale constitutes annual income not only to him but that such income would constitute annual income to any other person engaged in a like enterprise. But, Mr. President, to compare those little pine bushes with a sturdy oak, gum, poplar, or spruce, which requires a generation of care and nurturing to produce in the forest, and from which no annual income is derived until finally it is sold, is like comparing a cricket to a stallion.

The President refers to a certain exemption in the bill from the excise profits tax for natural gas pipe lines, and uses that as a horrible example of loopholes which Congress has deliberately provided for special interests. The amount of taxes provided in this provision, Mr. President, according to the Treasury's own figures, would not exceed $5,000,000.

He refers to commercial air lines, not more than three of which could possibly be affected by the provisions of this bill, according to the Treasury's own figures. The amount of taxes involved in this extension of the tax subsidy on mail contracts is not a penny more than $1,500,000. Those are the items which the President, with a searchlight and magnifying glass, has gone about to find in order to sustain the veto, in order to prove to the American people that the Congress of the United States has deliberately used the taxing power to impoverish the poor and make the rich richer.

The President said that he had been advised by some not to veto this bill "on the ground"—to quote his own language—"that having asked the Congress for a loaf of break to take care of this war for the sake of this and succeeding generations, I should be content with a small piece of crust."

I am one of those, Mr. President, who advised the President not to veto this bill. I not only advised him, but I implored him not to veto it, because I did not then believe, and I do not now believe, that the veto which he has sent to Congress was justified. I make no apology for that.

The President said that he had been advised that, "having asked the Congress for a loaf of bread to take care of this war for the sake of this and succeeding generations, I should be content with a small piece of crust." Then he states that he might have given heed to such advice—"if I had not noted that the small piece of crust contained so many extraneous and inedible materials."

Mr. President, how small a piece of crust is this, and how inedible is it, containing, as it does, $2,250,000,000? How small a piece of crust is this, and how inedible is it? This "small piece of inedible crust" is more than the national debt of the United States Government prior to the First World War. This "small piece of inedible crust" is more than twice the annual cost of the Federal Government prior to the First World War. This "small piece of inedible crust" constitutes a sum of money large enough to pay the entire $1,350,000,000 which Congress last week authorized to be expended for the relief of human suffering in occupied territories, and still leave $1,000,000,000. This "small piece of inedible crust" constitutes a sum of money large enough to buy many airplanes and tanks, and many millions of rounds of ammunition. It is large enough to establish many hospitals for the relief of those injured in this war. This "small piece of inedible crust" constitutes a sum large enough to pay two-thirds of the cost of the mustering-out-pay bill for members in the armed services of the United States, which Congress passed only a few weeks ago, and which the President himself recommended and signed.

Mr. President, to refuse this "small piece of inedible crust" is the same as if a starving man were to say to his would-be benefactor, "Unless you serve me with a full eight-course dinner, I will not eat a bite."

In his effort to belittle and discredit Congress throughout his veto message the President says:

"It is not a tax bill but a tax-relief bill providing relief not for the needy but for the greedy."

That statement, Mr. President, is a calculated and deliberate assault upon the legislative integrity of every Member of Congress. Other Members of Congress may do as they please; but, as for me, I do not propose to take this unjustifiable assault lying down.

For 31 years I have continuously represented the great Commonwealth of Kentucky in the Congress of the United States—14 years in the House of Representatives—almost without opposition in my own party or in the Republican Party throughout that entire period. When my present term as a Senator shall have expired I will have served that great Commonwealth continuously for a pe-

(Continued on page 922)

Plans For Post-War Currency Stabilization

(Continued from first page)

menting poverty for the toiling masses — the workers and employees—and provoked profound social crises in a number of countries.

At present the danger of a new currency depreciation after the war, primarily in the European countries, is quite apparent. In the course of the war there has taken place in all countries an accumulation of huge sums in bank and savings deposits. Because of the lack of equipment, raw materials, and manpower, the entrepreneur is unable to invest in his enterprise the money obtained from the sale of his goods. These sums of money remain inactive in the form of bank deposits. Workers and employees cannot spend their money incomes due to restrictions on consumption and the shortage of goods on the market; part of their income is accumulated in the form of deposits in the savings banks. In addition to this, the public in all countries is hoarding considerable sums of currency.[1] All these savings represent potential purchasing power, which will be thrown on the market when, with the end of the war, free purchase and sale of goods is resumed. At the same time the supply of goods will be reduced, due to the impoverishment of the countries. All this threatens a rapid spread of inflation and a rapid depreciation of currency.[2]

Besides these internal sources of inflation, there exist also external sources of inflation, emanating from foreign trade. The countries of the European continent ruined by the Hitlerite despoilers will emerge from the war greatly impoverished. Everywhere there will be great demand for raw materials, machinery, clothing, foodstuffs, etc. Business firms will try to satisfy this enormous demand by means of imports of goods. But at the same time the opportunities for export by the European countries will be extremely insignificant, due to economic ruin and the necessity of satisfying urgent internal needs. Hence the trade balances and balance of payments of the European countries will be quite unfavorable. Inasmuch as these countries do not possess any gold reserves by means of which it may be possible to cover unfavorable payment balances, foreign trade will emerge as a serious supplementary factor of inflation.

Such is the situation which will arise at the end of the war, if no measures of preventing or softening the impending depreciation of currency should be adopted.

In the foreign press, this problem is the subject of a lively discussion, in the course of which several suitable plans are being proposed. The most important of these are two proposals. The first, elaborated by the famous economist Lord Keynes, is an English plan for the formation of an international Clearing Union, and the second, prepared by Mr. White, is an American plan for the creation of a huge currency stabilization fund and an International Bank. Both plans are directed towards the same goal. However, they envision quite different paths, and the realization of one plan precludes the execution of the other. Apparently, there exist other plans as well, in the form of compromises. In our presentation of the contents of these plans below, we shall make use of such information as has appeared in the pages of the foreign press.

* * *

The essence of the Keynes plan consists of the following: There is to be created a Clearing Union, the members of which are the various countries represented by their central banks of issue. The Clearing Union opens an account for its members in a new special currency, the unit of which is called "bancor." By subsequent agreement among the founders of the Clearing Union, the bancor will have to be pegged in value to a certain quantity of gold. The bancor will not be exchangeable for gold; but it will serve the function of gold as an international currency, i. e., as a medium of payment in international exchange. This is achieved in the following way: If some bank or enterprise presents to the central bank of its country a request for international currency or gold to cover its foreign obligations, then the central bank can, instead of delivering foreign currency or gold, extinguish this obligation by transferring a corresponding amount of bancor from its account to the account of the central bank of the country concerned. In this manner, alongside of gold in its natural form and to a considerable extent in lieu of such gold the "accounting gold" in the form of bancors should serve to cover unfavorable balance of payments within the Clearing Union. This process is similar to what is accomplished by a clearing agreement between two countries and by bank transactions within a country.

Since a transfer in bancors can take place only between one government and another, the Clearing Union will always have equal amounts of debits and credits on its accounts, its balance will always be in equilibrium, and the stipulated gold value of the bancor will never be endangered. The Clearing Union will be able to grant without risk to any government advances in any amount, since this credit can be used only for transfers within the Clearing Union.

This does not mean, however, that any country may obtain an unlimited quantity of goods from abroad by means of transferring its cost in bancors. The Clearing Union may serve only for covering a balance of payments resulting from foreign trade, and not at all as a means of importing capital. It must aid in the development of foreign trade inasmuch as it affords to every participating government an opportunity, by means of short-term credit inside the Clearing Union, to cover temporarily an unfavorable balance in its international payments. But this is permissible only to a certain extent. The account of each government is limited to a definite amount.

The amount of credit which each country has at its disposal with the Clearing Union is determined by its "quota." The extent of the quota in the Keynes plan is intended to represent approximately 75% of the annual value of its foreign trade (imports and exports) as averaged over the three pre-war years. Hence, for some of the principal countries the quota would be expressed in the following figures:

	In billions of the National Currency	In billions of dollars
United Kingdom (pounds sterling)	1.4	7.0
United States (dollars)	4.2	4.2
Soviet Union (rubles)	2.1	0.4

These are round figures. They indicate that the quota of the United Kingdom is considerably higher than that of the United States, and almost twenty times as high as the quota of the Soviet Union.

Under the Keynes plan, members of the governing board of the Clearing Union, consisting of 12 to 15 men, have a voting power in proportion to the size of the quota assigned their respective countries. This means that Great Britain (together with its dominions and colonies) would have a decisive voice in the governing board of the Clearing Union, while the countries with smaller quotas (the Soviet Union, presumably among them) could as a rule have representation in the governing board only jointly with other countries.

The governing board of the Clearing Union, according to the Keynes plan, is invested with quite substantial powers. The various countries must present to this board highly important economic and statistical data and consult with it on measures to be adopted internally for the purpose of securing the stability of their currencies. However, as pointed out in the foreign press, it is highly doubtful whether the governments of the great powers would be inclined to recognize such pretensions on the part of the governing board of the Clearing Union.

What will happen if some country will need credits larger than the amount of its quota in bancors? In the event that a country should exceed its quota, it must pay annually to the Clearing Union 1% of the excess amount. If the excess is higher than one-fourth of its quota, the payment is raised to 2%. This penalty is discontinued when the debtor country concludes an agreement with the creditor country, by means of which its debt in excess of its quota is converted into a loan, and the amount in question is mutually cancelled on the accounts of both countries in the Clearing Union. If the debit balance of a country reaches 50% of its quota, and this balance is not converted into a loan, the nation in question is deprived of the right to draw further on the Clearing Union to meet its foreign obligations. All assistance available through the Clearing Union has thus been exhausted. Under such circumstances the country must, in the event of another unfavorable balance in its international payments, either cover it with gold or, in the absence of gold, it must needs bring its international payments into balance by regulating its foreign trade. In case neither of the above remedies is feasible, the value of the currency of the country in question—regardless of the existence of the Clearing Union—will be reduced.[3]

The Keynes plan is undoubtedly postulated on the peculiar position of the United Kingdom. The City of London before the war fulfilled the function of international banker. World trade was financed largely through the medium of drafts on London banks. The yearly income in Great Britain from this source was officially estimated before the war at between 30 and 60 million pounds sterling. However, the foundation for this role of the City of London was the stability of the British pound and the free circulation of gold, which in turn required a favorable balance of payments and the possession of an adequate gold reserve for covering temporary unfavorable balances in international payments. The war and its consequences have destroyed this basis. According to the obviously underestimated Kindersley's valuations of Britain's foreign capital investments, amounting to 3,600 million pounds sterling at the end of 1942, it has lost 1,000 million pounds sterling, surrendered largely in payment for American deliveries taking place before or outside of the terms of the Lend-Lease law. Its Far Eastern holdings suffered enormous losses. British dominions and colonies have repaid Great Britain a substantial part of their debts in course of the war. Therefore, British so-called "invisible exports" will be considerably smaller than before. The balance of payments of England threatens to become unfavorable in the post-war period. Moreover, the gold reserves of Great Britain were almost all sold to the United States, while the British colonies during the war have accumulated sizeable quantities of pounds sterling in London. Consequently, it is clear the United Kingdom cannot assume that in the post-war period it will retain its role of international banker by means of such devices as were effective in the pre-war period. The adoption of the Keynes plan undoubtedly would help restore England to its role of international banker in the post-war period, even if the stability of currency on an international scale should fail to be achieved by means of the creation of an International Clearing Union.

The covering of an unfavorable balance in trade or in international payments through the International Clearing Union could eliminate, within definite limits as described above, sources of inflation originating from an unfavorable balance of payments, in other words, from external causes. But this method could in no case remove those sources of inflation which result from internal economic causes, i. e., the inflationary effects of surplus purchasing power accumulated in the form of savings bank deposits, bank deposits, and bank notes withdrawn from circulation. Inflation and high prices on the domestic market inevitably lead (in the absence of strict regulation of foreign trade) through an unfavorable balance of payments to a decline in the exchange rate on the foreign market; in other words, also to "external" inflation. The existence of an International Clearing Union, to a certain degree, may cushion or retard external depreciation, but it cannot eliminate it.

The Keynes plan itself cannot secure the stability of currencies after the war. Only through continued government restriction of individual consumption and investment activities and through strict regulation of foreign trade, and also through a large-scale export of capital from rich countries to countries devastated by the war, could the aim of the Keynes plan to stabilize currencies be obtained. The fact remains that the adoption of these measures — which incidentally, under the existing social pattern in the world, is hardly practicable inasmuch as it runs counter to the selfish interests of the ruling circles—would be capable of securing the stability of the currencies of all countries.

* * *

The second plan which looms large in international discussion is the plan of the American, Mr. White, which was presented to the Senate early in April, 1943, by Secretary of the Treasury Morgenthau. The leading idea of this plan consists in the mobilization for international payments of the huge gold reserve of the United States which is not serving any other purpose at present.

The United States now has a quantity of gold valued at 22.5 billion dollars, while the total volume of money in circulation is 17 billion dollars. Thus the bank notes have a gold backing considerably above 100%. The trade balance of the United States in the course of the whole war period has remained favorable, even apart from deliveries under Lend-Lease. Her balance of international payments is even more favorable. While the United Kingdom during the course of the war has lost a substantial part of its foreign capital investment, the capital investments abroad of the United States are continuously growing, partly as a result of the purchase of valuables formerly in the possession of British subjects, and partly as a result of new investments in South America, in North Africa, etc., intended to help expand the production of various types of strategic raw materials.

There is no doubt that the gold reserves and the favorable international balance of the United States would be capable of serving successfully the cause of the stabilization of currencies after the war. According to the White Plan a currency fund of 5 billion dollars is to be created to serve as the basis for stabilization. This fund is to consist of contributions from the participating countries. The amount of the contribution—the quota of each government—is to be determined by a number of economic indices, including the national income, reserves of gold and foreign exchange, the composition of the balance of payments, etc. The various governments have to make their contributions in the form of gold, their own currencies and securities, and permitting the gold contribution of those countries which possess no gold reserve to be reduced to 5% of their quota.

The Stabilization Fund is expected to perform almost all functions of an international bank: to buy and sell gold currency at fixed rates, to acquire notes and short-term obligations, to issue its own obligations, to serve as an international clearing center, etc. But all these services—with the exception of issuing its own obligations—it may perform only for member governments and their fiscal agents. It would, to begin with, acquire the currencies of the various countries in sufficient quantity to make them available to a member country in need of foreign currency for discharging its obligations. To make this possible, each member country must undertake, after joining the Fund, to offer for sale to the Fund [in return for its own currency] all newly-acquired gold or foreign exchange.

Any government joining this Fund must, over a period of three years, if possible, abolish all exchange restrictions against all other member countries. Furthermore, participating countries must gradually remove all trade barriers—tariffs, quotas, bans against imports—and to a lesser extent must not adopt any measures serving to impose restrictions upon foreign trade, until the Fund determines the effect of such measures upon the rate of ex-

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[1] The amount of banknotes at present in circulation is considerably higher than before the war in all countries. In the U. S. at the end of 1939 banknotes issued amounted to 7.6 billion dollars; in the middle of 1942—17.2 billion dollars; in Germany the corresponding figures are 12 and 28 billion marks; in France, 152 and 427 billion francs, etc.

[2] At present depreciation of currency has already taken place on a large scale in the neutral European countries, where government regulation of the economy is less noticeable than in the belligerent countries. This is obvious from figures characterizing the rise in prices:

	Index of wholesale prices (1929=100) 1940	1943
Spain	144	242
Portugal	100	217
Sweden	115	192
Switzerland	79	155
Turkey	101	521

[3] Besides securing the stability of currency, Keynes apparently also has in mind more far-reaching aims for his plan for an international Clearing Union. This Union would have to play a decisive role in the financing of the reconstruction work in the devastated areas, in the future "planning" of world economy, in the regulation of international raw materials problems, in the international migration of capital, etc. Without venturing into details, we only wish to note here that all these highsounding plans of Keynes in a theoretical sense are based on his mistaken theory, according to which it is possible to direct all capitalist economy by means of regulating the circulation of money ("managed currency").

change.[4] It is also desired that member countries abandon the practice of government subsidy of exports.

* * *

The Fund will stabilize the currencies of its member countries by offering foreign exchange or gold in return for the currency of governments in need of a foreign exchange medium for covering an unfavorable balance in their international payments. The money of the respective countries received in exchange remains temporarily in the treasury of the Fund. Incidentally, the White Plan also limits each country's acquisition of foreign exchange to the size of the quota of that country, while after two years twice the quota shall be the limit. In exceptional cases, by a majority of 4/5s of its governing body, the Fund may provide a country with gold or foreign exchange in amounts above this limit. But an unusual act of assistance of this sort carries with it the condition that the government which resorts to the assistance of the Fund shall accept and carry out the suggestions of the Fund aimed at the restoration of equilibrium in its international payments. Besides this, according to the White Plan, any country exceeding the limits of its quota shall pay the Fund at the rate of 1% for credit in excess of the amount of its quota.

The White Plan also anticipates the possibility that a shortage in the holdings of any particular currency in the Fund may develop. This can happen whenever the international payments of some particular country remain continuously favorable, as a result of which it finds itself in no need to acquire foreign exchange in return for its own money. In such cases the Fund pays particular attention to the currency of this country and recommends measures for adjusting its supply, measures which, in the economic sense, would lead to the increase of capital exports from the country in question, since a permanent favorable international balance can only be eliminated by converting it into capital exports.

All operations of the Stabilization Fund (as provided in the Keynes Plan) would be conducted in a new monetary unit, called Unitas. The Unitas would have a gold content of 10 American dollars and it would serve not only as an accounting currency, like the Bancor, but would also be held in the form of deposits redeemable in gold [i.e., deposits which could be transferred to other countries and redeemed in gold].

The Fund must not suffer any losses in the event of the depreciation of any particular currency. For this purpose, the currencies of all countries accumulated in the Fund must be defined in terms of "Unitas," in proportion to their gold values, as determined at the time the Fund is established. If the currency of a particular country depreciates in relation to gold, that country must deliver to the Fund a quantity of its own currency, sufficient to leave the gold value of its contribution to the Fund unchanged. Conversely, if the rate of exchange of some country rises in gold parity, the Fund will pay out the appropriate difference to the country in question. The change of gold content of the currency of any country may occur only with the consent of the Fund.

Undoubtedly, the Stabilization Fund planned by White may become a real factor in world economy and maintain the stability of currencies more effectively than the Clearing Union proposed by Keynes. To ascertain the significance of this Fund, it is sufficient to note that the capital of all American banks before the war amounted to approximately 8 billion dollars. Hence, the question of who should be entrusted with the control of the Fund, is being vigorously debated, not entirely without reason, in the world press.

How would the Fund be governed? In the White Plan each member government will appoint a director and an alternate. But in the matter of voting power the directors will not be equal. Each director is to have 100 votes plus one vote for each million dollars of his country's quota. However, no one representative should possess more than 25% of all votes. At the same time, it is provided that all current business shall be conducted by a managing director; the board of directors is to meet as a body as often as required, but at least once a year.

The more important decisions of the board of directors must be adopted by a majority of 4/5ths of the votes. This means that a government representative controlling 25% of the votes in effect possesses the right of veto on all important issues; in other words, the United States, whose gold reserve is twice as large as the national incomes of Great Britain, France, Germany and Italy taken together, will obviously emerge as the only State with 25% of all votes and will, consequently, be the leading power in the Stabilization Fund.

The leading position of the United States anticipated by the White Plan will be still further secured — as emphasized in the British press—by the participation in the Fund of the countries of Central and South America, which are now under the strong economic and political influence of the United States. According to a dispatch to the "Financial News" of April 27, 1943 the quotas provided for in the White Plan would be as follows:[5]

U. S. A.	25.9%
Latin America	3.3
British Empire	17.5
France	5.7
Soviet Union	4.0

Thus, the United States and the Latin American countries under its influence (even without Argentina) would control an absolute majority of votes in the board of directors of the Fund. The position of the United States would be still further strengthened in view of the fact that, under the circumstances, the lion's share of gold, which in the last analysis forms the basis of the Stabilization Fund, would have to be contributed by the United States, since most of the other countries possess no gold. The world press, therefore, arrives at the conclusion that the influence of the United States in the management of the Stabilization Fund would be decisive.

* * *

In addition to a Stabilization Fund the White Plan also proposes the creation of a "Bank for the Reconstruction and Development of the United and Associated Nations." This Bank is to pursue the following aims:

To provide capital for post-war reconstruction work; to cooperate in the transition to peace-time economy; to stabilize prices; to facilitate economic cooperation among the Allied nations; to eliminate tariff barriers; to insure access to sources of raw materials to all members of the Bank; to cushion economic crises; to avert financial crises; to increase the productivity of labor and thereby, also, the standard of living in the Allied countries; to aid in the solution of many economic and political problems which will arise at the peace conference, etc.[6]

We note that these aims are quite broad, and in part Utopian, such as for example the prevention of crises. Only those functions which are necessary to supplement the activities of the Stabilization Fund have real meaning, namely; the supplying of long-term credit and the facilitation of the export of capital from rich countries to the war-ravaged countries for the purpose of hastening the restoration of their economies. In this manner the Bank as envisioned in the White Plan may be able to avert social upheavals.

The Bank either provides the loans directly or undertakes to guarantee (up to 80%) such loans as are advanced to the respective countries by other banks. Just as in the case of the Stabilization Fund, the Bank grants or guarantees loans only to governments, State enterprises, central banks of issue, or to other international banks. The Bank grants or guarantees loans only when the respective States are unable to obtain loans from other sources or can obtain such loans only at prohibitive interest rates; to private enterprises the Bank under ordinary circumstances will not grant or guarantee loans. A loan granted to a particular government may not be used to discharge old debts, but must serve towards the development of the economy of the country.

The capital of the Bank, valued at ten billion dollars, should be contributed by member States in the same manner as the capital of the Stabilization Fund. Governments only who are members of the Fund may be members of the Bank; this right belongs exclusively to countries that are at peace with other member nations. As a means of increasing its resources, the Bank may issue notes in Unitas which must be backed by 50% in gold and by a 100% guaranty of the member countries. The management is similar to that of the Fund; important decisions of the board of directors must be adopted by a ⅔rds or 4/5ths vote.

To be sure, the projected Bank with its huge capital of ten billion dollars (which may be still further increased through the issuance of obligations and banknotes) together with the Stabilization Fund pursuing similar aims, would represent a gigantic economic force. But precisely for this reason, there exists not only outside the United States, but within the country as well, substantial opposition towards this plan. Thus, for example, the well-known American bank, the Guaranty Trust Co., has expressed itself as against the Reconstruction Bank, detecting in it a danger to existing banks. Strong opinion against the proposed bank has also found expression within the American Bankers Association. Similarly, those circles of big American industrialists who are enjoying the benefits of high customs tariffs are opposed to this plan, objecting to the demands of the White Plan for the abolition of tariffs. In short, it is far from clear whether the White Plan in its present form has any chance of adoption, even in the United States.

A still stronger objection to the White Plan, for quite understandable reasons, has come from Great Britain. The British periodical, "The Economist," stated early in September that, despite the fact that it would be very desirable to have a joint plan with the United States, it is still quite doubtful whether Great Britain will adhere to the White Plan, should it be adopted by the United States in its present form. Consultations among the experts, as well as the efforts of the former chairman of the Bank for International Settlements, the Dutchman, Beyen, with a view to effecting a compromise between the Keynes and White plans thus far have produced no results. Indeed, a compromise between the two plans is hardly feasible, inasmuch as Keynes attempts to solve the problem of stabilization by disregarding gold and White by means of a gold basis, while at the same time both plans reflect the peculiar economic interests of their respective countries.

* * *

The Soviet public, naturally, cannot remain indifferent to such economic plans for post-war settlements as are now under discussion in Allied countries. The important part which post-war proposals for currency stabilization occupy in these economic plans is quite understandable.

The peculiar character of the economic system of the Soviet Union determines its position on the question of currency stabilization.

As a government responsible for the conduct of foreign trade, the Soviet Union, like England or the United States, is interested to see that the currency of those countries with which we are engaged in trade should remain stable, that the normal progress of foreign trade should not meet any obstacles in the nature of currency speculation in other countries. If all of the foreign trade of the Soviet Union with the rest of the world could be conducted on a basis of a gold currency with a fixed value, then undoubtedly international trade would be greatly facilitated.

As far as the currency of the Soviet Union is concerned, our prices, as is well known, and hence the purchasing power of the ruble in the domestic turnover of goods, are determined by plan. In view of this, the internal stability of the Soviet currency is secured by a method entirely different from those of other countries. Similarly, the possibility of any sort of proposals affecting the economic policy of the Soviet Union coming from any future outside organization, whether an international bank or stabilization fund, is out of the question.

On the other hand, the Soviet Union unquestionably is interested in undertakings and measures capable of accelerating the reconstruction of its economy along with the economies of other war-ravaged countries. This is a question of the greatest significance to the Soviet Union in its evaluation of the various financial plans.

[4] The published texts of the White Plan do not mention any requirement to remove tariffs, quotas or bans against imports. The White Plan does refer to the elimination of foreign exchange controls, bilateral clearing arrangements, multiple currency devices, and discriminatory foreign exchange practices.—The Editor.

[5] Editorial Note — The figures quoted above do not appear to accord with the quota formula proposed in the White Plan. The quotas would appear to be distributed somewhat as follows:

United States	27%
British Empire	23
Soviet Union	8
China	6
Latin America	10
Europe	18
All other	8

[6] Editorial Note — Neither the text of the proposed Bank plan nor the preamble and introductory statement by Secretary Morgenthau include among the purposes of the Bank the stabilization of prices, the elimination of tariff barriers, or the control of economic and financial crises.

Senator Austin On Foreign Relations Comm.

Sen. Warren R. Austin (Republican), Vermont, advocate of post-war international collaboration, was named by the Senate Republican conference on Feb. 18 for membership on the Senate Foreign Relations Committee. Associated Press advices from Washington, reporting this, added:

"The nomination, subject to automatic Senate approval, was agreed upon at a meeting at which Senator Austin gave up his post on the Judiciary Committee in order to take over the new assignment.

"He fills a vacancy created by the death of Senator Van Nuys, Democrat, of Indiana.

"The conference named Sen. Harlan J. Bushfield, Republican, of South Dakota, to replace Senator Austin on the Judiciary Committee. Senator Bushfield will relinquish his assignment on the Post Office Committee.

"The assignment of Senator Austin to the Foreign Relations Committee will give the minority nine of the 23 members, since Sen. Robert M. La Follette, Progressive, of Wisconsin, is listed with the minority."

The News Behind The News

(Continued from first page)

of the backward nations. To her, we appear to be a golden plutocracy. Even the little island of Britain, with practically no natural resources, has been obviously much richer than Russia, as every child knows.

Ickes has clearly miscalculated what is wealth. Even his 12-trillion-dollar figure is not so fabulous as his story, his woefully false propaganda story, that resources are riches.

What then is wealth? The only worth of ore in the ground is what profit someone can make out of it by digging it up. Unless it is profitable to dig it, and use it, no one will do so. So also with General Motors, and all other factory resources. Their only worth is what profit someone can make out of them by using them.

If General Motors cannot sell cars at a profit, its value would drop to practically nothing. A second-hand man would buy only if he could make a profit out of use and selling the brick. If every one already had more than enough second-hand bricks, its value would be exactly zero, because no one could make a profit out of its use.

If taxes are too high for profitable operation, if Government regulations are too confusing, if no labor is available, if wage costs are too high, if, for any reason at all it becomes unprofitable to dig Mr. Ickes' 12 trillion dollars out of the ground, his ores have no value.

Good jobs, good pay for workers, security of livelihood for themselves and their families, all depend upon maintaining the profit incentive. Profits do not alone go to the boss or the owner. They determine the wage rate. They furnish money for expansion and reserves. They are distributed to stockholders who buy the products and thereby create a larger market.

But most important, they furnish the taxes through which this terrific war debt must be paid and financed. Taxes are levied on net earnings, not gross. Without profits, the Treasury would not collect a cent in taxes, but from general widespread profits the Treasury can collect great sums from a lower rate of taxation.

The debt must be paid from the sweat of our brow. The dollars can only be paid by profits, profits for all, for the working man, for the manager, for the stockholder. Only when all are making money does money pour into the Treasury of the United States.

You cannot pay the debt with ore in the ground, or with idle factories, or even with unprofitable employment of both work and capital.

Mr. Ickes does not know what wealth is. If he had wanted to hand out good propaganda to give the country some assurances for the future, he would have said his Administration proposes to create real national wealth in the country by maintaining profits for all. As it stands, his statement is really discouraging propaganda.

It shows he has a misconception of what is needed. It suggests he is carrying the debt so lightly in his own mind that he does not propose to do the things necessary to pay it off—as Mr. Roosevelt has promised.

Would Have N. Y. City Voters Decide Whether They Favor Change In Selecting Judges

Voters of New York City should be given opportunity to say if they desire a change in the present system of selecting Judges and, if so, whether they favor the method suggested by Governor Dewey or some other plan, it is urged in a report made public on Feb. 27 by the Chamber of Commerce of the State of New York. The Legislature is requested to hold hearings and "take action as promptly as possible in furtherance of these objectives." The report, which was drawn by the Committee on Law Reform of which Gilbert H. Montague is Chairman, says that "sensitiveness of public opinion is probably the most potent factor in maintaining a high standard of integrity and competence in any judiciary, whether it be elected or appointed."

Commenting on the proposals submitted to the Legislature by Gov. Dewey on Feb. 16 last, which follow closely the proposals adopted about a week earlier by the Lawyers' Committee on Selection of Judges, First District, the report of the Chamber Committee says these proposals have three merits, viz.:

First, they respect the deep-rooted instinct of the voters of this State to retain in themselves the right to elect their own judges.

Second, the selection of the Judges to be voted upon will be continued in representatives elected by the voters. Today this selection is by conventions of delegates specially elected for that purpose by voters. Under these proposals, the selection will be by the Governor and the members of the Senate, all of whom are representatives elected by the voters. Under these proposals, it must be conceded that the selection will be made by representatives elected by the voters of the entire State, instead of by the voters of the judicial district, but this is now the case, under the existing system, in respect of Judges appointed by the Governor to fill vacancies between elections.

Third, these proposals will not vest in any group or association of lawyers any power of selecting the Judges to be voted upon. Adventures of bar associations in judicial elections amply prove that voters do not like to have their Judges selected for them by groups or associations of lawyers. Lawyers, like other experts, should be on tap, not on top. Their advice, while it should not be decisive, is nevertheless important, and under these proposals there will be ample opportunity for groups and associations of lawyers to submit their advice and recommendations to the Governor, and to the Senate in hearings before the Senate Judiciary Committee, and to the voters in the campaign preceding the election of Judges by the voters.

Mr. Montague will present the report for adoption by the Chamber at the next monthly meeting today (March 2). Until it is acted upon by the Chamber, it represents only the views of the sponsoring committee.

Roosevelt Calls For Review Of Occupational Deferments—Armed Forces Short 200,000

Estimating that the armed forces are still short approximately 200,000 trained men, President Roosevelt on Feb. 26 ordered a review of all occupational deferments "with a view to speedily making available" the personnel required to carry on the war. The Associated Press Washington advices, Feb. 26, reporting this, added:

The President sent a memorandum to Paul V. McNutt, Chairman of the War Manpower Commission, and Major-General Lewis B. Hershey, Selective Service Director, saying selective service "has not delivered the quantity of men who were expected."

"The shortage which commenced to develop last September reached a total of 200,000 on December 31," he added. "This means that today we are still short approximately 200,000 trained men although the actual personnel shortage in the Army has been reduced to 150,000."

Urging that agriculture and industry release younger men physically qualified for military service, the President said the Army will not reach its planned January strength until some time in April, or even later if selective service "continues to fall behind on its quotas."

On Feb. 25 the Senate Agricultural Committee was advised by Major-Gen. Lewis B. Hershey that the military draft situation has become so tight that selective service may soon have to raise the age minimum for industrial deferments from 22 to 26 years.

The Associated Press makes known that Gen. Hershey, who directs Selective Service, appeared before the Committee to discount estimates that revised regulations for the deferment of farm workers might take half of the 1,700,000 farmers now excused from the draft because of their occupation. The press advices went on to say: "He appeared after four major farm organizations declared in a joint statement that new Selective Service rules would demoralize 1944 crop production. The Senate committee is investigating the situation.

"Gen. Hershey said that he seriously doubted that the new regulations would mean the drafting of 50% of the now deferred farmers, as estimated by the four farm organizations seeking relaxation of the new rules.

"Draft needs, he said, will average 240,000 a month until July 1.

"At the other end of the Capitol, Col. Francis V. Keesling, Jr., Selective Service legislative representative, simultaneously gave a House military sub-committee data on what manpower sources will have to be tapped for the 1,200,000 men needed between now and the end of June. This committee is also looking into draft deferments.

"One out of ten fathers whose draft classification on Feb. 1 was 3-A (dependency) will be inducted into the armed forces by July 1, Col. Keesling said, adding that a tightening of deferment procedure for young non-fathers appeared to be necessary in view of Selective Service's desire to pick up as many young non-fathers as possible in order to temporarily postpone the induction of family heads.

"He outlined this induction schedule for bringing the armed forces to 11,300,000 by July 1:

"From men who were in class 1A on Feb. 1, 420,000.

"From men who were in 3A on Feb. 1, 250,000.

"From youths becoming 18 between now and July 1, 325,000.

"That, he explained, would leave a deficit of approximately 200,000, adding that 'these must be obtained from registrants occupationally deferred or physically rejected,' with most of them coming from the group of 'non-fathers of the younger age brackets.'"

From Washington Ahead Of The News

(Continued from first page)

Similarly, these same sources are now working to prevent a Roosevelt - Barkley rapprochement. They are spreading the word through their columnists and their radio commentators, that the President is sorry he sent Barkley the placating message, that, at the time, he didn't realize how strongly Barkley had spoken in the Senate about him. Furthermore, he is going to carry on his fight against Congress, these sources assure us.

On this latter statement, they are unquestionably right. It is the President's only course, if he wants a Fourth Term. To get along with Congress, means wooing the Conservatives of his own party in Congress and to woo them to the extent they would insist upon, would mean renunciation of a Fourth Term. That is at the bottom of the cleavage and has been all along.

Mr. Roosevelt was assured by his intimates after the Congressional elections of 1942 that the vote was not against him and his Administration, but against the Congress. He has been working upon that tact ever since.

He is to pursue it, we are assured, first by vetoing any soldier vote legislation which Congress is likely to give him, and again, he is to send up another demand for a "real" tax bill. The political purpose of the former is obvious. On the second, the New Deal propagandists represent him as having broken all the political rules and to be showing courage, the sort, for example, that is needed to win the war. This on the grounds that a candidate for office doesn't usually campaign on an issue of increased taxes.

But Mr. Roosevelt doesn't intend to pursue it on this line. He is out to pose as the lone friend of the armed forces. He will couple this up with his demand that they be "given the opportunity to vote," by which he means the Federal bob-tailed ballot instead of the full State ballot which 46 State Governors have already said they would provide if Congress would just get rid of the matter.

On the question of additional taxes, the argument is to be on the lines that a selfish Congress wants to make the boys fight the war and then come back and pay for it. A lot of emotionalism has already been worked up on this and it is to be played for all it is worth, with mothers writing tear-dripping letters along the lines of some that have already appeared.

The plain fact is, of course, that by next July 1, the national debt will be, according to Mr. Roosevelt's own estimates, one quarter of a trillion dollars. So, if additional taxes of $8 billion are levied, the armed forces when they return, would have to pay one quarter trillion less $8 billion, or so to speak in connection with the Neal Deal argument. It is so ridiculous in this light that this writer is prepared to say that if the armed forces don't object to $242 billions we will fork up the other $8 billion for them in some way.

We think it is important to understand this demagoguery because it is the light in which the reconversion program will be administered unless there is a change of Governments next November. Take one other little bit of propaganda in connection with the vetoed tax bill, for example, the so-called timber clause. The propaganda behind this is that Doris Duke and other fair-haired people of wealth are buying up our timber lands, therefore the reactionary Congress voted them tax relief. This is the sort of propaganda that is filling up our wave lengths and getting into many of our best newspapers through unedited syndicated columns.

Major-General Miles Says We Must Learn To Use Armed Force To Prevent Another War

Major-General Sherman Miles, Commanding General of the First Service Command, in making his baccalaureate address at Symphony Hall in Boston to 481 degree candidates of the Massachusetts Institute of Technology on Feb. 27, said that they must learn to use armed force, the power of war, to prevent another war, since collective security would entail military force. Reporting this, a special dispatch on Feb. 27 from Boston to the New York "Times," added:

General Miles declared that we must not only win the peace but "we must also maintain that peace," because another war would destroy civilization as we know it.

"The isolationists will tell you that we need not become involved in foreign wars," he said. "The pacifists will tell you that after this, there will be no more wars for world conquest. Perhaps. But the burden of proof lies heavily against them. The facts are plain. Three such wars in our short national life, and we have not once found it possible to stand aside or to exert our strength with any celerity when we came in.

"And yet these great wars are ruinous, win or lose. There must be some alternative. It would seem that we must come to collective security, the preservation of peace by international cooperation. The decision, in embryo at least, is in the making today."

USSR And Monetary Stabilization

(Continued from first page)

a real value only when it circulates uninterruptedly upon the international market so it can fill the function of a means of exchange.

The Americans understand this and are trying to revive the movement of gold. Secretary of the Treasury Morgenthau has attempted to reassure the Americans, but events in Europe have made the gold problem more difficult.

According to the Johnson law, the Allies have to pay with gold for their war purchases, and today America has 17,000 tons of pure gold valued at $19,000,000,000. Like King Midas, everything the Roosevelt Administration touches turns to gold, and since the shipments of gold to America are steadily continuing, the United States can soon find herself with a serious situation.

Should gold no longer be used as the money metal, which is very possible, then its only use will be in industry for the production of luxury articles. Then, instead of having its value of $35 an ounce fixed by President Roosevelt and Secretary Morgenthau, it will assume a real commercial value like other metals which are fixed by the law of supply and demand.

In short, the Russian attitude toward gold, like that of the British, is a mixture of hope and wonder: hope that the U. S. Government will continue willing to give dollars for gold and wonder as to why it should do so.

Professor Varga's article touches only lightly on gold, toward the end. Most of it is devoted to the Keynes and White plans for monetary stabilization. While there is no reason to assume that Russia will remain aloof from all post-war international efforts to stabilize international exchange rates, it seems safe to infer from the Varga article that some of the features of the Keynes and White plans do not strike a responsive chord with the Russians.

The Keynes plan, Varga states, would give to the United Kingdom a quota "considerably higher than that of the United States, and almost 20 times as high as the quota of the Soviet Union." Pointing out the power of the governing board of the Clearing Union to demand from member countries internal economic data and adjustment of internal economic policies, Varga significantly expresses doubt "whether the governments of the great powers would be inclined to recognize such pretensions on the part of the governing board of the Clearing Union."

With the statement that the Keynes plan "cannot secure the stability of currencies after the war" except through the adoption of measures which are "hardly practicable" since they run "counter to the selfish interests of the ruling circles," Vargar seems to dismiss the Keynes plan.

For the White plan Varga has more encouraging comment. This plan Varga describes as "mobilization for international financial payments of the huge gold reserve of the United States which is not serving any other purpose at present." This reserve "and the favorable international balance of the United States would be capable of serving successfully the cause of the stabilization of currencies after the war." The fund planned by White, Varga concludes, "undoubtedly . . . may become a real factor in world economy and maintain the stability of currencies more effectively than the Clearing Union proposed by Keynes."

Proceeding to a discussion of the world reconstruction bank which has been proposed by White, obviously as an adjunct to economic and exchange stabilization, Varga becomes more critical. The aims of this bank Varga finds to be "in part Utopian." The bank, together with the proposed stabilization fund pursuing similar aims, would represent a gigantic economic force, Varga notes, "but it is far from clear whether the White plan in its present form has any chance of adoption, even in the United States.

Rosenman Did Not Write President's Veto Message

Stephen Early, White House Secretary, said on Feb. 28 that former Judge Samuel I. Rosenman had nothing to do with the writing of the tax veto message which last week precipitated a Congressional uprising against President Roosevelt. Noting this, Associated Press accounts from Washington on Feb. 28, added:

"Judge Rosenman, the President's counsel, has been popularly credited in the past with drafting or contributing to some of the Executive's important speeches. There has been considerable speculation over the authorship of the veto after it was criticized at the capitol as intemperate, and Majority Leader Barkley in the Senate even branded it an assault on the integrity of Congress. Mr. Barkley, who resigned as Democratic leader in protest against the veto, was unanimously reelected, and the tax bill was passed by both Houses over the veto.

"At Mr. Early's press conference today, a reporter asked about a story saying Judge Rosenman was reliably reported to have written the tax message.

"'That's an anonymous report,' Mr. Early first commented. 'Tell me who made the statement and I'll give you an answer to it.'

"He then hesitated a moment and then continued:

"'I think I'll tell you anyway, noting that this is anonymous. The Judge had nothing to do with the writing and did not write any portion of the tax veto message. And that's not anonymous. As a matter of fact, he didn't even see the message.'"

Fed. Reserve Governors Oppose Bill To Prevent Exchange Charges Absorption By Member Banks

A resolution urging the Board of Governors of the Federal Reserve System "firmly to oppose the passage" of the Maybank Bill and the Brown Bill, now before the Senate and House, respectively, was adopted unanimously by the Federal Advisory Council, President Matthew J. Fleming of the Federal Reserve Bank of Cleveland announced on Feb. 16. The announcement from the Reserve Bank states that the resolution, concurred in by the Board of Governors, reaffirms the Council's repeated belief that it is "both proper and necessary to prevent the evasion of Section 19 of the Federal Reserve Act by the device of absorbing exchange charges." The resolution continues:

"The practice of exchange absorption has become a serious competitive abuse, and is tending to draw deposits away from their natural trade areas and normal trade streams. This dislocation of funds may well cause embarrassment at the time of any future banking stress.

"The Council believes that the practice violates the intent of the Banking Acts of 1933 and 1935 respecting the prohibition against the payment of interest on demand deposits. The proposed bills legalizing exchange absorption run counter to all recent Federal legislation in that they create a preference in favor of the large depositor."

The bill to prevent the Federal Reserve System from enforcing the regulation (known as Q) designed to check absorption of exchange charges by member banks was approved by the House Banking and Currency Committee on Feb. 10 by a vote of 16 to 5. On that date Associated Press accounts from Washington stated that bankers from all parts of the country had appeared before the Committee to protest the regulation on the ground that it would seriously affect operations of smaller banks. The same advices said:

The Federal Reserve System had argued that absorption of the exchanges by member banks on items handled for correspondent banks was in effect the payment of interest on demand deposits, which is not permitted by law.

A bi-partisan House group sought on Feb. 28 to block the legislation that would permit continuation of the practive by banks of absorbing exchange charges, contending that some small banks in this way had been able to swell their deposits enormously. This was stated in Associated Press advices from Washington Feb. 28, which said:

"The opposition was led by three Republicans and two Democrats—Representatives Wolcott and Crawford of Michigan, Kean of New Jersey, and Ford of California and Patman of Texas—who as members of the House Banking Committee signed a minority report denouncing the legislation as 'a guise to permit the payment of interest under another name.'

"A majority of the committee, including Representative Spence (D.-Ky.), the Chairman, said the measure would not change existing practices among banking institutions nor validate a practice heretofore proscribed; that it would only preserve the status quo and eliminate 'the legally questionable ruling of the Board of Governors of the Federal Reserve System which would terminate such a practice'."

Under date of Feb. 17, the following was reported to the New York "Journal of Commerce" from its Washington bureau:

Enactment of pending legislation to legalize the absorption of bank exchange charges will result in withdrawals from the Federal Reserve System, members of the House Banking and Currency Committee declared here today in a sharply-worded criticism of the legislative move.

Dissenting from the action of the Committee in reporting the bill out to the House, three Republicans and two Democratic members of the group declared that legislation of exchange charges absorption will not only result in possible withdrawals from the system, but increase the number of non-par banks and the amount of exchange charges will have to be paid "either by the banking system or the public or both."

Representatives Jesse P. Wolcott (Rep., Mich.), Fred L. Crawford (Rep., Mich.), Robert W. Kean (Rep., N. J.), Thomas F. Ford (Dem., Calif.) and Wright Patman (Dem., Tex.) wrote a minority report calling on the House to reject the proposed legislation.

Their action sharpened the controversy which has attended discussions on the exchange charge question. The controversy developed after the Federal Reserve Board ruled last September that absorption of exchange or collection charges by member banks is a device for the payment of interest within the prohibition of Federal Reserve statute. Challenging the Federal Reserve position were numerous members of Congress spokesmen for smaller banks and the Federal Deposit Insurance Corporation. The FDIC denounce the Federal Reserve move for its alleged impact on some 2,500 small banks throughout the country said to depend on exchange charges as a source of revenue.

In the Banking and Currency Committee report, which favorably sent a bill legalizing exchange absorption to the House, the majority members of the Committee charged the Federal Reserve ruling would tend to "force universal par clearance," resulting in "far-reaching economic changes throughout the country." The bill, it was said, would protect small independent banking institutions and preserve States' rights. "The Federal Reserve Board ruling is a direct blow at the dual-banking system. By protecting the 2,500 small State-chartered banks from having their method of doing business interfered with by a Federal agency which has neither supervisory control over nor responsibility for them, Congress will preserve the rights of the States to maintain their independent banking system, the majority said.

In the advices from the Cleveland Reserve Bank Feb. 16 it was stated:

Opposition to the Maybank and Brown bills has been voiced by the Treasury Department and by Sen. Carter Glass of Virginia. Senator Glass, in a recent letter to Sen. Robert F. Wagner, Chairman of the Senate Banking and Currency Committee, said in part:

This proposed legislation, in my judgment, would entirely emasculate the statute prohibiting the payment of interest by banks on demand deposits which, you will remember, I fought for and obtained in the Bank Act of 1933. Senator Maybank's bill would authorize member banks to pay interest by absorbing exchange charges made by a comparatively small group of banks which do not pay their checks at par. Member banks of the Federal Reserve System cannot even make these charges nor do the non-member banks who participate in the par clearance system.

The bill is rankly discriminatory and lacking in frankness. Its enactment could have vicious and far-reaching effects upon the Federal Reserve System, both in the number of member banks and in the perpetuation of a par clearance system which has saved the nation's industry, commerce and agriculture millions upon millions of dollars. I am unalterably opposed to the bill.

It is reported that the bill introduced by Representative Brown (Dem., Ga.), had the support of the Federal Deposit Insurance Corporation.

According to Associated Press advices from Washington Jan. 25 the assertion was made that the regulation of the Reserve Board forbidding member banks to absorb exchange charges "is just one more way of saying private business should cease," this view being attributed to R. P. Holding, of Smithfield, N. C., before the House Committee.

The same advices stated:

Mr. Holding, President of the First Citizens Bank & Trust Company of Smithfield, with 22 branches and deposits aggregating some $60,000,000 at the close of 1943, said the new regulation "appears to be a blow at the private banking system and one calculated to lead the clearance through the Federal Reserve System." He expressed the belief that Federal Reserve member banks had not been injured to any extent by the exchange absorption practice prior to the issuance last fall of the regulation against it.

Representative Patman (D., Tex.) expressed belief there might be danger of banks bidding against one another for deposits from other banks by raising the amount of exchange they would absorb if the regulation were changed by Congress.

Living Costs Down In Industrial Cities

The cost of living for wage earners and lower-salaried clerical workers in January declined in 46 of 64 industrial cities surveyed by the National Industrial Conference Board. Living costs were higher in 14 of the cities, and remained unchanged in four of them. Under date of Feb. 27, the Board further reported:

"The largest decline, 1.2%, occurred in Syracuse. There was a drop of 1.0% in Spokane. Nowhere else was the decline as great as 1.0%. The largest increase, 0.6%, occurred in Bridgeport. For the United States as a whole, the cost of living remained unchanged.

"Living costs were higher this January than in January, 1943, in all cities for which comparable figures are available. Denver recorded the largest increase during the 12-month period with an advance of 5.0%. The smallest was shown in Portland, Oregon, where it rose only 0.1%. The cost of living for the United States as a whole stands 2.4% higher than a year ago, and 20.8% above January, 1941."

Nazis Arrange Trade Pact Between Sweden, Holland and Belgium

Stockholm advices Feb. 21 (Aneta) appearing in the New York "Herald Tribune" Feb. 22 stated: "German representatives have arranged a trade agreement between Sweden and occupied Holland and Belgium, it was officially announced today.

"According to the official communique, the agreement provides for a decrease in Swedish exports to the two countries, compared with 1943 'on account of the limited import possibilities of Netherlands and Belgian merchandise.'

"Netherlands imports into Sweden will be chiefly flower bulbs, chemicals, pharmaceutical products, salt, artificial silk, radio equipment and electro-technical products. Exports to Holland as last year will consist mainly of timber and machinery."

Temporary Board Of Trustees For Relief To Italy

Appointment of a temporary Board of Trustees for American Relief to Italy was announced on Feb. 18 by Joseph E. Davies, Chairman of The President's War Relief Control Board. Myron Taylor, American representative to the Vatican, Arturo Toscanini, Dr. Angelo Patri, Don Ameche and Major General John H. Hilldring, in charge of the Civil Affairs Division of the United States Army, have agreed to serve as trustees with Mr. Taylor as Chairman. The trustees, Mr. Davies explained, will be authorized to employ a small staff at an office temporarily located at 57 William Street, New York City, and to make arrangements with the National War Fund for sending money to Italy for private relief as soon as conditions permit. The advices from The President's War Relief Control Board state:

"Mr. Davis indicated that The President's War Relief Control Board hopes that the appointment of the temporary trustees will lead to the formation of a national organization for American relief in Italy which will be entirely nonpartisan in character and will command the support of all Americans whatever their views on political questions in Italy, or their position on issues among Americans of Italian extraction in the United States.

"'An American organization for relief in Italy,' said Mr. Davis, 'should be organized on a basis which will enable all Americans who wish to help Italy to join in a united program. Such an organization must command the support of the many persons who want to help because they have friends or relatives in Italy, as well as those who want to aid Italian reconstruction because of America's historic cultural ties with Italy.'

"The President's War Relief Control Board has been assured by the Civil Affairs Division of the Army, which represents the United States in the Allied Military Government (AMG) and the Allied Control Commission now controlling Sicily and southern Italy, that all supplies for which shipping space can be provided already are flowing into Italy and that essential needs are being met. The AMG also has provided for additional food without more shipping space by planting potatoes and wheat in reoccupied Italian soil.

"The Treasury Department and the War Department announced last week that facilities now are provided for limited personal remittances to individuals in Sicily through American banks. At present no other private relief is available for Italian civilians. It is anticipated, however, that the time soon will arrive when some private relief funds can be used in Italy under conditions specified by the AMG and the Allied Control Commission.

"Should direction of relief in Italy be transferred, at a later date, to UNRRA, private agencies will operate in Italy under the coordinating authority of that agency.

"The National War Fund in some of its local campaigns has indicated that it is prepared to contribute, from its contingent fund, amounts which reasonably may be needed in the near future. For this reason The President's War Relief Control Board has not authorized any public solicitation of funds for Italian relief at this time."

Global Bimetallism Advocated By Prof. Michell As Medium For World Trade

Global bimetallism was advocated on Feb. 20 by Prof. Humfrey Michell, Canadian economist, as a sound system of hard money that would function satisfactorily as a medium for world trade and avert a repetition of the disastrous breakdown of monetary systems that followed in the wake of the first World War.

Attempts by a single country to maintain a bimetallic standard have failed and always will fail, observes Prof. Michell, Professor of Political Economy at McMaster University, Hamilton, Ont., but a world-wide bimetallic standard is perfectly practicable. He adds:

"Whatever difficulties would be encountered, and they would be few, are all surmountable. Nothing need stand in its way. Agreement among the victorious allies and the announcement that silver would be accepted in addition to gold in international payments at a fixed and universal ratio of convertibility would be sufficient to put worldwide bimetallism into operation at once.

"The fact that a universal bimetallic standard is agreed upon would allow the devastated and impoverished nations of Europe and Asia to restore their domestic currencies, get rid of their worthless paper and mint silver coins that would possess unlimited legal tender. In this way their monetary systems would be set upon a firm basis and confidence restored to countless poor people, bewildered and exasperated by paper notes whose value is partially or wholly non-existent."

The Canadian economist cites the arguments in favor of international bimetallism in the 11th of a series of papers on the monetary question published by The Monetary Standards Inquiry under the direction of Herbert M. Bratter. According to the organization only four steps would be involved in agreement between nations to establish international bimetallism so that it would work, says Prof. Michell. He lists them as follows:

(1) A fixed universal mint or legal ratio of silver to gold, agreed upon and put into effect with free convertibility of one metal with another, subject to certain limitations. This ratio must be fixed at or near that of the two metals ruling in the bullion market at the time.

(2) Gold and silver coins must be put into free circulation and all banks be required to exchange their notes for gold and silver at a fixed proportion of the two metals.

(3) All silver coins must be restored to a fineness of 925 parts in 1,000 and given unlimited legal tender value.

(4) The mints of the various countries must be required to accept silver coinage to an unlimited amount, charging a small "brassage" fee for their services.

Prof. Michell argues that an international bimetallic standard will allow the foreign exchanges to function on a bullion basis with automatic settlement of balances by the precious metals, steadying the exchanges and preventing violent departures from par. He explains that the upper and lower limits of the specie points stand as the terminals beyond which, save in exceptional circumstances, the fluctuations of the exchanges will be confined.

"It has never been questioned that an international bimetallic system will work," he concludes. "Nothing whatever stands in its way and its success is assured."

Text Of Barkley Resignation Speech In Senate Protesting Roosevelt Veto Of Tax Bill

(Continued from page 917)

riod of 32 years. Unless I am misinformed, that constitutes a longer period of service than can be claimed by any other previous Kentuckian who has served in either branch of the Congress. When my present term in the Senate shall have expired, I will have served in this body for 18 years continuously, which is a longer period than any previous Kentuckian can claim for continuous service in the Senate.

Mr. President, out of the fullness of my heart, I entertain a profound gratitude to the people of my State for giving me the opportunity to serve them and the Nation during this tragic period of our history. On the 27th day of next July I shall have served as majority leader of this body for seven years. You may be surprised to know, Mr. President, that, so far as I have been able to trace the record back in senatorial history, this is nearly twice as long as any other man of any political party has served as majority leader of this body.

Mr. President, this is the first time during that long service, which I had thought was honorable, when I have been accused deliberately of voting for a bill that constituted a relief measure impoverishing the needy and enriching the greedy.

Mr. President, for 12 years I have carried to the best of my ability the flag of Franklin D. Roosevelt. For the past seven years I have carried the flag of this administration as majority leader of the Senate, and during these years I have borne that flag with pride because I felt that President Roosevelt in himself in the great crisis in the history of our country and the world constituted a dynamic leader for whom the people yearned. I dare say that during the past seven years of my tenure as majority leader I have carried that flag over rougher territory than was ever traversed by any previous majority leader. Some times I have carried it with little help here on the Senate floor, and more frequently with little help from the other end of Pennsylvania Avenue.

Whether I have made a good majority leader, an indifferent majority leader, or a bad majority leader, the record itself will speak. There is nothing in that record that I would now change; there is nothing in that record that I would not repeat under the same circumstances that existed during this course of my legislative history. But, Mr. President, there is something more precious to me than any honor that can be conferred upon me by the Senate of the United States or by the people of Kentucky or by the President of this Republic, and that is the approval of my own conscience and my own self-respect. That self-respect and the rectitude of that conscience I propose on this occasion to maintain.

I thank Heaven that my future happiness does not depend upon whether I shall retain the post of majority leader of the Senate for another hour. As proof of that, Mr. President, and in confirmation of this statement, I have called a conference of the Democratic majority for 10:30 o'clock tomorrow morning in the conference room of the Senate Office Building, at which time my resignation will be tendered and my services terminated in the post which I now hold at this desk.

Before leaving it, Mr. President, I wish to say that I have disagreed many times with my colleagues here on both sides of the political aisle; but I have sought to earn their respect and their esteem. Before I depart from this station I wish to express my deep appreciation for the courtesies which I have uniformly received. I shall carry with me to my dying day the most sacred memories of long and honorable service in the two branches of the Congress of the United States.

Mr. President, let me say, in conclusion, that if the Congress of the United States has any self-respect yet left it will override the veto of the President and enact this tax bill into law, his objections to the contrary notwithstanding.

Prompt Enactment Of Legislation For Disposal Of Surplus War Plants Urged By U. S. Chamber

Sees Necessity Of Relinquishing Property In Manner To Encourage Competitive Efficiency Of Private Industry—Views In Harmony With Baruch Report

Prompt enactment of legislation establishing policies to govern the disposition of surplus war plants and supplies is urged in a report of a special committee of the U. S. Chamber of Commerce, released for publication Feb. 27. Warning is sounded that without proper policies "this country may be precipitated into a cycle of depression and unemployment that would have disastrous repercussions for years to come."

Principles favorable to private enterprise, which the Committee would enact into law for the guidance of an independent agency, are in general harmony with those advanced in the recent Senate Post-War Committee and Baruch reports, says the Chamber, which states that the report of its special committee, headed by Albert C. Mattei, of San Francisco, deals solely with the question of surplus property. Its program, however, would fit in with a broader plan covering also termination of war contracts, with which the disposal of surplus property is coupled in both the Senate Committee and Baruch reports. In a general statement of the problem, the report says:

"On the broad principle that our Government should withdraw from all business operations and return to private ownership plants, facilities and real estate at the close of hostilities, most of this property will have to be disposed of, and the manner of its disposal will have a profound effect upon our economy. If a competent plan for the handling of this problem is not implemented in advance, this country may be precipitated into a cycle of depression and unemployment that would have disastrous repercussions for years to come.

"There are only two methods of meeting this problem:

"First, it may be looked upon as a problem in liquidation, with the objective of recovering the maximum number of dollars in the shortest possible time. Such a policy, however, would interfere with the conversion of our economy to a normal peacetime basis and create widespread unemployment.

"Second, the issue may be regarded as an economic problem with the objective of returning the surplus property to the private economy in such a gradual and carefully planned manner as to have the minimum detrimental effect upon trade and national income.

"A procedure of orderly and efficiently administered handling of war surpluses is the only one which can be countenanced in contemplation of the huge magnitude of such surpluses and the great need that will exist for the prompt resumption of civilian production on an adequate scale to facilitate our transition from war to peace. These surpluses must be so demobilized as to preserve the stability and productivity of the national economy and avoid unnecessary interference with the maintenance of a high level of private employment.

"Competent handling of the problem of surplus war property requires that passage of legislation directed to two important ends, namely—

"(a) The setting up of a new, independent commission to administer the demobilization program, and,

"(b) The establishment of basic principles and policies to guide the commission in the conduct of its operations.

"This legislation should be enacted without delay, because the ultimate magnitude of the problem is still subject to some degree of control, if surpluses beginning to show up can be stopped in their incipient stages of development by properly coordinated measures."

The Chamber also states that basic principles and policies relating to the disposition of war plants and equipment and real estate, which the Committee proposes for enactment into law, include the following:

"(1) The underlying objective in bringing about the utilization of surplus war plants and equipment should be the transfer of these properties to our competitive economy under terms and conditions creating minimum disturbance to production and employment.

"(2) Decision should be made at the earliest possible moment as to which plants and equipment, and other facilities and real estate must be retained for essential military purposes. The remainder should be earmarked for orderly demobilization to private industry and such plants and other facilities as are not suitable for such disposal should be scrapped.

"(3) Disposal of plants, other facilities and real estate by the Government should be handled in such a manner as to encourage competitive efficiency on the part of private industry. In this disposal the welfare both of the nation and of the locality should be taken into consideration, but in no case should any particular locality or enterprise be subsidized or given any preferential advantage at the expense of the taxpayers generally or in any other manner.

"(4) As a broad principle, surplus plants and other facilities and real estate should be sold and not leased. They should be sold, where possible, for cash. Where they must be sold on extended terms substantial down payments should be required. Except in unusual circumstances the sale of surplus plants should not be deferred by resort to leasing.

"(5) Prompt removal of surplus government - owned machinery, tools, and equipment from plants is essential to the process of conversion to normal production. The same need for prompt action exists with respect to finished inventories of goods and work in progress, which must be removed from the plants before normal production can be expected.

"(6) Disposal of surplus machinery and equipment removed from a war plant or other facility should not be limited to 'plant lots,' but should be made available where necessary in small lots, or on an individual unit basis. So far as practicable the machinery and equipment should be redistributed by the industry that produced them."

The committee proposes the following principles to govern disposal of surplus supplies and materials:

"(1) The underlying objective in the disposal of surplus war supplies and materials should be their economic use in the United States, or their disposal abroad for the ultimate benefit of the American economy.

"(2) This should be done.— (a) with the minimum disruption of production and trade; and (b) with the least practicable interference with normal employment.

"(3) However, surplus commodities should be disposed of as rapidly as consumers demand such goods during the period which must elapse before normal production can be resumed. This policy will help to minimize any possible post-war inflation.

"(4) On the other hand, the Government should not push the sale of surplus goods at a time when business generally is uncertain or declining, so as not to induce or accentuate a depression.

"(5) Quantities of surplus supplies and materials released for sale should be in lots which will permit participation by small as well as large manufacturers, wholesalers, and retailers; and any price differentials between large and small lots should be limited to actual differences in cost of handling and distribution.

"(6) So far as practicable, surplus supplies and materials should be redistributed by the industry that produced and distributed them."

Stress is placed upon the desirability of the appointment of specific industry advisory committees, under a statutory authorization. Members of such committees, it is stated, should be truly representative of the recognized functions in production and distribution and should be from large and from small units, with due recognition for geographic considerations.

New Members Named To Graduate School Of Banking Faculty

Several new members have been added to the faculty of the Graduate School of Banking, institution for advanced banking studies conducted by the American Bankers Association for bank officers at Rutgers University, it was announced on Feb. 18 by Dr. Harold Stonier, Executive Manager of the ABA, who is Director of the school. The new faculty members, whose names were announced in conjunction with the issuance of the school's tenth annual catalogue, are:

Robert W. Bachelor, Assistant Economist of the ABA, New York City; Arthur Jansen, general partner and Manager of the Analytical and Research Department of the firm of W. E. Burnet & Co., New York City; Graham Nash, Executive Vice-President and member of the Board of Managers of the Bloomfield Savings Institution, Bloomfield, N. J., and John Wetzel, Comptroller, the Bayside National Bank, Bayside, Long Island, N. Y. The death of Mr. Wetzel has since been announced, his death having occurred unexpectedly.

The 1944 session of the G. S. B. will begin June 19, according to the catalogue, and will be its tenth annual resident session at Rutgers University. Founded in 1935, the school has thus far graduated 1,131 bank officers, who have pursued a course of study of two years of extension work and attendance at three summer sessions of resident study at Rutgers.

The courses offered by the school deal with the major subjects of Commercial Banking, Savings Management, Investments, and Trusts. However, the studies also embrace economics, law, philosophy, and banking and government. Upon graduation, each student is required to have pursued a major and minor course, completed the required extension work, attended three summer sessions, and prepared a thesis on a phase of his major subject.

A sketch of the activities of the new members of the G. S. B. was announced by the ABA as follows:

"Mr. Bachelor, who holds the degree of Master of Business Administration of the University of Washington, has been a member of the Association staff since 1941 and formerly was an economist with the United States Tariff Commission in Washington, D. C., and the Federal Reserve Bank of San Francisco. He will teach a new G. S. B. course on Sources of Statistical Information.

"As one of the principal contributors to 'Barron's' national financial weekly, Mr. Jansen is regarded as an authority on railroad and public utility finance. He holds the degree of Bachelor of Science from Columbia University and will teach Investments.

"Mr. Nash, who was awarded the Bachelor of Science Degree by Princeton University, was formerly associated with the Bankers Trust Company in New York City. He has served on numerous committees of both the ABA and the New Jersey Bankers Association. He is a member of the ABA's Committee on Federal Legislation, of its sub-committee on Mortgage Financing and Urban Housing, and of the committee on Real Estate Mortgages of the ABA's Savings Division. He will teach in the course on Savings Management and Real Estate Financing. He is a graduate of the G. S. B., Class of 1940."

Formerly associated with the Ridgefield Park Trust Co. in Ridgefield Park, N. J., and the Hudson Trust Company, Union City, N. J., Mr. Wetzel was a graduate of the Graduate School of Banking, Class of 1939.

Stephan in WPB Post; Reed Joins Thompson Agy.

Vice-Chairman Donald D. Davis announced on Feb. 19 the appointment of Frederick F. Stephan as Assistant Director of the Statistics Division and Chief of the General Statistics Staff, Bureau of Planning and Statistics, WPB, to succeed Dr. Vergil D. Reed who has resigned to re-enter private business. The WPB states:

"Except for a period of service with the War Manpower Commission from June, 1942, to September, 1943, as chief of statistics service, Mr. Stephan has been with the War Production Board and its predecessor agencies since March, 1941, as a consultant in research and statistics. Since September, 1943, he has been a special assistant on the staff of the Operations Vice-Chairman, WPB. Before entering Government service, Mr. Stephan was Professor of Statistics and Sociology at Cornell University and Secretary of the American Statistical Association.

"Dr. Vergil D. Reed leaves WPB to join J. Walter Thompson Co., New York advertising firm, as associate director of research in charge of market research. He entered Government service in September, 1935, as chief of the retail and wholesale trade division, Bureau of Census, Department of Commerce. He was assistant director of the Bureau of the Census from June, 1936, to March, 1942. He joined the War Production Board in March, 1942, in the post he now relinquishes."

Electric Output For Week Ended Feb. 26, 1944, Shows 14.2% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Feb. 26, 1944, was approximately 4,444,939,000 kwh., compared with 3,892,796,000 kwh. in the corresponding week a year ago, an increase of 14.2%. The output for the week ended Feb. 19, 1944 was 14.3% in excess of the similar period of 1943.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

	Week Ended			
Major Geographical Divisions—	Feb. 26	Feb. 19	Feb. 12	Feb. 5
New England	7.5	5.9	5.7	5.0
Middle Atlantic	13.8	13.4	14.2	14.3
Central Industrial	10.5	10.3	10.9	9.6
West Central	7.1	7.5	7.0	5.4
Southern States	14.4	16.8	18.8	16.9
Rocky Mountain	9.4	10.9	12.1	12.0
Pacific Coast	29.5	27.5	27.7	28.7
Total United States	14.2	14.3	15.1	14.2

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1943	1942	% Change 1943 over 1942	1941	1932	1929
Nov. 6	4,413,863	3,761,961	+17.3	3.368,690	1,520,730	1,798,164
Nov. 13	4,482,665	3,775,878	+18.7	3.347,893	1,531,584	1,793,584
Nov. 20	4,513,299	3,795,361	+18.9	3.247,938	1,475,268	1,818,169
Nov. 27	4.403,342	3,766,381	+16.9	3,339,364	1,510,337	1,718,002
Dec. 4	4,560,158	3,883,534	+17.4	3,414,844	1,518,922	1,806,225
Dec. 11	4,566,905	3,937,524	+16.0	3,475,919	1,563,384	1,840,863
Dec. 18	4,612,994	3,975,873	+16.0	3,495,140	1,554,473	1,860,021
Dec 25	4,295,100	3,655,926	+17.5	3,234,128	1,414,710	1,637,683

Week Ended—	1944	1943	% Change over 1943	1942	1932	1929
Jan. 1	4,337,387	3,779,993	+14.7	3,288,685	1,619,265	1,542,000
Jan. 8	4,567,959	3,952,587	+15.6	3,472,579	1,602,482	1,733,810
Jan. 15	4,539,083	3,952,479	+14.8	3,450,468	1,598,201	1,736,721
Jan. 22	4,531,662	3,974,202	+14.0	3,440,163	1,588,967	1,717,315
Jan. 29	4,523,763	3,976,844	+13.8	3,468,193	1,588,853	1,728,203
Feb. 5	4,524,134	3,960,242	+14.2	3,474,638	1,578,817	1,726,161
Feb. 12	4,532,730	3,939,708	+15.1	3,421,639	1,545,459	1,718,304
Feb. 19	4,511,562	3,948,749	+14.3	3,423,589	1,512,158	1,699,250
Feb. 26	4,444,939	3,892,796	+14.2	3,409,907	1,519,679	1,706,719

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	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Feb. 29	120.25	111.25	118.20	116.41	111.25	100.49	104.31	113.50	116.22
28	120.22	111.25	118.20	116.41	111.25	100.49	104.31	113.50	116.22
26	120.21	111.07	118.20	116.22	111.07	100.32	104.31	113.50	116.22
25	120.21	111.25	118.20	116.41	111.07	100.32	104.31	113.50	116.22
24	120.26	111.25	118.20	116.41	111.25	100.32	104.31	113.50	116.22
23	120.27	111.25	118.20	116.22	111.25	100.49	104.14	113.70	116.41
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	116.41	111.25	100.49	104.48	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	116.61
8	118.73	111.25	118.40	116.22	111.25	100.49	104.31	113.50	116.61
7	119.68	111.25	118.40	116.22	111.07	100.49	104.14	113.50	116.61
5	119.50	111.25	118.40	116.22	111.25	100.49	104.14	113.50	116.61
4	119.45	111.25	118.40	116.22	111.25	100.49	104.14	113.50	116.61
3	119.41	111.25	118.40	116.22	111.25	100.49	104.14	113.50	116.61
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	116.61
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	103.80	113.50	116.22
High 1944	120.27	111.44	118.80	116.41	111.25	100.49	104.48	113.70	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 Feb. 27, 1943	117.11	109.24	117.60	115.43	110.15	95.62	100.16	112.93	115.43
2 Years ago Feb. 28, 1942	116.38	106.56	115.82	113.31	107.62	91.62	97.00	110.15	113.31

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

1944— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Feb. 29	1.81	3.10	2.74	2.83	3.10	3.72	3.49	2.98	2.84
28	1.81	3.10	2.74	2.83	3.10	3.72	3.49	2.98	2.84
26	1.81	3.11	2.74	2.84	3.11	3.73	3.49	2.98	2.84
25	1.81	3.10	2.74	2.83	3.11	3.73	3.49	2.98	2.84
24	1.81	3.10	2.74	2.83	3.10	3.73	3.49	2.98	2.84
23	1.81	3.10	2.74	2.84	3.10	3.72	3.50	2.97	2.83
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	2.84	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
7	1.85	3.11	2.72	2.83	3.11	3.79	3.52	2.98	2.84
High 1944	1.87	3.13	2.74	2.84	3.12	3.81	3.55	3.00	2.85
Low 1944	1.81	3.09	2.71	2.83	3.10	3.72	3.48	2.97	2.82
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	1.79	3.09	2.68	2.80	3.07	3.79	3.54	2.94	2.78
1 Year ago Feb. 27, 1943	2.06	3.21	2.77	2.88	3.16	4.03	3.74	3.01	2.88
2 Years ago Feb. 28, 1942	2.10	3.36	2.86	2.99	3.30	4.30	3.94	3.16	2.99

*These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

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

Steel Operations Maintained—Activity Well Sustained—Orders Show Little Slackening

"Striving to push production a notch or two above recent high pressure levels, the steel industry is making a good start against March goals which include record requirements that will tax every plate mill in the nation," states "The Iron Age" in its issue of today (March 2), further adding:

"The volume of orders reaching steel companies shows little slackening. Plates, sheets and shapes this week are tighter, while heavy bars, small size lap-weld pipe and other items are in brisk demand. Requirements reflect the fast tempo of the invasion program with its careful planning for every eventuality.

"Requirements for the Navy's 1945 pontoon program, for which bids on steel are imminent, will be high, including sheets, plates, floor plates, bars and structurals. Two Army Ordnance packaging programs are under consideration, which potentially involve requirements of hot rolled sheets, as previously reported, and black plate, respectively.

"Two serious strikes were ended a few days before March began, the one at the Carnegie-Illinois Clairton by-product works and that at Great Lakes Steel Corp., Ecorse, Mich.

"Consolidations and other shifts which will place the steel industry in a more realistic position in the light of current and post-war actualities gradually are appearing, and more moves can be expected in the near future. Sheffield Steel Corp. is closing its St. Louis works. RFC has ordered work stopped on a DPC-built blast furnace at the Monessen, Pa., plant of Pittsburgh Steel Co. A move which will concentrate production at the Midwestern plant is expected to be revealed soon and it is known that several other producers are contemplating similar steps.

"The controversy over amortization of new freight cars was clarified during the past week. There will be no argument over cars built from now on. The railroads will get WPB certification under which the cost can be amortized over a five-year period. Prior to October, 1943, the railroads obtained certificates from the War Department. With respect to cars ordered between October, 1943, and January, 1944, discussions are still under way and a satisfactory solution of the problem is expected soon. Not many cars were ordered during that period. With the 1944 freight car production goal having been raised from about 40,000 to 60,000 domestic units, the third and fourth quarters of this year should see a record in freight car construction—that is, a record considering the times.

"In the passenger car field, proposals from the railroads have opened up spirited competition between makers of aluminum, stainless steel and other materials. This competitive spirit has been keen in other fields recently when prospective business appeared."

The American Iron and Steel Institute on Feb. 28 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 97.5% of capacity for the week beginning Feb. 28, compared with 97.7% one week ago, 96.8% one month ago and 98.2% one year ago.

The operating rate for the week beginning Feb. 28 is equivalent to 1,746,500 tons of steel ingots and castings, compared to 1,750,000 tons one week ago, 1,734,800 tons one month ago, and 1,700,500 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Feb. 28 stated in part as follows:

"Activity in all major steel products is well sustained with emphasis on sheets and plates and some quickening in hot-rolled and cold-drawn carbon bars.

"Leaders in demand for plates and sheets are landing craft and gasoline refinery programs, with a heavy requirement for sheets looming just ahead to implement a steel container program. While the latter is not announced in definite terms tonnages are believed to be large, sufficient to make sheets the most needed of all steel products.

"Bars are in more diversified demand and shell steel needs are heavier in some directions for some small sizes of ammunition as well as large. Deliveries are being extended and while April is possible most orders are booked for May and June and on some larger sizes even later.

"In general sheets are promised for August and September, the narrower sizes easily obtainable in the earlier month. Occasional cold-rolled tonnages can be placed for July shipment.

"Pig iron is in sufficient supply and repaired blast furnace stacks are not returned to service immediately where demand is slack. Melters in some cases are buying only for one month instead of the normal practice before the allocation period, of covering by quarters. This is due in part to a feeling prices may be lower because of increased supply.

"Wire mills in the East, while demand for their products continues high, mainly in specialties requiring much processing, are not pressed for steel and a number of open hearths are idle, ingot production in this branch of industry being about 85% of capacity. Welding rod wire demand is at the rate of about 500,000 tons a year and recently installed capacity has brought production into better alignment with requirements. The situation in wire rods is much easier but mills are sold far ahead in many wire products.

"Easiness in scrap continues and prices of specialties are below ceilings in various areas, though on the standard grades no weakness has developed. Consumers are well supplied even in the face of diminished volume of collections and general conditions are in marked contrast with a year ago."

Court Dismisses Action Against New York Stock Exchange In Whitney Case

Holds Exchange Not Liable For Damages When Disciplinary Action Had Been Taken

In a decision on Feb. 25, the U. S. Circuit Court of Appeals affirmed dismissal by the District Court of two complaints for damages against the New York Stock Exchange for losses suffered in the insolvency in 1938 of Richard Whitney & Co., the Court ruling that while the Stock Exchange has an obligation to discipline its members for inequitable conduct, this responsibility does not make the Exchange liable for damages suffered by investors when those damages are not the result of the Exchange's failure to take such disciplinary action. This was noted in the New York "Times" of Feb. 26, which added that with this holding Judges Thomas W. Swan and A. N. Hand sustained the Federal District Court's dismissal of the two actions brought against the Exchange. The actions were filed against Arthur H. Franklin, treasurer of the Stock Exchange, by the New York Yacht Club, of which Mr. Whitney was treasurer, for $105,184, and Mary Stevens Baird, a client of the Whitney firm, who sought recovery of $98,758.

In a dissenting opinion, rejecting the generally accepted theory that the private-club status of the New York Stock Exchange protects it from liability for the acts of its members, Judge Charles Clark, of the United States Circuit Court of Appeals, held that the Securities and Exchange Act gives private investors the right of action against the Exchange if they suffer losses because of its failure to enforce its rules under the Act. Reporting this, the New York "Herald Tribune" of Feb. 26 had the following to say:

"The majority opinion, acceding to the view that 'the Stock Exchange violated a duty when it failed to take disciplinary action against Whitney on Nov. 24, 1937,' when it first learned of his defalcations, held nevertheless that the judgment of the District Court must be affirmed.

"Both plaintiffs contended that the Stock Exchange aware on Nov. 24, 1937, that Whitney, a trustee of their securities, had hypothecated the securities without their knowledge or consent, should have taken disciplinary action against Whitney, a former President of the Exchange. . . .

"Whitney's suspension by the Exchange did not occur until two month later, after his brother, George Whitney, of J. P. Morgan & Co., had advanced large sums "in an effort to save his (Richard Whitney's) name. . . .

"The majority opinion holds that 'there is no reason to suppose that action by the Stock Exchange on Nov. 24, 1937, would have brought relief to Richard Whitney or the plaintiffs,' inasmuch as his hypothecation at that time had been completed. The court points out, however, that 'to justify a judgment in favor of either plaintiff, such a breach of duty must have resulted in damage that could be traced to the breach.'

" 'We can see no substantial resemblance between the duties of bailees or other fiduciaries and those of the Stock Exchange,' said the majority opinion. 'The duty of the former are to safeguard the property over which they have some right of control. In the case of the Exchange, there was no duty except to investigate the dealings and financial conditions of members and to suspend or expel members whom it had reason to believe had been guilty of conduct inconsistent with just and equitable principles of trade.'

"Judge Clark held that 'at that time it (the Exchange) should have required Whitney either to meet his obligations or to suspend.'

"The Stock Exchange, he wrote, 'was under a duty to take action against Whitney on Nov. 24, 1937, for the various violations of the Securities and Exchange Act or its rules, which it either knew or had reason to suspect. Its complete inaction for some two months was a dereliction of that duty.' "

Moody's Daily Commodity Index

Tuesday, Feb. 22	*
Wednesday, Feb. 23	249.4
Thursday, Feb. 24	249.5
Friday, Feb. 25	249.5
Saturday, Feb. 26	249.4
Monday, Feb. 28	249.2
Tuesday, Feb. 29	248.8
Two weeks ago, Feb. 15	243.6
Month ago, Jan. 31	249.3
Year ago, Feb. 27	247.1
1943 High, April 1	249.8
Low, Jan. 2	240.2
1944 High, Feb. 21	249.5
Low, Jan. 5	247.0

*Holiday.

Wholesale Commodity Index Rose 0.2% In Week Ended Feb. 19 Says Labor Dept.

The Bureau of Labor Statistics' index of commodity prices in primary markets rose 0.2% during the week ended Feb. 19, according to the announcement on Feb. 24 by the U. S. Department of Labor, which states that higher prices for livestock and OPA action in allowing higher prices for furniture and wood pulp accounted for most of the advance.

At 103.3% of the 1926 average, the all-commodity index is 0.3% higher than at this time last month and about 1% over a year ago, says the Labor Department, which further reports:

"Farm products and foods. Led by an increase of 1.6% in livestock markets, average prices for farm products rose 0.7% during the week to the highest point since early in November. Cows were up about 5%; hogs, 1.6%; steers, 0.8%; and sheep, 0.3%. Cotton and wheat advanced slightly, while oranges and apples were considerably higher than for the preceding week. Quotations were lower for rye, alfalfa hay, eggs, lemons, and potatoes.

"Largely as a result of higher prices for fruits and for peanut oil, the foods group index rose 0.1%. Lower prices were reported for rye flour and for fresh pork. The index for the foods group has declined 0.5% in the past four weeks and it is 1.5% lower than at this time last year.

"Industrial commodities. Aside from increases of from $2.00 to $10.00 per ton, granted by OPA to producers of wood pulp to stimulate production, and higher ceilings for furniture, there were few outstanding price changes in industrial commodity markets. Goatskins declined 0.8%, partially offsetting the increase of the preceding week. Lower prices were reported for men's and boys' underwear by a large manufacturer. Moderate advances continued in prices for coal and certain petroleum products. A slight improvement in the demand for mercury brought prices up nearly 1%.

"In the building materials field, rosin advanced 2.5% and prices were also higher for common building brick in some areas."

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

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. 22, 1944, and Feb. 20, 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. 12 to Feb. 19, 1944.

WHOLESALE PRICES FOR WEEK ENDED FEB. 19, 1944
(1926=100)

Commodity Groups—	2-19 1944	2-12 1944	2-5 1944	1-22 1944	2-20 1943	Percentage changes to Feb. 19, 1944 from— 2-12 1944	1-22 1944	2-20 1943
All commodities	*103.3	*103.1	*103.1	*103.0	102.4	+0.2	+0.3	+0.9
Farm products	122.8	121.9	122.1	121.9	120.0	+0.7	+0.7	+2.3
Foods	104.1	104.0	104.2	104.6	105.7	+0.1	—0.5	—1.5
Hides and leather products	117.7	117.8	117.7	117.9	118.4	—0.1	—0.2	—0.6
Textile products	97.2	97.2	97.2	97.2	96.8	0	0	+0.4
Fuel and lighting materials	83.7	83.5	83.2	82.8	80.5	+0.2	+1.1	+4.0
Metals and metal products	*103.8	*103.8	*103.8	*103.8	103.9	0	0	—0.1
Building materials	113.7	113.7	113.5	113.4	110.0	0	+0.3	+3.4
Chemicals and allied products	100.4	100.4	100.4	100.4	100.3	0	0	+0.1
Housefurnishing goods	106.2	104.4	104.4	104.4	104.1	+1.7	+1.7	+2.0
Miscellaneous commodities	93.3	93.0	93.0	93.0	90.7	+0.3	+0.3	+2.9
Raw materials	113.0	112.4	112.4	112.3	109.8	+0.5	+0.6	+2.9
Semimanufactured articles	93.5	93.2	93.2	93.1	92.8	+0.3	+0.4	+0.8
Manufactured products	*100.6	*100.6	*100.5	*100.4	100.5	0	+0.2	+0.1
All commodities other than farm products	*99.2	*99.1	*99.0	*98.9	98.6	+0.1	+0.3	+0.6
All commodities other than farm products and foods	*98.2	*98.1	*98.0	*97.9	96.4	+0.1	+0.3	+1.9

*Preliminary.

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM FEB. 12, 1944 TO FEB. 19, 1944

Increases			
Furniture	3.7	Anthracite	0.4
Livestock and poultry	1.6	Bituminous coal	0.3
Paper and pulp	1.1	Cotton goods	0.3
Fruits and vegetables	0.9	Brick and tile	0.1
Other farm products	0.5	Paint and paint materials	0.1
Grains	0.1		
Decreases			
Hosiery and underwear	1.7	Other miscellaneous	0.2
Hides and skins	0.2	Meats	0.1
Other foods	0.1		

Civil Engineering Construction Volume $22,161,000 For Week

Civil engineering construction volume in continental United States for the short week due to the Washington's Birthday holiday totals $22,161,000. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 60% below the total for the corresponding 1943 week, and compares with $37,043,000 reported to "Engineering News-Record" for last week and made public on Feb. 24. The report added:

Public construction is 51% lower than in the 1943 week and private work is down 81% compared with the week last year. Federal construction, 57% below a year ago, is responsible for the public decline as State and municipal work is 351% higher.

The current week's construction brings 1944 volume to $274,396,000 for the eight-week period, a decrease of 48% from the $533,068,000 for the eight weeks of 1943. Private construction, $53,231,000, is 2% above last year, but public construction, $221,165,000, is down 54% due to the 11% decline in State and municipal and the 56% drop in Federal.

Civil engineering construction volumes for the short 1943 week, last week, and the holiday-shortened current week are:

	Feb. 25, 1943 (Four Days)	Feb. 17, 1944 (Five Days)	Feb. 24, 1944 (Four Days)
Total U. S. construction	$54,646,000	$37,043,000	$22,161,000
Private construction	15,203,000	2,293,000	2,959,000
Public construction	39,443,000	34,750,000	19,202,000
State and municipal	544,000	1,219,000	2,453,000
Federal	38,899,000	33,531,000	16,749,000

In the classified construction groups, gains over the preceding week are in commercial buildings, earthwork and drainage, and streets and roads. Increases over the 1943 week are in waterworks, earthwork and drainage, and streets and roads. Sub-totals for the week in each class of construction are: waterworks, $719,000; sewerage, $67,000; industrial buildings, $378,000; commercial building and large-scale private housing, $1,641,000; public buildings, $4,029,000; earth work and drainage, $5,725,000; streets and roads, $1,835,000; and unclassified construction, $7,767,000.

New capital for construction purposes for the week totals $2,977,000 and is made up entirely of State and municipal bond sales. The week's new financing brings 1944 volume to $158,801,000, a total that compares with $15,539,000 for the opening eight weeks of 1943.

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. 19, 1944, is estimated at 12,315,000 net tons, a decrease of 635,000 tons, or 4.9%, from the preceding week. Soft coal output in the corresponding week of 1943 amounted to 12,160,000 tons. Total production for the current year to date is 7.7% in excess of that for the same period last year.

According to the U. S. Bureau of Mines, output of Pennsylvania anthracite for the week ended Feb. 19, 1944, which includes Sunday, Feb. 13, was estimated at 1,432,000 tons, an increase of 8,000 tons (0.6%) over the preceding week. When compared with the production in the corresponding week of 1943, there was an increase of 274,000 tons, or 23.7%. The calendar year to date shows an increase of 7.2% when compared with the corresponding period of last year.

The Bureau of Mines also reported that the estimated production of by-product coke in the United States for the week ended Feb. 19, 1944, showed an increase of 700 tons when compared with the output for the week ended Feb. 12, 1944. The quantity of coke from beehive ovens decreased 7,300 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL
(In Net Tons)

Bituminous coal and lignite—	Week Ended Feb. 19, 1944	Feb. 12, 1944	Feb. 20, 1943	January 1 to Date *Feb. 19, 1944	Feb. 20, 1943	Feb. 20, 1937
Total, incl. mine fuel	12,315,000	12,950,000	12,160,000	89,825,000	83,369,000	72,751,000
Daily average	2,053,000	2,158,000	2,027,000	2,104,000	1,939,000	1,692,000

*Subject to current adjustment.

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

Penn. anthracite—	Week Ended §Feb. 19, 1944	¶Feb. 12, 1944	Feb. 20, 1943	Cal. Year to Date Feb. 19, 1944	Feb. 20, 1943	Feb. 23, 1929
*Total incl. coll. fuel	1,432,000	1,424,000	1,158,000	8,944,000	8,340,000	12,429,000
†Commercial production	1,375,000	1,367,000	1,112,000	8,587,000	8,006,000	11,534,000
Byproduct coke—						
United States total	1,289,700	1,289,000	1,222,000	9,116,700	8,853,700	‡
Beehive coke—						
United States total	149,600	156,900	150,700	1,135,300	1,118,400	900,600

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

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES
(In net tons)

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

State	Week Ended Feb. 12, 1944	Feb. 5, 1944	Feb. 13, 1943	Feb. 13, 1937
Alabama	413,000	397,000	389,000	304,000
Alaska	5,000	5,000	6,000	2,000
Arkansas and Oklahoma	100,000	102,000	108,000	100,000
Colorado	192,000	192,000	186,000	206,000
Georgia and North Carolina	1,000	1,000	1,000	1,000
Illinois	1,622,000	1,655,000	1,423,000	1,407,000
Indiana	557,000	590,000	505,000	483,000
Iowa	42,000	50,000	66,000	125,000
Kansas and Missouri	176,000	188,000	217,000	204,000
Kentucky—Eastern	1,000,000	1,003,000	947,000	629,000
Kentucky—Western	358,000	370,000	317,000	63,000
Maryland	37,000	40,000	38,000	41,000
Michigan	7,000	8,000	8,000	18,000
Montana (bituminous and lignite)	95,000	105,000	105,000	77,000
New Mexico	39,000	39,000	37,000	46,000
North and South Dakota (lignite)	62,000	51,000	64,000	79,000
Ohio	700,000	698,000	748,000	625,000
Pennsylvania (bituminous)	3,630,000	3,070,000	2,880,000	2,652,000
Tennessee	161,000	168,000	145,000	119,000
Texas (bituminous and lignite)	3,000	4,000	5,000	15,000
Utah	140,000	148,000	129,000	117,000
Virginia	441,000	423,000	406,000	294,000
Washington	35,000	35,000	42,000	56,000
*West Virginia—Southern	2,388,000	2,278,000	2,260,000	1,763,000
†West Virginia—Northern	1,077,000	1,020,000	961,000	715,000
Wyoming	218,000	209,000	205,000	164,000
‡Other Western States	1,000	1,000	2,000	¶
Total bituminous and lignite	12,950,000	12,850,000	12,200,000	10,305,000
§Pennsylvania anthracite	1,424,000	1,264,000	1,366,000	1,028,000
Total all coal	14,374,000	14,114,000	13,566,000	11,333,000

*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.

Average Yield On Common Stocks Listed On Stock Exchange

In its Monthly Magazine for February, made available Feb. 25, the New York Stock Exchange states that "a shade more than 81% of all common stocks listed on the New York Stock Exchange are currently paying dividends when inroads upon corporate profits resultant from high Federal taxes and contract renegotiations are taken into account." It says, "it is realized that so high a percentage of dividend payers reveals a broad field of research for investors who desire income from their equities, and on the basis of income pursue inquiries into future prospects among securities." From the Journal of the Exchange we also quote:

"Since Jan. 1, a number of new common stock listings on the Board have occurred, but these could not change the picture presented by this statistical study which deals with common stocks listed at the end of 1943. There were then 845 stocks listed. Of these, 687 were on a dividend basis.

Division by Groups

"In approaching the matter of dividend yields at Dec. 31, 1943, prices the list was divided into groups by industries which the stocks represented. In the following table the yield in case of each group is the 'median' yield; that is, the price employed to figure the yield is the middle price of the stocks in each group—the price midway between the highest and the lowest at the year-end.

"Average yield distribution of 687 cash dividend payers by groups:

Industry—	Aver. Yield (median)
Amusement	6.3%
Automobile	6.7
Aviation	9.8
Building	4.6
Business & office equip.	5.0
Chemical	4.8
Electrical equipment	5.2
Farm machinery	4.6
Financial	6.1
Food	5.2
Garment	7.4
Leather	6.3
Machinery and metal	6.8
Mining	7.9
Paper and polishing	7.3
Petroleum	4.4
Railroad	7.2
Retail merchandising	5.9
Rubber and tire	5.1
Shipbuilding & operating	11.4
Steel, iron and coke	6.9
Textile	6.5
Tobacco	5.7
All public utilities	6.9
U. S. cos. oper. abroad	9.7
Foreign companies	6.8
Other companies	5.5
Average yield	6.1

"The table applies only to dividend-paying stocks. When the 158 listed stocks which were not paying dividends at the end of 1943 are counted in, the median yield of all listed issues, considered within the several groups, was 5.4%.

"Median yield for dividend payers, 6.1%. Median yield for both dividend and non-dividend payers, 5.4%.

"It may be worth emphasizing again that the median price is midway between the year's highest and lowest. In case of stocks which scored extensive price advances during 1943 and retained much of this advantage, the yield at prices reached late in the year would be considerably lower than the yield at the median price.

Yield Higher Year Ago

"At the end of 1942, the median yield was higher, being 7.8% for dividend payers and 6.7% for both classes combined. Reference to Dow, Jones & Co. stock market averages throws light upon what occurred to prices in process of reducing yields.

	December 31, 1943	1942
Industrials	135.89	119.40
Railroads	33.56	27.39
Public utilities	21.87	14.54

"Analysis of the dividend-paying stocks at the 1943 year-end (average prices, except for a movement of the rail average from 33.56 to 37.55 in the interval between Dec. 31, 1943 and Feb. 15, this year, have changed comparatively little) shows how yields varied among the dividend payers, as follows:

Yield (%)	No. of Issues
Under 2.0	7
2.0 to 3.9	103
4.0 to 5.9	225
6.0 to 7.9	196
8.0 to 9.9	90
10.0 to 11.9	38
12.0 to 13.9	13
14.0 to 15.9	6
16.0 and over	9

"The foregoing yields were calculated by dividing the Dec. 31, 1943, price of each stock into the cash dividend paid during 1943."

Trading On New York Exchanges

The Securities and Exchange Commission made public on Feb. 21 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Feb. 5, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Feb. 5 (in round-lot transactions) totaled 1,553,840 shares, which amount was 17.16% of the total transactions on the Exchange of 4,528,970 shares. This compares with member trading during the week ended Jan. 29 of 1,324,496 shares, or 16.69% of total trading of 3,969,070 shares. On the New York Curb Exchange, member trading during the week ended Feb. 5 amounted to 335,810 shares, or 15.11% of the total volume on that exchange of 1,111,335 shares; during the Jan. 29 week trading for the account of Curb members of 386,010 shares was 14.82% of total trading of 1,302,475 shares.

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

WEEK ENDED FEB. 5, 1944

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	113,540	
‡Other sales	4,415,430	
Total sales	4,528,970	
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	393,740	
Short sales	51,800	
‡Other sales	315,900	
Total sales	367,700	8.41
2. Other transactions initiated on the floor—		
Total purchases	259,810	
Short sales	10,750	
‡Other sales	243,190	
Total sales	253,940	5.67
3. Other transactions initiated off the floor—		
Total purchases	139,830	
Short sales	2,600	
‡Other sales	136,220	
Total sales	138,820	3.08
4. Total—		
Total purchases	793,380	
Short sales	65,150	
‡Other sales	695,310	
Total sales	760,460	17.16

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

WEEK ENDED FEB. 5, 1944

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	9,040	
‡Other sales	1,102,295	
Total sales	1,111,335	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	96,785	
Short sales	4,215	
‡Other sales	93,390	
Total sales	97,605	8.75
2. Other transactions initiated on the floor—		
Total purchases	29,355	
Short sales	1,300	
‡Other sales	35,400	
Total sales	36,700	2.97
3. Other transactions initiated off the floor—		
Total purchases	34,565	
Short sales	1,300	
‡Other sales	39,500	
Total sales	40,800	3.39
4. Total—		
Total purchases	160,705	
Short sales	6,815	
‡Other sales	168,290	
Total sales	175,105	15.11
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	41	
§Customers' other sales	42,530	
Total purchases	42,571	
Total sales	36,088	

*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."

Merrill Lynch Earnings Rise

Merrill Lynch, Pierce, Fenner & Beane, underwriters and distributors of investment securities and brokers in securities and commodities, of 70 Pine St., New York, N. Y., in their annual report for the year 1943, released on Feb. 24, 1944, reported that the firm's total resources and liabilities rose from $74,084,826 to $105,971,741. The net worth of the firm at the year-end stood at $7,800,000, against $6,000,000 the year before—a gain of $1,800,000, provided by investment of earnings and by new capital. The report further shows:

SUMMARY OF INCOME, EXPENSES AND OTHER CHARGES

Years Ended Dec. 31—	1943	1942	1941
Income from operations	$17,321,381	$9,442,608	$8,657,479
Operating expenses	11,911,665	8,672,819	7,615,374
Non-recurring expenses	172,367	236,720	203,736
Interest on capital	383,476	386,461	323,892
Write-down of seats	------	------	55,218
Net income	$4,853,874	$146,608	$459,259

Note—As a partnership, the firm's taxes are not chargeable to the business but to 53 of the individual partners. Income taxes for the year 1943 amounted to about $3,750,000, leaving a final profit of $1,103,874.

Non-Ferrous Metals—Simplification of Zinc By WPB—Brass Output For March To Increase

"E. & M. J. Metal and Mineral Markets," in its issue of Feb. 24, stated: Simplification of procedure to handle zinc sales under WPB regulations was announced last week. Consumption of major non-ferrous metals, after some uncertainty in the first month of the year, is expanding. Deliveries of copper and zinc are expected to be larger from now on. Prospects for March are encouraging. Quicksilver producers believe that output of the metal has been reduced sharply at the lower prices now obtaining. Demand for sheet aluminum remains active. Antimony has been in active demand." The publication further went on to say in part:

Copper

From present indications, the Metals Reserve Co. will contribute more than 60,000 tons of copper during March to take care of the heavy allocations by the Copper Division of WPB. Total deliveries for next month may establish a new high, some observers believe.

Estimates on the position of copper vary considerably, depending largely on the basis of the statistical compilation. In "Domestic Commerce" for February, issued by the Department of Commerce, comment on the statistics places the inventories in copper at the end of 1943 at 611,000 tons, of which 360,000 tons were held by manufacturers, 200,000 tons by the Metals Reserve Co., and 51,000 tons by refiners. Industry estimates at the end of January place the stocks held by Metals Reserve at more than 300,000 tons.

Lead

Interest in lead during the last week shifted to foreign metal required to supplement March deliveries of the domestic product. Call for foreign lead was about on the same plane as in the preceding month, around 9,000 tons.

In spite of the recent activity in lead, sales by domestic producers for the last week totaled 4,610 tons.

Domestic refined-lead statistics for January showed deliveries of 45,258 tons, against 49,135 tons in December. Production for January was 49,768 tons. Stocks at the end of the month amounted to 37,590 tons.

Zinc

On Feb. 20 WPB announced simplification of allocation procedure for zinc. Effective April 1, the revised order permits producers to make shipments upon notification from a purchaser of the date and serial number of his authorization certificate. Amended order M-11 removes remelt zinc from allocation, and scrap zinc deliveries are no longer controlled.

March business is expected to make an appearance soon, and producers believe that brass mills will ask for more zinc than in February.

Aluminum

Output of primary aluminum in the United States during 1943 was 1,839,800,000 pounds, against 1,042,200,000 pounds in 1942, according to the War Production Board's Aluminum and Magnesium Division. Production of aluminum from secondary sources during 1943 amounted to 527,600,000 pounds, which compares with 370,400,000 in 1942. Peak production of primary aluminum was attained in October, when output totaled 188,100,000 pounds.

In addition to domestic production, the United States had available from Canada 428,700,000 pounds of primary aluminum in 1943, against 262,800,000 pounds in 1942.

WPB hereafter will issue monthly reports on production of aluminum, it was announced in Washington last week. The production figures cover all primary aluminum ingot and virtually all recovery from scrap, except "run-around" scrap generated in aluminum foundries and wrought product mills.

Tin

Under the direction of the British Government, production of tin in Nigeria has been increased substantially in the war period. Output increased from 10,855 long tons in 1939 to approximately 17,000 tons in 1942. Figures for 1943 are not yet available, but trade authorities believe that production for last year was even higher than in 1942. More than 14,000 laborers are engaged in the mines.

There were no new developments in the Bolivian situation. Concentrate has been moving to the United States on schedule.

Straits quality tin continued at 52c. per pound, with forward metal also unchanged as follows:

	February	March	April
Feb. 17	52.000	52.000	52.000
Feb. 18	52.000	52.000	52.000
Feb. 19	52.000	52.000	52.000
Feb. 21	52.000	52.000	52.000
Feb. 22	Holiday		
Feb. 23	52.000	52.000	52.000

Chinese, or 99% tin, was unchanged at 51.125c. per pound throughout the week.

Quicksilver

Buying of quicksilver was on the quiet side during the last week, but prices remained unchanged. The trade is interested in news of the trend in production. If output is being reduced to the extent that reports from the Pacific Coast indicate, the price, it is argued, could easily steady at around the prevailing level of $130 to $135 per flask, New York. On the Pacific Coast the quotation for prompt shipment metal is holding at $125 per flask, with forward material subject to negotiation where large quantities are involved.

Silver

The London market for silver was unchanged at 23½d., with the undertone steady. The New York Official for foreign silver continued at 44½c., with domestic metal at 70⅝c. Stocks of silver at refineries in this country at the end of December amounted to 2,942,000 oz., against 3,150,000 oz. a year ago and 1,947,000 oz. two years ago, according to the American Bureau of Metal Statistics. Figures on stocks include both domestic and foreign origin metal.

Mine production of silver in the United States during November, in terms of recoverable metal, according to the Bureau of Mines, amounted to 3,342,992 fine ounces, as against 3,322,352 ounces in October.

Daily Prices

The daily price 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.

Mail For British And Associated Forces

Postmaster Albert Goldman of New York announced on Feb. 23 that information has been received from the Post Office Department that mail (including parcel-post packages) for members of the British Armed Forces, Polish Armed Forces and other allied forces (except United States and Canadian) in the Middle East, in North, East and West Africa, including the Mediterranean area, and separately in Iran, Iraq, India and Ceylon, etc., shall be accepted for mailing when addressed with the usual unit particulars, that is, with the name of the division or regiment followed by a designation such as "Middle East Force," "West African Force," "East African Force," "British North African Force," "Central Mediterranean Force," "Paiforce," "India Command," "Ceylon Command," etc. Senders should endorse their articles, "Via New York, N. Y." Postmaster Goldman's announcement adds:

"These mails must comply with the restrictions applicable to overseas shipments to U. S. Army personnel as to weight (at present, maximum 5 pounds per parcel-post package), and dimensions (at present, 15 inches maximum length and 36 inches maximum length and girth combined).

"Otherwise surface mails and parcels for the armed forces referred to are subject to the international postage rates and conditions applicable to civilian mail as follows:

Parcels for—	Rates and Conditions
Middle East Force	Same as Egypt
Paiforce	Same as Iraq
India Command	Same as India
Ceylon Command	Same as Ceylon
East Africa Force	Same as Egypt
West Africa Force	Same as Nigeria

Parcels for—	Rates and Conditions
British North African Force, Central Mediterranean Force and British or Dominion Army Units with A. P. O. numbers.	Same as Great Britain and No. Ireland, except parcels may not be insured.
French force in No. Africa	Same as French Morrocco (Casablanca parcel-post rates).

"The following rates are fixed for airmail articles addressed as indicated and the weight limit is two ounces per letter:

Articles for—	Rates
Middle East Force (except V-mail), Paiforce (except V-mail), India Command and Ceylon Command	70c. per ½ ounce
East African Force	60c. per ½ ounce
West African Force	50c. per 1 ounce
British or French North African Force and Central Mediterranean Force	33c. per ½ ounce

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Feb. 21 a summary for the week ended Feb. 12 of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

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

Week Ended Feb. 12, 1944

	Total for Week
Odd-Lot Sales by Dealers (Customers' purchases)	
Number of orders	16,680
Number of Shares	413,442
Dollar value	$17,188,075
Odd-Lot Purchases by Dealers— (Customers' Sales)	
Number of Orders:	
Customers' short sales	201
*Customers' other sales	13,517
Customers' total sales	13,718
Number of Shares:	
Customers' short sales	6,075
*Customers' other sales	357,062
Customers' total sales	363,137
Dollar value	$12,359,622
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	20
†Other sales	90,860
Total sales	90,880
Round-lot Purchases by Dealers—	
Number of shares	154,340

*Sales marked "short exempt" are reported with "other sales." †Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Daily Average Crude Oil Production For Week Ended Feb. 19, 1944 Declined 14,650 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Feb. 19, 1944, was 4,384,500 barrels, a decrease of 14,650 barrels per day when compared with the preceding week and 34,300 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 510,200 barrels per day in excess of that recorded for the week ended Feb. 20, 1943. Daily output for the four weeks ended Feb. 19, 1944, averaged 4,398,300 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 Buerau of Mines basis approximately 4,340,000 barrels of crude oil daily and produced 13,326,000 barrels of gasoline; 1,572,000 barrels of kerosine; 4,331,000 barrels of distillate fuel oil, and 8,881,000 barrels of residual fuel oil during the week ended Feb. 19, 1944; and had in storage at the end of that week 83,931,000 barrels of gasoline; 7,240,000 barrels of kerosine; 33,709,000 barrels of distillate fuel, and 52,965,000 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. 19, 1944	Change from Previous Week	4 Weeks Ended Feb. 19, 1944	Week Ended Feb. 20, 1943
Oklahoma	328,000	328,000	†325,400	— 1,800	327,500	347,700
Kansas	285,000	269,400	†268,050	—13,700	275,850	316,650
Nebraska	1,200	----	†1,100	----	1,100	2,600
Panhandle Texas			102,000	----	101,000	88,900
North Texas			139,950	----	140,000	135,350
West Texas			362,000	----	362,650	213,900
East Central Texas			110,250	----	111,800	100,000
East Texas			390,600	----	384,500	325,100
Southwest Texas			288,250	----	289,550	157,750
Coastal Texas			516,600	----	517,650	322,100
Total Texas	1,886,000	‡1,916,693	1,909,650	----	1,907,150	1,343,100
North Louisiana			77,200	----	77,500	90,750
Coastal Louisiana			283,100	----	282,550	246,550
Total Louisiana	348,700	370,200	360,300	----	360,050	337,300
Arkansas	76,600	78,591	78,750	— 50	78,650	75,250
Mississippi	46,000		42,600	— 1,350	44,200	55,000
Illinois	215,000		211,100	+ 7,250	212,650	242,700
Indiana	14,000		12,450	— 1,900	13,500	15,800
Eastern— (Not incl. Ill., Ind., Ky.)	72,200		68,700	— 750	70,800	63,100
Kentucky	25,200		20,100	— 2,800	21,800	19,650
Michigan	50,000		53,500	+ 100	52,850	58,600
Wyoming	93,000		95,400	— 3,100	97,300	91,700
Montana	23,700		20,950	----	20,950	21,450
Colorado	7,000		6,900	— 1,550	7,550	7,100
New Mexico	110,700	110,700	112,850	— 200	113,000	96,600
Total East of Calif.	3,582,300		3,587,800	—19,850	3,604,900	3,094,300
California	836,500	§836,500	796,700	+ 5,200	793,400	780,000
Total United States	4,418,800		4,384,500	—14,650	4,398,300	3,874,300

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

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m. Feb. 17, 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 STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED FEB. 19, 1944

(Figures in Thousands of barrels of 42 Gallons Each)

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

District—	Daily Refining Capacity Potential Rate	Daily Refining Capacity % Reporting	Crude Runs to Stills Daily Average	Crude Runs to Stills % Operated	§Gasoline Production at Refineries Includ. Natural Blended	‡Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuel Oil	‡Stocks of Residual Fuel Oil
*Combin'd: East Coast Texas Gulf, Louisiana Gulf, North Louisiana-Arkansas, and inland Texas	2,448	90.0	2,138	87.3	6,380	36,919	15,388	15,184
Appalachian— District No. 1	130	83.9	100	76.9	294	2,059	738	170
District No. 2	47	87.2	50	106.4	179	1,207	356	215
Ind., Ill., Ky.	824	85.2	768	93.2	2,679	18,432	5,921	3,011
Okla., Kans., Mo.	416	80.1	348	83.7	1,266	7,881	1,696	1,250
Rocky Mountain— District No. 3	8	26.9	12	150.0	34	73	20	30
District No. 4	141	58.3	92	65.2	340	1,920	365	582
California	817	89.9	832	101.8	2,154	15,440	9,225	32,523
Total U. S. B. of M. basis Feb. 19, 1944	4,931	87.1	4,340	89.8	13,326	†83,931	33,709	52,965
Total U. S. B. of M. basis Feb. 12, 1944	4,831	87.1	4,228	87.5	13,101	82,322	34,854	52,453
U. S. Bur. of Mines basis Feb. 20, 1943			3,668		10,323	91,823	36,122	70,371

*At the request of the Petroleum Administration for War. †Finished, 73,662,000 barrels; unfinished, 10,269,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,572,000 barrels of kerosine, 4,331,000 barrels of gas oil and distillate fuel oil and 8,881,000 barrels of residual fuel oil produced during the week ended Feb. 19, 1944, which compares with 1,640,000 barrels, 3,946,000 barrels and 9,000,000 barrels, respectively, in the preceding week and 1,463,000 barrels, 3,970,000 barrels and 7,520,000 barrels, respectively, in the week ended Feb. 20, 1943.

Note—Stocks of kerosine at Feb. 19, 1944 amounted to 7,240,000 barrels, as against 7,545,000 barrels a week earlier and 6,353,000 barrels a year before.

Bayard Pope Named to N. Y. Port Authority

Bayard Foster Pope of New York was appointed a member of the New York Port Authority on Feb. 18 by Governor Dewey. Mr. Pope, who will serve a six-year term, succeeds Rudolph Reimer of Brooklyn. Mr. Pope is Chairman of the Marine Midland Corporation and an officer of the Marine Midland Trust Company of New York.

Changes In Holdings Of Reacquired Stock Of N. Y. Stock & Curb Listed Firms

The New York Stock Exchange issued on Feb. 16 the following tabulation of companies reporting changes in the amount of stock held as heretofore reported by the Department of Stock List:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report	
Allegheny Ludlum Steel Corporation, common	2,350	25	
Allied Kid Company, common	40,751	40,801	
Allied Stores Corporation, 5% preferred	3,212	6,212	
American Ice Company, 6% preferred	1,300	1,400	
Armour and Company, common	5	1	
Associated Dry Goods Corporation, 6% 1st preferred	------	2,040	
Associates Investment Company, common	43,235	43,835	
Associates Investment Company, 5% cum. pfd.	------	130	
Atlas Corporation, common	44,567	62,676	
6% preferred	------	1	
Beatrice Creamery Company, $4.25 cum. pfd.	------	------	(1)
The Borden Company, capital	92,958	102,058	
Century Ribbon Mills, Inc., 7% preferred	226	195	
Chicago Pneumatic Tool Company, prior preferred	7,281	7,311	
Copperweld Steel Company, 5% cum. cv.	9,149	9,179	
Distillers Corporation-Seagrams, Ltd., cum. pfd. 5% series	1,450	4,930	
Firestone Tire & Rubber Company (The), common	304,104	304,119	
Preferred	1,871	------	
Flintkote Company (The), $4.50 cum. preferred	1,550	1,860	
General American Transportation Corporation, common	3,300	3,513	
Gimbel Brothers, $6 cumulative preferred	9,711	9,811	
Holly Sugar Corporation, 7% preferred	2,305	2,336	
Lehman Corporation (The), common	20,900	33,300	
Madison Square Garden Corporation, capital	30,000	30,400	
Mead Corporation (The), pfd. $5.50 series B	3,357	3,467	
Nash-Kelvinator Corporation, capital	84,411	84,413	
National Cylinder Gas Company, common	8,112	------	(2)
Newport News Shipbuilding and Dry Dock Company— $5 cumulative convertible preferred	22,500	24,100	
Norfolk and Western Railway Company, adj. pfd.	7,907	8,377	
Plymouth Oil Company, capital	12,784	12,984	
Purity Bakeries Corporation, common	32,469	32,189	
Real Silk Hosiery Mills, Inc., 7% cum. pfd.	6,105	6,125	
Rustless Iron and Steel Corporation, common	6	7	
Schenley Distillers Corporation, 5½% cum. preferred	7,090	7,735	
Sheaffer (W. A.) Pen Co., common	2,748	2,750	(3)
Sinclair Oil Corporation, common	443,939	443,941	
Transamerica Corporation, capital	1,218,000	1,220,100	
Tubize Rayon Corporation, common	2,413	2,415	
United Merchants & Manufacturers, Inc., common	24,779	24,826	
United States Rubber Company, common	18	20	

NOTES

(1) Acquired and retired 130 shares.
(2) Acquired 3,400 shares; disposed of 11,512 shares.
(3) Acquired 25 shares; sold 23 shares.

The New York Curb Exchange has made available the following list of issuers of fully listed securities which have reported changes in their holdings of reacquired stock:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
Air Investors, Inc., convertible preference	------	165
American General Corp., common	385,113	385,413
Interstate Hosiery Mills, Inc., capital	46,474	46,524
Klein (D. Emil) Co., Inc., common	18,469	18,969
Knott Corporation, common	10,312	10,412
Mangel Stores Corp., $5 convertible preferred	3,918	4,008
Mangel Stores Corp., common	595	745
Midland Oil Corp., $2 convertible preference	10,465	10,965
Mock, Judson, Voehringer Co., Inc., common	17,307	21,357
New York Merchandise Co., Inc., common	125,857	125,882
Selected Industries, Inc., $5.50 div. pr. stock	------	650
United Cigar-Whelan Stores Corp., common	12,213	12,217
Universal Cooler Corp., convertible part. "A"	100	------
Utility Equities Corp., $5.50 div. pr. stock	11,100	11,300
Wentworth Manufacturing Co., common	28,209	9,819

National Fertilizer Association Commodity Price Average Declines Fractionally

The rising trend in the general level of wholesale commodity prices was halted last week, according to the wholesale price index compiled by The National Fertilizer Association and made public Feb. 28, which registered a decline. In the week ended Feb. 26 this index fell off to 137.0 from 137.4 in the preceding week. A month ago this index stood at 137.2 and a year ago at 134.8, based on the 1935-1939 average as 100. The Association's report went on to say:

Last week's decline in the all commodity index resulted from lower quotations for some farm products and foods. The recession in the food price average to the August, 1943, level was due in large part to a drop in prices for oranges and white potatoes. A slight advance in eggs was not sufficient to have any effect on the decline in the foods group. Lower quotations for most livestock effected a decline in the farm products group. Heavier weight hogs advanced during the week but light types generally were lower. Price quotations for good cattle and lambs were also lower. Once again the leadership in the grain markets proved to be rye, which advanced slightly but not sufficiently to change the index number for the grains group which has remained at the same level for six consecutive weeks. A slight advance was recorded by the textiles group as raw cotton continued its upward trend.

During the week price changes in the index were evenly balanced with five price series advancing and five declining; in the preceding week six price series advanced and one declined; and in the second preceding week they were again evenly balancd with five advances and five declines.

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

% Each Group Bears to the Total Index	Group	Latest Week Feb. 26, 1944	Preceding Week Feb. 19, 1944	Month Ago Jan. 29, 1944	Year Ago Feb. 27, 1943
25.3	Foods	138.4	139.2	140.2	137.0
	Fats and Oils	146.1	146.1	146.1	148.1
	Cottonseed Oil	159.6	159.6	159.6	159.0
23.0	Farm Products	157.0	157.4	156.1	153.4
	Cotton	199.0	198.5	193.1	199.8
	Grains	164.8	164.8	164.8	137.5
	Livestock	147.7	148.4	147.6	149.8
17.3	Fuels	130.1	130.1	129.5	121.7
10.8	Miscellaneous commodities	131.4	131.4	131.4	129.7
8.2	Textiles	151.8	151.7	150.9	151.2
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	137.0	137.4	137.2	134.8

*Indexes on 1926-1928 base were: Feb. 26, 1944, 106.7; Feb. 19, 107.0 and Feb. 27, 1943, 105.0.

Hirschmann War Refugee Bd. Rep. in Ankara

John W. Pehle, Acting Executive Director of the War Refugee Board, announced on Feb. 21 that Ira Hirschmann, Vice-President of Bloomingdale Brothers, Inc., New York City, has been designated as the Board's special representative in Ankara, Turkey, assigned as Special Attache to the Embassy in connection with war refugee matters. The announcement by the WRB further says:

"Mr. Hirschmann arrived in Ankara Feb. 14 and is now engaged in the development of programs and the implementation of measures for the rescue, transportation, maintenance and relief of Jews and other persecuted minorities in Europe.

"Mr. Hirschmann has spent considerable time in western and central Europe. In 1938 he attended the Evian Conference as an observer for the United States Government. Later, he went to Austria where with the cooperation of friends he arranged for several hundred refugees to leave the country.

"Mr. Hirschmann's most recent Government service was as special assistant to William Davis of the War Labor Board. He is interested in civic activities and serves as a member of the Board of Higher Education of the City of New York."

Mrs. Roosevelt Urges More Than "Win War"

The President may call the New Deal slogan passe, but Mrs. Roosevelt said on Jan. 3 she had not "laid it away in lavender," and also that this country needs something more in its place than "Win the War."

In reporting this, a Washington dispatch to the New York "Times" further said:

"I understand the President says we must say 'Win the War,'" she responded to a question. "And, of course, 'New Deal' has become rather old, rather stable and permanent, too, in many ways.

"But it seems to me anyone who thinks of winning the war only as it pertains to coming to a day of victory is talking of a thing which must be done by the military, whereas the rest of us, though concerned with its success, can't do anything but our civilian jobs as well as we can.

"What the New Deal had its birth in was the need of citizens for a greater knowledge of human needs. The future is going to require that not only our citizens but the world have a greater interest in human needs. Moreover, it is absolutely necessary for the economic welfare of our own people for our aims to take in the human welfare of the world."

Lumber Movement—Week Ended February 19, 1944

According to the National Lumber Manufacturers Association, lumber shipments of 498 mills reporting to the National Lumber Trade Barometer were 0.3% above production for the week ended Feb. 19, 1944. In the same week new orders of these mills were 11.8% greater than production. Unfilled order files of the reporting mills amounted to 113% of stocks. For reporting softwood mills, unfilled orders are equivalent to 40 days' production at the current rate and gross stocks are equivalent to 33 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 5.3%; orders by 12.2%.

Compared to the average corresponding week of 1935-39, production of reporting mills was 60.2% greater; shipments were 38.7% greater; and orders were 55.2% greater.

Revenue Freight Car Loadings During Week Ended Feb. 19 1944 Decreased 19,570 Cars

Loading of revenue freight for the week ended Feb. 19, 1944, totaled 775,692 cars, the Association of American Railroads announced on Feb. 24. This was an increase above the corresponding week of 1943 of 23,673 cars, or 3.1%, and an increase above the same week in 1942 of 1,272 cars or 0.2%.

Loading of revenue freight for the week of Feb. 19 decreased 19,570 cars, or 2.5% below the preceding week.

Miscellaneous freight loading totaled 360,424 cars, a decrease of 5,321 cars below the preceding week, but an increase of 3,466 cars above the corresponding week in 1943.

Loading of merchandise less than carload lot freight totaled 100,635 cars, an increase of 1,250 cars above the preceding week, and an increase of 10,336 cars above the corresponding week in 1943.

Coal loading amounted to 179,807 cars, a decrease of 7,545 cars below the preceding week, but an increase of 6,355 cars above the corresponding week in 1943.

Grain and grain products loading totaled 50,743 cars, a decrease of 3,609 cars below the preceding week and a decrease of 860 cars below the corresponding week in 1943. In the Western districts alone, grain and grain products loading for the week of Feb. 19 totaled 35,488 cars, a decrease of 2,703 cars below the preceding week and a decrease of 558 cars below the corresponding week in 1943.

Live stock loading amounted to 15,154 cars, an increase of 340 cars above the preceding week, and an increase of 1,975 cars above the corresponding week in 1943. In the Western districts alone loading of live stock for the week of Feb. 19, totaled 11,111 cars, an increase of 303 above the preceding week, and an increase of 1,367 cars above the corresponding week in 1943.

Forest products loading totaled 40,589 cars, a decrease of 4,011 cars below the preceding week and a decrease of 550 cars below the corresponding week in 1943.

Ore loading amounted to 13,119 cars, a decrease of 845 cars below the preceding week but an increase of 2,022 cars above the corresponding week in 1943.

Coke loading amounted to 15,221 cars, an increase of 171 cars above the preceding week, and an increase of 929 cars above the corresponding week in 1943.

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

	1944	1943	1942
5 Weeks of January	3,796,477	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
Week of February 19	775,692	752,019	774,420
Total	6,173,506	5,804,615	6,199,562

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Feb. 19, 1944. During the period 77 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.19

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Eastern District—					
Ann Arbor	284	258	611	1,641	1,380
Bangor & Aroostook	2,156	2,336	2,135	334	110
Boston & Maine	6,428	5,178	8,488	14,534	12,605
Chicago, Indianapolis & Louisville	1,268	1,297	1,373	2,023	2,024
Central Indiana	38	45	24	38	52
Central Vermont	960	796	1,384	2,113	1,467
Delaware & Hudson	5,969	5,749	6,401	13,508	10,395
Delaware, Lackawanna & Western	7,496	6,790	8,947	10,882	10,117
Detroit & Mackinac	204	202	290	100	116
Detroit, Toledo & Ironton	2,016	1,911	2,088	1,897	2,632
Detroit & Toledo Shore Line	297	269	328	3,647	3,538
Erie	12,363	11,276	13,989	20,287	18,812
Grand Trunk Western	3,621	3,554	4,610	9,336	8,343
Lehigh & Hudson River	149	150	179	3,734	3,048
Lehigh & New England	2,034	1,602	1,740	1,500	1,607
Lehigh Valley	8,850	7,065	9,263	15,313	12,561
Maine Central	2,370	2,291	3,463	4,152	3,605
Monongahela	6,079	6,274	6,096	351	364
Montour	2,622	2,521	1,830	32	24
New York Central Lines	45,360	42,555	45,228	55,817	56,077
N. Y., N. H. & Hartford	9,982	8,257	12,591	19,663	16,242
New York, Ontario & Western	1,353	789	1,050	2,957	2,231
New York, Chicago & St. Louis	6,289	6,757	6,897	17,115	15,618
N. Y., Susquehanna & Western	403	451	539	3,000	1,923
Pittsburgh & Lake Erie	7,864	7,284	8,210	7,752	6,988
Pere Marquette	4,688	4,479	4,780	8,880	7,711
Pittsburg & Shawmut	859	633	557	13	13
Pittsburg, Shawmut & North	301	320	368	251	243
Pittsburgh & West Virginia	1,110	856	691	2,715	4,002
Rutland	373	288	520	954	620
Wabash	5,979	5,775	5,773	12,403	12,890
Wheeling & Lake Erie	5,028	4,646	4,563	4,595	6,128
Total	154,793	142,654	165,006	241,537	223,486
Allegheny District—					
Akron, Canton & Youngstown	776	665	623	1,439	1,185
Baltimore & Ohio	41,140	36,381	40,014	28,140	26,912
Bessemer & Lake Erie	2,702	2,248	3,190	1,491	1,599
Buffalo Creek & Gauley	314	226	340	2	5
Cambria & Indiana	1,852	1,905	1,923	4	7
Central R. R. of New Jersey	7,064	5,901	7,885	20,828	19,299
Cornwall	587	364	628	60	75
Cumberland & Pennsylvania	202	228	303	8	12
Ligonier Valley	140	110	125	60	45
Long Island	1,297	860	838	4,043	3,402
Penn-Reading Seashore Lines	1,576	1,495	1,798	2,791	2,380
Pennsylvania System	77,356	69,740	76,837	67,347	58,941
Reading Co.	14,599	12,737	15,937	29,612	28,319
Union (Pittsburgh)	20,575	19,971	20,260	4,145	3,713
Western Maryland	3,916	3,751	3,892	14,459	13,835
Total	174,096	156,582	174,593	174,429	159,729
Pocahontas District—					
Chesapeake & Ohio	27,929	28,182	23,568	11,617	10,848
Norfolk & Western	21,238	22,000	21,485	7,740	7,874
Virginian	4,507	4,477	3,825	1,539	2,121
Total	53,674	54,659	48,878	20,896	20,843
Southern District—					
Alabama, Tennessee & Northern	*315	299	343	*373	274
Atl. & W. P.—W. R. R. of Ala.	726	765	824	2,330	2,419
Atlanta, Birmingham & Coast	670	637	752	1,629	1,624
Atlantic Coast Line	13,140	14,664	12,193	11,405	11,114
Central of Georgia	3,578	4,196	4,357	5,176	4,519
Charleston & Western Carolina	311	468	395	1,884	1,623
Clinchfield	1,495	1,740	1,692	3,327	2,868
Columbus & Greenville	288	386	260	246	245
Durham & Southern	96	100	165	931	486
Florida East Coast	3,382	2,969	1,352	1,992	1,563
Gainesville Midland	28	40	37	122	111
Georgia	984	1,408	1,483	2,708	2,776
Georgia & Florida	355	377	384	820	511
Gulf, Mobile & Ohio	4,029	3,860	4,106	4,466	5,843
Illinois Central System	27,444	27,770	27,615	17,834	18,392
Louisville & Nashville	23,527	24,960	24,584	12,244	10,886
Macon, Dublin & Savannah	207	180	164	929	863
Mississippi Central	278	218	172	708	364
Nashville, Chattanooga & St. L.	3,002	3,180	3,174	4,923	4,860
Norfolk Southern	863	1,102	1,098	1,611	1,428
Piedmont Northern	384	357	505	1,568	1,078
Richmond, Fred. & Potomac	377	314	445	11,226	9,912
Seaboard Air Line	10,121	10,228	9,783	8,867	9,493
Southern System	21,267	21,731	24,090	25,713	23,351
Tennessee Central	603	457	630	1,219	844
Winston-Salem Southbound	128	106	138	1,151	1,003
Total	117,598	122,542	120,761	125,402	118,456
Northwestern District—					
Chicago & North Western	15,045	15,076	16,696	14,478	12,374
Chicago Great Western	2,850	2,526	2,745	3,607	3,065
Chicago, Milw., St. P. & Pac.	20,595	22,418	23,440	10,870	12,471
Chicago, St. Paul, Minn. & Omaha	3,982	3,616	4,289	3,958	3,542
Duluth, Missabe & Iron Range	1,442	1,326	1,228	206	288
Duluth, South Shore & Atlantic	897	475	790	593	496
Elgin, Joliet & Eastern	8,356	9,157	9,716	12,632	10,209
Ft. Dodge, Des Moines & South	456	435	529	99	115
Great Northern	12,219	10,618	11,122	5,326	4,958
Green Bay & Western	*522	473	578	*966	886
Lake Superior & Ishpeming	323	253	349	56	65
Minneapolis & St. Louis	*2,105	2,149	2,161	*2,337	2,089
Minn., St. Paul & S. S. M.	5,102	4,652	5,549	3,776	2,872
Northern Pacific	10,310	8,479	10,399	5,444	4,988
Spokane International	110	72	102	640	576
Spokane, Portland & Seattle	2,383	1,756	2,638	3,003	2,925
Total	86,697	83,481	92,331	67,991	61,919
Central Western District—					
Atch., Top. & Santa Fe System	21,693	21,659	20,877	12,955	11,496
Alton	3,096	2,833	3,237	4,023	4,476
Bingham & Garfield	509	484	422	78	98
Chicago, Burlington & Quincy	19,791	18,529	16,403	10,831	11,593
Chicago & Illinois Midland	3,113	3,173	3,111	736	1,016
Chicago, Rock Island & Pacific	11,501	12,508	11,798	12,993	14,055
Chicago & Eastern Illinois	2,750	2,466	2,879	5,990	6,120
Colorado & Southern	727	826	802	2,287	1,918
Denver & Rio Grande Western	3,340	4,319	3,270	5,595	5,571
Denver & Salt Lake	935	891	576	12	9
Fort Worth & Denver City	824	1,129	1,178	1,411	1,525
Illinois Terminal	1,890	1,583	2,067	1,790	1,654
Missouri-Illinois	950	809	1,228	501	471
Nevada Northern	1,561	1,806	1,916	112	126
North Western Pacific	685	1,023	891	937	737
Peoria & Pekin Union	57	27	13	---	---
Southern Pacific (Pacific)	23,100	27,454	27,266	14,524	13,135
Toledo, Peoria & Western	389	259	271	1,852	1,650
Union Pacific System	15,187	13,750	14,040	15,630	13,144
Utah	618	609	500	7	2
Western Pacific	1,556	2,070	1,703	2,862	2,742
Total	120,272	118,207	114,448	95,126	91,544
Southwestern District—					
Burlington-Rock Island	288	687	201	382	259
Gulf Coast Lines	7,007	6,518	4,213	2,345	2,662
International-Great Northern	1,856	2,871	2,098	3,945	3,684
Kansas, Oklahoma & Gulf	250	297	356	1,023	1,265
Kansas City Southern	5,712	5,450	3,588	2,778	2,897
Louisiana & Arkansas	2,954	3,510	2,506	2,553	2,562
Litchfield & Madison	355	309	373	1,280	1,135
Midland Valley	713	618	640	425	264
Missouri & Arkansas	170	171	202	453	599
Missouri-Kansas-Texas Lines	5,052	6,027	4,583	4,641	6,553
Missouri Pacific	15,619	16,967	16,243	19,580	19,149
Quanah Acme & Pacific	120	108	94	264	299
St. Louis-San Francisco	8,044	9,568	8,547	9,437	9,565
St. Louis Southwestern	2,928	3,069	3,253	5,629	6,277
Texas & New Orleans	12,846	13,054	7,542	5,053	5,477
Texas & Pacific	4,545	4,549	3,837	7,999	8,275
Wichita Falls & Southern	68	104	113	49	28
Weatherford M. W. & N. W.	35	17	14	54	95
Total	68,562	73,894	58,403	67,893	71,095

Note—Previous year's figures revised. *Previous week's figures.

Weekly Statistics Of Paperboard Industry

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

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

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period 1943—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Percent of Activity Cumulative
Nov. 6	172,441	147,467	608,782	93	93
Nov. 13	153,126	149,295	608,893	95	93
Nov. 20	126,726	146,286	587,715	94	93
Nov. 27	134,959	142,136	578,434	91	93
Dec. 4	177,664	149,803	602,789	95	93
Dec. 11	146,662	148,826	600,323	96	93
Dec. 18	139,654	148,431	589,659	96	93
Dec. 25	119,487	136,120	569,689	87	93
1944—					
Jan. 1	121,212	92,328	589,815	63	93
Jan. 8	160,567	138,381	612,043	86	86
Jan. 15	153,097	146,596	614,215	93	90
Jan. 22	131,940	140,457	602,930	93	91
Jan. 29	145,735	147,423	597,011	95	92
Feb 5	185,069	151,102	628,048	97	93
Feb. 19	130,252	148,533	609,429	96	94

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

Wallace To Address Amer. Business Cong.

At the forthcoming dinner meeting on the problems and future of Small Business, under the auspices of the American Business Congress, to be held at the Waldorf Astoria Hotel in New York on March 17, the principal address will be made by the guest of honor, Vice-President Henry A. Wallace. Preceding his broadcast speech there will be a symposium in which various viewpoints will be presented by representatives of government, industry and labor, including Justice Thurman Arnold, United States Court of Appeals; Wayne C. Taylor, Under Secretary of Commerce; Maury Maverick, Chairman of the Smaller War Plants Corp. of the RFC; Philip Murray, President of the CIO; Senator James E. Murray, Chairman of the Senate Small Business Committee, and George J. Seedman, National President of the American Business Congress.

The announcement in the matter says:

"In order to assure a representative audience from every level of business activity—manufacturing, wholesaling, retailing, etc.—the 1,500 guests at the dinner have been selected from representative industries and trade associations. Thomas J. Donovan, Co-chairman of the New York City Committee on Defense Recreation, will be Chairman of the dinner and Master of Ceremonies. According to Mr. Donovan, the American Business Congress is recognized as the one organization in the country which embraces in its membership representatives of all industries and types of enterprise. Mr. Donovan pointed out that the American Business Congress is a non-profit and wholly non-political organization which, through recognition of the growing need for organization among small business men, holds this symposium so that the varied views of national business and labor leaders can be expressed without regard to political tendencies before a gathering of business men representing all trades and industries.

"That the recent activities of the American Business Congress have not been without result is demonstrated by a provision of the recently vetoed Revenue Act increasing excess profits exemptions for corporations. Under this provision, which increases excess profits tax exemptions from $5,000 to $10,000, smaller corporations will save $3,400 and even larger corporations will save a minimum of $2,750. Other tax recommendations by the American Business Congress in behalf of small business are being considered by various Congressional Committees."

The Congress has invited a number of prominent guests to be present on the evening of the dinner. Those who have accepted thus far include Senator Joseph H. Ball (Rep., Minn.); Wendell Berge, Assistant U. S. Attorney General; Sen. Harold H. Burton (Rep., Ohio); James V. Forrestal, Under Secretary of the Navy; Robert E. Freer, Chairman of the Federal Trade Commission; Chas. B. Henderson, Chairman of the Board, RFC; Leon Henderson, former OPA head; Col. Harold G. Hoffman, former Governor of New Jersey and now Director of the Port of Embarkation, Brooklyn; Gen. Russell L. Maxwell, General Staff of the War Department; Theodore R. McKeldin, Mayor of Baltimore; Mrs. Floyd Odlum, Bonwit Teller; David Podell, Special Assistant U. S. Attorney General; Joseph E. Ridder, Publisher of the "Journal of Commerce"; Mrs. Anna Rosenberg, Regional Director of the War Manpower Commission for New York City, and William Shepherdson, Chief of the Small Business Unit of the Department of Commerce.

Items About Banks, Trust Companies

The Central Hanover Bank & Trust Company of New York on Feb. 28 dedicated and unveiled at a simple ceremony a roll of honor for its 672 employees who are serving this country in the armed forces. Fred A. Buck, President of the Quarter-Century Club, who made the presentation to Wm. Gray, President of the bank, said in part:

"We are meeting to honor our comrades. The names of 672 of our associates appear on the Honor Roll. That number is a high percentage of our male staff. If we also consider the additional number of husbands, brothers, sons and members of the families of many of us, now in service, our staff's contribution to the military effort of our country becomes indeed impressive. We have every reason to cherish and be proud of the record. On behalf of the Quarter-Century Club it is my privilege to present to the Central Hanover Bank and Trust Company the "Roll of Honor" containing the names of the employees of our bank now serving or having served in the armed forces of our country in World War II."

Lieut. Jack Ackley, N. S. N. R., formerly with the Foreign Department, unveiled the plaque after it had been accepted by Mr. Gray for the bank. The plaque is made of leather and wood and after the war will be cast in bronze.

Julian M. Gerard, formerly prominent in the banking field in New York City, and also formerly New York State Director for the Federal Housing Administration, died at the Doctors Hospital, this city, on Feb. 26. He was 68 years of age. Following his graduation from Yale in 1897, Mr. Gerard entered the employ of the Knickerbocker Trust Co. as a clerk. Three years later he was made Assistant Cashier-Secretary, and in 1904 Vice-President. Due to ill-health in 1906 he was obliged to seek a period of rest, chiefly spent in a trip around the world. The New York "Times," in sketching his activities, went on to say:

"Returning to the Knickerbocker Trust Co. in 1910, he was again elected Vice-President and he remained for several years. He was next associated successively with the Stock Exchange firm of H. C. Brown & Co., the Columbia Trust Co. and the National American Bank, which he organized and headed for a time. Later he was Chairman of the Board of the Central Mercantile Bank and Trust Co. and then President of the International Germanic Trust Co., 1927-29.

"Appointed FHA Director for this State in October, 1934, Mr. Gerard served until the following August, when he was made Director of Region One of the Administration, a territory that included Connecticut and Rhode Island as well as New York State. Since his resignation from this post he had not engaged in business or public life."

Announcement that checks totaling $1,000,000 have been prepared for payment of the final dividend to creditors of the closed First National Bank & Trust Co. of Yonkers, N. Y., which closed with the banking holiday March 3, 1933, and never reopened, was made on Feb. 21 by William Oosterhuis, Receiver, according to Yonkers advices to the New York "Herald Tribune" from which we also quote:

"Liquidation of the bank's assets has been completed and the final distribution of 8.6% brings to 58.6% the total recovery to each of the 28,000 creditors of the bank when it closed. The first dividend of 40% was paid Dec. 16, 1933, and the second of 10% was distributed Nov. 1, 1937.

"Owing to reduced space and clerical personnel in the Receiver's office the checks cannot be given to depositors in person, but will be sent by mail, Mr. Oosterhuis said.

"After the bank closed it was operated under a Conservator for a short time; Arthur E. Muth was appointed Receiver Jan. 23, 1934, and was succeeded by Walter F. Downey on Nov. 15, 1937. When Mr. Downey entered the Navy as a Lieutenant the receivership passed into the hands of Mr. Oosterhuis, Sept. 22, 1942."

Horace K. Corbin, President of Fidelity Union Trust Co., Newark, N. J., announced on Feb. 24, after the meeting of the Board of Directors, the following appointments: William C. Bowker, from Assistant Secretary-Treasurer to Second Vice-President; Ralph A. Hohman, William J. O'Connor, George W. Spicer and Herbert J. Pike as Assistant Secretaries-Assistant Treasurers. Mr. Bowker entered the North Ward National Bank, now the Fidelity Union's North Ward Branch, in 1922 and became the operating officer. In 1939 he was transferred to the main office as Assistant to the Vice-President in charge of operations. Mr. Hohman started with the Fidelity Trust Co. in 1910 and is now Manager of the Fidelity Union's savings department at the main office. Mr. Spicer joined the staff of the Ironbound Trust Co., now Fidelity Union's Ironbound Trust Branch, in 1918. Mr. Pike became associated with the City Trust Co., now Fidelity Union's City Trust Branch, in 1924. Mr. O'Connor entered the securities department at the main office in 1941. He had been an investment analyst for the Adams Express Co. and Manufacturers Trust Co. of New York

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Subject to ratification by the stockholders on April 20, the directors of the Mutual Bank and Trust Co. of St. Louis have authorized a stock dividend of one new share for each 11 held of record April 20. This is learned from the St. Louis "Globe Democrat" of Feb. 18, which added:

"The Board also voted the usual cash dividend of 50 cents per share payable March 15 of record March 4.

"It will be the fourth stock dividend, each of $50,000, paid by the bank since it first opened its doors in 1934."

The Dallas National Bank of Dallas, Texas, announces an increase of $1,000,000 in its capital account, making the total capital, surplus and undivided profits $3,093,111. The bank in its announcement says:

"Our stockholders, by oversubscribing the additional capital stock, clearly evidenced their continued confidence in the future growth of this bank that is now in its 41st year of service to Dallas and the Southwest.

"This substantial addition to our capital account will enable us to adequately handle our constantly increasing business, will permit us to serve our customers in a larger way, and to make a greater contribution to the expanding industrial and commercial growth of this Section of the Country."

The bank's capital in its Feb. 3 statement of condition is shown as $1,500,000 and surplus and undivided profits as $1,593,111. Total deposits are $49,153,677, while total assets are given at $52,605,979.

The Directors of the Midland Bank Limited of London announce that they have elected Clarence T. A. Sadd, C.B.E., J.P., D.L., as Vice-Chairman of the Board. Mr. Sadd will continue as Chief Executive of the bank. Mr. Sadd has also been appointed Vice-Chairman of the Midland Bank Executor and Trustee Co. Limited.

The Swiss Bank Corp. announced on Feb. 3 that the accounts for the year 1943 show net profits including the carry-forward from the previous year of Swiss Fcs. 10,241,943 against Swiss Fcs. 9,875,180 for 1942. The total assets at the end of 1943 amounted to Swiss Fcs. 1,473,255,671 against Swiss Fcs. 1,366,443,327. At the general meeting held on Feb. 25, 1944, a dividend of 4% was proposed as for the previous year. The carry-forward amounted to Swiss Fcs. 3,841,942.81 against Swiss Fcs. 3,475,180.57 for the previous year.

ABA Bank Management Commission Issues Booklet On Check Simplification

A booklet on Check Standardization and Simplification has been prepared by the Bank Management Commission of the American Bankers Association and is being sent to the Association's membership, it was announced by William A. McDonnell, Chairman of the Commission, who is Executive Vice-President of the Commercial National Bank, Little Rock, Ark. The 11-page booklet points out that in recent years there has developed a wide variation in sizes, forms, and the type of printed matter on checks, which has given rise to a constantly growing problem of the handling of checks, and that it is now time for banks and check manufacturers to undertake some steps steps toward simplification. A foreword to the booklet, written by Mr. McDonnell, says:

"It would not seem to be a difficult task for banks to keep these instruments simple in form and standard in sizes. In fact, we achieved this desired result to such an extent years ago that we virtually dismissed the matter from our minds as finished business."

However, the booklet points out, "changes began to creep in. First, some one had the unhappy idea that a check should be a medium of advertising. Then, it was conceived that it should become an instrument of bookkeeping. After these practices had taken root, we came to the age of deducting and withholding, and the simple, standard instrument suddenly blossomed forth into a bookkeeper's nightmare."

The booklet says that completely satisfactory results in efforts at simplification cannot be obtained as long as the war lasts, because of the shortage of engravers' materials, but that some steps can be taken immediately.

"Therefore, the Commission recommends that, for the present, banks insist that their own checks which come up for manufacture be made in the present standard dimensions, and that on new designs the upper hight-hand corner be reserved for the exclusive use of the bank which would show the bank transit number and the amount of the check in figures. There are daily instances where each bank can review and scrutinize the new checks that are being ordered through them and can urge that the checks be manufactured in the dimensions recommended," the boolket sets forth.

"After the war is over and engravers' materials are available, the Commission can then launch a drive for its desired size objective, that all commercial checks be 8¼ inches by 3 1/16 inches in size."

Home Insurance Co. Gain In Assets Disclosed By President Harold V. Smith In 1943 Report

The annual report of The Home Insurance Company, New York, for the year ended Dec. 31, 1943, made public on Feb. 21 by Harold V. Smith, President, shows net premiums written during the year amounting to $61,567,060, which compares with $61,749,316 reported in 1942. Marine premiums decreased $3,839,642, and automobile business declined $2,230,868. This loss in premiums, however, was made up by increased writings in the fire and allied lines.

Total admitted assets at the year-end were $132,106,901, and compare with $116,983,481 reported at the end of 1942.

The balance sheet at Dec. 31, 1943, shows cash of $20,681,230; U. S. Government bonds, $27,406,592; all other bonds and stocks, $69,192,158; first mortgage loans, $376,083; real estate, $3,825,040; agents' balances, less than 90 days due, $9,265,752; reinsurance recoverable on paid losses, $1,286,831, and other admitted assets, $73,215.

Liabilities include reserve for unearned premiums amounting to $49,199,317; reserve for losses, $13,486,728; reserve for taxes, $5,130,000; reserve for miscellaneous accounts, $1,005,540, and funds held under reinsurance treaties, $38,176. Total liabilities except capital, which remains unchanged at $15,000,000, were $68,859,762. Surplus as regards policyholders was $63,247,139.

N. Y. State Factory Employment Again Lower

Factory employment in New York State showed a further decline of 1% between December and January, while payrolls advanced slightly, according to a statement released on Feb. 16 by Industrial Commission Edward Corsi. Employment dropped in most of the major industrial groups, including both war and civilian goods industries. Seasonal gains in the apparel industry were not large enough to offset sharp declines among printing, metals and machinery and food products. The Commissioners report added:

"While payrolls advanced 1.6% in upstate factories, they dropped sharply in New York City, particularly among war plants, thereby cutting the payroll gain to one-half of 1% for the State as a whole.

"The index of factory employment, based on the average of 1935-1939 as 100, stood at 158.0 for January as against 159.6 in December, while the payroll index was 298.8 in January compared with 297.4 in the preceding month. Average weekly earnings were $47.22 this month and $46.16 in December. Comparison with January a year ago shows employment to be 1.3% higher and payrolls 13% greater than they were at that time. The above statements are based on preliminary tabulations covering reports from 2,748 factories throughout the States. Anlyses of these reports are made by the Division of Statistics and Information under the direction of Dr. E. B. Patton."

The Department's statement further stated:

"In the printing industry, newspaper publishers reported declines of 4% in employment and 5% in payrolls, which may reflect the shortage of newsprint. Book and job printers also had fewer workers but their payrolls and hours increased. The employment decline for the group was 2.2% while payrolls were 1.2% smaller.

"An employment decrease of 1.4% in the food industry was the result of further curtailment at canneries, ice cream plants, bakeries, candy factories and breweries. Meat packers, flour millers and sugar refiners hired a few additional workers. Payrolls were slightly higher for the group. Other industries which had notable employment losses this month were textiles, leather, stone, clay and glass and tobacco. Payrolls, however, were higher in all of those except leather.

"Most branches of the clothing industry employed additional workers this montth and their payrolls were much greater, an increase of 7.9% for the group. Large increases were reported by the women's suit, coat and skirt houses as they started work for the spring season. Dress factories and milliners also were busier. Men's tailoring and children's clothing firms increased activity. Furriers curtailed operations sharply because of seasonal slackness.

"Most war plants operated with fewer workers in January, but in some of the upstate districts, payrolls advanced because of increased working hours. Decreased employment was reported by manufacturers of aircraft, ships, electrical and communication equipment and scientific instruments. Steel mills and tin can factories also had fewer employees, as well as the nonferrous metals industry. Employment dropped 1.7% and payrolls decreased 0.6% for the metals and machinery group as a whole."

John Wetzel Dead

John Wetzel, Comptroller of the Bayside National Bank, Bayside, Queens, Long Island, N. Y., whose appointment to the faculty of the Graduate School of Banking was announced on Feb. 18, passed away suddenly on Feb. 20 in Chicago, Ill.

Mr. Wetzel, who was a member of the Commission on Country Bank Operations of the American Bankers Association, was stricken with a heart attack en route to a meeting of the Commission in Chicago. Ill upon his arrival in that city, he was taken to St. Luke's Hospital, where he died shortly after.

A graduate of The Graduate School of Banking, Mr. Wetzel, who was 38 years old, had established a reputation in banking circles outstanding for one of his years. He entered the banking business in 1924 as a bookkeeper for the Hudson Trust Company, Union City, N. J. In 1928 he was made savings teller for that institution, in which capacity he served until 1931, when he was advanced to the position of note teller.

Throughout his banking career, Mr. Wetzel pursued his education during the hours that he was free from the responsibilities of his banking positions. He attended classes in the evening division of New York University, and later enrolled in the Bergen County Chapter of the American Institute of Banking, from which he received the Standard Certificate in 1936. Subsequently, he was elected President of the Bergen County AIB Chapter.

He entered The Graduate School of Banking, institution for advanced banking studies conducted by the ABA for bank officers at Rutgers University, in 1937. He graduated in the GSB class of 1939 and was the author of a thesis on "The Practical Operation of a Small Bank's Credit Function." This thesis was recommended by the GSB faculty for permanent inclusion in the Library of the American Bankers Association.

In 1937, the year he became a GSB student, he was named Assistant Secretary of the Ridgefield Park Trust Co., in Ridgefield Park, N. J. In 1939 he was appointed Assistant Secretary and Assistant Treasurer of that institution. In April, 1941, he was named Assistant Cashier of the Bayside National Bank, and was elected Comptroller in January, 1943, in which capacity he served until his death.