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The Financial Situation

Despite the fact that the final figures fail by a substantial margin of matching those of the third campaign last Autumn, the results of the Fourth War Loan drive made known late last week are to be considered satisfactory, all things considered. The exuberance so much in evidence last Fall and so productive of bright forecasts concerning future campaigns was, it is now plain, never warranted. The behavior of the market under the more or less continued offerings of the commercial banks during the weeks which followed that drive should have put observers on notice that it would be a good thing to review some of their ideas about future war financing. The fourth campaign has now confirmed the impressions given in those weeks between the two drives, but that is about the worst that can be said of it.

Astronomical Amounts

We have become so accustomed in recent years to rolling astronomical figures off our tongues, that we are not always able quickly and easily to appreciate the meaning of such data as that coming from the Treasury concerning this loan drive. The grand total of \$16,730 million subscribed during this campaign may not equal the \$18,300 million of last December, and falls quite substantially short of the \$20,000 million some over-enthusiastic seers had predicted, but it is a very large sum of money, nonetheless. Its size becomes the more impressive when it is recalled that this is the fourth of a series of campaigns conducted in very little more than a year, and that throughout all that period war savings bonds were rather steadily adsorbing a substantial portion of the earnings of many men and women in the lower and medium income brackets. The \$3,187 million raised during this drive from the sale of some 60,000,000

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Why A New League Of Nations Will Not Ensure Permanent Peace

Contributor Sees Wars Continuing Until The End Of Time Unless The Great Powers Abandon Imperialism—Declares There Can Be No Effective Enforcement Of World Peace Nor Can A Real League Of Nations Function Under Present Conditions

Editor, Commercial and Financial Chronicle:

The many public-spirited persons who cherish sincere aspirations for, and have dreams of, the establishment of an international organization which will successfully and permanently enforce world peace and security are, I think, doomed to disappointment when they realize the impracticability of any such theoretical plan so far considered in a world in which imperialism is the confirmed policy of all the Great Powers.

Those of us who have lived with our eyes open during the past half century and who have followed the course of diplomacy in the chancelleries of the world powers, should not hold any delusions as to the behavior of those countries in the past 50 years.



Alexander Wilson

Is the United States to Blame For the World War?

It is the height of inanity to maintain, as some people do, that the United States is to blame for the present World War because the United States did not join the League of Nations after World War I.

Is the United States to Blame For Failure of the League of Nations?

Any reasonable minded person will admit that it is just sheer nonsense to assert that the League of Nations could not succeed with its one time membership of 60 nations because the United States stayed out of the League or that the blame for British and French mistakes in international affairs together with Germany's, Japan's

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High Spots Of The Baruch-Hancock Report

In view of the widespread public interest in the "Report on War and Post-War Adjustment Policies" recently issued by Bernard M. Baruch and John M. Hancock, the "Chronicle" has extracted from the document the following sections which are considered as of prime importance because they represent statements of general plans for future political and economic policies, and give a more accurate concept than the initial published summary contained in our issue of Feb. 24.

All-Important Question
The question everyone asks, be he a civilian or in uniform, is: "How am I going to make a living for myself and for those dear to me when the war is over in a manner of my own choosing?"



Bernard M. Baruch

Our entire inquiry has been directed towards that question. In particular, we have been concerned with the demobilization problems of the returning serviceman and servicewoman and civilian workers now engaged in war industries. The returning soldier should not be forced to look to charity or community help. He has rights that rise above that. When he returns to his home community, there should be one place to which he can go in dignity and where he can be told of his rights and how he can get them.

Centralize the Forces

There is no scarcity of plans and suggestions for dealing with these problems. In fact, we have found their consideration scattered loosely in both the executive agencies of the Government and among the various committees of Congress. In their preoccupation with the war, the various operating agencies have been able to give these problems only part-

time attention. Yet they must be planned for in the light of established administrative mechanisms, tied to the whole program.

We recommend unifying the Government forces dealing with the human problems of demobilization on two fronts—the Executive and Congress.

Everything being done by the Executive branch of the Government should be brought together under a single, unforgetful mind; the Congress to merge the activities of its many committees into a single committee in the Senate and in the House or, if it can be effected, into a joint committee of both houses. The unified Executive and Congressional groups should then work together on a combined program of legislation and operations that will carry out the objectives that all of us share.

We recommend the creation in the Office of War Mobilization of a new, most important post which, for want of a better title, we would call a "Work Director," to unify the forces of the Executive

branch and to work with Congress on the whole human side of demobilization.

Post-War Opportunities

It is our conviction that we will emerge from the war with the greatest opportunities any people ever had. A post-war depression is not inevitable. One-half of the world will need rebuilding. Enormous demands, put aside during the war, and added to pre-war demands, await satisfaction. Much depends on the settlement of the peace. If it be one under which men and women can look forward with hope—not fear—there will not be enough hands to do what needs to be done.

Much will also depend on the measures taken now to prepare for peace—and, as important as the measures, on the men who will carry them out.

The mistakes and delays made in the mobilization must not be repeated in the demobilization.

There has been too much loose parroting of the slogan, that if individual enterprise fails to provide jobs for everyone, it must be replaced by some one of the other systems that are around. The war has been a crucible for all of the economic systems of the

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From Washington Ahead Of The News

By CARLISLE BARGERON

A commentary on the conditions under which American people are living these days is the fact that a few days ago the so-called Truman Committee of the Senate issued a report and it was widely published as one of the official documents by which we might adjust our lives in the future. As a matter of fact, it was published as a document by which it was hoped our lives would be guided. Most of the editors whom we have read have exuberantly pointed out that the Committee wants a relaxation of Government control just as quickly as possible so that a free people can get back to their pursuits. These editors say that here is a Committee that has done profound work in World War II and its recommendations must be seriously considered by a people who are groping their way. Then they emphasize that this great Committee shows a little impatience towards the military's reluctance for a revival of production of civilian goods, and they think that a note worthy of real consideration is struck when this profound Committee says that regimentation of business should not apply to civilian production, that there should be a policy of permitting civilian production in certain lines and whoever can get the business should be able to get it, without regard to Government interference.

It is a fact that the War Production Board's worry about giving some fellow an unfair advantage in the production of civilian goods, that is to say, to permit some fellow to go out and capture the civilian market while his competitor is still tied up in war production, has prevented the WPB's authorization of needed and possible civilian production. The

editors whom we have read, commenting on this, say there is something to the profound Committee's report. The Committee says let the devil take the hindmost, let those who can get civilian business now get it, and let the fellows who are still engaged in war production take care of themselves.

One of the important points made by the Truman Committee pertained to the disposition of the vast Government-owned war plant structure worth some \$15 or \$25 billion, whichever figure you want to take. It is admittedly a structure that can destroy the private enterprise system of this country. Jesse Jones and others have been warning that in its disposal lies the future of our economy, whether there will be a generous attitude towards business or industry or whether the Government will try to make hard bargains and try to keep this plant structure, or those parts of which are of peacetime use, for competition with private industry, or whether the Government will get rid of it. Regardless of the plitudes of the Truman Committee's report, there appears this:

These plants, says the Committee, should not be presented as a gift to their operators and neither should "pre-war industry be protected against Government com-

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Government As Savior

"Some of the doctors have handled thousands of new compensation cases yearly, and have done so in assembly-line fashion, maintaining several offices for the purpose. Workers have been subjected to inefficient treatment, overtreatment, and even to unnecessary and harmful operations. It was a usual practice for ring doctors to instruct workers to return several times weekly for treatments, administered by nurses, that did not cure. Efficient care which would promptly restore the injured worker to health has not been the usual goal, as that would reduce the doctor's charges.

* * *

"In whatever field money was disbursed, it has appeared to call for one or more kickbacks to someone at some time during the progress of a substantial percentage of compensation cases in New York City.

* * *

"The result of the prevailing practices has been not only to retard the claimant's recovery and endanger his health by improper medical treatment, which, of course, slows down the industrial effort, but also to deprive him of his rights to full compensation due to the desire of lay and legal representatives of make a quick settlement and thereby obtain a substantial fee."—Report of the recent Moreland Act investigation into the New York State Workmen's compensation systems.

If even a half of these and many other similar findings are true, this situation is obviously one which must cause all good citizens of the State to hang their heads in shame.

Yet there appear to be a great many who still look to government as the savior of mankind!

The State Of Trade

The good showing of the steel industry the past week and the increase of carloadings did much to offset the declines in other industrial quarters. However, the retail trade did not show up so well last week, especially the department stores, which were off 11% compared with last year. Retail activity picked up in a number of areas, but again was unfavorable when compared with the extremely heavy trade a year ago, Dun &

Bradstreet states in its weekly review. Response was fair for seasonal apparel and a growing demand was noted for home furnishings. Wholesale activity held fairly steady, helped by an increase in the number of buyers visiting the markets. The tight delivery situation continued to be the chief concern of retailers trying to replace merchandise. The review estimated that retail sales for the country as a whole were 3 to 5% below last year.

The production of electricity dropped to 4,444,939,000 kilowatt hours in the week ended Feb. 26, from 4,511,562,000 in the preceding week, according to the Edison Electric Institute. This represented an increase of 14.2% over the year-ago total of 3,892,796,000. Consolidated Edison Company of New York reports system output of 207,600,000 kilowatt hours in the week ended Feb. 27, an increase of 31% over the 1943 total of 158,500,000.

Carloadings of revenue freight for the week ended Feb. 26, totaled 782,463 cars, according to the Association of American Railroads. This was an increase of 6,771 cars from the preceding week this year, 458 cars fewer than the corresponding week in 1943 and 604 cars above the like period two years ago. This total was 117.18% of average loadings for the corresponding week of the 10 preceding years.

Class I railroads had estimated net income, after interest and rentals, of \$45,400,000 in January, compared with \$52,979,830 in January, 1943. The Association of American Railroads, in reporting these figures, states that January was the eighth consecutive month in which net earnings showed a decline from the preceding month.

Steel ingot production for the current week will be the largest since the week beginning last Oct. 11, when output of ingots and castings established a historic peak for the industry, according

to the American Iron & Steel Institute. Production this week is scheduled at 98.8% of rated capacity, indicating output of 1,769,800 net tons of ingots and castings, compared with 97.5% and 1,746,500 tons last week and production of 1,716,000 in the second week of March, last year.

Shipbuilding in 1943 again was the largest consuming industry for steel products, taking approximately 11,433,000 tons, against 9,440,000 in 1942, according to the American Iron & Steel Institute. Shipments of finished and semi-finished steel products by companies accounting for about 95% of total production in the industry, aggregated 59,160,000 net tons in 1943. Reflecting completion of the war-plant construction program, only 4,361,000 tons of steel were taken by the construction industries last year, against 8,660,000 in 1942. Railroads took 4,256,000 tons, against 4,218,000. Slight increases occurred in 1943 over 1942 in steel use for ordnance, projectiles and tanks, and for export.

Department store sales on a country-wide basis were down 11% for the week ended Feb. 26, compared with the like week a year ago, according to the Federal Reserve System. Sales for the four-week period ended Feb. 26, were down 10%, compared with the like period last year.

Department store sales in New York City in the week ended March 4 were 2% smaller than in the corresponding week of last year, according to a preliminary report issued by the Federal Reserve Bank of New York. For the four weeks ended March 4 sales were down 6% from the like 1943 period. In the previous week ended Feb. 28 sales of this group of stores declined 5% from the corresponding period last year.

Achievement Of Private Enterprise Challenge To Advocates Of Planned Economy

Government Planning Termed Medieval By First National Bank Of Boston

"Planning by Government is not a new venture. Its roots run back thousands of years and reached full bloom in the Middle Ages," said the First National Bank of Boston in its "New England Letter" under date of Feb. 29. According to the bank, "the record of achievement of private enterprise is a challenge to those who now advocate a planned economy under Government direction." "To adopt a planned economy," the bank asserts, "would mean turning our backs on the best system that has even been devised for the material and social welfare of a people, and reverting to a type that has the earmarks of the medieval system that kept mankind under a yoke."

The subject is discussed by the bank under the title "Planned Economy and Private Enterprise," in which it has the following to say:

"The cornerstone of medieval society was unchanging tradition. Thousands of pages of rules and regulations prescribed prices and wages, while minute specifications were provided on how things were to be made and how crops were to be grown and harvested. All work was done in the same manner year after year, generation after generation. Children were forced to follow the same calling as their ancestors and were bound to their tasks. Not only was the status of the individual frozen, but the income for each group was fixed. Life was one of unrelieved monotony and drudgery, with no hope for betterment. The vast majority of the people lived on the borderline of destitution. Plagues, pestilence, and wholesale starvation were of common occurrence. This system has been referred to as 'planless compulsion.' It eventually degenerated into confusion and anarchy as widespread corruption and fraud undermined the iron-clad regulations. Since the rigidity of the system made impossible adaptation to new developments, it finally disintegrated.

"Then the interplay of forces of the French Revolution—that championed the rights of individuals and of liberalism, that proclaimed the freedom of trade and enterprise—broke the dismal spell overhanging mankind. The release of creative energy that followed caused profound and far-reaching social and economic changes. It not only provided for a sharp increase in living standards, but also for social advances undreamed of in earlier times. From the dawn of history up to 1800 the population of the world amounted to only around 900,000,000 persons. But for the next 115 years the population increased from 900,000,000 to over 1,800,000,000. In other words, in little more than a century the world's population had increased as much as in the preceding thousands of years. This was made possible by the prodigious increase in the food supply, largely as a result of the extensive use of machinery, and of the marvelous improvement in medical science. The life span in this country has increased from 35 years in 1800 to 63 years today.

"Historical evidence clearly shows that the so-called 'common man' got his first real chance under capitalism. It was this system that emancipated him from slavery and extreme drudgery and made it possible for him to have a greater variety of food and more comforts and conveniences than the royalty of the Middle Ages.

"The fruits of the new system are best exemplified in the United States where the early settlers came to get a fresh start and to be free from the stifling regimentation of Europe. Since around 1800 the amount of goods available per person in this country has increased tenfold, while the

average weekly working schedule has been cut in half. Machines have lightened the burdens of workers and have greatly increased productivity in the factory and on the farm. The extensive use of electricity and modern appliances has relieved the homes of much of the drudgery, with the consequence that the time required to do housework has been reduced by one-third during the past generation. Farm life has been made easier and more attractive by the use of machinery and the availability of the telephone, radio, and daily mail delivery. Whereas prior to the establishment of the capitalistic order education was available only to the select few, now in our country the school doors are open to all, and the average number of days of school per year attended by each pupil has nearly doubled in the last six decades. Attendance at our colleges from 1900 to 1937 increased sixfold, or a rate of increase seven times that of the growth in population during the period. The amount of money spent in training the young people is more than in all of the other countries combined. Our system of education has opened wide the door of opportunity to all the people.

"For more than a century the American system of private enterprise has operated with such comparative smoothness, barring temporary dips, that some quarters hold it lacks planning and direction. This is a superficial observation, as is realized when consideration is given to its incredible performance. In peacetime some 50-odd millions of people are gainfully employed in factories, shops, farms, and related lines to provide for the daily wants of more than 130,000,000 persons. There is no super-authority or over-all blueprint to serve as a guide. Yet daily needs are met with comparative ease and regularity under the guidance of sagacious and vigilant private interests. Our system operates on a basis of spontaneous and unconscious cooperation brought about by the exchange of goods and services, which is automatically regulated by prices and profits. The amount of goods and services to be offered, as well as compensation, is essentially determined by competitive conditions at the market place. The driving force behind this mechanism is personal initiative, and plans are made in anticipation of consumers' needs. The system provides not only for automatic regulation but for constant innovation that makes possible unlimited growth if there is no undue interference with the mechanism.

"The system that has served us so well over the generations has its defects, but the necessary corrections can be made within the framework of private enterprise.

"The record of achievement of private enterprise is a challenge to those who now advocate a planned economy under Government direction. To adopt a planned economy would mean turning our backs on the best system that has even been devised for the material and social welfare of a people, and reverting to a type that has the earmarks of the medieval system that kept mankind under a yoke.

"Under a planned economy there would be established additional countless bureaus and

commissions—we already have more than 2,200—which would be presided over by a group that is not elected by nor responsible to the people, but that would rule by directives instead of laws enacted by our representatives. There would be created a monstrous bureaucracy that would perpetuate itself in power, and the extension of governmental control would be paralleled by a withering of individual freedom.

"When power is concentrated in a centralized authority that determines the economic, social and political powers of a nation, then the system of checks and balances is scrapped and mistakes that are made have a profound and far-reaching influence.

"We stand at the crossroads, with the American way of life in the balance. Our destiny will be determined by what course we choose to take. It would be a tragedy of the worst sort and a let-down to those who have given their 'last full measure of devotion' should we fail in our mission to carry on the American tradition and to utilize our abundant resources and unmatched facilities for the building of a better tomorrow."

Senate Subcommittee Approves Bill To Curb Presidential Powers

A Senate appropriations subcommittee, on Feb. 28, approved unanimously a bill to curb Presidential powers by putting executive agencies out of business unless Congress specifically grants them funds, said an Associated Press dispatch from Washington, on Feb. 28, which also had the following to say:

The measure would prevent the executive branch from transferring any Federal funds to such agencies after they had been in existence one year or more.

Its effect would be to cut off the funds of year-old executive agencies unless they came to Congress and succeeded in getting a direct appropriation. It would be effective July 1.

Senator Richard B. Russell, Democrat, of Georgia, sponsor of the legislation, offered as an amendment to the pending \$8,500,000,000 independent offices appropriation bill, said the President's fair employment practices committee is one agency that would be affected.

However, a statement issued at FEPC said that two months ago FEPC asked the Bureau of the Budget to approve its request for an appropriation—understood to exceed \$500,000—which would go before Congress for legislative action.

This appropriation would be for the fiscal year beginning July 1, 1944. By that time FEPC will have used about \$600,000 in special Presidential funds spread over the three years of its existence. It was created by the President June 25, 1941, and charged with preventing racial discrimination in war jobs.

A special House committee now is investigating the committee's order to Southern railroads forbidding discrimination against Negroes in the hiring and promotion of workers. The railroads challenged the FEPC order on the ground the agency was without any legal authority.

Senator Russell, denying that his amendment was aimed entirely at the FEPC, said it was intended "to stop the executive department from legislating." He said he inserted the 12-month provision in order not to prevent the President from setting up war emergency agencies as they may be needed.

Industrial Outlook

Babson Discusses Specific Investments

Management is facing a trying transition period. Involved are cancellations of orders, the rebuilding of physical equipment, questions concerning labor and raw materials and, in many cases, excessive wartime inventories. Companies which have been engaged 100% in war work will have the greatest troubles. In most instances their difficulties will be reflected in coming earnings statements. Lower



Roger W. Babson

dividends from some of these companies may be in prospect. Companies with no reconversion problems should offer the best bet for the investor. Such companies have no renegotiation bills, and if they have suffered from the war will "come back" quicker than companies which have been wholly engaged in war work. The dividend outlook for such companies is naturally more favorable. I should like to comment on a few situations.

Aviation Spotty

It is obvious that airplane manufacturers have too much plant capacity for peacetime operations. There are bound to be consolidations. Many plants will be obliged to close, but even so competition will be terrific. However, a fair civilian market may exist. In time, with the development of new and safer types of planes for civilian use, manufacturers may again do a volume business. Certain, however, the immediate post-war outlook is not good.

I am more bullish on air transport. Here also some consolidations may be inevitable, but further expansion of existing lines will come. Many new helicopter routes will be established by all sorts of corporations which heretofore have had nothing to do with the aviation industry. Most of these, due to inexperience, will pass out of the picture. Hundreds of pending applications for such routes may never even be granted. In hauling passengers, freight, express and mail, however, the air transport companies will certainly give the railroads a jolt.

Railroads Will Fight

It is logical to consider the oldest and greatest transportation system, namely the railroads, along with our newest—the airlines. My readers know how I feel about the railroads. I am not bullish on them for a long pull. I further believe holders of many railroad securities should take advantage of current prices and get out of railroads. Traffic will decline sharply at the end of the war. The peak of railroad net earnings has passed.

However, in equipment, luxury and convenience of travel, the railroads, after the war, will take on a new lease of life. Crack trains, including streamliners which were so popular just prior to the war, may even be out of date in the post-war period. Equipment designers, artists and engineers have been busy redesigning passenger trains. Quite definitely the railroads will not take the competition of the airlines lying down. They will put up a good fight for business, but this fight will cost them a lot of money and benefit only the stockholders in rail equipment companies.

Household Products Important To All

The outlook for household products is, perhaps, most interesting to investors. A large deferred demand is apparent. Electrical ap-

pliances, radios and vacuum cleaners, floor coverings, furniture, heating and plumbing equipment face a period of expanding sales. Post-war sales of all consumers' goods may be well above the pre-war volume and compare favorably with sales during the war period. I continue bullish upon chain stores and other modern retail outlets. Prices of many stocks in this merchandise group are still reasonable in relation to future earnings and in view of inevitable inflation.

Automotive Reconversion To Be Slow

The entire automobile industry continues practically 100% in war work. Cars and trucks are being used up fast, although the production of these is now running larger than in 1943. Earnings should remain firm during 1944, but the industry faces great reconversion problems and high renegotiation bills. Return to peacetime operations will be relatively slow; also costly because of the ultimate need for new machinery and dies. Lower earnings are in prospect for some manufacturing units. The automobile accessories group, however, should come back rapidly.

Conclusion

Our entire manufacturing economy is most apt to be in a state of flux during the early part of the post-war era; but sales and distribution agencies will be reorganized rapidly. Orders will pile up quickly for transmission to manufacturers. Therefore I am very bullish on distribution, advertising and general sales work. This, in turn, will help newspapers and magazines—particularly the newspapers. These last have been charged with the task of freely disseminating much Government information. They have been greatly handicapped by both newsprint and labor scarcities. Despite many obstacles they have done a thoroughgoing, workmanlike job. I believe the entire newspaper business is a good post-war bet and faces a period of further expansion.

Nine Measures Passed Over Roosevelt Veto

Records of the Secretary of the Senate show that Congress has overridden President Roosevelt's veto of legislation eight times in addition to the action on Feb. 25 on the \$2,315,000,000 tax bill, according to Associated Press advices from Washington Feb. 26, which reported:

"These bills were enacted into law over the President's disapproval:

"H. R. 6663—Independent Executive Agencies Appropriation Bill, in March, 1934.

"H. R. 9870—Providing for immediate payment of World War bonus certificates, in January, 1936.

"H. R. 5480—To amend law to provide the privilege of renewing expiring five-year level premium term policies for ex-service men, in July, 1937.

"H. R. 6763—To extend for one year the 3½% interest rate on certain Federal Land Bank loans, in July, 1937.

"H. E. 10530—Relative to interest rates on Federal Land Bank loans, in June, 1938.

"H. R. 287—Philippine Soldiers' Travel Pay Bill, in May, 1940.

"H. R. 9381—Providing for alteration of certain bridges, in June, 1940.

"S. 796—Connally Anti-Strike Bill, in June, 1943."

The Financial Situation

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individual "E" bonds is really an achievement, as is, for that matter, the sale of some \$13,500 million of bonds to other non-banking investors, including \$2,122 million to individuals.

Bank Support

We must, however, not make the mistake of reading into figures such as these, as remarkable as they are, meanings which are not there, or of failing to give consideration to certain other conditions which they appear quite definitely to suggest. For one thing, of course, the emphasis placed in some quarters upon the non-banking character of the purchasers of these huge amounts of obligations could easily mislead the unthinking or the uninformed. It is true, of course, that the commercial banks took but a negligible part of the \$16,730 million obligations now reported sold during this campaign, but a fact which many may overlook is that during the campaign commercial banks bought roughly \$4,250 million of government obligations already outstanding, apparently some \$3,750 million of which came from non-banking investors. It is necessary, therefore, to subtract approximately this latter figure from the \$16,730 million to obtain the net increase in holdings of governments by non-banking investors. The "E" bond figures reported by the Treasury are, moreover, gross figures; we do not know as yet how many of these bonds were presented to the Treasury for repayment during the campaign.

Campaign Aftermath

There are likewise certain other considerations which must be taken into account. The campaign is over, but there is a sort of financial aftermath of such drives which must be allowed for. In the first place, there was a substantial, although somewhat diminished (as compared with previous drives) increase in bank lending to assist non-banking investors in subscribing to the loans offered. It would be difficult to say precisely how much of this is to be regarded as speculative buying, and, hence, certain to come on the market during the weeks just ahead, but certain some of it was. More important is the fact that during the four weeks of the drive government deposits at the weekly reporting member banks rose from \$6.3 billion to \$13.1 billion, while ordinary demand deposits-adjusted declined from \$34.9 to \$31.5 billion. Now, government deposits are mostly in war loan accounts and thus are not subject to ordinary reserve requirements. As these billions of increased

government deposits are expended and reach private deposit accounts which must carry reserves, the banks will, of course, find it necessary to take some sort of action to strengthen their reserve position at the Federal Reserve banks—unless the latter institutions meanwhile build up member bank reserve accounts somewhat indirectly by open market purchases of government obligations—or, as is regarded as unlikely, further reduce reserve requirements.

Past Experience

Similar situations have arisen after past loan drives. From Oct. 13, 1943 (immediately after the close of the third loan drive), through Jan. 12, 1944 (immediately preceding the fourth campaign), the Reserve banks increased their holdings of governments from \$9.1 billion to \$11.9 billion. Similar action on their part will, without doubt, be unavoidable during the weeks and months immediately ahead unless, to repeat, reserve requirements are changed. Again, the time is at hand when a great many people must make heavy tax payments to the Government. The approach of this period doubtless made it the more difficult to sell government bonds during the past few weeks. Great pressure, however, resulted in large sales. It now remains for the future to disclose how many of these obligations must be sold by individuals to meet their mid-March tax obligations. This, doubtless, will apply more particularly to the "E" bonds, since large investors probably more carefully weighed their coming financial requirements and allowed for them.

Although the events and the financial statistics of the next few weeks should do a good deal to clarify the situation further, it is even now evident that we have not in the degree it had been hoped reached the stage where war finance can proceed without further large additions to the money supply. The results of this drive also strongly suggest that funds in the amounts supposed do not lie where they can be enticed out by such offerings as the Treasury has been making. The probability appears to be that among what might be called the investment groups of the nation, the funds simply are not there. Taxes upon such individuals have grown so onerous that they simply can not respond as was their wont in the past. Probably, the greatly enlarged cash and deposits of recent years, so far as they have to do with individuals, now lie in the hands of a great many small holders.

Rather remarkable success has attended the efforts of selling organizations to reach these groups, but it is clear that much greater success is essential—in the absence of further taxation of them—if inflationary spending on their part is to be prevented.

Another aspect of the situation which apparently is not receiving as much attention as we could wish is this: If there are now some 50 or 60 million individuals in this country who own between \$25 and \$30 billion of government obligations, the time has definitely come not only to put an end to the suggestion that their holdings of demand Treasury obligations constitute liquid savings which can be thrown on the markets for goods and services when the war is over—whether for a house or an automobile or a washing machine—but that a campaign directed at persuading as many as possible of these owners to hold their bonds to maturity—and to put out of their minds the thought of converting them into cash as soon as the war is over. Should this aspect of the situation be neglected, something approaching calamity might well overtake both the Treasury and the country.

'43 Fiber Consumption Drops From Last Year

Consumption of textile fibers in the United States in 1943 aggregated 6,520,400,000 pounds, a drop of 4.8% compared with consumption of 6,848,200,000 pounds reported for 1942, states the "Rayon Organon," published by the Textile Economics Bureau, Inc. Of the 1943 total 80.3% was cotton, 10.1% was rayon, and 9.6% was wool. Silk consumption was nominal, says the publication, under date of March 8, which adds:

"Cotton consumption, although lower than in 1942, was substantially above that of any previous year, having amounted to 5,233,400,000 pounds in 1943, a decline of 6.7% from the 1942 total of 5,613,800,000 pounds.

"Rayon consumption last year increased 5.7% from 620,600,000 pounds in 1942 to 656,100,000 pounds in 1943.

"Scoured wool consumption totaled 627,900,000 pounds in 1943, an increase of 2.3% compared with the 1942 total of 613,800,000 pounds.

February Rayon Statistics

Shipments of rayon filament yarn by domestic mills totaled 43,400,000 pounds in February as against 41,500,000 pounds in January and 39,000,000 pounds in February, 1943, according to the "Rayon Organon," which also reports:

"Stocks in producers' hands totaled 7,400,000 pounds on Feb. 29, against 7,600,000 pounds held as of Jan. 31, 1944.

"Rayon staple fiber shipments last month totaled 13,700,000 pounds as against 13,900,000 pounds delivered in January and 12,600,000 pounds shipped in February, 1943. Staple fiber stocks on Feb. 29 aggregated 2,200,000 pounds as against 2,100,000 held at the close of January."

Why A New League Of Nations Will Not Ensure Permanent Peace

(Continued from first page)

and Italy's wars of aggression can be blamed on our country or that we are responsible for the failure of the League.

What the World Powers Lack

It stands to reason that if the world's great powers had possessed sufficient moral character to live up to the League's purpose, which was "to promote international cooperation and to achieve international peace and security"—the League of Nations might have been a successful and flourishing world force for permanent peace either with or without the United States.

A Sensible Approach to Post-War Peace Problems

Most Americans are easy prey to foreign propaganda. We love to be flattered by our Allies of both world wars. We Americans seem to enjoy having our legs pulled and having the wool pulled over our eyes. Above all things we must keep our heads out of the clouds and our feet on the ground. The only sensible approach to world war and world peace problems should be hard-headed realism and not wishful thinking. If ever there was a time this country of ours should watch its step, that time is now.

Americans are by temperament optimistic optimists, simple and trusting, exuberant and imaginative idealists, easily susceptible to the blandishments of the trained diplomats and statesmen of the older powers.

Britain is no angel and the same may be said of the other great powers with their imperialistic records, as a later review of the facts will prove. We should apply the acid test to our relations with the world powers in all of our international undertakings with both common sense and cold abstract truth.

Wars Since World War I

Those who are credulous enough to accept at face value such rhetorical gems as the Kellogg-Briand Pact to outlaw war, the Atlantic Charter and the declarations of the Moscow Conference, might reflect upon the fact that two and a half million people* were killed in warfare between the signing of the Armistice in 1918 and the outbreak of the present World War II.

Reasons Why the League of Nations Failed

- We forget that Russia was one of the first signers of the Kellogg-Briand Pact and one of the first to break the Pact in its armed struggle against China in 1929 over the Chinese Eastern Railway. Russia's broken treaties with Finland, Latvia, Lithuania, Estonia and Poland are also matters of record.
- We forget that Great Britain declined to join our country in the moves to block Japan's depredations in China.

*The wars responsible for these casualties include: (1) Poles and Ukrainians fought for control of Eastern Galicia, 1918-1919; (2) Red Russia crushed the White Russians who were backed by the Allies, 1919; (3) Guerrilla war ensued in Ireland, resulting in Irish Free State, 1919-1921; (4) Spanish war in Morocco, 1919-1926; (5) Conquests in Arabia by Ibn Sa'ud, who dethroned King Hussein, 1919-1926; (6) Russia attacked Poland in March but suffered defeat by the Poles in Oct., 1920; (7) Turkey attacked Armenian Republic, 1920; (8) Fighting among rival generals in China, 1920-1926; (9) Greeks invaded Asia Minor but were defeated by Turks, 1921-1922; (10) Druse rebellion in Syria against French Administration, 1925; (11) Struggle between Bolivia and Paraguay over Chaco, 1925-1935; (12) The Communist, Nationalist and Kuomintang forces fight it out among themselves in China, 1926-1928; (13) Japan invaded Manchukuo in an undeclared war, 1931-1932; (14) Fighting in Shanghai between Japanese and Chinese, 1932; (15) In an undeclared war Italy conquered Ethiopia, 1935-1936; (16) Franco with German and Italian support started a war against the Spanish Republic, the latter aided by Soviet Russia, 1936; (17) Japan invaded Northern China 1937 in undeclared war.

- We forget that Italy, a member of the League of Nations, ravished Ethiopia, another League member.
- We forget that Germany walked out of the League of Nations in 1935 because the Powers in the Disarmament Conference refused to grant her equality in arms.
- We forget that Russia was expelled from the League because of her aggression against Finland.
- We forget that Japan withdrew from the League of Nations because the League adopted the report of the Lytton Commission reaffirming Chinese sovereignty over Manchuria and condemning Japan's aggressive action.
- We forget that Italy quit the League when economic and financial sanctions were applied against her because of her conquest of Ethiopia and because her sovereignty over that helpless country was refused recognition by the World Powers in the League.
- We forget that Germany took armed possession of the Ruhr region in defiance of the Treaty of Versailles, and without Great Britain or France raising a hand to protect the Rhineland.
- We forget that we signed the Lansing-Ishii agreement during Woodrow Wilson's Administration recognizing Japan's "special interests" in China.
- We forget too that our country prior to Dec., 1941, during Franklin D. Roosevelt's Administration, furnished Japan with scrap iron, oil, etc., to prosecute her war against China while we hypocritically extended sympathy to China.
- We forget the failure of the League of Nations to prevent Japan's aggression in China in defiance of Article 10 of the League of Nations Covenant which pledges each member government to "preserve" against "aggression" the "territorial integrity" and "political independence" of every other member government.
- We forget the failure of the signatories of the "Nine Power Treaty" to take action against Japan's aggression in China after their meeting at Brussels in 1937. The signatories to the "Nine Power Treaty" of 1922 included: Japan, Great Britain, France, Italy, Belgium, China, the Netherlands, Portugal and the United States, who pledged themselves to respect the territorial and administrative "integrity" and "sovereignty" of China.
- We forget that, incredible as it may seem in the light of today's events, Great Britain, a signatory of the Nine Power Treaty, signed an agreement with Japan in 1939 stating that "the Japanese forces in China have special requirements for the purpose of safeguarding their own security; and His Britannic Majesty's government have no intention of countenancing any act prejudicial to the attainment of that object."
- We forget that this country did not lift a finger to oppose Japan when that country conquered and annexed Korea in 1910 in spite of the fact that we signed a treaty with Korea in 1882 to take diplomatic steps to oppose any country which dealt "oppressively" with Korea. And we were the first government to recognize Japan's conquest of Korea.

Does anyone suppose that the European countries would have acted differently if we had been

a member of the League of Nations?

No honest person would maintain that we were entirely free from imperialism when we consider the manner in which we took Panama away from Colombia during Theodore Roosevelt's Administration. The violation of our treaty with Colombia was not eradicated by the 25 million dollar consolation payment finally made to that nation. Again in 1798 Congress repealed and repudiated an alliance treaty with France signed in 1788—the only alliance treaty this country ever contracted. Under the terms of the alliance the United States undertook "to guarantee forever, against all other powers" the French possessions in America, and France was to help us gain our Independence from Great Britain. France kept her part of the contract but we did not when the British attacked the French possessions in the West Indies.

Germany's unwarranted invasion of Belgium at the inception of World War I in defiance of her treaty obligations is perhaps the most outstanding treaty violation in history. A treaty is the most solemn obligation a nation can assume but when Germany regarded its treaty obligations as "a mere scrap of paper", the respect of that nation and other nations for the sanctity of any international treaty to perpetuate world peace was fundamentally weakened.

Russia and the Moscow Conference

To many people the Moscow Conference looks resplendent with fateful possibilities. Newspaper and radio channels have indulged in fulsome praise. Russian, British and American propaganda agencies have dramatized the conference for various reasons. The Moscow Conference will probably serve as a temporary gesture of a United Allied front which may last until the solemn hour when the Allies meet at the peace table. But as an assurance for peace in permanent form, the Moscow Conference can be likened to a "cellophane wrapping" and should not be taken too seriously.

Make no mistake about it, Mr. Stalin is in this war for Russia and for Russia only, because Russia was attacked and invaded by Germany. Mr. Stalin is not fighting to win the war for the United Nations. It is within the range of possibility that we may see a world conflict in later years between the Communistic and Capitalistic systems such as we are now witnessing between Nazism and Fascism versus Democracy.

It should be remembered too that Russia made a separate peace with Germany in the first World War before the Allies defeated that country in 1918.

Just as paradoxical as Germany's non-aggression pact with Russia was at the outset of World War II and Germany's subsequent attack on Russia—we may see Britain and France allied with Germany in a future war to defeat the Russian menace of European Communism.

Can We Trust the Great Powers?

The background, history and objectives of Great Britain, Russia, Holland, Spain, France, Belgium, Italy and the rest of the Great Powers are certainly not eloquent proofs of either sincere intentions or actions, and furthermore their imperialistic records hold no promise of a world society of nations that we can trust without reservation no matter how richly garbed in diplomatic nomenclature.

Theoretically, the League of Nations may be said to be a beautiful dream of world peace and security, but no League or world organization is any better morally than the character of

the nations composing its membership.

We must not overlook the fact that none of the great powers is free of ulterior designs and that they all run true to form when they are activated by their own "vital interests" and commercial objectives. It is to be seriously doubted that any one power or several powers acting in concert as a world police force would be able to enforce peace for any length of time. A belligerent move on the part of the nations in the League against an offending nation would in all probability provoke another World War.

Brief Review of the Great Powers' Background

A brief look at the credentials and background of the principal World Powers who would be our associates in a world organization to enforce permanent peace should dispel any illusions we may hold as to how they would act when the critical hour arrives to apply force to sister nations.

First—Great Britain: Controlling one quarter of the earth's area (13,655,393 sq. mi.) and over one quarter of the world's population (495,928,880) is an imperialistic empire with many spheres of influence which has successfully held and skillfully used the balance of power in Europe up to the outbreak of the first World War. Great Britain's most imminent difficulty will probably be a future war by the 350 million people of India for independence. In this connection we should note that Mr. Roosevelt's special Ambassador to India, Mr. William Phillips, was last year denied an opportunity to talk with Ghandi, India's Nationalist leader, by the British Viceroy of India. Phillips was sent all the way to India for this purpose to aid in an understanding but his request for the talk with Ghandi was flatly refused.

It is common knowledge that hundreds of millions of Africans and Asiatics in India, Iran (Persia), Iraq (Mesopotamia), Palestine, Egypt, Malaya and Burma are filled with a feeling of bitter hostility for Great Britain. Would the British Government tolerate any outside interference from the League of Nations in India's affairs or in any of her colonial possessions, no matter how well meant?

Second—Russia: An imperialistic empire like the British Empire, controlling 8,819,791 square miles with a population of 192,695,710, now rated as the largest country in the world in land area, has for 300 years been expanding its boundaries by conquests and aggression. In 1939, Hitler marched into Poland and Stalin's army did likewise. Russia has unofficially announced that she will not permit a federation of the countries on her western border (Finland, Poland, Rumania, Hungary, Estonia, Latvia and Lithuania) and will annex the territory of several border States after her war with Germany is concluded.

Does anyone suppose that Lithuania, Estonia and Latvia (members of the League of Nations) will again be independent of Russia when that triumphant power comes to the peace table? Who will oppose Russia when she dictates her terms to the Allies as well as to Germany? Suppose these small nations revolt at some future time. Will Russia brook any interference from us or from any League of Nations?

Third—France: Another imperialistic nation like Great Britain and Russia with 212,659 square miles and 41,907,066 population, France has colonial possessions approximating 4,695,933 square miles with 70,282,456 population widely spread over the Globe, which France expects the Allies permanently to restore to her.

Fourth—Germany: (225,256 sq.

miles and 79,375,281 population, including Austria and Sudetenland)—An imperialistic autocracy whose name and acts are today a by-word throughout Christendom with a militaristic record for conquest and aggression that has upset the peace of the world twice within 25 years, almost destroying the white man's civilization. In her wars for conquest, Germany's mistake is that she started to grab off other countries 50 years too late. The other great European powers antedated Germany in their wars for conquest when it was possible to get away with it, without provoking global wars. If there is one thing that the German cannot get through his skull it is why England, a small island country of only 37,354,917 people the size of the State of New York, should control and dominate over one-quarter of the globe's area and population.

Fifth—Japanese Empire: (260,770 square miles and 105,226,001 population) a barbaric exponent of imperialism. A pagan nation which has conquered Korea, Formosa, Manchuria and other Chinese territory.

Sixth—Italy: Another Imperialistic nation with 119,800 sq. miles and 45,354,000 population. Picture if you can Italy's future relations with Germany or France, or Albania, or Greece, or Yugoslavia. Will anyone guarantee that these sovereign powers will keep the peace or will peacefully adjudicate their several differences in the years to come?

Seventh—Hungary, Rumania, Greece, Yugoslavia and Bulgaria: Will each demand a restoration of their former possessions at the peace table? These countries want slices of each other's territory and it is fair to assume that they will start new wars if their old territorial boundaries are not restored.

Eighth—Netherlands: With an area of 12,704 square miles and a population of 8,728,569, is another imperialistic empire, which expects the East Indies (735,138 sq. miles and a population of 67,000,000) to be restored to her without question by the Allies.

Ninth—China and outlying territories with 4,314,097 sq. miles and 457,835,475 population: The war is waking up the Asiatics. White imperialism and exploitation in the Orient is drawing to a close. Eventually China and Japan will oppose the reinstatement of the White Man's zones of influence at Singapore, Hong Kong, etc. There is also a likely prospect of Russia and Japan clashing in the Far East for domination when Great Britain, Russia and the United States force Germany's unconditional surrender. China, Japan, Korea and the Asiatic provinces, where labor can be bought for a few cents a day, may become the future workshop of the world, competing with the great industrial manufacturing nations like Great Britain, United States, Germany, Russia and other European powers in the not distant future. The industrialization of China will follow after World War II.

If I may be permitted to digress from the subject under consideration, I would like to say that it is possible that we may see a definite movement of American capital and American business organizations to China where the returns to free enterprise will be unhampered if the Roosevelt dynasty is continued in office beyond 1944 and the New Deal continues its socialization of the country's industries and its harassment of individual initiative and incentive. Indeed we may see a number of Americans seek citizenship in China if the labor unions in America continue to own the leaders of the New Deal Party and succeed in placing a \$25,000 ceiling on earned salaries.

Commitments League Membership May Incur

True, a post-war union with our present Allies, Great Britain, Russia and France, has much to commend it from the standpoint of those countries. For instance, such a world organization might actually or in effect commit us to uphold Great Britain's, France's, Russia's and Holland's title to their colonial possessions in perpetuity, virtually placing us in the position of guaranteeing their claims, enforcing their decisions and backing up the various national interests of these imperialistic nations.

It must also be evident that if we become a member of any League of Nations our hands would be tied as far as individual action on our part is concerned if the small nations of Europe or Asia or Africa demand their independence.

A commitment to a World League might require us to underwrite future wars. Do not forget that our Allies still owe us an unpaid first World War debt of over \$11,000,000,000.

The United States is the only nation on record which has liberated another country (Cuba) and pledged independence to one of its possessions (The Philippines) and may in the course of time grant independence to the people of Hawaii and Puerto Rico if they desire to separate from our country.

It should be recalled that the United States was the only nation in World War I not to demand reparations or territorial settlements and is the only Great Power in the world today which is a non-imperialistic country.

Will Great Britain and Russia take their pound of flesh in territory and reparations when World War II is ended, as Great Britain, France and our other Allies did in World War I?

What An Association With Imperialistic Nations Means To Us

From this review of international affairs, it must be clear to every open-minded person why a world society of imperialistic nations for the perpetuation of peace would not be permanent. Great Britain, Germany, Russia, France, Japan, Holland and Spain have been exponents of wars for conquest, aggression and self-aggrandizement and will not abandon imperialism unless the countries they dominate win their independence by force of arms.

To verify the writer's viewpoint, we need only to recall that recent interesting and historic utterance of Prime Minister Winston Churchill in London, Nov. 10th, 1943—"I have not become the King's first minister to preside over the liquidation of the British Empire"—to realize that this vast World Power plans to dominate and hold intact all the countries now subject to its will, come what may, regardless of the fact that Ireland, Egypt and India are opposed to British control and desire their complete freedom.

In this material age no human power or society of nations can restrain the Germans, French, Russians and British from fighting out their political and economic contentions in the next century or stop the smaller European nations from fighting for the right to exist independent of the big powers the same as the United States did in 1776 and 1812.

Europe and particularly the German enslaved countries, France, Poland, Holland, Belgium, Norway, Denmark, Czechoslovakia and the Balkans, will be seething with bitterness and hatred for many generations to come.

Are we to be mixed up in the racial and religious feuds and hates as well as the political and economic disturbances that will

afflict Europe after the present World War?

The national interests of the great imperialistic European nations are and will continue to be in conflict with each other and are certainly not in harmony with the American concept of representative government.

Futility of An Armed Organization to Enforce Peace

There is no valid reason why we should become a party to power politics in Europe, Asia or Africa. To suppose or to believe that any world society of nations yet projected will prevent or eliminate war for all time, is to place more than a justified share of confidence in mankind as presently constituted.

Father Ralph Gorman C. P. in his editorial "Men of Good Will" published in "Sign," the well-known Catholic monthly, arrived at the same conclusion, viz.:

"This world of ours is not going to be saved by military alliances, balance of power, a league of nations, non-aggression pacts, disarmament conferences, a World Court, nor by any other such international paraphernalia. We have tried them in the past and they have all failed. As a means of securing peace their score is absolute zero."

Two Effective Agencies Which May Perpetuate World Peace

I am sorry for those of my countrymen who are "hipped" on the subject of a league of nations in an uncivilized world and who in all sincerity believe that an armed world organization of military powers to enforce peace will provide the solution which mankind is groping for.

The most we can hope for in that direction in the years to come will be (1) a gradual acceptance and a slow development of a Super-World Court for arbitration and international adjustments whose decisions will be respected, and (2) the organization of an association of all the 60 sovereign nations planned on the lines of the Pan-American Union with one deliberative assembly, each nation co-equal and with one vote apiece, to collaborate in a general international understanding to promote post-war peace by recreating good will and better living and working relations between nations and respect for each other's rights.

To this covenant we must invite Germany, Italy and Japan to participate on equal terms with us or such an association of powers will not be worth the paper it is written on. We must recognize that to leave Germany, Italy and Japan out of the future world peace plans would be the worst sort of folly. In this war, Germany has stood off Great Britain, Russia and the United States in the European theatre of operations while in the last Global War it took the combined effort of the 12 Allied nations to defeat Germany and her three allies.

A Just and Durable Peace Versus A New World League

Transcending a new league of nations, the foundations to lasting peace are to be found in the statesmanship which will be sagacious enough to think our peace and post-war problems through for the consummation of a just and durable peace, a peace not based on hate, vindictiveness, or retaliation but a peace, magnanimous and just, that will be for the greatest good of all the nations of the world, both strong and weak, including Germany, Italy and Japan. Otherwise, it is reasonable to suppose that the aggressive Axis nations in World War II will be tempted to break the peace again within the next 25 years, as they did 21 years after the first World War.

A just and durable peace at the conclusion of this war is more im-

portant to the human race than the formation of a new world League of Nations, that is predestined to failure because of the character and predatory aims of some of the big powers that perforce would constitute its main membership and strength for many years to come.

Mars Cogitates on War and Peace

Perhaps Mars, the God of War, if asked for his view of War and Peace, might answer "We have had wars between nations from the beginning of time and we will have wars to the end of time. Nearly every page of history from primitive days to modern times is soaked with the blood of millions of men, women and children. Human nature has not changed since the advent of Adam and Eve. Men and nations are just as sordid, cruel, selfish and predatory. Humanity 'thinks it thinks' it is living in a civilized world in spite of the fact that the enlightened nations suffered 37,508,686 casualties in the first World War out of a total mobilization of 65,038,810 men, which proves that mankind is laboring under a misapprehension.

"The holocaust of the present Global War is irrefutable proof that the world has not advanced much above the level of the cave man and the law of the jungle. On the sea and under the sea, in the air and on the land, mass murder is now the order of the day. The bigger the kill, the bigger the joy, provided it is the other fellows who are killed.

"The brutal, inhuman persecution and extermination of the Jewish race by the self-styled 'Master Race' proves that Germany is an uncivilized nation." As a parting shot, Mars may admonish: "Si vis pacem, para bellum."

What the Great Moral Teacher Of Mankind Might Say

"If Great Britain, France, Germany, Japan, Italy, Russia and the other powers would forsake imperialism and had the character to sacredly observe their international agreements and treaties, the world would then be ready for a real League of Nations that might mean a lasting world peace for all humanity.

"Without character and without spiritual values no man-made world peace organization will be more than a pretense and a magnificent gesture."

Is There A Solution For War?

Yes, there is happily a solution for our international difficulties if men and nations will practice the teachings of the Man of Nazareth who said "Whatsoever ye would that men should do to you, do you even so to them." In that event we would attain the peace that passes all understanding.

No finer peace tenet has been written than that which comes from the pen of Mr. John D. Rockefeller, Jr. quoted by Grenville Kleiser on the title page of his admirable book "Taking God into Partnership."

"I believe that ideals of justice and right are bound to win in the long run against injustice and might. I believe we can yet make this world a worthy and beautiful world to live in instead of a place to fight and starve in. This is my creed."

Bella Horrida Bella

Finally, my countrymen and countrywomen, let us face the facts, the cold facts of history, and be realistic. Why chase rainbows? To sentimentalize, moralize or dogmatize about peace is dangerous and will be fatal to America in the world to come.

The approach to a durable peace for our beloved country and for all mankind must be made without prejudice, without malice and without cant.

"Blessed are the Peacemakers

Contract Deliveries Of Strategic Commodities Bought Abroad By Govt. Total \$809 Million

Leo T. Crowley, Foreign Economic Administrator, announced on Feb. 28 that contract deliveries of strategic commodities bought in foreign countries with Government funds under the FEA public purchase program totaled \$809,000,000 in the year ending Dec. 31, 1943. The Foreign Economic Administration in making this known stated that deliveries of these commodities, which are essential to United States war industries and for other war purposes, increased in the second half of 1943. For the six months from January 1 to June 30, 1943, they had a value of \$378,000,000, compared with a value of \$431,000,000 for the six months from July 1 to December 31. The FEA further says:

"Deliveries on public purchase contracts are made either in the United States or in foreign areas

for importation or other use by this country.

"The following table shows the approximate dollar value of deliveries by major commodity groups under the FEA public purchase program contracts. The figures do not include exclusive purchases of materials in neutral countries made under FEA direction in order to keep the enemy from obtaining supplies he needs.

DELIVERIES UNDER PUBLIC PURCHASE CONTRACTS YEAR 1943

	Jan.-June	July-Dec.	Year
Metals and Minerals	\$232,000,000	\$264,000,000	\$496,000,000
Foodstuffs	60,000,000	73,000,000	133,000,000
Textiles	51,000,000	65,000,000	116,000,000
Miscellaneous Commodities	35,000,000	29,000,000	64,000,000
Total	\$378,000,000	\$431,000,000	\$809,000,000

"Purchases of strategic commodities abroad with these government funds represent only a part of FEA's foreign development and procurement functions. Large additional quantities of strategic materials have also been procured abroad and brought into this country that are not purchased under FEA public purchase contracts, but for which FEA has over-all import responsibility. In these cases private importers generally buy with their own funds. The facilities and services of private importers are utilized at some stage of practically all FEA import operations, whether the strategic commodities are purchased with government funds or with private funds.

"Figures for delivery of foodstuffs include not only those foods purchased for use in deficit areas, but also vegetable fats and oils needed for the manufacture of explosives, synthetic rubber and other war supplies. An increasingly important phase of the FEA foreign food program has been the development of vegetable and fishery production abroad, both for allocation by this country to deficit areas, such as Europe, and for local consumption in regions where the saving of shipping space is a primary requisite, as in the Caribbean and the South Pacific.

"In the search for supplies of strategic commodities under the public purchase program, the FEA taps practically all known world resources, except those under Axis control. Missions have been sent to Latin America, Africa, India, China, Australia and the Pacific Islands to expedite purchases and provide assistance where needed toward increasing production.

"Textile figures include purchases of fibers and skins. Developments of new sources of fibers for cordage purposes for the Navy and other uses was essential after the loss of the Philippines deprived the United States of its major source of manila rope fibers. This work has been pushed in many areas, particularly in Central America, Mexico and Haiti.

"Measures have been taken to increase output abroad of a large number of metals and minerals on which our war production program depends — among them are mica, copper, tin, metallurgical and refractory chrome, nickel, zinc, beryl, tantalite, fluorspar, and manganese. Many materials essential to the United States war program can be obtained only in part or not at all in the United States. For example, minimum requirements for quartz crystals, used in military radio communication units, have increased many thousand percent since the outbreak of the war. Ninety-nine per cent of the world's quartz comes from Brazil. Mining experts and equipment have been sent there to aid in boosting production.

"Included among the miscellaneous commodities are: cinchona, the source of quinine needed to combat malaria; mahogany for the hulls of PT boats; loofa sponges for filters in marine engines; pyrethrum, used in the war against malarial mosquitos; and rotenone, an insecticide. Production of these strategic commodities has been introduced or developed in various parts of the world under the FEA foreign purchase programs.

for they shall be called the children of God."

ALEXANDER WILSON, Summit, N. J., Feb. 2, 1944.

Note—The writer is especially indebted to the publishers of The Commercial and Financial Chronicle for the use of the back volumes of the paper and its records for confirmation of many of the factual details used in the above article. Acknowledgment is also made to the World Almanac, William Hard's article, "American Internationalism," in Readers Digest" and to Mervin Hart's "Winning a Lasting Peace," for other factual data.

"Foreign procurement and development of commodities other than foodstuffs is carried out by FEA under directives issued by the War Production Board. The government owns and holds such commodities bought under public purchase contracts until WPB directs their allocation and sale. In the case of foodstuffs, those purchased to meet requirements in the United States are bought under directives of the War Food Administration."

The CHRONICLE invites comments on the views expressed by Mr. Wilson in this letter, or on any related phases of the subject under discussion. Comments should be addressed to Editor, Commercial and Financial Chronicle, 25 Spruce Street, New York.

Four New Members Of Reserve Board's Open Market Committee

Four new members of the Federal Reserve Board's open market committee, advisory group charged with direction of Federal Reserve market transactions in government securities, were installed on March 1, Associated Press advices reported from Washington.

All presidents of Federal Reserve banks, the new members are Hugh Leach, of Richmond, who succeeds W. W. Paddock, of Boston; C. S. Young, of Chicago, who replaces M. J. Fleming, of Cleveland; Chester C. Davis, of St. Louis, who succeeds W. S. McLarin Jr., of Atlanta, and John N. Peyton, of Minneapolis, replacing William A. Day, of San Francisco. Their terms are for one year.

"Obliteration" Bombings Of German Cities Protested Here By 28 Clergymen, Others

"Obliteration" bombings of German cities was protested by 28 clergymen and other leaders in an appeal to Christians "to examine themselves concerning their participation in this carnival of death" and to acquaint themselves with "the realities of what is being done in our name in Europe." The New York "Times" of March 6, reporting the protest, also said:

Among those who signed the appeal were the Rev. Dr. Harry Emerson Fosdick, the Rev. Dr. Allan Knight Chalmers, the Rev. Dr. Ralph W. Sockman and Oswald Garrison Villard.

The appeal was published as a foreword to "Massacre by Bombing," an article on the new bombing methods being used against German cities, written by Vera Brittain, British author, and published in the March issue of "Fellowship," monthly organ of the Fellowship of Reconciliation, a pacifist organization.

Miss Brittain examined at length the effects on civilian life of the Anglo-American bombing raids on 10 German cities, quoting from British, German and neutral news sources. She pointed out that in a single air assault more persons may be killed or injured than in a major battle lasting two or three weeks, and pleaded that "hundreds of thousands of helpless and innocent people are being subjected to agonizing forms of death and injury comparable to the worst tortures of the Middle Ages."

The British author contended that "nothing less than absolute certainty" that the bombings would shorten the war entitles "even the most ardent of the war's supporters to use these dreadful expedients." She added that 18 months of mass bombings had not broken German morale, but that it was "steadily creating in Europe the psychological foundations for a third World War."

In the foreword to Miss Brittain's article, the 28 signers of the protest against continued use of mass bombings declared:

"In our time, as never before, war is showing itself in its logical colors. In the first World War some shreds of the rules of war were observed to the end. Laws of war are intrinsically paradoxical; but so far as they went, they bore witness to the survival of some fragments of a Christian conscience among the combatants. But today these fragments are disappearing. The contending parties pay little heed to the former decencies and chivalries, save among their own comrades. Christian people should be moved to examine themselves concerning their participation in this carnival of death—even though they be thousands of miles away. Here, surely, there is a call for repentance; that we have not acquainted ourselves with the verities and realities of what is being done in our name in Europe; and surely Christian obligation calls upon us to pray incessantly to God that He in His own way may bid the winds and waves of war be still."

Signers of the protest include: The Rev. Dr. George A. Buttrick, Madison Avenue Presbyterian Church.

The Rev. Dr. Allan Knight Chalmers, Broadway Tabernacle.

The Rev. Dr. J. Henry Carpenter, Executive Secretary of the Brooklyn Church and Mission Federation.

The Rev. Dr. Henry H. Crane, Central Methodist Church, Detroit.

The Rev. Dr. Albert E. Day, First Methodist Church, Pasadena, Calif.

The Rev. Dr. Phillips P. Elliott, First Presbyterian Church, Brooklyn, N. Y.

The Rev. Dr. Harry Emerson Fosdick, Riverside Church.

Dr. Georgia Harkness, Professor of Religion at Garrett Biblical Institute.

John Haynes Holmes, Community Church.

The Rev. Dr. Allan A. Hunter,

Mount Hollywood Congregational Church, Los Angeles.

Miss Josephine Johnson, Pulitzer prize-winning author.

The Rev. Dr. E. Stanley Jones, lecturer and former Methodist missionary to India.

The Rev. John Paul Jones, Bay Ridge Presbyterian Church, Brooklyn.

Dr. Rufus Jones, Professor Emeritus, Haverford College.

The Rev. Dr. John H. Lathrop, First Unitarian Church, Brooklyn.

The Rev. Dr. Kenneth Scott Latourette, Professor of Missions at Yale Divinity School.

The Right Rev. W. Appleton Lawrence, Bishop of Western Massachusetts.

The Rev. Dr. Elmore McKee, St. George's Church.

The Right Rev. Walter Mitchell, Bishop of Arizona.

The Rev. Dr. Kirby Page, lecturer and author, La Habra, Calif.

The Rev. Clarence E. Pickett, Executive Secretary of the American Friends Service Committee, Philadelphia.

The Rev. Dr. Edwin McNeill Potat, President-elect, Colgate-Rochester Divinity School.

The Rev. Dr. Richard Roberts, former Moderator, United Church of Canada.

The Rev. Dr. Paul Scherer, Holy Trinity Church.

The Rev. Dr. Ralph W. Sockman, Christ Church.

The Rev. Dr. Ernest F. Tittle, First Methodist Church, Evanston, Ill.

Dr. Oswald Garrison Villard, former editor "The Nation" and the New York "Post."

Miss Winifred Wygal, National Religious Resources Secretary, Young Women's Christian Association.

From Washington Ahead Of The News

(Continued from first page) petition of Government-built plants acquired at a fair price."

"The question as to whether Government-built plants," said the report, "are to be closed must be decided squarely upon the issue as to whether it is proposed that the United States return to a peacetime economy similar to that which existed in 1939, when 9,000,000 workers were unemployed in addition to upward of 5,000,000 other war workers who were not seeking employment in 1939, or whether we propose to provide full employment for all who seek it by operating present plants whether owned by the Government or privately and, if necessary, by encouraging the construction of additional plant facilities."

We have talked with two Republican members of the very famous Truman Committee and they are astounded to know that this language is in the report. We have also called the office of Mr. Hugh Fulton, the general counsel of the Committee, who has a big staff of investigators, and we get the impression that he is chagrined because this angle of the report was not played up.

You have here a question of who is doing what to whom. The Truman Committee has come to have quite a standing. Magazine articles have been written about how it has been on the neck, in World War II, of the industrial profiteers. There have been suggestions that its little pontifical Chairman, the junior Senator from Missouri, might well be President, at least Vice-President. The facts are that he has never

been looked upon as a big man in the Senate; it was thought he was sure of defeat in 1940. But he created this Committee to conduct a running investigation of the war conduct. His colleagues have come to envy the vehicle he achieved, and new Senators, like Ferguson of Michigan, for example, have sought out an assignment on that Committee.

At first the Committee was pursuing an obviously Leftist line—back there in 1941. It was part of the Administration's fight to get Alcoa, the aluminum industry. The general counsel, an admitted New Dealer, planted a story with a New Deal columnist during this fight that there was to be a tremendous expose of Big Business on a certain day. The reporters, therefore, flocked to the hearing. It disclosed—we may be a little wrong on our percentages—that 20% of the country's industries were getting 80% of the war business. Senator Tom Connally listened to the "exposure" and asked, in effect:

"What is wrong about that? Manifestly the military, wanting goods, went to the big steel companies, the big shipbuilding companies, the big automobile companies, the people who could produce them."

The story fell flat. But the Committee has continued to harp on it came subsequently to have a standing, too, because New Dealer Truman assumed a new tack. He wrote magazine stories entitled, "America Can Lose the War on the Home Front," and the Republicans in the 1942 Congressional elections used these like nobody's business. Even a New Dealer admits this serious situation, they said, citing his articles to the sky.

It was after these elections and because of the tack which Truman had taken that his Committee's findings have come to be rather sacrosanct. But recently he has made several speeches, saying he was for Roosevelt for a fourth term; that he is indispensable; and that what derelictions have developed in his administration have been turned up by Democrats and have now been corrected.

The fact is that the work of this great Committee is done by the Leftist staff of Hugh Fulton, an ambitious young lawyer. Always when industrial or any other witnesses appear, the case has been shaped up by them. The Senators do not know what is being done to them, except the little Truman, perhaps. But they are finding out, and there is likely to be a blow-up on the great Truman Committee soon.

Alloy Steel Output Rose In January

Production of alloy steel ingots and castings in January rose to 919,017 tons from the December total of 798,647 tons, according to a report by the American Iron and Steel Institute. In January, 1943, production of alloy steels totaled 1,248,568 tons.

Open hearth furnaces produced 585,744 tons of alloy steels in January, or 64% of the total. The remaining 333,273 tons were made in electric furnaces, the report concluded.

Federal Reserve Bank Shares Taxable

Judge William M. Hargest of Dauphin County Court at Harrisburg Pa., ruled on Feb. 21 that Federal Reserve bank shares held by member banks in Pennsylvania are subject to the commonwealth tax on shares in a suit in which the Provident Trust Company, Philadelphia, sought exemption from taxation on such securities.

This is learned from advices from Harrisburg (Associated Press) appearing in the Pittsburgh "Post Gazette."

Woodring To Organize New Party If Necessary To Prevent Fourth Term Of President

Harry H. Woodring, Chairman of the American Democratic National Committee, in an interview in New York City, on March 4, told reporters that a third party ticket for President and Vice-President will be entered in the 1944 Presidential race if President Roosevelt is nominated for a fourth term. This was indicated in the New York "Herald Tribune" of March 5, which added:

"Mr. Woodring, who is organizing anti-New Deal forces within the Democratic party for a convention fight against a fourth term, listed several Democrats who he believed would be available for the third party presidential nomination. Emphasizing that he was not claiming that any are now affiliated with the anti-Roosevelt drive of his committee, Mr. Woodring named:

"Senator Harry F. Byrd of Virginia; James A. Farley of New York; Senators Walter F. George of Georgia; Millard E. Tydings of Maryland; W. Lee O'Daniel of Texas; Guy M. Gillette of Iowa, and Alben W. Barkley of Kentucky; Charles Edison, former Governor of New Jersey, and Joseph B. Ely, former Governor of Massachusetts.

"I don't think I ought to say that any of these are affiliated with us," said Mr. Woodring, a former Secretary of War in the Cabinet of President Roosevelt. "They are our type of candidates who we believe would be available against the President on a third party."

"Mr. Woodring said first that his committee might even hold a convention before the Democratic National Convention meets in July in Chicago and nominate their candidate. Later, however, he returned to the plan to make the fight first within the party at the convention.

"The strategy of the organization will be determined, he then explained, at a meeting of the National Committee now taking form to be held late next month, probably in St. Louis.

"Mr. Woodring said the President controls completely the Democratic party machinery in Woodring's own State of Kansas and in many other States such as New Jersey. He estimated, however, that about one-third of the Democratic party is opposed to a fourth term and 'another 10% is giving lip service but is not really for it.' He said 'our purpose is to regain control of the Democratic party.' He ruled out definitely any coalition with the Republican party.

"He said it was hoped to enter a slate of anti-Roosevelt delegates in the Wisconsin primary of April 4. He said all primaries still available will be entered.

"He announced Eastern headquarters will be at the Canadian Pacific Building, 342 Madison Ave. John J. O'Connor, former Democratic Representative who fell in the Roosevelt 'purge' of 1938, will be in charge of this State. An Eastern director will be named soon. He said William Goodwin of Queens, an American Rock party candidate for Mayor in 1941, is on the Executive Committee of the national organization.

"Mr. Woodring came here en route to Boston, where he will confer today with leaders."

Safety Convention And Exposition In N. Y.

The 15th annual Safety Convention and Exposition, sponsored by the Greater New York Safety Council, Inc., and other cooperating agencies, will be held in New York City at the Hotel Pennsylvania on March 28, 29, 30. The sessions, it is announced, are open to management, safety personnel and key supervisors. The dinner will be held on Wednesday, March 29, at 6:30 p. m., at which a speaker of national prominence will address the gathering. The problem of absenteeism, as well

January Truckloadings Off 0.7% In Month

Volume of freight transported by motor carriers in January was less by 0.7% than that moved in December, but exceeded the traffic of January, 1943, by 6.3%, according to figures compiled by the American Trucking Association, Inc., and based on reports from 344 motor carriers operating in 47 States and the District of Columbia. Those motor freight lines hauled an aggregate of 2,460,305 tons in January, compared with 2,477,695 in the preceding month and 2,314,265 in January, 1943.

In reflection of the high general level of freight movement during the war, the ATA index figured out to 182.08 for the latest month covered. The index is computed on the basis of the average monthly tonnage of the reporting carriers for the three-year period of 1938-40 as representing 100.

Carriers of general freight, which transported more than 77% of all tonnage in January, turned in a volume decline of 1.4% from December, but pushed their traffic 2.1% above the level of the corresponding month a year previous.

Urgent war and civilian demands for gasoline and petroleum products were mirrored in operations of tank truck haulers. That group enjoyed a tonnage which was 1.7% larger than the already swollen December volume and 37% in excess of January, 1943. Transporters of petroleum products accounted for 13.5% of the total freight reported by all the carriers.

Transporters of iron and steel products hauled approximately 4.5% of the total tonnage. Their volume increased 1.3% over December, and 4.9% over January, 1943.

Tonnage in the miscellaneous class rose 2.9% over December, and 11% over the January figure of the preceding year. Listed as miscellaneous commodities are such products as tobacco, milk, textiles, coke, bricks, building materials, cement and household goods.

Sinclair Heads Commerce & Industry Foreign Trade Bureau

Joseph A. Sinclair has been appointed Manager of the Foreign Trade Bureau of the Commerce and Industry Association of New York, Inc., by Association Secretary Thomas Jefferson Miley. It was announced on March 2. Mr. Sinclair succeeds William H. Mahoney, dean of Chambers of Commerce foreign traders. Mr. Mahoney is now on extended leave of absence following a protracted illness. Assistant Secretary of the Association for the past year, Mr. Sinclair is well known to foreign traders, having served for 15 years with the Association's important Foreign Trade Bureau.

as accidents, will have a prominent place on the convention program. The Council's office is in the Lincoln Building, 60 East 42nd St. H. P. Wall is Chairman of the Industrial Division.

Congress Passes And President Signs Resolution Continuing Life Of CCC

The resolution extending the life of the Commodity Credit Corporation until June 30, 1945, was signed by President Roosevelt on Feb. 28, following its adoption by the Senate on Feb. 23, and its approval by the House on Feb. 24. As finally enacted, the legislation contains no anti-subsidy provisions, as did the earlier measure passed by Congress and vetoed by President Roosevelt on Feb. 18. Reference to the veto, and the action of the

House on the same day sustaining the veto, was noted in our issue of Feb. 24, page 823. The House, in approving on Feb. 24 the Senate resolution for the continuance of the CCC, accepted it without change. Efforts to incorporate anti-subsidy features were without avail. In indicating the amendments to the legislation before its enactment special advices Feb. 24 to the New York "Times" from Washington said:

"The legislation incorporated the Taft-La Follette and Butler-Byrd amendments attached to it yesterday in its passage through the upper house.

"The first of these imposes a mandate on the CCC to carry out its commitments through loans, purchase or other operations by the Secretary of Agriculture or the War Food Administrator, wherever and whenever expansion of production of non-basic agricultural products has followed a public pronouncement under the Act.

"The second, introduced by Senator Hugh Butler of Nebraska for himself and Senator Byrd of Virginia, restores to the measure the provision for audit of CCC transactions by the Controller General's office, which was a part of the earlier bill enacted by Congress but vetoed by the President.

"In the face of apparent lack of opposition to the bill, Representative Jesse P. Wolcott, ranking Republican member of the Banking and Currency Committee, warned that 'the fight against consumer subsidies has just begun.' It will be renewed with vigor, he predicted, when the time comes for reviewing the Price

Control Act and Stabilization Act, due to expire in June.

"It was never the intention of the opposition, he asserted, to interfere with what was regarded as the legal activities of the CCC—to stabilize agricultural prices and production, in which, he conceded, a good job had been done.

"Representative Merlin Hull, Progressive, of Wisconsin, urged a favorable vote on the resolution as a means of guidance and relief to farmers, especially of the Midwest, who have been delaying making plans for crops until they knew what support they could expect from the CCC."

In its reference on Feb. 23 to the Senate action, the "Times" advices said:

"An adverse vote prevented Senator Harlan J. Bushfield, of South Dakota, Republican, from inserting another amendment, which would have written into the resolution the same subsidy ban that caused the veto.

"Opposing the attempt, Senator Taft declared that it would constitute 'history repeating itself,' and would merely bring a second veto. He argued that an alternative method of controlling subsidies was open to Congress through the Price Control Act and the Stabilization Act, both of which expire on June 30, and which, he declared, constitute a much more effective weapon to deal with subsidies, than through the Bankhead resolution. He therefore advocated passage of the pending legislation, and deferment of the subsidy cancellation issue until the rewriting of the other laws."

activities, are not seeking to do away with administrative agencies.

"But these agencies need not be left free to operate without the reasonable checks and safeguards by which legislative action, ordinary executive action, and even judicial action, are restrained.

"What lawyers seek is to insure that they operate according to law and the spirit of fair play, with due regard for individual rights and the Constitution."

"A resolution on the 'constitutional principles for world order,' in which the section on international and comparative law urged that 'the United States, acting through its constitutional processes, join with free and sovereign nations in establishment and maintenance of international authority with power to prevent aggression and preserve peace in the world,' was scheduled for discussion tomorrow."

Freeze Gold Linked With Germany, Japan

Formal notice was served on Feb. 22 by the United States, Russia and Great Britain that they will refuse to buy—from either neutral or allied nations—any gold that bears the Axis taint. Neither, they promised, will they recognize any sales of such gold, whether already made or yet in prospect. Associated Press accounts from Washington Feb. 22 reporting this further stated:

"The declaration affects an estimated \$1,000,000,000 in gold seized from victims of Nazi aggression as well as Germany's own stocks of unknown size. A Treasury spokesman said Japan had been far less successful in gold looting but the Nipponese were believed to have seized some of the metal in Shanghai and perhaps elsewhere.

This country alone owns \$21,790,000,000 of the estimated \$35,000,000,000 world supply of monetary gold. Its refusal together with that of England and Russia, to buy gold even remotely Axis-connected will leave the neutral gold markets—principally Turkey, Switzerland, Spain, and Portugal—without an outlet.

"While some of the tainted gold might find a discount market, Ansel L. Luxford, Assistant Treasury General Counsel, said there appeared little prospect of such dealings in the multi-million dollar sums involved in Germany's needs. Luxford gave this picture:

"Germany while the tides of war were running in her favor found little need for gold because neutral countries were anxious to curry her favor by extending credit.

"Now, with the military situation reversed, those countries realize that the credits will be useless when the Reich collapses, and are insisting on cash.

"We have been getting report after report," Mr. Luxford declared, "of German embarrassment in trying to pay for her purchases."

"Secretary Morgenthau's announcement of the policy said it is retroactive against any gold on which the Axis has had its hands in the past, and that it extends even to gold which any country 'is enabled to release as a result of acquisition of gold directly or indirectly from Axis powers.'"

Said Secretary Morgenthau: "It will be the policy of the United States Treasury not to buy any gold presently located outside of the territorial limits of the United States from any country which has not broken relations with the Axis, or from any country which after the date of this announcement acquires gold from any country which has not broken relations with the Axis, unless and until the United States Treasury is fully satisfied that such gold is not gold which was acquired directly or indirectly from the Axis power or is not gold which any such country has been or is

London Paper Urges That Germany Be Permitted To Remain Important Economic, Political Power

In a leading editorial in the London "Times" of Feb. 29, it was stated that future unity in Europe demands that Germany be permitted to remain an important economic and political power after the war, although shorn of the means to use aggression. This was indicated in United Press advices from London, on Feb. 29, as given in the New York "World Telegram," which added:

Taking issue with opinion that holds that Germany should be dismembered, the "Times" made its first full statement on what should be done with the Reich. Because of the newspaper's influence in British life the editorial was considered especially important.

"European unity provides only the framework within which the German problem can be frankly faced and solved," the "Times" said. "Churchill on Tuesday emphatically disclaimed any desire to blot out Germany from among the nations of Europe." Such a policy indeed would today be neither practicable nor morally acceptable to the civilized world.

"In spite of the burning detestation of German oppression that justly fills Europe at this moment, it is still axiomatic even with her victims that Germany cannot be other than an important member of the European body politic and economic; and while sternest measures must be taken to pre-

vent aggression, Germany cannot be allowed to become a cancer at the heart of the European organism.

"This is the consideration which above all others rules out the much canvassed proposals for the breakup of Germany into a number of separate units."

Dismemberment of Germany, the "Times" argued, "would rehabilitate the narrowest nationalism of Germany in the very hour of its overthrow."

"The key points of power in Germany, once military disarmament is imposed," the editorial continued, "are her essential industries and her systems of power and transport. It is unthinkable that their control should be left exclusively in German hands.

"German economic capacity must be welded firmly into the European system, and established and maintained with the backing of force which will preclude its misuse for aggressive ends."

Extend "Good Neighbor" Policy To World President Roosevelt Urges Congress

A request for authority to broaden the cultural relations activities of the State Department to cover the world, instead of restricting them, as at present, to Latin America, China and a few other countries, in order to meet war and especially post-war problems was made to Congress by President Roosevelt on Feb. 29 on recommendation of Edward R. Stettinius Jr., Acting Secretary of State. The foregoing is from special advices Feb. 29 from Washington to the New York "Times", from which we also quote.

At the same time, the President requested legislative authority to appoint two more Assistant Secretaries of State, making six such assistants to cope with wartime and post-war problems. Secretary Hull recently stated that this authority would be requested in view of the growing burden of work on the State Department.

Mr. Stettinius made clear that the authority requested with respect to cultural relations did not contemplate expanding the Office of Coordinator of Inter-American Affairs to cover the whole world nor was it proposed to give Nelson A. Rockefeller, the Coordinator, any expanded powers on a world-wide scale.

At present, since some of his functions were drawn back into the State Department through the recent reorganization, Mr. Rockefeller is disseminating information in Latin America, and assisting in public health activities, public safety and other such programs there.

The cultural relations program on a world-wide basis would be under the direction of one agency, but within the State Department. While the authority would cover the war period, Mr. Stettinius indicated that the post-war period was primarily the one under consideration. It was not yet known to what countries this work would be extended.

At present, it has been carried on in Latin America, China and, to a limited degree, in South Africa, Canada and Switzerland through educative and informational films.

The object would be to permit the development of mutual understanding and cooperation between the United States and the rest of the world.

The program, Mr. Stettinius further said, would be of "inesestimable benefit, at this time, in laying the groundwork on which

the permanent post-war structure might be erected as well as in meeting the urgent current needs of the war period."

The legislation, as proposed by the State Department, would authorize the President to develop and maintain, under the direction of the Secretary of State, such cultural and cooperative programs with other countries of the world as he may consider justified in furtherance of the purposes of the United States in the present war and peace to follow.

The program, to be carried out along lines already employed in Latin America, would include the exchange of educators, scientists, writers and publicists; the establishment of American cultural centers, the maintaining of libraries of United States books and periodicals; sponsorship of radio and other types of cultural programs, and the use of motion pictures for presenting the story of this country to the rest of the world.

Also involved would be the lending of technical experts on agriculture and in other fields of work, to foreign countries, as desired.

In return, programs of information from foreign countries would be circulated within the United States.

The President's message to Congress follows:

"I commend to the favorable consideration of the Congress, the enclosed report from the Acting Secretary of State, with an accompanying memorandum, to the end that the act approved August 9, 1939, entitled 'An Act to authorize the President to render closer and more effective, the relationship between the American Republics,' may be amended to permit the development of similar programs of mutual understanding and co-operation with other Nations of the world.

FRANKLIN D. ROOSEVELT
The White House,
February 29, 1944.

Bar Association Urges Congress Enact Law Permitting Appeals From Govt. Agency Rulings

The House of Delegates of the American Bar Association at their convention in Chicago on Feb. 28 adopted a resolution to ask Congress for a law to provide fair trials and appeals to the courts for all citizens who become involved in controversies with Governmental agencies, said a special dispatch from Chicago on Feb. 28 to the New York "Times," in which it was further stated:

"The resolution provided that a draft of a law be sent to Congress requiring all Federal bureaus, except the war agencies, to adopt a code of uniform administrative procedure.

"Some of the 200 lawyers from every State in the Union who make up the House of Delegates, said that a law of this sort would make impossible such 'tribunals' as the so-called 'kangaroo courts' of the Office of Price Administration.

"They added, in fact, that the widespread protests over rulings by the OPA's 'administrative courts' had interested the Bar Association's Committee on Administrative Law in the subject more than a year ago. The present action, they said, is the outcome.

"Joseph W. Henderson of Philadelphia, President of the Association, said that the suggested bill will provide full hearings before any decisions could be made by the Government bureaus and agencies, that no information which might be used against a party's interests be withheld from his scrutiny and that full opportunity be accorded for answers to charges.

"The bill would further require that nothing used in arriving at a decision be withheld from the record for review," Mr. Henderson commented.

"The Committee asked that the bill require specific findings of facts, demand a record showing the evidence upon which findings

are based, and provide a simple procedure for a complete review.

"The provisions appeared to be aimed at such procedures as a recent OPA case in Chicago in which a group of wholesale meat dealers, accused of violating regulations, took their case finally to the Federal Court because officials of the agencies are alleged to have tried to deny to them the right to have either counsel or court reporters at their hearings.

"Mr. Henderson said the law 'is certainly aimed at the uncontrolled bureaucrats who are disregarding the rights of citizens and regimenting their lives.'

"Government by bureaucracy is arbitrary," he commented, "and ultimately there could be no place for courts or lawyers in it. As bureaucracy goes, the judicial function is destroyed in direct ratio."

"Sylvester C. Smith, Jr., of Newark, N. J., in presenting the report of the Administrative Law Committee of which he is Chairman, said:

"The least that should be required of Government agencies is to insure a fair trial to people who must deal with them."

"In further comment, Mr. Henderson continued:

"Those who object to administrative abolitions, to arbitrary and unchecked action upon the rights of individuals and property without legal restraints such as are imposed upon all Government

SEC Surveys Data On Profits and Operations Of American Listed Corporations

The Securities and Exchange Commission made public on Feb. 19 another in the series of statistical reports of the "Survey of American Listed Corporations." This survey of "Data on Profits and Operations" covers the calendar years of 1936-1942, inclusive. It is presented in four parts, of which Part I was released Feb. 19. According to the Commission, 1106 companies and their consolidated subsidiaries, classified in 75 Manufacturing Groups, and having total assets of over 48 billion dollars in 1942 are included in this survey. The data are taken from registration statements and annual reports filed by registrants under the Securities Exchange Act of 1934 and data contained in reports filed annually under the Securities Act of 1933. The SEC further says in its Feb. 19 announcement.

"The study was compiled at the request of the Price Adjustment Boards of the War and Navy Departments and the Contract Review Branch of the War Production Board for use in the renegotiation of contracts arising from the production of war materials.

"The survey reports data for each individual company and combined totals for each of the industry groups. For each year covered, data are reported showing Net Sales, Operating Profit, Provision for War and Related Contingencies Provided out of Income, Net Profit before Income Taxes and Net Profit after Income Taxes. Operational expenses reported are Selling, General and Administrative Expenses; Maintenance and Repairs, and Depreciation, Depletion, Amortization, etc. Each of these items in every year covered is shown as a percentage of Net Sales. Also reported are Net Worth (beginning of period) and Intangible Assets (beginning of period) and the Net Profit before Income Taxes as a Percent of Net Worth and the Net Profit after Income Taxes as a Percent of Net Worth.

"Whenever renegotiation of U. S. Government contracts has been completed and the effect of renegotiation has been reported or provision has been made for renegotiation by the registrants, the items affected have been adjusted and the amounts of adjustment are shown in a footnote showing the effect the renegotiation or provision for renegotiation has had upon the companies' operations for that year. Where the contracts of the registrant are subject to renegotiation or renegotiation is contemplated or in progress and has been reported by the registrant, such facts have been noted on the tables.

"Also reported as part of Depreciation, are charges which have been made for the Amortization of Emergency Facilities, and wherever these amounts have been reported, they have been revealed in a footnote.

"Part I of this study, which is being released today, contains the following 24 industry groups:

Part I

Apparel and Related Finished Products, Biscuits and Crackers, Bread and Cake, Breweries, Chewing Gum, Candy and Confectionery, Cigarettes, Cigars, Dairy Products, Floor Coverings and Miscellaneous Textiles, Food Canning and Preserving, Grain-Mill Products, Grocery Specialties and Miscellaneous Food Products, Hosiery, Leather Tanning, Meat Packing and Allied Products, Non-Alcoholic Beverages, Rayon Yarn, Shoes, Snuff and Miscellaneous Tobacco Products, Sugar—Beet Sugar, Producers of Raw Cane Sugar, Sugar Refining—Cane; Textile Fabrics.

Parts II, III and IV, to be subsequently released, will contain the industry groups shown below:

Part II

Agricultural Machinery and Tractors, Aircraft and Aircraft Equipment, Electrical Supplies and Equipment—Miscellaneous;

Machinery Parts and Equipment—Construction, Mining and Related Machinery, Engines and Turbines, General Industrial Machinery, Metal Working Machinery, Printing Trades Machinery, Special-Industry Machinery; Office Machinery and Equipment, Photographic Equipment, Radio and Radio Equipment, Railroad Equipment, Screw Machine Products, Tires and other Rubber Products.

Part III

Automobile parts and Accessories, Automobiles, Building Equipment, Building Material other than Clay Products and Cement, Cement, Clay Products, Commercial Cars and Trucks, Iron and Steel—Iron and Steel Foundry Products, Miscellaneous Iron and Steel Products, Pig Iron Producers, Rolling Mills without Steel Making Facilities, Steel Producers with Blast Furnace Facilities, Steel Producers without Blast Furnace Facilities, Metal and Glass Containers, Non-Ferrous Metals—Including Smelting and Refining, Non-Ferrous Metal Products—Producers and Fabricators and Shipbuilding.

Part IV

Chemicals, Clocks and Watches, Drugs and Medicines, Electrical Household Appliances and Related Products, Fertilizers, Firearms, Household Utensils, Lumber and Lumber Products, Manufacturing Industries—Miscellaneous, Oil Refining, Paints and Varnishes, Paper and Allied Products, Pens and Pencils, Printing and Publishing Companies (other than Publishers of Newspapers and Periodicals), Publishing of Newspapers and Periodicals, Safety Razors, Toilet Preparations and Soap, Toys and Sporting Goods and Vegetable Oil Producers.

A table showing the grand combined total for all 75 industry groups in the study will be presented in Part IV.

Senator McNary Dead

The unexpected death occurred on Feb. 25 of Senator Charles L. McNary, Republican floor leader of the Senate, and a Senator from Oregon for 26 years. Mr. McNary died at Fort Lauderdale, Fla., where, with Mrs. McNary, he had gone to effect his recuperation from a brain operation. He had been considered on the road to recovery until two weeks ago, and it is understood that he had been in a coma for several days before his death. Senator McNary, who was 69 years of age, had been elected by the Republicans in the Senate on Feb. 24 as Chairman of the Republican conference as well as leader.

Noting that the death of Senator McNary came as a shock to many of his colleagues and apparently left wide open the choice of a successor in the leadership post, the Associated Press on Feb. 25, from Washington, stated:

"At yesterday's meeting of Republicans, which provided for a full set-up of officers for the first time since 1936, Senator Vandenberg of Michigan, was elected Vice-Chairman of the conference and Senator White of Maine was chosen assistant leader and acting leader during Mr. McNary's illness. Mr. White has served in that post since the Senator was stricken. They and Senator Taft of Ohio were most prominently mentioned as a possible permanent successor.

"Senator McNary's death brought an immediate outpouring

of expressions of sorrow from members of both parties.

"Vice-President Wallace, who often discussed political matters with the Republican leader, called the Oregonian 'one of the finest men' he ever knew, and added:

"He joined with my father in fighting for agricultural justice against the leaders of his own party. The farmers of the United States will always look on Charles McNary as a man to whom they owe a great debt of gratitude."

"Senator Vandenberg called him 'one of the wisest, soundest and ablest statesmen in the public life of this generation,' and Senator White said his death took from the Senate 'a profound student of political and governmental problems, a wise and patient leader of his party.'"

In a sketch of Senator McNary's career, the New York "Herald Tribune" of Feb. 27 said in part: "Throughout his career in Washington Senator McNary was a champion of the farmers, the lumbermen and the fishermen of the Northwest. He was a member of the third generation of a farming family which helped settle Oregon. In 1845 his grandfather, James McNary, led the greatest single migration—168 covered wagons—from Tennessee to that State.

"James McNary settled on a government grant of 640 acres five miles north of Salem, which ever since has been the family seat. Charles McNary was born there on June 12, 1874, the youngest of 10 children. His mother, Margaret Claggett McNary, died when he was four, and his father, Hugh McNary, a few years later. The eldest sister, Nina, reared the family.

"Senator McNary attended the public schools in Salem and studied horticulture, his life-long interest, at Leland Stanford Junior University for two years. He turned to law, however, and in 1898 was admitted to the bar and entered practice at Salem with his older brother, the late Associate Justice John H. McNary, of the Oregon Supreme Court.

"From 1906 to 1913 he served as Deputy District Attorney under his brother and from 1908 to 1913 as Dean of the law department of Willamette University at Salem. From 1913 to 1915 he served, by appointment, as an associate justice of the State Supreme Court and in the latter year stood for election to that office. He was defeated by a single vote out of more than 68,000 cast, but refused to ask for a recount.

"He was appointed to the United States Senate in May, 1917, to fill the vacancy caused by the death of Harry Lane, and was elected to his first full term in November, 1918.

"Senator McNary early made his presence felt in the upper chamber when he spoke in support of the League of Nations and for ratification of the Treaty of Versailles during the bitter battles which ended in the Senate's rejection of both.

"He attained national stature however, during the administration of President Calvin Coolidge, when, with the late Representative Gilbert N. Haugen, he forced the McNary-Haugen farm bills through Congress. The bills, then classed as radical, would have permitted the Government to sign contracts with grain growers to sell abroad at lower prices than in the home markets and to receive compensation through an equalization fee paid out of a tax."

LaGuardia Opens Conferences At N. Y. U. On Reconstruction, Social And Economic Changes

Mayor Fiorello H. LaGuardia of New York City opened on Feb. 23 a series of conferences on post-war economic society, sponsored by the Institute on Post-War Reconstruction at New York University, Prof. Arnold J. Zurcher, director of the Institute, announced on Feb. 18.

Mayor LaGuardia's subject was "Perspective in Post-War Planning," a subject referred to at his annual New Year's Day reception at City Hall when he predicted "an entirely new economic system after the war, something entirely different from what we have now" because the present economic system "won't work"; he would develop this theme more completely at the Institute on Post-War Reconstruction next Wednesday.

Senator Joseph C. O'Mahoney (D., Wyo.), recently appointed Chairman of the Senatorial Campaign Committee for 1944, spoke on Congressional plans for industrial reconversion to peacetime production at the second session of the conference on March 1.

Some of the other speakers scheduled to participate at subsequent sessions are: Roy F. Bergengren, managing director, Credit Union National Association; Winslow Carlton, executive director, Group Health Cooperative, Inc.; Murray D. Lincoln, Executive Secretary, Ohio Farm Bureau Federation; Guy Greer, member of the Board of Editors, Fortune Magazine; Mrs. Samuel I. Rosenman, Chairman of the National Committee on Housing, Inc.; Walter P. Reuther, International Vice-President, United Automobile, Aircraft and Agricultural Workers Union; Dr. Edwin S. Burdell, director of Cooper Union; Congressman George E. Outland, California; Dr. Lewis A. Wilson, Associate Commissioner of Education, New York State; Col. John N. Andrews, in charge of post-war planning, National Selective Service System; Gilbert H. Montague, New York attorney specializing in the anti-trust law, etc.

The new series will consider the impact of reconstruction upon existing social and economic institutions and the changes we may expect in them.

Most of the conferences will be of the panel or round-table type with two or more speakers, often with opposite points of view.

The conferences will be held in the auditorium of the School of Education of New York University, 35 West 4th Street, each Wednesday evening at 8 o'clock. They will be open to members and scholars of the Institute, students and the general public.

Increased Postal Rates Effective March 26

Postmaster Albert Goldman announced on Feb. 26 that the Post Office Department, Washington, D. C., is taking steps to insure that all of the 50,000 post offices, stations and branches will be fully prepared to put in effect the postal provisions of the new Revenue Act when they become effective 30 days from date. Postmaster-General Frank C. Walker announced tonight. Mr. Walker made public the new rates on mail and special services, and disclosed that formal orders are being prepared for publication in the Postal Bulletin setting forth all changes made by the Revenue Act.

Already, Mr. Walker indicated, the Bureau of Engraving and Printing is processing an 8-cent domestic air mail stamp. The design is that of the 6-cent stamp but the color will be different. Every post office will have a supply when the new rate becomes effective. Mr. Walker also announced that the rate on air mail to and from the armed forces stationed outside the continental United States, which he reduced to six cents a half ounce on Dec. 23, 1941, remains unchanged. The

advices from Postmaster Goldman further state:

"Postal personnel are to be informed of the following changes: "The local rate will be increased from 2 cents to 3 cents an ounce at letter carrier offices.

"The domestic air mail rate will be increased from 6 cents to 8 cents an ounce.

"Every parcel sent by parcel post will require at least one cent more in postage than is now required. The new law requires that the increase be 1 cent or 3%, whichever is greater. Detailed tables are being drafted and will be inserted in the Postal Bulletin, so that complete information will be available in all post offices on the effective date of the new Act.

"The money order rates are increased as follows: One cent to \$2.50, increased from 6 cents to 10 cents; \$2.51 to \$5, increased from 8 cents to 14 cents; \$5.01 to \$10, increased from 11 cents to 19 cents; \$10.01 to \$20, increased from 13 cents to 22 cents; \$20.01 to \$40, increased from 15 cents to 25 cents; \$40.01 to \$60, increased from 18 cents to 30 cents; \$60.01 to \$80, increased from 20 cents to 34 cents; \$80.01 to \$100, increased from 22 cents to 37 cents.

"Fees for registered mail are increased 33 1/3%, and additional fees (surcharges) are increased 32 1/3%.

"The following figures list the indemnity limitations and the fee changes: \$5, from 15 cents to 20 cents; \$25, from 18 cents to 25 cents; \$50, from 20 cents to 25 cents; \$75, from 25 cents to 35 cents; \$100, from 30 cents to 40 cents; \$200, from 40 cents to 55 cents; \$300, from 50 cents to 65 cents; \$400, from 60 cents to 80 cents; \$500, from 70 cents to 95 cents; \$600, from 80 cents to \$1.05; \$700, from 85 cents to \$1.15; \$800, from 90 cents to \$1.20; \$900, from 95 cents to \$1.25; \$1,000, from \$1 to \$1.35.

"Insured and C. O. D. fees will be doubled under the new schedule.

"The fee for services in effecting delivery of collect on delivery mail upon terms different from those originally stipulated at the time of mailing is increased from 10 cents to 20 cents. The charge for demurrage on domestic collect on delivery mail, now five cents a day, is increased to 10 cents. Mr. Walker pointed out that no change is made under the new Act in C. O. D. fees on sealed domestic C. O. D. mail of any class bearing postage at the first class rate.

"On restricted delivery mail, the fee for effecting delivery of domestic registered, insured and C. O. D. mail, delivery of which is restricted to the addressee only, or to the addressee or order, is increased from 10 cents to 20 cents.

"Mr. Walker said that the existing supply of 6-cent air mail stamps will not be recalled. Armed forces air mail is so heavy, he said, that printing of the 6-cent stamp will have to be continued in quantity. The armed forces now absorb the total production of 6-cent air mail stamped envelopes. Eight million air mail stamped envelopes are being used weekly by the armed forces. Eight-cent stamped envelopes will not be printed for the time being, Mr. Walker announced."

40 To 50% Of Textile Production Available For Civilian Needs In The Coming Year

All military requirements for textiles will be met in the coming year, and from 40 to 50% of total production will be available for essential civilian needs, it was predicted on Feb. 24 by W. Ray Bell, President of the Association of Cotton Textile Merchants of New York in his report at the annual meeting of the organization at 40 Worth Street, New York City. Essential cloth requirements for industrial and agricultural uses connected with the war effort will be met, he said, as well as vital quantities for allied and occupied countries, despite increasing production difficulties due to manpower shortages, inflexible prices in the face of rising labor and raw material costs, and other adverse factors.

"The central problem facing the industry is that of production," Mr. Bell asserted. "Wartime operations in cotton mills reached their peak in the second quarter of 1942. Since then, the accelerated drain of manpower for the services and war industries has continued at an alarming rate in spite of the most strenuous efforts on the part of mill management. Abandonment of third shift production has been forced on many plants and some sections of the industry report it is difficult to maintain two full shifts. With a monthly separation rate of 8 to 9%, the loss of efficiency has become important. Utilization of all potential labor supply has been reported by many plants, which have often performed miracles in the training of new workers. However, the loss of experienced help has meant reduced efficiency even when numbers were maintained." Mr. Bell added:

"The effect of this difficult condition is reflected in the statistics on spinning activity for last year which amassed 125,380 million active spindle hours against the peak of 133,492 million in 1942. This decline was slightly over 6% and represents a maximum decline of perhaps 750 million square yards—probably less. The disturbing thing about the 1943 activities is not the totals, which are the second highest for any year of the industry, but the declining trend which was especially noted in the second half of the year. For January of this year the decline is more pronounced, amounting to 10% in spindle activity and a drop of 96,000 bales in cotton consumption compared with January of 1943. Part of this unfavorable showing, of course, was due to the labor difficulties in the Fall River mills.

"A satisfactory solution to the critical manpower situation in our industry is not yet in sight. In many divisions of the industry increased production from overtime work would be difficult without reasonable adjustment of current price ceilings to compensate for the added costs. Inflex-

ible prices, in the face of rising costs for labor and raw material, have been a contributing deterrent to extra normal operations."

Mr. Bell cited the requirements of the war effect as the chief reason for the need for increased production of textiles, adding that a secondary advantage would be "partial relief from the multiplicity of restrictions and directives relating to channels of distribution." He praised the Textile Division of the War Production Board for its skillful and cooperative handling of successive developments in regulation, climaxed by Conservation order M-317.

"Although the mandatory distribution required by these orders has often been complicated and represents the most stringent control ever imposed on industry, their application has generally been made with tolerance and reasonableness," he said. "The industry has recognized their need in a war economy, and has accepted their restrictions with good grace, although this has often meant considerable disruption to normal methods of customer's selection."

Discussing civilian needs, Mr. Bell expressed the opinion that under the broad allocation of products outlined in Conservation Order M-317, goods will be provided for the more essential civilian needs. He pointed out that despite the slight production decrease last year, department store sales over the entire country, as reported by the Federal Reserve Board, averaged 12% higher than in 1942, the peak production year, and hit an all-time high both in dollar value and quantity. Mr. Bell further said:

"At the same time there is a heavy reduction of inventories which were built up to enormous proportions in 1942. With some few exceptions, particularly in children's and infants' wear, my personal feeling is that consumers have been denied little so far. The pipelines of supply are being emptied, however, and this fact combined with the difficulties of mills to take forward commitments has encouraged the feeling of insecurity."

Four directors were elected to the Association's board for terms of three years: Alonzo F. Bonsal of Joshua L. Baily & Co., J. E. Bradley of Pacific Mills, Chas. A. Sweet of Wellington-Sears Company, and Joseph W. Valentine of J. W. Valentine Company.

Regional Office Of Bureau Of Labor Statistics Opened In New York City Under H. R. Hosea

The New York Regional Office of the Bureau of Labor Statistics, U. S. Department of Labor, was opened on March 6 by A. F. Hinrichs, Acting Commissioner of Labor Statistics. The region includes the States of New York, New Jersey, Pennsylvania, Delaware, Maryland, and the District of Columbia.

The office is located in the Parcel Post Building, 341 Ninth Ave., New York. Harold R. Hosea has been appointed Regional Director. Mr. Hosea, a graduate of Boston and Brown Universities, was formerly connected with the Social Science Research Council in New York and, for the past 10 years, has conducted economic research for the Department of Labor and other Federal agencies in Washington. The Bureau's advice also state:

"The New York regional office is one of eight being opened throughout the nation to meet the increased needs of public and private organizations for the current economic data which the Bureau of Labor Statistics has been compiling for many years.

Parcel Post Building, 341 Ninth

"The established policy of the Bureau of Labor Statistics makes its services readily available to all organizations and individuals who require information on prices, wages, and employment, Mr. Hinrichs pointed out.

"Technical work in wage research in the New York regional office is directed by Paul E. Anderson. Hilding Carlson is in charge of activities involving prices and the cost of living.

"The Philadelphia office, established a year ago under the direction of Kermjit B. Mohn, will continue to compile wage data in Pennsylvania, Delaware and Maryland, operating as a branch of the New York office."

High Spots Of The Baruch-Hancock Report

(Continued from first page)

world, for our own, for Communism, Fascism, Naziism — all the others. And the American system has outproduced the world.

America's productive capacity can perform still another miracle in a fine and lasting peace. It will not do so if pressure groups are permitted to turn that productive capacity into a battleground for their own selfish interests or inflate ourselves out of the world market.

The First Problem

The very first problem to be solved was how to get Government work out of the plants so civilian work could come back in. This raises three questions: How are war contractors going to get the money owed them? How is Government property to be moved out physically from their plants? And, while doing that, how is the public interest to be protected?

Prompt Settlement of War Contracts

We recommend quick, fair and final settlement of terminated war contracts through negotiations by the contractors and the procurement agencies.

The importance to the whole economy of freeing the working capital of manufacturers so there will be jobs is such that interim financing which will provide quick cash pending final settlement is essential. Attempts at some one magic formula which could be applied to all alike—prime contractors, subcontractors, suppliers, etc.—result either in something rigid and inadequate or so loose as to be a blank check on the Treasury.

The only purpose of contract settlement is to pay what the Government owes. Contract settlement should not be used for punishment or reward, for making better or worse the position of manufacturers, workers, or the public. Attempts to turn the settlement legislation into a bandwagon for special interests should be fought off. To the extent that the simple purpose of settlement becomes involved with other issues, passage of the legislation will be delayed. The result, should Germany collapse suddenly, might be calamitous.

This "complete financial kit" which we recommend includes:

- (1) Immediate payment — the full 100%—for all completed articles.
- (2) On the uncompleted portion of the contract, immediate payment—the full 100%—of the Government's estimate of "factual" items, where proof ordinarily is simple, such as direct labor or materials, and of other items on which the Government is able to satisfy itself, up to 90% of the contractor's total estimated costs.
- (3) Immediate payment — the full 100%—of settlement with subcontractors as soon as approved.
- (4) Payment by the Government of interest on termination claims, until settled.
- (5) As insurance against delays in validating claims, a new, simplified system of T (Termination) loans by local banks, with Government guarantees, to be available to all war contractors, primes and subs.
- (6) For those unable to obtain such loans from their local banks in 30 days, the Government to make the loans directly.
- (7) Until the new T loans are authorized by Congress, extension of V and VT loans to all eligible borrowers.
- (8) Finally, for hardship cases, unable to use any of the tools outlined above, expedited settlements.

Surplus Property Disposal

We recommend:

(1) The immediate creation of a Surplus Property Administration in the Office of War Mobilization to be appointed by the Director, with full responsibility and adequate authority for dealing with all aspects of surplus disposal.

(2) This Administrator to be Chairman, with full and final authority, of a Surplus Property Policy Board representing these agencies: War, Navy, Treasury, Reconstruction Finance Corporation, Maritime Commission, War Production Board, Bureau of the Budget, the Food Administrator, Attorney General, Federal Works Agency, State Department and Foreign Economic Administration.

The business of all of the disposal agencies should be conducted in a goldfish bowl, with the facts on all sales open to public inspection at the point of sale and each agency submitting reports, summarizing these sales regularly to Congress through the Surplus Administrator.

No Separate Agency for Demobilization

The agencies that did the mobilizing will have to carry out their comparable tasks in the demobilizing. At the present stage of the war, preparations for demobilization are inseparable from the actual conduct of the war, from the constant adjustments required by the war. For this chief reason, we are opposed to the creation of a new, separate Office of Demobilization.

The existing agencies have the basic organizations, the experience and know-how, the feel and touch with these problems. What is needed is not the loosening up that would be the inevitable result of a new super-agency cutting across every other agency, but a general tightening up of the entire Government machine—both for mobilization and demobilization. The two go hand in hand.

Closer working together of the War Production Board and the Office of Price Administration to permit prompt adjustment of pricing methods or controls, where needed to avoid delaying the resumption of civilian employment.

"X Day" Reconversion

To avoid being caught unprepared by a sudden collapse of Germany, we recommend that the Armed Services and the War Production Board cooperate in the immediate preparation of an "X Day Reconversion Plan" based on the assumed defeat of Germany on "X Day."

In recent weeks the War Department has put together a tentative supply program, assuming the end of hostilities in Europe on a hypothetical date. These estimates have been furnished to the War Production Board, which is now translating them into terms of manpower, materials and manufacturing facilities likely to be released. While these estimates—necessarily a military secret—will certainly be changed, since no man can guess how much will be expended in Europe, they do provide a beginning basis for the "X Day" plan recommended.

Extension of War-Time Controls

In recommending an early review of war controls and a running survey of war functions along with the prompt extension of needed war powers we have had in mind this fact:

Basic wartime controls must be retained as long as necessary but all controls and the war agencies administering these controls

should be liquidated when no longer necessary.

Price Inflation

Prices run through the web and woof of our entire economic system and hardly anything would be worse than an uncontrolled rise in prices. If unjustly fixed, they will cause unrest and a sense of wrong. We have not felt it within our province to go into this matter now, but this much we will say—that most of the pressure groups have brought about the conditions of which they complain. Those who do the least complaining, the great body of white-collar workers—the policemen, firemen, school teachers, members of professions—they have suffered most.

Change-Over Credit

Many small businesses, severely curtailed during the war, will want to come back. Others will have to change over plants physically to reconvert from war to peace. Still other businesses will want to expand. Many persons will desire to start up new enterprises.

We are recommending:

(1) That the lending authority of the Smaller War Plants Corporation, at present restricted to purposes of war production, be extended to permit short-term loans to assist small business in the "change-over" from war to peace.

Tax Changes

At current tax rates, few new enterprises or individuals could repay their borrowings out of earnings less taxes in any reasonable period of time. There will be general agreement that tax rates should be reduced after the war. However, until it is definitely known that post-war taxes are to be reduced, the launching of new enterprises and the expansion of existing ones will be deterred. We recommend, therefore, that a post-war tax law be drafted now, during the war, and put on the shelf to go into effect at the end of the war.

Reduce the Debt

This post-war tax bill should aim at reduction in the national debt. In fact, it ought to be possible to begin the orderly retirement of that debt before the war itself ends. After the war, if the proper policies can be followed, tax rates can be reduced and the debt still cut. Lower rates, which stimulate a high volume of business and a high national income, will yield greater total tax receipts than would high rates which depress business volume, employment and income.

Danger of Pressure Groups

Again and again, we have warned of the dangers of groups organized for selfish interests. When we speak of pressure groups, we are not thinking only of the individuals who lead them, but of the men and women who make up their following. Present leaders may go but others will arise in their places. The greatest danger that our Nation faces, not only in the transition period but also in the longtime future, is the tendency for people to become broken up into blocs and segments, each organized for some narrow interest of the moment.

Our concern over pressure groups is another reason why we have guided our recommendations so that once victory is won we can close the books on the war as quickly as possible.

We have not wanted to leave the Government after the war a jackpot of controls which invite every pressure group to hit it.

Electric Output For Week Ended Mar. 4, 1944, Shows 13.1% 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 Mar. 4, 1944, was approximately 4,464,686,000 kwh., compared with 3,946,630,000 kwh. in the corresponding week a year ago, an increase of 13.1%. The output for the week ended Feb. 26, 1944 was 14.2% in excess of the similar period of 1943.

Major Geographical Divisions—	PERCENTAGE INCREASE OVER PREVIOUS YEAR			
	Week Ended—			
	Mar. 4	Feb. 26	Feb. 19	Feb. 12
New England	8.4	7.5	5.9	5.7
Middle Atlantic	12.5	13.8	13.4	10.9
Central Industrial	8.8	10.5	10.3	7.0
West Central	6.4	7.1	7.5	18.8
Southern States	13.4	14.4	10.9	12.1
Rocky Mountain	7.2	9.4	10.9	27.7
Pacific Coast	29.3	29.5	27.5	27.7
Total United States	13.1	14.2	14.3	15.1

Week Ended—	DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)				
	1944	1943	% Change over 1943	1942	1929
Jan. 1	4,337,387	3,779,993	+14.7	3,288,685	1,542,000
Jan. 8	4,567,959	3,952,587	+15.6	3,472,579	1,733,810
Jan. 15	4,539,083	3,952,479	+14.8	3,450,468	1,588,201
Jan. 22	4,531,662	3,974,202	+14.0	3,440,163	1,717,315
Jan. 29	4,523,763	3,976,844	+13.8	3,468,193	1,728,203
Feb. 5	4,524,134	3,960,242	+14.2	3,474,638	1,579,817
Feb. 12	4,532,730	3,939,708	+15.1	3,421,639	1,619,304
Feb. 19	4,511,562	3,948,749	+14.3	3,423,589	1,699,250
Feb. 26	4,444,939	3,892,796	+14.2	3,409,907	1,706,719
March 4	4,464,686	3,946,630	+13.1	3,392,121	1,702,570
March 11	—	3,944,679	—	3,357,444	1,687,229
March 18	—	3,946,836	—	3,357,032	1,534,553
March 25	—	3,928,170	—	3,345,502	1,480,208

Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES* (Based on Average Yields)										
1944— Daily Averages	U. S. Govt. Bonds	U. S. Corp. Bonds	Corporate by Ratings*				Corporate by Groups*			
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.	
Mar. 7	120.38	111.44	118.20	116.61	111.25	100.65	104.48	113.70	116.41	116.41
6	120.44	111.25	118.20	116.61	111.25	100.49	104.48	113.70	116.41	116.41
4	120.43	111.25	118.20	116.61	111.25	100.49	104.31	113.70	116.41	116.41
3	120.44	111.25	118.20	116.61	111.25	100.49	104.31	113.70	116.41	116.41
2	120.42	111.25	118.20	116.61	111.25	100.49	104.31	113.70	116.41	116.41
1	120.32	111.25	118.20	116.61	111.25	100.49	104.31	113.70	116.41	116.41
Feb. 25	120.21	111.25	118.20	116.61	111.07	100.32	104.31	113.50	116.22	116.22
18	119.96	111.25	118.40	116.41	111.07	100.49	104.31	113.50	116.41	116.41
11	119.69	111.25	118.40	116.22	111.25	100.49	104.31	113.50	116.41	116.41
4	119.45	111.25	118.40	116.22	111.25	100.49	104.14	113.50	116.61	116.61
Jan. 28	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41	116.41
21	119.58	111.25	118.40	116.41	111.07	100.16	104.31	113.31	116.41	116.41
14	119.57	111.25	118.60	116.41	111.25	99.84	104.14	113.50	116.41	116.41
7	119.69	111.07	118.60	116.41	111.07	99.36	103.80	113.50	116.22	116.22
High 1944	120.44	111.44	118.80	116.61	111.25	100.65	104.48	113.70	116.61	116.61
Low 1944	119.41	110.70	118.20	116.22	110.88	99.04	103.30	113.12	116.02	116.02
High 1943	120.87	111.44	119.41	117.00	111.81	99.36	103.47	114.27	117.40	117.40
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46	114.46
1 Year ago	—	—	—	—	—	—	—	—	—	—
Mar. 6, 1943	116.98	109.24	117.60	115.24	110.34	95.77	100.16	113.12	115.43	115.43
2 Years ago	—	—	—	—	—	—	—	—	—	—
Mar. 6, 1942	117.32	106.21	115.63	112.93	107.27	91.62	96.85	109.79	113.31	113.31

MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices)										
1944— Daily Averages	U. S. Govt. Bonds	U. S. Corp. Bonds	Corporate by Ratings*				Corporate by Groups*			
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.	
Mar. 7	1.80	3.09	2.74	2.82	3.10	3.71	3.48	2.97	2.83	2.83
6	1.79	3.10	2.74	2.82	3.10	3.72	3.48	2.97	2.83	2.83
4	1.80	3.10	2.74	2.82	3.10	3.72	3.49	2.97	2.83	2.83
3	1.80	3.10	2.74	2.82	3.10	3.72	3.49	2.97	2.83	2.83
2	1.80	3.10	2.74	2.84	3.10	3.72	3.49	2.97	2.84	2.84
1	1.81	3.10	2.74	2.83	3.10	3.72	3.49	2.97	2.84	2.84
Feb. 25	1.81	3.10	2.74	2.83	3.11	3.73	3.49	2.98	2.84	2.84
18	1.83	3.10	2.73	2.83	3.11	3.72	3.49	2.98	2.83	2.83
11	1.85	3.10	2.73	2.84	3.10	3.72	3.49	2.98	2.83	2.83
4	1.87	3.10	2.73	2.84	3.10	3.72	3.50	2.98	2.82	2.82
Jan. 28	1.87	3.11	2.74	2.84	3.11	3.74	3.50	2.99	2.83	2.83
21	1.86	3.10	2.73	2.83	3.11	3.74	3.49	2.99	2.83	2.83
14	1.86	3.10	2.72	2.83	3.10	3.76	3.50	2.98	2.83	2.83
7	1.85	3.11	2.72	2.83	3.11	3.79	3.52	2.98	2.84	2.84
High 1944	1.87	3.13	2.74	2.84	3.12	3.81	3.55	3.00	2.85	2.85
Low 1944	1.79	3.09	2.71	2.82	3.10	3.71	3.48	2.97	2.82	2.82
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93	2.93
Low 1943	1.79	3.09	2.68	2.80	3.07	3.79	3.54	2.94	2.78	2.78
1 Year ago	—	—	—	—	—	—	—	—	—	—
Mar. 6, 1943	2.07	3.21	2.77	2.89	3.15	4.02	3.74	3.00	2.88	2.88
2 Years ago	—	—	—	—	—	—	—	—	—	—
Mar. 6, 1942	2.03	3.38	2.87	3.01	3.32	4.30	3.95	3.18	2.99	2.99

*These prices are computed from average yields on the basis of one "typical" bond (3% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

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

Steel Operations At Higher Rate — War Needs Tighten Hold On Plate And Sheet Production

"Two unusual developments affecting steel makers came to light this week as the industry pushed ahead full tilt against a mounting volume of orders created by invasion needs and other programs," stated "The Iron Age" in its issue of today (March 9) further adding: "The establishment of a new uniform steel contract escalator clause approved by the WPB and made effective March 1 on long-term and open-end contracts with procurement agencies has caused much comment. The clause provides that when OPA ceilings are raised, contract prices also shall be raised but shall be subject to negotiation within a 60-day period. In some quarters it is said the clause may be a possible hurdle for the War Labor Board in trying to make a steel wage award.

"More spectacular is a proposal by the CIO to put the Govern-

ment into the steel business through the operation of five blast furnaces which DPC has scheduled to close, and through subsidy of 20 small steel companies by means of below-ceiling prices on pig iron and scrap. This plan was reported proposed to WPB Chairman Donald Nelson last week by Philip Murray, head of the CIO.

"Under Mr. Murray's plan, a commission of three persons, one

from CIO, one from Government and one from industry, would direct the small steel operations. Companies participating would agree to regulation of executive salaries and dividend payments, among other things. Pig iron produced by the five furnaces would be sold to the small producers.

"Despite the fact that steel operations have been strong, order backlogs still are on the increase. Sheets, plates, alloy steel, bars and stainless are in particularly heavy demand, and even in the nail market a large inquiry of around 30,000 tons is current. Flat rolled steel demand remains intense.

"Because orders are so greatly extended in certain lines, not too much credence is being placed in the far distant commitments, which may ultimately be revised if not wiped out entirely. Where quick deliveries are desired in heavily sought products, Government officials obviously must decide which needs are most important.

"Alloy steel orders and inquiries are heavier. A very large tonnage of alloy strip was being quoted upon in the East last week in connection with a new military requirement.

"The third annual report of the Truman committee points out that materials soon will have to be made available for further civilian production. Essential needs, says the report, are much greater than they were a year ago, and continued curtailment of civilian output increases the threat of inflation.

"Meanwhile, a survey of relaxations in WPB orders shows that while there have been more than 40 modifications of L and M orders since Jan. 1, the majority of these were granted for purposes other than to expedite civilian production."

The American Iron and Steel Institute on March 6 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 98.8% of capacity for the week beginning March 6, compared with 97.5% one week ago, 97.2% one month ago and 99.1% one year ago. The operating rate for the week beginning March 6 is equivalent to 1,769,800 tons of steel ingots and castings, compared to 1,746,500 tons one week ago, 1,741,800 tons one month ago, and 1,716,100 tons one year ago. The operating rate for the current week will be the largest since the week beginning Oct. 11, 1943, when output of ingots and castings established a historic peak for the industry.

"Steel" of Cleveland, in its summary of the iron and steel markets, on March 6 stated in part as follows:

"Emphasis in the finished steel market continues on sheets and plates, both of which are in heavy demand for the war program. The situation has become progressively tighter and no relief is in sight.

"Evidence of the heavy pressure for plates is found in the fact that producers entered March with substantial unfilled tonnage, in some instances equal to 20% or 25% of their current monthly capacity. Expectation that they would be caught up by the end of this quarter has vanished and little possibility is seen for two or three months. Further increase in plate capacity and possibly lighter requirements are relied on to ease the situation. Orders are less than a month ago, attributed to deferred delivery in part. Except in universal plates producers in general have nothing available before August, with some quoting September.

"Sheet deliveries are also so extended that some buying is discouraged. Sheets are quoted for August and September by most producers. The situation is so tight that it has been deemed necessary for producers to obtain approval of Washington before

Encouraging Results In Simplifying And Reducing Govt. Questionnaires Reported

The joint effort of business and Government to simplify and reduce burdensome Government questionnaires is producing encouraging results, it is indicated in the first annual report of the Advisory Committee on Government Questionnaires, recently issued. An announcement by the Committee states that the report records acceptance by Government of more than 300 recommendations of the committee, which was set up

at the request of the Budget Bureau. Seven national organizations have representation on the committee. From the announcement we also quote:

"The committee's accomplishments include easement of reporting difficulties attending the use of the complicated form WPB-732, for metal industries, which has been a headache for those reporting. In collaboration with the War Production Board, the committee made a thorough study of the uses of this form, and proposed seven improvements, all of them later adopted by WPB. These are:

"1. Elimination of the monthly report.

"2. Reduction of the size of the quarterly report to one page.

"3. Simplification of the sections on shipments and labor utilization.

"4. Elimination of reporting on nickel, zinc and monel in Section B.

"5. Elimination of questions relating to electric power consumption and of obstacles holding up production.

"6. Establishment of substantial cut-off points for each item of material included in the inventory report, and

"7. The inauguration of a flexible method for reporting estimated figures, basing data on the respondent's own accounting periods and arranging for consolidated plant figures."

The Committee cites some other examples of form simplification as given in the report, these relating to arc welding and electrodes; chemical industries; public utilities; aircraft industry; employment data and financial reports; as to the simplification in the two last named cases, we quote:

"Employment Data—The problem, as recognized by the Bureau of the Budget and other government agencies, has been to coordinate and consolidate methods of collecting employment data, now carried on through approximately 300 questionnaires. The committee suggested the easement of industry's reporting hardship could be effected through providing standard specifications and uniform definitions and for more convenient periods for submission of labor reports. One significant conclusion has been reached—that monthly payroll information should be collected by both state and Federal agencies for a standard reporting period.

filling gaps occasioned by cancellations. Carry-over tonnages are allowed to be placed in such gaps but any other tonnage of importance must first be passed on by the War Production Board before it can be placed in schedule.

"Pig iron production, including ferromanganese and spiegeleisen, in January, at 5,275,852 net tons, was higher than most recent months, but failed to reach the all-time record of October, 5,323,738 tons. The December total was 5,213,146 tons and that for January, 1943, was 5,194,245 tons.

"Railroad buying is increasing, recent purchase of 15 locomotives by the Terminal Railway Association at St. Louis being followed by an equal number of heavy mountain units by the Chesapeake & Ohio for its coal service. The latter road has placed 5000 fifty-ton freight cars, subject to WPB approval. Chicago & North-Western has inquired for 2000 of the same capacity. Chicago, Rock Island & Pacific has been given court permission to place 500 all-steel box cars.

"Financial Reports—As a result of intensive study, a series of recommendations were submitted to the Bureau of the Budget and the Office of Price Administration. These were adopted in their entirety. As a result, Form A was reduced from 19 to 4 pages and both Form A and B have been greatly simplified."

We likewise quote from the Advisory Committee's announcement:

"The Advisory Committee on Government Questionnaires has as its members representatives of the American Retail Federation; American Trade Association Executives; United States Chamber of Commerce; Controllers' Institute of America; National Association of Commercial Organization Secretaries; National Association of Manufacturers; and National Industrial Council.

"According to W. J. Donald, managing director of the National Electrical Manufacturers' Association, Chairman of the Committee, the chief objective was to collaborate with the Bureau of the Budget and other Government agencies in effecting an 'orderly reduction of paper work without jeopardizing the flow of information essential to the war effort.'

"In a letter to Mr. Donald, commenting on the effective collaboration of business, and thanking the members of the Advisory Committee and its sub-committees, the Budget Director said: 'This collaboration is clear proof of the willingness of private enterprise to share with Government the responsibility of collecting essential information.'

"Budget Director Harold D. Smith points out that of the 300 recommendations submitted by the committee, substantially all had been approved by the Bureau of the Budget and subsequently accepted by the agencies to whose programs they have related.

"A similar letter of commendation was received from Chester Bowles, Administrator of the Office of Price Administration. Referring to the series of recommendations which were adopted and which resulted in the simplification of Forms A and B, Mr. Bowles said that the improvements suggested by the committee will 'go far toward a more efficient and more effective price control program.'"

FIC Banks Place Debs.

An offering of debentures for the Federal Intermediate Credit Banks was made Feb. 17 by Chas. R. Dunn, New York, fiscal agent for the banks. The financing consisted of \$24,525,000 0.90% consolidated debentures dated March 1, 1944, and due Dec. 1, 1944. The issue was placed at par. Proceeds of the issue, together with cash on hand, were used to retire \$25,555,000 of debentures due March 1, 1944.

As of March 1, 1944, the total amount of debentures outstanding was \$314,305,000.

Moody's Daily Commodity Index

Tuesday, Feb. 29	248.8
Wednesday, March 1	249.1
Thursday, March 2	249.0
Friday, March 3	248.6
Saturday, March 4	248.8
Sunday, March 5	249.2

Trading On New York Exchanges

The Securities and Exchange Commission made public on Mar. 3 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. 19, 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. 19 (in round-lot transactions) totaled 1,509,229 shares, which amount was 15.98% of the total transactions on the Exchange of 4,721,580 shares. This compares with member trading during the week ended Feb. 12 of 1,149,130 shares, or 15.28% of total trading of 3,761,330 shares. On the New York Curb Exchange, member trading during the week ended Feb. 12 amounted to 314,770 shares, or 14.46% of the total volume on that exchange of 1,088,820 shares; during the Feb. 12 week trading for the account of Curb members of 248,350 shares was 13.23% of total trading of 938,320 shares.

We also give below the figures in detail for the week ended Feb. 12.

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

	Week Ended Feb. 19, 1944		Week Ended Feb. 12, 1944	
	Total	%	Total	%
A. Total Round-Lot Sales:				
Short sales	132,620		120,800	
†Other sales	4,588,960		3,640,530	
Total sales	4,721,580		3,761,330	
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	392,670		319,040	
Short sales	54,560		47,590	
†Other sales	333,430		258,260	
Total sales	387,990	8.27	305,890	8.31
2. Other transactions initiated on the floor—				
Total purchases	250,060		165,730	
Short sales	8,300		11,880	
†Other sales	205,660		144,030	
Total sales	213,960	4.91	155,910	4.28
3. Other transactions initiated off the floor—				
Total purchases	119,490		104,620	
Short sales	10,800		7,100	
†Other sales	134,259		90,880	
Total sales	145,059	2.80	97,980	2.69
4. Total—				
Total purchases	762,220		589,390	
Short sales	73,660		66,570	
†Other sales	673,349		493,170	
Total sales	747,009	15.98	559,740	15.28

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

	Week Ended Feb. 19, 1944		Week Ended Feb. 12, 1944	
	Total	%	Total	%
A. Total Round-Lot Sales:				
Short sales	5,805		5,990	
†Other sales	1,083,015		932,330	
Total sales	1,088,820		938,320	
B. Round-Lot Transactions for the Account of Members:				
1. Transactions of specialists in stocks in which they are registered—				
Total purchases	75,805		79,055	
Short sales	3,805		4,880	
†Other sales	79,980		64,195	
Total sales	83,785	7.33	69,075	7.89
2. Other transactions initiated on the floor—				
Total purchases	34,025		24,260	
Short sales	1,400		410	
†Other sales	28,400		19,125	
Total sales	29,800	2.93	19,535	2.33
3. Other transactions initiated off the floor—				
Total purchases	49,310		30,780	
Short sales	25		200	
†Other sales	42,020		25,445	
Total sales	42,045	4.20	25,645	3.01
4. Total—				
Total purchases	159,140		134,095	
Short sales	5,230		5,490	
†Other sales	150,400		108,765	
Total sales	155,630	14.46	114,255	13.23
C. Odd-Lot Transactions for the Account of Specialists—				
Customers' short sales	0		0	
†Customers' other sales	41,208		39,591	
Total purchases	41,208		39,591	
Total sales	27,164		28,060	

*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."

Department Store Sales In New York Federal Reserve District In Jan. 2% Above Year Ago

The Federal Reserve Bank of New York announced on Feb. 21 that January sales of department stores in the Second (New York) Federal Reserve District increased 2% above a year ago. The combined sales for January to December, 1943, were 6% higher than in the same period the previous year. Stocks of merchandise on hand in department stores at the end of January, 1944, are unchanged from the amount in January, this year.

The apparel stores in the New York Reserve District reported a gain of 6% in net sales in January. Their stocks on hand at the close of the month were 15% higher than the same month in 1943.

The following is the bank's tabulation:

DEPARTMENT STORE TRADE BY MAJOR LOCALITIES JANUARY, 1944

Department Stores—	Net sales		Percentage change from preceding year
	Jan. 1944	Jan.-Dec. 1943	
*Second District	+ 2	+ 6	
New York City	+ 3	+ 7	+ 1
*Northern New Jersey	- 4	- 2	- 11
*Newark	- 6	- 2	- 12
Westchester and Fairfield Counties	- 12	- 3	- 10
Bridgeport	- 16	- 6	- 17
Lower Hudson River Valley	+ 20	+ 7	+ 1
Poughkeepsie	+ 19	+ 9	
Upper Hudson River Valley	- 1	- 1	+ 2
Albany	+ 6	- 4	
Schenectady	- 8	+ 2	+ 10
Central New York State	+ 9	+ 11	+ 5
Mohawk River Valley	+ 2	+ 11	+ 5
Utica	+ 1	+ 13	
Syracuse	+ 15	+ 11	+ 11
Northern New York State	+ 4	+ 3	
Southern New York State	+ 4	+ 10	+ 8
Binghamton	+ 3	+ 14	
Elmira	+ 5	- 2	
*Western New York State	+ 3	+ 9	+ 3
Buffalo	+ 5	+ 11	+ 5
*Niagara Falls	+ 2	+ 23	
Rochester	+ 6	+ 6	+ 2
Apparel stores (chiefly New York City)	+ 6	+ 20	+ 15

INDEXES OF DEPARTMENT STORE SALES AND STOCKS

	1943			1944
	Jan.	Nov.	Dec.	
Sales (average daily), unadjusted	109	181	226	112
Sales (average daily), seasonally adjusted	*138	148	123	141
[1923-25 average = 100]				
Stocks, unadjusted	*109	132	112	110
Stocks, seasonally adjusted	*119	115	115	120

*Revised.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on March 3 a summary for the week ended Feb. 2 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.

We are also giving below the figures for the week ended Feb. 19.

	Feb. 26, 1944		Feb. 19, 1944	
	Total for week	%	Total for week	%
Odd-Lot Sales by Dealers				
(Customers' purchases)	16,784		21,922	
Number of orders	438,764		517,661	
Dollar value	17,992,734		21,249,095	
Odd-Lot Purchases by Dealers—				
(Customers' sales)				
Number of Orders:				
Customers' short sales	194		238	
*Customers' other sales	15,286		16,309	
Customers' total sales	15,480		16,547	
Number of Shares:				
Customers' short sales	5,682		6,941	
*Customers' other sales	403,086		448,224	
Customers' total sales	408,768		455,165	
Dollar value	\$13,298,856		\$15,028,701	
Round-lot Sales by Dealers—				
Number of Shares:				
Short sales	30		60	
†Other sales	122,110		129,120	
Total sales	122,140		129,180	
Round-lot Purchases by Dealers—				
Number of Shares:	156,350		191,820	

*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."

National Fertilizer Association Price Index Again Recedes

The weekly wholesale commodity price index, compiled by The National Fertilizer Association and made public on March 6, declined for the second consecutive week. In the week ended March 4 this index declined to 136.8 from 137.0 in the preceding week. A month ago this index stood at 137.2 and a year ago at 135.5, based on the 1935-1939 average as 100. The Association's report added:

The declines in the farm products and foods groups were mainly responsible for the downturn in the all-commodity index. The farm products group contained the only individual items which advanced. There were higher quotations for rye, good cattle, and calves while light hogs and lambs continued to decline. The foods group declined fractionally, reaching a new low since August, 1943. Declines in this group were registered by flour, white potatoes, and fresh pork. The textiles group moved into lower ground as prices for raw cotton declined. During the week none of the group averages in the composite index advanced.

During the week three price series in the index advanced and six declined; in the preceding week price changes were evenly balanced with five advances and five declines; and in the second preceding week there were six advances and one decline.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Each Group Sears to the Total Index	Group	1935-1939=100*			
		Latest Week	Preceding Week	Month Ago	Year Ago
25.3	Foods	138.0	138.4	139.7	137.4
	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	156.3	157.0	156.5	155.6
	Cotton	198.3	199.0	196.5	199.0
	Grains	164.8	164.8	164.8	141.9
	Livestock	146.8	147.7	147.5	152.2
17.3	Fuels	130.1	130.1	129.5	121.7
10.8	Miscellaneous commodities	131.4	131.4	131.4	130.4
8.2	Textiles	151.6	151.8	151.4	151.1
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	152.4	152.4	152.4	152.1
1.3	Chemicals and drugs	127.7	127.7	127.7	127.1
.3	Fertilizer materials	117.7	117.7	117.7	117.6
.3	Fertilizers	119.8	119.9	119.9	119.8
.3	Farm machinery	104.2	104.2	104.2	104.1
100.0	All groups combined	136.8	137.0	137.2	135.5

*Indexes on 1926-1928 base were: March 4, 1944, 106.6; Feb. 26, 106.7, and March 6, 1943, 105.6.

Non-Farm Real Estate Foreclosure Report

Non-farm foreclosure activity during 1943, according to the advices Feb. 3 from the Division of Operating Statistics of the Federal Home Loan Bank Administration, was well below that of 1942. There were 25,699 cases completed during 1943, a 39% improvement from the 42,331 involuntary transfers concluded during 1942. The rapidity with which distress actions are diminishing is a reflection of national economic improvement and the increased earning power of home owners. The advices add:

"The improvement in the foreclosure situation was shared by each of the Federal Home Loan Bank Districts with decreases ranging from 58% in the Indianapolis District to 31% in the New York District. Further study reveals that decreases occurred in every State except Nevada, which showed no change from 1942.

"The national foreclosure rate for the year 1943 was 1.2 per 1,000 non-farm structures. This compares favorably with the rate of 1.9 for 1942. New York State reported the highest foreclosure rate, 3.1 per 1,000 nonfarm structures, and Nevada the lowest, a rate of 0.1.

"An analysis by size of non-farm area indicated that the size group which is composed of counties having less than 5,000 non-farm structures showed the smallest decrease in the number of foreclosures completed during the year 1943. That size group also had the smallest foreclosure rate per 1,000 nonfarm structures. Although the group which includes counties of 60,000 and over non-farm structures had a high decrease in foreclosures, it continued, as it has in the past, to have the largest foreclosure rate per 1,000 nonfarm structures.

Non-farm Foreclosures by Size of County

Size Group—	Est. Percent	
	1943	Decrease Rate 1942-1943
*Total	25,699	39.3
No. 1—Under 5,000	2,518	35.2
No. 2—5,000-19,999	3,951	40.6
No. 3—20,000-59,999	5,022	38.5
No. 4—60,000 and over	14,208	39.9

*It is estimated that about 15% of non-farm foreclosures are on commercial properties.

†Size groups by number of nonfarm structures, 1940 census.

"Foreclosures on nonfarm properties in the United States were estimated at 1,818 for December, 1943, 3.7% less than the number of cases completed during November and 37.9% fewer than the cases completed during December, 1942. The seasonally adjusted index of foreclosures (1955-1939=100) declined almost 5% during December to 13.6, the lowest level of the entire foreclosure series."

Phila. Bank Liable For Night Deposit

An unusual legal precedent was set on Feb. 15 in Common Pleas Court in Philadelphia when Judge Eugene V. Alessandrini ruled that banks were liable for the safety of funds dropped into mechanical repositories installed in the outer walls of the building. The Philadelphia "Inquirer" of Feb. 13 reported this, adding:

"Judge Alessandrini dismissed a motion for a new trial by the Northwestern National Bank, Broad Street and Fairmount Avenue, in a damage suit brought by Morris and Elizabeth Bernstein, 1623 Ridge Avenue. The bank had refused to credit a deposit of \$1,692.75 which had been placed in the outer repository at night, and claimed that it had never been received."

Federal Reserve January Business Indexes

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

	BUSINESS INDEXES					
	Adjusted for Seasonal Variation—1943			Without Seasonal Adjustment—1943		
	1944 Jan.	1943 Dec.	1943 Jan.	1944 Jan.	1943 Dec.	1943 Jan.
Industrial production—						
Total	*242	241	227	*238	239	223
Manufactures—						
Total	*260	260	245	*257	258	242
Durable	*366	367	336	*364	366	334
Nondurable	*174	173	171	*170	172	168
Minerals	*139	137	125	*133	131	119
Construction contracts, value—						
Total	*56	61	145	*46	48	118
Residential	*30	35	79	*25	30	66
All other	*77	81	193	*63	62	161
Factory employment—						
Total	*167.3	169.0	165.8	*166.4	169.3	164.8
Durable goods	*229.4	232.6	218.6	*228.9	232.5	218.1
Nondurable goods	*118.3	118.9	124.1	*117.1	119.5	122.9
Factory payrolls—						
Total	—	—	—	†	328.5	290.9
Durable goods	—	—	—	†	461.6	399.8
Nondurable goods	—	—	—	†	198.2	184.5
Freight-car loadings—	145	144	135	133	133	124
Department store sales, value	*151	130	143	118	231	111
Department store stocks, value	†	*98	102	†	*92	92

*Preliminary or estimated. †Data not yet available.
 Note—Production, carloadings, and department store sales indexes based on daily averages. To convert durable manufactures, non-durable manufactures and minerals indexes to points in total index, shown in Federal Reserve Chart Book, multiply durable by .379, non-durable by .469, and minerals by .152.
 Construction contract indexes based on three-month moving averages, centered at second month, of F. W. Dodge data for 37 Eastern States. To convert indexes to value figures, shown in the Federal Reserve Chart Book, multiply total by \$410,269,000, residential by \$184,137,000, and all other by \$226,132,000.
 Employment index, without seasonal adjustment, and payrolls index compiled by Bureau of Labor Statistics.

INDUSTRIAL PRODUCTION (1935-39 average = 100)

	Adjusted for Seasonal Variation—1943			Without Seasonal Adjustment—1943		
	1944 Jan.	1943 Dec.	1943 Jan.	1944 Jan.	1943 Dec.	1943 Jan.
	Manufactures—					
Iron and steel	*209	200	204	*209	200	204
Pig iron	†	198	198	†	198	198
Steel	231	222	226	231	222	226
Open hearth	186	178	182	186	178	182
Electric	556	536	542	556	536	542
Machinery	*450	453	417	*450	453	417
Transportation equipment	*748	765	651	*748	765	651
Non-ferrous metals & products	†	286	251	†	286	251
Lumber and products	*133	137	123	*120	126	112
Lumber	*125	131	113	*104	114	96
Furniture	*150	150	142	*150	150	142
Stone, clay, & glass products	*172	169	180	*162	164	170
Plate glass	54	55	35	54	55	35
Cement	†	101	171	†	92	139
Clay products	*131	122	148	*122	126	139
Gypsum and plaster products	*203	192	193	*196	196	187
Abrasive and asbestos products	*317	319	301	*317	319	301
Textiles and products	*148	143	158	*148	143	158
Cotton consumption	153	142	172	153	142	172
Rayon deliveries	186	189	180	186	189	180
Wool textiles	†	142	154	†	142	154
Leather products	*105	101	105	*104	101	123
Tanning	†	96	130	†	95	130
Cattle hide leathers	†	97	141	†	97	144
Calf and kip leathers	†	68	95	†	66	93
Goat and kid leathers	†	82	89	†	83	89
Sheep and lamb leathers	†	162	185	†	154	172
Shoes	*110	105	118	*110	105	118
Manufactured food products	*150	148	141	*141	145	131
Wheat flour	*124	128	134	*124	126	134
Meat packing	*182	173	143	*219	205	171
Other manufactured foods	*152	*148	144	*140	*146	133
Processed fruits and vegetables	*127	129	121	*82	101	79
Tobacco products	126	143	132	126	132	132
Cigars	87	90	103	87	90	103
Cigarettes	157	181	159	157	167	159
Other tobacco products	88	99	93	86	87	91
Paper and products	†	131	135	†	131	135
Paperboard	144	135	137	144	135	137
Newsprint production	†	83	92	†	82	92
Printing and publishing	*106	105	115	*102	108	111
Newsprint consumption	89	89	104	83	93	97
Petroleum and coal products	†	216	158	†	216	158
Petroleum refining	†	222	157	†	222	157
Gasoline	*126	123	99	*126	123	99
Fuel oil	†	159	137	†	159	137
Lubricating oil	†	120	111	†	118	108
Kerosene	†	120	104	†	124	106
Coke	*173	171	166	*173	171	166
Byproduct	*163	161	157	*163	161	157
Beehive	*519	516	485	*519	516	485
Chemicals	*360	365	355	*358	367	354
Rayon	*225	226	196	*225	226	196
Industrial chemicals	*392	394	332	*392	394	332
Rubber	*240	240	215	*240	240	215
Minerals—						
Fuels						
Bituminous coal	*142	140	124	*142	140	124
Anthracite	*116	114	102	*116	114	102
Crude petroleum	*137	136	118	*137	136	118
Metals	*124	124	120	*124	124	120
Iron ore	*223	223	223	*223	223	223

FREIGHT-CAR LOADINGS (1935-39 average = 100)

Coal	150	147	135	150	147	135
Coke	185	192	184	194	202	193
Grain	159	153	138	159	144	138
Livestock	121	122	102	116	118	98
Forest products	147	154	130	133	138	117
Ore	203	209	202	51	65	50
Miscellaneous	149	148	144	136	139	132
Merchandise, l.c.l.	67	68	57	64	65	55

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

January Building Permit Valuations 16% Lower Than December, Dept. Of Labor Reports

December building construction started in urban areas during January, 1944, was valued at \$85,962,000, or 16% less than the value of work started during December, 1943, Secretary of Labor Frances Perkins reported on Feb. 26. "The total value of Federal contracts awarded, \$31,984,000, was 24% below the total for December, 1943, while permit valuations for private work declined one-tenth," she said. "New residential construction started during January was 22% less than during the previous month; new non-residential construction, 14%, and additions, alterations and repairs, 6%."

Secretary Perkins also stated: "Valuations of all building construction started during January, 1944, were 29% less than the total of \$121,235,000 for January, 1943. This decrease was due entirely to a 64% drop in Federal construction. Permit valuations for all classes of non-Federal building were 65% higher this January than last. As a result of the decline in the value of Federal construction contracts awarded, the valuations of new residential buildings declined 35%, and of new non-residential buildings, 44%. Valuations for additions, alterations and repairs increased 68%. In January, 1943, Federally-financed contracts awarded were 73% of the value of all building construction started while in January, 1944, Federal awards were only 37% of the total."

Class of construction—	Percentage change from					
	Dec. 1943 to Jan. 1944		Jan. 1943 to Jan. 1944		Other than	
All building construction	-15.8	9.8	-24.2	-29.1	+65.0	-63.9
New residential	-22.0	-6.7	-52.7	-34.9	+50.5	-79.9
New non-residential	-14.1	-24.8	-9.3	-43.5	+62.6	-54.4
Additions, alterations and repairs	-6.4	-5.2	-25.5	+67.9	+92.1	-52.4

The Department's report continues as follows: "Building permits were issued or Federal construction contracts were awarded during January, 1944, for 11,130 new family dwelling units, 22% less than were started during December, 1943, and slightly more than one-half as many as during January, 1943. About one-fourth, 2,908 units, were in Federally-financed projects for war workers. In January, 1943, Federally-financed units constituted 72% of all new family-dwelling units and in December, 1943, 41%. The number of privately-financed dwelling units started during January, 1944, was 3% less than during the previous month and 40% more than during January, 1943."

"The figures on building construction cover the entire urban area of the United States, which, by census definition, includes all incorporated places with a 1940 population of 2,500 or more and by special rule a small number of unincorporated civil divisions. The volume of privately-financed construction is estimated from the building-permit data received from a large majority of all urban places and these estimates are combined with data on building construction contracts awarded as furnished by Federal and State agencies. All figures for the current month are preliminary. Upward revisions in Federally-financed non-residential construction may be expected due to late notifications of contracts awarded."

"Principal centers of various types of building construction for which permits were issued or contracts were awarded in January, 1944, except projects which have been excluded because of their confidential nature were: Middletown, Pa., 50 units in two-family dwellings to cost \$200,000; Philadelphia, Pa., 80 one-family dwellings to cost \$408,300; Chicago, Ill., 214 one-family dwellings to cost \$959,650; Riverdale, Ill., 35 one-family dwellings to cost \$175,000; Dearborn, Mich., 46 units in two-family dwellings to cost \$183,000; Detroit, Mich., 315 one-family dwellings to cost \$1,624,522; Wyandotte, Mich., 41 one-family dwellings to cost \$205,000; Akron, Ohio, 34 one-family dwellings to cost \$194,000; Cleveland, Ohio, 45 one-family dwellings to cost \$211,500; Shaker Heights, Ohio, 4 apartments providing 68 units to cost \$452,000; Eau Claire, Wis., 3 factories to cost \$2,231,700; Omaha, Neb., 56 one-family dwellings to cost \$218,000; Jacksonville, Fla., 68 one-family dwellings to cost \$174,450; Miami Springs, Fla., 200 one-family dwellings to cost \$628,300; Memphis, Tenn., 174 one-family dwellings to cost \$497,790; New Orleans, La., 46 one-family dwellings to cost \$148,900, and 64 units in two-family dwellings to cost \$166,400; Dallas, Texas, 422 one-family dwellings to cost \$910,422; Goose Creek, Texas, 150 one-family dwellings to cost \$312,500; Houston, Texas, 112 one-family dwellings to cost \$375,925; Pasadena, Texas, 80 one-family dwellings to cost \$319,250; Coronado, Calif., 194 one-family dwellings to cost \$796,500; Gardena, Calif., 91 one-family dwellings to cost \$277,000; Long Beach, Calif., 275 one-family dwellings to cost \$1,002,550; Los Angeles, Calif., 258 one-family dwellings to cost \$799,800, 146 units in two-family dwellings to cost \$411,900 and 9 apartments providing 36 units to cost \$96,000; San Buenaventura, Calif., 120 one-family dwellings to cost \$452,000; San Diego, Calif., 179 one-family dwellings to cost \$777,940 and 29 apartments providing 116 units to cost \$318,300; San Francisco, Calif., 156 one-family dwellings to cost \$504,900; Santa Monica, Calif., 67 one-family dwellings to cost \$219,000; Portland, Ore., 65 one-family dwellings to cost \$394,150 and 6 apartments providing 50 units to cost \$224,500; Seattle, Wash., 78 one-family dwellings to cost \$334,500."

"In addition, contracts were awarded during January, 1944, for the following Federally-financed projects containing the indicated number of housekeeping units: Birdsboro, Pa., \$439,083 for 160 units; South Bend, Ind., \$85,150 for 50 units; Detroit, Mich., \$851,750 for 280 units; Ecorse, Mich., \$359,790 for 120 units; Pontiac, Mich., \$339,853 for 100 units; Saginaw, Mich., \$311,490 for 100 units; Baltimore, Md., \$559,600 for 150 units; Pascagoula, Miss., \$413,000 for 180 units; New Orleans, La., \$310,000 for 300 units; Brownsville, Texas, \$115,500 for 50 units; Yuma, Ariz., \$114,501 for 48 units; Great Falls, Mont., \$232,210 for 100 units; Reno, Nev., \$219,784 for 100 units; Belen, N. M., \$114,546 for 60 units; Gallup, N. M., \$124,300 for 60 units; Los Angeles, Calif., \$202,211 for 100 units; Vallejo, Calif., \$1,777,956 for 1,000 units."

"Federal contracts were also awarded for dormitory accommodations for 98 persons at Reno, Nev., to cost \$96,205; for 50 persons at Belen, N. M., to cost \$35,354."

Money In Circulation

The Treasury Department in Washington has issued its customary monthly statement showing the amount of money in circulation after deducting the moneys held in the United States Treasury and by Federal Reserve Banks and agents. The figures this time are those for Jan. 31, 1944 and show that the money in circulation at that date (including of course, that held in bank vaults of member banks of the Federal Reserve System) was \$20,529,050,611 as against \$20,449,387,607 on Dec. 31, 1943 and \$15,589,577,244 on Jan. 31, 1943, and compares with \$5,698,214,612 on Oct. 31, 1920. Just before the

Renegotiation Refunds Reserves Not Binding

Reserves for renegotiation refunds which war contractors may set up and show in their statements and annual reports are not to be regarded by Government renegotiation officials as binding on contractors, according to a ruling by the Joint Price Adjustment Board, representing the six Federal renegotiation agencies, it was announced on Feb. 19.

"The increasing practice of providing such a reserve is to be encouraged as a matter of sound accounting," Joseph M. Dodge, Chairman of the Joint Price Adjustment Board, stated. The OWI also quotes Mr. Dodge as saying: "The amount established in individual cases will vary widely, depending upon the policy of the particular contractor. It may be more or less than is actually needed when the renegotiation of the fiscal year for which the reserve has been set up is concluded. It would be manifestly unjust for the contractor to be bound by the amount of any reserve he may have created or for the existence of the reserve or the amount of it to affect the renegotiation proceedings. The renegotiation officials are instructed that such reserves are not to be considered directly or indirectly in connection with the determination of any price adjustment to be refunded to the Government under the terms of the renegotiation statute."

The six Federal renegotiation agencies are: War, Navy and Treasury Departments, the U. S. Maritime Commission, the War Shipping Administration, and the Reconstruction Finance Corporation.

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Lamborn Urges Maximum Sugar Production To Avert World Shortage

Pointing out that a world sugar shortage of several years' duration threatens, Lamborn & Co., sugar analysts, plead for the "all out" encouragement of maximum sugar production in Continental United States, Hawaii, Puerto Rico, and Cuba. Lamborn, commenting on the world supply picture, state that, with Java and the Philippines in the hands of the Japanese, with the vast Russian sugar industry largely destroyed as a result of the German invasion of the Ukraine—the three areas normally producing upwards of 5,000,000 tons—sugar production must be intensively increased in the United States and the surrounding areas.

"Commenting on the European beet sugar producing areas, the sugar firm observes that owing to lack of fertilizer, scarcity of labor and war destruction, the production possibilities of Europe are adversely affected. It further observes:

"In 1943 the U. S. beet sugar crop was a disastrous failure being 700,000 tons, or 40% short of normal. This drop in production, according to Lamborn, came about in large measure because the Government program for beet farmers was made available to them too late for complete planning and planting and because relatively higher prices were fixed for competing crops.

"Puerto Rico's current production will be off 25%, a loss of 250,000 tons. Hawaii, a large sugar supplier to the Mainland, is suffering from a shortage of sugar machinery and labor. Sugar trade commentators contend that the low price of sugar, which is the same today as it was two years ago, is resulting in smaller plantings in many areas.

outbreak of the First World War, that is on June 30, 1914. The total was \$3,459,434,174.

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. 26, 1944, is estimated at 12,575,000 net tons, an increase of 185,000 tons, or 1.5% over the preceding week. Soft coal output in the week ended Feb. 27, 1943 amounted to 12,380,000 tons. Total production for the current year to date is 6.7% 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. 26, 1944, which includes Sunday, Feb. 20, was estimated at 1,346,000 tons, a decrease of 86,000 tons (6.0%) from the preceding week. When compared with the production in the corresponding week of 1943, there was, however, an increase of 67,000 tons, or 5.2%. The calendar year to date shows an increase of 7.0% when compared with the corresponding period last year.

The Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended Feb. 26, 1944 showed an increase of 17,700 tons when compared with the output for the week ended Feb. 19, 1944. The quantity of coke from beehive ovens increased 5,100 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL

Commodity	Week Ended			January 1 to Date		
	Feb. 26, 1944	Feb. 19, 1944	Feb. 27, 1943	Feb. 26, 1944	Feb. 27, 1943	Mar. 2, 1937
Bituminous coal and lignite—	12,575,000	12,390,000	12,680,000	102,475,000	96,049,000	84,093,000
Total, incl. mine fuel—	12,575,000	12,390,000	12,680,000	102,475,000	96,049,000	84,093,000
Daily average—	2,095,000	2,065,000	2,113,000	2,104,000	1,950,000	1,702,000

*Revised. †Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

Commodity	Week Ended			Cal. Year to Date		
	Feb. 26, 1944	Feb. 19, 1944	Feb. 27, 1943	Feb. 26, 1944	Feb. 27, 1943	Mar. 2, 1937
Penn. anthracite—	1,346,000	1,260,000	1,279,000	10,290,000	9,619,000	13,866,000
Total incl. coll. fuel—	1,346,000	1,260,000	1,279,000	10,290,000	9,619,000	13,866,000
Commercial production—	1,292,000	1,375,000	1,228,000	9,879,000	9,234,000	12,868,000
Byproduct coke—	54,000	85,000	51,000	411,000	385,000	598,000
United States total—	1,273,600	1,291,300	1,224,100	10,391,400	10,077,800	13,466,000
Beehive coke—	54,000	85,000	51,000	411,000	385,000	598,000
United States total—	155,500	150,400	167,900	1,291,600	1,286,300	1,032,700

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

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

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

State	Week Ended			
	Feb. 19, 1944	Feb. 12, 1944	Feb. 20, 1943	Feb. 20, 1937
Alabama	400,000	413,000	390,000	300,000
Alaska	5,000	5,000	6,000	2,000
Arkansas and Oklahoma	94,000	100,000	107,000	58,000
Colorado	186,000	192,000	171,000	182,000
Georgia and North Carolina	1,000	1,000	1,000	1,000
Illinois	1,652,000	1,622,000	1,493,000	1,466,000
Indiana	575,000	557,000	503,000	502,000
Iowa	58,000	42,000	65,000	136,000
Kansas and Missouri	184,000	176,000	194,000	201,000
Kentucky—Eastern	325,000	1,000,000	998,000	722,000
Kentucky—Western	335,000	358,000	322,000	224,000
Maryland	36,000	37,000	35,000	40,000
Michigan	6,000	7,000	6,000	18,000
Montana (bituminous and lignite)	113,000	95,000	112,000	79,000
New Mexico	36,000	39,000	40,000	44,000
North and South Dakota (lignite)	61,000	62,000	72,000	84,000
Ohio	686,000	700,000	718,000	624,000
Pennsylvania (bituminous)	2,990,000	3,080,000	2,696,000	2,811,000
Tennessee	165,000	161,000	155,000	118,000
Texas (bituminous and lignite)	3,000	3,000	6,000	16,000
Utah	136,000	140,000	139,000	119,000
Virginia	404,000	441,000	425,000	284,000
Washington	33,000	35,000	45,000	61,000
*West Virginia—Southern	2,218,000	2,388,000	2,340,000	2,038,000
†West Virginia—Northern	992,000	1,077,000	917,000	700,000
Wyoming	195,000	218,000	203,000	160,000
‡Other Western States	1,000	1,000	1,000	1,000
Total bituminous and lignite	12,390,000	12,950,000	12,160,000	10,990,000
§Pennsylvania anthracite	1,432,000	1,424,000	1,158,000	832,000
Total all coal	13,822,000	14,374,000	13,318,000	11,822,000

*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.

Wholesale Commodity Index Again Rose In Week Ended Feb. 26 Labor Dept. Reports

Led by further substantial increases in market prices for livestock and certain fruits and vegetables and higher prices for wheat and cotton, the Bureau of Labor Statistics' index of commodity prices in primary markets rose 0.3% during the week ended Feb. 26, according to the advices from the U. S. Labor Department on March 2 which states that seasonally lower prices were reported for eggs and lemons. Quotations for principal industrial commodities were generally unchanged from the week before, says the announcement.

At 103.6% of the 1926 average, the all-commodity index is 0.5% higher than at this time last month and about 1% over a year ago, it is indicated by the Labor Department, which further reports:

"Farm Products and Foods"—The rise of 1.1% in farm products and the 0.5% increase in average prices for foods were principally caused by sharp increases in livestock and fruit and vegetable markets. Average prices for farm products are now 2½% above the corresponding week for February, 1943, while the level of food prices is nearly 1½% lower. During the week quotations for cows and steers were up on the average of 1% and sheep about 4%. Wheat prices advanced nearly one-half of 1% and cotton about 1%. The outstanding increases were 24% for oranges and 15% for sweet potatoes. Prices of eggs dropped 1% and onions more than 3%. Slightly lower prices were also reported for rye flour and spring wheat flour.

"Industrial Commodities"—Markets for industrial commodities continued to show relative stability. Quotations for goatskins and sheep skins, and for turpentine and Idaho white pine lumber were lower. Slightly higher prices were reported for rosin and, in accordance with OPA adjustments, for maple flooring and No. 2 common Ponderosa pine boards. Except for these changes, all reported

prices of major industrial products remained unchanged from the preceding week.

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 3 weeks, for Jan. 29, 1944 and Feb. 27, 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. 19 to Feb. 26, 1944:

WHOLESALE PRICES FOR WEEK ENDED FEB. 26, 1944 (1926=100)

Commodity Groups—	2-26				2-19				2-12				2-7				Percentages changes to Feb. 26, 1944 from—			
	1944	1944	1944	1943	1944	1944	1943	1943	1944	1944	1943	1943	1944	1944	1943	1943	1944	1943		
All commodities	103.6	103.3	103.1	103.1	102.7	102.7	102.7	102.7	+0.3	+0.3	+0.5	+0.9								
Farm products	124.2	122.8	121.9	122.6	121.2	121.2	121.2	121.2	+1.1	+1.3	+2.5									
Foods	104.6	104.1	104.0	104.7	106.0	106.0	106.0	106.0	+0.5	-0.1	-1.3									
Hides and leather products	117.5	117.7	117.8	117.8	118.4	118.4	118.4	118.4	-0.2	-0.3	-0.8									
Textile products	97.2	97.2	97.2	97.2	96.8	96.8	96.8	96.8	0	0	0									
Fuel and lighting materials	83.7	83.7	83.5	83.1	80.7	80.7	80.7	80.7	0	+0.7	+3.7									
Metals and metal products	103.8	103.8	103.8	103.8	103.9	103.9	103.9	103.9	0	0	-0.1									
Building materials	113.7	113.7	113.7	113.5	110.0	110.0	110.0	110.0	0	+0.2	+3.4									
Chemicals and allied products	100.4	100.4	100.4	100.4	100.3	100.3	100.3	100.3	0	0	+0.1									
Housefurnishing goods	106.2	106.2	104.4	104.4	104.1	104.1	104.1	104.1	0	+1.7	+2.0									
Miscellaneous commodities	93.3	93.3	93.0	93.0	90.9	90.9	90.9	90.9	0	+0.3	+2.6									
Raw materials	113.7	113.0	112.4	112.7	110.6	110.6	110.6	110.6	+0.6	+0.9	+2.8									
Semimanufactured articles	93.5	93.5	93.2	93.1	92.8	92.8	92.8	92.8	0	+0.4	+0.8									
Manufactured products	100.6	100.6	100.6	100.4	100.5	100.5	100.5	100.5	0	+0.2	+0.1									
All commodities other than farm products	99.2	99.2	99.1	99.0	98.7	98.7	98.7	98.7	0	+0.2	+0.5									
All commodities other than farm products and foods	98.3	98.2	98.1	98.0	96.5	96.5	96.5	96.5	+0.1	+0.3	+1.9									

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM FEB. 19, 1944 TO FEB. 26, 1944

Commodity	Increases		Decreases	
	Feb. 26, 1944	Feb. 19, 1944	Feb. 26, 1944	Feb. 19, 1944
Fruits and vegetables	3.3	Anthracite	0.2	
Other farm products	1.3	Grains	0.2	
Livestock and poultry	0.9	Dairy products	0.1	
Meats	0.1			
Hides and skins	1.0	Other foods	0.2	
Cereal products	0.1			

Living Costs In Large Cities Declined 0.2% Between Dec. 15-Jan. 15, Labor Dept. Reports

"Living costs of city families declined 0.2% between mid-December and mid-January," Secretary of Labor Perkins reported on Feb. 23. "Retail costs of foods dropped 0.7%, and clearance sales of heavy winter apparel caused a slight decrease in clothing costs over the month," she said. "Services continued to advance in price," she stated, adding:

"The typical family budget still costs 2.8% more than a year ago and 23.1% more than in January, 1941. Since the beginning of the war in 1939 living costs have gone up 25.9%, compared to the 64.6% rise during a similar period in World War I."

Miss Perkins further reported: "Decrease in retail egg prices usual at this time of year were mainly responsible for the 0.7% drop in total food costs over the month. Smaller reductions in the prices of pork and fish, coffee, shortening and sugar and sweets also contributed to the lowering of overall food costs. Sweet potato prices, which increased less than usual between Dec. 15 and mid-January, were stabilized on Dec. 22 by the OPA.

"Vegetable prices were up, with prices of green beans 43% higher, nearly twice the usual seasonal rise, and higher prices reported for spinach, cabbage, onions, Irish potatoes and carrots.

"Retail clothing prices declined 0.1% in the month ending Jan. 15, largely as a result of end-of-season clearance sales of men's overcoats, top coats and wool suits and women's coats. Scattered increases were reported for men's work clothing which was generally scarce, and for cotton and rayon dresses and girdles in some cities due to substitutions of higher price lines.

"Scattered increases in coal prices were not large enough to change the national average cost of fuel, electricity and ice, although small advances occurred in several cities.

"Costs of housefurnishings purchased by moderate-income families increased 0.2% on the average, mainly because of substitutions of higher-price lines in the case of wool rugs and bedroom suites. Prices for sheets were not lowered in January due to the general cooperation with the WPB in eliminating January "white sales." Merchants were extending their clearance sales of war-model living-room suites in anticipation of the lifting of Government restrictions on the production of furniture with steel springs following a WPB action of Jan. 14.

"Costs of services continued to advance in January. Motion picture admissions, charges for barber and beauty shop services, shoe repairs, auto repairs, medical services, nursing care and hospital care continued to increase and were especially significant in Kansas City and Seattle. Increases in laundry prices were reported from a number of cities where OPA had permitted laundries to adjust rates."

COST OF LIVING IN LARGE CITIES Indexes, 1935-39=100*

Date	All items	Food	Clothing	Rent	Fuel, electricity and ice	Household furnishings	Miscellaneous
1939: Aug. 15	98.6	93.5	100.3	104.3	97.5	100.6	100.4
1941: Jan. 15	100.8	97.8	100.7	105.0	100.8	100.1	101.9
1942: May 15	116.0	121.6	126.2	109.9	104.9	122.2	119.9
Sep. 15	117.8	126.6	125.8	108.0	106.2	123.6	111.4
1943: Jan. 15	120.7	133.0	126.0	108.0	107.3	123.8	113.2
Dec. 15	124.4	137.1	134.6	108.1	+109.4	127.9	118.1
1944: Jan. 15	124.1	136.1	134.5	†	109.5	128.1	118.3

PERCENT OF CHANGE

Date	All items	Food	Clothing	Rent	Fuel, electricity and ice	Household furnishings	Miscellaneous
Dec. 15, 1943, to Jan. 15, 1944	-0.2	-0.7	-0.1	†	+0.1	+0.2	+0.2
Jan. 15, 1943, to Jan. 15, 1944	+2.8	+2.3	+6.7	+0.1	+2.1	+3.5	+4.5
Sept. 15, 1942, to Jan. 15, 1944	+5.3	+7.5	+6.9	+0.1	+3.1	+3.6	+6.2
May 15, 1942, to Jan. 15, 1944	+7.0	+11.9	+6.6	-1.6	+4.4	+4.8	+6.7
Jan. 15, 1941, to Jan. 15, 1944	+23.1	+39.2	+33.6	+3.0	+8.6	+28.0	+16.1
Aug. 15, 1939, to Jan. 15, 1944	+25.9	+45.6	+34.1	+3.6	+12.3	+27.3	+17.8

*These indexes are based on changes in the cost of goods purchased by wage earners and lower-salaried workers in large cities. †Revised. ‡Rents surveyed at quarterly dates: March 15, June 15, Sept. 15, Dec. 15. §Changes through Dec. 15, 1943.

ABA Savings Conf. Panel Participants Named

Participants in the three panel discussions which will constitute the afternoon session of the conference on savings banking to be held by the Savings Division of the American Bankers Association in New York City have been selected and detailed arrangements for the conference program have been completed, it is announced by Fred F. Lawrence, President of the Division, who is Treasurer of the Maine Savings Bank, Portland, Maine. The conference will be held March 23. Invitations to attend the conference have been sent to banks in New England, New York, New Jersey and Pennsylvania.

The morning session of the conference will feature addresses by A. L. M. Wiggins, President of the ABA, who is President of the Bank of Hartsville, Hartsville, S. C., and Dr. Paul F. Cadman, economist for the Association. Mr. Lawrence will preside over this session. The panel discussions which will take place during the afternoon session, to be presided over by H. R. Templeton, Vice-President of the Cleveland Trust Company, Cleveland, Ohio, have as their subjects, "Post-War Home Building and Home Financing, Service Charges and Savings Account Activity," and "The Legal Framework for the Investment of Savings."

Daily Average Crude Oil Production For Week Ended Feb. 26, 1944 Increased 38,775 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Feb. 26, 1944, was 4,423,275 barrels, an increase of 38,775 barrels per day over the preceding week and 550,225 barrels per day more than recorded for the corresponding week of last year. The current figure is also 4,475 barrels per day in excess of the daily average figure recommended by the Petroleum Administration for War for the month of February, 1944. Daily output for the four weeks ended Feb. 26, 1944, averaged 4,401,800 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,377,000 barrels of crude oil daily and produced 13,183,000 barrels of gasoline; 1,726,000 barrels of kerosene; 4,558,000 barrels of distillate fuel oil, and 8,952,000 barrels of residual fuel oil during the week ended Feb. 26, 1944; and had in storage at the end of that week 85,248,000 barrels of gasoline, 7,129,000 barrels of kerosene, 33,766,000 barrels of distillate fuel and 51,387,000 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, 1944	Actual Production		4 Weeks Ended Feb. 26, 1944	Week Ended Feb. 27, 1943
			Week Ended Feb. 26, 1944	Change from Previous Week		
Oklahoma	328,000	328,000	324,500	- 900	326,400	350,450
Kansas	285,000	269,400	279,700	+11,650	274,100	306,400
Nebraska	1,200	---	1,350	+ 250	1,150	2,550
Panhandle Texas	---	---	102,000	---	102,000	88,900
North Texas	---	---	139,950	---	139,950	135,350
West Texas	---	---	362,000	---	362,000	213,900
East Central Texas	---	---	116,850	+ 6,600	111,900	102,250
East Texas	---	---	390,600	---	390,600	325,100
Southwest Texas	---	---	288,250	---	288,250	166,350
Coastal Texas	---	---	516,600	---	516,600	319,600
Total Texas	1,886,000	1,916,693	1,916,250	+ 6,600	1,911,300	1,351,450
North Louisiana	---	---	76,100	- 1,100	77,300	89,750
Coastal Louisiana	---	---	283,100	---	283,100	246,550
Total Louisiana	348,700	370,200	359,200	- 1,100	360,400	336,300
Arkansas	76,600	78,591	78,800	+ 50	78,800	75,150
Mississippi	46,000	---	43,350	+ 750	43,950	53,300
Alabama	25	---	25	---	---	---
Florida	50	---	50	---	---	---
Illinois	215,000	---	206,950	- 4,150	210,100	228,500
Indiana	14,000	---	13,150	+ 700	13,300	14,100
Eastern (Not incl. Ill., Ind., Ky.)	72,200	---	72,250	+ 3,550	70,500	80,850
Kentucky	25,200	---	19,500	- 600	21,050	19,650
Michigan	50,000	---	52,100	- 1,400	52,650	57,500
Wyoming	93,000	---	93,850	- 1,550	96,550	90,550
Montana	23,700	---	20,800	- 150	20,900	21,950
Colorado	7,000	---	7,250	+ 350	7,800	6,550
New Mexico	110,700	110,700	112,900	+ 50	112,950	96,600
Total East of Calif.	3,582,300	---	3,601,975	+14,175	3,601,900	3,091,850
California	836,500	836,500	821,300	+24,600	799,900	781,200
Total United States	4,418,800	---	4,423,275	+38,775	4,401,800	3,873,050

*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. 24, 1944. ‡This is the net basic allowable as of Feb. 1 calculated on a 29-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 3 to 14 days, the entire state was ordered shut down for 8 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 8 days shutdown time during the calendar month. §Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILL: PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED FEB. 26, 1944 (Figures in Thousands of barrels of 42 Gallons Each)

District	Daily Refining Capacity	Potential % Re-Porting	Crude Runs to Stills Daily Average	% Operated	Gasoline Production		% Stocks Finished Gasoline	% Stocks Gas Oil	% Stocks Residual Fuel Oil
					at Refineries	Finished and Unfinished			
*Combined East Coast Texas Gulf, Louisiana Gulf, North Louisiana-Arkansas, and inland Texas	2,448	90.0	2,193	89.6	6,349	37,164	15,156	14,849	
Appalachian	---	---	---	---	---	---	---	---	
District No. 1	130	83.9	104	80.0	337	2,177	847	192	
District No. 2	47	87.2	57	121.3	172	1,179	362	211	
Ind., Ill., Ky.	824	85.2	765	92.8	2,687	19,077	6,007	2,964	
Okl., Kans., Mo.	416	80.1	337	81.0	1,203	8,152	1,599	1,238	
Rocky Mountain	---	---	---	---	---	---	---	---	
District No. 3	8	26.9	12	150.0	37	76	20	31	
District No. 4	141	58.3	86	61.0	291	1,980	364	567	
California	817	89.9	823	100.7	2,107	15,443	9,411	31,335	
Total U. S. B. of M. basis Feb. 26, 1944	4,831	87.1	4,377	90.6	13,183	85,248	33,766	51,387	
Total U. S. B. of M. basis Feb. 19, 1944	4,831	87.1	4,404	91.2	113,526	83,931	**33,809	†151,948	
U. S. Bur. of Mines basis Feb. 27, 1943	---	---	3,683	---	10,565	92,772	35,691	70,516	

*At the request of the Petroleum Administration for War. †Finished, 74,836,000 barrels; unfinished, 10,412,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,726,000 barrels of kerosene, 4,558,000 barrels of gas oil and distillate fuel oil and 8,952,000 barrels of residual fuel oil produced during the week ended Feb. 26, 1944, which compares with 1,572,000 barrels, 4,331,000 barrels and 8,881,000 barrels, respectively, in the preceding week and 1,463,000 barrels, 4,171,000 barrels and 7,954,000 barrels, respectively, in the week ended Feb. 27, 1943. ¶Revised in "Combined Area" due to error by reporting company. **Revised in California due to error by reporting company. ††Revised downward in California, on advice from Industry Committee, due to resurvey of California Product stocks. This revision in like amount should be made in weekly figures back to first of year, when new basis will be put into effect by the Bureau of Mines.

Note—Stocks of kerosene at Feb. 26, 1944 amounted to 7,129,000 barrels, as against 7,240,000 barrels a week earlier and 6,033,000 barrels a year before.

Civil Engineering Construction Volume \$39,411,000 For Week

Civil engineering construction volume in continental United States totals \$39,411,000 for the week. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 54% lower than in the corresponding 1943 week, but exceeds the \$22,161,000 reported to "Engineering News-Record" for the holiday-shortened preceding week. The report made public March 2 added:

Private construction for the week is 143% higher than a year ago. Public construction, however, is 67% lower than last year, due to the 77% decline in Federal volume. State and municipal construction is 133% above the 1943-week total.

The current week's new construction brings 1944 volume to \$313,807,000 for the nine-week period, a decrease of 49% from the \$618,877,000 for the opening nine weeks of 1943. Private construction, \$66,215,000, is 15% higher than last year, but public construction, \$247,592,000, is 56% lower as a result of the 59% decrease in Federal volume.

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

	Mar. 4, 1943 (Five Days)	Feb. 24, 1944 (Four Days)	Mar. 2, 1944 (Five Days)
Total U. S. construction	\$85,809,000	\$22,161,000	\$39,411,000
Private construction	5,351,000	2,959,000	12,984,000
Public construction	80,458,000	19,202,000	26,427,000
State and municipal	3,923,000	2,453,000	9,151,000
Federal	76,535,000	16,749,000	17,276,000

In the classified construction groups, gains over last week are in sewerage, bridges, industrial and public buildings, streets and roads, and unclassified construction. Industrial buildings, streets and roads, and earthwork and drainage are above the 1943-week totals. Subtotals for the week in each class of construction are: waterworks, \$315,000; sewerage, \$381,000; bridges, \$38,000; industrial buildings, \$8,257,000; commercial building and large-scale private housing, \$1,144,000; public buildings, \$9,896,000; earthwork and drainage, \$548,000; streets and roads, \$7,170,000; and unclassified construction, \$11,662,000.

New capital for construction purposes for the week totals \$1,152,000 and is made up entirely of State and municipal bond sales. The week's new construction financing brings 1944 volume to \$159,953,000, a total that compares with \$29,039,000 for the corresponding nine weeks of 1943.

Non-Ferrous Metals — Consumers Ask For Larger Tonnage Of Zinc—Lead Sales Higher

"E. & M. J. Metal and Mineral Markets," in its issue of March 2, stated: "Allocation certificates for March zinc were released by the Zinc Division of WPB during the last week, which was followed by a period of general activity among sellers of the metal. Reflecting a higher rate of production in the brass industry, larger tonnages of zinc were made available for consumption this month. Copper is moving freely to meet enlarged March demands by fabricators. Lead sales increased in volume and consumption this month is expected to gain over that for February. The E. & M. J. price index for major non-ferrous metals for February continued at 88.74% of the 1922-3-4 average for the 18th consecutive month." The publication further goes on to say in part:

Copper

Producers were busy during the last week in arranging for March deliveries, which may exceed the high of 150,451 tons established in April last year. During the last week ingot makers came into the market for a fair tonnage of primary copper, which indicates that business in that field is not being satisfied with metal from secondary sources. Receipts of copper and brass scrap by dealers during December amounted to 41,333 tons, against 38,198 tons in November, the Bureau of Mines reports. Receipts during 1943 totaled 490,841 tons.

Employment in domestic copper mines and mills in December was estimated at 36,500, against 37,700 at the beginning of 1943.

Lead

The turn of the month brought out the usual fair volume of business in lead. Sales for the week that ended yesterday amounted to 8,212 tons, which compares with 4,610 tons in the preceding week. Though total consumption of lead so far this year has been somewhat lower in volume than in the final months of 1943, demand for the metal remains well above the rate established in the corresponding period of last year. Curtailment in production of small arms ammunition accounts for some of the loss in consumption that has occurred this year. Output in this field was quite active throughout the second half

Zinc

Activity in zinc increased during the last week, in line with general expectations. Allocation certificates came through on schedule, and the total tonnage released for March will be larger than in recent months, according to trade estimates. The improvement in business was attributed largely to the high rate of activity at the brass mills. Consumption of zinc in other lines will show no great variation this month. In spite of the improvement in March business, zinc producers believe that a modest tonnage will be added to the stockpile. Production is being maintained at more than 80,000 tons a month. Lend-lease business may again enter into the picture in the near future. There were no price developments in zinc last week.

Aluminum

Aluminum is being released for production of collapsible tubes for packing pharmaceutical products, ointments, dental preparations, and similar products. Release of the metal for this purpose is allowed under Conservation Order M115, as amended. Effective March 1, civilians need no longer turn in empty tubes when purchasing dentifrices, shaving creams and other items so packaged.

Tin

L. T. Crowley, head of the Foreign Economic Administration, said last week that measures were taken during the last year to increase production abroad of a large number of metals and minerals on which our war program depends. Tin was named as one of the metals included in the plan. Except for some shipping difficulties that were encountered in

Bolivia during the last month, because of unfavorable weather conditions, the movement of tin concentrates to the United States was maintained at a good rate.

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

	March	April	May
Feb. 24	52.000	52.000	52.000
Feb. 25	52.000	52.000	52.000
Feb. 26	52.000	52.000	52.000
Feb. 28	52.000	52.000	52.000
Feb. 29	52.000	52.000	52.000
March 1	52.000	52.000	52.000

Chinese, or 99% tin, was unchanged at 51.125 cents per pound.

Quicksilver

Buying of quicksilver again was quiet, and the situation generally was described as unchanged. Trade authorities believe that manufacturers are holding to the policy of reducing inventories of both the metal and derivatives. Quotations here continued at \$130 to \$135 per flask.

At a recent meeting of the quicksilver producers, held in Denver, the WPB asked at what price levels their mines would cease operations. Those present estimated that, based on current production costs, at a price of \$150, New York, domestic production would be at the rate of about 46,000 flasks a year. At \$130, output would fall to about 33,000 flasks a year, and at \$100 output of around 22,000 flasks is indicated.

Producers of quicksilver in Mexico are curtailing production. There is dissatisfaction over the sharp decline in the price in the United States market, as most of the Mexican output in recent years has been moving into this country. Producers point to the high Mexican export tax as well as our import tax as factors now operating against maintaining production.

Silver

Demand for silver for industrial uses continues on a high plane, but supplies are said to be ample to meet essential requirements. The London market during the last week was steady and unchanged at 23½d. The New York Official for foreign silver continued at 44¾ cents, with domestic metal at 70½ cents.

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.

NYSE Borrowings Show Increase

The New York Stock Exchange announced on March 6 that the total of money borrowed as reported by Stock Exchange member firms as of the close of business Feb. 29 was \$811,244,373, an increase of \$80,506,808 over the Jan. 31 total of \$730,737,565.

The Stock Exchange announcement follows:

The total of money borrowed from banks, trust companies and other lenders in the United States, excluding borrowings from other members of national securities exchanges: (1) on direct obligations of or obligations guaranteed as to principal or interest by the United States Government, \$308,945,050; (2) on all other collateral, \$502,299,323; reported by New York Stock Exchange member firms as of the close of business Feb. 29, 1944, aggregated \$811,244,373.

The total of money borrowed, compiled on the same basis, as of the close of business Jan. 31, 1944, was: (1) on direct obligations of or obligations guaranteed as to principal or interest by the United States Government, \$282,812,174; (2) on all other collateral, \$447,925,391; total, \$730,737,565.

Revenue Freight Car Loadings During Week Ended Feb. 26, 1944, Increased 6,771 Cars

Loading of revenue freight for the week ended Feb. 26, 1944, totaled 782,463 cars, the Association of American Railroads announced on March 2. This was a decrease below the corresponding week of 1943 of 458 cars, or 0.1%, but an increase above the same week in 1942 of 604 cars, or 0.1%.

Loading of revenue freight for the week of Feb. 26 increased 6,771 cars, or 0.9% above the preceding week.

Miscellaneous freight loading totaled 366,712 cars, an increase of 6,288 cars above the preceding week, but a decrease of 7,723 cars below the corresponding week in 1943.

Loading of merchandise less than carload lot freight totaled 102,271 cars, an increase of 1,636 cars above the preceding week, and an increase of 5,513 cars above the corresponding week in 1943.

Coal loading amounted to 178,560 cars, a decrease of 1,247 cars below the preceding week, but an increase of 11 cars above the corresponding week in 1943.

Grain and grain products loading totaled 48,084 cars, a decrease of 2,659 cars below the preceding week and a decrease of 2,584 cars below the corresponding week in 1943. In the Western Districts alone, grain and grain products loading for the week of Feb. 26 totaled 33,049 cars, a decrease of 2,439 cars below the preceding week and a decrease of 1,811 cars below the corresponding week in 1943.

Livestock loading amounted to 15,648 cars, an increase of 494 cars above the preceding week, and in increase of 3,250 cars above the corresponding week in 1943. In the Western Districts alone loading of live stock for the week of Feb. 26 totaled 11,457 cars, an increase of 346 cars above the preceding week, and an increase of 2,310 cars above the corresponding week in 1943.

Forest products loading totaled 42,560 cars, an increase of 1,971 cars above the preceding week but a decrease of 670 cars below the corresponding week in 1943.

Ore loading amounted to 13,322 cars, an increase of 203 cars above the preceding week but a decrease of 1,332 cars below the corresponding week in 1943.

Coke loading amounted to 15,306 cars, an increase of 85 cars above the preceding week, and an increase of 77 cars above the corresponding week in 1943.

All districts reported increases compared with the corresponding week in 1943 except the Pocahontas, Southern, Centralwestern 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
Week of February 26	782,463	782,921	781,859
Total	6,955,969	6,587,536	6,981,421

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 64 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. 26

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1944	1943	1942	1944	1943	1942
Eastern District—						
Ann Arbor	246	321	581	1,565	1,511	1,511
Bangor & Aroostook	2,619	2,396	2,115	288	186	186
Boston & Maine	6,523	6,711	7,711	15,895	16,187	16,187
Chicago, Indianapolis & Louisville	1,543	1,316	1,406	2,289	2,237	2,237
Central Indiana	34	49	33	33	69	69
Central Vermont	963	884	1,341	2,456	2,306	2,306
Delaware & Hudson	6,181	6,210	6,704	14,614	13,406	13,406
Delaware, Lackawanna & Western	7,623	7,500	8,805	10,918	11,393	11,393
Detroit & Mackinac	228	242	262	137	103	103
Detroit, Toledo & Ironton	1,759	1,898	2,164	1,743	2,376	2,376
Detroit & Toledo Shore Line	293	305	284	3,621	3,795	3,795
Erie	12,897	12,393	13,828	19,418	19,928	19,928
Grand Trunk Western	3,683	3,654	4,326	9,346	9,599	9,599
Lehigh & Hudson River	184	170	199	3,876	3,939	3,939
Lehigh & New England	2,142	1,983	1,741	1,659	1,610	1,610
Lehigh Valley	8,846	7,728	9,166	16,258	12,119	12,119
Maine Central	2,290	2,555	3,550	4,040	4,363	4,363
Monongahela	6,216	6,498	6,383	401	420	420
Montour	2,660	2,325	1,862	18	28	28
New York Central Lines	47,600	47,303	46,878	58,816	58,541	58,541
N. Y., N. H. & Hartford	10,133	10,157	11,988	21,287	19,916	19,916
New York, Ontario & Western	1,035	1,058	1,044	3,297	2,559	2,559
New York, Chicago & St. Louis	6,384	7,397	7,140	17,758	16,527	16,527
N. Y., Susquehanna & Western	461	417	479	2,979	2,885	2,885
Pittsburgh & Lake Erie	7,883	7,848	8,630	8,587	8,424	8,424
Pere Marquette	4,833	4,872	4,817	8,804	8,134	8,134
Pittsburgh & Shawmut	906	704	595	13	13	13
Pittsburgh, Shawmut & North	341	350	414	277	296	296
Pittsburgh & West Virginia	985	843	808	2,574	4,412	4,412
Rutland	381	312	494	998	1,022	1,022
Wabash	5,751	5,419	5,545	12,869	13,133	13,133
Wheeling & Lake Erie	4,999	5,181	4,751	4,587	6,401	6,401
Total	158,622	156,999	166,044	251,421	247,829	247,829
Allegheny District—						
Akron, Canton & Youngstown	746	751	699	1,343	1,234	1,234
Baltimore & Ohio	41,062	38,825	39,983	27,956	29,106	29,106
Bessemer & Lake Erie	1,925	3,114	3,159	1,505	1,292	1,292
Buffalo Creek & Gauley	314	333	311	2	3	3
Cambria & Indiana	1,814	1,936	1,971	8	13	13
Central R. R. of New Jersey	7,242	6,729	7,932	20,698	20,471	20,471
Cornwall	619	562	654	84	66	66
Cumberland & Pennsylvania	232	258	342	11	13	13
Ligonier Valley	148	99	125	56	38	38
Long Island	1,211	930	849	4,035	4,132	4,132
Penn-Reading Seashore Lines	1,504	1,665	1,647	2,805	2,599	2,599
Pennsylvania System	79,631	77,039	79,096	69,135	62,483	62,483
Reading Co.	13,721	13,654	16,232	31,133	30,852	30,852
Union (Pittsburgh)	20,720	20,687	21,470	3,280	4,671	4,671
Western Maryland	3,927	3,951	3,879	14,566	15,049	15,049
Total	174,816	170,533	178,349	176,617	172,022	172,022
Pocahontas District—						
Chesapeake & Ohio	28,558	30,597	24,269	12,133	11,154	11,154
Norfolk & Western	22,140	23,911	22,660	8,225	7,698	7,698
Virginian	4,713	5,143	4,207	1,940	2,037	2,037
Total	55,411	59,651	51,136	22,298	20,889	20,889

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Southern District—					
Alabama, Tennessee & Northern	265	311	295	391	388
Atl. & W. P.—W. R. R. of Ala.	812	858	1,003	2,401	2,814
Atlanta, Birmingham & Coast	719	704	779	1,594	1,678
Atlantic Coast Line	14,189	15,780	13,376	11,792	11,667
Central of Georgia	3,870	4,297	4,515	5,557	4,583
Charleston & Western Carolina	352	489	385	1,784	1,793
Clinchfield	1,645	1,785	1,571	3,367	3,142
Columbus & Greenville	264	333	265	254	237
Durham & Southern	139	124	169	1,071	678
Florida East Coast	3,200	3,604	2,205	2,142	1,622
Gainesville Midland	31	47	48	146	139
Georgia	1,054	1,655	1,484	2,456	3,217
Georgia & Florida	528	499	454	872	653
Gulf, Mobile & Ohio	4,125	4,034	4,164	4,230	5,465
Illinois Central System	28,901	27,742	28,341	17,762	19,196
Louisville & Nashville	24,390	26,336	25,413	13,009	11,950
Macon, Dublin & Savannah	190	191	209	933	952
Mississippi Central	237	235	262	617	497
Nashville, Chattanooga & St. L.	3,403	3,107	3,467	5,142	5,139
Norfolk Southern	941	1,296	1,148	1,759	1,874
Piedmont Northern	377	359	498	1,602	1,165
Richmond, Fred. & Potomac	423	469	421	11,727	10,806
Seaboard Air Line	10,866	10,840	10,061	8,887	9,882
Southern System	22,147	23,225	24,675	26,237	25,810
Tennessee Central	759	506	565	1,090	891
Winston-Salem Southbound	138	99	138	989	969
Total	123,965	128,925	125,911	127,811	127,207
Northwestern District—					
Chicago & North Western	15,507	15,186	17,335	14,752	13,254
Chicago Great Western	2,765	2,278	2,604	3,830	3,331
Chicago, Milw., St. P. & Pac.	20,303	17,618	19,410	11,335	9,074
Chicago, St. Paul, Minn. & Omaha	3,542	3,477	4,217	4,366	3,951
Duluth, Missabe & Iron Range	1,342	1,374	1,350	275	302
Duluth, St. Louis & Atlantic	818	572	716	559	511
Elgin, Joliet & Eastern	8,889	9,263	9,869	12,744	10,360
Ft. Dodge, Des Moines & South	377	417	526	131	108
Great Northern	11,699	10,667	11,223	5,321	4,430
Green Bay & Western	490	539	638	958	806
Lake Superior & Ishpeming	303	227	322	54	78
Minneapolis & St. Louis	2,110	1,924	1,907	2,527	2,413
Minn., St. Paul & S. S. M.	4,998	4,521	5,392	3,775	3,081
Northern Pacific	10,287	9,239	9,832	5,573	5,095
Spokane International	109	88	82	600	605
Spokane, Portland & Seattle	235	1,836	2,611	3,050	3,309
Total	85,864	79,226	88,034	69,850	60,708
Central Western District—					
Atch., Top. & Santa Fe System	20,860	21,801	20,981	12,535	12,745
Alton	2,896	2,975	3,468	4,403	4,621
Bingham & Garfield	560	648	506	80	93
Chicago, Burlington & Quincy	19,035	18,565	16,027	12,215	12,365
Chicago & Illinois Midland	2,979	3,105	2,950	755	1,009
Chicago, Rock Island & Pacific	11,251	12,684	10,422	12,778	15,273
Chicago & Eastern Illinois	2,701	2,401	2,882	6,029	5,394
Colorado & Southern	710	756	804	2,040	1,907
Denver & Rio Grande Western	3,278	3,105	2,589	6,052	6,548
Denver & Salt Lake	695	951	644	5	6
Fort Worth & Denver City	762	810	828	1,315	878
Illinois Terminal	2,095	1,745	2,027	1,925	1,632
Missouri-Illinois	909	907	1,288	517	527
Nevada Northern	1,768	2,144	1,993	121	107
North Western Pacific	674	832	880	795	654
Peoria & Pekin Union	27	16	30	0	0
Southern Pacific (Pacific)	26,302	25,942	25,744	12,994	13,173
Toledo, Peoria & Western	457	312	309	2,245	1,879
Union Pacific System	14,732	13,407	14,504	16,397	14,501
Utah	681	579	556	6	3
Western Pacific	1,525	1,656	1,452	3,578	3,503
Total	114,897	115,341	110,884	96,785	96,622
Southwestern District—					
Burlington-Rock Island	300	649	173	325	219
Gulf Coast Lines	7,290	6,754	4,990	2,596	2,562
International-Great Northern	1,665	2,176	2,157	3,885	3,346
Kansas, Oklahoma & Gulf	248	333	273	898	1,321
Kansas City Southern	5,404	4,948	3,572	3,223	3,112
Louisiana & Arkansas	2,634	3,761	2,435	2,587	2,725
Litchfield & Madison	368	352	387	1,050	1,029
Midland Valley	625	667	658	448	371
Missouri & Arkansas	193	165	201	463	434
Missouri-Kansas-Texas Lines					

Items About Banks, Trust Companies

The Federal Reserve Bank of New York recently announced that the Clifton Trust Company of Clifton, N. J., and the Bank of Malverne, Malverne, N. Y., were recently admitted as members of the Reserve System; the Johnstown Bank, of Johnstown, N. Y., has also become a member of the Federal Reserve System as of February 25.

The Bank for Savings in the City of New York at 280 Fourth Avenue, N. Y., has received from the New York State Banking Department a certificate declaring the establishment of a life insurance department, pursuant to the provisions of the State Banking Law.

Fred W. Shibley, for 20 years Vice-President of the Bankers Trust Company, New York, and noted as an exponent of modern industrial management and authority on budgetary control, died on March 1 at his home in New York after a brief illness. Mr. Shibley recently celebrated his 80th birthday. In his special field of industrial reorganization, refinancing, budgetary control, and modern industrial management, Mr. Shibley was regarded as a leader not only throughout the United States, but also abroad. During the last depression, it is stated, he took a leading part in working out programs which resulted in saving important companies that had been given up for lost.

As an example of his ability, the carrying through to success following the last depression, is cited of the rebuilding of the Manville Jenckes Corporation, textile business located in Manville, R. I.; he acted as Chairman of the Bankers Committee throughout the receivership and then as Chairman of the Board of Directors from the reorganization in June, 1933 until March, 1943. As to this, it is announced:

"As the result of his experience at Manville Jenckes Corp. in utilizing all of the ideas of the entire organization including the workers, he placed greater emphasis than ever before on the value of contributions by 'the men down the line,' urging many industrial leaders and bankers with whom he was in frequent contact to take steps to bring forward and utilize all the latent ideas and abilities inherent in every organization, from top management down the line to and including the individual workers. His liberal modern youthful point of view in thus recognizing the 'men down the line' was a dominant factor during the latter part of his life."

A Canadian by birth, Mr. Shibley came to this country and in 1920 joined the Bankers Trust Company, becoming a Vice-President on Jan. 18, 1921, continuing in that office until Jan. 17, 1939. Until his death, he maintained an office at Bankers Trust Company, acted as consultant, and served as a member of several Boards of Directors, taking intensely active interest in many post-war industrial programs.

One of the first problems he studied after joining Bankers Trust Company was the future opportunity for General Motors. Mr. Shibley gave a great deal of time, thought and effort to the development of budgetary control for General Motors, in cooperation with their top management.

Another notable achievement was his active part in the development of the American Chicle Company. He became a member of the Board in 1921 and served continuously, not only as director but as member of the Executive Committee, for 23 years.

He was the author of "The New Way to Net Profits," published by Harper & Bros., which made his philosophy of modern industrial management widely known. At

one time he was a member of the Advisory Committee for the Department of Business and Engineering Administration of the Massachusetts Institute of Technology.

At the time of his death he was a director of the St. Joseph Lead Co., as well as American Chicle and Manville Jenckes. He was formerly a director of the Consolidation Coal Co. of New York; the Indiana Limestone Corp of Indianapolis, Ind.; the Russell Mfg. Co. of Middletown, Conn.; the American-Canadian Properties Co. of Bridgeport, Conn., and the Utica Knitting Co., Utica, N. Y.

Madison W. Pierce, President of William Eastwood & Sons, was recently elected a trustee of the Mechanics Savings Bank, of Rochester N. Y.

Mr. Pierce was one of the organizers of the Rochester Credit Bureau in 1926.

The Toledo "Blade" of March 1 reports that the Morris Plan Bank will change its name to the Lucas County Savings Bank of Toledo, effective March 15. The paper indicated also said:

"Ownership, management and personnel, as well as the policies of the bank, will remain unchanged. The Lucas County Savings Bank will continue to operate under the Morris plan and retain all rights and privileges of the Morris plan charter.

"The bank's officers and directors believe that this change will enable them to serve more adequately the business and commercial enterprises of Toledo and vicinity, in the same manner as the bank has served the individual for over 27 years."

Charles H. Albers, receiver for the Central Republic Trust Co., paid on March 3 \$10,750,000 to the Reconstruction Finance Corporation in one of the largest individual collections from stockholders on record. This was reported in the Chicago "Journal of Commerce" of Mar. 4, which also said in part:

"The payment was made on a liability suit for \$15,500,000 that the government won from stockholders of the bank, which became affiliated with the City National Bank and Trust Co. in 1932.

Mr. Albers told Federal Judge Michael L. Igoe, who approved the payment, that collections of \$11,000,000 had been made but the difference between that sum and the amount paid was being held in reserve.

Judge Igoe said the collection was a "remarkable example" of the bank's willingness to make full payment of an RFC loan of nearly \$60,000,000 which had been used by Central Republic.

Additional collections are to be made, Mr. Albers told the court.

The Milwaukee "Journal" recently reported that the affairs of the defunct Anchor State Bank were closed when the fourth and final liquidating dividend of 2.87%, totaling \$16,806.57, was ordered by Circuit Judge Daniel W. Sullivan. The "Journal" adds:

"The State Banking Commission closed the bank June 14, 1935, and since that time has been liquidating the assets under the direction of E. A. Roloff, Special Deputy Commissioner.

"Mr. Roloff informed the court that with the final dividend 67.87% of the total liabilities of \$585,592.76 has been paid. He said the Federal Deposit and Insurance Corporation, which insured accounts up to \$5,000, had furnished most of the funds in the liquidation proceedings.

"Besides barring all further claims and causes of action not heretofore filed, the court's order also authorized the Banking Commission to cancel the charter of the bank."

Treasury Offers Bonds And Notes On Exchange Basis—Refunding Totals \$4,730,000,000

The Treasury Department announced on March 2 the details of its offering of Treasury bonds and notes in exchange for maturing Government securities totaling \$4,730,000,000. The new offerings comprise:

2½% Treasury bonds of 1965-70, dated Feb. 1, 1944 and due March 15, 1970 (additional issue);

2¼% Treasury bonds of 1956-59, dated Feb. 1, 1944, due Sept. 15, 1959 (additional issue), and

1½% Treasury notes of series A 1948, dated March 15, 1944, due Sept. 15, 1948.

Sec. Morgenthau announced on March 7 that, except for the receipt of subscriptions from holders of \$100,000 or less, in the aggregate, the books would close at the close of business on March 8, for the receipt of subscriptions in payment of which notes of any of the three maturing issues are tendered, and at the close of business Saturday, March 11, for the receipt of subscriptions in payment of which bonds of any of the four called issues are tendered. The subscription books will close at the close of business March 15, for the receipt of subscriptions from holders of \$100,000 or less, in the aggregate, of the securities eligible for exchange. The announcement added:

"In view of the magnitude of this refunding operation the Secretary has allowed substantially more time than usual for entering subscriptions. It is realized that the securities to be exchanged, and particularly those of the four bond issues, have been held by the present owners for a number of years. Many of these holders are not fully conversant with the manner of entering subscriptions, and it is felt that they should be afforded ample time to learn the terms of the offering and to take action looking toward the exchange of their securities.

"Subscriptions addressed to a Federal Reserve Bank or Branch, or to the Treasury Department, and placed in the mail before 12 o'clock midnight of the respective closing days, as set forth above, will be considered as having been entered before the close of the subscription books.

"Announcement of the amount of subscriptions received and their division among the several Federal Reserve Districts will be made when final reports are received from the Federal Reserve Banks."

The new securities are offered in exchange for three Treasury issues, and four Government corporation issues, maturing between March 15 and June 1. The seven maturing issues are described as follows in Secretary Morgenthau's announcement of March 2:

"The Treasury notes of series A-1948 will be dated March 15, 1944, and will bear interest from that date at the rate of 1½% per annum, payable semi-annually on Sept. 15, 1944, and thereafter on March 15 and Sept. 15 in each year until they mature on Sept. 15, 1948. They will not be subject to call for redemption prior to maturity. They will be issued in bearer form only, with interest coupons attached, in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000.

"Pursuant to the provisions of the Public Debt Act of 1941, interest upon the bonds and notes now offered shall not have any exemption, as such, under Federal tax Acts now or hereafter enacted. The full provisions relating to taxability are set forth in the official circulars released today.

"Subscriptions will be received at the Federal Reserve banks and branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve banks and the Treasury are authorized to act as official agencies. Subject to the usual reservations, all subscriptions will be allotted in full. All subscriptions should be accompanied by the securities to be exchanged and appropriate remittance in any case where the table of interest adjustments at the end of the offering circular shows that an amount is to be collected from the subscriber.

"In the case of Treasury notes of Series B-1944, the 3¼% FFMC bonds, and the RFC notes, interest adjustments will be made as of March 15. In the case of the Treasury bonds of 1944-46, the HOLC bonds and the 3% FFMC bonds, adjustments will be made as of their respective due dates. Holders of the Treasury notes of

series A-1944 are given the option of having interest adjusted as of March 15 or June 15. The bases on which the securities comprising these seven issues may be presented and accepted, and the new securities obtained, are specifically set forth in the official circulars.

"In determining the amount of interest received upon the securities exchanged, and the exemption to which such interest is entitled, for Federal income tax purposes, the full amount which is allowed as interest on the securities surrendered in the exchange will be regarded as such to the extent that it accrued to the holder making the exchange, and not as a capital recovery; similarly the amount of interest charged the subscriber on the new securities issued will be regarded as an investment of capital, and therefore upon subsequent recovery of such amount (i.e., upon payment of interest to him on the securities or upon sale or other disposition by him of the securities) as a return of capital and not as interest income."

Cash subscriptions will not be received for the Government securities now being offered. With respect to the 2½% Treasury bonds Secretary Morgenthau's announcement says: "These bonds will not be available for subscription, for their own account, by commercial banks, which are defined for this purpose as banks accepting demand deposits."

In advices from its Washington bureau, March 1, incident to the new exchange offering, the New York "Journal of Commerce" had the following to say regarding the Fifth War Loan Drive:

"Plans for the Fifth drive will begin immediately. While Mr. Morgenthau said the next big borrowing may come in May, June or July, his mention of the last month was the first public disclosure that it could be postponed that length of time.

"Should the Treasury decide to postpone the fifth borrowing drive until as late as July, this would space the campaign one month later than was the case between the third and fourth loan drives. A drive in June would give the same interval between the fourth and fifth loan drives as between the third and fourth. Treasury officials pointed out today that at the conclusion of the third drive the Treasury fund had reached a peak of some \$18,000,000,000, compared with about \$17,000,000,000 now.

"Mr. Morgenthau also said, relative to the \$5,250,000,000 certificates of indebtedness maturing on April 1, that it is planned to treat this as a separate operation. While the Treasury would make no commitment, Mr. Morgenthau stated that the chances are that there will be an exchange. In view of the Treasury's cash position, the presumption is that added funds will not be sought at that time."

A previous reference to the Treasury's refunding plans appeared in our issue of March 2, page 894.

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Description and Title	Maturity or Call Date	Amount Outstanding (Millions of Dollars)
Treasury Issues—		
1% Treasury notes of series B-1944	Mar 15, 1944	515
3¼% Treas. bonds of 1944-46	Apr 15, 1944	1,519
¾% Treasury notes of series A-1944	Jun 15, 1944	416
Federal Farm Mgtg. Corp. Issues—		
3¼% FFMC bonds 1944-44	Mar 15, 1944	95
3% FFMC bonds of 1944-49	May 15, 1944	835
RFC Issue—		
1% RFC notes of series W	Apr 15, 1944	571
HOLC Issue—		
3% HOLC bonds, series A, 1944-52	May 1, 1944	779
Total		4,730

The Treasury announcement also states:

"The Treasury bonds of 1944-46 were called last December for redemption on April 15. The Federal Farm Mortgage Corporation is today announcing the call of its two issues listed above for redemption on their next interest payment dates, and the Home Owners' Loan Corporation is announcing the call for redemption on May 1 of its series A 1944-52 bonds.

Holders of any of the seven issues enumerated, other than commercial banks, will be given