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The Financial Situation

Far too many of the post-war planners are, it seems to us, peculiarly blind to circumstances and conditions immediately around them which must in large measure affect if not control the efficacy of any and all plans to enrich the economic life of this country after the fighting has ceased. They, or many of them, have no difficulty in counting up the over-all increase in production capacity of American industry. They take never-ending delight in pointing to the numerous improvements effected in production techniques and in materials. They are fond of expiating upon the "backlog" of consumer demand accumulating in this country, and the large volume of so-called "liquid savings" ready to be employed in satisfying this demand.

Others, less optimistic, worry about re-employment and concoct schemes to promote it. The millions of men now in the armed services, and the other millions, many of them women and others normally not seeking work, now in industry making the implements of war, are cited, and the magnitude of the adjustment and readjustment—or better, perhaps, the reshuffling—which must be done is cited as a difficulty which may cause a "breakdown" in our system, etc., etc. It has become a sort of crime in the popular view, one almost supposes, not to "plan"—and to talk endlessly about it. It often seems that most of these plans were prepared as it used to be said a certain poet wrote about nature—in his study with his back to the window.

War Developments and Post-war Plans

The truth of the matter is that the very best post-war planning may well begin much nearer home, and concern itself with much more ordinary things than most of the schemes usually do. For one thing, the pressure for pro-

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From Washington Ahead Of The News

By CARLISLE BARGERON

One of the most serious phases of the Washington Government has just come to light, and there are those in Congress who are wondering what can be done about it. An American business woman, and incidentally a Republican, several weeks ago made some pretty caustic statements about high taxes. They were highly indiscreet, but none of our myriad law-enforcement agencies have suggested they were in the slightest unlawful. Secretary of the Treasury Morgenthau issued a statement in response to her remarks which he unquestionably had a right to do. In fact, his statement was unquestionably called for by the nature of what the woman said.

But presently two rather notorious radio commentators and columnists read to the country what purports to be extracts of love letters she has written to a Count, suspected of being a Nazi spy and as such, placed on the State Department's black list. We are assuming that what they read was true; the woman involved seems to admit as much. And this is in no wise intended as a defense of what she said about taxes or of her alleged correspondence with the Count.

What should be of importance to everybody is how these columnists got hold of the letters. They did not do so through their own enterprise which would be a very questionable enterprise, indeed. Instead, the correspondence was turned over to them by the FBI as part of the new way of governing or punishing in this country.

The Count in question—incidentally the correspondence is old—is or was in Brazil. Any letters to him had to pass through the censor. Undoubtedly the woman knew this but assumed she was protected in any expressions of endearment just as are the sweethearts of soldiers overseas and vice-versa.

As a matter of information, censorship naturally passes on the contents of questionable correspondence to the FBI. One of Washington's highest war officials experienced considerable embarrassment about a year ago because a woman of whom he was enamored, a foreigner, wrote him from Cuba.

Undoubtedly in the case we are discussing, the FBI made a full investigation, and satisfied itself that while an indiscretion might be involved there was nothing actually wrong. But many months later, when the woman gets into a political controversy, they slip the embarrassing correspondence to their two columnist friends.

Maybe this would not constitute such an important case in itself.

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Irving Olds On Some Aspects Of The Nation's Post-War Problems

Industrial Executive Holds Most Important Task Is Maintenance Of Maximum Employment—For This, Industry Is Not Alone Responsible—Opportunity Must Be Given To Technical Development And Tax Laws Should Permit Ready Employment Of Risk Capital—“There Must Be A More Cordial Understanding Between Government, Industry And Labor.”

By IRVING S. OLDS*

Chairman, Board of Directors, United States Steel Corporation

Your able President, Mr. Donald S. Stralem, has given an outline of the problems which seem likely to confront the Travelers Aid

Society of New York, once this terrible war is at an end. The probable difficulties facing your Society in the post-war period, about which Mr. Stralem has spoken so well, are in essence the same as those which I believe will then, confront industry and the nation as a whole. The problem boils down to a readjustment of our activities so as to keep in tune with changed conditions at the end of the war, and at the same time carry out our separate responsibilities as members of society. How can this be done so as best to serve the public interest? At the outset, I want to tell you that I have no patented specific—no "Open



Irving S. Olds

Sesame"—to accomplish this result.

To my way of thinking, one of the most important tasks of post-war days will be the maintenance of the maximum amount of gainful employment. If our people are employed, they are happy—they have money to spend—they are engaged in the vitally important business of production. Under such a state of affairs, the nation's economic machinery will be in motion. Our standard of living is

almost certain then to be on the upward grade.

Almost every week I read a statement by someone that "full employment," or "reasonably full employment" is the responsibility of "industry." Undoubtedly that is an easy statement to make. It sounds plausible to argue that inasmuch as industry is the employer, industry must provide jobs to keep our people at work. I fear, however, that the situation is far more complex than may appear to one who confines his thinking to the assumption that if industry keeps on turning out its products, there will be ample employment for all who wish to work.

In the first place, what is meant by "industry"? There is no unit—no entity—answering that description. American industry is comprised of every productive force in this broad land. It embraces small concerns with only a few employees; medium-sized companies having a staff of a dozen or

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Congressmen Discuss International Monetary Stabilization Plans

Representative Smith, Republican Of Ohio, Contends The British And American Proposals Are Similar And Would Substitute For Gold A Fictitious International Monetary Unit

By Hon. FREDERICK C. SMITH*
Representative in Congress from Ohio

Lord Keynes looks upon his international stabilization scheme as the nucleus for the construction of a universal and all-pervasive centralized international power to regulate the economies, governments, and individual lives of the people of the whole earth. To the foregoing he adds that it "might become the instrument and the support of international policies in addition to those which it is its primary purpose to promote"; that it "might become the pivot of the future economic government of the



Frederick C. Smith

*Extract from a speech in the House of Representatives March 22, 1944. Mr. Smith is a member of the House Banking and Currency Committee.

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Representative Patman, Democrat Of Texas, Holds Plans Not Sufficiently Mature For Sharp Criticism—Denies American Plan Is "Nothing But Rewording Of British Proposal"

By Hon. WRIGHT PATMAN*
Representative in Congress from Texas

The international stabilization fund project which we have heard criticized so sharply is not by any stretch of the imagination

far enough along to warrant such detailed discussion. Moreover, the criticism is based chiefly upon a preliminary draft which, I understand, has been worked over and changed materially by the technical people of 30-odd countries since its publication four months ago.

It seems to me, however, there is a far larger issue at stake than whether or not a stabilization plan which might conceivably be adopted by this or any other gov-



Wright Patman

*Speech in the House of Representatives, March 22, 1944.

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Frank and Blunt

"The reason for so long a delay in fulfillment of this obligation [to surrender oil and coal concessions in north Sakhalin Island] on the Japanese side is not difficult to understand if you take into account the situation created soon after the signing of the Soviet-Japanese neutrality pact compared with the situation obtaining when the question was again brought up and solved in the Soviet-Japanese agreements of March 30.

"The Soviet-Japanese neutrality pact, as is known, was signed on April 13, 1941, and in June of that same year Hitlerite Germany, an ally of Japan, perfidiously invaded the Soviet Union.

"At that time, among Japan's political leaders the myth was still current about the 'invincibility' of the Hitlerite army and the belief was still strong that Hitler's insane plans would be carried out.

"But some time has passed and that myth was dispelled by the heroic deeds of the Red Army, which tore up the robber plans of the German Fascists. This was assisted also by the military operations of our allies. The belief in the invincibility of the German war machine was undermined. The inevitable defeat and ruin of Hitlerite Germany became plain. The Red Army and the Soviet nation, based on the invincible and ever-increasing strength of the Soviet state, not only halted the enemy invasion but also inflicted such decisive defeats on Hitler's armies as to bring about a fundamental change in the entire World War. Hitler's plans for isolating the USSR have failed.

"In the course of the war its [Russia's] international position has been strengthened further. The mighty anti-Hitlerite coalition of three great powers was created and strengthened and their fighting alliance strengthened, finding its expression in the historic decisions of the Moscow and Teheran conferences on the coordination of plans for the defeat and extermination of Germany's military forces."—Pravda.

Such frankness in world politics is indeed rare.

We sometimes wonder if corresponding candor—if not similar bluntness—would not at times serve us better than the customary popular palaver.

The State Of Trade

Industrial production the past week was characterized by mostly favorable results. Output of electricity advanced by 12.2% over a year ago and scheduled production of steel for the current week was expected to reach a higher level than the week previous. Bituminous coal output also showed good results last week, while carloadings of revenue freight for the week ended March 25, revealed a decline of 1% over a week ago. Retail trade as in past weeks was rather brisk with increases running as high as 46% over a like period one year ago.

The stock market the past week was for the most part selective with many issues stronger than the averages indicated, while others showed small net losses. As revealed by Dow-Jones, the industrial average ended at 138.84 compared with 139.19 at the previous Saturday's close, the railroads slipped to 39.61 against 40.13, while utilities dropped to 23.08 as compared with 23.46, one week ago. Among the high-priced stocks in demand last week, chemicals were favored, while many lower-priced railroad shares were signaled out for speculative interest.

Further impetus was given to the pressing problem of contract termination at the close of last week by the Senate post-war policy committee in its decision to follow the first recommendation of the Baruch report and sponsor a bill to provide a director of contract settlement. It is proposed that this director will function within the present Office of War Mobilization, but will be authorized to take over inventories and also to "prescribe the broad policies for all agencies dealing with the subject." In discussing the bill, Senator Walter F. George, Democrat, of Georgia, stated, "the whole purpose of the committee's action today, is to center legislative action on contract termina-

tion and adjustment. And our recommendations to the Senate Military Committee will be limited to the subject of contract termination. Meanwhile, the overall organization of demobilization, the policy and procedure for plant and property disposal will be studied by the post-war committee with a view to later action."

Reviewing the results of production of electricity, we note that output of electricity increased to 4,409,159,000 kilowatt hours in the week ended March 25, from 4,400,246,000 kilowatt hours in the preceding week, as reported by the Edison Electric Institute. The current figures represent a gain of 12.2% over a year ago total of 3,928,170,000.

Consolidated Edison Company of New York reports system output of 202,072,000 kilowatt hours in the week ended March 26, and compares with 165,446,000 kilowatt hours for the corresponding week of 1943, or an increase of 22.1%.

Turning to the railroads we find that carloadings of revenue freight for the week ended March 25, totaled 778,925 cars, the Association of American Railroads announced. This was a decrease of 7,517 cars, or 1% below the preceding week this year, and a decrease of 8,415 cars, or 1.1% below the corresponding week of 1943.

The same source reveals that freight car loadings in the second quarter of 1944 are expected to

be about 3% above actual loadings in the same quarter in 1943. This estimate was compiled by the 13 Shippers' Advisory Boards, and on the basis of this estimate, freight car loadings of the 28 principal commodities will be 9,209,507 cars in the second quarter of 1944. This compares with 8,943,554 actual car loadings for the same commodities in the corresponding period in the preceding year. The Association of American Railroads pointed out that seven of the 13 Shippers' Advisory Boards estimate an increase in carloadings for the same quarter of 1944 compared with the same period in 1943, while six estimate decreases.

Sifting the week's news for the steel industry, we learn from "Steel" magazine that higher prices on such steel products as rails, heavy plates, standard shapes, carbon bars and some grades of sheets are expected to be announced the present week by the OPA as a result of a study of the situation in cost sheets of practically the entire industry. The increases are expected to go into effect on April 15. The changes are the result of a study of present costs, according to "Steel," and do not take into account the added expense involved in the portal-to-portal miners' pay recently sustained by the Supreme Court, nor whatever wage increase may be allowed in the case now before a panel of the War Labor Board. As to production itself, the magazine reports that steelmakers believe the present pressure for steel delivery will be sustained past the middle of the year with only unforeseen developments in the military situation altering the course of production materially.

Speaking before a War Labor Board panel, Philip Murray, President of the CIO United Steel Workers, said that he regarded the action's no strike pledge as "a sacred commitment" and placed the blame for interruptions in work to the provocations of management and to a few "irascible" individuals in local unions. Summing up the union's case in support of the requested wage increase of 17 cents an hour and other concessions, the panel over the nation's protest granted the 94 responding steel companies an extension to April 18, to begin the presentation of their case. The panel instructed them, however, that any affirmative demands must be served on the union by April 11.

As for production of steel, The American Iron & Steel Institute places scheduled output for the week beginning April 3, at 99.5% of rated capacity, equivalent to 1,782,300 tons of steel ingots and castings. This compares with operations at the rate of 99.1% and output of 1,775,200 tons a week ago; the figure for the current week establishes a new peak since Oct. 11, 1943.

Bituminous coal production as reported by the National Coal Association advanced 100,000 net tons in the week ended March 25, from the preceding week. Output for the current period aggregated approximately 12,020,000 tons compared with 11,920,000 tons, the week before. Production to date stands at about 150,947,000 tons, compared with 146,587,000 in the same period of the previous year.

The month of March saw aircraft plants of the United States establish a record production of planes. Aircraft produced during the month exceeded more than 9,100 units which was the best month in the history of the industry. The March total was several hundred planes ahead of schedule and compared with 8,760 units turned out in February and similar totals for previous months.

The greater percentage of planes to roll off the assembly lines were tactical types, such as long-range fighters, bombers and transports, with less emphasis placed on training planes, making for a consequent sharp reduction

in this type. For the month of February, tactical types constituted 84% of output.

The splendid record achieved the past month the industry attributes to a combination of factors, primary of which, were fewer changes in design, reduced absenteeism among workers and the 31-day month.

On Saturday last, the OPA paved the way for higher prices on lightweight newsprint by allowing United States producers hereafter to sell this kind of newsprint for \$4 a ton above the maximum price of the standard-weight product. A further stipulation made by this Agency was that this type of newsprint manufactured outside the United States could be bought by American users until July 31, at a price differential above the ceilings for standard-weight, to be agreed upon between the seller and the purchaser, subject to the limitation that the differential not go over the manufacturer's estimate of higher production costs. Lightweight newsprint as a rule is 30-pound paper, while Standard runs about 32 pounds in weight.

Treating upon retail trade in New York for the past week it is noted that the same factors prevailed as in previous weeks to give impetus to department store sales, such as Easter purchases and the intent of many to be ahead of the 20% excise levy. Estimates of the trade indicated that department stores in New York had increases ranging up to 40% or more over the like week in 1943.

Department store sales on a country-wide basis rose 17% for the week ended March 25, compared with the like week a year ago, the Federal Reserve Board reports, while sales for the four-weeks' period ended March 25, advanced by 12% compared with a similar period last year.

The week-end brought cheering news to war-damage policy holders through the announcement on Saturday last, of Secretary of Commerce Jesse Jones, that the War Damage Corporation has extended automatically for one year all policies in force on March 31, in consideration of premiums previously collected. The announcement said no action of any kind was required of policy holders to keep the insurance in force for the additional year. Mr. Jones, who is also Chairman of the WDC, revealed that the corporation had collected through Dec. 31, premiums totaling \$218,000,000 after payment of all expenses, against claims of only \$72,899,24, which are in process of adjustment. The free extension of the insurance coverage, Mr. Jones added, was "with the approval of the President and also with the unanimous approval of representatives of the insurance companies participating in the program."

The American Bankers' Association on Friday, last, through its President, A. L. M. Wiggins, went on record before the Senate Banking Committee, considering the bill to extend the life of the Federal Price Control Act beyond June 30, as endorsing the continuation of authorities designed to control inflation. Pointing out that his organization represents 93% of all banks doing a regular banking business, Mr. Wiggins said the threat of inflation is a threat to the value of money deposited in the banks and likewise a threat to the welfare of the people. Treating further upon the subject, he asserted, that price control and rationing were not pleasant but were totalitarian in nature and went against the grain of the American people, but that they constitute "a necessary evil in time of war." Mr. Wiggins also expressed the opinion that at least some portions of the Act should be retained in the post-war period.

Senate Denies TVA Use Of Funds Under Appropriations Bill

At a session on March 24, during which remarks of Vice-President Wallace were vigorously attacked, the Senate voted 39 to 23 to incorporate in the \$8,577,933,978 Independent Offices Appropriations Bill an amendment denying the Administration's Tennessee Valley Authority the right to use its power and fertilizer receipts to finance its operations. Under the proposal, upon which the House has yet to act, TVA's receipts would have to be paid into the general fund of the Treasury, and its spending would be limited strictly to such money as Congress appropriated.

The use of the words "legislative trick" by the Vice-President in a parliamentary ruling during the session brought from Senator McKellar the rejoinder, it was reported by the Associated Press:

"I denounce the statement of the Chair that I've undertaken to trick the Chair." Declaring that "I don't resort to tricks," the Senator asserted that the remarks should be withdrawn.

From the Associated Press we also quote:

"Asserting that he meant no reflection on Senator McKellar, Mr. Wallace said that he would be 'happy to do so.' The exchange developed during stormy debate over Senator McKellar's proposal to strip the Tennessee Valley Authority of its revolving fund.

"After a series of motions, Mr. Wallace told the Senate that he would not allow one point of order against the proposal to obviate Senatorial consideration of another point of order directed at the pending amendment. To allow this to happen, Mr. Wallace said, would amount to 'a legislative.'"

Senator McKellar's vigorous protest followed.

Ruml To Speak At Seminar On Economic And Social Trends

Beardsley Ruml, Chairman of the Federal Reserve Bank of New York and author of the national taxation program which bears his name, will be a speaker at the Seminar on Current Economic and Social Trends at the Waldorf-Astoria, New York, April 21, under sponsorship of New York Chapter, Chartered Life Underwriters. Other speakers previously announced by Benjamin D. Salinger, General Committee Chairman, are: Walter D. Fuller, President of the Curtis Publishing Co.; William Harold Cowley, President of Hamilton College, and Dana Gardner Munro, Professor of Latin American History and Affairs at Princeton University.

Economic problems which will face the nation following conclusion of the European war will be considered by Mr. Ruml, who has intimate acquaintance with the best thought on these questions by reason of his position as advisor of the National Resources Planning Board and Director of the National Bureau of Economic Research. He has had exceptional opportunity to study modern distribution methods as Treasurer of R. H. Macy & Co., a job he has held since his resignation in 1933 as Dean of the Social Science Division and Professor of Education at the University of Chicago.

Mr. Ruml was Director of the Laura Spelman Rockefeller Memorial from 1922 to 1929, and since that time has been a member of the Spelman Fund's board of trustees. He was employed for a period as Assistant to the President of the Carnegie Corp. of New York.

Soldier Vote Bill Becomes Law Without Signature Of President

Roosevelt In Message To Congress Calls Measure Inadequate, Asks Amendments

The Soldier Vote bill which was approved by Congress in the middle of March has been permitted by President Roosevelt to become a law without his signature.



President Roosevelt

In a message to Congress on March 31, the President states that the bill in his judgment is "wholly inadequate to assure to service men and women, as far as is practically feasible, the same opportunity which they would have to vote if they were at home." The confusing provisions of the bill are viewed by the President as making it impossible for him "to determine whether in fact more service men and women will be able to vote under the new measure than under existing law."

Following the adoption by Congress (the Senate acted March 14 and the House March 15) of the bill as agreed upon in conference, the President, as noted in our issue of March 23, page 1233, telegraphed the Governors of all the States asking whether "the use of the supplemental Federal ballots provided for in the bill would conform to the laws of their States. In his message to Congress, the President states that "the response of the Governors to my questions and reports made to me by the War Department indicate that many States have not yet taken action to make the bill as fully effective as it could be and that a considerable number of States do not presently contemplate taking such action." The President appealed "to the States to see that the postal card application forms for State ballots distributed by the Federal Government to the troops are treated as a sufficient application for their State ballot and not merely as a request for a formal application for a State ballot." He likewise appealed to the States "to authorize the use of the Federal ballots by all service people from their States who have not received their State ballots before an appropriate date."

In the message Congress is appealed to by the President "to amend the present bill, S. 1285, so as to authorize all service men and women who have not received their State ballots by an appropriate date, whether or not they have formally applied for them, to use the Federal ballot without prior express authorization by the States." If the States "do not accept the Federal ballot," says the President, "that will be their responsibility. Under this bill that responsibility is shared by the Congress."

It was noted in Associated Press advices from Washington March 31 that Congressional reaction to the President's request varied, but the tone of his message brought generally favorable comment.

The Associated Press added: "It was sharply restrained by comparison with the message he sent to the capitol when the bill was pending and which called proposals for State ballots a 'fraud' on those in the services."

"Senators Green (Dem.-R. I.) and Lucas (Dem.-Ill.) announced they would introduce legislation in line with the President's proposal."

"Friday midnight (March 31) was the deadline for Mr. Roosevelt to veto the bill, sign it or

let it become law without his signature."

The President's message to Congress follows:

To the Congress of the United States:

I am permitting S. 1285, entitled "An Act to Facilitate Voting, in Time of War, by members of the land and naval forces, members of the Merchant Marine, and others absent from the place of their residence, and to amend the act of Sept. 16, 1942, and for other purposes," to become law without my signature.

The bill is, in my judgment, wholly inadequate to assure to service men and women as far as is practically feasible the same opportunity which they would have to vote if they were at home.

Because of the confusing provisions of the bill and because of the difficulty of knowing just what will be the practical effect of the bill in operation, it is impossible for me to determine whether in fact more service men and women will be able to vote under the new measure than under existing law. That determination will largely depend upon the extent to which the States cooperate to make the measure as effective as its provisions permit. In view of this situation, I have resolved the doubt in favor of the action taken by the Congress, and am permitting the bill to become law without my approval.

In other words, this bill might fairly be called a standing invitation to the several States to make it practicable for their citizens to vote: in this sense the Congress is placing a certain responsibility on each State for action. But it will, of course, be understood by those in the armed services, who want to vote but cannot, that the Congress itself shares the responsibility through the complexities of this bill.

The issue regarding soldiers' voting has been confused. The issue is not whether soldiers should be allowed to vote a full ballot, including State and local offices, or a short ballot confined to Federal offices. I am, and always have been anxious to have the Federal Government do everything within its power compatible with military operations to get the full State ballots to the men and women in the service.

I always have been, and I am now, anxious to have the States do everything within their power to get the full State ballots to the men and women in the service.

The real issue is whether after the States have done all that they are willing to do to get the full State ballots to the men and women in the service, and after the Federal Government has done everything within its power to get the full State ballots delivered to the men and women in the service, those who have not received their full State ballots should be given the right to cast a short, uniform Federal ballot which can readily be made available to them. This right, which should be assured to all men and women in the service, is largely nullified by the conditions which the provisions of this bill attach to its exercise.

In my judgment, the right of a soldier to vote the Federal ballot if he does not receive in time his State ballot should not be conditioned, as it is by this bill, upon his having made a prior application for a State ballot, or upon the prior certification by the Governor of the State that the Federal ballot is acceptable under State law. This bill provides a

Federal ballot, but, because of these conditions, it does not provide the right to vote.

The Federal Government will and should do everything it can to get the State ballots to our men and women in the service. But it is not in my judgment true, as some have contended, that the Federal Government can assure the use of State ballots as readily as the use of Federal ballots. No matter what efforts the Federal Government makes, in many cases it will not be possible to insure the delivery in time of State ballots to designated individuals all over the world or their return in time to the respective States.

Some of the service men and women, not knowing where they will be a month hence or whether they will be alive, will not apply for their ballots. Others will not receive their State ballots in time or be able to get their ballots back to their States in time. Remember that a number of States will require a special form of application and that the postal-card application forms supplied by the Federal Government are only treated as an application for an application for a State ballot.

The Federal Government can ensure, and in my judgment it is the duty of the Federal Government to ensure, that every service man and woman who does not get his State ballot in time shall have the right to use a short and uniform Federal ballot.

It is in my judgment within the authority of the Congress to use its war powers to protect the political rights of our service men and women to vote for Federal offices as well as their civil rights with respect to their jobs and their homes. If Congress did not hesitate to protect their property rights by legislation which affected State law, there is no reason why Congress should hesitate to protect their political rights.

In 1942 Congress did exercise the war powers to provide Federal war ballots and they were counted in almost every State. What was constitutional in 1942, certainly is not unconstitutional in 1944.

In allowing the bill to become law, I wish to appeal to the States, upon whom the Congress has placed the primary responsibility for enabling our service people to vote, to cooperate to make the bill as fully effective as its defective provisions will allow. The response of the Governors to my questions, and reports made to me by the War Department, indicate that many States have not yet taken action to make the bill as fully effective as it could be and that a considerable number of States do not presently contemplate taking such action.

I wish also to appeal to the Congress to take more adequate action to protect the political rights of our men and women in the service.

It is right and necessary that the States do all in their power to see that the State ballots reach the men and women in the service from their States. In particular, I appeal to them to see that their State laws allow sufficient time between the time that their absentee ballots are available for distribution and the time that they must be returned to be counted.

I also appeal to the States to see that the postal-card application forms for State ballots distributed by the Federal Government to the troops are treated as a sufficient application for their State ballot and not merely as a request for a formal application for a State ballot.

I also appeal to the States to authorize the use of the Federal ballots by all service people from their States who have not received their State ballots before an appropriate date, whether or not they have formally applied for them. No State or Federal red tape should take from our

Post-War Continuance Of Price Control Urged By Marriner Eccles And Donald Nelson

The continuation of the Administration's stabilization program for two years after the war "to maintain the public faith and the value of the dollar" was urged on March 24 by Marriner S. Eccles, Chairman of the Board of the Federal Reserve System, in testifying before the Senate Banking and Currency Committee considering legislation for the extension of the price control law which expires June 30. The committee is considering a one-year extension. Donald M. Nelson, Chairman of the War Production Board, who was also heard by the Committee on March 24, likewise advocated the continuance of the price and other stabilization controls. Mr. Nelson, according to the Associated Press, termed stabilization controls essential, pointing out that the nation is "just approaching the peak demand for war production." The advices from which we quote added in part:

However, he (Mr. Nelson) declared that the need had passed for a national service act, which was recommended by the President to authorize the drafting of civilian labor for essential industries, although he said a limited service law would help the manpower situation.

Mr. Nelson spoke favorably toward the practice of paying bonuses for marginally produced copper and other vital raw materials.

He told the committee that high cost producers would be cut back first when war output is curtailed, particularly in the mining industry. In other lines he said it might be necessary to cut back low cost producers if the manpower supply is available to the high cost producers.

Pointing out that Mr. Eccles told the Committee that he assumed the (price control) legislation would be extended "without hampering amendments," special advices to the New York "Times" from Washington March 24 also had the following to say:

He voiced the hope that the extension would be "for a sufficient time after the war to allow industry to get back to producing a supply of goods to meet the demand."

"Inflationary pressures" were increasing and would continue to increase, he said, until conversion to peacetime production had been achieved and a balanced budget was in prospect.

"Dreadful retribution" would face Congress if it failed to take the action necessary to continue stability of the dollar's buying power, he warned. Dependent for their future prospects on such stability, he added, were "countless millions" who had invested in life insurance, in Social Security and other pension funds; the holders of more than \$30,000,000,000 of bank deposits; churches, educational institutions and other agencies deriving support from invested funds, and returning veterans who had stakes in many of

young folk in the service their right to vote.

I further appeal to the Congress to amend the present bill, S. 1285, so as to authorize all service men and women who have not received their State ballots by an appropriate date, whether or not they have formally applied for them, to use the Federal ballot without prior express authorization by the States. If the States do not accept the Federal ballot, that will be their responsibility. Under this bill, that responsibility is shared by the Congress.

Our boys on the battlefronts must not be denied an opportunity to vote simply because they are away from home. They are at the front fighting with their lives to defend our rights and our freedoms. We must assure them their rights and freedoms at home so that they will have a fair share in determining the kind of life to which they will return.

FRANKLIN D. ROOSEVELT, The White House, Mar. 31, 1944.

these savings.

To extend the law for only a year, as the pending bill proposed, he said, would not adequately meet the situation.

"Uncertainty would continue to exist," he continued, "as to what action may be taken when the year expires. There would be hesitancy about making long-term plans or commitments."

A bill to extend the legislation for two years after the war ended could well contain a provision that Congress could end its authority sooner by joint resolution, he suggested.

If the law were not needed in the post-war period, it would not be used, but if it were on the statute books "it will give confidence that inflation is not going to happen here."

Mr. Eccles emphasized his view that while price-control legislation was not perfect, "we had better leave well enough alone."

The cost of living had gone up only 26% in the 53 months between August, 1939, when the war began, until January this year, he stated, while in the same period of the last war it increased 65%, with war expenditures by this country only about a sixth of the present war investment.

"The achievement has been phenomenal, beyond the hopes of the most optimistic," he asserted.

If the doors were opened for perfecting amendments, in an effort to achieve a practically impossible complete equity in wartime, he held, no one could say what the final result might be.

Urging continuance of the legislation into the post-war period, he said that the greatest inflationary danger came not during war but in the aftermath when a war-weary people wanted to throw off the war restrictions.

The "enormous store of funds" accumulated by consumers because of lack of consumer goods "could result in ruinous inflation if prematurely spent," he said, "but could be a source of infinite benefit if held in restraint until goods and services become available in sufficient abundance to match the stored-up buying power."

The particular interest of the Federal Reserve System in the problem, he said, came because failure to sustain public faith in the dollar's value would cause a liquidation of securities, forcing the system to absorb the bonds thus liquidated. This would result, he stated, in the System having to pump that much more money into the economy, "with increasingly perilous results."

Congress Recesses From April 1 Until April 12

Under a resolution adopted by the Senate and House, Congress recessed incident to the Easter holidays from April 1 to April 12. It had been planned to begin the recess period on March 30, but inasmuch as the President had not on that date indicated his intentions as to his action on the soldier vote bill, the Senate amended the resolution on March 30, fixing the date of adjournment as April 1. The House agreed to the change on March 31. The President had until March 31 to make known his stand on the bill, and in a message to Congress on that date he permitted the measure to become a law without his signature.

The Financial Situation

(Continued from first page)

duction during wartime has led many of us to overlook that vital element of cost, which in ordinary times so extensively controls the course of business and employment. Of course the practical business executive has not forgotten about it. Such vital considerations have been too deeply instilled into his system by long and successful experience. But many of the rest of us appear to have overlooked the fact that the cost of production of almost everything is at this moment far in excess of what it was even in 1941, when it had already risen substantially. That lack of attention to, or of interest in, costs on the part of the rank and file has the result of making the body politic indifferent to conditions which render it difficult if not impossible for the practical businessman to control his costs. It may be an almost fatal deficiency.

The most important element in the increase in costs during the past half dozen years, and the past two or three years are certainly no exception, is labor. Nor is there evidence of consequence that organized labor is more interested now than formerly in lending a hand in the control of costs. Neither do most of the post-war plans or views as expressed by labor leaders give encouragement in this regard. They evidently are a bit nervous about employment when the war is over, but their idea of insuring employment will not bear close scrutiny.

Labor Monopolies

Worst of all, both labor leaders and government are doing all they can to create a large number of labor monopolies throughout industry and trade. In the current issue of "The Journal of Political Economy," Prof. Henry C. Simons, of the University of Chicago, in the course of a penetrating discussion of certain aspects of this situation, says:

"What we generally fail to see is the identity of interest between the whole community and enterprises seeking to keep down costs. Where enterprise is competitive—and substantial, enduring restraint of competition in product markets is rare—enterprisers represent the community interest effectively; indeed, they are merely intermediaries between consumers of goods and sellers of services. Thus, we commonly overlook the conflict of interest between every large organized group of laborers and the community as a whole. What I want to ask is how this conflict can be reconciled, how the power of strongly organized sellers

can be limited out of regard for the general welfare. No insuperable problem arises so long as organization is partial and precarious, so long as most unions face substantial non-union competition, or so long as they must exercise monopoly powers sparingly because of organizational insecurity. Weak unions have no large monopoly powers. But how does a democratic community limit the demands and exactions of strong, secure organizations? Looking at the typographers, the railway brotherhoods, and metropolitan building trades, among others, one answers simply: It doesn't!

"In an economy of intricate division of labor, every large organized group is in a position at any time to disrupt or to stop the whole flow of social income; and the system must soon break down if groups persist in exercising that power or if they must continuously be bribed to forego its disastrous exercise. There is no means, save internal competition, to protect the whole community against organized labor minorities and, indeed, no other means to protect the common interest of organized groups themselves. The dilemma here is not peculiar to our present economic order; it must appear in any kind of system. This minority-monopoly problem would be quite as serious for a democratic socialism as it is for the mixed individualist-collectivist system of the present. It is the rock on which our present system is most likely to crack up, and it is the rock on which democratic socialism would be destroyed if it could ever come into being at all."

If anyone supposes that these observations have no immediate, practical bearing on the current state of affairs, let him examine the course of the steel wage negotiations now under way, or study what the motor industry unions are saying!

But the issue is a good deal broader than commonly supposed. Again we quote Professor Simons:

"I am arguing, however, not as a socialist, but as an advocate of the elaborate mixed system of traditional economic liberalism. The essence of this practical political philosophy is a distrust of all concentrations of power. No individual may be trusted with much power, no organization, and no institution save the State itself. The State or sovereign must, of course, possess great reserves of power, if only to prevent other organizations from threatening or usurping its monopoly of violence. But the exercise of power inherent in govern-

Senate Judiciary Committee To Investigate All Executive Orders Since 1933

The issuance of 3,361 executive orders by President Roosevelt in the last 11 years was attributed to the influence of Supreme Court Justice Felix Frankfurter, a New Deal adviser from the beginning by Senator Shipstead (Republican) of Minnesota, according to a United Press advice from Washington on March 31, which went on to say:

"Senator Shipstead made this statement as the Senate Judiciary prepared to open an investigation into the legal authority for every executive order issued by the Federal Government since the start of the Roosevelt administration.

"The investigation and a \$5,000 appropriation to defray expenses were authorized unanimously by the Senate yesterday.

"Senator Shipstead, author of the proposal, said the inquiry not only would cover the 3,361 Presidential orders but the rulings of various executive agencies, such as OPA, WPB, WLB and others, under grants of power received from the President.

"It will go into the basic problem of whether we shall have law by administration or law by legislation," he said. The probe will

include, he added, the legality of penalties assessed by the OPA and other agencies for infractions of their executive decrees.

"Mr. Frankfurter taught the theory of administrative law at Harvard law school," Senator Shipstead said. "He and Justice Roberts dissented recently when the Supreme Court ruled that a person adversely affected by one of the executive rulings may take an appeal to the courts.

"Justice Frankfurter held the position that such recourse is not open unless the law so stipulates. That runs contrary to the basic principle of our Constitution."

"The resolution provides that the survey shall be completed and recommendations made to the Senate before the present Congress expires next January."

Representative Doughton Takes Exception To Baruch's Post-War Tax Bill

Representative Doughton, Chairman of the House Ways and Means Committee, on March 31 took exception to the recommendation of Bernard M. Baruch for immediate enactment of a post-war tax bill, said an Associated Press dispatch from Washington on March 31, which added:

"Saying he doubted that even a 'crystal-gazer' could forecast revenue problems in the transition from war to peace, Mr. Doughton remarked, 'We've got about all we can do to keep up with wartime taxation problems.' "However, he said, that if the Committee wants to tackle post-war revenue problems now, he will cooperate.

"Representative Knutsen (Rep.-Minn.), minority leader of the Ways and Means group, said he thought Mr. Baruch, co-author with John M. Hancock of a post-war planning report, should be invited before the Committee to elaborate his ideas on post-war tax planning.

"We can't do anything about

post-war tax rates now,' Mr. Knutsen said, 'but I believe we could set up the framework. We can't write rates until we know what the post-war Federal budget will be.'

"Republican leader Martin has named a 25-member House Republican Committee, headed by Representative Reed (Rep.-N. Y.), to study post-war taxation problems."

Reference to the action of Representative Martin in naming 25 Republican members of the House to develop a post-war tax program was made in our issue of March 23, page 1231.

Supreme Court Upholds OPA Price Fixing And Rent Control Program

The U. S. Supreme Court upheld on March 27 the constitutionality of the price-fixing provisions of the Emergency Price Control Act and the OPA's rent control program. In the price-fixing case, said the Associated Press, Chief Justice Stone wrote the 6-3 opinion on appeals by two Boston meat dealers from their conviction on charges of selling beef at prices above the OPA maximum.

The opinion stated, "Congress could make criminal the violation of a price regulation."

Justices Roberts, Rutledge and Murphy dissented. The further Associated Press accounts (from Washington, March 27) said:

"The decisions on price and rent control came at a time when a move is underway in Congress to limit the price administrator's authority.

"In a 6-to-3 opinion affirming the conviction of two Boston meat dealers, accused of violating price regulations, the court declared that the Price Control Act constitutes a valid Congressional ex-

ercise of legislative power and that Congress has set forth its objectives, prescribed methods for reaching the objectives and laid down standards for the price administrators.

"The standards prescribed by act," Chief Justice Stone's opinion declared, "are sufficiently definite and precise to enable Congress, the courts and the public to ascertain whether the administrator, in fixing the designated prices, has conformed to those standards."

"The same considerations involving price regulations apply equally to rent controls, the Court ruled in an 8-to-1 decision reversing a Georgia Federal District Court that held the rent control unconstitutional.

"Answering the charge that the rent control program is unfair to some landlords despite the requirements for fair and equitable rents," the Court said:

"A nation which can demand the lives of its men and women in the waging of war is under no constitutional necessity of providing a system of price control on the domestic front which will assure each landlord a fair return on his property."

"Justice Roberts dissented in both the rent and price fixing

cases, asserting that the price control legislation represented an unconstitutional delegation of legislative powers. In the rent case, he said that he was not urging that rent and prices should go uncontrolled and unstabilized in war time."

The 1942 Federal Price Control Act was upheld as constitutional on March 21 by the Illinois Supreme Court, which likewise upheld the right of a customer to bring suit in Illinois courts for recovery of three times the amount of overcharges or \$50, whichever is greater, in violations of OPA price ceilings. From Springfield, Ill., the Associated Press had the following to say:

"The ruling on the act was the first by the Illinois tribunal, which said the U. S. Supreme Court had not passed on it.

"The High Court ruled 'the war powers of Congress are and of necessity must be practically unlimited,' in dismissing a contention the price ceiling act was not within Congressional authority."

"The opinion affirmed a Cook County municipal court judgment involving sales of canned asparagus soup and granting \$100 and attorney fees to Charles S. Regan of Oak Park."

As to the U. S. Supreme Court's findings as to rent control the Associated Press had the following to say:

"Judge Douglas delivered an 8-1 decision in the rent control case revolving about Mrs. Kate C. Willingham of Macon, Ga. Justice Roberts wrote a dissenting opinion.

"Chester Bowles, OPA administrator, sought, in the Federal District Court at Macon, to restrain Mrs. Willingham from prosecuting State Court proceedings, seeking to enjoin the issuance of an order fixing a rent ceiling for her property.

"The District Court held the legislation was an unconstitutional delegation of legislative power. The OPA appealed that decision directly to the Supreme Court."

Results Of Treasury Bill Offering

The Secretary of the Treasury announced on April 3 that the tenders for \$1,000,000,000, or thereabouts, of '91-day' Treasury bills to be dated April 6 and to mature July 6, 1944, which were offered on March 31, were opened at the Federal Reserve Banks on April 3.

The details of this issue are as follows:

Total applied for, \$1,997,811,000.
Total accepted, \$1,007,677,000 (includes \$46,977,000 entered on a fixed-price basis at 99.905 and accepted in full).

Average price, 99.905+, equivalent rate of discount approximately 0.375% per annum.

Range of accepted competitive bids:

High, 99.910, equivalent rate of discount approximately 0.356% per annum.

Low, 99.905, equivalent rate of discount approximately 0.375% per annum.

(46% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on April 6 in the amount of \$1,014,806,000.

Tenders Invited For 5% Bonds Of New S. Wales

Holder of external 5% sinking fund gold bonds due April 1, 1958, of the State of New South Wales, Australia, are being notified that the Chase National Bank, as successor fiscal agent, is inviting tenders for the sale to it, at prices not to exceed the principal amount and accrued interest, of an amount of these bonds sufficient to exhaust the sum of \$230,115 now held in the sinking fund. Tenders will be opened at the office of the bank at 12 o'clock noon on April 10, 1944.

Soldier Vote Law Summarized

Elsewhere in these columns today we are giving the message of President Roosevelt to Congress on March 31 in which he set out his views on the soldier vote bill; while describing it as "wholly inadequate," he nevertheless permitted it to become a law without his approval. The bill as agreed on in conference, was adopted by Congress several weeks ago—by the Senate on March 14 and by the House on March 15; reference to the Congressional action appeared in our issue March 23, page 1233.

The bill (S. 1285) was enacted under the title "An Act to Facilitate Voting in Time of War, by Members of the Land and Naval Forces, Members of the Merchant Marine, and Others Absent from the Place of Their Residence, and to Amend the Act of Sept. 16, 1942, and For Other Purposes."

A summary of the law, as contained in special advices from Washington, March 31, to the New York "Times" follows:

"The Service Men's Voting Bill draws sharp distinctions between the use of the Federal (short ballot) and the full State ballots. Service members stationed in the United States are restricted, with a few stated exceptions wherein the States cannot provide their own, to the use of the State ballot and are required to apply for it on application forms furnished by the armed services. Armed forces overseas may use the Federal ballot, but only under prescribed conditions.

"An overseas voter, as in the case of one serving in this country, must apply for a home State ballot not later than Sept. 1. If he has not received his State ballot by Oct. 1 he may vote by Federal ballot provided that by July 15 the Governor of his State of voting residence has certified that the Federal ballot is authorized by the laws of the State. Without such action by the Governor that State's service citizens would lose the use of the short ballot.

"Free air-mail service is provided for all ballots, Federal and State, in primaries, general and special elections, where used by service personnel.

"It is stipulated, however, that the transportation of applications and ballots shall be guaranteed only to the extent consistent with unhampered movement of military and naval personnel and supplies.

"Voting privileges are extended in this country beyond the armed services to the United States Merchant Marine. Abroad they are given also to members of units of the American Red Cross, the Society of Friends, United Service Organizations (the USO) and the Women's Auxiliary Service Pilots.

"In a State which has no absentee balloting law the Federal ballot is extended to its citizens in service, here and abroad, but only if the Governor can certify that the short ballot will be acceptable under State statute.

Ballot Commission Created

"The new law establishes a United States War Ballot Commission, consisting of the Secretaries of War and of the Navy and the Administrator of the War Shipping Administration, to coordinate and facilitate the handling of applications for ballots and the ballots themselves.

"The Commission is directed to get applications for ballots in the hands of all service personnel in the United States by Sept. 15 and those overseas by Aug. 15. Prior sending of the application cards is provided for primary and special elections. (For some primaries, cards sent out under the 1942 Soldier Voting Law have been going out for months, thus enabling members of the armed forces to take part in primaries and special elections already held and scheduled.)

"When the service voter makes out his application for a State ballot he will mail it, not to the Federal Commission, but to the Secretary of State of his home State. The new law recommends that the Secretary of State, upon receipt of

such applications, forward them promptly to the appropriate county, city or other election official or officials who would send the ballots out to qualified voters.

"The envelope in which the ballot is sent to the voter will also contain one for the return of the ballot, direct to the proper polling place. The Act recommends State legislative action to provide ample time for the transmissions of applications and ballots before election day.

Federal Ballot a Supplement

"As a pure supplement, the Federal ballot (official Federal war ballot) would be prepared by the Commission. It provides six places where the voter may write in the name of his choice for President (which also includes a vote for the Vice-Presidential nominee of the same party); United States Senator, United States Senator, unexpired term; Representative in Congress from the voter's home district and Representatives at large.

"No ballot, under the law, will be declared invalid by reason of mistake or omission in writing in the name of the candidate, where the candidate intended by the voter was plainly identifiable. Where, because of any defect in marking, a ballot were held invalid as to any particular candidate, it would remain valid as to the other candidates.

"The law declares that all service personnel voting under its

terms shall have an opportunity to mark the ballot secretly, providing that the voter then shall place it in the official 'inner envelope' to be furnished, and seal it securely, fill in and subscribe the oath printed on the inner envelope and then prepare the outer envelope, enclose the ballot, seal it and deliver it to the proper authority for transmission to the home State.

"The Secretary of State of each State is directed to furnish the Federal Ballot Commission information for compiling a list of candidates and their parties for Senators and Representatives, this to be transmitted to the War and Navy Departments and the WSA for sending out to the armed forces as voting guides. Lists shall be provided even though they may be incomplete.

"Information as to candidates, however, shall be confined to name, address, party affiliation and the office for which nominated.

"Under the law it is unlawful for any commissioned officer, or non-commissioned, warrant or petty officer to attempt to influence any member of the armed forces to vote or not to vote for any particular candidate or to require any member to march to any polling place. But, it is stipulated, nothing in the law shall be deemed to prohibit free discussion regarding political issues or candidates for public office.

"The Federal Ballot Commission has no powers or functions with respect to the determination of the validity of ballots cast, such determination being made by the duly constituted election officials of the districts, precincts, counties or other voting units in the States. Their decision is to be final to the same extent as in the case of ballots cast by others in person."

Supreme Court Approves Underground Travel Pay To Iron Miners—Decision Seven To Two

The U. S. Supreme Court on March 27 ruled that underground iron ore miners are entitled to portal-to-portal pay for the time spent traveling between the mouth of the mine and the place where the ore actually is mined, according to an Associated Press dispatch from Washington, D. C., which further went on to say:

Justice Murphy delivered the 7 to 2 decision, applying specifically to employees of the Tennessee Coal, Iron & Railroad Co., the Sloss-Sheffield Steel & Iron Co. and the Republic Steel Corp., operators of 13 mines in Jefferson County, Alabama.

At issue was whether the miners were entitled, under the Federal Wage-Hour Law, to be paid for all the time spent underground, except for the lunch period. The Federal Circuit Court at New Orleans had ruled for the miners.

The companies said that the Circuit Court decision had been used as "a judicial precedent in support of the claim of the United Mine Workers of America (UMWA) that it was the intention of Congress to include as part of the 'work-week' all of the underground time of coal miners."

Justices Roberts and Stone dissented from the opinion of the Supreme Court.

The majority opinion stated that the Fair Labor Standard Act "was not designed to codify or perpetuate those customs and contracts which allow an employer to claim all of an employee's time while compensating him for only a part of it. Congress intended, instead, to achieve a uniform national policy of guaranteeing compensation for all work or employment engaged in by employees covered by the Act. Any custom or contract falling short of that basic policy, like an agreement to pay less than the minimum wage requirements, cannot be utilized to deprive employees of their statutory rights."

The Court said that this decision does not "foreclose, of course, reasonable provisions of contract or custom governing the computation of work hours where precisely accurate computation is difficult or impossible. Nor are

we concerned here with the effect that custom and contract may have in borderline cases where the other facts give rise to serious doubts as to whether certain activity or non-activity constitutes work or employment."

Justice Roberts in his dissent, said that at the time the Fair Labor Standards Act became effective, the miners were being paid on the basis of their time at their working places in the mines.

"The miners fully understood this basis," Justice Roberts said. "The Act was not intended by Congress to turn into work that which was not work, or not so understood to be, at the time of its passage."

"It was not intended to permit courts to designate as work some activity of an employee, which neither employer nor employee had ever regarded as work, merely because the court thought that such activity imposed such hardship on him or involved conditions so deleterious to his health or welfare that he ought to be compensated for them."

The basis of the suit was a ruling of the Wage and Hour Administration that underground travel time must be measured as working time for purposes of determining overtime after 40 hours weekly. The miners were represented by the CIO, Mine, Mill and Smelter Workers.

The wage-and-hour ruling did not apply to John L. Lewis' coal miners. A legal spokesman for the UMA said that the Supreme Court decision might be "persuasive, but not binding" on the Court so far as the coal miners' portal-to-portal pay issue was concerned. He added: "The factual situation

Special Consideration To Be Given Scientists To Avoid Threat To War Production

A commitment to the effect that there would be special consideration in the matter of drafting those trained in the chemical industry, has been given by President Roosevelt it was made known on March 21, following a presentment to him by Dr. Charles L. Parsons, Secretary of the American Chemical Society. In a statement issued by the Society, and made public earlier in the month by Dr. Parsons it was declared that a disastrous

decline in war production, constituting a direct threat to the success of the Allied arms, will result from the indiscriminate drafting of chemists, chemical engineers, and other technically trained professional workers. The statement was made public by Dr. Parsons, following a conference in Washington, called by the Society, of representatives of 82 companies engaged in the production of vital materiel.

Dr. Parsons addressed the President on March 14 advising him of the views of those participating in the Conference and in reply the President wrote him as follows:

"Dear Dr. Parsons:

"I have your letter of March 14 on behalf of the American Chemical Society. As you know, there is great demand for men under 26 for combat duty overseas. In order to meet that demand it may be necessary to dip into the pool of man power now being used for war production, government and agriculture. In every case there will have to be a determination as to where each man can render the best service.

"I agree that where young men possess special skill, training and qualifications in chemistry, chemical engineering, physics or other scientific fields it would deter the conduct of the war to take them from their scientific work. This is particularly true of new scientific developments in which younger men have probably received better training than the older scientists.

"I thank you for writing, and desire to assure you that the special need for such men in scientific work in industry will be kept in mind as we proceed to draw more and more younger men into the armed services.

"Very sincerely yours,
"FRANKLIN D. ROOSEVELT."

The President's letter was interpreted by Dr. Parsons according to advices to the New York "Journal of Commerce" from its Washington bureau on March 21 to be a definite commitment, with respect to men 26 years or younger in the scientific field. "I don't think the President intends a blanket deferment for men in the chemical industry," Dr. Parsons was quoted as saying, "but I feel confident that greater consideration will be given to the importance of these positions."

The Society's statement issued earlier in the month said in part: "The recent statement of the President of the United States requesting the Selective Service to review all industrial deferments is being interpreted by many state directors of Selective Service as virtually an order of withdrawal of occupational deferments for men between the ages of 18 and 26.

"The result of these interpretations of the President's pronouncement is the immediate loss to industry of many chemists and chemical engineers essential to the Production Army.

"There has never been a surplus of chemists and chemical engineers in the United States; the need for such technically trained men has always been greater than the supply; the unprecedented demand for industrial chemicals, synthetic rubber, aviation gasoline, foods and drugs, includ-

ing penicillin, blood plasma, anti-malarials, and the sulfanilamides, has thrust upon the chemical and allied industries a responsibility which can be met only if trained personnel is available to direct research and manufacturing operations.

"If scientifically trained men are drafted in large numbers, production will suffer because the efforts of thousands of workers in war plants will deteriorate owing to the lack of proper supervision.

"All available older chemists and chemical engineers have long since been absorbed in vital war work and therefore cannot be assigned to new scientific developments and expansion of production facilities in new fields and established industries.

"Replacements are unavailable and there is no prospect of relief because the number of students in our scientific schools has been drastically curtailed by the recent action of the War Manpower Commission and most young graduates who will become available will be drafted into the Combat Army if age alone is the governing factor. It requires years to train a chemist or chemical engineer before he can begin to practice his profession.

"This is not only a war of arms; it is also a war calling for tremendous production and skillful use of technological brain power and it is universally recognized that one important new scientific development could possibly mean the equivalent of the efforts and lives of thousands in the Combat Army.

"Our military leadership has repeatedly reported that the successful prosecution of the war with a minimum loss of lives can be achieved not only by maintaining needed production but even by increasing it.

"We hold it our solemn obligation to issue a warning that the indiscriminate drafting of younger chemists and chemical engineers, constituting approximately one-fourth of the total, will immediately result in a disastrous decline in production of products vital to the victorious conclusion of the war. Lack of these materials will result also in unnecessary loss of lives of men in our Armed Forces.

"The chemical industry does not suggest a blanket deferment of chemists and chemical engineers but it does oppose drafting en masse chemists and chemical engineers on the basis of age or of marital status."

The President was urged to clarify his pronouncement for the guidance of the State Directors, Appeal Boards, and others charged with the responsibility of carrying out the intent of the Selective Service Act "so that recognition may be given to the fact that the responsibilities of the Production Army are quite as great as those of the Combat Army. To ignore this fundamental fact, is to court disaster."

The Chairman of the committee which prepared the statement, approved by the representatives of the 82 companies participating in the conference, was L. B. Morris, Director of Personnel Contact Relations, Radio Corporation of America, Victor Division. Other members were: E. T. Ashplundh, Vice-President, Columbia Chemicals Division, Pittsburgh Plate Glass Co.; M. T. Carpenter, Associate Director of Research, Standard Oil Company of Indiana; J. N. Forker, Vice-President, Koppers Co.; E. P. Wehesser, administrator of Selective Service, B. F. Goodrich Company.

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Soviet Official Quits Washington Post Because Of Russia's Foreign Policy

Victor A. Kravchenko, an official of the Soviet Purchasing Commission in Washington, announced on April 3, his resignation and placed himself "under the protection of American public opinion," because, said the New York "Times," he accused the Soviet Government of a "double-faced" foreign policy with respect to its professed desire for collaboration with the United States and Great Britain and denouncing the Stalin regime for failure to grant political and civil liberties to the Russian people.

In indicating this in its issue of April 3, the "Times" further reported:

"Mr. Kravchenko, whose passport bears the title 'Representative of the Soviet Government,' was in charge of the metals section of the Commission. He is a captain in the Red Army, and before coming to the United States last August he was a director of a group of large industrial plants in Moscow. Prior to that he served as chief of the munitions section attached to the Soviet of People's Commissars of the Russian Socialist Federated Soviet Republic, the largest of the affiliated Soviet republics. He has been a member of the Russian Communist party since 1929 and has held many important economic posts under the Soviet regime.

"Mr. Kravchenko declined for patriotic reasons to discuss matters bearing upon the military conduct of the war by Soviet Russia or to reveal any details bearing upon economic questions, particularly as they affect the functioning of lend-lease as handled by the Soviet Purchasing Commission and in Russia. His formal statement follows:

"I hereby announce my resignation from my post with the Soviet Government after 22 years of active service in various responsible positions in the Government.

"In explanation of my action I append the following statement:

"I have taken this action only after considerable thought and hesitation, having in mind, first and foremost, the interests of the war effort of my people, of the United Nations, and the larger war aims of the peoples arrayed against the Axis powers.

"For many years I have worked loyally for the people of my country in the service of the Soviet Government and have followed closely the development of Soviet policy in its various stages. For the sake of the Soviet Union's interests and her people I tried hard to overlook many aspects of the situation which were repugnant and alarming. But I cannot keep silent any longer. The interests of the war effort and of my suffering, tortured people compel me to keep silent on many things, but they demand that I speak out on fundamentals of the policy pursued today by the Soviet Government and its leaders affecting the war and the hopes of all peoples for a new international order of peace and reconstruction.

"I can no longer support the double-faced political maneuvers directed at one and the same time toward collaboration with the United States and Britain while pursuing aims incompatible with such collaboration. Collaboration with the democratic countries cannot be pursued while the Soviet Government and its leaders are in reality following a concealed policy of their own designed to accomplish purposes at variance with their public professions.

"The Soviet Government has dissolved the Communist International, but only in form; in reality Moscow has continued to support its Communist party affiliates in many countries. The new democratic terminology being utilized by Moscow is only a maneuver. Intelligent and informed people in Russia and abroad are not deceived by the new Soviet terminology of nationalism, the object of which is to conceal the substance and purposes of real Soviet policy. These

purposes have guided also the formation of the All-Slav Committee in Moscow and of the so-called Union of Polish Patriots, with their alleged national programs.

"The latest maneuvers directed toward the formation of a Polish Government that would be obedient to the Soviet Government have provoked consternation and protests, which I fully share. The Soviet Government rightly objects to the interference of outsiders in the internal affairs of Russia. Why, then, do the Soviet rulers consider it proper to force their brand of "democracy" upon Poland?

"The Soviet policy in the Balkans and Czechoslovakia is pictured to the world as a guarantee of the future welfare and co-operation of the peoples of Europe—in reality it has quite different practical ends.

"Officially the Soviet Government has proclaimed its desire to support establishment of democratic regimes in Italy, Austria and other countries. In reality this is but another attempt to adapt its own aims to the purposes of the Allies and to promote the inclusion of Communists, obedient to the Kremlin, in the future governments of these countries. The real plans and aims of the Soviet Government, as distinct from its public professions, are in contradiction with the interests and needs of the Russian people and of the cause for which the peoples of the United Nations are fighting. While professing to seek the establishment of democracy in countries liberated from fascism, the Soviet Government at home has failed to take a single serious step toward granting elementary liberties to the Russian people.

"The Russian people are subjected, as before, to unspeakable oppression and cruelties, while the NKVD (Soviet secret police), acting through its thousands of spies, continues to wield its unbridled domination over the peoples of Russia. In the territories cleared of the Nazi invaders, the Soviet Government is re-establishing its political regime of lawlessness and violence, while prisons and concentration camps continue to function, as before.

"The hopes of political and social reforms cherished by the Russian people at the beginning of the war have proved to be empty illusions.

"This war is not yet ended, but already the rulers in the Kremlin are preparing a new generation for the next war. An enduring and genuine peace after the conclusion of the present war and the interests of my people require a different policy than that now pursued by the Soviet Government.

"I maintain that more than any other people the Russian people require that they be granted elementary political liberties—genuine freedom of press and speech, freedom from want and freedom from fear. What the Russian people have had from their Government has been only lip service to these freedoms. For years they have lived in constant dread and want. The Russian people have earned a new deal by their immeasurable sacrifices, which have saved the country as well as the existing regime itself, and through which they have dealt such decisive blows to fascism and have determined the course of the war.

"Being aware of the methods of struggle employed by the Soviet rulers against political opponents I fully expect that they will now

be used against me—the methods of slander, provocation and possibly worse.

"I declare that I have never committed any acts detrimental to my people, the ruling party and the Soviet Government, and have always tried to perform my duties to my country, my party and my people honestly and conscientiously.

"I hope to have the opportunity of continuing to devote my experience and energy to the war effort in this country.

"I, therefore, place myself now under the protection of American public opinion."

Asked how he came to take the decision to break with the Soviet regime, Mr. Kravchenko, who is 38 years old, said that his sojourn in the United States, which marked his first visit to a foreign country, "has served to crystallize in my mind views and sentiments I had long felt in Russia."

"I confirmed my long suspicion that capitalist democracy as presented in the propaganda and teaching of the Soviet Government at home has no relation to the reality I found in the United States," he said. "You Americans cannot understand what it meant to me never to have been asked for my passport by anyone in the entire seven months of my residence in this country."

Mr. Kravchenko said he was convinced that the sentiments and ideas expressed in his formal statement were shared by the great majority of the Russian people.

"The Russian people," he said, "were surprised by the perfunctory announcement last year of the abolition of the Comintern, but while approving the action they had little faith in the sincerity of the Soviet Government. I can no more imagine Churchill as a member of the Communist party than I can conceive of Stalin without the Comintern or its substance.

"The Comintern continues to function but by different methods and in other forms. Haven't you noticed that the new political clothes donned by Browder bear a striking resemblance to those adopted by Stalin? And haven't you observed also that while the Comintern, official organ of the Communist International, has ceased publication, that its place has been taken by War and the Working Class, which now sets the tone and line for the policies and utterances of the Communist parties abroad? The Daily Worker in this country reflected fully the statements appearing in War and the Working Class on the factual fight in the American Labor party in New York and reflects also the attitude taken by the new Moscow organ on matters concerning labor in the United States. I cite these as only some examples for the guidance of my American friends."

California Business Activity

Business activities in California during February were 256.7% of the 1935-39 average as compared with 256.9% in January and 243.3% in February, 1943, according to the monthly Business Outlook issued by the Wells Fargo Bank of San Francisco. The bank states:

"Dollar-volume of 2,280 independent California retail stores in February was up 11% from the corresponding month a year ago; bank-debits for 16 clearing house cities showed an increase of 34% in February over February, 1943, while building permits in 112 California cities were up 250%, the gain being chiefly in the Los Angeles and San Francisco areas.

"The one important component in the State's economy to record a decline was newspaper advertising linage in four major cities. This factor shows a recession of 4.2% for February and 1.6% for the first two months of 1944 as compared with linage for the corresponding two months a year ago."

Democrat Wins Congressional Test In Oklahoma Senator O'Daniel Urged Anti-New Deal Candidate

Senator O'Daniel, Democrat, of Texas, on March 24, at Muskogee, Okla., urged voters of Oklahoma's Second District to elect a new Congressman, who has "not even a speaking acquaintance with the New Deal gang." Despite Senator O'Daniel's appeal, W. G. Stigler, Democrat, was the successful candidate, having defeated E. O. Clark, Republican. As to the view points of the results, Associated Press advices from Washington March 30 said:

"Democrats took their turn Wednesday at interpreting the returns from a special Congressional election as a victory on nationwide issues while Republicans countered with a cry of national and State machine pressure and said the results would be different in November.

"These were the meanings party leaders in Washington read into the election of W. G. Stigler, in the Second Oklahoma District, which held the Republican net gain at two seats in 12 such House contests since the 1942 elections. With only one of 330 precincts unreported, the count was 22,017 for Stigler and 18,440 for his Republican opponent, E. O. Clark."

Senator O'Daniel's remarks quoted above were contained in an Associated Press account from Muskogee, Okla., on March 24, which, as given in the New York "Sun," added:

"The Texan, an outspoken critic of the Roosevelt Administration, spoke at a rally in behalf of E. O. Clark, opposing W. G. Stigler, Democrat.

"While Senator O'Daniel said that he was speaking not necessarily for Mr. Clark, but for a Congress of men 'who believe in the Constitution of the United States,' Republican leaders were elated when he declared: 'I know of no better reason why any candidate should be defeated than the fact that he may carry with him the blessing of the ruling dynasty in Washington.'

"Mr. Stigler has the backing of Oklahoma's New Deal Governor, Robert S. Kerr, and Senator Moore (R.-Okla.) charged that he would be a New Deal 'rubber stamp.'

"Republican leaders were counting on Senator O'Daniel's speech to offset the appearance of Senator Alben W. Barkley of Kentucky, who will speak in Mr. Stigler's behalf Monday in Muskogee and Okmulgee.

"Senator O'Daniel told his audience in a speech attacking all New Dealers from the President down, that the taxpayers were being smothered under a public debt that would reach \$10,000 a family before the war ends.

"He attributed this to mismanagement of domestic and foreign affairs by 'the dynasty in Washington' and appealed for a return to 'sane constitutional government through election of men of ability, not political parasites.'

"Describing the Roosevelt Administration as a well organized gang of professional politicians, Senator O'Daniel added:

"I am not seriously concerned whether or not the next President of the United States is a Democrat or a Republican. I am not seriously concerned whether the Republicans or Democrats control the next House of Representatives or the Senate. But I am vitally concerned as to whether or not the next President and members of the next Congress will be men who believe in the Constitution."

President Roosevelt Signs Legislation Authorizing \$1,350,000,000 Fund For UNRRA

With the approval by both the Senate and the House of the conference report, authorizing the United States to provide \$1,350,000,000 of an international pool for the United Nations Relief and Rehabilitation Administration the legislation, in the form of a resolution, was sent to the White House on March 22, and on March 28 the President signed the joint resolution enabling the United States to participate in the UNRRA organization. An appropriation bill will have to be passed before UNRRA can use any of the money.

The compromise legislation pledging participation by the United States in the UNRRA was passed by the Senate on March 21 by a roll-call vote of 47 to 9, following the rejection, by a vote of 36 to 22, of a motion to recommit the proposal to Senate and House conferees.

The House adopted the Conference report on March 22 by a vote of 285 to 58.

Reporting the action of the Senate on March 21, Associated Press advices from Washington stated:

"Sen. Raymond E. Willis of Indiana sought recommitment because of the refusal of House conferees to accept his amendment stipulating that none of the \$1,350,000,000 participation authorized by the bill be spent on any religious, educational or political programs in countries where relief is given.

"Sen. Arthur H. Vandenberg of Michigan opposed Mr. Willis' motion, although he had voted for the amendment previously. He told the Senate that emphasis on the proposal at this time might raise belief that there was 'some shadow' of authority for participation in religious, political or educational programs when there was 'no such power whatever' in the relief agreement."

Incident to the House approval of the report, Associated Press accounts March 22 had the following to say:

"Rep. Calvin Johnson, Republican, of Illinois, declared that UNRRA proposed to allocate

thousands of pieces of farm machinery in foreign countries and he protested that it was needed more here. Rep. Daniel A. Reed of New York made the same argument and asked whether UNRRA was to have any connection with religion, education and political thinking abroad."

The resolution had passed the House on Jan. 25 by a vote of 338 to 54, while the Senate passed it on Feb. 17 by a vote of 47 to 14.

The House and Senate conferees, reaching agreement on the legislation on March 14, rejected a Senate amendment preventing use of any UNRRA funds to promote educational, religious or political programs in liberated territories. This amendment, sponsored by Sen. R. E. Willis, was the only Senate amendment the conferees eliminated after they studied the bill, it was stated in Washington advices (March 14) to New York "Herald Tribune," which also said:

"The conference retained five other Senate amendments which have little effect on the actual operation of UNRRA. These amendments include the requirement of joint approval of Congress for any new UNRRA obligations for the United States, and the statement that Congress is the appropriate Constitutional body to determine the amount, character and time of United States contributions.

"The conferees also left undisturbed the Senate amendment that the Congressional authorization for United States participation in UNRRA shall expire June 30, 1946."

Congressmen Discuss Internat'l Monetary Stabilization Plans

(Continued from First Page)

By Hon. WRIGHT PATMAN
Representative in Congress
from Texas

By Hon. FREDERICK C. SMITH
Representative in Congress
from Ohio

ernment looks good or bad at this highly premature point.

The issue is whether or not the Government of this country should attempt to be forehanded about problems which are certain to arise in the future; whether or not Government departments should make preliminary investigations and studies with the full knowledge and consent of Congress, leading to possible solutions for unavoidable difficulties which lie ahead. I think they should, and I believe that we in Congress should cooperate, not carp.

The alternative, of course, is to have the Government operate as it did in late Republican years, and spend its time running around locking barn doors after horses are stolen. My Republican colleague from Ohio may prefer this. Now, before we go any farther, let us set the record straight on some of the more obvious accusations:

The gentleman from Ohio says that the monetary proposal, drafted by American technicians, is nothing but a rewording of the text of the British proposal. Nothing could be further from the truth. In the first place, the proposal of the American technicians was drawn up in the Winter of 1941, fully 15 months before the British plan, and was presented in principle to the Rio Conference of foreign ministers in January, 1942. Anyone with the slightest understanding of international exchange and monetary questions would say that the plans have only one thing in common and that is they both attempt to deal with the international monetary problems. The two proposals are completely different in their approach and suggested solution.

The gentleman from Ohio says that the draft proposal seeks to replace gold with a fictitious standard. The fact is that the proposal of the American technicians provides for defining the currencies of all member countries in terms of gold and tying their currencies to gold. Instead of weakening the possibility of a return to the gold standard, it would do the very opposite. It attempts to strengthen the ties between all currencies and gold. To say that the plan aims to destroy the supremacy which the dollar holds in international trade and finance is an obvious falsehood.

The gentleman from Ohio says that the scheme would involve the assumption by the United States of \$5,000,000,000 or more of British debts. This is complete nonsense. An early draft of the fund proposal provided for the purchase by the fund of very limited amounts of blocked balances on those occasions on which the fund finds it desirable to do so, and only under terms and conditions which make it actually impossible for the fund to incur a loss. This provision, I believe, has already been dropped. Strangely enough, in view of my colleague's inferences, I understand it was dropped because of the opposition of the British experts.

The gentleman from Ohio says that the control of our money would be given over to an international money authority. Again I wonder whether he has read the proposal. There is nothing in it which reduces the authority of the United States over its monetary system or over the dollar. The fund can make no change in the value of the dollar and the proposal specifically reserves to each country the complete control of its money policies.

My esteemed colleague has placed before you a chart which

world"; that "without it, other more desirable developments will find themselves impeded and unsupported"; that "with it, they will fall into their place as parts of an ordered scheme"; that it "might set up a clearing account in favor of international bodies charged with post-war relief, rehabilitation, and reconstruction" which segment of his scheme is already in operation in the form of the United Nations Relief and Rehabilitation Administration. Further, that his stabilization scheme "might set up an account in favor of any supernational policing body which may be charged with the duty of preserving the peace and maintaining international order"; that "this would provide an excellent machinery for enforcing a financial blockade"; that it "might set up an account in favor of international bodies charged with the management of a commodity control, and might finance stocks of commodities held by such bodies, allowing them overdraft facilities on their accounts up to an agreed maximum."

Also that it "might be linked up with a board for international investment," that "there are various methods by which the clearing union could use its influence and its powers to maintain stability of prices and to control the trade cycle," that "if an international economic board is established this board and the clearing union might be expected to work in

purports to show you the figures on the gold holdings and gold contributions of some of the United Nations. The figures shown are completely erroneous. They are based largely upon data published years ago, some going back as far as 1935, and I am surprised that anyone should assume that data of this character can at all represent the actual situation. I am told, incidentally, that this table overlooks half the gold holdings of the other United Nations. The true information, I might point out, is secret and cannot be given out by any country. The publication of a completely unfounded table by the gentleman from Ohio serves no purpose other than to confuse and mislead the interested public.

I do not know what the gentleman from Ohio means when he says that the Keynes-Morgenthau scheme—and by the way, there is no such thing; the British, French, Canadians, and Americans all had preliminary drafts, all published, all different—he says the scheme could involve the United States to the extent of upward of \$15,000,000,000. The tentative proposal by the American technicians specifically states that our participation shall be limited in the neighborhood of \$2,000,000,000. This is a small error of 700 percent on the part of the gentleman and involves some \$13,000,000,000.

Finally the gentleman from Ohio seems to be disturbed by the fact that the Interstate Commerce Commission was different in 1887 from what it is now. This perhaps is the key to the understanding of his entire speech. This Republican gentleman is complaining because we cannot meet the complex problems of the 1940's with the facilities of the years when as a free-sun-kissed barefoot boy he first graced Shanesville, Ohio, in the 1880's. He was born there, I understand in 1884, and like the Interstate Commerce Commission, has altered his earlier limits and become increasingly complex in the intervening years.

close collaboration to their mutual advantage," that "if an international investment or development corporation is also set up, together with a scheme of commodity controls for the control of stocks of the staple primary products, we might come to possess in these three institutions a powerful means of combating the evils of the trade cycle, by exercising contractionist or expansionist influence on the system as a whole or on particular sections," and, finally, "the facility of applying the clearing-union plan"—that is, the Keynes-Morgenthau scheme which we are here considering—"to these several purposes arises out of a fundamental characteristic which is worth pointing out, since it distinguishes the plan from those proposals which try to develop the same basic principle along bilateral lines and is one of the grounds on which the plan can claim superior merit," which he clinches with this sophistry: "This might be described as its 'anonymous' or 'impersonal' quality."

What else could it possibly be that is envisioned here but a supernational brain trust with authority, as Benjamin M. Anderson has designated it?

As just mentioned, one of the parts of this all-embracing scheme has already been perfected, namely, the United Nations Relief and Rehabilitation Administration, which, according to resolutions adopted at the Atlantic City conference, is to undertake everything, from the furnishing of soup kitchens to the construction of railroads in all the war-stricken areas of the world; further, still another part of this global program, an "international bank for reconstruction and development" with an initial capitalization of \$10,000,000,000, is now in the process of concoction by the Administration.

Then there is a vast assemblage of related forces and conditions which are giving impetus or allowing freedom to this movement, though perhaps not so directly or manifestly connected with it, such as the totalitarian planning cult which in conjunction with the Federal bureaucracy all but completely dominates our economy and government, the disordered and corrupt currency and the long way our Nation has already gone in substituting a society of status for that of contract.

There is one more point which is of great importance to the consideration of the Keynes-Morgenthau scheme and which is very pertinent to this study. Seldom if ever are the expectations or promises of legislators in setting up political agencies fulfilled. It is an almost unbroken law that such bodies are, when once established and put in operation, never limited to their original size and functions, but tend always to enlarge and expand the scope of their activities.

This is so universally true and so self-evident that it should require no substantiating proof, though a thousand illustrations are ready at hand to support this contention, if that should be deemed necessary. But look at the growth of bureaucracy that has taken place in the Federal Government in recent years.

Who in 1887 would have thought that the Interstate Commerce Commission, which was created at that time, would develop to its present size, complexity, and power, and that the interstate commerce clause of the Constitution would be construed by the Supreme Court so as to make the growing of wheat interstate commerce and empower a Federal bureau to dictate to the farmer how much wheat he can grow?

The Congress devotes nine-tenths of its time trying to restrain the political machinery which it has created and to confine its functions within the bounds of the laws it has itself written. Now especially, it scolds the O. P. A.,

C. C. C., A. A. A., and the other political alphabetical agencies for using their powers to change the economy, for taking on functions that were not intended and for disobeying the laws which brought them into existence.

The Keynes-Morgenthau scheme would be no exception to the law of endogenous growth of political machinery. That it would go the way of all bureaucracy, take on new functions and expand in directions not now thought of or intended, most likely even by Lord Keynes and some of his co-workers, should be a foregone conclusion. Indeed, the nature of this scheme is such as to make it particularly liable to anarchic growth.

It is plainly seen that the meat of the Keynes-Morgenthau scheme, stripped of its pretense and window dressing, is, perhaps along with other highly important objectives, an attempt to inveigle the United States into handing over to Great Britain the control and use of the United States stock pile of gold; to finance \$5,000,000,000 or more of debts Britain owes to a large number of countries; to restore London as the world's banker and financial center; to finance her world trade and pay for her Beveridge plan.

The scheme seeks to accomplish these objectives by destroying the dollar as the leading international standard unit of value and settler of accounts and what is left of the orthodox international gold standard by substituting therefor a fictitious and political paper unit of account called unitas, in terms of which international pecuniary contracts would have to be made. It is sheer nonsense for Lord Keynes to say:

"The existence of the clearing union does not deprive a member state of any of the facilities which it now possesses for receiving payment for its exports. In the absence of the clearing union, a creditor country can employ the proceeds of its exports to buy goods or to buy investments, or to make temporary advances and to hold temporary overseas balances, or to buy gold in the market. All these facilities will remain at its disposal." (Proposals for an international clearing union, British Information Services, April 8, 1943, p. 11.)

And for the Secretary of the Treasury, Mr. Morgenthau, to chime in with Lord Keynes by saying:

"The fund would deal only with treasuries and central banks. It would not compete with private banks or existing agencies. Its operations would be maintained only to supplement the efforts made by each member government to maintain monetary stability. The established channels of international trade and international banking would be retained in full for all international transactions." (Statement of Secretary Morgenthau before the Senate Committees on Foreign Relations and Banking and Currency and the Special Committee on Post-War Economic Policy and Planning, April 5, 1943, p. 3.)

If these gentlemen mean that gold could still be used in the settlement of international trade balances in the orthodox way. That view postulates the impossible, namely, the existence simultaneously of two kinds of international units of value and media for settling trade balances, a definable weight of gold on the one hand and an indefinable paper "unitas" of account on the other. Would not Gresham's law operate the same in the international field as it always has in domestic economies? Would not the bad unitas money drive out the good gold money? What earthly chance would gold have to remain in circulation internationally and compete with the cheap money, the politically manipulable paper unitas? None, of course.

It is of the utmost importance to a full comprehension of the

President Proclaims April 6 As Army Day

In designating April 6 as Army Day, President Roosevelt called upon the civilians of the nation "to reconsecrate themselves on that day to the task of producing in fullest measure . . . the weapons and ammunition . . . required to equip our Army and sustain it until final victory." The President's proclamation, issued on March 23, follows:

"Whereas America's valiant soldiers have been welded by the fire of battle into a mighty army of liberation; and

"Whereas the men and women of the American Army, of different races and creeds but one in their love of freedom and their devotion to the goals for which the United Nations are striving, must face during the coming year a burning test of their courage, their resourcefulness and their physical prowess; and

"Whereas the Congress, by Senate concurrent resolution 5, Seventy-fifth Congress, agreed to by the House of Representatives, March 16, 1937, has recognized April 6 of each year as Army Day and has requested that the President issue a proclamation annually with respect to that day:

"Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, do hereby proclaim Thursday, April 6, 1944, as Army Day, and do invite the Governors of the various States to issue proclamations calling for the appropriate observance of that day.

"And I urge the civilians of the nation to reconsecrate themselves on that day to the task of producing in fullest measure and with the greatest possible speed the weapons and ammunition and the materials and supplies required to equip our Army and to sustain it until final victory.

"In witness whereof, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

"FRANKLIN D. ROOSEVELT."

Keynes-Morgenthau scheme to grasp the fact that it would involve not merely the amount of gold the United States would contribute to it but our entire stock pile of gold. It envisions the complete demonetization of our total gold reserves for international use just as they have been demonetized for domestic use within our own economy and the economies of other countries. It would do exactly what Lord Keynes formally denies it would do when he says:

"Nor is it reasonable to ask the United States to demonetize the stock of gold which is the basis of its impregnable liquidity."

This would in one single stroke destroy in large measure if not entirely the superb international gold position the United States now holds, in international trade and commerce. It would at the same time yield to the debtor countries and, of course, to Great Britain in particular, an unearned, precious, and vital national resource.

The alleged capital formation of the Keynes-Morgenthau scheme is a fraud. The dishonesty and deception which underlie it condemn it utterly. This is not a proposal for international cooperation if the word "cooperation" still means what the dictionary up to now has always said it meant—"collective action in the pursuit of common well-being." On the contrary, this is a proposal by Great Britain, supported by other countries and aided by our present administration, not only to bleed the United States white but to destroy her very blood-making organs.

Some Aspects Of The Nation's Post-War Problems

(Continued from First Page)

more; and the large corporations, whose workers may number hundreds or thousands. Industry is a collective term for the hundreds of thousands of business enterprises of one kind or another, large and small, located throughout the United States. Industry in this broad aspect has no central organization—it has no common spokesman—it has no machinery for acting as a single unit—accordingly it cannot formulate or put into effect an overall post-war plan. Despite such lack of unity and organization, the component parts of this intangible country-wide aggregation of instruments of production, which is often called "industry," have each a responsibility to do everything within their individual power to attain the desirable goal of maximum gainful employment.

It is not accurate to contend that the establishment of "full employment" is the responsibility of industry alone. It is equally the responsibility of every other group in this country—and in that classification I include the representatives of both Government and labor. Unemployment after the war cannot be reduced to the minimum without cooperative and well-designed and friendly effort on the part of all segments of our political and economic order. The productive force termed "industry" cannot be expected to function satisfactorily in the public interest, if its vital part in our economy is not recognized, supported and encouraged by both our people and our Government.

I firmly believe in the American system of private competitive enterprise. After a dispassionate review of its past accomplishments, how can anyone rightly have serious doubt about the desirability of a continuance of such a system? Under its beneficent guidance, the United States has grown and developed so as to become the greatest industrial nation of the world. The standard of living of our people has advanced to a level not yet reached in any other country. For me, the most convincing proof of the soundness of our economic order is supplied by the magnificent production record of American business, both management and workers, during the last three years. This has been a truly remarkable performance, in which every American should take pride. There can be nothing fundamentally wrong with an economy which accomplishes such a conclusive result in time of war. What we have done since 1940 in contributing so mightily to the offensive strength of the United States and the other Allied Nations should give us confidence in the ability of private enterprise to withstand the strains and difficulties of the days to come, if given a reasonable opportunity to perform.

Jobs originate with production—with the setting up of new industries—with the free play of economic laws—with the full opportunity for technological development. The primary effort in the post-war period of all elements in our society must be to encourage such production. That cannot be accomplished by hostility to, or disbelief in, our long-established and thoroughly tried out economic system of free enterprise. Private industry cannot flourish and provide jobs for the many in the face of undue restrictive hampering of its activities at the hands of inexperienced theorists, or by those who may wish to establish a socialistic state in this land of democracy. Our tax laws should be so framed as to permit the ready employment of risk capital in new enterprises, and thus allow increased

employment through the creation of new or improved articles of commerce. The charge has been made that the patent laws of the country have become out of date. Whatever truth there may be in that accusation, the original principle of allowing an inventor to be amply rewarded for his inventive genius has more than proven its value over a long period of years. Such a policy should be continued in the public interest, if we desire to obtain the utmost in the future from technological advancement.

Labor must recognize that an industrial concern can pay wages only to the extent that the income from its business will permit. In the Annual Report of the United States Steel Corporation for the year 1943, issued a few days ago, this fundamental fact was stated as follows: "U. S. Steel has no paying power beyond the dollars received from customers. It has no power to operate its facilities or to hire men and women if it has no customers for its goods and services; nor does it have the power to turn out first-class, well-priced goods with worn out tools or against uncontrollable costs. It is apparent that rising labor costs pushing against price ceilings are absorbing the payments of both Government and owners. Substantial increases in wages could reduce them to nothing."

Recently I heard a talk at a forum by a business man, who presumably had been chosen to speak in support of maintaining the economic system which existed prior to the war. His cure for post-war unemployment, as I understood it, was brief—merely to continue production at a rate approaching the present high levels. As I listened to what was undoubtedly a sincere exposition on his part, I wondered how this speaker would apply such a simple theory to the steel business, were the conduct of such an enterprise to become his responsibility. Apparently the experience of this particular man had been confined to selling and distribution as a middleman—he may not have given thought to the problems of production on a large scale.

On this point, I should like to elaborate a bit and discuss why the steel industry has sometimes been referred to in the past as "a prince or pauper" activity. In passing I might add that some of us who have seen more of the pauper days look forward with hope to a time when we may be permitted to enjoy the prerogatives of a prince. If the truth must be known, the steel industry has little effective control over the demand for its products. That is true because steel is essentially a raw material. Steel is largely purchased for fabrication or conversion by others into durable producers' and consumers' goods of an infinite variety. Usually the cost of the steel constitutes a small part of the cost of the finished product. So price is not a major factor in the ability of the steel industry to increase the volume of sales of its products. As the economists would express it, "the demand for steel is inelastic." Our customers are in the market for steel only when they can put their steel purchases to a profitable use. This means that the steel business is up or down depending upon general business conditions. And there is not too much the management of the steel industry can do about it, except to develop through technology and otherwise new uses for steel. We also can direct our energies and influence toward restoring business confidence to the end of bringing back into operation the normal productive machinery of

the country. In these ways we may be successful in creating an increased demand for steel.

We don't close down a steel mill, or reduce its operations to 25% or 50% of capacity because of a desire to bring about a scarcity in production. That silly accusation has been made by a few critics, who seem too ready to attribute a sinister motive to any action which they do not understand. Our investment in plants is far too great for us to allow any one of them to stand idle, or partially so, if this can possibly be avoided. When the operations of a steel mill are curtailed, or the plant is closed, it is simply because we have not sufficient orders to keep the mill in operation at a higher rate. We are forced reluctantly to take that action by reason of matters outside of our control.

I gathered that the speaker of the other evening to whom I have referred, would continue production under these circumstances and thus avoid the laying off of any employees. But I should like to inquire what would he produce in the absence of customers' orders justifying such a continuance of operations? Would it be rails, plates, sheets, shapes, bars, or other steel products? Probably he is not aware that many of these articles are ordinarily made to the specifications of the particular customer and, accordingly, are not fully interchangeable among customers. Furthermore, how would this continued production be financed when there are no orders for an equivalent amount of rolled and finished steel? And where would the steel so produced be stored?

Let me illustrate by using some figures from the records of United States Steel Corporation. In 1943, the Steel Corporation produced more than 30,500,000 tons of steel ingots. Its shipments of finished steel during the year were in excess of 20,000,000 tons. Assuming 365 days of operations last year, this production is equivalent to 83,500 tons of steel ingots each and every day during the year. That is a lot of steel per day. The financial resources of the Steel Corporation are not adequate long to continue operations at a cost of around \$5,000,000 a day, or even a small fraction of that figure, in order to pile up steel inventories awaiting a future time when there may be orders for the material so produced. One has to be realistic about the facts of the steel business if the rocks of bankruptcy are to be avoided.

It is not my purpose to sketch too black an outlook for the post-war days. In fact, I am not unduly pessimistic about that period because I have supreme faith in the ability of the American people to solve satisfactorily any problem which vitally concerns the future well-being of our country. Statesmanship of a broad and unselfish character, however, is essential in arriving at such a solution. There must be a closer relationship and a better and more cordial understanding between Government, industry and labor than has been true in the past. All of these groups have an equal stake in the future prosperity and good health of the United States. There must be a way in which all elements in our society can pull together in a spirit of good will and with mutual confidence and respect. All present here this afternoon can help to bring that about.

In closing, I should like to remind you that our topic today is still academic. Our immediate task is the winning of the war, to which all of our energies must be devoted and backed up by everything we possess.

Items About Banks, Trust Companies

J. P. Morgan & Co., Inc., New York City, reported as of Mar. 31, 1944, total deposits of \$760,665,053 and total assets of \$809,151,231, compared, respectively, with \$709,010,239 and \$758,056,415 on Dec. 31, 1943. Cash on hand and due from banks amounted to \$148,129,047, against \$131,528,532; holdings of United States Government securities to \$524,831,104, against \$487,615,089, and loans and bills purchased to \$94,937,809, against \$100,955,228. Capital and surplus were unchanged at \$20,000,000 each, and undivided profits March 31 were \$3,101,624—unchanged from the Dec. 31 figure.

The Bankers Trust Co., New York, reported as of Mar. 31, 1944, total deposits of \$1,649,765,468 and total assets of \$1,792,379,516, compared, respectively, with \$1,594,694,072 and \$1,728,824,976 Dec. 31. Cash on hand and due from banks amounted on Mar. 31 to \$306,207,797, against \$331,870,816; holdings of United States Government securities to \$1,005,503,129 against \$950,441,228, and loans and bills discounted to \$384,159,407 against \$362,407,442. Capital and surplus were unchanged at \$25,000,000 and \$75,000,000, respectively, and undivided profits were \$26,676,054 against \$25,366,707 at the end of December.

The New York Trust Co. reported as of Mar. 31, 1944, total deposits, including outstanding certified checks of \$694,918,435 and total assets of \$750,817,589, compared, respectively, with \$689,208,447 and \$743,939,271 on Dec. 31. Cash on hand and due from banks, including exchanges, amounted to \$148,148,654, against \$175,621,887 holdings of United States Government securities are now \$407,303,560, against \$381,441,910, and loans and discounts are shown as \$165,404,308, against \$158,771,343. Capital and surplus were unchanged at \$15,000,000 and \$30,000,000, respectively, and undivided profits are now \$6,635,497, against \$6,203,260 at the end of December.

The statement of condition of the Guaranty Trust Co. of New York as of March 31, 1944, issued April 4, shows total resources of \$3,275,179,670, as compared with \$3,243,371,512 at the time of the last published statement, Dec. 31, 1943, and with \$3,015,473,615 on March 31, 1943. Deposits of \$2,940,179,326 compare with \$2,903,794,036 on Dec. 31, 1943, and with \$2,666,261,390 a year ago. Holdings of U. S. Government obligations total \$1,965,799,932, against \$1,959,786,746 on Dec. 31, 1943, and \$1,827,681,573 a year ago, and loans and bills purchased total \$675,241,256, as compared with \$610,781,083 and \$499,761,701. The company's undivided profits are \$34,264,977, compared with \$31,391,854 on Dec. 31, 1943, and with \$23,445,680 on March 31, 1943. Capital and surplus remain unchanged at \$90,000,000 and \$170,000,000, respectively.

The Fulton Trust Co. of New York reports total deposits of \$31,380,714 and total assets of \$36,696,384 in its statement of March 31, 1944, as compared with deposits of \$31,789,394 and assets of \$37,069,631 on Dec. 31, 1943. Capital and surplus showed no change in total at \$4,000,000, but undivided profits increased to \$1,061,578, after dividend payable April 1, 1944, as compared with \$1,033,680 shown on Dec. 31, 1943. Cash U. S. Government securities and demand loans secured by collateral amount to \$32,604,634, as against \$33,120,642 on Dec. 31, 1943.

Colonial Trust Co. of New York reported, as of March 31, total deposits of \$32,534,669 and total assets of \$34,207,019, compared respectively with \$31,890,752 and

\$33,553,630 on Dec. 31, 1943. Cash on hand and due from banks amounted to \$8,095,055 against \$9,031,828; holdings of U. S. Government securities to \$16,434,359 against \$14,655,000, and loans and bills purchased to \$9,096,625 against \$9,191,056. Capital was unchanged at \$1,000,000 and surplus and undivided profits were \$529,364 against \$508,602 at the end of December.

Total assets of Clinton Trust Co. of New York as of March 31, 1944, increased to \$18,161,884 from \$18,112,961 on Dec. 31, 1943, and \$14,263,728 a year ago, according to the bank's statement of condition at the end of the first quarter of 1944. Deposits on March 31, 1944, amounted to \$16,979,875 compared with deposits of \$16,869,674 three months earlier and \$13,077,208 a year ago. Surplus and undivided profits of the bank totaled \$472,563 compared with \$467,549 on Dec. 31, 1943, and \$425,193 a year ago. Loans and discounts as of March 31, 1944, were \$3,008,258 compared with \$2,862,010 on Dec. 31, 1943, and \$2,239,967 on March 31, 1943. Holdings of U. S. Government securities totaled \$8,453,447 and municipal bonds \$638,936 against combined holdings of U. S. Government and municipal bonds of \$8,736,691 on Dec. 31, 1943. Cash on hand and due from banks on March 31, 1944, was \$3,638,708 compared with \$4,122,248 on Dec. 31, 1943, and \$3,473,645 a year ago.

The National City Bank of New York reported, as of March 31, total resources of \$4,168,876,487, as compared with \$3,967,819,349 as of Dec. 31, 1943, and \$3,568,434,805 as of March 31, 1943, and total deposits of \$3,929,474,644 against \$3,733,649,246 and \$3,352,958,745. Holdings of United States Government obligations were \$2,298,397,598, compared with \$2,174,265,961 and \$1,865,903,179 as of the same dates. Cash on hand and due from banks was \$856,665,059 against \$885,401,994 and \$860,032,174. Loans and discounts were \$712,556,275 against \$633,123,637 and \$532,584,826. Capital and surplus have remained unchanged since Dec. 31, 1943, at \$77,500,000 and \$110,000,000, respectively, in comparison with \$77,500,000 each at March 31, 1943. Undivided profits were \$25,567,151, compared with \$24,053,596 and \$25,110,800.

The following announcement was made regarding the earnings:

"Combined net current operating earnings of the National City Bank and of the City Bank Farmers Trust Co. for the first quarter of 1944, after provision for taxes and depreciation, were \$3,438,297, compared with \$3,121,725 for the same period in 1943. This represents 55 cents per share in the current quarter and 50 cents per share for the same period in 1943 on the 6,200,000 shares outstanding.

"Profits from sales of securities amounted to \$1,889,814. If added to current earnings the total would amount to 86 cents per share for the current quarter as compared with 59 cents per share on the same basis for the first quarter of 1943. Security profits and recoveries of the bank and security profits, recoveries and operating earnings of the trust company were as usual transferred directly to reserves."

The City Bank Farmers Trust Co. reports total deposits as of March 31 of \$145,079,443, against \$99,762,502 on Dec. 31, 1943, and with \$91,990,907 on March 31, 1943. Total resources were \$173,286,700, compared with \$127,582,970 and \$119,091,854. Cash amounts to \$52,751,055 against \$16,954,870 and \$28,985,612. Holdings of United States Government securities were \$105,613,414

(Continued on page 1440)

President Calls Upon Free Peoples To Open Their Frontiers To Victims Of Oppression

Calling upon "the free peoples of Europe and Asia temporarily to open their frontiers to all victims of oppression," President Roosevelt, in a statement on March 24 declared "until the victory that is now assured is won, the United States will persevere in its efforts to rescue the victims of brutality of the Nazis and Japs." The President asserted that as a result of the events of the last few days, hundreds of thousands of Jews, who while living under persecution have at least found a haven from death in Hungary and the Balkans, are now threatened with annihilation as Hitler's forces descend more heavily upon these lands. Mr. Roosevelt asked "every German and every man everywhere under Nazi domination to show the world by his action that in his heart he does not share these insane criminal desires. Let him hide these pursued victims," said the President, "help them to get over their borders, and do what he can to save them from the Nazi hangman."

The President further said that "we shall find havens of refuge for them, the victims of oppression, and we shall find the means for their maintenance and support until the tyrant is driven from their homelands and they may return."

At his press conference on March 24 he announced the appointment of John W. Pehle as executive director of the War Refugee Board. Mr. Pehle had previously been acting director. The following is the President's statement of March 24 pledging his support to the victims of the Nazis and Japs:

"The United Nations are fighting to make a world in which tyranny and aggression cannot exist; a world based upon freedom, equality and justice; a world in which all persons regardless of race, color or creed may live in peace, honor and dignity.

"In the meantime, in most of Europe and in parts of Asia, the systematic torture and murder of civilians—men, women and children—by the Nazis and the Japanese continue unabated. In areas subjugated by the aggressors innocent Poles, Czechs, Norwegians, Dutch, Danes, French, Greeks, Russians, Chinese, Filipinos—and many others—are being starved or frozen to death or murdered in cold blood in a campaign of savagery.

"The slaughters of Warsaw, Lidice, Kharkov and Nanking—the brutal torture and murder by the Japanese, not only of civilians but of our own gallant American soldiers and fliers—these are startling examples of what goes on day by day, year in and year out, wherever the Nazis and Japs are in military control—free to follow their barbaric purpose.

"In one of the blackest crimes of all history—begun by the Nazis in the day of peace and multiplied by them a hundred times in time of war—the wholesale systematic murder of the Jews of Europe goes on unabated every hour. As a result of the events of the last few days hundreds of thousands of Jews who, while living under persecution, have at least found a haven from death in Hungary and the Balkans, are now threatened with annihilation as Hitler's forces descend more heavily upon these lands. That these innocent people, who have already survived a decade of Hitler's fury, should perish on the very eve of triumph over the barbarism which their persecution symbolizes, would be a major tragedy.

"It is therefore fitting that we should again proclaim our determination that none who participate in these acts of savagery shall go unpunished. The United Nations have made it clear that they will pursue the guilty and deliver them up in order that justice be done. That warning applies not only to the leaders but also to their functionaries and subordinates in Germany and in the satellite countries. All who

knowingly take part in the deportation of Jews to their death in Poland or Norwegians and French to their death in Germany are equally guilty with the executioner. All who share the guilt shall share the punishment.

"Hitler is committing these crimes against humanity in the name of the German people. I ask every German and every man everywhere under Nazi domination to show the world by his action that in his heart he does not share these insane criminal desires. Let him hide these pursued victims, help them to get over their borders, and do what he can to save them from the Nazi hangman. I ask him also to keep watch, and to record the evidence that will one day be used to convict the guilty.

"In the meantime, and until the victory that is now assured is won, the United States will persevere in its efforts to rescue the victims of brutality of the Nazis and the Japs. In so far as the necessity of military operations permit this Government will use all means at its command to aid the escape of all intended victims of the Nazi and Jap executioner—regardless of race or religion or color. We call upon the free peoples of Europe and Asia temporarily to open their frontiers to all victims of oppression. We shall find havens of refuge for them, and we shall find the means for their maintenance and support until the tyrant is driven from their homelands and they may return.

"In the name of justice and humanity let all freedom loving people rally to this righteous undertaking."

SEC Extends Time To File Original Cost Reports

The Securities and Exchange Commission announced on Mar. 31 that it has extended until June 30, 1944, the date for completion and filing of the original cost studies required by Rule U-27 under the Public Utility Holding Company Act of 1935. That rule, the Commission points out, "prescribes uniform systems or classifications of accounts for utility companies which are not otherwise required under Federal or State law to conform to a classification of accounts." In the case of electric utilities, the SEC adds, "the system prescribed is that theretofore adopted by the Federal Power Commission, and in the case of gas utilities companies, that recommended by the National Association of Railroad and Utilities Commissioners."

Stating that the original deadline was Dec. 31, advices to the New York "Times" from Washington March 31 stated that the extension was in answer to numerous inquiries from companies which asked for it because of the shortage of manpower.

The Commission made known on March 31 that it had promulgated certain instructions under the rule designed to clarify the method of reporting such studies. These instructions are similar to instructions previously issued by the Federal Power Commission under date of May 11, 1937, for the purpose of its classification of accounts, but omits the requirements for certain statistical data called for by the Federal Power Commission instruction.

Profits And Operations Of Listed Corporations For 1936-1942 Surveyed By SEC

The Securities and Exchange Commission made public on March 26, Part III of its four-volume series of reports entitled, "Data on Profits and Operations—1936-1942," another in a series of statistical reports of the "Survey of American Listed Corporations." Part I was referred to in our March 9 issue, page 1024, while a reference to Part II appeared in these columns March 23, page 1236.

The current series of reports presents data on profits and operations for 1,106 companies and their consolidated subsidiaries, for the years 1936 through 1942. These companies are classified in 75 manufacturing groups; their total assets in 1942 exceeded \$48,000,000,000. The data are taken from registration statements and annual reports filed by registrants under the Securities Exchange Act of 1934, and from annual reports filed by registrants under the Securities Act of 1933. The first volume, Part I, made public on Feb. 20, contained data on 261 companies in 24 industry groups; the second volume Part II, made public on March 8, contained data on 271 corporations in 15 industry groups.

Part III of the current series released on March 26 includes data on 289 companies in the following 17 industry groups, most of which are engaged in the production of war materials:

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; shipbuilding.

The Commission repeats its announcement in the previous surveys to the effect that 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.

Copies of this report were not prepared for general distribution, but may be examined at the office of the Commission in Philadelphia or at any regional or branch office and at a number of selected depository libraries.

Patent Protection Called Vital To Post War Jobs And Small Business

Strong patent protection will be vital to postwar jobs and the creation of new small businesses, R. J. Dearborn, President of the Texaco Development Corp., said on March 27 upon accepting Chairmanship of the Committee on Patents of the National Association of Manufacturers. "If America is to have enough jobs after the war we must encourage invention in small business," declared Mr. Dearborn. "Invention and small business depend on patents. Mr. Dearborn added:

"Patents protect the little fellow from having his ideas pirated. They are the sling shots that make it possible for the little Davids to compete with big Goliaths. They give new businesses a chance to get started. This creates jobs and gives us the technical progress that leads to more goods at lower prices for more people."

Mr. Dearborn said that the NAM Patents Committee has two major purposes—to develop a better understanding of patents and inventions, and to improve the U. S. patent system. The committee is only one of several NAM groups studying war and postwar problems.

"Many Americans do not understand that patents stimulate competition," said Mr. Dearborn. "Every new idea disclosed in a patent adds to our fund of knowledge. Every invention spurs competitors to find a better one."

"About 85% of all patents are granted to independent inventors or are assigned to small manufacturers. Patent protection is important to large companies but it is vital to small ones." Mr. Dearborn said that patents give inventors property rights in inventions and that it is a mistake to associate this with oppressive monopolies. "Ownership of a patent is exactly the same as ownership of a house or automobile, except that the patent expires and becomes public property in 17 years."

The NAM committee on patents has developed a series of 11 recommendations for improvement in the U. S. patent system, according to Mr. Dearborn. Many of these recommendations pertain to simplification of procedure within the

Patent Office to prevent unnecessary delay and expense, he said "in the interest of the little fellow who cannot afford expensive litigation." Mr. Dearborn further said:

"Unfortunately, many Americans have the idea that invention is a magic process of inspiration rather than a process of hard work and perspiration. The importance of patent protection as an incentive to make inventive ideas into something useful by more work and perspiration is not adequately appreciated. The 'share the invention' idea is as deadly to progress as the socialist philosophy of 'share the wealth.'"

The NAM Committee on Patents is composed of 48 industrialists and scientists in various parts of the country. Vice-chairman is Otto S. Schairer, Vice-President in charge of RCA Laboratories, Radio Corporation of America.

Mellett Resigns As Aide To President

Lowell Mellett, one of President Roosevelt's administrative assistants, has resigned to go back to his former field of work—journalism. Mr. Mellett, former head of the U. S. information service, is to write a column for the Washington "Star," under the caption, "On the Other Hand." In advices from its Washington bureau on March 24, the New York "Herald Tribune" said:

Mr. Roosevelt commented, in his letter accepting Mr. Mellett's resignation: "I'm very much impressed by what you tell me concerning the readiness of 'The Washington Star,' and perhaps other newspapers, to publish points of view contrary to their

Feb. Truckloadings 0.5% Over A Year Ago

The volume of freight transported by motor carriers in February decreased 6.6% under January, but showed a slight increase of 0.5% over February, 1943, according to statistics compiled by the American Trucking Association, Inc. The drop under January was due, at least in part, to the fact that there was one less working day in February. The report further adds in part:

Comparable reports received by ATA from 315 motor carriers in 47 States and the District of Columbia showed these carriers transported an aggregate of 2,163,016 tons in February, as against 2,315,131 tons in January, and 2,152,258 tons in February, 1943.

The ATA index figure, computed on the basis of the average monthly tonnage of the reporting carriers for the three-year period of 1938-1940 as representing 100 was 173.01 in February. The January index was 182.08.

Approximately 78½% of all tonnage transported in the month was hauled by carriers of general freight. The volume in this category decreased 6.2% under January, and 1.8% under February of last year.

Transporters of petroleum products, accounting for slightly more than 14½% of total tonnage reported, showed a decrease of 3.6% under January, but held 21.5% over February, 1943.

Carriers of iron and steel products hauled about 3% of the total tonnage. Their traffic volume dropped 13.9% under January and 11.5% under February a year ago.

Almost 4% of the total tonnage reported consisted of miscellaneous commodities, including tobacco, milk, textile products, coke, bricks, building materials, cement and household goods. Tonnage in this class showed decreases of 17.1% under January and 6.1% under February, 1943.

Procedure To Exclude Mexican Govt. Securities From Status Of Enemy Bonds

Pan American Trust Co., agent, is notifying holders of various Mexican Government securities of arrangements under which they may request exclusion of their holdings from the status of "enemy bonds" into which they fell automatically upon failure to register by Aug. 31, 1943, the deadline originally set. The announcement states:

"Many citizens of friendly countries have thus far failed, for various reasons, to register their securities with the Mexican Government. The Government does not wish to disregard the request of 'non-enemies of Mexico' to register their securities, but to deny registration to enemies of the country.

"Requests for exclusion of securities from their present status as 'enemy bonds' must be made in the form of a letter addressed to Nacional Financiera, S. A., Mexico City, setting forth in detail the reasons for failure to present the securities for registration on or before Aug. 31, 1943, the deadline originally set for this registration. These requests should be presented to the Pan American Trust Co., 70 Wall Street, New York 5, N. Y., together with the securities and an application for registration."

own. In these times, when it is more than normally necessary to achieve the fullest understanding of vital issues, no greater service could be performed by the publishers, in my opinion."

Comparison Of Present And Proposed Taxes Under House Committee's Simplified Plan

A comparison of present taxes and those under the income-tax return simplification plan proposed by the House Ways and Means Committee was given as follows in Washington advices March 17 to the New York "Herald Tribune" in the following table. (The "Income" column refers to net income before exemptions):

Income	Single Person No Dependents		Married Person No Dependents		Two Dependents	
	Present	Proposed	Present	Proposed	Present	Proposed
\$550	\$10	\$12	0	\$2	0	\$2
750	54	58	8	8	8	8
1,000	110	115	15	15	15	15
2,000	332	345	200	245	67	45
2,500	445	460	312	360	179	160
3,000	571	585	428	475	290	275
4,000	825	835	671	725	517	505
5,000	1,038	1,105	924	975	770	755
7,000	1,705	1,705	1,503	1,555	1,321	1,295
10,000	2,765	2,755	2,527	2,585	2,289	2,245
25,000	10,525	10,590	10,119	10,295	9,713	9,705
50,000	27,543	27,945	27,000	27,585	26,577	26,865
1,000,000	888,015	900,000	887,399	900,000	886,785	900,000

Proposed Surtax Schedules

In setting out the proposed surtax provisions the "Herald Tribune" reported as follows from Washington on March 17:

The surtax schedules suggested by the House Ways and Means Committee today in its income-tax simplification proposal, as compared with present surtaxes, are shown in the tabulation below. Under the simplification plan, each taxpayer, single or married, would be subject to a normal tax of 3% on income which exceeds \$500 plus 10% of income (for allowable deductions), and in addition to a surtax on income exceeding exemption of \$500 for each member of the family, if any, plus 10% (this 10% not to exceed \$500). In each bracket, the surtax computation is the amount given, plus the percentage given of the excess over the lower figure in the bracket.

Surtax	Net Income	Present	Proposed
0	\$2,000	13%	20%
\$2,000	4,000	\$260 + 16%	\$400 + 22%
4,000	6,000	580 + 20%	840 + 26%
6,000	8,000	980 + 24%	1,360 + 30%
8,000	10,000	1,460 + 28%	1,960 + 34%
10,000	12,000	2,020 + 32%	2,640 + 38%
12,000	14,000	2,660 + 36%	3,400 + 43%
14,000	16,000	3,380 + 40%	4,260 + 47%
16,000	18,000	4,180 + 43%	5,200 + 50%
18,000	20,000	5,040 + 46%	6,200 + 53%
20,000	22,000	5,960 + 49%	7,260 + 56%
22,000	26,000	6,940 + 52%	8,380 + 59%
26,000	32,000	9,020 + 55%	10,740 + 62%
32,000	38,000	12,320 + 58%	14,460 + 65%
38,000	44,000	15,800 + 61%	18,360 + 69%
44,000	50,000	19,460 + 63%	22,500 + 72%
50,000	60,000	23,240 + 66%	26,820 + 75%
60,000	70,000	29,840 + 69%	34,320 + 78%
70,000	80,000	36,740 + 72%	42,120 + 81%
80,000	90,000	43,940 + 75%	50,220 + 84%
90,000	100,000	51,440 + 77%	58,620 + 87%
100,000	150,000	59,140 + 79%	67,320 + 89%
150,000	200,000	98,640 + 81%	111,820 + 90%
Over	200,000	139,140 + 82%	156,820 + 91%

The approval by the House Ways and Means Committee of a plan to simplify the tax statutes was indicated in our issue of March 23, page 1240.

Civil Engineering Construction \$29,412,000 For Week

Civil engineering construction volume in continental United States totals \$29,412,000 for the week. This volume, not including construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 11% lower than in the preceding week and 52% below the volume reported to "Engineering News-Record" for the corresponding week in 1943. The report, made public on March 30, added:

Private construction tops last week by 217%, but is 29% under last year. Public work is 35 and 59% lower, respectively, than a week ago and a year ago.

The current week's volume brings 1944 construction to \$450,122,000 for the 13 weeks of the year, a decrease of 50% from the \$900,430,000 reported for the period in 1943. Private construction, \$98,340,000, is 2% above a year ago, but public work, \$351,782,000, is down 56% as a result of the 59% decline in Federal volume.

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

	April 1, 1943	Mar. 23, 1944	Mar. 30, 1944
Total U. S. construction	\$61,389,000	\$32,909,000	\$29,412,000
Private construction	14,452,000	3,236,000	10,250,000
Public construction	46,937,000	29,673,000	19,162,000
State and municipal	4,350,000	2,299,000	2,727,000
Federal	42,587,000	27,374,000	16,435,000

In the classified construction groups, gains over last week are in sewerage, waterworks, bridges, industrial and commercial buildings, and streets and roads. Gains over the 1943 week are in industrial buildings, and earthwork and drainage. Subtotals for the week in each class of construction are: waterworks, \$287,000; sewerage, \$388,000; bridges, \$177,000; industrial buildings, \$4,243,000; commercial building and large-scale private housing, \$5,693,000; public buildings, \$7,696,000; earthwork and drainage, \$1,187,000; streets and roads, \$2,723,000, and unclassified construction, \$7,018,000.

New capital for construction purposes for the week totals \$4,405,000, and is made up of \$2,640,000 in State and municipal bond sales and \$1,765,000 in RFC loans for industrial improvements. The week's new financing brings 1944 volume to \$181,638,000, an increase of 184% over the \$64,105,000 reported for the 13 weeks of 1943.

Federal Employes Up

The Federal Government had 2,820,036 employes at the end of January, an increase of 8,224 over December, the Civil Service Commission reported on March 23 according to an Associated Press account from Washington, which also said:

The increase reversed a generally downward trend since June, when Federal employment was 3,002,453. Most agencies decreased employment in January but there was an increase of 10,760 in the number of Navy Department employes.

Plan For Slum Clearance And City Development Program Proposed By U. S. Savs. & Loan League

A six-point plan for slum clearance, general housing and city redevelopment programs which can be sponsored and participated in locally by savings and loan executives, will be recommended to the 3,700 member institutions of the United States Savings and Loan League by its Post-war Savings and Loan Program Committee which is putting the finishing touches on a "progress" report growing out of its studies the past nine months.

This was made known by the League on March 4, which stated that the committee consists of 35 savings and loan executives with Gardner W. Taylor, New York City, as Chairman, and W. W. McAllister, San Antonio, Texas, as Vice-Chairman. It would solve, said the League, this phase of the post-war improvement of American living standards as not one, but two, basic problems, viz, (1) the removal of the evils of slums, on the one hand, and (2) supplying adequate housing to the underprivileged on the other.

Officers of the United States League, John F. Scott, St. Paul, Minnesota; W. M. Brock, Dayton, Ohio; Henry P. Irr, Baltimore; H. F. Cellarius, Cincinnati; and Morton Bodfish, Chicago, who met the day following the Post-war Committee's session, indicated their endorsement of the program. They also expressed their belief that it will find ready acceptance among the savings and loan executives, many of whom are already members of local planning and housing commissions and similar official bodies in their respective communities.

The recommendations will be:

1. Authority for State, county and local governments to grant relief to indigent and underprivileged families to assist in providing adequate shelter as well as food, clothing and other necessities of life.

2. Authority under State law for State, county and local governments to acquire and clear slum areas, dedicating appropriate portions for parks and other public purposes, and reselling the remainder to private parties with proper deed restrictions to conform to State, county and city plans. The net cost of the operation—the difference between the cost of condemnation and demolition and the proceeds of sale of parts of the area—would be paid by local, county, State or national appropriations and borrowings to be paid by taxation.

3. To prevent the creation of new slum areas, the committee holds that each State should provide a comprehensive framework for State, county and city planning and zoning, and that State laws should authorize, and county and local laws or ordinances should provide, for adequate housing inspection and for the condemnation and removal of insanitary or otherwise improper residential properties, with penalties to landlord or tenant of such condemned properties.

4. State law should provide for private redevelopment corporations with adequate power to assemble land, and for the future taxation of redevelopment projects, public, semi-public and private.

5. That the United States Savings and Loan League should conduct a study of the financing of large redevelopment projects to see where savings and loan associations, traditionally the financing channel for the lowest income groups which have ever had privately-financed housing, may help solve this larger problem.

6. That savings and loan association officers, directors and employees keep themselves carefully informed on the whole problem of housing, slum clearance and redevelopment, and make their services available on local commissions and authorities dealing with these problems, into which their own experience gives them a grass-roots insight.

"The primary benefit of carrying out the committee's recommendations as the best means of

dealing with slum clearance and the housing of the indigent or underprivileged would be to assure the continuation of private home ownership in America," the committee declares. "Upon this basis the majority of American homes would be privately owned by the occupants. The others would be privately owned and would be rented by the occupants. The problem of removing the evils of slums and making adequate provisions for the housing of underprivileged families would be met fairly and logically without resorting to a system of socialized housing with all the paternalistic and socialistic effects upon individual character that such a system is bound to involve."

Issue Rules On Parcel Post For England And Northern Ireland

Postmaster Albert Goldman at New York announced on March 23 that information has been received from the Post Office Department that, effective at once, the following instructions shall govern the acceptance of parcel post packages for Great Britain and Northern Ireland:

"(1) Parcel post packages will be divided into two classes, namely, bonafide unsolicited gift parcels; and all other parcels. The following shall be observed in the acceptance of parcels under the two classes mentioned:

"(a) Bonafide Unsolicited Gift Parcels Addressed to Individuals—All such parcels must be endorsed by the sender with the words "Unsolicited Gift." They may not exceed 5 pounds in weight nor contain more than 2 pounds of any one foodstuff, and they must not be sent oftener than once each calendar month to the same addressee. A gift is not regarded by the British Service as "unsolicited" if it is received as a result of some prior communication sent by the recipient to the donor. Gift parcels not complying with these conditions will be liable to seizure by the British Customs Authorities.

"(b) All Other Parcels—All acceptable merchandise not sent as an unsolicited gift will be admitted into the United Kingdom only under a license which the importer must obtain from the Import Licensing Department of the Board of Trade, 1-6 Tavistock Square, London, W. C. 1, England. In the case of books and other printed matter sent by mail, delivery will be expedited if the titles and the number of volumes, pamphlets, etc., of each title are shown on the outside of the wrapper. All parcels not coming within the requirement set forth in Paragraph (a) above for "unsolicited gift parcels" will be regarded as having been accepted with the understanding that the responsibility for previously determining that the articles sent will be admitted and for obtaining the required import license rests with the sender and addressee, and the Post Office Department will assume no responsibility arising from the failure or the inability of the addressee to produce the import license.

"(2) Parcel-post packages for the United Kingdom shall continue to be subject to the restrictions of the Postmaster General's Order No. 17471 of April 20, 1942, and to the licensing requirements of the Foreign Economic Administration."

From Washington Ahead Of The News

(Continued from First Page)

But it so happens that it definitely reveals what has long been suspected to be a widespread practice. It has been charged in Congress in recent months that the Federal Communications Commission, in monitoring radio communications between this country and other countries, compiles information taken from commercial radiograms and spreads it around among various Government departments for such use as they may care to make. It has been charged that a virtual reign of terror exists among American firms doing legitimate business with legitimate foreign firms, notably in Latin America.

Several weeks ago the Senate Finance Committee was trying to work out a revised renegotiations act. The Treasury and several influences in the War Department were bitterly opposed to the revision. At the height of the Committee's deliberations one of these two columnists began publishing a lot of innuendo and half truths about members of the committee, particularly the chairman, Senator George. It was developed that this material was being peddled to the columnist by the War and Treasury departments. It was such material as neither Department would have publicly avowed.

Perhaps, the most brutal case of these smear tactics was applied to Paul McNutt back in 1940 when he had the "audacity" to assume that Mr. Roosevelt would not run for a third term and that the field was wide open. His campaign got off to a most auspicious start. Headquarters were set up in Indianapolis with fancy neon lights. The money rolled in; an elaborate publicity staff was established. The campaign was touched off with a party in a Washington hotel to which 4,000 guests were invited and seemingly as many crashed the gate. The McNutt campaign was going so well that several New Dealers jumped on his band wagon.

Then of a sudden, out of the Treasury came a story, not a formal statement, just a bit of gossip planted with columnists, that his tax returns over a period of years were being investigated. If there ever was a stab in the back this was one. McNutt did not know how to deal with it. If he publicly demanded that the Treasury make a formal statement he would only give the story added circulation. Nevertheless, after a time, he did accost Morgenthau and demand that the latter say publicly whether it was true or not, and if so, why. Morgenthau pleaded the secrecy of the Internal Revenue's operations. The story circulated all over the country. It knocked the props from under McNutt's campaign. Many months later, after McNutt had withdrawn even his Vice-Presidential ambitions, Morgenthau in a formal statement explained the Treasury had made a "routine" study of McNutt's returns and had found nothing wrong.

The inclination on the part of Washington correspondents at the time was to laugh this off on the grounds that McNutt was a politician and that anything went in politics among politicians.

What is going on now, is not confined to politicians. It's a calculated smearing, or more generally, an intimidation of American citizens.

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) and MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices). Tables showing bond prices and yields for various ratings and groups from 1944 to 1943.

Electric Output For Week Ended April 1, 1944 Shows 13.3% 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 April 1, 1944, was approximately 4,408,703,000 kwh., compared with 3,889,858,000 kwh. in the corresponding week a year ago, an increase of 13.3%.

PERCENTAGE INCREASE OVER PREVIOUS YEAR. Table showing percentage increase in electric output for various geographical divisions and the total United States.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours). Table showing electric output in thousands of kilowatt-hours for various weeks from 1944 to 1943.

Interstate Trade Barriers Removal Urged

In the belief that there may be some forms of interstate trade barriers still in existence, despite the fact that they are unconstitutional, the Commerce and Industry Association of New York, through Secretary Thomas Jefferson Miley, urged the Council of State Governments on March 23 to request Congressional action toward their elimination.

"During the depression of the 1930's various States raised trade barriers against each other primarily for the purpose of obtaining increased revenue. These barriers proved so harmful to domestic commerce that when the U. S. entered the war, it became necessary, in order to further war production, to have those trade barriers, which were due to different State regulations concerning trucks, removed.

ferments, absenteeism, turnover, strikes and the hiring of women. "Demand for steel remains heavy, with backlogs rising in many lines, including flat rolled products, shell steel, bars and forgings.

"Requirements of freight car builders for plates, which are only now being received, may not be turned out until the third quarter instead of the second quarter, due to the combination of heavy Navy and Maritime orders, as well as carryovers. The farm implement program, however, is reported to be on schedule.

"To cover the interval before action on the request of Lake Superior iron ore producers for increased prices, OPA on March 30 issued an adjustable price order covering 1944 shipments from Minnesota, Wisconsin and Michigan. The order, issued at the request of the Iron Ore Advisory Committee, provides that prices may be adjusted upward after delivery to an amount not in excess of the ceilings established.

"First call on the nation's bituminous coal supply during the coal year 1944-45 has been given to the iron and steel industry and certain other war-vital industries requiring special purpose coals mined in the East and Midwest.

"Stocks of bituminous coal held by the steel industry on March 1, 1944, averaged 22 days compared with 29 days on the same date of 1943, while stocks at by-product coke ovens declined to 24 days from 39."

The American Iron and Steel Institute on April 3 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 99.5% of capacity for the week beginning April 3, compared with 99.1% one week ago, 98.8% one month ago and 99.6% one year ago.

"Steel" of Cleveland, in its summary of the iron and steel mar-

kets, on April 3, stated in part as follows:

"Higher prices on some steel products are expected to be announced this week by Office of Price Administration, following study of the situation in cost sheets of practically the entire industry.

"Some increase is expected on rails, heavy plates, standard shapes, carbon bars and some grades of sheets, these being products on which losses are claimed by steelmakers. The changes are expected to be effective April 15. On some other products where profits are sufficient it is expected lower ceilings will be provided. Changes are on the basis of present costs and do not take into account the added expense involved in the portal-to-portal miners' pay recently sustained by the Supreme Court nor whatever wage increase may be allowed in the case now before a panel of the War Labor Board.

"Steelmakers believe the present pressure for steel delivery will be sustained past the middle of the year, as only unexpected developments in the military situation could affect the situation materially. Movement of flat-rolled products should continue high, with tin plate production seasonally increased. Production rate of steel plates may be difficult to sustain, with a record in February and a new high expected when March total has been announced.

Capacity will be increased during second quarter, though much of this will not be effective until late in the period. With the strain on existing equipment some output may be lost by repair idleness, partially balancing new capacity.

"While bars have not been under the same pressure as plates and sheets the rate at which they have moved this year is expected to be maintained. While small arms ammunition requirements have dropped, demand for heavy ammunition has gained and aircraft needs are expected to increase.

"Scrap proves sufficient for all needs, except in cast grades, which are scarce. Many foundries are increasing proportion of pig iron in their mixtures.

"Activity in railroad buying is increasing and freight car awards in March have been greater than in any recent month except February. Material supply for cars and locomotives is tight and many shops are unable to operate at capacity, though they have large orders. Rail mills are booked through third quarter and are operating at capacity."

"In the interest of employment, it is essential that there be freedom of trade between the States in the post-war period. The raising of interstate trade barriers can move with such rapidity if not prohibited because of the natural retaliation that is developed between the States when restrictions legislated by one State affect the interests of the other States.

"In the belief that there may be some forms of interstate barriers still existing, despite the fact that they are unconstitutional, it is unlikely that these barriers, should they exist, can be eliminated without the aid of Congress. The Commerce and Industry Association of New York requests your group to call on Congress to take such action as may be necessary. This action, of course, is in addition to any agreements the Council of State Governments may succeed in arranging between the States to eliminate interstate trade barriers."

Minor Amendments by SEC In Reports Filed With ICC

The Securities and Exchange Commission announced on March 21 the adoption of minor amendments to its annual report Forms 12-K and 12A-K. The Commission states:

Companies which report to the Interstate Commerce Commission on Form A are permitted, in connection with reports to the SEC on Forms 12-K and 12A-K, to file certain selected schedules in lieu of a complete Form A. The purpose of the amendments is to revise the selected schedules so as to conform to certain changes made in Form A of the Interstate Commerce Commission for the year ended Dec. 31, 1943.

Moody's Daily Commodity Index

Table showing commodity index values for various dates from Tuesday, March 28, 1944, to Low, Jan. 5, 1944.

Steel Production To Set New High — Demand Remains Heavy — Backlogs Continue To Rise

"Typical of the way in which U. S. industry has vanquished obstacles all through the war, steel companies succeeded in setting production records during March in spite of manpower losses, strikes, the necessity of repairing badly overworked equipment and other hurdles," says "The Iron Age" in its issue of today (April 6), further adding:

"Total ingot output last month exceeded the unprecedented tonnage made during last October. Credit for the feat is shared all down the line, with much praise due for skillful management, adept scheduling and daring use of equipment.

"Production experts are very doubtful that current high levels can be maintained for any length of time. It is said that much steel is being lost each week because the proper labor is not available

to meet steel schedules, which have been set on the basis of past performance. The shutdown of one open hearth furnace in Ohio March 27 definitely was credited to the lack of manpower. The industry was told officially last week that it can expect few deferments for men under 26. At the same time the industry presented a program proposing close cooperation between the Government and the industry in regard to de-

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 March 25, 1944 is estimated at 11,930,000 tons, as against 11,920,000 tons in the preceding week, and 12,599,000 tons in the corresponding period last year. Cumulative output of soft coal from Jan. 1 to March 25 amounts to 150,857,000 tons, an increase of 4,270,000 tons, or 2.9% over the same period of 1943.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended March 25 was estimated at 1,223,000 tons, a decrease of 8,000 tons (0.7%) from the preceding week. When compared with the output in the corresponding week of 1943 there was a decrease of 118,000 tons, or 8.8%. The calendar year to date shows an increase of 4.6% when compared with the corresponding period of 1943.

The Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended March 25 showed an increase of 100 tons when compared with the output for the week ended March 18, 1944. The quantity of coke from beehive ovens decreased 3,900 tons during the same period.

	Week Ended			January 1 to Date		
	March 25, 1944	March 18, 1944	March 27, 1943	March 25, 1944	March 27, 1943	March 27, 1944
Bituminous coal and lignite	11,930,000	11,920,000	12,599,000	150,857,000	146,587,000	129,642,000
Total, incl. mine fuel	1,983,000	1,987,000	2,100,000	2,075,000	2,008,000	1,778,000
Daily average	1,983,000	1,987,000	2,100,000	2,075,000	2,008,000	1,778,000

	Week Ended			Calendar Year to Date		
	March 25, 1944	March 18, 1944	March 27, 1943	March 25, 1944	March 27, 1943	March 30, 1944
Penn. anthracite	1,223,000	1,231,000	1,341,000	15,398,000	14,716,000	18,350,000
Total incl. coll. fuel	1,174,000	1,182,000	1,287,000	14,783,000	14,127,000	17,029,000
Commercial product	1,174,000	1,182,000	1,287,000	14,783,000	14,127,000	17,029,000
Byproduct coke—United States total	1,277,500	1,277,400	1,218,600	15,491,600	14,960,800	
Beehive coke—United States total	145,200	149,100	171,000	1,884,200	1,950,600	1,562,500

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

State	Week Ended			Calendar Year to Date		
	March 18, 1944	March 11, 1944	March 20, 1943	March 18, 1944	March 20, 1943	March 20, 1944
Alabama	400,000	408,000	368,000	3,000,000	3,000,000	3,000,000
Alaska	5,000	5,000	6,000	2,000	2,000	2,000
Arkansas and Oklahoma	82,000	95,000	111,000	52,000	52,000	52,000
Colorado	174,000	178,000	170,000	153,000	153,000	153,000
Georgia and North Carolina	1,000	1,000	1,000	1,000	1,000	1,000
Illinois	1,470,000	1,565,000	1,582,000	15,533,000	15,533,000	15,533,000
Indiana	530,000	556,000	500,000	523,000	523,000	523,000
Iowa	51,000	50,000	60,000	122,000	122,000	122,000
Kansas and Missouri	158,000	190,000	174,000	898,000	898,000	898,000
Kentucky—Eastern	918,000	959,000	997,000	7,800,000	7,800,000	7,800,000
Kentucky—Western	341,000	351,000	312,000	282,000	282,000	282,000
Maryland	38,000	38,000	41,000	36,000	36,000	36,000
Michigan	5,000	8,000	6,000	18,000	18,000	18,000
Montana (bitum. & lignite)	77,000	95,000	79,000	72,000	72,000	72,000
New Mexico	40,000	41,000	40,000	41,000	41,000	41,000
North & South Dakota (lignite)	59,000	53,000	39,000	38,000	38,000	38,000
Ohio	659,000	631,000	665,000	644,000	644,000	644,000
Pennsylvania (bituminous)	2,860,000	2,853,000	2,894,000	28,400,000	28,400,000	28,400,000
Tennessee	168,000	164,000	163,000	115,000	115,000	115,000
Texas (bituminous & lignite)	3,000	3,000	3,000	14,000	14,000	14,000
Utah	126,000	135,000	122,000	93,000	93,000	93,000
Virginia	392,000	400,000	404,000	333,000	333,000	333,000
Washington	28,000	34,000	28,000	38,000	38,000	38,000
West Virginia—Southern	2,175,000	2,247,000	2,336,000	20,799,000	20,799,000	20,799,000
West Virginia—Northern	970,000	959,000	978,000	767,000	767,000	767,000
Wyoming	189,000	180,000	194,000	132,000	132,000	132,000
Other Western States	1,000	1,000	1,000	1,000	1,000	1,000
Total bituminous & lignite	11,920,000	12,210,000	12,274,000	113,665,000	113,665,000	113,665,000
Pennsylvania anthracite	1,231,000	1,250,000	1,221,000	13,340,000	13,340,000	13,340,000
Total, all coal	13,151,000	13,460,000	13,495,000	126,999,000	126,999,000	126,999,000

†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.

by the index of non-durable goods manufactures, since availability cannot be accurately measured on a monthly basis due to indeterminate variations in inventories, and since services are subject to considerable elasticity in measurement.

	Jan., 1944	Dec., 1943	Jan., 1943
Income payments to individuals	12.54	13.47	10.82
Salaries and wages	8.91	9.04	7.72
Cash income from farm marketings	1.545	1.697	1.261
War expenditures	7.416	6.951	6.254
Money in circulation (Wed. nearest end of mo.)	20.39	20.43	15.59
Checking accounts (do. 101 large cities)	31.87	33.9	29.74
National debt total	170.7	165.9	111.1
E. F. & G. bonds outstanding	25.28	23.75	12.64
Net sales E. F. & G. bonds	1.54	.67	1.20
Retail store sales	4.953	6.716	4.452
Weekly earnings in manufacturing		\$44.68	\$40.62
Straight time hourly earnings		91c	85.2c

*Without allowing for shifts between industries since October, 1942.

	Jan., 1944	Dec., 1943	Jan., 1943
Income payments, total	227.5	224.8	196.5
Salaries and wages	253.3	251.7	218.6
Cash income from farm marketings	264.	257.	224.
Cost of living	124.1	124.4	120.7
Cost of food	136.1	137.1	133.
Wholesale prices (1926=100)	103.3	103.2	101.9
Farm products (1926=100)	121.8	121.8	117.
Retail sales adjusted index	178.7	171.1	159.2
Non-durable manufactures	174.	173.	171.

National Fertilizer Association Commodity Price Average Again Declines

The weekly wholesale commodity price index, compiled by The National Fertilizer Association and made public on April 3, again declined in the week ending April 1 to 137.0 from 137.2 in the preceding week. A month ago this index stood at 136.8 and a year ago at 136.5, based on the 1935-1939 average as 100. The Association's report went on to say: Lower prices for some farm products and foods were mainly responsible for the fractional decrease in the all-commodity price index. The farm products group index declined as a result of lower quotations for hogs and lambs. This more than offset higher prices on rye, good cattle and ewes. In the foods group declining prices were registered by white potatoes and flour while prices for fresh pork rose. The textile group remained unchanged from the previous week as prices for raw cotton declined and denim advanced. During the week none of the group averages advanced and four declined. During the week five price series advanced and six declined; in the preceding week there were seven advances and six declines; and in the second preceding week there were nine advances and two declines.

Group	Latest Week	Preceding Week	Month Ago	Year Ago
Foods	137.8	137.9	138.0	138.8
Fats and Oils	146.1	146.1	146.1	147.7
Cottonseed Oil	159.6	159.6	159.6	159.0
Farm Products	156.4	157.0	156.3	157.9
Cotton	200.6	202.1	198.3	203.8
Grains	164.8	164.8	164.8	149.2
Livestock	146.4	147.1	146.8	152.8
Fuels	130.1	130.1	130.1	122.2
Miscellaneous commodities	132.2	132.2	131.4	130.4
Textiles	152.2	152.2	151.6	151.8
Metals	104.4	104.4	104.4	104.4
Building materials	152.4	152.4	152.4	152.2
Chemicals and drugs	127.7	127.7	127.7	126.6
Fertilizer materials	117.7	117.7	117.7	117.9
Fertilizers	119.7	119.7	119.7	119.8
Farm machinery	104.2	104.2	104.2	104.1
All groups combined	137.0	137.2	136.8	136.5

*Indexes on 1926-1928 base were: April 1, 1944, 106.7; March 25, 106.9, and April 3, 1943, 106.3.

Increased Volume Of Home Mts. In Past Five Years Reported By Savings & Loan League

A larger dollar volume of home mortgages has been recorded in the past five years than the entire existing home-owner debt in the country at the beginning of 1939, it was pointed out on March 25 by the United States Savings and Loan League, which sums up the new loans made by all lenders in this field, institutional and individual, for 1939-1943 at \$20,074,000,000. As of Jan. 1, 1939, the outstanding home mortgage debt is estimated to have been \$17,721,000,000, says the League announcement, which also states:

"A survey of the past ten years in home mortgage lending has just been completed by the League's Committee on Guarantee of Mortgages and Excess Credits, to get an objective view of the influence and results of the FHA, the first nationwide experiment in the insurance of home mortgages, which was enacted by Congress ten years ago this May. Among the findings are that only 22.7% of the great home loan volume of the last five years has been in loans insured by the FHA. Of the large total credit extended this half decade, \$3,601,000,000 has been granted by individual lenders who make no FHA insured loans, and \$6,241,000,000 of it came from savings and loan associations and cooperative banks which insured no more than 9% of their total new loan volume in any one of the past five years, and insured an average of only 6 to 7% over the period.

"Of that \$20,074,000,000 credit granted according to the mortgage recording figures developed by the Federal Home Loan Bank Administration, the largest single year's volume was in 1941, when \$4,371,000,000 was advanced on home mortgage security. In that year, 23% of the volume was made with FHA insurance, reports James V. Davidson, Toledo, Ohio, Chairman of the League's committee. In the two previous years the total amount of insured mortgage lending had been only 21.1% and 21.8% respectively of the total volume. In 1942, the year Title VI, or war housing, insured mortgages began to play so large a part in private lending for new home building, the percentage of insured mortgages went up another notch or two, to 27.7%, the highest to date.

"Tracing the influence of the existence of a mortgage guarantee plan upon the expanding volume of home lending in the last half of the 1930's, the committee found

that unquestionably the FHA had played a significant part in the development of the will and desire both to lend, on the part of institutional lenders, and to borrow, on the part of hundreds of thousands of families." Mr. Davidson said. "Nevertheless the conclusion must be drawn that the economic conditions which give borrowers the will to purchase or build homes and which cause lenders to make loans were the real expansionist factor in mortgage lending beginning with 1936."

In part he added: "Looking at the total home mortgage lending volume as it developed in the recovery years, we see that all of the home borrowing done in 1935, the year that the insured mortgage phase of the FHA program got under way, amounted to \$1,428,000,000, exclusive of HOLC refinancing. That year the savings and loan institutions advanced \$451,000,000 of it, with scarcely a smattering of FHA insurance. The next year, 1936, with the FHA in full swing, total home mortgage credit granted by all sources was \$2,030,000,000. The influence of the guarantee of mortgages was beginning to be felt. The loans of commercial banks and trust companies that year were four times the volume of two years previous, before the FHA got underway. Insurance company mortgage loans were nine times as great as in 1934, and those of mutual savings banks represented an increase of 40% over their performance in 1934. Savings and loan institutions increased their loans 67% over the 1934 volume. But let us not forget that 1936 is rated as the beginning year of recovery.

"The next year, 1937, was the first year in which general business activity went above the normal line since 1929. The figures on mortgage loans reflect this rosier general outlook. People borrowed an estimated \$2,472,000,000 on home mortgage security that year. The next year, when the economic pendulum swung back a little below the line, mortgage loans—in spite of the guarantee plan—dropped back too, to just \$2,374,000,000.

"Then came the European war with its stepping-up of business activity and the five years during which it has been the dominant factor have been accompanied by feverish new highs in the prosperity of the nation, and a concomitant expansion in home mortgage lending.

"It is obvious that the FHA helped start the expansion in home-owner credit in 1935. It is just as clear that the real measure of whether new borrowing is going to be done in small or large volume is the economic temper of the period rather than the existence or non-existence of a single device of the mortgage mechanism."

Dunman Special Agent Of U. S. Dept. of Labor

Leonard J. (Jack) Dunman, Safety Director for the Mengel Co., of Louisville, Ky., producer of hardwood products, has been appointed a Special Agent of the U. S. Department of Labor, Division of Labor Standards. His territory will include Kentucky, Ohio, West Virginia and most of Indiana. Mr. Dunman served on panel discussions of the National Safety Council in Chicago, and is also on the Board of Directors of the Embeco Association, Board of Directors of the Louisville Area Training Association, a member of the Industrial Committee of the Louisville Safety Council, and serves as a panel member of the War Products Advisory Committee. Most of the work connected with his appointment will be in an advisory capacity and plant check-ups from time to time. He will handle this in connection with his regular work.

Record Level of Earnings And Spendings In U. S. During January Reported By OWI

The index of the American people's earnings and spendings both stood at record high levels during January, the Office of War Information said on March 21 in the sixth of a series of monthly economic stabilization summaries based on data from the Department of Commerce, War Production Board, Treasury Department, the Labor Department's Bureau of Labor Statistics and the Federal Reserve Board. According to the advices from the OWI, "in actual figures, both income payments and retail sales declined somewhat as compared to December, but the declines were less than seasonally normal, and both series were higher than in January, 1943. The index of income payments, when adjusted for seasonal variations, advanced 2.7 points over December and 31 points over January, 1943. The retail sales index, taking seasonal adjustments into account, rose 7.6 points over December and 19.5 points over the comparable 1943 period." The announcement goes on to say:

"At the same time, in spite of record earning and spending levels, the cost of living index declined two-tenths of 1% between December and January, but showed an advance of 2.8% over January, 1943. The cost of food index declined seven-tenths of 1% between December and January and stood 2.4% over a year ago.

"Money in circulation showed a decline in January for the first time in 47 consecutive months, but was still considerably higher than a year ago. Checking accounts, according to reports from 101 large cities, also were somewhat smaller, probably reflecting investments during the Fourth War Loan."

In issuing this month's summary OWI made three changes in the form of presenting its economic statistics:

- (1) Only monthly data henceforth will be given, for the sake of keeping reports on a current basis.
- (2) The usual headings 'Factors Against Stabilization' and 'Factors Toward Stabilization' will be eliminated, since many borderline figures cannot readily be classified in either category.
- (3) Figures on goods and services available will be replaced

Wholesale Commodity Index Advanced 0.1% In Week Ended March 25, Labor Dept. Reports

Commodity prices in primary markets rose 0.1% during the week ended March 25, principally because of further advances in prices for hogs and rye and an upward adjustment by OPA in ceiling prices for Southern pine boards and dimension lumber, it was announced by the U. S. Labor Department on March 30. The indices add that "the Bureau of Labor Statistics' index for the nearly 900 price series now stands at 103.7% of the 1926 average." "The general level is 0.1% above a month ago and 0.4% higher than the corresponding week in March, 1943," it is indicated by the Department, which also has the following to say:

"Farm Products and Foods—Prices for hogs led the advance in this group, with a further increase of more than 2%. Prices were also higher for rye, ewes, lemons and for white potatoes in the Chicago and Portland, Ore., markets. Quotations were lower for steers and lambs, oranges and sweet potatoes, for apples in the Portland, Ore., market and for eggs in most markets. Quotations for rye flour and yellow cornmeal and for wheat flour in the Kansas City market were higher. Compared with a week ago, average prices for farm products were up by 0.1% and foods were down by 0.1%. Market prices for farm products were 0.3% higher than a month ago and for the corresponding week of last year, while food prices were lower than last month by 0.1% and a year ago by nearly 3%.

"Industrial Commodities—Very few changes for industrial products were reported during the week. An upward adjustment in OPA ceiling prices for Southern pine boards and dimension lumber and higher prices for rosin and shellac caused the index for building materials to rise 0.7%. As a result of a sharp decline in quotations for imported goatskins, the hides and leather products group dropped 0.1%. Except for these changes, markets for other major industrial products continued to show the relative stability which has characterized the general price movement for the past several months."

A notation in the Department's announcement states:

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

The following tables show (1) index numbers for the principal groups of commodities for the past three weeks, for Feb. 26, 1944 and March 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 March 18 to March 25, 1944.

WHOLESALE PRICES FOR WEEK ENDED MARCH 25, 1944 (1926=100)

Commodity Groups—	1944				1943				Percentage change to March 25, 1944 from—			
	3-25	3-18	3-11	2-26	3-27	3-18	2-26	3-27	1944	1944	1944	1943
All commodities.....	*103.7	*103.6	*103.4	*103.6	103.3	+0.1	+0.1	+0.4				
Farm products.....	*124.6	*124.5	*123.4	*124.2	124.2	+0.1	+0.3	+0.3				
Foods.....	104.5	104.6	104.6	104.6	107.6	-0.1	-0.1	-2.9				
Hides and leather products.....	117.5	117.6	117.6	117.5	118.4	-0.1	0	-0.3				
Textile products.....	97.3	97.3	97.3	97.2	96.8	0	+0.1	+0.5				
Fuel and lighting materials.....	*83.6	*83.6	*83.6	*83.7	80.8	0	-0.1	-0.1				
Metals and metal products.....	*103.8	*103.8	*103.8	*103.8	103.9	0	0	+3.5				
Building materials.....	114.6	113.8	113.7	113.7	110.4	+0.7	+0.8	+3.8				
Chemicals and allied products.....	100.4	100.4	100.4	100.4	100.0	0	0	+0.4				
Housefurnishing goods.....	105.9	105.9	105.9	106.2	104.2	0	-0.3	+1.6				
Miscellaneous commodities.....	93.3	93.3	93.3	93.3	91.2	0	0	+2.3				
Raw materials.....	*114.0	*113.9	*113.3	*113.7	112.5	+0.1	+0.3	+1.3				
Semimanufactured articles.....	93.5	93.5	93.5	93.5	92.9	0	0	+0.6				
Manufactured products.....	*100.7	*100.6	*100.6	*100.6	100.7	+0.1	+0.1	0				
All commodities other than farm products.....	*99.2	*99.2	*99.2	*99.2	98.8	0	0	+0.4				
All commodities other than farm products and foods.....	*98.3	*98.2	*98.2	*98.3	96.6	+0.1	0	+1.8				

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM MARCH 18, 1944 TO MARCH 25, 1944

Lumber	Increases		Cereal products	Decreases
	2.4	Livestock and poultry		
		0.3		0.2
				0.2
				0.2

Living Costs In Large Cities Declined Between Jan. 15-Feb. 15, Labor Dept. Reports

Lower food prices in most cities brought living essentials down by 3 of 1% between mid-January and mid-February, Secretary Frances Perkins of the U. S. Department of Labor said on March 19. She stated that "food prices declined by 1.2% on the average, while prices of other goods and services rose by .3 of 1%."

In February the cost of living was slightly below last April when the President's hold-the-line order was issued. The Bureau of Labor Statistics index now stands at 123.7% of the 1935-39 average, about 23% above the January, 1941, level, said Miss Perkins, who added:

"Over the last year, prices of living essentials have increased 2.2%. Rents are almost unchanged, food has been practically stabilized, while clothing prices are up 6.8%, and the average cost of fuel, housefurnishings and equipment, and miscellaneous goods and services are up 3 to 4%.

"The reduction in food prices from January 15 to February 15 was somewhat greater than usual at this time of year because of the unusual decline in green vegetables and oranges. Ordinarily, there is a seasonal rise in fresh produce. This year there were declines because of unusually large supplies of certain vegetables and the establishment of community ceilings on produce in many localities. The increases for apples, onions, potatoes and sweet potatoes were seasonal, while eggs declined. Average prices for fresh and frozen fish declined 3.7%, as several species of fresh fish were placed under ceilings on January 27.

"Food supplies in February were on the whole larger than in January, although the shortages of cheese, butter, some grades of meat, and the better grades of apples continued in several sections of the country. Supplies of pork continued to be large, prices declined seasonally, and consumers were allotted more ration points for pork.

"Increases in clothing prices were general, but in most cases

small. The kinds of rayon stockings priced for the cost of living index rose on the average 1.2%. Shortages of merchandise in the lower-cost brackets (particularly men's work shoes, men's and women's felt hats, women's rayon underwear, and girdles) resulted in higher costs in most of the cities surveyed. Some stores were holding clearance sales of winter clothing in February, but the stocks for clearance were too small to warrant the inclusion of the sales prices in the cost of living index.

"Shortages of inexpensive quality housefurnishings were also reported in many cities. The cost of living room and bedroom suites, wool rugs and stoves went up on this account. Clearance prices for war model living room suites and for limited stocks of certain types of blankets were not included in the February index.

"Fuel prices advanced seven-tenths of 1%. Coal prices rose generally because of increased labor costs under the 7-day work week. The average advance for anthracite was about 48 cents per ton, and for bituminous approximately three cents per ton. Coke prices in East North Central cities were up by 50 cents a ton.

"Miscellaneous goods and services rose three-tenths of 1%. The cost of medical care increased in 12 cities. Occasional advances were reported for beauty and barber shop services, newspapers, and motion pictures. Upward adjustments of laundry prices allowed by OPA were reported in five cities while one reported a decrease. Shoe repair prices continued to rise in most large cities."

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

Date—	All Items	Food	Clothing	Rent	Fuel electricity and ice	House-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	110.9
Sep. 15.....	117.8	126.6	125.8	108.0	106.2	123.6	111.4
1943: Feb. 15.....	121.0	133.6	126.2	108.0	107.2	124.1	113.6
1944: Jan. 15.....	124.1	136.1	134.5	†	109.5	128.1	118.3
Feb. 15.....	123.7	134.5	134.8	†	110.3	128.2	118.6

PERCENT OF CHANGE

Date—	All Items	Food	Clothing	Rent	Fuel, electr. and ice	House-furnishings	Miscellaneous
Jan. 15, 1944 to Feb. 15, 1944	-0.3	-1.2	+0.2	†	+0.7	+0.1	+0.3
Feb. 15, 1943 to Feb. 15, 1944	+2.2	+0.7	+6.8	+0.1	+2.9	+3.3	+4.4
Sep. 15, 1942 to Feb. 15, 1944	+5.0	+6.2	+7.2	+0.1	+3.9	+3.7	+6.5
May 15, 1942 to Feb. 15, 1944	-6.6	+10.6	+6.8	+1.6	+5.1	+4.9	+6.9
Jan. 15, 1941 to Feb. 15, 1944	+22.7	+37.5	+33.9	+3.0	+9.4	+28.1	+16.4
Aug. 15, 1939 to Feb. 15, 1944	+25.5	+43.9	+34.4	+3.6	+13.1	+27.4	+18.1

*These indexes are based on changes in the cost of goods purchased by wage earners and lower-salaried workers in large cities.

†Rents surveyed at quarterly dates: March 15, June 15, Sept. 15, Dec. 15.

‡Changes through Dec. 15, 1943.

Non-Ferrous Metals — Copper Deliveries In March Heavy—Quicksilver Price Unsettled

"E. & M. J. Metal and Mineral Markets," in its issue of March 30, stated: "Consumption of major non-ferrous metals continued at a high rate during the last week. The first quarter ends with business in metals far more active than seemed possible at the beginning of the year. Brass makers absorbed a record tonnage of copper in March. Wire mills are asking for larger quantities of the metal for April. Excepting some price un-

settlement in quicksilver, on rumors that scattered business has been closed at concessions, the price structure remains unchanged. Brass ingot makers look for favorable action by OPA in adjusting ceiling prices upward where costs have increased." The publication further went on to say in part:

Copper

Though copper deliveries are going forward at a record rate, the stockpile position has changed little since January. Heavy March deliveries have been offset by a reduction in shipments that occurred during the first two months of the year. A feature at present is the increased demand for copper from wire mills. War needs for certain forms of wire have been enlarged appreciably.

OPA is about to recognize higher costs entailed in producing some grades of brass and bronze ingots that normally lean heavily on cheaper secondary material. A revised price schedule is expected in a day or two covering the 80-10-10 and 85-5-5-5 classifications.

Statistics issued last week reveal that peak production of copper in Canada was 327,796 tons, in 1940. Output in 1943 was estimated at 289,490 tons. The decline in production resulted almost entirely from pushing nickel production at the expense of copper. The 1943 report of International Nickel states that the company's output of copper "has been subordinated to the war needs for expanded nickel production."

Lead

Buying of lead during the last week was on a larger scale than most sellers anticipated. Sales by domestic producers amounted to 5,545 tons, which compares with 5,587 tons in the preceding week. Consumers asked for additional tonnages of foreign lead for April shipment, and the quantity that

sumed in Canada were not released.

Tin

During 1943, Bolivia exported 88,567 metric tons of tin concentrates, containing the equivalent of 40,959 tons of tin. Slightly more than 50% of the tonnage was exported to England, the remainder moving to the United States. Inter-American policy has injected some uncertainty in the minds of Bolivians in regard to existing market arrangements. Hope of obtaining a higher price for tin concentrates appears to have vanished, and producers understand that the present buying policy of the Foreign Economic Administration could be suspended on short notice. Tin accounts for about 70% of the value of Bolivia's mineral exports.

The price of tin in the United States market was unchanged last week. Straits quality tin for shipment, in cents a pound, was as follows:

	March	April	May
March 23.....	52,000	52,000	52,000
March 24.....	52,000	52,000	52,000
March 25.....	52,000	52,000	52,000
March 27.....	52,000	52,000	52,000
March 28.....	52,000	52,000	52,000
March 29.....	52,000	52,000	52,000

Chinese, or 99% tin, continued at 51.125c. all week.

Quicksilver

The Dominion Bureau of statistics reports that prior to the war there was practically no production of quicksilver in Canada. Plant capacity at Pinchi Lake has been periodically increased, and output of the metal in 1943 was far in excess of Canadian requirements. Production in 1943 was 22,487 flasks, against 13,630 flasks in 1942, 7,056 flasks in 1941, and 2,024 flasks in 1940.

Producers and consumers of quicksilver in the United States are still marking time pending clarification of the supply-demand situation. Prices here continue at \$130 to \$135 per flask, though some operators believe the inside figure has been shaded.

Silver

The London market was unchanged at 23½d. The New York Official for foreign silver continued at 44¾c., with domestic silver at 70½c.

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.

Delegates Named to London Educational Conference

A five-member American delegation to attend the Conference of Allied Ministers of Education in London was named on Mar. 25 by Cordell Hull, Secretary of State. The conference will consider restoration of intellectual and educational resources destroyed by the Axis, the State Department announcement said. This was indicated in Associated Press advices from Washington, published in the New York "Herald Tribune" of Mar. 26, from which we also quote:

Representative William Fulbright, Democrat, of Arkansas, will head the delegation. Representative Fulbright, a former Rhodes scholar, was president of the University of Arkansas before his election to Congress. Other members of the delegation are Archibald Macleish, Librarian of Congress; John W. Studebaker of Des Moines, Iowa., United States Commissioner of Education; Grayson N. Keefauver, dean of a school of education at Stanford University, and Ralph E. Turner, Assistant Chief of the State Department's Division of Science, Education and Art.

Representative Fulbright said the delegates will leave for London in an Army bomber next week. They will return to this country about May 10.

Daily Average Crude Oil Production For Week Ended March 25, 1944 Off Only 525 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended March 25, 1944, was 4,384,750 barrels, or 525 barrels less than in the preceding week. The current output, however, was 488,500 barrels per day in excess of that recorded for the corresponding period of last year, and was also 16,450 barrels per day more than the daily average figure recommended by the Petroleum Administration for War for the month of March, 1944. Daily production for the four weeks ended March 25, 1944, averaged 4,391,000 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 4,443,000 barrels of crude oil daily and produced 13,168,000 barrels of gasoline; 1,447,000 barrels of kerosene; 5,034,000 barrels of distillate fuel oil, and 9,013,000 barrels of residual fuel oil during the week ended March 25, 1944; and had in storage at the end of that week 87,287,000 barrels of gasoline, 6,562,000 barrels of kerosene, 31,312,000 barrels of distillate fuel and 51,576,000 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 March	†State Allowables Begin. Mar. 1	Actual Production		4 Weeks Ended Mar. 25, 1944	Week Ended Mar. 27, 1943
			Week Ended Mar. 25, 1944	Change from Previous Week		
Oklahoma	328,000	327,000	†329,500	+ 100	328,700	345,650
Kansas	285,000	269,400	†274,100	-10,050	272,600	308,900
Nebraska	1,000		†1,350		1,300	2,150
Panhandle Texas			92,850		93,800	88,600
North Texas			142,600		142,300	137,000
West Texas			340,900		343,000	218,100
East Central Texas			116,600		116,600	99,800
East Texas			365,100		367,800	323,400
Southwest Texas			291,500		291,300	173,450
Coastal Texas			513,800		514,100	352,600
Total Texas	1,838,000	†1,854,302	1,863,350		1,868,900	1,392,950
North Louisiana			76,150	- 50	76,400	89,250
Coastal Louisiana			283,950		283,900	250,600
Total Louisiana	347,700	372,700	360,100	- 50	360,200	339,850
Arkansas	76,700	78,591	79,850	- 50	79,500	70,850
Mississippi	46,000		41,500	+ 2,800	41,700	53,700
Alabama			50	+ 25	30	
Florida			50		50	
Illinois	215,000		216,450	+ 8,750	217,300	228,200
Indiana	13,600		13,600	+ 1,750	13,500	15,950
Eastern— (Not incl. Ill., Ind., Ky.)	72,200		69,000	- 3,150	71,000	76,150
Kentucky	24,000		22,400	+ 3,300	22,400	17,000
Michigan	52,000		50,950	- 2,800	52,700	56,400
Wyoming	93,000		91,350	- 3,150	92,900	91,400
Montana	24,000		20,800		20,800	17,800
Colorado	7,000		8,200	+ 300	8,000	6,700
New Mexico	111,700		112,850		112,900	92,400
Total East of Calif.	3,534,900		3,555,250	- 2,225	3,564,600	3,116,050
California	833,400	§833,400	829,500	+ 1,700	826,400	780,200
Total United States	4,368,300		4,384,750	- 525	4,391,000	3,896,250

*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. March 23, 1944.

‡This is the net basic allowable as of March 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 3 to 20 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 MARCH 25, 1944

(Figures in Thousands of barrels of 42 Gallons Each)

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

§Gasoline Production

District—	Daily Refining Capacity	Crude Runs to Still Daily	Production of Gasoline	Crude Oil to Still	Stocks of Gasoline	Stocks of Gas Oil	Stocks of Distillate Fuel Oil	Stocks of Residual Fuel Oil
*Combin'd: East Coast Texas Gulf, Louisiana Gulf, North Louisiana-Arkansas, and inland Texas...	2,518	90.3	2,274	90.3	6,468	38,074	14,151	15,954
Appalachian—								
District No. 1	130	83.9	102	78.5	287	2,022	1,046	221
District No. 2	47	87.2	48	102.1	126	1,068	348	125
Ind., Ill., Ky.	824	85.2	763	92.6	2,576	20,258	5,402	2,825
Okla., Kans., Mo.	416	80.1	393	87.3	1,284	8,333	1,548	1,211
Rocky Mountain—								
District No. 3	8	26.9	10	125.0	29	75	20	29
District No. 4	141	58.3	104	73.8	311	2,135	363	527
California	817	89.9	779	95.3	2,087	15,322	8,434	30,684
Total U. S. B. of M. basis March 25, 1944	4,901	87.3	4,443	90.7	13,168	187,287	31,312	51,576
Total U. S. B. of M. basis March 18, 1944	4,831	87.1	4,437	91.8	13,393	196,185	31,808	51,010
U. S. Bur. of Mines basis March 27, 1943			3,721		10,198	94,511	31,675	68,039

*At the request of the Petroleum Administration for War. †Finished, 76,094,000 barrels; unfinished, 11,193,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,447,000 barrels of kerosene, 5,034,000 barrels of gas oil and distillate fuel oil and 9,013,000 barrels of residual fuel oil produced during the week ended March 25, 1944, which compares with 1,603,000 barrels, 4,596,000 barrels and 9,293,000 barrels, respectively, in the preceding week and 1,428,000 barrels, 3,675,000 barrels and 7,857,000 barrels, respectively, in the week ended March 27, 1943. ¶Finished, 75,062,000 barrels; unfinished, 11,123,000 barrels; as revised.

Note—Stocks of kerosene at March 25, 1944 amounted to 6,562,000 barrels, as against 6,861,000 barrels a week earlier and 5,041,000 barrels a year before.

Trading On New York Exchanges

The Securities and Exchange Commission made public on Mar. 18 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 Mar. 4, 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 Mar. 11 (in round-lot transactions) totaled 2,154,474 shares, which amount was 15.72% of the total transactions on the Exchange of 6,852,930 shares. This compares with member trading during the week ended Mar. 4 of 1,400,607 shares, or 16.35% of the total trading of 4,285,150 shares. On the New York Curb Exchange, member trading during the week ended Mar. 11 amounted to 457,405 shares, or 13.57% of the total volume on that exchange of 1,685,265 shares; during the Feb. 26 week trading for the account of Curb members of 473,860 shares was 14.35% of total trading of 1,651,070 shares.

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

WEEK ENDED MARCH 11, 1944		Total for Week	%
A. Total Round-Lot Sales:		163,930	
Short sales		6,689,000	
†Other sales		6,852,930	
Total sales		6,852,930	
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		547,570	
Short sales		70,240	
†Other sales		471,700	
Total sales		541,940	7.95
2. Other transactions initiated on the floor—			
Total purchases		360,120	
Short sales		20,210	
†Other sales		307,910	
Total sales		328,120	5.02
3. Other transactions initiated off the floor—			
Total purchases		156,884	
Short sales		20,150	
†Other sales		199,690	
Total sales		219,840	2.75
4. Total—			
Total purchases		1,064,574	
Short sales		110,600	
†Other sales		979,300	
Total sales		1,089,900	15.72

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

WEEK ENDED MARCH 11, 1944		Total for Week	%
A. Total Round-Lot Sales:		10,355	
Short sales		1,674,910	
†Other sales		1,685,265	
Total sales		1,685,265	
B. Round-Lot Transactions for Account of Members:			
1. Transactions of specialists in stocks in which they are registered—			
Total purchases		103,055	
Short sales		3,380	
†Other sales		103,405	
Total sales		106,785	6.23
2. Other transactions initiated on the floor—			
Total purchases		77,730	
Short sales		4,600	
†Other sales		70,100	
Total sales		74,700	4.52
3. Other transactions initiated off the floor—			
Total purchases		38,795	
Short sales		300	
†Other sales		56,040	
Total sales		56,340	2.82
4. Total—			
Total purchases		219,580	
Short sales		8,280	
†Other sales		229,545	
Total sales		237,825	13.57
C. Odd-Lot Transactions for Account of Specialists—			
Customers' short sales		50	
†Customers' other sales		58,408	
Total purchases		58,458	
Total sales		40,224	

*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."

Allied Attack On Cassino Subsides Without Achieving Results, Says Stimson

The statement that the Allied attack on the Italian fortress town of Cassino "has subsided for the time being without achieving the results for which we had hoped" was made at a press conference by Secretary of War Stimson on March 30 in discussing the Italian situation. "The simple fact," he was quoted as saying, "is that the Germans stopped us."

Regarding the status of the conflict at Cassino, United Press advices from Naples March 21 said: "Stubbly fighting Germans, infiltrating the ruins of Cassino by subterranean passages and secret gullies, have recaptured one-fourth of the town after winning possession of six strong points, front dispatches disclosed tonight. "The Germans now hold a belt of territory along the western side of the town running from the southern extremities of Cassino past Highway 6 into the northern section.

"The German's northern toe-hold in the ruins of the town is anchored within 250 yards of the most advanced point reached by the Allies before the deluge of bombs that preceded the present battle, James E. Roper, United Press correspondent with the Fifth Army forces fighting for the town, reported."

Secretary Stimson's comments, as contained in Associated Press accounts from Washington, as given in the New York "Sun" of March 30 follow:

The Germans, Mr. Stimson said, showed again "that they are obstinate and effective soldiers who do not quit when they are ordered to hold a key post at all cost."

"The bomb and shell destruction which our planes and guns wrought in Cassino did not prevent a garrison defense by those who survived our explosives and by other enemy troops who filtered in to join them," he said.

"The rubble was good cover and the tunnels or caves in the adjoining hills gave shelter and ease of movement. The rains immediately after the plane and gun barrage made a morass of the open ground around the town and limited the use of our tanks, while slowing the advance of troops climbing the hills under fire."

Mr. Stimson followed up his blunt acknowledgment that the Germans stopped the Allies at Cassino with this statement:

"That would be a severe setback only if we did not profit from our lessons. We have learned a great many things since the war and we have put our learning into practice. There is no reason to believe that our ability to profit from experience has ended now."

The Secretary also reminded the reporters, "No one made this a test of Allied power or suggested that in these operations we are concentrating our main strength."

He recalled that at the start of the Cassino attack he had said "very real military objectives have already been achieved in the Italian campaign and the results will progressively aid us in the days ahead." He listed the reopening of the Mediterranean, the knocking out of Italy as an Axis partner, the capture of the Italian fleet, the attainment of Italian air bases and the tying up of 19 German divisions in actual combat and others in northern Italy which could have been used against Russia or for augmenting German defenses elsewhere.

"I say this," Mr. Stimson said, "not to minimize the obvious facts of the Cassino action but to keep that action in a proper perspective. Despite Cassino, the final chapter of the story has not yet unfolded."

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NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on March 25 a summary for the week ended March 18 of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

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

Week Ended March 18, 1944		Total
Odd-Lot Sales by Dealers (Customers' purchases)		24,280
Number of orders		704,379
Number of shares		\$26,321,535
Dollar value		
Odd-Lot Purchases by Dealers (Customers' sales)		
Number of Orders:		
Customers' short sales		262
Customers' other sales		26,430
Customers' total sales		26,692
Number of Shares:		
Customers' short sales		8,728
Customers' other sales		712,799
Customers' total sales		721,527
Dollar value		\$22,938,345
Round-Lot Sales by Dealers		
Number of Shares:		
Short sales		140
Other sales		199,400
Total sales		199,540
Round-Lot Purchases by Dealers		
Number of shares		189,190
Sales marked "short exempt" are reported with "other sales."		
†Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."		

Revenue Freight Car Loadings During Week Ended March 25, 1944 Declined 7,517 Cars

Loading of revenue freight for the week ended March 25, 1944, totaled 778,925 cars, the Association of American Railroads announced on March 30. This was a decrease below the corresponding week of 1943 of 8,415 cars, or 1.1%, and a decrease below the same week in 1942 of 29,361 cars or 3.6%.

Loading of revenue freight for the week ended of March 25 decreased 7,517 cars, or 1% below the preceding week.

Miscellaneous freight loading totaled 372,746 cars, a decrease of 4,315 cars below the preceding week, and a decrease of 1,063 cars below the corresponding week in 1943.

Loading of merchandise less than carload freight totaled 106,716 cars an increase of 606 cars above the preceding week, and an increase of 6,764 cars above the corresponding week in 1943.

Coal loading amounted to 169,361 cars, an increase of 19 cars above the preceding week, but a decrease of 10,341 cars below the corresponding week in 1943.

Grain and grain products loading totaled 43,261 cars, a decrease of 1,697 cars below the preceding week and a decrease of 1,718 cars below the corresponding week in 1943. In the Western Districts alone, grain and grain products loading for the week of March 25 totaled 28,865 cars, a decrease of 1,205 cars below the preceding week and a decrease of 2,420 cars below the corresponding week in 1943.

Live stock loading amounted to 14,491 cars, a decrease of 96 cars below the preceding week, but an increase of 751 cars above the corresponding week in 1943. In the Western Districts alone loading of live stock for the week of March 25, totaled 10,587 cars, a decrease of 142 cars below the preceding week, but an increase of 178 cars above the corresponding week in 1943.

Forest products loading totaled 43,592 cars, a decrease of 1,959 cars below the preceding week but an increase of 1,905 cars above the corresponding week in 1943.

Ore loading amounted to 14,492 cars, an increase of 799 cars above the preceding week but a decrease of 3,787 cars below the corresponding week in 1943.

Coke loading amounted to 14,266 cars, a decrease of 874 cars below the preceding week, and a decrease of 926 cars below the corresponding week in 1943.

All districts reported increases compared with the corresponding week in 1943 except the Eastern, Allegheny and Pocahontas. All districts reported decreases compared with 1942 except the Central-western and Northwestern.

	1944	1943	1942
5 Weeks of January	3,796,477	3,531,811	3,858,479
4 weeks of February	3,159,492	3,055,725	3,122,942
Week of March 4	788,255	748,926	770,485
Week of March 11	781,533	769,045	799,356
Week of March 18	786,442	768,134	796,654
Week of March 25	778,925	787,340	808,286
Total	10,091,124	9,660,981	10,156,202

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended March 25, 1944. During the period 58 roads showed increases when compared with the corresponding week a year ago.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED MARCH 25					
Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Eastern District—					
Ann Arbor	242	260	557	1,510	1,524
Bangor & Aroostook	2,721	2,633	2,343	210	269
Boston & Maine	6,966	6,273	7,825	16,798	16,588
Chicago, Indianapolis & Louisville	1,423	1,514	1,470	2,076	2,232
Central Indiana	37	31	29	37	46
Central Vermont	1,079	1,402	1,233	2,801	2,700
Delaware & Hudson	5,900	6,331	6,487	13,291	12,800
Delaware, Lackawanna & Western	7,474	7,568	8,161	11,418	10,449
Detroit & Mackinac	248	230	261	100	116
Detroit, Toledo & Ironton	2,043	1,890	2,172	1,432	1,659
Detroit & Toledo Shore Line	332	347	376	3,210	3,820
Erie	13,204	13,181	14,252	18,755	20,960
Grand Trunk Western	3,885	3,495	4,541	9,456	8,466
Lehigh & Hudson River	164	159	211	3,522	3,888
Lehigh & New England	1,864	2,140	1,425	1,519	1,762
Lehigh Valley	8,475	7,068	9,177	16,907	14,291
Maine Central	2,420	2,506	2,934	4,699	4,199
Monongahela	6,351	7,052	6,986	432	372
Montour	2,503	2,620	2,453	18	23
New York Central Lines	47,315	51,932	46,457	56,368	54,797
N. Y., N. H. & Hartford	10,281	10,460	12,430	20,472	21,579
New York, Ontario & Western	1,235	986	1,183	3,305	2,430
New York, Chicago & St. Louis	6,387	6,659	7,418	17,247	16,559
N. Y., Susquehanna & Western	518	371	518	2,968	2,640
Pittsburgh & Lake Erie	7,875	8,188	8,533	8,335	9,121
Pere Marquette	4,826	4,681	5,184	8,443	7,622
Pittsburg & Shawmut	818	832	571	20	28
Pittsburg, Shawmut & North	319	340	475	281	294
Pittsburgh & West Virginia	957	709	993	2,871	3,962
Rutland	378	355	522	1,366	1,038
Wabash	5,795	5,660	5,688	12,076	12,978
Wheeling & Lake Erie	4,935	5,004	4,912	4,485	6,212
Total	158,970	162,877	167,777	246,428	245,423
Allegheny District—					
Akron, Canton & Youngstown	688	773	645	1,361	1,322
Baltimore & Ohio	40,557	41,572	41,273	29,175	28,904
Bessemer & Lake Erie	2,882	3,258	3,037	1,596	1,672
Buffalo Creek & Gauley	343	331	313	7	3
Cambria & Indiana	1,542	1,879	1,994	13	10
Central R. R. of New Jersey	6,454	7,209	8,334	22,070	21,276
Cornwall	596	590	489	66	71
Cumberland & Pennsylvania	211	302	327	10	12
Ligonier Valley	119	137	149	42	41
Long Island	1,237	1,090	931	3,815	4,225
Penn-Reading Seashore Lines	1,681	1,667	1,803	2,590	3,126
Pennsylvania System	76,991	78,754	81,588	66,540	63,900
Reading Co.	14,405	15,327	15,714	30,408	30,911
Union (Pittsburgh)	19,621	21,578	21,509	4,034	4,847
Western Maryland	4,022	4,259	4,179	13,671	15,411
Total	171,310	178,736	182,285	175,398	175,731
Pocahontas District—					
Chesapeake & Ohio	28,605	29,809	28,476	13,180	12,908
Norfolk & Western	21,789	22,721	23,139	7,929	7,394
Virginian	4,480	4,904	4,491	2,274	2,287
Total	54,874	57,434	56,106	23,383	22,589

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Southern District—					
Alabama, Tennessee & Northern	331	298	357	444	373
Atl. & W. P.—W. R. R. of Ala.	778	752	943	2,467	2,771
Atlanta, Birmingham & Coast	664	680	581	1,525	1,716
Atlantic Coast Line	3,731	3,883	4,338	5,010	5,006
Central of Georgia	13,523	15,401	13,440	11,278	11,570
Charleston & Western Carolina	362	376	389	1,985	1,817
Clinchfield	1,558	1,648	1,762	3,463	3,320
Columbus & Greenville	215	327	307	228	281
Durham & Southern	112	118	187	724	427
Florida East Coast	4,213	2,650	2,703	2,230	1,649
Gainesville Midland	33	38	44	123	146
Georgia	1,229	1,349	1,369	2,697	2,820
Georgia & Florida	340	370	394	777	940
Gulf, Mobile & Ohio	3,975	3,471	4,298	4,450	5,591
Illinois Central System	27,143	26,268	27,758	17,389	17,679
Louisville & Nashville	24,149	25,231	24,847	12,165	11,315
Macon, Dublin & Savannah	124	155	200	1,077	1,029
Mississippi Central	259	220	147	845	544
Nashville, Chattanooga & St. L.	3,927	3,135	3,411	4,754	5,048
Norfolk Southern	966	1,235	1,276	1,796	1,523
Piedmont Northern	376	333	464	1,474	1,357
Richmond, Fred. & Potomac	341	354	499	11,755	11,765
Seaboard Air Line	10,340	10,325	10,824	9,781	9,578
Southern System	23,040	22,059	24,500	25,649	23,610
Tennessee Central	810	612	732	799	858
Winston-Salem Southbound	145	108	125	1,074	1,152
Total	122,051	121,386	125,995	125,959	123,891
Northwestern District—					
Chicago & North Western	15,006	14,338	18,439	14,749	13,285
Chicago Great Western	2,642	2,373	2,616	3,356	3,323
Chicago, Milw., St. P. & Pac.	20,132	19,782	20,007	10,963	11,196
Chicago, St. Paul, Minn. & Omaha	3,151	3,146	3,350	4,501	4,423
Duluth, Missabe & Iron Range	1,213	1,153	8,758	260	264
Duluth, South Shore & Atlantic	763	804	705	541	737
Elgin, Joliet & Eastern	8,554	9,182	9,814	12,251	11,775
Ft. Dodge, Des Moines & South	375	378	443	121	110
Great Northern	12,466	11,574	14,211	5,431	5,495
Green Bay & Western	519	435	466	937	919
Lake Superior & Ishpeming	323	193	2,178	73	58
Minneapolis & St. Louis	2,062	1,936	1,769	2,595	2,628
Minn., St. Paul & S. S. M.	5,093	4,427	5,388	3,986	3,083
Northern Pacific	10,953	9,350	9,252	5,693	5,209
Spokane International	101	71	171	583	668
Spokane, Portland & Seattle	2,532	2,062	2,601	4,123	3,020
Total	85,001	81,203	100,168	70,163	66,199
Central Western District—					
Atch., Top. & Santa Fe System	21,580	21,291	21,639	12,382	12,438
Alton	2,831	2,988	3,501	4,462	4,299
Bingham & Garfield	459	683	577	83	100
Chicago, Burlington & Quincy	18,354	19,042	15,171	12,787	12,943
Chicago & Illinois Midland	3,064	3,206	2,831	928	851
Chicago, Rock Island & Pacific	10,695	12,243	11,206	13,371	13,866
Chicago & Eastern Illinois	2,687	2,377	2,450	6,242	5,408
Colorado & Southern	647	770	907	2,386	2,153
Denver & Rio Grande Western	3,255	3,365	2,530	5,935	6,048
Denver & Salt Lake	672	749	938	20	14
Fort Worth & Denver City	836	1,100	958	1,667	1,982
Illinois Terminal	2,119	1,968	2,218	2,171	1,687
Missouri-Illinois	958	960	1,261	578	500
Nevada Northern	1,860	2,108	2,003	116	109
North Western Pacific	757	992	1,117	726	705
Peoria & Pekin Union	9	25	22	0	0
Southern Pacific (Pacific)	29,362	27,270	27,035	14,637	13,319
Toledo, Peoria & Western	381	210	252	2,075	1,893
Union Pacific System	14,596	13,898	14,815	16,266	14,711
Utah	589	595	542	6	3
Western Pacific	2,250	1,850	1,662	4,055	3,624
Total	117,961	117,690	113,106	100,893	96,665
Southwestern District—					
Burlington-Rock Island	481	877	611	229	214
Gulf Coast Lines	7,445	5,097	4,580	2,336	2,341
International-Great Northern	1,844	2,095	2,119	4,059	3,786
Kansas, Oklahoma & Gulf	295	216	321	1,101	323
Kansas City Southern	5,511	4,472	4,306	2,921	2,961
Louisiana & Arkansas	2,860	2,935	3,106	2,235	2,260
Litchfield & Madison	313	310	391	1,219	1,146
Midland Valley	607	673	424	457	244
Missouri & Arkansas	188	115	268	527	554
Missouri-Kansas-Texas Lines	5,135	5,837	5,209	4,767	6,416
Missouri Pacific	15,604	16,623	15,633	20,000	16,717
Quanah Acme & Pacific	95	88	144	264	327
St. Louis-San Francisco	7,515	8,855	8,138	8,804	8,876
St. Louis Southwestern	3,049	2,939	3,440	7,234	5,405
Texas & New Orleans	12,227	12,803	9,649	5,701	5,886
Texas & Pacific	5,483	3,939	4,367	7,760	7,015
Weatherford M. W. & N. W.	81	108	130	49	30
Wichita Falls & Southern	25	26	13	30	20
Total	68,758	68,008	62,849	69,693	64,521

Note—Previous year's figures revised.

Weekly Statistics Of Paperboard Industry

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

Items About Banks, Trust Companies

(Continued from page 1432)

against \$95,070,699 and \$69,855,600. Capital and surplus were unchanged at \$10,000,000 each, and undivided profits were \$5,830,103, unchanged from December 31, 1943.

At a meeting of the executive committee of the board of directors of City Bank Farmers Trust Co. of New York, held on March 29, Marc A. Rieffel was appointed Assistant Trust Officer.

The statement of condition of Manufacturers Trust Co. of New York City as of March 31, 1944, shows deposits of \$1,562,527,324 and resources of 1,665,581,402, which compare with \$1,580,909,261 and \$1,682,356,909 shown on Dec. 31, 1943. On March 31, 1943, the respective figures were \$1,344,604,197 and \$1,443,510,338. Cash and due from banks is listed at \$372,935,412 as against \$401,956,453 shown on Dec. 31 and \$375,714,378 shown a year ago. United States Government securities stand at \$864,450,080; three months ago it was \$887,436,948, and one year ago it was \$676,984,890. Loans, bills purchased and bankers' acceptances is now \$335,440,682, which compares with \$298,950,311 on Dec. 31 and \$279,375,385 on March 31, last year.

Preferred stock is shown as \$8,009,920, common as \$32,998,440, and surplus and undivided profits as \$48,703,590. As a result of the redemption of 14,886 shares of its preferred stock on March 24, as required under its preferred stock indenture, capital account was reduced by \$297,720, representing the aggregate par value for such shares, and undivided profits account was reduced by approximately \$452,280, representing the amount in excess of the par value of the shares redeemed at \$50 per share, plus the accumulated dividend of 38 cents per share. Net operating earnings for the three months ending March 31, 1944, after amortization, taxes, etc., as well as dividends on preferred stock, was \$1,636,383, or 99 cents a share, which compares with 92 cents a share for the three months ending March 31, 1943. Of this amount, \$824,959 was paid in dividends on the common stock, and \$811,424 was credited to undivided profits.

Manufacturers Trust Co., New York (depository and financial agent United States Government), opened on April 3 its new banking office located near the Washington Street Gate in the Brooklyn Navy Yard. The building was formally turned over to the bank by Rear Admiral Monroe Kelly, Commandant of the Yard, and was received in behalf of the bank by Henry C. Von Elm, Vice-Chairman of the bank's board of directors. The statement was made by Rear Admiral Kelly that "we welcome Manufacturers Trust Co. (depository and financial agent United States Government) to this new building, which will enable the bank to expand its facilities for Navy Yard workers. Today every man and woman needs banking accommodations, and this bank, by bringing its many services right to our own doorstep, so to speak, is contributing to the efficiency of the Yard and adding to the contentment of its workers. All in all, it is a worthy contribution to the war effort."

In accepting the building on behalf of the bank, Mr. Von Elm said, in part: "When the Treasury Department invited us, some months ago, to establish banking offices in the Brooklyn Navy Yard we eagerly welcomed the opportunity to extend our services to the many thousands of workers in this great shipbuilding yard, which is playing such an important role in the war effort, and doing such a magnificent job. I am very happy to take over this

building on behalf of Manufacturers Trust Co. as depository and financial agent United States Government, not only because of the opportunity it gives us to serve so many thousands of people but, even more important, because it constitutes one more way in which banking can cooperate with and contribute to the war effort."

The Chemical Bank & Trust Co. of New York reported as of March 31, 1944, deposits of \$1,206,319,742 and total assets of \$1,302,762,968, compared, respectively, with \$1,153,998,166 and \$1,249,514,079 on Dec. 31, 1943. Cash on hand and due from banks amounted to \$259,657,970, compared with \$239,375,105; holdings of United States Government securities to \$674,093,586 against \$657,728,463; bankers' acceptances and call loans, now at \$74,833,136, compare with \$63,769,792, and loans and discounts to \$145,786,905 contrast with \$139,435,524. Capital and surplus were unchanged at \$20,000,000 and \$55,000,000, respectively, and undivided profits were \$7,994,374 against \$7,469,562 at the end of December. The indicated net earnings on the bank's 2,000,000 shares (par \$10) amount to 71 cents per share for the first quarter of 1944 as compared with 62 cents per share a year ago.

Bank of the Manhattan Co. of New York reported as of March 31, 1944, total deposits of \$949,585,763 and total assets of \$1,009,376,653, compared, respectively, with \$974,325,121 and \$1,034,108,576 as of Dec. 31, 1943. Cash on hand and due from banks at the latest date amounted to \$226,338,599 against \$266,327,302; holdings of United States Government obligations are \$457,026,593 against \$433,851,333. Loans and discounts decreased to \$276,014,508 from \$281,487,017. Capital and surplus remained at \$20,000,000, respectively. Undivided profits after reserve of \$400,000 for quarterly dividend increased to \$10,524,519 from \$10,071,867 at the end of December, 1943.

The statement of condition of Corn Exchange Bank Trust Co. of New York as of the close of business March 31, 1944, shows total assets of \$642,414,883 as compared with \$550,333,612 on March 31, 1943. The bank reports deposit and other liabilities of \$605,149,025 and capital, surplus and undivided profits of \$37,265,860, compared with deposit and other liabilities of \$514,044,920, and capital surplus and undivided profits of \$36,288,692 on March 31, 1943. Cash in vaults and due from banks amounted to \$152,976,326 on March 31, 1944, as compared with \$141,522,675 on March 31, 1943. Holdings of U. S. Government securities increased to \$420,018,791 compared with \$332,581,628; holdings of other securities are reported as \$16,751,937 as against \$17,824,856, while loans and discounts total \$30,862,851 as compared with \$30,467,331 for March 31, 1943.

The election of Einar Hammer as a Vice-President of The Continental Bank & Trust Co. of New York, following his resignation as President of L. W. Minford & Co., sugar brokers and exporters, was announced on April 3 by Frederick E. Hasler, Chairman of the board of directors of the bank. He will specialize in the development of the bank's Latin American business. Mr. Hammer was with the Continental Bank for a number of years previous to 1939, when he resigned as Assistant Treasurer to enter the sugar business. Born in Norway, he has wide experience in the export-import field and is an authority on Latin American trade and finance. He lived in Argentina

and Paraguay six years. Coming to New York in 1919, he entered the employ of the Battery Park National Bank and later went with International Trust Co., which was absorbed by the Continental Bank in 1931. In helping to build up the Latin American department of the latter institution, Mr. Hammer traveled extensively in Central and South American countries.

The Continental Bank & Trust Co. of New York reported as of March 31, 1944, total deposits of \$136,633,212 and total assets of \$147,062,120, compared, respectively, with \$119,437,879 and \$129,620,215 on Dec. 31, 1943. Cash on hand and due from banks amounted to \$31,309,996 against \$27,185,906; holdings of U. S. Government obligations to \$64,504,868 against \$56,140,330, and loans and discounts to \$41,654,447 against \$36,868,543. Capital and surplus were unchanged at \$4,000,000 each. Undivided profits amounted to \$1,358,625 against \$1,306,422 at the end of December.

The statement of condition of Sterling National Bank & Trust Co. of New York at March 31, 1944, shows an all-time high in resources and deposits of \$90,097,399 and \$83,991,611, as compared with \$88,105,258 and \$82,151,686, respectively, as of Dec. 31, 1943. Of the March total deposits of \$83,991,611, U. S. Government deposits increased to \$10,094,472, as compared with \$8,109,326 on Dec. 31, last; commercial and other deposits amounted to \$73,897,139, as compared with \$74,042,359. Capital, surplus and undivided profits totaled \$4,773,885 as against \$4,758,151 on Dec. 31, 1943. Cash and due from banks amounted to \$21,583,667 on March 31, 1944, against \$21,835,137 on Dec. 31, 1943; U. S. Government securities totaled \$39,918,299 as compared with \$42,758,908; State, municipal and corporate securities amounted to \$1,547,625, compared with \$1,461,082; loans and discounts increased to \$26,004,733 from \$21,034,675. Stock in Federal Reserve Bank remained the same, namely \$135,000. Reserves increased to \$617,471 as compared with \$482,937 on Dec. 31, 1943.

J. Henry Schroder Banking Corp. of New York reports total resources of \$48,932,350 on March 31, 1944, against \$46,592,589 on Dec. 31, 1943. Cash on hand and due from banks was \$5,322,214 against \$5,462,586. U. S. Government securities were \$28,336,914 against \$26,318,532; customers' liability on acceptances, \$5,357,622, compared with \$4,965,764 in December. Surplus and undivided profits were \$2,637,326 against \$2,631,860 in the previous quarter; amount due to customers was \$3,321,785 against \$3,175,509. Acceptances outstanding were \$6,480,022 against \$5,764,786.

Schroder Trust Co. reported March 31 resources of \$34,290,256, compared with \$32,233,964 on Dec. 31; cash and due from banks, \$4,909,684 against \$4,435,038; U. S. Government securities, \$25,066,880 against \$23,111,029; loans and discounts, \$3,560,867 against \$3,878,728. Surplus and undivided profits were \$2,041,476 against \$2,036,429. Deposits were \$30,394,477 against \$28,370,414.

The statement of condition of the Grace National Bank of New York as of March 31, 1944, shows deposits of \$68,741,266 as compared with \$71,556,839 on Dec. 31, 1943, and \$59,365,046 a year ago. Surplus and undivided profits amounted to \$2,847,043 as compared with \$2,759,292 on Dec. 31, 1943, and \$2,521,649 a year ago. Cash in vault and with banks totaled \$15,058,928 as compared with \$18,211,317 on Dec. 31, 1943 and \$15,688,500 a year ago. U. S. Government securities were \$37,317,504 as compared with \$37,829,129 on Dec. 31, 1943, and \$31,

367,120 a year ago. Loans and discounts were \$17,952,765 as compared with \$17,301,379 on Dec. 31, 1943, and \$11,500,452 a year ago.

The Federation Bank & Trust Co. of New York reported as of March 31, 1944, deposits of \$22,689,039 and total resources of \$25,506,832 against \$23,712,154 and \$26,672,024, respectively, as of Dec. 31, 1943. Cash on hand and due from banks amounted to \$2,502,880 on March 31 against \$4,612,316. Holdings of U. S. Government securities totaled \$13,659,915 against \$12,807,297. Loans and discounts are now \$7,978,143 against \$6,610,083. Capital and surplus are unchanged at \$825,000 and \$1,175,000, respectively, and undivided profits are \$340,195 against \$320,006.

Harry B. Watt, formerly a Vice-President of Bankers Trust Co. of New York until his retirement in 1942, died March 30 at his home in Brooklyn, after a brief illness. His age was 62. Mr. Watt joined Bankers Trust Co. in 1909 and specialized in stock transfer and stock registration work, in which field he became widely recognized. He was appointed Assistant Secretary of the bank in August, 1916, becoming successively Secretary in 1926, Vice-President and Secretary in 1931, and Vice-President in January, 1942, in December of which year he retired from active work in the bank. Mr. Watt was Secretary of the New York Stock Transfer Association for a number of years.

Robert M. Catherine, President of the Dollar Savings Bank of the City of New York, has announced that Joseph M. Sack Jr. has been appointed Assistant Secretary of the bank.

The statement of condition of the Brooklyn Trust Co. as of March 31, 1944, shows total deposits of \$193,401,258, comparing with \$194,151,642 on Dec. 31, 1943. Total resources were \$209,393,083 against \$210,007,804. Cash on hand and due from banks was \$38,072,764 against \$45,374,500 at the year-end, while holdings of U. S. Government securities were \$127,229,752 against \$120,377,755. Total loans and discounts were \$30,231,325 against \$31,360,256. Undivided profits of \$1,454,784 were shown, comparing with \$1,452,590 on Dec. 31, last. Capital and surplus were unchanged.

A. E. Braun, President of the Farmers Deposit National Bank of Pittsburgh, recently announced the election of Albert B. Craig, Vice-President and general manager of the Chartiers Oil Co., as a director of the bank to succeed his father, the late George L. Craig, according to the Pittsburgh "Post Gazette."

At a meeting of the directors of the Provident Savings Bank & Trust Co. of Cincinnati on March 28, two new directors were elected, viz.: Harry J. Gilligan and Harry J. Finke, Jr., Cincinnati business executives. Mr. Gilligan, who is head of John J. Gilligan & Son, funeral directors, is also a director of the Kroger Grocery & Baking Co. and the Dow Drug Co., according to the Cincinnati "Enquirer," which also stated:

"His father, the late J. J. Gilligan, was a director of the bank for many years. Mr. Finke is President of Finke & Schwieler and is a member of the Executive Committee of the Churngold Corp."

The English State Bank of English, Ind., became a member of the Federal Reserve Bank on March 23. The Federal Reserve Bank of St. Louis, in announcing this, said:

"The new member was chartered in 1925. It has a capital of \$25,000, surplus of \$11,500, and total resources of \$1,099,254. Its

officers are: L. L. Land, President; C. E. Allstott, Vice-President; I. A. Fahr, Cashier, and James E. Sturgeon, Assistant Cashier.

"The addition of the English State Bank brings the total membership of the Federal Reserve Bank of St. Louis to 460. These member banks hold over 70% of the net deposits of all banking institutions in the Eighth District."

Neil M. Buchen, for 15 years attached to the staff of the Chief National Bank Examiner of the Seventh (Chicago) Federal Reserve District, has been elected Cashier of the Industrial National Bank of Chicago. Mr. Buchen succeeds Robert N. Vieracker, who has been named Auditor of the bank. Mr. Buchen assumed his new post on April 3.

The board of directors of Republic National Bank of Dallas announced the election of Benjamin H. Wooten to the office of Vice-President. The election was effective April 1.

An increase in the capital stock of the Seattle-First National Bank of Seattle, Wash., from \$8,000,000 to \$10,000,000, with a substantial increase in the bank's surplus account, was announced by Lawrence M. Arnold, Chairman; J. A. Swallow, President, and Joel E. Ferris, Executive Vice-President, following a directors' meeting held on March 28. It was stated that:

"This substantial increase in capital and surplus places the Seattle-First National Bank in a position of greater strength and leadership in the entire Western area, will enable it to serve even better its many customers and borrowers, and is in keeping with the sound and conservative policy that characterizes the operation of the bank."

The directors and officers feel that the plan to increase the capital structure is appropriate in view of the large increase in its deposits and volume of business. The deposits of the Seattle-First National Bank now exceed \$500,000,000, making it, it is claimed, the 26th largest bank in size in the United States and the fourth largest bank west of Chicago. The stockholders of the bank will be asked to approve the action of the directors and it is contemplated that the transaction will be completed by July 1.

In its statement regarding the increase the bank said:

"No one can look forward to the future of the State of Washington and the Pacific Northwest without the realization that financial strength and resources will be needed in taking care of the future requirements of this area. Many large new and important industries have already entered the Northwest, particularly the Spokane and Puget Sound areas, and with large and abundant power resources, and the promise of post-war trade with the Orient, the Pacific Northwest is assured of active business development. The new capital stock will be available to our shareholders on a very favorable basis."

U. S. Life Cos. Investments In Mtges. and Securities

The life insurance companies of the country invested \$480,000,000 in mortgages and securities during January, of which 65% went into U. S. Government bonds, the Institute of Life Insurance reings of mortgages and securities reported on March 29. Total held by the life insurance companies, the Institute reported, showed a slight decrease during the month, due to their building up of cash reserves in preparation for the Fourth War Loan Drive purchases in February, the total on Jan. 31, being \$32,120,000,000.