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The Financial Situation

A newly formed organization calling itself the Liberal Party issued a broad credo late last week from which we take the following:

No modern society can long endure deflation, unemployment and depression. In meeting these economic problems we cannot depend upon laissez-faire. The depression of the Thirties proved that private action cannot provide the economic coordination and expansion which is required. The American people must now take the economic steering wheel firmly in their own hands. The Federal Government must assume the ultimate responsibility of assuring the full employment of workers and the highest possible level of production. We favor public ownership of utilities, of natural resources and of monopolistic enterprises, wherever this is necessary to maintain production or to serve other desirable social ends.

We believe that our economy should be organized in such a way that the level of employment and production be based upon over-all policies planned and directed by Government toward the welfare of all the people. The economic policies of the Federal Government should be directed toward a continuing program of national development and the prevention of depressions rather than only toward the salvaging of human and material resources during depressions.

If the American people assume responsibility for their economic system they can achieve levels of production which will provide a large measure of economic freedom and democracy in the years to come.

(Continued on page 2172)

Faith In The Railroads

By R. W. BROWN*

President, Lehigh Valley Railroad Company
Chairman, Eastern Railroad Presidents' Conference Committee

Railroad Executive Points To Higher Earnings, Greater Efficiency And Better Physical Condition Of Railroads As A Basis For Their Improved Credit—Observes Bank Loans and Funded Debt Are Being Reduced And Refundings Accomplished At Lower Interest Rates—Views Rail Carriers Prepared For Post-War Competition, But Ask For Equality Of Opportunity And A Sound Transportation Policy.

It is both a privilege and a pleasure to address the representatives of the Mutual Savings Banks. These institutions have always



R. W. Brown

been an important outlet for railroad securities, and your policy in this respect naturally has a marked influence upon the credit of the rail carriers.

While it is true that your investments in rail securities have declined over the recent years, it is likewise true that your holdings now aggregate a sizable sum. It is apparent, therefore, that you still have some measure of faith

*An address delivered by Mr. Brown before the National Association of Mutual Savings Banks at the Waldorf-Astoria Hotel, New York City, May 12, 1944.

in the railroad industry.

When your officers asked for the subject of this discussion, one of my associates suggested: "Will The Railroads Come Back?"—an inquiry sometimes heard in the investment field. But I discarded the suggestion because the railroads never left us, they are with us today—and how!

We are a transportation nation. We operate more transportation facilities and we use more transport service, than the rest of the world combined. When our forefathers centered upon the development of agriculture and the creation of industry, they immediately faced the need for transportation. Of course, the horse-drawn vehicle on land and boats on the waters, provided some transport service for commerce. But this was not enough. The development of the country could not be limited to waterfronts, and to the banks of rivers, streams and canals. We needed a transportation service that would move

(Continued on page 2172)

Four Post-War Fiscal Problems

By BEARDSLEY RUMI*

Chairman, Federal Reserve Bank of New York

Author Of "Pay-As-You-Go" Taxation Advocates (1) Reducing Taxes To Balance The Budget At High Employment; (2) Amortizing The Debt Only If Consistent With Maintaining High Employment; (3) Using a Public Works Program Only To Stabilize The Construction Industry; and (4) Avoiding Accumulation Of Social Security Reserves In Times Of Mass Unemployment.

It is perfectly clear that we cannot have acceptable economic and social conditions in this country except under a higher level of prosperity



Beardsley Rumi

than we have ever known. There are some very remarkable things about the present economic, productive, industrial situation. We have added \$85,000,000,000.00 worth of war production on to a consumption level that is higher than it was in 1940.

In other words, the elimination of war production can result in high employment only by the corresponding increase of the current standard of living. In the aggregate, we have nothing to make up.

To make this plausible from an entirely different point of view, look at it this way: economists estimate that increases in productivity in recent decades have been

*An address delivered the latter part of last month before the New York Chapter, American Society of Chartered Life Underwriters.

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on the average between 2 and 3% a year. This progress goes on because of scientific advance, technical improvement, better public health, better education, better management, improvement all along the line.

Since 1929 this improvement in method has never been translated into realized production and consumption. So for fifteen years there has been developing under the surface this increased capacity to produce. In the recent years, on account of the war, the scientific and technical advance has been very much more rapid than average.

Any way you look at it almost a generation's progress in standards of living must be made up before we will reach high employment. To put it in the other form, high employment means a standard of living a generation in advance of where we are today. It is a compelling situation of un-

precedented magnitude and consequence, and our social and political system must adapt to it if it is to continue on a satisfactory basis.

Business has reason to be apprehensive from two quarters. One is from the economic regulators who would fix prices and wages and output and the conditions of business activity generally, not realizing that in fixing all these other things that they would regiment employment.

On the other side are the economic appeasers who are beginning to tell us privately and confidentially that 8,000,000 or 10,000,000 unemployed is the statistical consequence of a private enterprise system. The unemployed will not be particularly interested in the statistical consequences and there would be more of them under those conditions than there would be of the appeasers.

I think we must recognize that the job of getting high prosperity is primarily the job of business. That is what business is for, to distribute, to employ, to produce. Fortunately, and sometimes I think we do not realize how fortunate, there is very general consensus of opinion in this country that it is the primary job of business to do that thing. Under the type of life that we have known, we can get a high level of production and a high level of employment only under private competitive enterprise.

There is no strong voice today (Continued on page 2174)

From Washington Ahead Of The News

By CARLISLE BARGERON

In the propaganda of politics, we shall never forget the high point of the Republicans' literary output in the 1940 campaign. There was a fellow around the New York headquarters who had conceived the idea of the most forlorn French poilu you had ever seen. France had just fallen. Here was this fellow with an expression on his face as if the world had come to an end. The legend accompanying him was "I was once a free man."

Well, sir, you would look at the picture and read the accompanying legend and you would say to yourself, and to the fellows around the office, that if this isn't something to frighten the American people against a Third Term, it is difficult to tell just what would do it. The legend went on to tell how he had fooled around with politicians. He had had confidence in them. He had had confidence in Blum. He had been apathetic as to what was happening to him. Now he was no longer a free man.

The fellows around Republican headquarters got enthusiastic about it. Thousands and thousands of copies were distributed. About two days before the election a couple of Republican propagandists were having dinner with a fellow propagandist from the Democratic headquarters. They asked him if he didn't think this was the greatest stunt ever devised by propagandist men.

Calmly, the Democrat said no. The message conveyed in this literature, he pointed out, was the same message the Democrats were sounding. They, too, were warning against what had happened to

France. They, too, were shouting for the preservation of Democracy. A person reading this dodger would not understand that it was an appeal against the New Deal at all.

That is getting to be the same situation in this campaign. The New Dealers are out-shouting the Republicans for the preservation of Democracy. The average person is likely to get the impression that both parties are shouting for the preservation of the same thing. The most vociferous exponent of Democracy around these days is Henry Wallace. Before him it was Harold Ickes.

This gets us to pointing out the greatest piece of political pageantry we have seen in a long time. Here in Washington, you see a concrete example of the New Dealers preserving Democracy. It is all right for the Republicans to talk about saving it, but here is a definite example for the New Dealers doing it.

The Administration dug up 30 persons, scattered around about the country, and charged them with attempting to incite the armed forces. It is what is known (Continued on page 2177)

False Assurance

"The test that will be hard to pass will come after the extraordinary post-war demands have been satisfied and our business settles down to supplying the continuously recurring demands of a long stretch of peace. Can we then maintain a high level of employment, year in, year out?"

"Experience answers 'no.' Our business record has been one of alternating expansions and contractions. Only near the peak of our most vigorous expansions have we approximated full employment, and no approximation in peacetimes has been so close or lasted so long as the approximations achieved during major wars. Unless we can learn to manage our affairs more skillfully in the future, we must look forward to an indefinite series of cyclical depressions, some relatively mild, some drastic.

"By finding the causes of recurrent alternations of expansion and contraction, investigators have hoped to discover how contractions can be averted. The number and diversity of the diagnoses and prescriptions offered, long a reproach to economics, stems from the inability of investigators to determine how adequately their own and one another's explanations account for what actually happens during a business cycle. Even the 'theories' most fashionable today are really untested hypotheses. Yet some of their advocates offer practical guidance to government and public with an assurance that contrasts painfully with the caution of responsible physicians in treating imperfectly understood disorders of the body."—Wesley C. Mitchell.

If only the public could be adequately impressed with these quiet words of the "dean" of all students of business cycles!

We should hear a good deal less of Keynes, Hansen et al!

The State Of Trade

Business and industry have made a notable contribution to our war effort, this fact being generally known to all. The need for reiteration would be unnecessary were it not for the fear expressed in some quarters that to acquaint our people with the splendid progress thus far achieved would tend to bring about a relaxation of our efforts and thus jeopardize an early termination of the war. Senator Harry S. Truman, Chairman of the Senate War Investigation Committee, stressed this very point the present week in a talk before the Brooklyn Chamber of Commerce. The Senator voiced his criticism of the War Department for withholding cheering news of our war production and made the observation that the time was opportune for a gradual return to the manufacture of basic civilian commodities. Pointing out the fallacy of such a policy that will lead to a peace in which the returning millions of this nation will be without work, he urged that surpluses not required for war materials or essential civilian items be made available to all manufacturers. By initiating such a program, the Senator contended, it would provide consumer goods, lessen the dangers of inflation, permit an orderly resumption of peace-time economy, and provide opportunities for small business and new enterprises. Concluding, he stated the Government must relax or remove war-time restrictions as rapidly as possible, adding that his committee was opposed to suggestions that Government agencies should determine what manufacturers should be permitted to make civilian goods, what goods they are to make and under what circumstances they can sell those goods. The Senator's remarks are most timely, considered in the light of the many cancellations of war contracts now occurring and growing more numerous as the war enters its final phases.

Reviewing the results of trade and industry the past week, it is noted that while variations have occurred in industrial activity, dictated in the main by the exigencies of war, production as a whole has continued generally well sustained, with the trend of

electric output, freight car loadings and bituminous coal output higher. Paper production last week was lower, and scheduled output of steel ingots and castings the present week is again expected to show a slight decline from the preceding week. The expansion in wholesale and retail trade apparent throughout the country in previous weeks was maintained last week with demand for women's apparel, accessories and seasonal lines especially marked.

In the field of electric production, results reveal that output of electricity advanced to approximately 4,238,375,000 kwh. in the week ended May 13 from 4,233,756,000 kwh. in the preceding week, as reported by the Edison Electric Institute. The latest figures represent a gain of 6.8% over one year ago, when output reached 3,969,161,000 kwh. Consolidated Edison Co. of New York reports system output of 179,300,000 in the week ended May 14, and compares with 176,500,000 kwh. for the corresponding week of 1943, or an increase of 1.6%.

The urgency of some war requirements, coupled with a threat to steel production through an increasing man-power shortage and approaching hot weather has caused heavy pressure for shipment of flat-rolled steel to continue, with mills being pushed to their limit, says "Steel" magazine in its market summary this week. Allocations for the third quarter have been reduced 5%, apparently in recognition of this situation. In some quarters the belief is that the decline in output will exceed this figure as a result of the heavy strain on equipment from record-breaking operations of recent months, the market summary states.

New landing craft and merchant ship programs scheduled to get under way soon is looked to bolster orders for plates and sheets, which have shown contraction. Output of sheets, particularly, will be stimulated by the landing craft program, with some tentative inquiries for this purpose already appearing.

With respect to plates, "Steel" reports, "about 125,000 tons of hull steel, mainly plates, will be placed soon for 24 tankers to be built by Sun Shipbuilding & Dry Dock Co., replacing 30 cargo ships transferred to Pacific Coast yards. Steel Requirements Committee of WPB is said to be faced with the problem of placing an additional 195,000 tons of shell steel, 200,000 tons of sheets, an additional 12,000 tons of tin mill products, and 104,000 tons of plates for third quarter. Carryover by some mills is increasing steadily, in some cases as much as 10 days. As a result more directives are probable to handle this excess. This is expected to set back deliveries on contracts now scheduled for June and third quarter from two to six weeks. "Bar deliveries are extending and range in most instances in August and September, smaller sizes being most easily placed. Most plate mills are booked solidly into October on sheared plates with substantial backlogs beyond, but some tonnage is available in September. Universal plates can be obtained in late July and August."

The prospects for export of general steel are expected to be well sustained through the last half of the year, according to the magazine. Expectations point to a reduced tonnage to Great Britain, which is likely to be more than offset by Russian requirements, now tentatively placed at about 250,000 tons. Great Britain's quota even after curtailment is set at about 500,000 tons in the last half, the summary reveals. As for Russian business in the post-war, negotiations are reported under way for huge industrial equipment orders estimated to \$2,000,000,000 to \$3,000,000,000 a year for a decade.

A move has been made by the OPA to prevent speculative buying of pig iron now that allocations have been dispensed with and the metal can be sold to resellers as well as to consumers. The incentive for resellers has been removed with an amendment, which provides that no person can charge more than the maximum prices for iron. The supply and demand of pig iron continues well balanced, with more going into foundry mixtures in the shortage of cast scrap, although the problem of man-power works against the amount of tonnage the foundries can process, the magazine reports.

As for the rate of steel production, the American Iron and Steel Institute places scheduled output for the week beginning May 22 at 98.4% of rated capacity, equivalent to 1,762,600 tons of steel ingots and castings, a decline from recent new highs established in the United States. Scheduled output for the current week compares with operations at the rate of 99.2%, and output of 1,777,000 tons a week ago. For the week beginning May 22, last year, steel output totaled 1,719,500 tons, and the rate was 99.3% of capacity.

Some relief from the shortage of telephones for civilian use, existing since the latter part of 1942, was indicated the past week by the authorization of the WPB, which will permit the manufacture of civilian instruments at a rate of 200,000 sets a quarter. Production is expected to get under way about the third quarter, with initial deliveries beginning during the fall. Military and associated civilian war requirements will take precedence over all other demands, and since the need for additional equipment in the Pacific Coast area is urgent, it will be the first section of the country to benefit by the new

Survey Of World Affairs Featuring 18 Courses To Be Given By Columbia School Of Business

A survey of world affairs from the geographical point of view will be featured in a program of 18 courses to be given by the Columbia School of Business during the 26th Summer Session of the University which begins July 3 and extends through August 11, it is announced by Dean Robert D. Calkins. Lecturers and their topics include: Professor Guy-Harold Smith of Ohio State University, "The

Raw Material Position of the United States"; S. W. Boggs of the State Department, "International Boundaries"; Professor George B. Cressey of Syracuse University, "Soviet Russia and the Far East".

The School of Business will provide summer instruction in accounting, advertising, banking, economics, finance, geography, labor relations, law and marketing. Professor D. L. Dodd will direct studies in investment management and security analysis and corporation finance. Professor H. F. Otte will conduct a geography course in world industries and resources. Dr. Ordway Tead will be

in charge of work in personnel administration.

Professor H. K. Nixon will analyze the elements of marketing and the principles and problems of advertising. Courses in banking and business, and foreign exchange and international banking will be given by Professor J. M. Chapman. Courses in accounting will be given by Professors R. B. Kester, H. A. Inghram, and T. W. Byrnes, and K. L. Baker. An auditing laboratory in accounting will be conducted by Professor T. W. Byrnes. Dr. Elcanon Isaacs will give a course in business law.

relaxation. There exists at present a backlog of 1,250,000 orders, with new orders building up at a rate of approximately 100,000 a month, and this being the case, officials contended that the resumption in production for civilian purposes will only partially meet essential demand.

With respect to freight carried by the railroads carloadings of revenue freight for the week ended May 13 totaled 868,309 cars, the Association of American Railroads announced. This was an increase of 31,331 cars, or 3.7% above the preceding week this year, and an increase of 19,277 cars, or 2.3% above the corresponding week of 1943. Compared with a similar period in 1942, an increase of 29,255 cars, or 3.5%, is shown.

Shipments by manufacturers in the month of March declined by about 2% from the preceding month, with most of the falling off occurring in the durable goods industries. Deliveries of automobiles and other transportation equipment figured prominently in the decline, being 13% and 4%, respectively. At the end of March the value of manufacturers' inventories was estimated by the Department of Commerce at \$17,540,000,000, or more than \$100,000,000 below the level of February, but \$150,000,000 higher than that of March 31, 1943.

Bituminous coal output for the week ended May 13 reflected an increase of 450,000 net tons from the preceding week at 12,570,000 tons, and a rise of 473,000 from a year ago, when production for the comparable week was 12,097,000 tons, as reported by the National Coal Association. Output to date—Jan. 1 through May 13, 1944—aggregated 235,405,000 tons, as against 224,638,000 tons for a like period in 1943. The report of the Solid Fuels Administration placed production for the week ended May 6 at 12,150,000 net tons, against 12,360,000 tons in the preceding week.

A decline in cotton consumption was noted for the month of April from a report of the Census Bureau. Cotton consumption dropped to 776,007 bales of lint and 110,359 bales of linters in April, from 902,102 and 115,502 bales, respectively, in March of this year, and 939,178 and 104,701 bales in April one year ago. For the nine months ended April 30, consumption was placed at 7,580,279 bales of lint and 985,875 bales of linters, as against 8,439,480 and 998,366 bales in the corresponding period a year ago.

Paper output for the week ended May 13 was equal to 89.6% of capacity, against 91.5% (revised) in the preceding week and 91.1% for the week ended May 15, 1943, the American Paper & Pulp Association's index of mill activity disclosed. As for paperboard, production for the same period was reported at 95% of capacity, against 98% in preceding weeks.

Marked activity was noted in retail trade in New York last week, with seasonal apparel, accessories and household lines in good demand. Estimates of department store sales were set at 15% or more above the same week of 1943. The coat and suit market was enlivened by buyers for fall purchases. According to the Federal Reserve Bank's index, sales in New York City for the weekly period to May 13 advanced by 30% over the same period of last year. For the four weeks ending May 13 sales rose by 12%, and for the year to May 13 they improved by 7%.

Summer merchandise in most sections attracted much interest the past week, resulting in increased sales. Demand for women's apparel, garden wares and accessory lines was especially marked, according to Dun & Bradstreet, Inc., with a noteworthy increase also among uniform tailors, eating places, hotels and the smaller jewelry stores. The approaching wedding season stimulated interest in household effects such as coffee trays, chinaware and knick-knacks. There was, likewise, improvement in wholesale volume over the previous week and a similar period last year. Fall apparel was plentiful and orders large, the same source reports. Textile markets and mills were not overlooked and were reported sold out from 60 to 90 days ahead.

In the wholesale field tightness was evident, with civilian deliveries slow and fresh fruits short. Trading in canned goods was light, while household deliveries were back from four weeks to six months. Improvement occurred in bathing suits and cotton dresses with a return of better weather conditions, immediate delivery being sought. Towels also found a ready market, with everything available taken, the above authority disclosed.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index, moved upward by 31% for the week ended May 13, compared with the same week a year ago. It should be noted that in the latest week the sharp increase reflects in part the fact that this year Mother's Day was on May 14, whereas last year it fell on May 9, while sales for the four weeks' period ended May 13 advanced by 10% over a similar period a year ago. For the year to May 13 an increase of 6% was noted over a like period in 1943.

A modest increase was reflected in dividend disbursements by corporations the past month. Cash payments in April amounted to \$300,800,000, or an increase of 1.3% over the same month a year ago, the Department of Commerce reported. April's distributions brought the total for the first four months of 1944 to \$1,076,300,000, a gain of 2.2% over a similar period in 1943.

What Kind Of Land To Buy?

Roger W. Babson Talks To The Women

BABSON PARK, MASS.—As I have said before, I expect a few years of good business, after a short readjustment, following the collapse of Germany. About 1950, however,—unless a marked spiritual awakening develops in the meantime—business will be headed for a tailspin. It is impossible now to forecast what will happen during the years following 1950. If Russia is at that time able to give her



Roger W. Babson

people a satisfactory standard of living with full employment, America will then surely turn to the left with a vengeance; but if then, Russia has not made good economically, the New Deal will be thrown out the window and America will turn to the right. This is very important for readers, who are contemplating buying any land other than for cash, to keep in mind. If not for cash, be sure you can pay in full before 1950. I certainly would want to be out of debt by 1950 or before, if possible.

Post-War Farming

As a hedge against inflation, it is well to own free of debt a small place with sufficient good land to feed your own family, provided you have some other job to supply you with cash. A small five or ten acre farm, with good soil and water conditions, should be excellent insurance. Commercial farming, however, will be just as dangerous in the years to come as it was in pre-war days.

Each year it will be more and more difficult for the average commercial farmer to compete with the great mechanized farms which are developing in this country and will develop throughout the world after this war is over. I also fear that even these large mechanized farms may also be headed for trouble due to political interference and regulation. Therefore, as a sound business, commercialized farming does not appeal to me as a post-war investment.

Take Your Wife's Advice

It is true that the price of good farm land is on the up-grade and much of it will sell at even higher prices, but it is as dangerous to speculate in land as to speculate in anything else. This especially applies to those owning commercial citrus groves, fruit orchards, potato acreage and market gardens which have been paying big profits during the war. After the war the prices of such land could drop again to former pre-war prices. Now may be the time to take your wife's advice and sell, leaving the money in the bank and buying the same property back again a few years hence at half the price.

By the way, it has always seemed to me very unfair that husbands can put their families in debt without the approval of the wife. It is true that a man cannot sell land without his wife signing the deed, but he can buy a whole township without her having anything to say about it! The women's club should get legislation passed to the effect that no deeds to land can be "recorded" unless—in the case of married persons—the purchase is approved by both husband and wife in the case of both sales and purchases. I am gradually coming to the conclusion that women have a better sense regarding real estate, mortgages, etc., than have most men.

Where To Settle

One thing sure, if I were a woman, I should hunt up a man

for a husband who lives in one of the ten Community Property States. These are as follows: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, Oklahoma and Oregon. These States are fairest to women. In these States a wife is entitled to half of her husband's income. If both are wise, they will make a settlement at the end of each year and have their own safe deposit boxes and bank accounts. Even the states under the Old English common law are better for wives than are those states which still treat women unjustly.

Good land, good wives and good children are the best possible investments. But just having them "good" is not enough. When settling down for a home and family, be sure that you select the right State and the proper location within that State. Consider climate, taxes and opportunities. Service Men returning from the war should especially consider these things. Be willing to spend some time and money in locating in the right spot considering your own physical, mental and spiritual characteristics.

P. S. Please do not write me for legal advice. The last time I mentioned "community property," I received several hundred letters. I know something about the laws of Massachusetts, but cannot keep posted on the laws of the forty-seven other states.

Memorial Services For Veterans Of N. Y. P. O.

The annual memorial services for the Veterans of the New York Post Office who died during all of our wars, was held in the lobby of the General Post Office, Eighth Avenue and 33rd Street, on Tuesday, May 23, at 12 noon. Commander Eugene T. Crum and more than a thousand members of Dan Tallon Post 678, American Legion, the largest post of the Legion in the State of New York, and composed entirely of postal employees, were present at the ceremonies. The drum and bugle corps of the Dan Tallon Post supplied the music for the program, and Past Commander Ralph Jones presided.

Addresses were delivered by Postmaster Albert Goldman and W. E. Lewis, New York's State Commander of the American Legion. The invocation was rendered by Rabbi L. I. Newman of the Congregation Rudolph Sholem, and the benediction was offered by the Rev. L. A. Edelblute of the Holy Apostles Church.

Also participating in the ceremonies were John Jacob Astor Camp No. 98, United States Spanish War Veterans; Jesse Palmer Post No. 1068, American Legion; General Theodorus Bailey Post No. 104, Veterans of Foreign Wars; Railway Mail Service Post No. 957, American Legion, and Postal Garrison No. 1639, Army and Navy Union. The members of these organizations are active or retired postal employees.

Postmaster Goldman presented certificates, issued by the Dan Tallon Post, to the next of kin in memory of those who made the supreme sacrifice. At the conclusion of the ceremonies, the Postmaster, State Commander Lewis and Commander Crum placed a wreath on the bronze memorial tablet located in the Post Office lobby.

English Gold And Silver Markets

We reprint below the quarterly bullion letter of Samuel Montagu & Co., London, written under date of April 1.

Gold

The amount of gold held in the Issue Department of the Bank of England was unaltered at £241,718.

The Bank of England's buying rate for bar gold remained unchanged at 168s.0d. per fine ounce, at which figure the above amount was calculated.

The gold output of the Transvaal for the months of January and February, 1944, is given below, together with the figures for the corresponding months of 1943 for the purpose of comparison:

	1944	1943
	Fine ounces	Fine ounces
January	1,029,398	1,074,754
February	969,017	1,011,672

Silver

The first three months of the year were quiet, with the price remaining unchanged throughout the period at 23½d. per ounce standard for both cash and two months' delivery. Purchases for industrial purposes, connected with the war effort were well-maintained, and this demand was met mainly from official stocks, but with some offerings on occasion from production sources.

In Bombay, prices covered a wide range during the period under review. The lowest quotation was Rs. 117-2-0 per 100 tolas, equivalent to about 52d. per ounce standard, on Jan. 12, after which prices advanced steadily, the rise being accelerated towards the end of March by bear covering and speculative buying; the quotation on March 29 touched Rs. 140-0-0, which is equivalent to about 62½d. per ounce standard and is a new war-time peak price.

An interesting report was received from Teheran on March 29 that about 16,000,000 ounces of silver had been sold through the National Bank of Iran to the Government of India; it was stated that the silver had already been forwarded to India.

According to information received from Bombay early in February, a new Government notification has been made to the effect that seven days will now be allowed for delivery of silver and gold instead of the two clear working days to which forward dealings were limited by a notification issued last September.

FDR Lauds Contributions Of Latin-American Nations To Hemisphere Defense

Advices to the effect that the American Nations must prepare now for readjustment of economics after war production passes its peak, were conveyed to the Conference of Commissions of Inter-American Development in a message from President Roosevelt, read to the Conference in New York on May 9, according to the Associated Press, the President praised the contributions of Latin-American nations to hemisphere defense and said:

"But many tasks requiring joint effort among the Americas remain. One of the most important jobs is preparation for the time when we will have to readjust our economics after war production has passed its peak.

"How well we succeed in making a smooth transition from war to peace will depend in large part upon how we prepare now."

General Henry H. Arnold, Commanding general of the United States Army Air Forces, in addressing the Conference, told the delegates that without the cooperation of the Latin-American nations "the victory which we can now with certainty foresee would have been less clear."

Economist Urges Amendments To Price Control Act

Dr. Ivan Wright, Secretary Of The Economists' Committee On Reconversion Problems Suggests That Specific Provisions Be Inserted Prohibiting Profit Limitations

Important amendments to the Emergency Price Control Act of 1942 before its re-enactment by Congress were urged on May 22, by Dr. Ivan



Dr. Ivan Wright

Wright, Professor of Economics at Brooklyn College and Executive Secretary of the Economists' Committee on Reconversion Problems. Dr. Wright declared that before the Act is extended changes should be made, among other things, to specifically prohibit the use of the Act for regulation of business profits, by limiting or fixing them.

He suggested revisions designed to:

1. Assure that the production of essential civilian goods can be resumed as war production is cut back during the remainder of the period of hostilities.

2. End the fear that wartime price control will be used to undermine and weaken the private enterprise system.

3. Limit price control to the necessary objective of wartime price stabilization, without pursuing ulterior social and economic reforms that bear no relation to that objective, and are of very dubious wisdom at best.

4. Insert a special section covering the particular problem of reconversion pricing.

"With these objectives in view," Dr. Wright said, "I suggest the following amendments to the present law:

"(1) Specific prohibition of the use of the Emergency Price Control Act to regulate business profits.

"This could be done by amending Section 2 (a) to strike out the words 'and general increases or decreases in profits earned by sellers of the commodity or commodities, during or subsequent to the year ended Oct. 1, 1941.'

"In addition, Section 2 (b) should provide:

"Section 2 (b)—Nothing in this Section shall be construed to authorize the Administrator to limit or fix profit margins in industry or trade.

"(2) Insert a new Section 4 covering reconversion pricing, as follows:

"Section 4—When an industry which has been largely or entirely converted to war work finds itself in position to resume the manufacture of civilian goods, formal application for price readjustments shall be made to the Administrator as soon as practicable. The Administrator shall consider increases in costs that have occurred since Oct. 1, 1941, the effect of operations at a low rate of capacity, the amount of investment in fixed or working capital that will be required to reconvert, and the risks involved. Price readjustments should then be granted that will permit manufacturers, with reasonable efficiency of operation, to realize the same gross margin that they were realizing on Oct. 1, 1941, or if they were not making such civilian goods on that date, on the last date when they were in production on these goods.

"Nothing in this Section shall be construed to authorize the Administrator to require manufacturers to reduce prices on some products to offset readjustments granted under this Section, or to require compulsory pooling or cartels among manufacturers of these goods."

ABA Agricultural Commission Warns Banks Of Rising Farm Real Estate Prices

Attention to the upward spiral of farm real estate prices which appears to be in progress was called to the banks of the country in a bulletin sent to members of the American Bankers Association on May 18 by Otis A. Thompson, Chairman of the Association's Agricultural Commission, and President of the National Bank and Trust Company, Norwich, N. Y. Mr. Thompson points out that the nation's farm land prices as a whole have

risen 15% during the year ended March 1, and are now 38% above the average prices prevailing during the four years immediately preceding World War II (1935-1939).

"We are bombarded with warnings that farm land prices are following the pattern of 25 years ago and that a boom is in the making," says Mr. Thompson. The bulletin contains a map of the United States, showing the farm real estate prices in 1920, 1933, 1943, and 1944, based on the average for 1912-1914. It urges bankers "to check the figures for their own State to compare them with those prevailing in their community and to discuss the farm land price situation with their farmer friends and at all meetings with bankers." It lists seven factors in the farm land price situation that bankers should be thinking about. These are:

"1. More sales of farm real estate in 1943 than ever before,—even in 1919.

"2. The number of farms resold at a profit after only a short period of ownership is increasing considerably.

"3. While about one-half of the farms changing hands are sold for

cash, one-third of the other sales involve mortgages for 75% or more of the value of the property sold.

"4. Many city people are reported buying farms, not to operate themselves, but to hold as a hedge against inflation.

"5. Average land values in 13 of the leading farm States have risen more than 50% above pre-war levels.

"6. Present farm income is highest on record. Likely it will go down sometime after the shooting stops, as it did in the period following World War I.

"7. The trends in agriculture shown on page 4 of this bulletin seem to follow, in the main, those of World War I."

"The present situation is more hopeful than that of 25 years ago," Mr. Thompson said in his letter accompanying the bulletin, "because bankers and farmers are aware of the dangers of a land boom and are thinking about ways and means of avoiding the cataclysmic effects of any break."

The Financial Situation

(Continued from first page)

We have no particular interest in this new political entity, which appears to have as its main purpose in life the support of candidate Roosevelt, the promotion of the cause of Mr. Wallace and the furtherance of the New Deal in all its manifestations. Its program, or that part of it just quoted, is of significance primarily because it well typifies so much of the nonsense that is so often repeated by so many of divers political faiths concerning the post-war era, what it is likely to bring forth, and what so many star-gazers promise that it shall be like—and because there is reason to fear that all too many of us, hearing and repeating such things so often, are in real danger of believing them. In that situation disaster lurks.

Only a day or so before this new "liberal" group set forth its yearnings, a keener mind took occasion at one of the meetings of the Conference Board to warn of the tragedy likely to flow from constant preaching of such deceit to the men in the armed forces. Upon that occasion, Virgil Jordan said in part:

Let us not tell these sons and brothers of ours that we, or labor, or government, are going to guarantee them economic security in any sense and still leave them their civil liberty and personal freedom, if they still want it. It is not true. . . . Let us tell them rather that nobody can pledge them full employment as workers or permanent purchasing power as consumers without depriving them one by one of every individual freedom they have. Let us tell them frankly that no one can fix a national income figure for a people or enforce a statistical standard for employment or payrolls or consumption and still leave everything, or anything, about the life, labor or thought of everybody or anybody as it was before. Let us tell them instead that nobody, business or government, can plan tomorrow's employment for anyone without planning his occupation, spending, saving and consumption for him. . . . Let us not pretend to them that, for the first time in human history, something has happened in America while they were gone that makes the words "national planning" mean anything different in the end from personal compulsion. These boys may come back believing that civil liberty is less important or less problematic in the future than a full belly. . . .

Above all, let us not tell

them, that because business or government did not and could not give them both freedom and full employment, either in the Thirties or at any time before in the past century and a half, business betrayed them or the American idea has failed. They are being told this day by day, as we have been during the past decade, not only by the word-changing wizards in Washington but by business men and labor leaders, and it is a falsehood more cruel than any wound of flesh or faith this war will inflict upon them. The self-betrayal that lies beneath any such confession of sin or repudiation of the past on the part of business or labor leaders, is a brutal breach of trust to the millions of sons and brothers who are defending us, for it destroys their faith in America and abandons them to the darkness and despair of dependence on the State which is the spirit of that hopeless purgatory of Europe and Asia where they are.

Let us not confirm to them by our confusion and fear the falsehood that business in the Twenties, or at any other time, was a thing apart from everyone else in America, a collective group of people with complete power and sole responsibility to make prosperity or depression for everyone else, which they were too wicked, selfish or stupid to use with the wisdom, benevolence and purity which has since been permanently established in public office. . . . The errors or crimes, the ignorance or greed, the indolence or injustice, which may have brought down the great depression of the Thirties, or any of the past, were the common weaknesses of all, to which none in the community were immune, in America or elsewhere in the world. . . . To pretend otherwise is worse than falsehood. It is treason to the spirit and faith of American life. It is a shameful incitement to class strife in the American community, and business leaders, above all, should be humiliated that any among them should lend themselves to it, for whatever purpose of passing popularity or power. Certainly the men in the armed forces need such a champion. May unlimited success attend his efforts. Yet the danger is much broader than is thus indicated. Many are being deceived at home, too; indeed, one often suspects that—worst of all—the larger number of us are deceiving our-

Ahern Named Pres. Of Kings County Bankers

William J. Ahern, Assistant Vice-President of the Bank of the Manhattan Company, was elected President of the Kings County Bankers Association for the ensuing year at the annual meeting of the Association, held on May 16 at the Brooklyn Club, 131 Remsen Street, Brooklyn. Charles Oldenbuttel, Vice-President of the Peoples National Bank of Brooklyn, was elected Vice-President; John J. Hayes, Assistant Vice-President of the Manufacturers Trust Company, was elected Second Vice-President, and William J. Grange, Executive Vice-President of the Citizens Bank of Brooklyn, was re-elected Secretary and Treasurer.

The following were elected members of the Executive Committee of the Association, in addition to the President and First Vice-President who serve ex-officio: George P. Kennedy, President, Lafayette National Bank of Brooklyn; Harold F. Klein, Assistant Secretary of Brooklyn Trust Company, and J. H. Lawrence, Assistant Vice-President of the Public National Bank & Trust Company.

Results Of Treasury Bill Offering

The Secretary of the Treasury announced on May 23 that the tenders for \$1,200,000,000, or thereabouts, of 91-day Treasury bills to be dated May 25 and to mature Aug. 24, 1944, which were offered on May 19, were opened at the Federal Reserve Banks on May 22.

The details of this issue are as follows:

Total applied for, \$1,951,360,000.
Total accepted, \$1,207,114,000 (includes \$57,022,000 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 0.376% per annum.

(56% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on May 25 in the amount of \$1,007,677,000.

selves about many of these things. Nor need the speaker have limited his remarks to the incompatibility of statism and personal liberty. No one can promise the more abundant life through collective action of the sort in question with or without personal freedom. If the reformers and the others think they know how to eliminate what has become known as the business cycle, their confidence is but evidence of their ignorance or lack of judgment.

And so it is with most of the "advanced planning" for post-war. It is deception; it is self-deception; it is extremely hazardous. Let it proceed much further, and it might take a century or two under the most favorable circumstances to remedy the damage that may be done.

Faith In The Railroads

(Continued from first page)

products everywhere throughout the land.

Then came the railroads and they met our transportation needs. The country grew rapidly. Trade and commerce increased. The people prospered and living standards improved. During the greater part of a century, we were largely dependent upon the railroads for the movement of traffic, and they are today the backbone of our transportation system. No substitute has yet been devised upon which the public could depend for the mass transport service now furnished by the railroads.

However, as a people we take most everything for granted. We accept improved service as a commonplace and immediately demand more of it. We assume that we have always had it and we give little thought to the forces necessary to its creation. As a result, we paid little attention to the well-being of the railroads prior to the first World War. As long as the carriers provided satisfactory service and did not ask for increased rates, we assumed that they were all right. When times were good, we were friendly to the rail carriers. When times were bad, we were inclined to be critical of management.

But the first World War, with a governmental operation of the railroads, finally aroused public interest in the rail carriers. And the end of the war brought a nation-wide demand for a sound railroad policy. The Transportation Act of 1920 was the result. This Act really constituted a partnership. It obligated the railroads to provide the kind of a railroad system the country needed. In return, the carriers were to be permitted to earn a fair return on the capital invested in their transportation facilities.

That railroad management discharged its obligation under the Transportation Act, is admitted. That rail earnings fell far short of a fair return, is common knowledge. When the railroads emerged from governmental control in 1920, they were not in the best of condition—physically or financially. Therefore, the job of rehabilitation could not be done overnight. It required a little time and it cost money. Millions of dollars went for the betterment of roadway and structures. More millions were spent for modern locomotives, cars, signal systems, safety devices, and the like.

While management was later criticized for these expenditures, the performance of the railroads over the past two decades has more than justified them. But what is more important, the people got the kind of rail service they wanted. In a relatively short period of time, traffic was moving on dependable schedules—faster and safer than ever before. At the same time, the volume of trade and commerce rose; railroad earnings increased; the credit of the carriers improved; and investors evidenced renewed faith in rail securities.

But before better earnings enabled the carriers to absorb the rehabilitation expenditures on a sound financial basis, the post-war prosperity had vanished. A business depression had arrived for a long stay. Traffic volume of the railroads drifted to low ebb and earnings disappeared. Investors again lost faith in rail securities and the credit of the carriers vanished.

But railroad managers were not discouraged. They remained hopeful although there was little reason for optimism. Even during the depression, the railroad industry made substantial progress. Year after year, management established new high records for efficiency in railway operation. Improvement programs were progressed as far as resources would permit. When the European dis-

turbance started in 1939, these programs were speeded up. And when the war was brought to our shores—the railroads were ready.

But management took no chances—they endeavored to keep ahead of the wartime traffic demands. During the four years 1940-1943, the railroads spent more than 1¼ billion dollars for new and improved equipment. They installed nearly 238,000 new freight cars and more than 2,500 new locomotives. More than 700 million dollars went into the betterment of roadway and structures. These improvements were planned and executed solely for the purpose of handling more traffic. The total expenditure was financed by the railroads themselves. Government was not asked to help.

Today, equipment in need of repairs has been reduced to an all-time low point. In 1939, nearly 14% of all freight cars and 20% of all locomotives were awaiting repairs. Less than 3% of the freight cars and only about 5% of the locomotives are now going through the shops.

As a result, the railroads are producing more units of transportation service than ever before. Each day they haul nearly 4½ million tons of freight an average distance of 500 miles. Each day they carry about 2½ million people an average distance of more than 150 miles. This is an average of more than 100,000 passengers for every hour of the day and night—the equivalent of the population of many of our important cities. On the average, a freight or passenger train now leaves a terminal every two seconds. In 1943, the railroads handled more than twice as much inland freight and passenger traffic as was carried by all other commercial transportation agencies combined.

There is now a popular idea in some quarters that the railroads are too prosperous—at least more prosperous than any railroad ought to be. Of course, the railroads are doing better than they did in the depression years. And this is true of most lines of business. However, I hope railroad history is not about to repeat itself. Every time the railroads manage to get five or six steps ahead of the sheriff, there are always those who want to lop off the earnings and put the roads back in the bread line. We seem to forget that the railroad share of national prosperity has always been too little—and most of the time, it has come too late for the public good.

While the Transportation Act of 1920 carried a hope that the carriers would be permitted to earn the so-called fair return, the fact is that the railroad industry did not earn this fair return in a single year of the period during which the fair return provision was in effect.

During the decade 1921-1930, net income after taxes and fixed charges, averaged \$613,692,000 annually. This period included the prosperous years which followed the first war. Over the next ten years 1931-1940, net income averaged only a little more than \$40,000,000 annually. This period included the depression years following the business collapse of 1929.

Over the entire twenty-year period 1921-1940, net income averaged less than 327 million dollars annually. These figures speak for themselves. They certainly do not indicate high rates or excessive earning power for a 27 billion dollar industry which is essential to the national welfare. This is true particularly when we realize that over this same period, more than 10 billion dollars went into the improvement of railroad plant and equipment.

During the past three years 1941-1943, net income of the carriers has arisen to an average of

about \$758,500,000 annually. And the credit position of the industry has likewise improved. Here we have a clear illustration of the difference between a starvation ration and a living wage for the railroad industry. We also have a demonstration of what railroads do with money—when they are permitted to earn it.

Better earnings have enabled the rail carriers to put their house in order. Bank loans and other obligations, contracted during the depression years, are being paid. Funded debt is being reduced. Reserves are being set aside for renewals and betterments in the post-war period. Improved credit has encouraged refunding of long-term debt at lower interest rates. There can be no quarrel with this policy—it is definitely in the public interest.

But what is more important is the fact that present rail earnings are not the result of high rail rates, fares and charges. The average ton mile rate is now only a little more than nine mills. Think of it—less than a penny for moving the average ton of freight a distance of one mile. And what is still more important, this is the total cost of the service—it is all that any one ever pays for it. It should be apparent, therefore, that present earnings are the result of a high traffic volume and efficient operation—and not excessive rates.

Moreover, these low rates and charges are being maintained in the face of rising costs of railroad operation. Since 1939, the average hourly wage rate of railroad employes has increased more than 23%. Average annual compensation—the take-home money—has increased 38%. The cost of fuel, materials and supplies has risen nearly 30%. In 1939, rail taxes were less than one million dollars a day—they are now more than five million dollars daily.

Furthermore, the railroads have made voluntary reductions in rates in order to ease critical situations created by the war, and as a direct aid to the war effort itself. There are also greatly reduced fares for members of the armed forces traveling on furlough. These voluntary concessions aggregate a sizable sum each year.

This wartime record of the railroads speaks for itself. But it is not something that just happened. On the contrary, it is the result of planning and preparation for more than twenty years. But in spite of this fact, there are those who always find it difficult to have faith in a railroad system which is the envy of every nation in the world.

When the railroads emerged from governmental control in 1920, management was criticized for not having plant, equipment and facilities that would take care of our trade and commerce. Ten years later business collapsed and management was criticized for having too much plant, too many facilities, and a surplus of equipment. In fact, there were those who insisted that one-third of the railroad plant should be junked.

But while we were trying to decide what portion of the plant could be scrapped, another ten years rolled by and management again faced the question—are the railroads equipped to handle the traffic demands of war. For the past five years, there have been dire predictions that the railroads would fail—that a break-down in rail transport was just around the corner. Nevertheless, the railroads have given a good account of themselves in this war. Moreover, they will continue to meet the test—if they are able to secure the manpower necessary to operate the roads efficiently.

The railroads are sometimes compared with other industries. But there is a marked difference. When the country is normal, other industry enjoys a greater measure of freedom than do the railroads. When times are good, industry generally is relatively free to earn

money, and the public looks upon this earning power with approval. It can be liberal with stockholders, strengthen credit position, and create reserves for the future. When times are bad, it is free to reduce operations or even to close plants.

But the railroads cannot do these things—they operate in a somewhat restricted field. Rates, fares, and charges—the selling prices of railroad transportation, are controlled by government. Wages constitute the largest item of operating cost, and a governmental agency assists in the determination of railroad wage rates. Furthermore, the railroads cannot shut down—they must offer service day and night for any traffic that may be moving, and regardless of whether the volume is large or small.

While the railroads may have encountered difficulty in creating cash reserves in the past, they should certainly be permitted to create them in the future. If there was ever a time when the railroads should prepare for the rainy day—that time is now. This war is demanding a more intensive use of railroad plant and equipment than ever before. It goes without saying, therefore, that the carriers will emerge from this war with deferred maintenance, and the need for replacements all along the line.

There is much maintenance and replacement work which could be done now if the carriers could secure the necessary materials, supplies, and manpower. The work is being deferred solely as a result of wartime conditions. However, the carriers would be glad to set aside reserves to cover deferred maintenance and replacements, charging these amounts to current operating expenses, and spending the money in the post-war period. Such a policy on the part of the railroads would have the approval of the Interstate Commerce Commission.

Unfortunately, the taxing authorities are unwilling to recognize these charges as a current operating expense, and they insist that such expenditures cannot be charged to expenses until the money is actually spent. Therefore, there is nothing to be gained by setting up such reserves at this time. They would become reserves only after they had been taxed. And it would be necessary for the carriers to set aside more than five dollars in order to set up one dollar of cash reserve for spending in the post-war period. This is an interesting situation, particularly in view of the fact that Federal income taxes of the railroads now equal the sum which government pays to the railroads for the transport of Army and Navy war freight.

But this is only part of the story. The post-war period will bring a revival of keen competition in transportation. Motor trucks, buses, and air ships will return to the field of commercial transportation. And they will probably come back bigger and better than ever before.

In the past, our transportation policy has been based upon the premise that the way to cheapen service is to create more and more competition. If the newer forms of transportation did not attract private capital, we dipped into the public tax chest for the necessary funds—even when this meant the duplication of facilities which relatively few people demanded, and which nobody really needed.

This is not a sound premise. A transportation agency approaches the ideal in efficiency—when it operates as nearly as possible to maximum capacity. Present-day operation of the railroads proves this fact. They are carrying nearly twice as much traffic as they moved in the first World War period—with about one-third less equipment and 500,000 fewer employes than they had then. One freight car is today producing as many ton miles of service as two freight cars produced in 1918, and

nearly as many ton-miles as two cars did in 1929. The average ton-mile rate is lower than it has been in twenty-five years. This is evidence that the sound way to cheapen transportation is through traffic volume and efficient operation.

The wartime job of the railroads may be long remembered. The public may be more friendly to the rail carriers than ever before. But shippers and travelers are the buyers of transportation service. When the war ends, their products will also face highly competitive markets, and they will be looking for the best service at the lowest cost. If the railroads are to secure their share of the traffic, they must continue to improve the quality of service and to reduce the cost of producing it. They must keep pace with scientific developments in the art of railroad transportation, and they must have the best railroad tools that genius can develop.

The railroads know competition when they meet it. They have been meeting it for years and years, and they expect to meet it again when the war ends. But when I refer to post-war competition, I am assuming that we will then have a sound national transportation policy and that the field of transportation will be a fair field—with equality of opportunity for all forms of service.

Each transportation agency should occupy the sphere where it can do the best job at the lowest real cost. What we know as a "complete service" may require the use of one or more types of transportation service. Therefore, transport agencies should be permitted to provide a complete service—when it is essential or desirable.

Commercial transportation service, regardless of which agency provides it, should pay its way, and it should contribute its fair share to the public tax chest. Subsidies, preferred treatment, and special advantages, should be eliminated or reduced to a minimum. When public property is used in private business venture and for private gain, a fair and reasonable price should be paid for such use.

Government regulation is essential, but it should be applied in equal measure to all forms of transportation. It should protect the public interest, and it should foster and preserve our transport agencies in full vigor. It should not hamper managerial functions, and it should not crush initiative. It should permit carriers to conduct a profitable business under honest, efficient and economical management.

Such a policy would provide a sound solution for most of our transportation problems. It would encourage all transport agencies to keep pace with developments in the art of transportation. It would stimulate constructive competition and discourage cut-throat and destructive competitive practices. It would promote operating economies, put a brake on the needless duplication of service and facilities, and restrict the costly waste in our present system of transportation and distribution.

We now possess the greatest railroad system on the face of the globe. It provides the best rail service at the lowest real cost, to be found anywhere. It has served us faithfully for more than a century—in good times and in bad times. This railroad system was not created by the wave of a magic wand. It was not created by governmental edict. We have it as a result of the vision, the courage, and the determination, of a long line of empire builders—the men who made America what it is today.

In this war, the railroads are doing a job which has been acclaimed as a miracle of transportation. They have not asked for government subsidy or preferred treatment. They are not seeking special grants for the construction of war facilities. They are pri-

ILO Adopts Charter Of Liberties And Rights For All Peoples For Inclusion In Peace Treaty

The 26th International Labor Conference at Philadelphia adjourned on May 12, following the adoption unanimously of the social provision suggested by the United States for inclusion in the peace treaty and sending a strong message to the enslaved peoples of the occupied countries of Europe that their day of deliverance was not far off. We quote from special advices from Philadelphia to the New York

"Times" by Walter W. Ruch, who reported that at the same time the British Government made it clear that as regards Germany, it felt it was dealing with murderers and expressed the hope that there would be no moral indifference within the next 15 years that would prevent the victors from dealing with the Germans in the proper way. The advices as given in the "Times" by Mr. Ruch went on to say, in part:

"As for the occupied countries, themselves, their delegations in the closing hours of the conference presented a declaration which showed them to be more strongly bound together on problems of mutual concern than at any time in a quarter of a century, some of them put it.

"Outlining seven specific points for the betterment of the lot of the common man and for the implementing of the social objectives of the Atlantic and Philadelphia Charters, the United States' proposals also included an amendment by Australia to provide for an international conference on domestic problems of employment and unemployment in the near future.

"The proposals suggest that the peace treaty, or some other treaty to be concluded before the war is over, provide international guarantees of the right of a job for every person who wants one, of raised standards of living, of minimum standards of employment, and of effective recognition of the right of freedom of association and of collective bargaining.

"In addition, the resolution makes the governing body of the International Labor Organization a watchdog of world-wide employment, with the duty of calling a special conference of the ILO when in its opinion there is a danger of a substantial fall in general employment levels.

"Such conferences would be held to recommend appropriate measures to prevent the development or spread of unemployment and to establish conditions under which high levels of employment might be maintained or restored.

"Thunderous applause greeted the unanimous adoption of the United States resolution and the resolution pledging full and swift assistance to the occupied countries. Perhaps, however, the cheering and hand-clapping reached its climax for the day in Mitten Hall, at Temple University, when Sir Frederick William Leggett, British Government delegate, sounded his stern warning to Hitler in seconding the latter resolution. . . .

vately owned and operated—although they have been under governmental regulation and supervision for more than fifty years. They are a product of the American System and they demonstrate private enterprise at its best.

However, the railroads are not the sole determining factor in the prosperity of any particular section of the country, or of any special industry. They cannot be used successfully as the shock absorber of economic disturbance. They cannot create markets for surplus products which the world cannot consume. And they cannot spend money which they are not permitted to earn.

All that the railroads need and all they ask, is that we shall have faith in the integrity of an industry which is willing to stand on its record; that they enjoy the same measure of fair play that we accord to other business; that they be permitted to earn a living wage; with the opportunity to do a still better job in the future.

"I gladly second this resolution, and with it we convey a message of encouragement to those heroes and heroines in those countries. We ask them to stand by for but a short time longer, when we are coming to rescue them and make them well again."

"The resolution, introduced by Miss Frances Perkins, Secretary of Labor and United States Government delegate, expresses the conviction that the heroic resistance of the occupied countries is one of the essential factors in the struggle of the United Nations against the common enemy. It adds:

"We express the hope that the United Nations and other members of the conference will unite their efforts to promote in every way the economic and social recovery of all the countries sorely tried by enemy occupation and by the devastation due to war.

"We assert the determination of the ILO to associate its endeavors with the concerted will of the oppressed nations for the purpose of rebuilding their social life according to the principles of international solidarity and respect for the fundamental spiritual and human values."

Under date of May 10, Philadelphia advices to the New York "Herald Tribune" by Paul Tobenkin stated that two basic proposals which representatives of the United States, Great Britain and the 39 other nations attending the current parleys will demand be incorporated in the peace treaty at the end of the war were adopted today at the 26th world conference of the ILO. One by the whole assemblage of government, labor and management delegates, the other by a committee. These advices added:

"First adopted unanimously by the conference was a charter of liberties and rights for all peoples, coupled with obligations upon the governments of the world to maintain peace by providing adequate social, labor and economic standards. This is titled 'A Declaration Concerning the Aims and Purposes of the ILO,' although spoken of as the 'Philadelphia Charter' and compared by the delegates to the Atlantic Charter and considered an implementation of the principles enunciated by President Roosevelt and Prime Minister Churchill.

"Second was a United States Government proposal, adopted in the committee on recommendations to the United Nations by a vote of 46 to 3 over the opposition of Australia, calling for a 'general or special treaty or agreement between nations' which would recognize that it is the duty of every government 'to maintain a high level of employment.'

"The Australian Government, through J. A. Beasley, its delegate, said that the American plan constituted a refusal to enter any international undertaking to maintain high levels of employment, and proposed instead that governments be called on to bring positive action rather than 'lip service' to the cause of working people and the economic welfare of governments. A resolution to this effect was adopted unanimously.

"The resolution for a special treaty represented the limit to which the United States and Great Britain were prepared to commit themselves in advance of the peace."

Four Post-War Fiscal Problems

(Continued from first page)

that is advocating any other solution. There are many who may be skeptical but they would prefer it this way if it can be done. There are some that are over optimistic with respect to how easily it may be done; it will not be done by chance or as a matter of course or as an inevitable rule of natural law.

I think there has been a change in business attitude recently, perhaps not so much in attitude as in the use of words. We have heard a great deal of discussion over the past year about business responsibility to provide jobs. Today we are more likely to hear about business responsibility to provide markets.

People who talked about providing jobs really had in mind that the jobs would come from the markets. But the new language is much better and our thinking is much clearer when we think about business responsibility to provide markets; jobs and investment will come as the markets themselves are developed.

This afternoon, however, I am not going to spend any more time on discussing business and the opportunities of business in bringing about the conditions that we would all desire. I want to talk about another subject, post-war fiscal policy.

For hundreds of years people have been interested in bringing about a new world through tinkering with money. The individuals who become involved in these speculations are apt to become quite set on particular formulas. The men who become fascinated by the problems of money when they apply their imagination for the benefit of the social and public welfare are generally considered cranks and when they apply their information for their own private welfare they generally get rich.

I want to make clear that I do not believe that we can attain our objective through the manipulations of money. What we should try to do with our fiscal policy is more to remove the obstacles to high consumption and to facilitate our prospects of getting there.

Here is a medical illustration I think may be helpful.

A doctor told me once upon a time that if you had a patient suffering from both tuberculosis and diabetes you would first attempt to control the diabetes, that is to correct the disorders of metabolism so that the body could be strong to resist the second disease.

I think of the fiscal policy in something of the same way; that we must see to it that our fiscal policy and our monetary measures help in moving goods from producer to distributor to consumer at a high level and then the other problems which we have, and there are many of them, can be studied and corrected in the light of a healthy economic system.

When we talk about fiscal policy there are four questions that loom largest in peoples' minds.

First, what about taxes after the war?

Second, what about the national debt?

Third, what can we expect from public works?

And finally, what about social security?

In the remaining minutes that are left I should like to discuss these questions. I should like to put before you on each of these four questions a basic principle which seems to me common sense, to be non-controversial, but which if accepted would lead us far ahead. There will be plenty to discuss even if these questions are answered by agreeing to principles which from my points of view seem clear, common sense and matter of fact.

With respect to post-war taxes, I should think we might adopt this principle, that we will reduce

taxes to balance the budget at high employment. It is very easily stated and I think the principle is easily understood. High employment does not mean super employment, not the highest possible employment, not employment involving overtime, or the employment of people who ought not to be at work; only a high level of employment that we would agree was socially acceptable. That level seems to be about 55,000,000.

"To balance the budget at high employment." That is where the budget should be balanced. If it is balanced before that, at \$120,000,000,000 instead of \$140,000,000,000.00, it means pushing against the tax system all the way, whereas if your budget will balance at \$140,000,000,000.00, the tax system will help you all the way up. It makes it possible to fix tax rates and leave them alone, not changing them every year. It makes it possible leaving them alone after your goal has been reached, to build balances, surpluses which can either be held as balances or can be used to reduce the national debt.

It seems to me clear that there is nothing to be gained in balancing the budget at any other point than high employment. We should design our tax system to work with us instead of against us, as it has done for fifteen years.

The only objection to such a program that I have heard comes from people who constitutionally believe that anything that is pleasant is sin. This would be a most encouraging and pleasant tax policy. We will have a very large budget after the war under any circumstances. Business men accept too easily the necessity of a budget of \$22,000,000,000.00 or \$24,000,000,000.00 or \$25,000,000,000.00. We must fight for as low a budget as is practical, but the lowest practical budget seems to me to be around \$17,000,000,000.00 or \$18,000,000,000.00, and that is a lot of money.

With the policy of balancing this budget at high employment, drastic reductions in taxes can be made at once, as soon as we have come through our reconversion. It is very important to bear this qualification in mind because until we are reconverted, we are not in the position of being able to produce \$140,000,000,000.00. But when we are in that position immediately our rates can come down.

To give you some idea as to what is possible, but without making any positive recommendation, let me point out that we could eliminate all our excise taxes except those of tobacco and alcohol. We can eliminate the corporation tax entirely and we can take a third off the individual income tax and still balance an \$18,000,000,000.00 budget at high employment.

I mention this particular combination for two reasons. One is to show what can be done, and also to show that there is plenty of controversy left about taxes after we agree on this basic principle.

As to the corporation tax I think it is very helpful to understand that the corporation tax has become one of the costs of production, that there is really no such thing as a corporation that can be taxed; that taxes are paid by people either in higher prices, lower wages or lower dividends. And that in all cases harm is done to the economic system by taking tax money at the point of production and distribution.

The second question is the question about the national debt. I believe that on reflection every one will agree that we cannot know today very much about that problem, not only because we do not know what the magnitude of the debt is going to be, but also because it represents a new situa-

tion as far as the public finance of this country is concerned. It is a problem that has to be studied with complete intellectual detachment, without politics, bias or emotion of any kind, without thinking in terms of superstition instead of in terms of ideas.

There are, however, certain things which I think we can be reasonably sure of about the national debt. First, I think we can be reasonably sure that the easy answers are probably wrong. By that I mean that it is certainly not true that the debt is not important simply because we owe it to ourselves. I must say that if anyone tells you that every child born in this country has a debt of \$25,000.00 hanging around its neck, it is perfectly fair to say that at the same time it has a silver spoon worth \$25,000.00 in its mouth.

Let us dismiss the proposition that the debt is of no importance because we owe it to ourselves. It is important.

The other simple suggestion that is also probably wrong is that the debt can be amortized by fixed annual installments over a period of years without regard to the state of employment and production. That simple answer is taken from the experience of business and private individuals with home mortgages and other indebtedness—that is, that we can amortize the debt by fixing annual installments over a period of years regardless of the economic or employment situation. I think we do know, however, this: that the interest on the debt is more important than its face value from the standpoint of fiscal policy. I think we know that the debt will be paid off, principle or interest as it becomes due and, I think we know that the amortization of the debt will take place under conditions which are consistent with the prior requirement of high employment and high production. These are basic principles, a frame of reference which we can use in approaching the problem of the national debt.

Now, with relation to the question of public works and what can we do about them. Ever since early 1920's the proposal has been actively urged, and accepted to a certain extent, that public works can be used to stabilize the business cycle, that public works can be used to fill in the valleys of depression, that public works can be made to provide work for the unemployed. I think that the experience of the 1930's shows that that is not true. The swing of a major business cycle is much too great for any handling of the matter by way of public works. Not only that, but as you think about the matter it becomes clear that even if we could use public works to stabilize the whole business cycle you could only do it by unstabilizing the construction industry, by whipsawing men in and out of industry according to the needs of the business cycle. This clearly would not be an acceptable public policy.

There is something, however, that we can do. We can adopt as a principle that we will plan our public works so that we stabilize the construction industry itself; so that public and private employment in construction in the aggregate is at about the same level year after year and throughout the year. This principle gives a difficult but a reasonably attainable objective. It gives you something that you could really shoot at.

Now, what that level should be is a matter on which there can be a great deal of discussion. If you take as an ideal that you wanted to rebuild the physical plan of the country once a generation, that has a certain amount of appeal due to the fact that it would mean one generation on the average turning to the next new houses and new factories and new schools. Such a program would require about 8% of the national product and employ about six and one-half

million men on and off site.

These preliminary estimates are consistent with our experience with the construction industry in the latter part of the 1920's.

If we should make a commitment to use public works to stabilize the construction industry a number of things would happen. One thing that would almost certainly happen is that the costs in the construction industry would go down. The unpredictable and wide swings in the construction industry have made it necessary for the industry throughout all its branches to make sure that the prices that it receives when it is at work will pay for its living expenses and its idle plant expense when it is idle. Since these swings are unpredictable, the estimates and costs and restrictions have resulted in a high cost industry. Consequently, over the years a fixed number of men employed in a stabilized industry should give us a larger and larger product as the years go by.

You may have read that I favor a Congressional inquiry at the present time into the construction industry. I made this suggestion, not in the spirit of witch hunting or in a hostile spirit at all; at the present time there is no scandal that requires investigation, no emotional crisis that would distort judgment. It may turn out that certain immunities under the Anti-Trust Law will be necessary if we are going to stabilize the construction industry and if that happens, there should be corresponding regulation by a public body.

I am thinking of an inquiry of the scope, dignity, and competence of the National Monetary Commission, following which the Federal Reserve System was established.

I think the time to undertake that investigation is now. We will have probably after the war a short period of three to five years of intensive construction activity in catching up. It will take us that long, first to decide to have such an investigation, second, to make it, third, to adopt its conclusions. I think we ought to know what direction we would like to go in this important industry.

Now, for the fourth question I raised; what about the social security? Social security from the standpoint of fiscal policy? I am not raising any questions with respect to what level of benefits or who should get them. I am only raising the question of how the social-security program should be financed.

It seems to me clear from a fiscal policy point of view that these programs, the old age program and the unemployment insurance program should be so financed that they are not deflationary at times of mass unemployment. I think the programs stand on a somewhat different basis and should be considered separately. For old age security it seems to me reasonable to so arrange affairs that income and outgo should be at about the same level. As far as unemployment insurance is concerned, it seems to me that the unemployment trust fund should not build balances except at levels of high employment. It seems inconsistent with the purposes of an unemployment insurance fund to so finance it that it creates the unemployment that it is intended to relieve.

I think we can say that it is sheer folly to build reserves in either fund at times of mass unemployment. Insofar as reserves are built in the funds they will have to turn up as deficits in the regular budget and such deficits mean irresponsibility.

Now, then, if we can agree on these basic principles; on taxes, reducing taxes to balance the budget at high employment, on the debt, to make sure that amortization of the debt is consistent with maintaining high employment. If we could agree that public works should be used to stab-

lize the construction industry and not to even out the whole business cycle, and that the social security program should be neutral in terms of its effect on fiscal policy, I think we will have gone a long way, a very long way indeed in clearing away some of the obstacles to high employment.

These measures of themselves will not guarantee high employment. These principles do not solve the problems that are presented by the questions, but they do represent a first point on which we can get agreement on a non-controversial, common sense basis.

We are still left, however, with the problem of the administrative and legislative aspects of fiscal policy and here I think we may well be apprehensive. At the present time, under the existing organization of the Federal Government there is no possibility of either adopting a fiscal policy or administering one.

There are four committees in the House, committees that have immediate relations to fiscal policies. In the Senate there are three. In the Executive Branch there are at least four departments and perhaps more, and outside of them all is the Federal Reserve System.

There are doubtless many solutions as to how there may be some clarification, reorganization, reassembly of these forces bearing on fiscal policy. I will mention one of these.

A proposal has been made by the National Planning Association, by its Committee of Business, its Committee of Labor, and its Committee of Agriculture. These Committees propose that there should be one committee in the House on fiscal policy consisting of certain members of the existing four committees, and one committee in the Senate; that there should be an office of the same stature as the present Office of War Mobilization which would give directives under the law to the various departments of the Executive Branch whose policies in detail should be guided by our fiscal policy in general; that the Federal Reserve System should be left where it is to coordinate the activities of the twelve banks and the open market policies of the system. The National Planning Association has said that this is the minimum amount of coordination that will make it possible to have a clarity of policy and consistency of administration in the fiscal and monetary area.

These administrative reforms must be made before anything else can be done. It is time to stop dreaming about spending our way into prosperity or balancing the budget at times of mass unemployment. These things cannot be done unless we have both legislative and executive coordination so that the measures that must be taken will be taken.

Let me go back and repeat what I have said before so that there may be no misunderstanding. Measures of fiscal policy can clear the way and can facilitate; they cannot produce goods, and services, they cannot give employment. They can create a situation in which high employment becomes possible as business and industry and commerce lead the way.

N. Y. Banks Agree To Plan To Liquidate Chilean Loan

Under date of May 15 Associated Press advices from Santiago, said:

"The Chilean government announced today agreements had been reached with National City Bank and Guaranty Trust Co. of New York under which loans made by those banks would be liquidated at approximately 18% of the balances outstanding, \$11,500,000 and \$6,000,000, respectively.

"None of the Chilean Treasury bills representing the loans, made with the banks in the late 1920s and previously adjusted and partially paid, was held publicly.

Roosevelt Lauds ILO Social Objectives—Says Program Worthy Of Treaty Action By Nations

Congratulating those participating in the International Labor Conference in Philadelphia, President Roosevelt on May 17 referred to the declaration adopted by the Conference, as summing up "the aspirations of an epoch which has known two world wars." "As I look over the report of your work," said the President, "I see that you have, for the first time in history, set out in a form which could be adopted as a treaty by the Na-

tions, a particular series of social objectives." "I note," he added, "that among other things they include full employment, wages and working conditions calculated to insure a just share of the fruits of progress to all, the extension of social security, the recognition of the right of collective bargaining, provision for child welfare, and the assurance of adequate educational and vocational opportunities." "It will be your responsibility," said the President, "to promote these objectives through your own organization, and through such international agencies as may be created."

The President's remarks were addressed to about 150 delegates to the recently adjourned Conference of the ILO, these delegates representing 40 or more countries, who called upon the President following the conclusion of the Philadelphia Conference. Noting that the President delivered his brief speech from his desk in the Executive office the Philadelphia "Inquirer," in an account by William C. Murphy, Jr., from its Washington bureau, said, "The Philadelphia Declaration was signed, with the President as a witness, by Walter Nash, Minister of New Zealand, who was Chairman of the conference, and Edward J. Phelan, Acting Director of the ILO Secretariat."

Mr. Nash, Sir John Forbes Watson, of Great Britain, Chairman of the Employers' Group; and Jef Rens, of Belgium, chairman of the Employees' Group, responded and thanked the President for his interest in the meeting.

The address of the President follows: "It is a great pleasure to have you with us here in the White House again. As I pointed out to you when we last met—two and a half years ago—taking part in a conference of the International Labor Organization is not a new experience for me. I take pride in the fact that I was permitted to play a part in the first conference of the organization that was held here in Washington in 1919.

"Those were indeed trying days when last we met in 1941. The fate of the free peoples of the entire world hung in the balance. Yet, with the courage and foresight that have always characterized the International Labor Organization, you as representatives of governments, workers and employers had the boldness to come together from all parts of the world to formulate plans for reconstruction.

"You have been meeting in Philadelphia where, 168 years ago, the fathers of this Republic affirmed certain truths to be self-evident. They declared that among other things all men are endowed by their creator with certain inalienable rights, among them life, liberty and the pursuit of happiness. In these words are expressed the abiding purpose of all peoples imbued with the ideals of freedom and democracy.

"The declaration which you have formulated in Philadelphia may well acquire a similar significance. In it you have reaffirmed principles which are the essential bulwarks of any permanent peace. With the expanding use of machinery and the revolution in transportation, it is well that the world should recognize the fundamental principle of your declaration: 'Poverty anywhere constitutes a danger to prosperity everywhere.' This principle is a guide to all of our international economic deliberations.

"You have affirmed the right of

all human beings to material well-being and spiritual development under conditions of freedom and dignity and under conditions of economic security and opportunity. The attainment of those conditions must constitute a central aim of national and international policy. Indeed, the worthiness and success of international policies will be measured in the future by the extent to which they promote the achievement of this end.

"Your declaration sums up the aspirations of an epoch which has known two world wars. I confidently believe that future generations will look back upon it as a landmark in world thinking. I am glad to have this opportunity of endorsing its specific terms on behalf of the United States. I trust, also, that within a short time its specific terms will be wholeheartedly endorsed by all of the United Nations.

"As I look over the report of your work, I see that you have, for the first time in history, set out, in a form which could be adopted as a treaty by the nations, a particular series of social objectives. I note that among other things they include full employment, wages and working conditions calculated to insure a just share of the fruits of progress to all, the extension of social security, the recognition of the right of collective bargaining, provision for child welfare and the assurance of adequate educational and vocational opportunities. It will be your responsibility to promote these objectives through your own organization and through such international agencies as may be created.

"With great wisdom you have realized that these social objectives cannot be attained and supported without a high level of useful economic activity. You have recommended a series of economic policies and undertakings designed to bring about a material economy which will make it possible to maintain them.

"You have also wisely provided for the further development and reorganization of the International Labor Organization itself so that it may be broadened and strengthened for carrying out these social objectives and at the same time integrated on a cooperative basis with whatever new international agency or agencies are created by the United Nations. This forms an admirable pattern for formulating certain aspects of the peace. I want to assure you that this Government will do everything in its power to see that the provisions for the attainment of these social and labor objectives shall be included.

"The people of the occupied countries are in deep suffering. Their representatives have agreed upon the social objectives and economic policies you have set forth. I trust that this marks the beginning of a new and better day, a period of hope for material comfort, for security and for spiritual and personal development, for all those groups now suffering so sorely under the heel of the oppressor. The United Nations will be determined that all the oppressed of the earth shall be included in these social objectives.

"I want to offer my congratulations to those of you who have participated in this conference. You have my gratitude for the program of mutual helpfulness which you have laid out—a program which, I am sure, will inspire all those in our generation

Illinois Bankers Will Hold 54th Convention

About 1,000 bankers and their wives were expected to attend the 54th annual convention of the Illinois Bankers Association May 24-26 at the Palmer House, Chicago. George R. Boyles, President of the Association, announced on May 11. Authorities on all phases of wartime and postwar banking and economic subjects were scheduled to address the sessions. Robert M. Hanes, President of the Wachovia Bank & Trust Co., Winston-Salem, N. C., and newly appointed Chairman of the American Bankers Association committee. Dr. E. A. Goldenweider, Director of the Research and Statistics Division of the Federal Reserve System, and Edgar Ansel Mowrer, Chicago "Daily News" foreign correspondent, were prominent among the speakers announced. The names on the program also included as speakers Frederick A. Virkus, chairman of the Conference of Small Business Organizations; Earl C. Smith, President of the Illinois Agricultural Association; Mr. Boyles, and several other leading bankers. In connection with the convention, meetings will also be held of Illinois members of the American Bankers Association, the Illinois Bankers Foundation, Inc., and the Council of Administration.

A feature of the meeting was the celebration of the 80th birthday of J. M. Appel, Board Chairman of the First National Bank of Highland Park, Ill., at the past Presidents' annual dinner on May 24. One of the first appearances of a color guard of members of the United States Marine Corps Women's Reserve took place at the annual dinner of the Association May 25.

Would Issue Postal Notes To Mail Money Up To \$10

A system of postal notes is provided in a bill passed in the House on May 2, whereby there may be transmitted in the mails any sum not to exceed \$10, to cost the sender at the present time not more than 5 cents. As explained by Representative Burch of Virginia in the House on May 2, "the Post Master General is given authority, if he finds that the incomes from the postal note is greater than the expense, to reduce it to not less than 3 cents. If the cost of the postal note is greater than 5 cents, he is given authority to increase it to 6 cents." Mr. Burch, the "Congressional Record" reports, added that "this is simply for the purpose of transmitting money through the mail at a very small expense, and it is for the general good of the public."

Associated Press advices from Washington May 2 stated:

"The legislation provides for handling of small amounts now moved by postoffice money orders and on which fees run from 10 to 19 cents. About 70% of the postal money order business is for amounts of \$10 or less."

Confirms McConnaughey

On May 17 the U. S. Senate confirmed the renomination of Robert K. McConnaughey, Ohio, as a member of the Securities and Exchange Commission. Mr. McConnaughey was named by President Roosevelt on May 11 for another term expiring June 5, 1949. The Senate Committee on Banking and Currency reported in favor of the nomination unanimously.

who want to build and maintain a just peace."

The sessions of the ILO opened in Philadelphia, on April 17 and were brought to a close on May 12.

A. L. M. Wiggins Of American Bankers To Address A. I. B. Warlike Conference

A. L. M. Wiggins, President of the American Bankers Association, will address the wartime conference of the American Institute of Banking, to be held in St. Louis, June 6-8, it is announced by David L. Colby, President of the Institute. Mr. Wiggins will speak at the first business session of the two-and-a-half-day conference, which session will be on Tuesday afternoon, June 6. The conference, which will serve as the 42nd annual meeting, will transact the Institute's essential business. There will be business sessions on Tuesday afternoon, June 6, and Thursday morning, June 8.

The annual National Public Speaking Contest for the A. P. Giannini Educational Endowment Prizes, which has been held for 17 consecutive years, will take place Tuesday evening, June 6. Wednesday, June 7, will be given over to an educational conference in the morning and a chapter administration conference in the afternoon. The annual pre-election caucus will be held Wednesday evening, and the election of officers will follow the closing session on Thursday morning.

The Institute's Executive Council has recommended to all chapters and study groups that attendance be restricted in compliance with the suggestions of the Office of Defense Transportation. In addition, it is stated the conference will be held for five purposes. These are to review the educational problems confronting chapter leaders so that an educational program designed to help banks in the training of new and upgraded employees can be effected; to review administrative problems confronting chapter leaders in order that the most effective methods of presenting and publicizing such an educational program can be achieved; to review the progress of the Job Instructor Training (JIT) Program, which is considered essential to the war effort; to review the broad, overall training needs of banks for the next several years and to plan for an adequate educational program to cover those needs; to elect the Institute's officers for the ensuing year and transact other official business of the Institute.

Hope That Greeks May Be Brought Back To Allied Camp Expressed By Roosevelt

President Roosevelt has taken occasion to advise Prime Minister Churchill that he joins with him in his hope that his line of action "may succeed in bringing the Greeks back into the Allied camp and to participation against the barbarians." The President's letter, made public at Cairo, was given as follows in Associated Press accounts from that city May 1, according to the New York "Herald Tribune":

"Thank you for the information regarding the recent difficulties encountered in the Greek participation in our Allied effort. I join you in the hope your line of action towards the problem may succeed in bringing the Greeks back into the Allied camp and to participation against the barbarians. That will be worthy of the traditions established by the heroes of Greek history.

"Frankly, as one whose family and who personally has contributed personal help to Greek independence for over a century, I am unhappy over the present situation and I hope Greeks everywhere will set aside pettiness and regain their sense of proportion.

"Let every Greek think of his glorious past and show a personal unselfishness which is so necessary now."

Dunkman Heads New Div. of NY Bank Dept.

Elliott V. Bell, Superintendent of Banks, announced on May 19 the appointment of William E. Dunkman as chief of the newly created Division of Research and Statistics in the Banking Department. Mr. Dunkman is on leave of absence from the University of Rochester, where he holds an Associate Professorship in Economics. Before accepting appointment to the Banking Department Mr. Dunkman had been in the employ of the War Production Board and the Office of Price Administration for more than two years. More recently he has been price executive of the OPA's export-import branch. Mr. Dunkman, who graduated from the University of Cincinnati in 1926, did post-graduate work in economics and banking at Columbia University and was awarded a Ph. D degree in 1933. He was assistant to the late Dr. H. Parker Willis and lecturer in banking at Columbia University from 1929 to 1933. Since 1933 he has been a member of the faculty of the University of Rochester. Mr. Dunkman is the author of "Qualitative Credit Control" and "Questions in Money and Banking."

Mr. Bell said that Mr. Dunkman would have charge of the compilation and analyzing of the statistical information received by the Banking Department from institutions under its supervision and would make special studies in money and banking for the Department.

1944 Wheat Loan Program

Wheat loans averaging nationally \$1.28 a bushel at the farm will be made by the War Food Administration's Commodity Credit Corporation on the 1944 crop. Last year the average was \$1.23. The War Food Administration of the Department of Agriculture, reporting this on May 16, further said:

"Loans will be made on a note and chattel mortgage basis for wheat stored on farms and a note and loan agreement for wheat stored in approved warehouses.

"Wheat produced in 1944 grading U. S. No. 3 or better or grading U. S. No. 4 or U. S. No. 5 because of test weight only, will be eligible for loan. Loans will vary from the basic rate of \$1.28 per bushel at the farm to take into account location, grade, and quality. For example, the loan rate for No. 1 hard winter wheat at Kansas City for 1944 is \$1.44 per bushel as compared with \$1.33 in 1943.

"Seven cents per bushel storage allowance will be advanced at the time of the loan on all farm-stored wheat. Loans on both farm-stored and warehouse-stored wheat will mature on demand but not later than April 30, 1945. Any loan may be liquidated by the payment of the full amount advanced plus 3% interest from the date of the note. All loans will be administered in the counties by county Agricultural Adjustment Agency committees under the general supervision of the State committees.

"Loan values at selected terminal markets are as follows: No. 1 hard winter, at Kansas City, \$1.44; at Omaha, \$1.44; at Galveston, \$1.52; at Chicago, \$1.49; at St. Louis, \$1.49. No. 1 soft white or western white at Portland, \$1.39; No. 1 dark northern spring, at Minneapolis, \$1.46; No. 1 red winter, at Chicago, \$1.49; at St. Louis, \$1.49; at Philadelphia, \$1.60; at Baltimore, \$1.60; at Louisville, \$1.51.

Supreme Court Rejects Plea For Rehearing Of Ruling Permitting Negro Vote In Texas Primaries

Two requests for a rehearing of its ruling of April 3, granting Negroes the right to vote in Texas Democratic Party primary elections, were rejected by the U. S. Supreme Court on May 8. The April 3 ruling of the Court was referred to in our issue of April 27, page 1741, at which time it was noted that on April 20 Attorney General Grover Sellers of Texas set aside its ruling, asking permission at the same time to personally argue the rehearing request.

Besides Attorney General Sellers, reconsideration of the decision had also been asked by the two Houston election judges who were defendants in a suit brought by a Negro. Texas Attorney General Sellers contended that the court had erred in ruling that the Federal Constitution prevents the Texas Democratic Party from conducting a "white" primary.

United Press advices from Washington, May 8, from which we quote, added:

"He and the election judges—S. E. Allwright and James E. Liuzza—argued that the Democratic Party in Texas is a 'voluntary association,' not an instrument of the State or any governmental agency."

"While the April 3 ruling specifically affected Texas, it also applies to all other States having similar primary laws. Southern Congressmen have said that ways will be found to bar Negroes from primaries, and some suggested a return to the State convention system."

"Barring such action, the court ruling will be tested in Texas July 22, when that State holds primaries for Congressional, State and county offices."

From Associated Press advices from Washington, May 8, we take the following:

"The recent decision held that the Democratic Party in Texas

is required to follow State legislative procedure in selecting party nominees in primary elections, and thus the party becomes a State agency. To this, Mr. Sellers complained:

"This court makes much of the fact that the statutes of Texas regulate the manner in which primary elections are conducted. It is true that the statutes so operate, but it is equally true that under the Constitution and decisions in Texas, all primary elections are conducted by party officials at party expense, and that the State can say not one word with respect to the persons who are entitled to participate in such elections. . . . Strange, indeed, is a doctrine which transforms a private association into a State agency merely because the police powers of the State are applicable to such association."

"The election judges, S. E. Allwright and James E. Liuzza, told the Supreme Court that 'the Democratic party (nor any other party) in Texas is not responsible for the acts of the Legislature and cannot prevent enactment of statutes which attempt to control party affairs.'"

In the item in our April 27 edition it was noted that with a view to preventing Negroes from voting in the Democratic primaries, a special session of the South Carolina General Assembly passed on April 17 hundreds of bills repealing primary laws on the State books.

Final Dividend To Creditors & Depositors Of Bank Of U. S.

Elliott V. Bell, New York Superintendent of Banks, announced on May 17 payment of a ninth and final dividend of 1 1/2%, or \$1,475,000, to the depositors and creditors of The Bank of United States. This payment followed the signing of an order by Justice John E. McGeehan in Supreme Court on May 16 approving the final account of the Superintendent as liquidator of The Bank of United States. With this payment, the depositors and creditors will have received 76 1/2% of their claims. Announcement of this was made May 17 by the State Banking Department, which also said:

"The Bank of United States was closed on December 11, 1930. At the time of its closing it had 59 branches and 413,000 depositors. Checks for the ninth and final dividend have been mailed to approximately 200,000 depositors. The present addresses of about 200,000 depositors are unknown to the Banking Department. Over 45% of the depositors of The Bank of United States have failed to receive one or more dividends aggregating over \$1,500,000 set aside for them."

A reference to the final accounting of the bank's affairs appeared in our May 18 issue, page 2055.

Advertising Medium To Participate In Convention

Plans have been completed by four major media—newspapers, magazines, radio and trade papers—for their participation in the advertising clinic which features the second day of the 62nd annual convention of the Proprietary Association of America, to be held at the Hotel Biltmore, New York, on May 15-17. William Y. Preyer, President of Vick Chemical Co. and Chairman of the Association's Advertising Advisory Committee, will preside at the clinic on May 16. For the newspapers, a presentation on readership habits will be made by the Bureau of Advertising of the American Newspaper Publishers Association, under William A. Thomson, director, with Allen B. Sikes, eastern manager, assisting.

The magazine presentation will be made by the Periodical Publishers Association, under direction of Frank Braucher, President, with W. H. Mullen, director of the Magazine Advertising Bureau, assisting. For radio, presentation will be made by National Association of Broadcasters, with J. Harold Ryan, President, and Lewis H. Avery, director of broadcast advertising, assisting. For the trade press, presentation will be made by Pauline Arnold, of Market Research Corp. of America, who will give the results of an advertising survey of drug stores, and Stanley A. Knisely, executive vice-president of Associated Business Papers, who will note the conclusions.

The convention program includes meetings of the Scientific Section of the Proprietary Association, the Veterinary Section and the Section on Foreign Trade. Government officials who will speak at the convention are Fred J. Stock of the Chemicals Bureau, War Production Board; Robert P. Fischelis of the Office of Civilian Requirements, and T. W. Delahanty of the drugs and pharmaceutical unit, Bureau of Foreign and Domestic Commerce. Another speaker will be Ralph Heinzen, long-time United Press manager in France.

bassador to Britain, was particularly helpful and is playing an important role in international affairs, he said."

Items bearing on the trip of Mr. Stettinius to London appeared in our issues of March 23, page 1230, and May 1, page 1809.

New Type Of Labor Union Leadership Urged

Labor unions will require a new type of leadership after the war, according to Morris Llewellyn Cooke, consulting engineer and Chairman of the American Technical Mission to Brazil. In an article published April 14 in "After the War," official publication of the New York University Institute on Post-war Reconstruction, Mr. Cooke asserts that organized labor is entering a new era in which its relations with management

will no longer be characterized by bitter industrial strife but by a cooperative approach to common production problems. He also says: "There is necessarily a significant difference in the type of leaders of both management and labor, as between those best fitted for the rough-and-tumble relationship that precedes collective bargaining and the type that may be expected gradually to emerge when the fact of unionism has received the broad acceptance which is the rule in Great Britain and was the rule in all Scandinavia before Hitler took over. Militancy of heart and hand has characterized the successful leaders in the dying era. Industrial

statesmanship is required under the only type of collective bargaining worthy of development."

Urging greater public recognition of the constructive role which labor unions can play in a post-war economy based on full employment and capacity production, Mr. Cooke calls upon schools and colleges to introduce courses on unionism in their curricula for management, union leaders and the general public. In his article Mr. Cooke also calls for a continuation of labor-management committees in industrial plants after the war emergency is over and for placing greater emphasis on the Department of Labor's conciliation work.

U. S. Supreme Court To Review Findings Of New York Court In Associated Press Case

On May 8 the United States Supreme Court agreed to review the decision of the Federal District Court of New York—in a 3-judge ruling—handed down in the Government's anti-trust action against the Associated Press. From Washington May 8 United Press accounts stated:

In a brief notation on its order list, the Court noted "probable jurisdiction" in the matter. Such a notation means that the Court agrees to hear oral arguments and accept briefs on the case. The arguments were expected to be heard in the fall. The same advices (United Press) added:

The Associated Press, in a direct appeal to the Supreme Court filed last month, contended that the lower Court's judgment, holding it guilty of violating the anti-trust laws, would subject it to the supervision of the Department of Justice and the Federal Courts in such a manner as to be "wholly incompatible with freedom of the press."

The Government, a few days later, filed a cross-appeal, arguing that the judgment was too limited in scope to prevent effectively "continuance or renewal"

of alleged anti-trust violations by the AP.

By a 2-to-1 decision, the District Court on Jan. 13 enjoined the AP from observing by-laws which permit members to consider the competitive position of an applicant for membership. The tribunal said, however, that the AP might restrict applicants on other grounds and ruled that if AP modified its by-laws to the Court's satisfaction it might continue to provide a news report exclusively to members, to require members to furnish local news to AP exclusively and to retain a contract with the Canadian Press.

The Government's appeal urged that AP be enjoined perpetually from restricting new memberships irrespective of any modifications in its by-laws.

Goal Of \$53,000,000 In Fifth War Loan Drive Sought From Ill. And Wis. Savings Loan Assns.

Sales of War Bonds equivalent to 10% of their assets is the goal of the member savings and loan associations of the Federal Home Loan Bank System in Illinois and Wisconsin during the forthcoming Fifth War Loan drive, A. R. Gardner, President of the regional Home Loan Bank of Chicago, announced on May 3, following his return from a Washington, D. C., conference of Presidents of the 12 regional Home Loan Banks and officials of

the Federal Home Loan Bank Administration, the National Housing Agency and the U. S. Treasury, at which plans were formulated to step-up participation of the nation's thrift and home-financing institutions in the Treasury's war financing effort. "Again the goal or quota of War Bond sales by members of the Federal Home Loan Bank System has been raised," said Mr. Gardner. He added:

"To qualify for admission to the 'Honor Roll' of War Bond sales maintained by the Bank System member associations must sell a total of bonds equivalent to at least one-tenth of their assets during the Fifth War Loan campaign. This goal is one-third higher than for any previous war loan drive.

"Considering that the combined assets of the member institutions of the Federal Home Loan Bank of Chicago amount to approximately \$531,840,000, sales in this district should attain the record volume of \$53,184,000, if every member association succeeds in making the 'Honor Roll' goal. They are organizing now for a vigorous start when the drive begins on June 12. Throughout the country, the member institutions and the 12 regional Banks of the Federal Home Loan Bank System

have accounted for about \$2,000,000,000 in war financing since May, 1941."

N. Y. State Court Limits Scope Of Suits By Minority Holders

The recently-enacted New York law limiting the scope of minority stockholder suits was declared constitutional on May 16 by Supreme Court Justice William T. Collins, who also ruled that the statute was retroactive and applies to actions now pending before the courts. This is learned from the New York "Journal of Commerce," which further stated: "Justice Collins declared valid Section 61-B of the General Corporation Law, which provides that no stockholders' action may be brought unless the suing stockholder owns at least 5% of the outstanding stock, or shares of a value in excess of \$50,000, without posting security.

"The court also upheld provisions of the law in Section 61-A, which requires a corporation to pay expenses of directors who are successful in defending stockholders' actions.

President And Stettinius Confer Following Latter's Return From London

The recent mission to London of Edward R. Stettinius, Jr., Under Secretary of State, was described by President Roosevelt on May 9 as very useful, and, according to the President, encouraging progress was made on various subjects. Mr. Stettinius, who arrived in London on April 7, returned to Washington on May 4, and immediately reported to Secretary of State Hull. During his trip Mr. Stettinius visited North Africa where he conferred with W. Averell Harriman, Ambassador to Russia, and Robert Murphy, American political adviser on the staff of the Allied Commander in the Mediterranean. Besides his talks in London with Prime Minister Churchill and Foreign Secretary Anthony Eden, Mr. Stettinius also conferred in London with King Haakon and Crown Prince Olav of Norway; Dr. Eelco N. van Kleffens, the Netherlands Foreign Minister; Camille Gutt, Belgian Finance Minister; Lord Beaverbrook, Lord Privy Seal; Sir John Anderson, Chancellor of the Exchequer, and Stanislaw Mikolajczyk, Polish Premier, as well as various others.

Regarding the President's talk with Mr. Stettinius, upon the latter's return, the New York "Herald Tribune" reported the following on May 9 from its Washington bureau:

"Mr. Roosevelt, discussing the trip of Mr. Stettinius at his first press conference since his vacation trip south, disclosed that the Under Secretary had prepared a 21-page memorandum embracing approximately 40 subjects which were talked over with the British in London. The subjects, the President said, covered about everything in the world.

"Mr. Stettinius went over with no formal agenda, the President continued, and took up all subjects in an extremely effective way with what Mr. Roosevelt labeled awfully good results. Some of the subjects are in an active stage, while others, like oil, are still in the study stage. Beyond the mention of oil, Mr. Roosevelt did not disclose any of the topics

which were taken up in London."

In Washington on May 5 the Under Secretary told correspondents that Britain and the United States will "stick together through thick and thin" in the peace as in the war. This is his firm conviction, he said.

Associated Press accounts from which we quote, also said in part:

"Mr. Stettinius had no hesitation in saying for publication that the morale and confidence of British and American services poised for the invasion of Europe is high.

"There seemed not the slightest doubt in the minds of those he had met that the outcome of the coming operations would be satisfactory to the Allies.

"His mission was the first the State Department has sent to London for business talks. Previously British Foreign Office missions have come here.

"Issues that had looked like almost insurmountable obstacles from across the Atlantic had been quickly settled.

"In London Mr. Stettinius said he had engaged in most valuable discussions with Allied Governments—something he had not anticipated when he left.

"As a result of this and of the great co-operation of the British and other United Nations officials, his visit had been of much greater value than he had expected.

"Russian and Chinese representatives in London were kept fully advised of what the British and American authorities were discussing, and they, in turn, gave him much valuable information. Fedor Gusev, former Russian Ambassador to Canada and now Am-

Electric Output For Week Ended May 20, 1944 Shows 6.3% 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 May 20, 1944, was approximately 4,245,678,000 kwh., compared with 3,992,250,000 kwh. in the corresponding week a year ago, an increase of 6.3%. The output for the week ended May 13, 1944, was 3.8% in excess of the similar period of 1943.

PERCENTAGE INCREASE OVER PREVIOUS YEAR.

Major Geographical Divisions—	Week Ended			
	May 20	May 13	May 6	Apr. 29
New England	+0.8	0.7	1.8	4.3
Middle Atlantic	3.6	4.0	6.0	12.9
Central Industrial	4.9	5.5	6.1	9.5
West Central	7.4	4.4	6.1	6.1
Southern States	9.3	7.4	10.4	11.7
Rocky Mountain	+9.7	+9.4	+5.0	2.2
Pacific Coast	19.2	19.8	20.9	25.3
Total United States	6.3	6.8	8.5	12.1

*Decrease under similar week in 1943.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1944		% Change over 1943	1943			
	1944	1943		1942	1932	1929	
Feb. 5	4,524,134	3,960,242	+14.2	3,474,638	1,578,817	1,726,161	
Feb. 12	4,532,730	3,939,708	+15.1	3,421,639	1,545,459	1,718,304	
Feb. 19	4,511,562	3,948,749	+14.3	3,423,589	1,512,158	1,699,250	
Feb. 26	4,444,939	3,892,796	+14.2	3,409,907	1,519,679	1,706,719	
March 4	4,464,686	3,946,630	+13.1	3,392,121	1,538,452	1,702,570	
March 11	4,425,630	3,944,679	+12.2	3,357,444	1,537,747	1,687,229	
March 18	4,400,246	3,946,836	+11.5	3,357,032	1,514,553	1,683,262	
March 25	4,409,159	3,928,170	+12.2	3,345,502	1,480,208	1,679,599	
April 1	4,408,703	3,889,858	+13.3	3,348,608	1,465,076	1,633,281	
April 8	4,361,094	3,882,467	+12.3	3,320,858	1,480,738	1,696,543	
April 15	4,307,498	3,916,794	+10.0	3,307,700	1,469,810	1,709,331	
April 22	4,344,188	3,925,175	+10.7	3,273,190	1,454,505	1,699,822	
April 29	4,336,247	3,866,721	+12.1	3,304,602	1,429,032	1,688,434	
May 6	4,233,756	3,903,723	+8.5	3,365,208	1,436,928	1,698,942	
May 13	4,238,375	3,969,161	+6.8	3,356,921	1,435,731	1,704,426	
May 20	4,245,678	3,992,250	+6.3	3,379,985	1,425,151	1,705,460	
May 27	—	3,990,040	—	3,322,651	1,381,452	1,615,085	

April War Expenditures Lower

War expenditures by the United States Government during the month of April amounted to \$7,493,000,000, a decrease of \$455,000,000 or 5.7% from the high of \$7,948,000,000 expended in March, the War Production Board said on May 16. The Board added:

The daily rate of war expenditures in April, on the other hand, showed a slight increase over March, expenditures averaging \$299,700,000 per day, an increase of 1.8% over the daily rate in March of \$294,400,000. The highest average daily rate to date was reached in February with \$312,300,000 per day expended by the Government for war purposes. The daily rate is based on the 25 days in February and April, and the 27 days in March upon which checks were cleared by the Treasury.

From July 1, 1940, through April 30, 1944, the United States Government expended \$184,000,000,000 for war purposes.

These figures include checks cleared by the Treasury payable from war appropriations, and net outlays of the Reconstruction Finance Corporation and its subsidiaries.

Monthly expenditures and the average daily rate from January, 1941, through April, 1944, are shown in the following table:

UNITED STATES WAR EXPENDITURES MONTHLY AND DAILY RATE JANUARY, 1941—APRIL, 1944 (In Millions of Dollars)

1941—	Monthly Expenditures		Number of Days Checks Were Cleared	Daily Rate
	1941	1942		
1st quarter monthly average	\$684	25	25	\$27.4
2nd quarter monthly average	897	26	26	34.5
3rd quarter monthly average	1,253	26	26	48.2
4th quarter monthly average	1,797	25	25	71.9
1942 12-month total	52,406	310	310	169.1
1943 12-month total	83,135	312	312	272.9
1944—				
January	7,416	26	26	285.2
February	7,808	25	25	312.3
March	7,948	27	27	294.4
April	7,493	25	25	299.7

Steel Production Off 0.8%—Order Volume Holds Close To Shipments—Mill Carryovers Up

Although there appeared to be some hesitancy in steel buying during the past week, this factor was by no means taken as an indication of a basic slowing up in order volume," the "Iron Age" says in its issue of today (May 25), further adding:

"More properly it was being interpreted as a slight reluctance on the part of steel buyers to make further commitments until the military situation became more clarified.

"Order volume on the whole was still close to actual shipments in the past week, and any decline in total backlogs was said to be slight or of no consequence. Some steel centers were still complaining that carryovers will represent one of their major troubles in months to come. This is particularly true, it was said, on plates, shapes and semi-finished steel. The strong tempo engendered by the approaching shell program in the third quarter, the tightness in the tinplate market and the heavy over-all demand for semi-finished steel, both for lend-lease and forgers, is also being accelerated by outlaw strikes, equipment breakdowns and high turnover."

The American Iron and Steel Institute on May 22 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 98.4% of

capacity for the week beginning May 22, compared with 99.2% one week ago, 100.0% one month ago and 99.3% one year ago. The operating rate for the week beginning May 22 is equivalent to 1,762,600 tons of steel ingots and castings, compared to 1,777,000 tons one week ago, 1,791,300 tons one month ago and 1,719,500 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on May 22, stated in part as follows: "Pressure for shipment of flat-rolled steel continues heavy, with as much tonnage being pushed forward as mills can possibly carry. This is because of urgency of some war requirements and also to the threat to steel production of the increasing shortage of manpower and approaching hot weather."

"Third quarter steel allocations have been reduced 5%, apparently in recognition of this threat. Some trade interests believe the

drop in output will be greater than this, as a result of tremendous strain on equipment resulting from record-breaking operations of recent months. Some units now are down, with repairs slowed by shortage of skilled help.

"Orders for plates and sheets are off, although the trend is likely to be upward soon, especially in plates, because of the new landing craft and merchant ship programs scheduled to come out shortly. Both these programs, particularly landing craft, will be reflected to some extent in sheets and some tentative inquiries for sheets for this purpose already are appearing.

"About 125,000 tons of hull steel, mainly plates, will be placed soon for 24 tankers to be built by Sun Shipbuilding & Dry Dock Co., replacing 30 cargo ships transferred to Pacific Coast yards. Steel Requirements Committee of WPB is said to be faced with the problem of placing additional 195,000 tons of shell steel, 200,000 tons of sheets, an additional 12,000 tons of tin mill products and 104,000 tons of plates for third quarter. Carryover by some mills is increasing steadily, in some cases as much as ten days. As a result more directives are probable to handle this excess. This is expected to set back deliveries on contracts now scheduled for June and third quarter from two to six weeks."

From Washington Ahead Of The News

(Continued from first page)

as the great sedition trial now going on in Washington. It has been such an outrage that the Washington lawyers have been thinking of taking collective notice of it. A group of them have moved to the District Bar Association that this be done. The general attitude of Washington has been that maybe these people were guilty of the particular charge against them, and if so, they should be put away. There has been a lot of feeling that the Government was right silly to bother with people like this.

But in the past several days it has become more apparent what the Administration is trying to do. It has been pursuing this case right tenaciously—it was thrown out of Court once—and the purpose is slowly unfolding. It really unfolded in the statement to the jury of the assistant attorney general, Mr. Rogge, the ace of the attorney general's office. This statement went far beyond the indictment that these people had sought to incite the armed forces. It told of a gigantic plot of Fascists to overthrow this Government and set up a Fascist dictatorship. It was one of the most hair-raising recitals you ever heard. According to Mr. Rogge, these people were working to a common end, and some of them had already agreed upon the man they were going to make the fuhrer. He was the retired army officer Van Zandt Moseley.

Well, sir, you ought to go down and see these ambitious men. Incidentally, one of them, an energetic, dynamic, dictatorial inclined old man of 80, died since the trial has been in progress. There is another one of them whom all Washington newspapermen know to have been broke and hungry for the past eight years. He is in his seventies. There are a couple of women crackpots. There are, of course, George Sylvester Viereck whose son was recently killed in Italy, and Lawrence Dennis, and our recollection is that Dennis is an admitted Fascist whatever that is. There are also two or three Bundists.

But, bear in mind, it was quite a surprise to know that this conglomeration, many of whom have never seen one another before, had been trying to overthrow the Government. That is not what

Palmer Asserts Business Must Plan Now To Avoid Post-War Repercussion

James L. Palmer, First Vice-President of Marshall Field & Co., on April 3, at a joint meeting of the Chicago Association of Commerce and the Committee for Economic Development at Chicago, said that American business will find itself perched atop an economic "keg of dynamite" that may explode at any time in the next 10 years unless sound plans are formulated at once to avoid post-war repercussions. The New York "Times" of April 4, from which the foregoing is quoted, also indicated other remarks of Mr. Palmer, as follows:

"In meeting the post-war challenge of maintaining economic stability and absorbing returning service men, business men must be prepared to devote more attention toward sound direction of government, Mr. Palmer said.

"We have entered every war in our history unprepared," Mr. Palmer said. "Neither have adequate preparations been made for peace and the results have too often been unfortunate. Without adequate planning we haven't a Chinaman's chance of avoiding difficulties this time."

Mr. Palmer, Chicago Chairman of the CED, spoke in furtherance of the sponsoring groups' program for encouraging current study of post-war problems, and said the country's primary aim should be the maintenance of the free enterprise system.

"The problem of future pros-

perity is one of individual cooperative enterprise by business, labor, agriculture and—whether you like it or not—by Government," he said. "We in business must see that a good job is done in public places.

"The powder keg may or may not explode, but certainly we cannot intelligently attack our post-war problems without sound planning for the solution."

Mentioning forecasts that national income had reached a permanent high level at \$140,000,000,000 annually, against \$100,000,000,000 or less before the war, Mr. Palmer termed such predictions just as uncertain as were the assurances that 1929 prosperity was permanent.

Avoiding repercussions has been made more difficult by the fact that the country's economic machine has been doubled during the war, with "tremendous" increases in employment, wages and the production of goods and services, he said.

Newly Organized Liberal Party Nominates Roosevelt And Wallace For Re-election

The organization was effected in New York City on May 19 of what is styled the Liberty Party, its formation having been brought about by right-wing forces who withdrew last March from the American Labor Party. The action in forming the new party took place at a convention held at the Hotel Roosevelt, at which, according to the New York "Herald Tribune," Dean Alfange (the 1942 candidate for Governor of the American

Liberty Party and Chairman of the Liberal and Labor Committee sponsoring the new party) in his keynote address described the move as the first step in national political realignment "by which a new major party will emerge." On May 20 President Franklin D. Roosevelt and Vice-President Henry A. Wallace were nominated by the Liberal Party for reelection, and United States Senator Robert F. Wagner (Democrat) was named to succeed himself.

In its issue of May 21 the "Herald Tribune" said:

they are charged with.

What then is the Government trying to build up? The most competent observers see in it an effort to offset the New Deal's alliance with the Communists. The Communists are openly out for the Fourth Term. They have reorganized their set-up to make it less embarrassing to the New Deal. They are now just a bunch of educationalists, for the time being in the New Deal. They are good law-abiding citizens. Aren't the Soviets deserving of the admiration of the world? Aren't they, as a matter of fact, just fellow Democrats trying to accomplish the same things in Russia; in Poland (breaking up the landed estates); in Eastern Europe, even in this country; aren't they trying to accomplish the same things for the masses as the New Deal? It is sort of amazing that we ever misunderstood them, and one thing we will tell you right forcefully is that we had better have a mutual understanding if the world is to live in peace.

Well, now that you've realized you've been wrong about these fellow Democrats all the time, let the New Deal show you something that is really dangerous, and only their alertness to preserve Democracy at home while the boys are fighting for it at the front, prevented what this crowd down here now before the bar of justice was trying to do, including those aggressive 75 and 80 year old codgers. We just lost a 13 year old dog. He was so old he couldn't even bite.

"Completing its organization in the two-day session, the new party elected Professor John L. Childs, of Columbia University, State Chairman. It elected Joseph V. O'Leary, former State Comptroller, Secretary; Harry Uviller, Impartial Chairman of the Dress Industry, Treasurer, and Alex Rose, former State Secretary of the American Labor Party, Chairman of the administrative committee.

"Mr. Rose predicted to the convention the new party will poll at least 400,000 votes next November. The old American Labor Party polled 417,418 votes for Mr. Roosevelt in the 1940 Presidential election and 403,026 votes for Dean Alfange for Governor in 1942.

"Left-wing forces under the leadership of Sidney Hillman, Chairman of the Congress of Industrial Organizations Political Action Committee, have taken over the American Labor Party. They will name President Roosevelt and his ticket, including Senator Wagner, after the Chicago convention.

David Dubinsky, President of the International Ladies' Garment Workers' Union, again asserted the ALP is under Communist control and predicted the new party would be the third in strength after the next election."

Also from the same paper we take the following:

"A carefully prepared and detailed platform was adopted at the morning session. It asked the world powers to adopt collective actions for international security and dealt with specific domestic issues.

"The party's new rules include a provision that 'no person shall be eligible to become or remain a member of the Liberal Party or hold a party office or party position or membership in a party committee or receive a party nomination for public office who advocates, supports, follows, adheres to or espouses any totalitarian doctrine, philosophy or activity, whether it be Fascist, Nazi, Communist or known by any other name."

Daily Average Crude Oil Production For Week Ended May 13, 1944 Decreased 16,550 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended May 13, 1944, was 4,502,000 barrels, a decline of 16,550 barrels per day from the preceding week and 17,700 barrels less than the daily average figure recommended by the Petroleum Administration for War for the month of May, 1944.

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,400,000 barrels of crude oil daily and produced 13,618,000 barrels of gasoline; 1,637,000 barrels of kerosene; 4,545,000 barrels of distillate fuel oil, and 8,399,000 barrels of residual fuel oil during the week ended May 13, 1944; and had in storage at the end of that week 87,823,000 barrels of gasoline; 7,049,000 barrels of kerosene; 30,763,000 barrels of distillate fuel, and 49,737,000 barrels of residual fuel oil.

The Petroleum Administration for War on May 15 certified an all-time-high production rate of 4,879,100 barrels daily of all petroleum liquids to the various oil-producing States for June, 1944. This figure represents a net increase of 60,600 barrels daily over the rate certified for May, 1944, the previous record high.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

Table with columns: State, P.A.W. Recommendations, State Allowables, Actual Production, Change from Previous Week, 4 Weeks Ended, Week Ended. Rows include Oklahoma, Kansas, Nebraska, Panhandle Texas, North Texas, West Texas, East Central Texas, East Texas, Southwest Texas, Coastal Texas, Total Texas, North Louisiana, Coastal Louisiana, Total Louisiana, Arkansas, Mississippi, Alabama, Florida, Illinois, Indiana, Eastern, Kentucky, Michigan, Wyoming, Montana, Colorado, New Mexico, Total East of Calif, Total United States.

Table with columns: District, Daily Refining Capacity, Crude Runs to Still, % Operating, Stocks of Gasoline, Stocks of Gas, Stocks of Oil. Rows include District, *Combin'd: East Coast, Appalachian, Rocky Mountain, Total U. S. B. of M. basis May 13, 1944, Total U. S. B. of M. basis May 6, 1944, U. S. Bur. of Mines basis May 15, 1943.

*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.

†This is the net basic allowable as of May 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 1 to 14 days, the entire state was ordered shut down for 7 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 7 days shutdown time during the calendar month.

CRUDE RUNS TO STILL: PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, WAX OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED MAY 13, 1944

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

Table with columns: District, Daily Refining Capacity, Crude Runs to Still, % Operating, Stocks of Gasoline, Stocks of Gas, Stocks of Oil. Rows include District, *Combin'd: East Coast, Appalachian, Rocky Mountain, Total U. S. B. of M. basis May 13, 1944, Total U. S. B. of M. basis May 6, 1944, U. S. Bur. of Mines basis May 15, 1943.

*At the request of the Petroleum Administration for War. †Finished, 75,901,000 barrels; unfinished, 11,922,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,637,000 barrels of kerosene, 4,545,000 barrels of gas oil and distillate fuel oil and 8,399,000 barrels of residual fuel oil produced during the week ended May 13, 1944, which compares with 1,510,000 barrels, 4,118,000 barrels and 8,948,000 barrels, respectively, in the preceding week and 1,594,000 barrels, 3,720,000 barrels and 7,701,000 barrels, respectively, in the week ended May 15, 1943.

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) Table with columns: 1944-Daily Averages, U.S. Govt. Bonds, Ave. Corporate Rate, Corporate by Ratings (Aaa, Aa, A, Baa), Corporate by Groups (R.R., P.U., Indus.). Rows include dates from May 23 to May 23, 1942.

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

MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices) Table with columns: 1944-Daily Averages, U.S. Govt. Bonds, Ave. Corporate Rate, Corporate by Ratings (Aaa, Aa, A, Baa), Corporate by Groups (R.R., P.U., Indus.). Rows include dates from May 23 to May 23, 1942.

*These prices are computed from average yields on the basis of one "typical" bond 3 1/4% coupon maturing in 25 years and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

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

Commercial Paper Outstanding

Reports received by the Federal Reserve Bank of New York from commercial paper dealers show a total of \$171,500,000 of open market paper outstanding on April 29, 1944, the bank announced on April 29. This compares with \$194,800,000 outstanding on March 31, 1944, and \$178,900,000 on April 30, 1943.

Knox Estate at \$2,000,000; Bell Elected President of "Chicago Daily News"

Announcement was made on May 16 of the election of Laird Bell as President of the "Chicago Daily News, Inc.," to fill the vacancy due to the death on April 28 of Frank Knox, Secretary of the Navy.

Laird Bell, who was chosen by the Board of Directors, has been counsel for the "Daily News" for many years and a director since 1926. He also is one of the three executors named in Col. Knox's will. The death of Secretary Knox was noted in our issue of May 4, page 1842.

On May 17 a petition was presented in Chicago before Judge John F. O'Connell, for probate of the will of Mr. Knox, who, until his death was Secretary of the Navy and Publisher of The Chicago Daily News, Inc. The will was filed with Frank Lyman, Clerk of the Probate Court, by the firm of Bell, Boyd & Marshall, attorneys for Annie Reid Knox; Holman D. Pettibone, President of the Chicago Title & Trust Co., and Laird Bell, named executors in the will. An announcement with regard thereto says:

"The estate, estimated by the executors at \$2,000,000, is left to Mrs. Knox, including Col. Knox's interest in The Chicago Daily News, Inc. The executors are given discretion to dispose of the interest in The Chicago Daily News, Inc. as may be "most desirable from the point of view of the residuary legatee" (Mrs. Knox) "and further from the point of view of insuring to the Chicago Daily News, Inc. continuation of a management preserving the character and traditions of the newspaper which it publishes. To this end I particularly authorize my executors to make such disposition by sale or otherwise of my said interest in said corporation as they shall in their discretion deem to be most effectual in carrying out my wishes in regard thereto. They shall be under no obligation to sell said interest to the highest bidder but they may accept any bid from any bidder for any amount deemed to them to be fair and reasonable and upon any terms deemed by them to be acceptable in view of the foregoing."

"Col. Knox's interest in the Chicago Daily News, Inc. is represented partly by 5,301 common shares of the corporation and partly by a controlling interest in Daneco Corporation of Delaware which, in turn, owns 226,300 shares of the common stock of Chicago Daily News, Inc. out of 400,000 shares of common stock outstanding.

"Stock of the Union-Leader Publishing Co. of Manchester, N. H., is left in trust with Mrs. Knox for her benefit during her lifetime. Col. Knox at the time of his death owned only a small amount of this stock, but Mrs. Knox owned a substantial interest.

Moody's Daily Commodity Index

Table with columns: Date, Index Value. Rows include Tuesday, May 16, 1944 (250.0), Wednesday, May 17 (250.0), Thursday, May 18 (250.0), Friday, May 19 (250.1), Saturday, May 20 (250.1), Sunday, May 21 (250.3), Tuesday, May 23 (250.4), Two weeks ago, May 9 (249.7), Month ago, April 22 (249.6), Year ago, May 22 (246.1), 1943 High, April 1 (249.8), Low, Jan. 2 (240.2), 1944 High, March 17 (251.5), Low, Jan. 5 (247.0).

Market Value Of Stocks On New York Stock Exchange Lower On April 29

The New York Stock Exchange announced on May 6 that as of the close of business April 29, there were 1,241 stock issues, aggregating 1,493,590,566 shares listed on the New York Stock Exchange, with a total market value of \$48,670,491,772. This compares with 1,243 stock issues, aggregating 1,492,248,939 shares, with a total market value of \$49,421,855,812 on Mar. 31.

In making public the April 29 figures the Stock Exchange further said:

As of the close of business April 29, New York Stock Exchange member total net borrowings amounted to \$696,751,105 of which \$468,371,064 represented loans which were not collateralized by U. S. Government issues. The ratio of the latter borrowings to the market value of all listed stocks, on that date, was, therefore, 0.96%. As the loans not collateralized by U. S. Government issues include all other types of member borrowings, these ratios will ordinarily exceed the precise relationship between borrowings on listed shares and their total market value.

In the following table listed stocks are classified by leading industrial groups with the aggregate market value and average price for each:

	April 29, 1944		Mar. 31, 1944	
	Market Value	Average Price	Market Value	Average Price
Amusement.....	532,582,738	22.98	550,610,687	23.76
Automobile.....	4,205,138,283	34.21	4,250,812,974	35.18
Aviation.....	575,899,570	16.20	593,643,086	16.76
Building.....	551,589,025	26.49	567,090,387	27.21
Business and Office Equipment.....	430,984,992	33.35	434,911,635	33.66
Chemical.....	5,905,841,589	61.56	6,025,907,063	62.80
Electrical Equipment.....	1,607,521,115	39.01	1,589,150,149	38.84
Farm Machinery.....	770,793,399	56.33	787,086,096	57.59
Financial.....	957,470,684	19.57	986,748,689	20.15
Food.....	3,123,164,306	37.33	3,202,514,291	38.30
Garment.....	44,549,142	26.64	45,744,662	27.36
Land & Realty.....	32,800,390	6.74	34,790,487	7.15
Leather.....	242,817,439	28.81	243,905,112	28.94
Machinery & Metals.....	1,710,354,814	23.86	1,748,571,529	24.40
Mining (excluding iron).....	1,357,801,368	22.04	1,386,348,539	22.50
Paper & Publishing.....	509,172,646	21.80	512,673,486	21.97
Petroleum.....	5,978,432,842	29.46	6,067,014,808	29.89
Railroad.....	3,871,711,303	36.00	3,924,384,903	36.49
Rubber.....	2,645,092,774	36.33	2,673,568,880	36.73
Ship Building & Operating.....	595,313,632	55.99	604,487,369	56.85
Shipping Services.....	96,940,009	17.57	99,889,248	18.11
Steel, Iron & Coke.....	16,377,993	9.50	17,585,580	10.20
Textiles.....	2,141,729,593	42.34	2,167,636,674	42.85
Tobacco.....	488,308,407	32.82	525,293,099	35.11
Utilities.....	1,258,188,419	46.20	1,272,098,711	46.71
Gas & Electric (Operating).....	2,208,192,213	21.33	2,237,881,937	21.62
Gas & Electric (Holding).....	1,217,796,522	12.36	1,238,265,265	12.57
Communications.....	3,683,326,011	87.33	3,704,385,256	87.91
Miscellaneous Utilities.....	114,306,759	19.56	117,491,766	20.11
U. S. Cos. Operating Abroad.....	778,568,343	22.88	797,066,498	23.42
Foreign Companies.....	863,207,509	20.84	859,331,135	21.24
Miscellaneous Businesses.....	153,607,938	26.17	154,074,911	26.25
All Listed Stocks.....	48,670,491,772	32.59	49,421,855,812	33.12

We give below a two-year compilation of the total market value and the average price of stocks listed on the Exchange:

	1942—		1943—		1944—	
	Market Value	Average Price	Market Value	Average Price	Market Value	Average Price
Apr. 30.....	31,449,206,904	21.41	48,437,700,647	32.96	48,396,650,695	32.47
May 29.....	32,913,725,225	22.46	48,878,520,886	33.27	48,494,092,518	32.51
June 30.....	33,443,047,743	22.73	47,577,989,240	32.17	49,421,855,812	33.12
July 31.....	34,443,805,850	23.42	47,710,472,858	32.04	48,670,491,772	32.59
Aug. 31.....	34,871,607,323	23.70	48,711,451,018	32.82		
Sept. 30.....	35,604,809,453	24.20	48,178,040,869	32.44		
Oct. 31.....	37,727,599,526	25.65	45,101,778,943	30.33		
Nov. 30.....	37,374,462,460	25.41	47,607,294,582	31.96		
Dec. 31.....	38,811,728,666	26.39				
Jan. 30.....	41,410,585,043	28.16				
Feb. 27.....	43,533,661,753	29.61				
Mar. 31.....	45,845,738,377	31.20				
Apr. 30.....	46,192,361,639	31.45				

April Civil Engineering Construction Volume Tops March Weekly Average By 3%

Civil engineering construction volume in continental U. S. totals \$145,040,000 for the four weeks of April, an average of \$36,260,000 per week. This average volume, not including construction by military engineers abroad, American contracts outside the country and shipbuilding, is 3% higher than the weekly average for the five weeks of March, 1944, but is 52% below the average for the five weeks of April, 1943, as reported to "Engineering News-Record" and made public on May 4. The report went on to say in part:

Public construction, on the weekly average basis, is 12% higher than in the preceding month, as a result of the 32% increase in state and municipal constructions and the 9% gain in federal. Public work, however, is 56% lower than in the corresponding 1943 month as decreases were reported in both state and municipal construction and federal work.

Private construction 23 and 24% lower, respectively, than for a month ago and a year ago.

Civil engineering construction volumes for April, 1943, March, 1944, and April, 1944 are:

	April, 1943 (5 weeks)	March, 1944 (5 weeks)	April, 1944 (4 weeks)
Total U. S. Construction.....	\$397,068,000	\$175,726,000	\$145,040,000
Private Construction.....	45,710,000	45,109,000	27,649,000
Public Construction.....	333,358,000	130,617,000	117,391,000
State and Municipal.....	26,605,000	18,643,000	19,638,000
Federal.....	306,753,000	111,974,000	97,753,000

The April construction volume brings 1944 volume to \$595,162,000 for the four months of the year, a figure 51% below the \$1,218,109,000 reported for a year ago. Private construction, \$125,989,000, is 1% lower than last year, and public construction, \$469,173,000, is down 57% due to the 4% decline in state and municipal construction and the 60% decrease in federal volume.

New Capital

New capital for construction purposes for the four weeks of April, \$183,997,000, is 45% lower than the \$416,561,000 reported for the five-week period last year. The current month's new financing is made up of \$22,757,000 in private investment, \$46,240,000 in federal funds for non-federal construction, and \$115,000,000, in federal funds for Federal Works Agency construction.

The month's new construction capital brings 1944 volume to \$365,635,000, a total 24% below the \$479,279,000 reported for the opening four months of 1943.

Bankers' Dollar Acceptances Outstanding On April 29 Decrease To \$125,566,000

The volume of bankers' dollar acceptances outstanding on April 29 amounted to \$125,566,000, a decrease of \$3,792,000 from the Mar. 31 total, according to the monthly acceptance survey issued May 15 by the Federal Reserve Bank of New York. As compared with a year ago, the April 29 total represents a loss of \$2,784,000.

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

The Reserve Bank's report follows:

BANKERS DOLLAR ACCEPTANCES OUTSTANDING—UNITED STATES BY FEDERAL RESERVE DISTRICTS			
Federal Reserve District—	Apr. 29, '44	Mar. 31, '44	Apr. 30, '43
1 Boston.....	\$21,161,000	\$20,780,000	\$22,714,000
2 New York.....	77,366,000	80,065,000	77,048,000
3 Philadelphia.....	6,015,000	6,073,000	5,151,000
4 Cleveland.....	865,000	1,058,000	1,787,000
5 Richmond.....	2,117,000	2,120,000	2,421,000
6 Atlanta.....	3,163,000	3,769,000	2,458,000
7 Chicago.....	4,867,000	4,841,000	4,679,000
8 St. Louis.....	598,000	396,000	722,000
9 Minneapolis.....	32,000	27,000	204,000
10 Kansas City.....	—	—	—
11 Dallas.....	347,000	445,000	712,000
12 San Francisco.....	9,035,000	9,784,000	10,454,000
Grand Total.....	\$125,566,000	\$129,358,000	\$128,350,000
Decrease for month.....	\$3,792,000	Decrease for year.....	\$2,784,000

ACCORDING TO NATURE OF CREDIT			
	Apr. 29, '44	Mar. 31, '44	Apr. 30, '43
Imports.....	\$76,644,000	\$79,434,000	\$70,824,000
Exports.....	12,177,000	12,390,000	8,532,000
Domestic shipments.....	10,565,000	11,254,000	13,178,000
Domestic warehouse credits.....	19,339,000	19,622,000	24,837,000
Dollar exchange.....	290,000	75,000	317,000
Based on goods stored in or shipped between foreign countries.....	6,551,000	6,593,000	10,562,000

BILLS HELD BY ACCEPTING BANKS		
Own bills.....	Bills of others.....	Total.....
\$51,138,000	\$44,937,000	\$96,075,000
Decrease for month.....		\$3,572,000

CURRENT MARKET RATES ON PRIME BANKERS ACCEPTANCES MAY 15, 1944		
Days	Dealers' Buying Rates	Dealers' Selling Rates
30.....	1/2	1/2
60.....	1/2	1/2
90.....	1/2	1/2
120.....	1/2	1/2
150.....	1/2	1/2
180.....	1/2	1/2

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

	1941—		1942—		1943—	
	\$		\$		\$	
May 31.....	215,005,000		173,906,000		135,815,000	
June 30.....	212,932,000		162,849,000		139,846,000	
July 31.....	209,839,000		156,302,000		138,692,000	
Aug. 30.....	197,472,000		139,304,000		130,244,000	
Sept. 30.....	176,801,000		123,494,000		117,016,000	
Oct. 31.....	184,806,000		118,581,000		114,883,000	
Nov. 29.....	193,590,000		116,067,000		111,289,000	
Dec. 31.....	194,220,000		118,039,000		116,814,000	
Jan. 31.....	197,278,000		119,682,000		120,497,000	
Feb. 28.....	190,010,000		127,062,000		134,772,000	
Mar. 31.....	182,675,000		129,818,000		129,358,000	
Apr. 30.....	177,293,000		128,350,000		125,566,000	

Non-Ferrous Metals — Copper And Lead Sales For June Shipment Large — Quicksilver Lower

"E. & M. J. Metal and Mineral Markets," in its issue of May 18, stated: "Demand for both copper and lead for delivery next month was heavy last week, pointing to a high rate of activity at fabricating plants in June. Buying of zinc will expand as soon as allocation certificates covering June reach consumers. The tin trade is deeply interested in the Bolivian political situation. Most operators in the metal feel that exports of tin con-

centrates will be maintained, and the supply outlook here is not expected to change. Quicksilver was dull and prices were unsettled, declining \$4 per flask during the last week." The publication further went on to say in part as follows:

Copper
Fabricators purchased substantial tonnages of copper for June delivery during the last week. From present indications, consumption of copper next month will hold to the high level that has obtained ever since March this year.

Lead
Consumers purchased 14,021 tons of lead during the last week, against 7,519 tons in the week previous. Increased buying was expected, in view of the fact that WPB is scheduled to act on June allotments of foreign metal on May 22. Some 20,000 tons of foreign lead have been released so far for delivery this month, and June allotments also promise to be large.

Zinc
Allocation certificates for June zinc went into the mail on May 17. Brass mills are certain to be large consumers of zinc next month, with galvanizers also absorbing good tonnages. The conservation order for zinc is about

to be amended, permitting use of a little more zinc in essential applications.

Aluminum
Shipments of galvanized sheets during the first quarter of 1944 totaled 303,204 tons, against 203,707 tons in the same period last year.

Conditions under which producers may accept orders for and make shipment of aluminum ingot, as well as the method of reporting on Form WPB-2593, are covered in CMP Regulation 1, Direction 29, issued last week. The term "ingot" as used in the direction includes pigs, slabs, billets, shot, and other raw forms. Powder, flake, and paste or pigment are not included in the order.

Tin
Conservation Order M-325, governing salvage of tinned and detinned scrap, was amended last week by WPB to include smelters engaged in the recovery of tin in the list of plants that may accept delivery of used tin cans. This action would permit the government-owned Texas smelter to treat used cans for tin recovery. Members of the tin trade believe that the smelter at present is not equipped to treat such material.

Permission to obtain used tin cans may be granted to other

parties by WPB upon terms and conditions as it may impose.

Production of tin-plate during the first quarter of 1944 totaled 538,785 tons, against 494,386 tons in the Jan.-March period of 1943, the American Iron and Steel Institute reports. Production of hot-dipped tin-plate in the Jan.-March period this year totaled 400,161 tons, and electrolytic 138,624 tons.

Straits quality metal for shipment, in cents per pound, was as follows:

	May	June	July
May 11.....	52.000	52.000	52.000
May 12.....	52.000	52.000	52.000
May 13.....	52.000	52.000	52.000
May 15.....	52.000	52.000	52.000
May 16.....	52.000	52.000	52.000
May 17.....	52.000	52.000	52.000

Chinese, or 99% tin, held at 51.125c. per pound all week.

Quicksilver

The industry is awaiting official news on the statistics for April, which many believe will show that production has been restricted to bring supply and demand in balance. Until consumers are convinced that current production is no longer excessive, buying is expected to remain on the light side. During the last week the market was inactive and selling pressure again was in evidence, unsettling prices. The metal was offered at \$117.50 per flask in small lots, spot New York, and on round lots for nearby delivery \$116 could have been done in more than one direction. Compared with a week ago, the price declined \$4 per flask. The lower price-level prevailed throughout the week. Output is being curtailed in Mexico and Canada.

Silver

The London market for silver was quiet and the price unchanged at 23 1/2 d. The New York Official for foreign silver continued at 44 3/4 c., with domestic metal at 70 3/8 c. The Treasury's price was unchanged at 35c.

Gold

Production of gold in the United States in March amounted to 83,809 oz., against 97,976 oz. in Feb., and 129,154 oz. in March last year, according to the American Bureau of Metal Statistics. Output in the first three months of 1944 totaled 269,916 oz., against 379,877 oz. in the Jan.-March period of 1943.

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.

Cotton Spinning For April

The Bureau of the Census announced on May 18 that according to preliminary figures, 23,305,534 cotton spinning spindles were in place in the United States on April 30, 1944, of which 22,411,922 were operated at some time during the month, compared with 22,568,308 for March, 22,513,300 for February, 22,217,994 for January, 22,596,322 for December, 22,623,406 for November and 22,894,718 for April, 1943. The aggregate number of active spindle hours reported for the month was 9,315,634,608. Based on an activity of 80 hours per week, the cotton spindles in the United States were operated during April, 1944, at 124.9% capacity. This percentage compares, on the same basis, with 122.0 for March, 123.3 for February, 124.0 for January, 115.3 for December, 125.3 for November, and 133.2 for April,

Great Britain Does Not Intend To Go Back To Gold Standard Says Chancellor

That the British Government does not intend to go back to the Gold Standard was indicated on May 10 by Sir John Anderson, Chancellor of the Exchequer in the House of Commons, when, during debate on the International Monetary Plan he said:

"I believe there is in fact no foundation for the view that this scheme in any way involves a return to the gold standard. Certainly the attitude of the present Government would be one of the most vehement opposition."

The agreement reached by technical experts of the United Nations on "a set of basic principles for an International Monetary Fund," as made known by Secretary of the Treasury Morgenthau on April 21, was referred to in our April 27 issue, page 1737.

Advices from London (Reuter) May 10 regarding the remarks of Chancellor Anderson, respecting the Monetary plan, were reported as follows in the New York "Times":

The Chancellor said the international monetary plan contemplated the necessity of fixed parity. There should be a recognized machinery for the adjustment of rates of exchange of several countries in relation to their currencies, including United States currency, which was based on gold. Therefore, he said, the scheme provided for regulating the parity of national currencies in the last resort with gold.

"The general idea accepted by our friends in the United States and ourselves is that the voting power should run parallel with quotas and that the voting power of the United States and the voting power of the British Commonwealth should be for practical purposes equal," Sir John said. He added that the voting power of the United States and the Commonwealth would probably work

out at something like 20 or 25% of the total.

The right of members to withdraw was introduced because it was held that no purpose could be served by attempting to hold people in the fund against their will, and because small nations would be more likely to come into the scheme if they felt that in the last resort they had the right to withdraw.

Dealing with the position of the sterling area, Sir John said the Government would not be disposed to favor any plan likely to interfere in any way with relationships between different States which had been in association with one another under the sterling area arrangement.

The Chancellor recalled that the Prime Minister had made it clear before this agreement was formally entered into between the two Governments, the understanding was clearly established that it contained non-obligation on Britain's part to get rid of imperial preference in consideration of lend-lease facilities.

He had not the slightest doubt that those who had been engaged in discussions with representatives of the British Treasury on the other side of the Atlantic had been handling this matter with the most complete good faith and with the intention of obtaining as far as possible the object set out in the mutual aid agreement.

President Signs Bill Extending Lend-Lease Hails Program As Hastening Day Of Victory

With the signing on May 17 of the bill extending the Lend-Lease Act for one year, President Roosevelt in a statement accompanying his approval, declared that "the promise of ever-increasing help which the United States held forth to those who defied the Axis has been fulfilled." He went on to say that "in April, 1941, the first full month of the Lend-Lease program, we furnished aid valued at \$28,000,000. In the month of March, 1944, the Lend-Lease aid supplied amounted to \$1,629,544,000—almost as much as the aid rendered during the entire first year of Lend-Lease operations." It was also asserted by the President that "victory will come sooner and will cost less in lives and materials because we have pooled our manpower and our material resources, as United Nations, to defeat the enemy."

The President's statement follows:

"Once again, by overwhelming majorities, the elected representatives of the American people in Congress have affirmed that Lend-Lease is a powerful weapon working for the United States and the other United Nations against our common enemies. For the third time I am affixing my approval to a Lend-Lease Act.

"When on March 11, 1941, the Lend-Lease Act first became law, Britain stood virtually alone before the tide of Axis aggression which had swept across Western Europe. Everywhere the peace-loving peoples of the world were facing disaster but the passage of the Lend-Lease Act gave firm assurance to those resisting the aggressors that the overpowering material resources of the United States were on their side.

"After we were attacked on Dec. 7, 1941, Lend-Lease became an essential part of our own war effort.

"The promise of ever-increasing help which the United States held forth to those who defied the Axis has been fulfilled. In April, 1941, the first full month of the Lend-Lease program, we furnished aid valued at \$28,000,000. In the month of March, 1944,"

Lend-Lease aid supplies amounted to \$1,629,544,000—almost as much as the aid rendered during the entire first year of Lend-Lease operations. From the beginning of the Lend-Lease program in March, 1941, to April 1, 1944, our aid totaled \$24,224,806,000.

"Through Lend-Lease and reverse Lend-Lease, the material resources and supplies of the United Nations have been pooled for their most effective use against our common enemies.

"The combined forces and the combined resources of the United Nations are striking with their united strength from all directions against the heart of Nazi Germany. Our fighting men are joined with British, Soviet, French, Dutch, Polish, Czech, Yugoslavian and the fighting men of the other United Nations. In the Far East and in the Pacific, combined United Nations fighting forces are also striking with increasing power against the Japanese.

"This unity of strength, both in men and resources, among the free peoples of the world will bring complete and final victory. That victory will come sooner and will cost less in lives and materials because we have pooled our manpower and our material resources, as United Nations, to defeat the enemy."

It was noted in Associated Press accounts from Washington, May 17 that, "the new law prohibits the President from using Lend-Lease authority to obligate the United States in any post-war military or economic way without first obtaining the consent of Congress. The Associated Press added that the idea of this provision, according to its sponsors, is to

Short-Term Credit Needs Of Small Business Can Be Adequately Handled By Banks, Price Declares

While expressing the view that the short-term credit needs of small business can be adequately taken care of by the banks, factors and finance companies, W. G. F. Price, Vice-President, American National Bank & Trust Co. of Chicago, declared on May 18 that he wasn't so certain about the intermediate or long-term credit needs. Mr. Price spoke before members of the textile division of the War Credit Congress in session at

Omaha, Neb. The reasons he cited were that the risk tends to increase with the term of the loan and, generally speaking, many lenders quite properly feel that there should be both a well-established earning record and a substantial cushion of capital to justify a long-term commitment. Some of the techniques developed by banks, factors and finance companies, such as term loans, field warehousing and the discount of instalment machinery notes, were mentioned, as well as the possibilities for their continued development after the war.

As for risk capital, Mr. Price pointed out that the present tax structure, the relatively high cost of public issues for smaller companies and the dependence of many small businesses on the efforts of two or three men presented real difficulties. He said he hoped that some amendment to the tax structure might be adopted for the specific benefit of risk capital as well as for new business enterprises. He observed that it might be possible for the

banking system to cooperate with and supplement the facilities of the investment banking fraternity by means of supporting local screening organizations whose objective it would be to bring worthy users of risk capital together with people in the community with that type of capital to invest. Mr. Price expressed the opinion that there might be some areas where Government cooperation might be desirable, but that it should be the primary objective of the financial community to do just as much of the job themselves as they possibly can.

He said that, in this opinion, to attain this objective it would require, on the part of the financial community, a far greater degree of skill, patience, thoroughness and ingenuity in the conversion and immediate post-war period than in more normal times; and that it would be essential to give full weight to the character and ability of prospective users of money as to their financial position.

Senate Shelves Anti-Poll Tax Bill; Rejects Cloture, Then Displaces Bill

Following the rejection of the Senate on May 15, by a vote of 44 to 36, a motion for the adoption of the cloture rule to limit debate on the anti-tax bill, the Senate subsequently adopted on the same day, by a vote of 41 to 35, a motion by Senator Clark of Missouri (Democrat) to take up a measure to provide artificial limbs for veterans. As a result of this action the anti-poll tax bill, which would make "unlawful the re-

quirement for the payment of a poll tax as a prerequisite to voting in a primary or other election of National officers" is regarded as shelved so far as the current session of Congress is concerned. Stating that the Senate action automatically displaced the House-approved bill outlawing the collection of a poll tax as a requirement for voting for Federal officers in 8 Southern States, which had been debated since May 9, Associated Press accounts from Washington May 15 also had the following to say:

"Senators McCarran (D.-Nev.), Pepper (D.-Fla.), and Taft (R. Ohio) protested against Senator Clark's motion on the ground that its approval would displace the poll tax bill without giving the Senate a direct vote on whether to lay the bill aside. Senator Clark answered that he, like Senator Pepper, had voted to invoke cloture because he did not believe that the Senate should permit a filibuster during critical periods of war, but said that, at the same time, important veterans legislation 'cannot be delayed.' Senator Clark said that he was against passage of the anti-poll tax bill.

"Majority Leader Barkley (Ky.), who voted for cloture, and Acting Minority Leader White (Me.) who voted against it, joined

in supporting Senator Clark's motion. Senator Barkley said in view of the Senate's opposition to cloture, any expectation of a vote on the poll-tax bill was 'a vain hope.'

"The Senate rejected the debate-limiting cloture petition which would have halted a Southern Democratic filibuster against the anti-poll tax bill.

"The vote to invoke cloture, which would have shut off all debate in 96 hours, was 36 ayes to 44 nays, not only short of the necessary two-thirds of those voting, but short of a majority."

According to Washington advices May 17 to the New York "Times" Representative Winifred Stanley, Republican, of New York, introduced a joint resolution that day providing for a Constitutional amendment which would eliminate poll-tax requirements in all States where they now are in force. A similar measure, it is stated, has been submitted in the Upper House by Senator O'Mahoney of Wyoming.

In later advices from Washington (Associated Press, May 20) it was stated that more than 30 of the Senate's 37 Republicans sponsored on that day a constitutional amendment to ban poll tax levies. Senator Wherry (Rep., Neb.), who introduced the amendment bearing the signatures of himself and 32 colleagues, talked of getting action this session to bring the poll tax issue before the people.

On May 13 President Roosevelt was urged by the National Negro Council to take an immediate hand in the Senate battle over the anti-poll tax bill; state his position on the measure and, if favorable, lend his weight to end a filibuster of Southern Democrats and bring about passage of the bill. The foregoing was reported by the New York "Herald Tribune" in advices from its Washington bureau, which also had the following to say in part:

"The request of the Negro organization; set forth in a telegram signed by Edgar G. Brown, director of the N.N.C., was similar to

that recently made by Walter White, Secretary of the National Association for the Advancement of Colored People, on Governor Thomas E. Dewey of New York. The N.A.A.C.P. appealed to Governor Dewey to use 'his strategic position' in the Republican party to swing Republican Senators in line with those favoring resort to cloture to limit Senate debate.

"Mr. Roosevelt in turn was asked by the N.N.C., not only to make the present anti-poll legislation 'must' under his administration, but to use his influence 'to dissolve the behind-the-scenes agreement between Senate Majority Leader Alben W. Barkley of Kentucky and the Southern Democrats to scuttle the bill if the Senate failed to invoke cloture on Monday."

"Senator Robert F. Wagner, Democrat, of New York, a supporter of the anti-poll tax bill, admitted that he had heard rumors that if the vote Monday failed to limit the debate that the bill would be withdrawn and no vote ever taken. 'But I cannot believe that any member of the Senate would attempt an agreement which would prevent orderly operation of democracy,' said Senator Wagner."

Nystrom Again Heads Sales Exec. Club

Dr. Paul H. Nystrom, Professor of Marketing, Columbia University, and President, Limited Price Variety Stores Association, was re-elected President of the Sales Executives Club of New York at the Annual Election Meeting of that organization in the Hotel Roosevelt on May 16. This will be Dr. Nystrom's fifth successive annual term as president of the Club. His candidacy was uncontested.

Elected to serve with him were: Gene Flack, Director of Public and Trade Relations, Loose-Wiles Biscuit Co., and Frank M. Head, Vice-President & General Merchandise Manager, United Cigar-Whelan Stores Corp. as Vice-President; S. George Little, President; General Features Corp., as Secretary; Carroll B. Merritt, Manager, Subscription Book Department, Chas. Scribner's Sons, as Treasurer; and as Directors Clarence Francis, President, General Foods Corp.; Major F. W. Nichol, Vice President & General Manager, International Business Machines Corp.; and George P. Johansen, Secretary-Treasurer, Advertising Distributors of America, Inc. Harry R. White continues as Executive Secretary of the club, a post he has held for the past eleven years.

It was announced at the meeting that the club has had a 10% increase in membership in the past year, with a record low resignation rate of 3%, bringing its total enrollment to 1,500 members.

Alloy Steel Output In April Shows Decline

Production of alloy steels during April totaled 889,051 tons, less than 12% of total steel production during that month, according to the American Iron and Steel Institute. In March, 952,287 tons of alloy steel were produced, while in April a year ago alloy steel production was 1,214,965 tons, or 16.5% of total steel output.

Open hearth furnaces produced 581,005 tons of alloy steel in April. The remaining 308,046 tons of alloy steel production came from electric furnaces.

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 May 13, 1944, is estimated at 12,560,000 net tons, an increase of 410,000 tons, or 3.4%, over the preceding week. Output in the corresponding week of last year amounted to 12,097,000 tons. Cumulative production of soft coal from Jan. 1 to May 13, 1944 totaled 235,395,000 net tons, as against 224,658,000 tons in the same period of 1943, a gain of 4.8%.

According to the U. S. Bureau of Mines, output of Pennsylvania anthracite for the week ended May 13, 1944 was estimated at 1,326,000 tons, an increase of 48,000 tons (3.8%) over the preceding week. When compared with the production in the corresponding week of last year, there was, however, a decrease of 60,000 tons, or 4.3%. The calendar year to date shows an increase of 4.6% when compared with the same period in 1943.

The Bureau of Mines also reported that the estimated production of beehive coke in the United States for the week ended May 13, 1944 showed an increase of 2,900 tons when compared with the output for the week ended May 6, 1944, but was 16,000 tons less than for the corresponding period of 1943. Production for the 134 days ended May 13, 1944 was 162,500 tons below that for the same period of last year.

ESTIMATED UNITED STATES PRODUCTION OF COAL, IN NET TONS

	Week Ended			January 1 to Date		
	May 13, 1944	May 6, 1944	May 15, 1943	May 13, 1944	May 15, 1943	May 15, 1937
Bituminous coal and lignite—	12,560,000	12,150,000	12,097,000	235,395,000	224,658,000	177,033,000
Total, incl. mine fuel	2,093,000	2,025,000	2,016,000	2,059,000	1,962,000	1,552,000

*Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

	Week Ended			Calendar Year to Date		
	May 13, 1944	May 6, 1944	May 15, 1943	May 13, 1944	May 15, 1943	May 15, 1937
Penn. anthracite—	1,326,000	1,278,000	1,386,000	24,289,000	23,227,000	28,087,000
†Total incl. coll. fuel	1,273,000	1,227,000	1,331,000	23,319,000	22,298,000	26,065,000
‡Commercial produc.	1,273,000	1,227,000	1,331,000	23,319,000	22,298,000	26,065,000
Beehive coke—	146,400	143,500	162,400	2,896,300	3,058,800	2,431,200

*Includes washery and dredge coal, and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Subject to revision. §Revised.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

State	Week Ended			
	May 6, 1944	April 29, 1944	May 8, 1943	May 8, 1937
Alabama	388,000	385,000	304,000	73,000
Alaska	5,000	5,000	6,000	2,000
Arkansas and Oklahoma	83,000	88,000	68,000	8,000
Colorado	161,000	170,000	151,000	79,000
Georgia and North Carolina	1,000	1,000	1,000	*
Illinois	1,428,000	1,514,000	1,222,000	516,000
Indiana	540,000	511,000	430,000	223,000
Iowa	47,000	42,000	49,000	21,000
Kansas and Missouri	180,000	150,000	141,000	69,000
Kentucky—Eastern	939,000	941,000	773,000	797,000
Kentucky—Western	333,000	393,000	289,000	126,000
Maryland	35,000	36,000	30,000	17,000
Michigan	5,000	5,000	5,000	1,000
Montana (bitum. & lignite)	80,000	92,000	81,000	27,000
New Mexico	41,000	38,000	32,000	26,000
North & South Dakota (lignite)	37,000	31,000	24,000	14,000
Ohio	700,000	706,000	588,000	450,000
Pennsylvania (bituminous)	3,095,000	3,057,000	2,368,000	1,953,000
Tennessee	152,000	138,000	114,000	56,000
Texas (bituminous & lignite)	4,000	3,000	4,000	15,000
Utah	123,000	118,000	117,000	31,000
Virginia	378,000	413,000	332,000	231,000
Washington	27,000	28,000	29,000	28,000
West Virginia—Southern	2,157,000	2,247,000	1,845,000	1,652,000
West Virginia—Northern	1,035,000	1,063,000	762,000	543,000
Wyoming	175,000	184,000	165,000	56,000
Other Western States	1,000	1,000	*	*
Total bituminous & lignite	12,150,000	12,360,000	9,930,000	7,014,000
Pennsylvania anthracite	1,278,000	1,344,000	1,031,000	952,000
Total, all coal	13,428,000	13,704,000	10,961,000	7,966,000

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

Civil Engineering Construction \$26,907,000 For Week

Civil engineering construction volume in continental U. S. totals \$26,907,000 for the week. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding is 36% lower than a week ago, 58% under the total reported by "Engineering News-Record" for the corresponding 1943 week, and 3% below the previous four-week moving average. The report made public on May 19, continued as follows:

Private work is 30% lower than last week, and down 5% compared with the 1943 week. Public construction is 39 and 68% lower, respectively, than a week ago and a year ago.

The current week's construction brings 1944 volume to \$706,134,000 for the 20-week period, a decrease of 51% from the \$1,445,294,000 reported in 1943. Private construction, \$163,047,000, is 12% above the 1943 period, but public construction, \$543,087,000, is 58% lower as a result of the 62% decline in federal. State and municipal is 1% under a year ago.

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

	May 20, '43	May 11, '44	May 18, '44
Total U. S. Construction	\$63,929,000	\$42,209,000	\$26,907,000
Private Construction	10,209,000	13,822,000	9,724,000
Public Construction	53,720,000	28,387,000	17,183,000
State and Municipal	4,162,000	6,807,000	6,716,000
Federal	49,558,000	21,580,000	10,467,000

In the classified construction groups, gains over last week are in bridges, commercial buildings, and streets and roads. Gains over the 1943 week are in bridges, commercial buildings, earthwork and drainage, and streets and roads. Subtotals for the week in each class of construction are: waterworks, \$239,000; sewerage, \$275,000; bridges, \$474,000; industrial buildings, \$1,220,000; commercial buildings and large-scale private housing, \$7,010,000; public buildings, \$5,238,000;

National Fertilizer Association Commodity Price Index Advances April Freight Traffic Volume Increased 2.3%

The weekly wholesale commodity price index, compiled by The National Fertilizer Association and made public on May 20, advanced to 137.2 in the week ending May 20 from 137.0 in the preceding week. A month ago this index registered 136.9 and a year ago 135.8, based on the 1935-1939 average as 100. The Association's report continued as follows:

The advance in the all-commodity index reflected principally higher quotations in the farm products group. The slight decline in lambs and ewes was not sufficient to offset the rise in cattle, hogs, and life fowls. There was a fractional decline in the grains index number as prices for rye dropped sharply. The foods group dropped off one point as lower prices were quoted for eggs and cottonseed oil. The cottonseed oil index number, marking its first change since Jan. 1 of this year, has reached a new low since Oct. 31, 1942 and in turn has caused the fats and oils index number to drop proportionately. The textiles index advanced fractionally as prices for raw cotton increased slightly. Higher prices for brick caused the building materials index number to reach a new all-time high. All other group indexes remained at the previous week's level.

During the week 7 price series in the index advanced and 5 declined; in the preceding week there were 2 advances and 6 declines; and in the second preceding week there were 5 advances and 4 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Each Group Bears to the Total Index	Group	1935-1939=100*			
		Latest Week	Preceding Week	Month Ago	Year Ago
25.3	Foods	138.5	139.5	138.4	140.7
	Fats and Oils	145.2	146.1	146.1	147.9
	Cottonseed Oil	156.7	159.6	159.6	159.0
23.0	Farm Products	155.0	154.7	156.0	152.9
	Cotton	199.7	198.9	198.9	200.7
	Grains	164.7	164.8	164.5	142.0
	Livestock	144.4	144.0	146.1	147.7
17.3	Fuels	130.1	130.1	130.1	122.8
10.8	Miscellaneous commodities	132.2	132.2	132.2	130.1
8.2	Textiles	152.1	152.0	152.0	150.9
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	153.4	152.4	152.4	152.7
1.3	Chemicals and drugs	127.7	127.7	127.7	126.6
.3	Fertilizer materials	117.7	117.7	117.7	117.7
.3	Fertilizers	119.7	119.7	119.7	119.8
.3	Farm machinery	104.3	104.3	104.2	104.1
100.0	All groups combined	137.2	137.0	136.9	135.8

*Indexes on 1926-1928 base were: May 20, 1944, 106.9; May 13, 106.7; and May 22, 1943, 105.8.

Cottonseed Receipts To April 30

On May 12, the Bureau of Census issued the following statement showing cottonseed received, crushed, and on hand, and cottonseed products manufactured, shipped out, on hand, and exported for the nine months ended April 30, 1944 and 1943.

COTTONSEED RECEIVED, CRUSHED, AND ON HAND (TONS)

State	Received at mills		Crushed		On hand at mills	
	Aug. 1 to April 30, 1944	1943	Aug. 1 to April 30, 1944	1943	April 30, 1944	April 30, 1943
United States	3,890,549	4,425,067	3,691,616	4,202,208	287,709	294,890
Alabama	259,452	283,862	244,743	243,117	16,894	14,078
Arizona	59,524	82,687	55,019	75,366	4,508	7,712
Arkansas	373,489	469,762	342,318	420,326	40,756	61,257
California	124,319	157,004	122,770	126,013	8,445	32,166
Georgia	353,393	335,785	326,794	330,660	28,837	9,182
Louisiana	200,862	184,110	198,663	163,078	2,742	1,776
Mississippi	705,529	737,045	640,452	684,741	76,617	58,545
North Carolina	222,920	269,343	210,856	260,128	13,129	10,872
Oklahoma	110,452	218,785	108,357	222,164	3,887	1,085
South Carolina	193,960	202,759	186,825	199,172	9,728	3,534
Tennessee	277,152	381,635	261,002	354,241	19,416	36,581
Texas	905,068	1,007,886	892,568	998,252	57,169	42,589
All other states	104,429	144,404	101,251	124,950	5,581	15,513

*Includes 1,560 and 9,897 tons destroyed at mills but not 90,336 and 81,928 tons on hand Aug. 1 nor 44,834 and 51,625 tons reshipped for 1944 and 1943 respectively.

COTTONSEED PRODUCTS MANUFACTURED, SHIPPED OUT, AND ON HAND

Item	Season	On hand		Produced		Shipped out	
		Aug. 1	April 30	Aug. 1 to April 30	April 30	Aug. 1 to April 30	April 30
Crude oil	1943-44	*23,283	1,151,990	1,133,960	*90,969		
(thousand pounds)	1942-43	34,460	1,304,631	1,292,403	90,765		
Refined oil	1943-44	†207,409	†1,019,675	-----	†353,927		
(thousand pounds)	1942-43	310,191	1,151,366	-----	300,949		
Cake and meal	1943-44	18,542	1,712,247	1,672,668	58,121		
(tons)	1942-43	190,100	1,859,623	2,011,391	38,332		
Hulls	1943-44	11,964	862,606	850,658	23,912		
(tons)	1942-43	44,118	1,013,131	1,032,647	24,602		
Linters	1943-44	135,927	†1,103,397	1,022,940	†216,384		
(running bales)	1942-43	43,295	1,262,276	1,020,570	285,001		
Hull fiber	1943-44	556	19,246	18,973	829		
(500-lb. bales)	1942-43	229	30,009	28,975	1,263		
Grablots, notes, &c.	1943-44	14,106	44,465	39,816	18,755		
(500-lb. bales)	1942-43	23,644	57,651	55,145	26,150		

*Includes 13,826,000 and 59,127,000 pounds held by refining and manufacturing establishments and 3,150,000 and 7,505,000 pounds in-transit to refiners and consumers Aug. 1, 1943 and April 30, 1944 respectively.

†Includes 3,196,000 and 8,530,000 pounds held by refiners, brokers, agents, and warehousemen at places other than refineries and manufacturing establishments and 3,734,000 and 2,551,000 pounds in transit to manufacturers of shortening, soap, etc. Aug. 1, 1943 and April 30, 1944 respectively. Does not include winterized oil.

‡Produced from 1,082,682,000 pounds of crude oil. \$Total lintens produced includes 267,221 bales first cut, 759,630 bales second cut and 76,546 bales mill run. Total held includes 67,604 bales first cut, 125,807 bales second cut and 22,973 bales mill run.

Exports and Imports of Cottonseed Products

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

earthwork and drainage, \$534,000; streets and roads, \$6,836,000; and unclassified construction, \$5,081,000.

New capital for construction purposes for the week totals \$3,755,000. It is made up of \$1,175,000 in state and municipal bond sales, and \$2,580,000 in corporate security issues. New construction financing for the year to date, \$415,907,000, is 15% lower than the \$489,749,000 reported for the 20-week period in 1943.

The volume of freight traffic handled by Class I railroads in April, 1944, exceeded the same month last year by 2.3%, the Association of American Railroads announced on May 22. Freight traffic, measured in ton-miles, amounted to approximately 60,400,000 ton-miles, according to preliminary estimates based on reports just received by the Association from Class I railroads.

Class I railroads in the first four months of 1944 performed approximately 5.8% more revenue ton-miles of service than in the same period of 1943, 34% more than in the same period of 1942, and 152% more than in the first four months of 1939.

The following table summarizes ton-mile statistics for the first four months of 1944 and 1943.

	1944		1943		Increase
Mo. of Jan.	60,487,994	55,134,789	9.7%		
Mo. of Feb.	59,307,320	54,417,879	9.0%		
Mo. of Mar.	63,000,000	61,220,266	2.9%		
Mo. of Apr.	60,400,000	59,052,370	2.3%		
1st 4 mos.	243,195,314	229,825,304	5.8%		

*Revised estimate. †Preliminary estimate.

April Living Costs Up 0.7%

Living costs of the average family of wage-earners and lower-salaried clerical workers in the United States rose from 0.7% from March to April, according to the National Industrial Conference Board. The board reports that sundries were up 1.2%; food, 0.8, and clothing, 0.2%. Fuel and light declined 0.1%. The board's index of the cost of living (1923=100) stood at 104.1 in April, against 103.4 in March and 104.0 in April, 1943.

The board on May 12 further reported:

Trading On New York Exchanges

The Securities and Exchange Commission made public on May 13 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 April 29, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended April 29 (in round-lot transactions) totaled 945,576 shares, which amount was 14.70% of the total transactions on the Exchange of 3,216,380 shares. This compares with member trading during the week ended April 22 of 1,217,036 shares, or 15.08% of the total trading of 4,214,500 shares. On the New York Curb Exchange, member trading during the week ended April 29 amounted to 241,450 shares, or 15.31% of the total volume on that exchange of 788,150 shares; during the April 22 week trading for the account of Curb members of 264,790 shares was 13.41% of total trading of 987,531 shares.

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

WEEK ENDED APRIL 29, 1944		
A. Total Round-Lot Sales:	Total for Week	%
Short sales.....	108,960	
Other sales.....	3,107,420	
Total sales.....	3,216,380	
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.....	269,740	
Short sales.....	40,230	
Other sales.....	221,090	
Total sales.....	261,320	8.26
2. Other transactions initiated on the floor—		
Total purchases.....	126,330	
Short sales.....	12,500	
Other sales.....	98,860	
Total sales.....	111,360	3.69
3. Other transactions initiated off the floor—		
Total purchases.....	80,527	
Short sales.....	8,750	
Other sales.....	87,549	
Total sales.....	96,299	2.75
4. Total—		
Total purchases.....	476,597	
Short sales.....	61,480	
Other sales.....	407,499	
Total sales.....	468,979	14.70

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

WEEK ENDED APRIL 29, 1944		
A. Total Round-Lot Sales:	Total for Week	%
Short sales.....	8,545	
Other sales.....	779,605	
Total sales.....	788,150	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases.....	60,290	
Short sales.....	3,825	
Other sales.....	62,655	
Total sales.....	66,480	8.04
2. Other transactions initiated on the floor—		
Total purchases.....	17,800	
Short sales.....	1,675	
Other sales.....	10,980	
Total sales.....	12,655	1.93
3. Other transactions initiated off the floor—		
Total purchases.....	50,695	
Short sales.....	0	
Other sales.....	33,530	
Total sales.....	33,530	5.34
4. Total—		
Total purchases.....	128,785	
Short sales.....	5,500	
Other sales.....	107,165	
Total sales.....	112,665	15.31
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales.....	0	
Customers' other sales.....	34,354	
Total purchases.....	34,354	
Total sales.....	23,759	

*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."

Wholesale Commodity Index Declines 0.1% In Week Ended May 13 Labor Dept. Reports

Seasonal declines in prices for fresh fruits and vegetables together with lower ceiling prices for heavy hogs were largely responsible for a decline of 0.1% in commodity prices in primary markets during the week ended May 13, according to the advices May 18 from the U. S. Department of Labor, which states that the decrease brought the Bureau of Labor Statistics' all-commodity index to 103.6% of the 1926 average. It was 0.2% lower than at the same time last month and in mid-May of last year, says the Department, which further reports:

Farm Products and Foods—Average prices for farm products dropped 0.7% during the week, led by a decline of more than 1% in the livestock and poultry markets. Heavy hogs fell 7% when OPA lowered ceiling prices on heavy weights 75 cents a hundred pounds. Light hogs declined fractionally and lower prices were also reported for sheep and for live poultry in the Chicago market. Favorable crop reports were reflected in the grain markets with rye down nearly 2% and wheat off slightly. In addition, quotations were lower for eggs, oranges and onions. White potatoes in the Boston and Chicago markets declined but were substantially higher at New York. Cotton advanced seasonally. Average prices for farm products are 1.7%

lower than at this time last month and 2.6% below the corresponding week of last year.

With a decrease of 1.8% in primary market prices for fresh fruits and vegetables, average prices for foods dropped 0.4%. Prices were slightly lower during the week for flour and for cured and fresh pork. In the past 4 weeks, average prices for foods at wholesale have fallen 0.4% and they are more than 5% below the mid-May 1943 level.

Industrial Commodities—Industrial commodity markets continued fairly stable. The quicksilver market showed further weakness as some producers again lowered prices in an effort to stimulate sales. Naval stores markets were somewhat stronger as rosin and turpentine rose about 2%. The Department's announcement also contains the following notation:

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 April 15, 1944, and May 15, 1943, and the percentage changes from a week ago, a month ago, and a year ago and (2) percentage changes in subgroup indexes from May 6 to May 13, 1944.

WHOLESALE PRICES FOR WEEK ENDED MAY 13, 1944 (1926=100)

Commodity Groups—	5-13			4-29			4-15			5-15			5-6			4-15			5-15		
	1944	1944	1944	1944	1943	1943	1944	1943	1944	1943	1944	1943	1944	1943	1944	1943	1944	1943	1944		
All commodities.....	*103.6	*103.7	*103.7	*103.8	103.8	103.8	103.8	103.8	103.8	103.8	103.8	103.8	103.8	103.8	103.8	103.8	103.8	103.8	103.8		
Farm products.....	*122.4	*123.3	*123.1	*124.5	125.7	125.7	125.7	125.7	125.7	125.7	125.7	125.7	125.7	125.7	125.7	125.7	125.7	125.7	125.7		
Foodstuffs.....	104.6	105.0	104.7	105.0	110.2	110.2	110.2	110.2	110.2	110.2	110.2	110.2	110.2	110.2	110.2	110.2	110.2	110.2	110.2		
Hides and leather products.....	117.6	117.6	117.6	117.6	118.4	118.4	118.4	118.4	118.4	118.4	118.4	118.4	118.4	118.4	118.4	118.4	118.4	118.4	118.4		
Textile products.....	97.3	97.3	97.3	97.3	96.9	96.9	96.9	96.9	96.9	96.9	96.9	96.9	96.9	96.9	96.9	96.9	96.9	96.9	96.9		
Fuel and lighting materials.....	*83.7	*83.7	*83.7	*83.6	81.5	81.5	81.5	81.5	81.5	81.5	81.5	81.5	81.5	81.5	81.5	81.5	81.5	81.5	81.5		
Metals and metal products.....	*103.8	*103.8	*103.8	*103.8	103.9	103.9	103.9	103.9	103.9	103.9	103.9	103.9	103.9	103.9	103.9	103.9	103.9	103.9	103.9		
Building materials.....	115.0	115.0	114.7	114.7	110.4	110.4	110.4	110.4	110.4	110.4	110.4	110.4	110.4	110.4	110.4	110.4	110.4	110.4	110.4		
Chemicals and allied products.....	105.4	105.4	105.4	105.4	100.2	100.2	100.2	100.2	100.2	100.2	100.2	100.2	100.2	100.2	100.2	100.2	100.2	100.2	100.2		
Housefurnishing goods.....	106.0	106.0	106.0	106.0	104.2	104.2	104.2	104.2	104.2	104.2	104.2	104.2	104.2	104.2	104.2	104.2	104.2	104.2	104.2		
Miscellaneous commodities.....	93.3	93.3	93.3	93.3	91.4	91.4	91.4	91.4	91.4	91.4	91.4	91.4	91.4	91.4	91.4	91.4	91.4	91.4	91.4		
Raw materials.....	*112.8	*113.3	*113.2	*113.9	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7		
Semimanufactured articles.....	93.5	93.5	93.5	93.5	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9	92.9		
Manufactured products.....	*101.0	*101.0	*101.0	*100.9	101.0	101.0	101.0	101.0	101.0	101.0	101.0	101.0	101.0	101.0	101.0	101.0	101.0	101.0	101.0		
All commodities other than farm products.....	*99.5	*99.5	*99.5	*99.4	99.1	99.1	99.1	99.1	99.1	99.1	99.1	99.1	99.1	99.1	99.1	99.1	99.1	99.1	99.1		
All commodities other than farm products and foods.....	*98.6	*98.6	*98.5	*98.5	96.9	96.9	96.9	96.9	96.9	96.9	96.9	96.9	96.9	96.9	96.9	96.9	96.9	96.9	96.9		

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM MAY 6, 1944 TO MAY 13, 1944

Increases	
Paint and paint materials.....	0.2
Agricultural implements.....	0.1
Decreases	
Fruits and vegetables.....	1.8
Grains.....	0.2
Livestock and poultry.....	1.1
Meats.....	0.2
Other farm products.....	0.6
Other foods.....	0.1

Statutory Debt Limitation As Of Apr. 30, 1944

The Treasury Department made public on May 5 its monthly report showing the face amount of public debt obligations issued under the Second Liberty Bond Act (as amended), outstanding on Apr. 30, 1944, totaled \$191,528,560,009, thus leaving the face amount of obligations which may be issued, subject to the \$210,000,000,000 statutory debt limitation at \$18,471,439,991. In another table in the report, the Treasury indicates that from the total face amount of outstanding public debt obligations (\$191,528,560,009) should be deducted \$707,240,501 (the unearned discount on savings bonds), reducing the total to \$183,821,319,508, but to this figure should be added \$1,145,594,169 (the other public debt obligations outstanding but not subject to the statutory limitation). Thus, the total gross debt outstanding as of Apr. 30, 1944, was \$184,966,913,677.

The following is the Treasury's report for Apr. 30:

Statutory Debt Limitation as of Apr. 30, 1944

Section 21 of the Second Liberty Bond Act, as amended, provided that the face amount of obligations issued under authority of that Act, "shall not exceed in the aggregate \$210,000,000,000 outstanding at any one time."

The following table shows the face amount of obligations outstanding and the face amount which can still be issued under this limitation:

Total face amount that may be outstanding at any one time.....	\$210,000,000,000
Outstanding as of April 30, 1944:	
Inter-bearing:	
Bonds—	
Treasury.....	\$72,525,967,550
*Savings (maturity value).....	40,203,995,500
Depository.....	467,626,750
Adjusted service.....	718,276,657
	\$113,915,866,457
Treasury notes.....	\$33,150,504,625
Certificates of indebtedness.....	30,707,798,000
Treasury bills (maturity value).....	13,149,652,000
	77,007,954,625
	\$190,923,821,082
Matured obligations on which interest has ceased	344,531,525
Bearing no interest:	
U. S. savings stamps.....	196,403,588
Excess profits tax refund bonds.....	63,803,814
	260,207,402
	\$191,528,560,009
Face amount of obligations issuable under above authority.....	\$18,471,439,991

RECONCILEMENT WITH DAILY STATEMENT OF THE UNITED STATES TREASURY APRIL 30, 1944

Total face amount of outstanding public debt obligations issued under authority of the Second Liberty Bond Act.....	\$191,528,560,009
Deduct, unearned discount on Savings Bonds (difference between current redemption value and maturity value).....	7,707,240,501
	\$183,821,319,508
Add other public debt obligations outstanding but not subject to the statutory limitation:	
Interest-bearing (pre-war, etc.).....	\$195,926,860
Matured obligations on which interest has ceased	7,692,050
Bearing no interest.....	941,975,259
	1,145,594,169
Total gross debt outstanding as of April 30, 1944.....	\$184,966,913,677
*Approximate maturity value. Principal amount (current redemption value) according to preliminary public debt statement \$32,496,754,999.	

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on May 13 a summary for the week ended May 6 of complete figures showing the daily volume of stock transactions for 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 May 6, 1944	
Odd-Lot Sales by Dealers (Customers' purchases)	Total for Week
Number of orders.....	15,023
Number of shares.....	405,627
Dollar value.....	\$18,077,193

Odd-Lot Purchases by Dealers— (Customers' sales)

Number of Orders:	
Customers' short sales.....	234
*Customers' other sales.....	15,408
Customers' total sales.....	15,642
Number of Shares:	
Customers' short sales.....	7,386
*Customers' other sales.....	383,887
Customers' total sales.....	391,273
Dollar value.....	\$14,141,217

Round-Lot Sales by Dealers—

Number of Shares:	
Short sales.....	30
Other sales.....	111,820
Total sales.....	111,850

Round-Lot Purchases by Dealers:

Number of shares.....	141,150
*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."	

Ore-Wash. Joint Stock Land Bank Dividend 10%

A further dividend designated as Dividend Number 8, in an amount equal to 10% of the outstanding principal of farm loan bonds issued by the Oregon-Washington Joint Stock Land Bank of Portland, Oregon, and unearned interest accrued thereon up to and including April 30, 1936, has been declared as of the close of business May 25, 1944, it was announced on May 10 by George B. Guthrie, Receiver of the Bank on May 10. His announcement also says:

"This dividend is being distributed out of the proceeds derived from the liquidation of pledged assets of the bank and is payable only to persons who have proved and filed claims against the bank based upon such bonds and/or interest coupons representing said unmatured interest. Holders of interest coupons which matured prior to May 1, 1936, will not participate in this dividend as to such coupons inasmuch as such coupons are payable from a special trust fund on deposit with The United States National Bank of Portland (Oregon).

Increase in Capital of Pan American Trust Co.

The Pan American Trust Company increased its capital on May 18 from \$700,000 to \$1,000,000, according to announcement by John B. Glenn, President. This increase in capitalization, Mr. Glenn said, was made in order to bring the capital structure in more favorable relationship to the large volume of deposits, and to handle a growing volume of business. The capital stock of the bank, having a par value of \$25 per share, will be increased from 28,000 shares to 40,000 shares. Sales price of the new stock is \$35 per share, of which \$25 will represent the par value, increasing the capital by \$300,000, and \$10 will be allocated to surplus, increasing this account to the extent of \$120,000. Deposits as of May 18, 1944, aggregated \$12,526,738; surplus amounted to \$280,000; undivided profits were \$47,800 and total capital funds are shown as \$1,327,800.

Revenue Freight Car Loadings During Week Ended May 13, 1944 Increased 31,331 Cars

Loading of revenue freight for the week ended May 13, 1944, totaled 868,309 cars, the Association of American Railroads announced on May 18. This was an increase above the corresponding week of 1943 of 19,277 cars, or 2.3%, and an increase above the same week in 1942 of 29,255 cars or 3.5%.

Loading of revenue freight for the week of May 13, increased 31,331 cars, or 3.7% above the preceding week.

Miscellaneous freight loading totaled 385,235 cars, an increase of 8,101 cars above the preceding week, and an increase of 1,599 cars above the corresponding week in 1943.

Loading of merchandise less than carload lot freight totaled 106,451 cars, an increase of 105 cars above the preceding week, and an increase of 9,967 cars above the corresponding week in 1943.

Coal loading amounted to 179,133 cars, an increase of 7,027 cars above the preceding week, and an increase of 2,901 cars above the corresponding week in 1943.

Grain and grain products loading totaled 40,011 cars, an increase of 1,623 cars above the preceding week but a decrease of 3,201 cars below the corresponding week in 1943. In the Western Districts alone, grain and grain products loading for the week of May 13, totaled 24,656 cars, an increase of 1,736 cars above the preceding week but a decrease of 3,541 cars below the corresponding week in 1943.

Live stock loading amounted to 15,709 cars, a decrease of 148 cars below the preceding week, but an increase of 1,245 cars above the corresponding week in 1943. In the Western Districts alone loading of live stock for the week of May 13 totaled 11,955 cars, a decrease of 198 cars below the preceding week, but an increase of 1,406 cars above the corresponding week in 1943.

Forest products loadings totaled 47,212 cars, an increase of 3,555 cars above the preceding week and an increase of 3,521 cars above the corresponding week in 1943.

Ore loading amounted to 79,552 cars, an increase of 10,469 cars above the preceding week and an increase of 2,667 cars above the corresponding week in 1943.

Coke loading amounted to 15,006 cars, an increase of 599 cars above the preceding week, and an increase of 578 cars above the corresponding week in 1943.

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

	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
4 weeks of March	3,135,155	3,073,445	3,174,781
5 weeks of April	4,068,625	3,924,981	4,209,907
Week of May 6	836,978	816,538	839,286
Week of May 13	868,309	849,032	839,054
Total	15,865,036	15,251,532	16,044,449

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended May 13, 1944. During the period 74 roads showed increases when compared with the corresponding week a year ago.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED MAY 13					
Railroads	Total Revenue Freight Loaded		Total Loads Received from Connections		
	1944	1943	1944	1943	
Eastern District—					
Ann Arbor	265	232	450	1,443	1,555
Bangor & Aroostook	1,352	928	1,779	443	347
Boston & Maine	7,625	6,228	6,117	14,942	14,591
Chicago, Indianapolis & Louisville	1,282	1,510	1,345	2,277	1,903
Central Indiana	32	43	24	45	69
Central Vermont	1,064	1,026	1,003	2,117	2,498
Delaware & Hudson	6,072	6,490	6,820	13,743	11,868
Delaware, Lackawanna & Western	7,899	7,620	7,991	11,958	12,987
Detroit & Mackinac	254	405	275	115	128
Detroit, Toledo & Ironton	1,738	1,802	1,976	1,183	1,497
Detroit & Toledo Shore Line	333	289	315	2,541	2,766
Erie	13,653	13,350	14,933	17,138	19,638
Grand Trunk Western	3,810	3,938	3,463	8,697	8,189
Lehigh & Hudson River	181	219	246	3,599	2,778
Lehigh & New England	2,156	2,087	2,166	1,726	1,707
Lehigh Valley	9,344	8,770	9,123	16,905	14,733
Maine Central	2,205	2,078	2,098	3,282	2,286
Monongahela	6,631	6,569	6,041	306	363
Montour	2,813	2,520	2,427	32	55
New York Central Lines	48,845	56,797	46,680	56,703	53,677
N. Y., N. H. & Hartford	10,424	9,728	9,912	20,547	19,105
New York, Ontario & Western	1,263	1,283	1,100	3,830	2,649
New York, Chicago & St. Louis	6,604	7,097	7,636	15,933	15,712
N. Y., Susquehanna & Western	490	624	418	2,163	2,489
Pittsburgh & Lake Erie	7,707	7,651	8,575	8,824	9,582
Pere Marquette	4,778	4,945	5,239	8,145	7,208
Pittsburgh & Shawmut	868	932	770	20	17
Pittsburgh, Shawmut & North	293	391	424	231	289
Pittsburgh & West Virginia	1,379	1,251	1,181	2,649	3,638
Rutland	403	318	389	1,278	910
Wabash	5,389	5,524	5,254	12,368	13,307
Wheeling & Lake Erie	5,834	6,397	5,202	4,266	4,998
Total	162,486	169,042	161,432	239,449	233,589
Allegheny District—					
Akron, Canton & Youngstown	710	758	704	1,261	1,309
Baltimore & Ohio	46,714	43,404	41,035	28,894	29,110
Bessemer & Lake Erie	7,246	5,832	7,242	1,962	2,000
Buffalo Creek & Gauley	348	302	290	4	4
Cambria & Indiana	1,658	1,860	1,960	8	7
Central R. R. of New Jersey	7,380	7,553	7,494	20,559	21,959
Cornwall	461	650	701	69	74
Cumberland & Pennsylvania	219	239	328	23	6
Ligonier Valley	150	140	144	36	32
Long Island	1,279	1,146	701	3,741	3,691
Penn.-Reading Seashore Lines	1,752	1,659	1,537	2,679	2,901
Pennsylvania System	87,678	83,998	85,373	68,858	68,284
Reading Co.	15,250	15,831	14,887	28,966	28,812
Union (Pittsburgh)	19,954	21,288	21,210	8,477	7,148
Western Maryland	4,288	4,266	4,073	13,202	12,913
Total	195,087	188,926	187,679	178,739	178,250
Pocahontas District—					
Chesapeake & Ohio	29,386	29,998	29,849	14,310	13,936
Norfolk & Western	21,688	23,256	23,460	7,454	7,649
Virginian	4,497	5,017	4,581	2,133	2,052
Total	55,571	58,271	57,890	23,906	23,637

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Southern District—					
Alabama, Tennessee & Northern	362	282	399	479	260
Atl. & W. P.—W. R. R. of Ala.	924	678	743	2,964	2,799
Atlanta, Birmingham & Coast	837	803	818	1,720	1,285
Atlantic Coast Line	13,127	13,021	13,122	10,822	11,133
Central of Georgia	4,047	4,144	3,783	5,413	4,674
Charleston & Western Carolina	466	523	349	1,836	1,858
Clinchfield	1,790	1,634	1,761	3,193	2,892
Columbus & Greenville	223	330	326	206	144
Flurham & Southern	132	121	200	647	623
Florida East Coast	1,978	2,747	1,850	1,483	1,909
Gainesville Midland	37	46	38	182	81
Georgia & Florida	1,105	1,115	1,088	2,773	2,999
Gulf, Mobile & Ohio	457	369	376	785	597
Illinois Central System	4,345	3,676	4,035	4,322	4,463
Louisville & Nashville	30,049	26,202	27,236	19,935	19,081
Macon, Dublin & Savannah	26,393	26,687	27,182	13,014	11,540
Mississippi Central	156	205	164	1,002	947
Nashville, Chattanooga & St. L.	259	228	156	630	512
Norfolk Southern	3,242	3,252	3,702	4,621	4,913
Piedmont Northern	986	1,170	1,530	1,693	1,671
Richmond, Fred. & Potomac	427	357	314	1,163	1,109
Seaboard Air Line	11,063	11,320	11,553	11,527	11,310
Southern System	23,799	22,353	23,680	9,345	7,634
Tennessee Central	777	542	678	26,221	23,690
Winston-Salem Southbound	157	128	92	865	753
Total	127,519	122,344	125,710	127,107	119,774
Northwestern District—					
Chicago & North Western	19,617	19,572	21,391	13,781	12,882
Chicago Great Western	2,705	2,721	2,396	3,583	2,832
Chicago, Milw., St. P. & Pac.	21,321	19,249	18,508	11,363	10,637
Chicago, St. Paul, Minn. & Omaha	3,219	3,195	3,333	3,901	3,488
Duluth, Missabe & Iron Range	26,906	23,067	25,234	157	193
Duluth, South Shore & Atlantic	852	889	1,561	503	473
Elgin, Joliet & Eastern	8,918	8,519	10,426	11,917	11,315
Ft. Dodge, Des Moines & South	412	379	543	80	101
Great Northern	21,933	21,676	22,538	6,479	6,151
Green Bay & Western	431	461	539	985	784
Lake Superior & Ishpeming	1,944	2,073	3,523	45	45
Minneapolis & St. Louis	2,084	1,886	1,946	2,415	2,271
Minn., St. Paul & S. M.	6,935	6,697	6,671	4,446	2,878
Northern Pacific	10,633	9,609	10,204	6,116	5,703
Spokane International	141	151	147	731	681
Spokane, Portland & Seattle	3,030	2,033	2,561	3,000	3,034
Total	131,081	122,177	131,521	69,499	63,468
Central Western District—					
Atch., Top. & Santa Fe System	23,238	20,796	21,213	12,816	12,060
Alton	3,165	2,718	2,905	3,278	3,887
Bingham & Garfield	460	592	734	101	104
Chicago, Burlington & Quincy	18,409	18,040	14,628	13,185	11,141
Chicago & Illinois Midland	3,294	3,017	2,763	846	735
Chicago, Rock Island & Pacific	11,502	11,633	10,581	13,063	11,997
Chicago & Eastern Illinois	2,751	2,581	2,420	6,640	5,971
Colorado & Southern	688	789	784	2,685	2,255
Denver & Rio Grande Western	3,880	3,641	2,994	6,328	6,461
Denver & Salt Lake	730	720	564	21	16
Fort Worth & Denver City	833	923	1,019	1,744	2,153
Illinois Terminal	2,158	1,682	1,894	1,915	2,246
Missouri-Illinois	832	1,048	1,333	391	412
Nevada Northern	1,865	2,089	2,004	131	111
North Western Pacific	937	1,140	1,086	767	707
Peoria & Pekin Union	5	1	18	0	0
Southern Pacific (Pacific)	31,604	30,798	28,650	15,564	13,515
Toledo, Peoria & Western	332	332	286	1,986	1,803
Utah	14,327	12,429	11,912	18,411	16,857
Utah	541	556	531	6	3
Western Pacific	2,155	2,132	1,843	4,548	3,594
Total	123,704	117,657	110,162	104,426	96,009
Southwestern District—					
Burlington-Rock Island	243	1,105	160	441	202
Gulf Coast Lines	7,544	6,327	5,334	2,731	2,322
International-Great Northern	2,632	1,814	2,862	4,176	3,873
Kansas, Oklahoma & Gulf	254	176	218	1,126	591
Kansas City Southern	6,917	4,843	5,537	2,777	2,502
Louisiana & Arkansas	3,348	4,218	3,279	2,925	2,742
Litchfield & Madison	300	263	336	1,031	1,196
Midland Valley	696	361	676	555	242
Missouri & Arkansas	193	86	176	433	204
Missouri-Kansas-Texas Lines	6,491	5,771	4,603	5,003	5,579
Missouri Pacific	13,969	15,445	15,336	19,841	20,010
Quanaq Acme & Pacific	62	52	114	429	172
St. Louis-San Francisco	8,846	7,454	8,505	9,454	8,320
St. Louis Southwestern	3,101	3,288	2,929	8,410	7,937
Texas & New Orleans	13,453	14,564	9,823	5,220	5,178
Texas & Pacific	4,676	4,735	4,492	7,869	7,326
Weatherford M. W. & N. W.	105	98	148	70	43
Wichita Falls & Southern	31	15	32	31	24
Total	72,861	70,615	64,660	72,522	68,463

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

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

Percy H. Johnston, Chairman of the Chemical Bank & Trust Co. of New York, at the meeting of the board of directors on May 18 announced the appointment of Willard R. Brown as Trust Officer in the personal trust department. Mr. Brown is a native of Utah and attended the State University, graduating B. A. in 1934. Attended Columbia University Law School, from which he received his L.L.B. degree in 1937 and was admitted to the New York Bar in 1938. He has been admitted to practice before the U. S. Treasury Department and the U. S. Tax Court. He received practical experience in trust administration with the New York Trust Co., and has been associated with the law firm of Shearman & Sterling since 1941.

E. Chester Gersten, President of The Public National Bank & Trust Co. of New York, announced that at a meeting of the board of directors on May 18 James J. Farrelly was promoted from Chief Clerk to Assistant Cashier at the main office.

Richard N. Cotter, Assistant Secretary of Manufacturers Trust Co., at his 23rd Street office (131 East 23rd Street, corner Lexington Avenue), began his 65th year of continuous service with the bank on May 17. Mr. Cotter started his banking career in 1880 with the former Fifth National Bank, which was established in 1864, and which was the first bank in New York City to apply for a National charter. The first location of the bank was at 366 Third Avenue, near 26th Street, and this building contained space not only for banking quarters, but also for living quarters, because it was the general custom at that time for the Cashier to live above the bank; the Fifth National Bank went even further, and also provided living quarters for the Paying Teller and the Messenger, too, as part of their salaries.

The Fifth National Bank changed its location several times before finally occupying the quarters at 23rd Street, corner of Lexington Avenue. Manufacturers Trust Co. absorbed the Fifth National Bank in 1925. It is interesting to note that Mr. Cotter has been with the same office throughout his entire banking career.

The merger of the East Side Savings Bank and the Mechanics Saving Bank, both of Rochester, N. Y., to be consummated under the title of the Community Savings Bank, will become effective June 1, Presidents of the two banks announced on May 18, it was reported in the Rochester "Times-Union," which also had the following to say:

"State Banking Department approval has been given the merger, proposed by the trustees of the two institutions a month ago.

"The names of the two banks, familiar to Rochester for 75 years and longer, will remain to identify two of the Community Savings Bank's downtown offices. The office at Main Street East and Clinton Avenue South, headquarters of the East Side Savings Bank, will become known as the East Side office; the Mechanics Bank, at 21 Exchange, will be known as the Mechanics office. The third office, in the Rochester Gas & Electric Building in East Avenue, will be called the East Avenue office.

"Sol Heumann, present Chairman of the executive committee of the East Side Savings Bank, will be Chairman of the board of the new institution, while George Wendt, present President of the Mechanics Bank, will be Vice-Chairman. William Bausch, honorary Chairman of the East Side board, will continue in that office.

"Arthur A. Barry, now Chairman of the East Side board of trustees, will be honorary Vice-

Chairman. Joseph H. Zweeres, President of East Side, will be the President of the combined banks, with Charles W. Carson, Vice-President of Mechanics, as Executive Vice-President. Hamilton C. Griswold, Philip O. Williams and Alexander G. Hay, all officers of the East Side, will continue their positions at the East Side branch."

According to the Providence, R. I., "Journal," the appointment of Harry G. Bruns, former senior analyst and Assistant Trust Officer of the Manufacturers Trust Co. of New York, as an officer of the Industrial Trust Co. of this city is announced by Ernest Clayton, President. The "Journal" added:

"Mr. Bruns, who will work in the bank's trust department in connection with supervision of trust investments, had been associated with E. H. Rollins & Sons, Moody's Investors' Service, and J. R. Williston & Co. before going with the Manufacturers Trust Co. five years ago. He holds degrees from Columbia University School of Business, Brooklyn Law School and St. John's University Graduate School of Law. He is a member of the New York Bar.

A change in capitalization of the First National Bank & Trust Co. of New Haven, Conn., calling for an increase in the common stock capital from \$1,260,000 to \$2,205,000, and the retirement of all the preferred stock will be acted upon by the stockholders at a special meeting on May 27. An increase in the common dividend from \$1.50 annual basis to a \$2.50 basis also is contemplated as part of this program, President Dwight L. Chamberlain announced, according to advices in the local newspaper, in which it was also stated:

"It is proposed to offer at \$53 a share 18,900 additional common shares, \$50 par value, first to the present common stockholders in the ratio of three new shares for each four shares held. Transferable warrants evidencing these rights will be sent to common stockholders of record May 27, 1944, and will expire June 6, 1944. Upon expiration of these rights it is proposed to offer the unsubscribed portion of new common stock to preferred stockholders of record June 6 on a pro rata basis. The latter rights will expire June 16, 1944.

"In his letter to stockholders Mr. Chamberlain states it is expected that the offering of additional shares will be underwritten by a group of Connecticut investment bankers.

"Notice of the retirement of the entire issue of 9,200 shares of convertible preferred stock, at the redemption price of \$125 a share, plus accrued dividends, is expected to be given on or about June 22, 1944, and the actual retirement is scheduled for Aug. 1.

"Consummation of this program would return the bank to the traditional form of bank capitalization, a single class of shares with no preferences. In recent years the bank has been moving in this direction. In the years 1936-1941, inclusive, the entire issue of \$630,000 prior preferred stock was retired at par in several instalments. As the prior preferred stock was retired, the common stock was increased in corresponding amounts through the declaration of stock dividends.

"Upon the completion of the proposed changes," Mr. Chamberlain states, "the capitalization of the bank will consist solely of 44,100 shares of common stock, and hence a much larger portion of the bank's earnings may be disbursed to common shareholders. Accordingly, the directors are presently considering the declaration, at a meeting soon to be held, of a semi-annual dividend of \$1.25 per share on the common stock, thus placing the stock on a \$2.50 annual dividend basis."

"The First National was organized in 1863, shortly after enactment of the National Bank Act, and was granted the second of four National bank charters issued on June 20, 1863. It is still operating under this Charter No. 2, which is the oldest National bank charter in New England and the oldest, except one, in the United States. It is the largest bank in New Haven and the sixth largest in Connecticut."

Edward E. Stokes, President of Stokes Industries, Covington, Ky., has been named a director of the Peoples Bank & Savings Co. of Cincinnati, William J. Schroeder, President, announced on May 15, it is learned from the Cincinnati "Enquirer," which said that Mr. Stokes's appointment was in line with the board's policy to increase the bank's directorship.

The 99th anniversary of the National City Bank of Cleveland, Ohio, occurred on May 17. In pointing out that "this is no time for anniversary celebrations," the bank says:

"Only one event will truly deserve celebration—Victory. It is our deepest hope that, before our centenary rolls around, next year, we shall hail that day of days when the last gun of our enemies is silenced."

The Board of Governors of the Federal Reserve System announce that the East Side Trust & Savings Bank of Chicago, Ill., a State member bank, has changed its title to South Side Bank & Trust Co., effective May 17. The bank also changed its location from Ewing Avenue to 47th Street and Cottage Grove Avenue.

In the Chicago "Journal of Commerce" of May 17 it was stated that Carl L. Jernberg has resigned as senior loan examiner for the Reconstruction Finance Corporation to become President of the bank. Other officers, said the same paper, are:

"John W. Algar, Executive Vice-President; William A. Sutherland, Vice-President, and George W. Glasson, Assistant Cashier, all formerly with the East Side Trust & Savings Bank; Anthony E. Fräle, formerly with the University State Bank, Cashier, and Erwin F. Beyer, formerly with the Madison-Crawford National Bank, Assistant Cashiers.

"Harold J. Green, an attorney, will be Chairman of the board, and other directors will include Howard F. Knox, loan and mortgage manager of the Heitman Trust Co.; Edward V. Trainor, automotive parts manufacturer, and Herbert J. Nickelson, insurance broker.

"Initially the bank will have capitalization and resources identical to the East Side Trust & Savings, which at the date of the last call reported total deposits of \$2,880,000 and resources of \$3,258,000. It had capital stock of \$200,000 and surplus and undivided profits of \$100,000."

Plans to increase the capital stock of the Uptown National Bank of Chicago from \$300,000 to \$300,000 through the sale of 12,000 shares at \$35 a share (par \$25) to the bank's stockholders, in the ratio of one new share for each share held, were announced on May 15 by H. F. Wuehrmann, President, according to the Chicago "Tribune," which added:

"The directors have called a special meeting of the stockholders for June 12 to vote on the proposal. Of the proceeds, amounting to \$420,000, \$300,000 will be added to the bank's capital and the remainder to surplus account. The subscription warrants will be issued after favorable action by the stockholders and the Controller of the Currency.

"It is the intention of the directors to continue the present dividend rate of \$2 a share a year on the increased stock, Mr. Wuehrmann said. Since June, 1940, Up-

Committee Under Magill To Aid In Formulating Federal Post-War Tax Policies

Organization of a committee to aid in the study and formulation of Federal postwar tax policies was announced on May 20 by Roswell Magill, former Under Secretary of the Treasury, Professor of Law at Columbia University, and a member of the Bar of New York. A small professional group, the members of which have had wide experience in some particular phase of the tax problem, is to serve under Mr. Magill as Chairman. The project has been financed under a special grant from the Maurice and Laura Falk Foundation of Pittsburgh.

Membership of the Committee on Post-war Tax Policy is as follows:

Roswell Magill, chairman; Fred R. Fairchild, Knox Professor of Economics, Yale University; Rowland R. Hughes, Comptroller National City Bank of New York; Victor H. Stempf, President, American Institute of Accountants, and Thomas N. Tarleau, Member of New York Bar, recently Tax Legislative Counsel, the Treasury Department.

The research staff will be headed by Harley L. Lutz, Professor of Public Finance at Princeton University.

It is announced that the Committee comes into being as the direct result of a conference held some weeks ago presided over by Dr. Henry M. Wriston, President of Brown University, and attended by a score or more of the nation's leading economists. That meeting unanimously approved a four-point resolution urging the importance of a program:

1. To develop a simple, productive and equitable tax system having in mind primarily the Fed-

town's deposits have grown from \$10,666,068 to \$26,249,754."

An offering (at \$10 per share) of 100,000 shares of common stock (par \$5) of the Valley National Bank of Phoenix, Ariz., has been made to the stockholders of the bank. Blyth & Co., Inc., Refsnes, Ely, Beck & Co. and Pasadena Corp. have agreed to purchase from the bank the shares not subscribed for by its shareholders. The offering circular of the investment houses says:

"In order to adjust the bank's capital funds to this substantial rise in deposits, the board of directors on April 7, 1944, recommended an increase in the amount of the authorized common stock of the bank from \$1,000,000, consisting of 200,000 shares of \$5 par value, to \$2,000,000, consisting of 400,000 shares of \$5 par value. This proposal was approved by shareholders at a special meeting on April 27, 1944.

"Pursuant to this action of the shareholders and the determination of the board of directors of the terms and conditions with respect to the issue of the 200,000 additional shares, 100,000 such shares have been issued as a stock dividend to the holders of record of common shares as of April 27, 1944. Shareholders of record on April 27, 1944, were offered rights to subscribe pro rata to the remaining 100,000 shares of additional common stock at the price of \$10 per share, in the ratio of one share for each three shares held after the issue of the stock dividend. The subscription rights expire May 15, 1944. The stock to be offered by the purchasing investment houses represents the balance of shares not subscribed for by shareholders."

It is also stated that "since the end of 1940 growth has been especially rapid, the bank's deposits having expanded from \$45,995,510.93 on Dec. 31, 1940, to \$123,813,151.26 on April 13, 1944—an increase of 169%."

The Tracy Loan & Trust Co. of Salt Lake City, Utah, a State member bank, has changed its title to Tracy-Collins Trust Co., effective May 6, according to an announcement by the Board of Governors of the Federal Reserve System.

eral Government but giving due regard, also, to the needs and fiscal dependence of the states.

2. To formulate methods of taxation that will meet all reasonable and necessary Federal budgetary requirements.

3. To formulate such changes and improvements of definitions and procedures as will promote in the greatest degree possible simplicity, clarity and ease of compliance with the tax laws.

4. To study the distribution of the tax burden and the effects of taxation on the vigor and vitality of the nation's economic system.

Mr. Magill, in outlining the purpose and scope of the new Committee's activities, said:

"Many groups today realize the importance of re-designing the Federal tax structure so that it can more adequately meet the unprecedented fiscal problems which will confront the government on the return of peace. The Baruch-Hancock report emphasized the importance of having new revenue bills ready for prompt action by Congress; an interdepartmental committee is already at work drafting the outline of such a measure. In addition, of course, the problem is being studied by numerous industrial organizations and business research bodies.

"The Committee will have the benefit of the practical experience of its members, some of whom have had long association with the Treasury in connection with tax matters. Others are recognized authorities in public finance or have dealt in practice with the complexities of taxation.

"The Committee will undertake to outline tax policies and to suggest revenue proposals which will be appropriate to the post-war fiscal needs of both Federal and State Governments."

"It is important to recognize," Mr. Magill added, "that while many new obligations will rest upon the Federal Government at the conclusion of hostilities, such obligations must not be permitted to undermine the fiscal independence of state and local governmental agencies, which are fundamental to the nation's liberty. Committee activities will end with the publication of its recommendations."

June 14 Flag Day

Proclaiming June 14 as Flag Day, President Roosevelt on May 4 urged that the day be observed "as a day of earnest rededication to those high principles of humanity and civilization which constitute the foundations of the Republic."

The President also urged that "we display our flag proudly, knowing that it symbolizes the strong and constructive ideals—the democratic ideals." "Let us," he added, "display our flag, and the flags of all the United Nations which fight beside us, to symbolize our joint brotherhood, our joint dedication, under God, to the cause of unity and the freedom of men."

In his proclamation the President also said, it was noted in the Associated Press:

"Our is a flag of battles . . . It is carrying our message of promise and freedom into all corners of the world. Ours is also a flag of peace . . . It is the flag under which men and women of varied heritage, creed and race may work and live or, if need be, fight and die together as only free men and women can."