

The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 159 Number 4286

New York, N. Y., Thursday, June 1, 1944

Price 60 Cents a Copy

The Financial Situation

Late last year when official pronouncements concerning the well-advertised meetings at Cairo and Teheran were handed to a rather puzzled public, we ventured to suggest that "whatever was done at either or both of these gatherings, the observer obtains the impression that what used to be termed 'realpolitik,' rather than the vague and meaningless Atlantic Charter, was the guiding spirit both in Cairo and Teheran." Recent developments have amply verified this impression. As we observed last December, this evolution of the general spirit of our international dealings does not of itself disturb us. On the contrary we again confess to a feeling of somewhat improved confidence as a result of this injection of realism into the picture.

It begins definitely to appear, however, that the trend of negotiations, if such they can be termed, among the so-called "Big Three" affords ground for real uneasiness. The cause of this disquiet is not that discussion has been brought down to earth, but is the obvious danger that we shall presently find ourselves not only meddling with matters that are no concern of ours, but shall in a sense be undertaking to play a decisive and quite probably a very costly role in shaping the course of events in many parts of the world where we have not the shadow of a real or direct interest. Incredible as it may appear, much that has come to light of late strongly suggests that the Administration not only is determined that we shall throw aside our historical aloofness to distant questions and alien quarrels, but is planning to fix upon us the duty and the responsibility in substantial part of deciding many of these eternally arising problems of conflicting imperialisms!

The "Great Design"

It is true, of course, that one would search the official (Continued on page 2284)

Outlook For Rubber

Roger W. Babson Says Situation Improving

BABSON PARK, MASS.—From a civilian point of view the tire situation is currently more critical than the gasoline supply. The production of synthetic rubber will about equal, by the end of this year, our inventory of natural crude rubber, namely about 600,000 tons, which was on hand at the end of 1941. Meanwhile all natural rubber and most of the synthetic must go for military purposes. The over-all rubber supply is now particularly acute! I do, however, believe that the end of our rubber shortage is in sight. But do not think that tires for civilians are just around the corner.



Roger W. Babson

Natural Rubber Data

With all pre-Pearl Harbor sources of natural rubber shut off, our major supply now comes from the Island of Ceylon. In addition, some is coming out of the revived Amazon River Valley district. We also are picking up a little Mexican Guayule and perhaps a small amount of natural rubber from Brazil and from Africa. However, with the exception of Ceylon, the great Middle East sources are naturally out until we lick Japan.

Our consumption of natural rubber, and remember, that it is all for the military, is estimated at 150,000 tons for 1944. This compares with an all purpose use of

natural in 1943 amounting to 340,000 tons and in 1942 to 370,000 tons. Our stock pile at the beginning of the year was about 140,000 tons with receipts estimated at 80,000 tons. We will cut our inventory in half by the end of 1944.

What About Synthetic?

The production of synthetic rubber was slow in getting under way but increased in 1943 from a January production of 600 tons to a December production of 39,000 tons. The entire year's work produced under 185,000 tons or about one-half our total 1942 consumption. Synthetic production capacity has expended rapidly during 1944 and for March, 1944, reached an annual output rate of 670,000 tons. As plants are exceeding their rated capacity, output should progressively rise. I estimate for the full year that about 870,000 tons will be made.

Who Will Get Our Rubber?

Our 1944 American rubber consumption should look something like this:

Natural Crude	150,000
Reclaimed	250,000
Synthetic	700,000

Tons 1,100,000 (Continued on page 2291)

Appraisal Of Congressional Transportation Policies

By KENNETH F. BURGESS*
Of Sidley, McPherson, Austin & Burgess, Chicago

Railroad Attorney Advocates (1) The Regulation Of All Forms Of Transportation By Single Federal Body; (2) That Common Carriers Be Permitted To Provide All Forms Of Transportation; And (3) That Congressional Policy Should Be Based Upon Public Regulation Rather Than Compulsory Competition

Congressional policy regarding domestic transportation is set forth in a long series of Federal statutes. With little variation, their central theme is that the public interest requires that adequate transportation be provided by private corporations whose rates shall be regulated by administrative agencies of government.¹ It has also been the policy of Congress to promote new forms of transportation by government aids during their development period and, to some extent, to protect particular forms against threatened discontinuance where large economic interests might be jeopardized.²



Kenneth F. Burgess

These rather trite statements of Congressional policy are not as simple in their application as in their recital. For the past quarter century there has been almost a revolution in the whole machinery of transportation. Railroads and waterways no longer are the sole agencies. Today the highways, the pipe lines and the airways provide either competitive substitutes or additional service, with the promise for tomorrow of their

*An address made by Mr. Burgess before the Institute of Transportation at the Hotel Waldorf-Astoria, New York, May 23, 1944.

GENERAL CONTENTS

Editorial	
Financial Situation	2281
Regular Features	
From Washington Ahead of the News	2281
Moody's Bond Prices and Yields	2292
Items About Banks and Trust Cos.	2296
Trading on New York Exchanges	2294
NYSE Odd-Lot Trading	2294
State of Trade	
General Review	2283
Commodity Prices, Domestic Index	2292
Weekly Carloadings	2295
Weekly Engineering Construction	2293
Paperboard Industry Statistics	2295
Weekly Lumber Movement	2295
Fertilizer Association Price Index	2293
Weekly Coal and Coke Output	2293
Weekly Steel Review	2291
Moody's Daily Commodity Index	2292
Weekly Crude Oil Production	2294
Non-Ferrous Metals Market	2293
Weekly Electric Output	*
April Industrial Activity Reviewed by Federal Reserve Board	2286

*Not available this week.

added importance, especially in the case of the airways.³ Whereas formerly transportation was almost entirely common carrier service, a vast amount of highly competitive service is now rendered by contract carriers and, at least as important, perhaps an even greater amount of transportation service is performed for themselves by the owners of the commodities transported. These latter developments have been associated particularly with the motor carrier, although the waterways and the pipe lines have also afforded an opportunity for the contract carrier and for transportation by the owner of the goods.

A Decade of Public Investigations of Transportation Problems

Transportation not only vitally affects the economic life of the nation, but in its turn is itself profoundly affected by economic

conditions. In the past twenty years, since the competition of the highway vehicle began to make substantial inroads upon railroad revenues, and especially since the depression of the thirties brought disaster to all forms of transportation, we have had a succession of investigations of transportation conditions, past, present and future. The pattern was laid in 1933 by the National Transportation Committee which was set up by a large number of fiduciary and philanthropic institutions to investigate and report on "The Railroad Problem, as an Integral but the Most Urgent Part of the Entire Transportation Problem." It consisted of Hon. Calvin Coolidge and Hon. Alfred E. Smith and Messrs. Bernard Baruch, Clark Howell and Alexander Legge. In its report it recommended, among other things: (1) regional railroad consolidations and the elimination of obsolete lines and equipment; (2) that railroads be permitted to own and operate competing transportation services; (3) restriction of government aid to competing forms of transportation, and the discontinuance of the Federal Barge Lines; (4) federal regulation of motor carriers; (5) encouragement of the airways during their development period; and (6) repeal of the recapture clause

Footnotes appear at end of article. (Continued on page 2288)

From Washington Ahead Of The News

By CARLISLE BARGERON

If you want to see what a good job an entrenched bureaucrat can do at applying the heat, or, indeed, how the minds of people can be dulled, just consider the predicament of Senator Kenneth McKellar of Tennessee, in his fight against the power of Dave Lilenthal, boss of the TVA. McKellar has been trying for two years to bring Dave and his colossus under the control of Congress; namely,

this worked up agitation, when it was done by the "power trust" was considered something very reprehensible, indeed. Now that the Bureaucrats, the Comms, the CIO Political Action Committee; in brief, the Party Line, is doing it, it is all in the interest of the public weal and something very much to be desired.

Far be it from us to disagree with the motives which are being attributed to the venerable Senator. He would be the last one in the world to claim they are pure. He has long been an unblushing exponent of the spoils system. But in this particular instance, he isn't trying to get control of the TVA patronage. He is trying to keep Dave Lilenthal from getting control of him.

Dave, running free and loose with this tremendous project, has simply come to be such a powerful figure that McKellar is afraid of him and wants to clip his wings. The thing that amazes us is that the Conservatives, those folk who have looked with terror at the trend towards socialism, fascism, communism, whatever you want to call it in this country—State control—do not share some of his concern, instead of over the country. As we recall it,

Far be it from us to disagree with the motives which are being attributed to the venerable Senator. He would be the last one in the world to claim they are pure. He has long been an unblushing exponent of the spoils system. But in this particular instance, he isn't trying to get control of the TVA patronage. He is trying to keep Dave Lilenthal from getting control of him.

Dave, running free and loose with this tremendous project, has simply come to be such a powerful figure that McKellar is afraid of him and wants to clip his wings. The thing that amazes us is that the Conservatives, those folk who have looked with terror at the trend towards socialism, fascism, communism, whatever you want to call it in this country—State control—do not share some of his concern, instead of over the country. As we recall it,

Because of this, you would be surprised at the tons of literature that have been heaped upon the members of Congress, from all over the country. As we recall it,

(Continued on page 2291)

The Meaning Of Freedom

By WILLARD H. DOW*
President, Dow Chemical Company

Distinguished Chemist Contends That Freedom Is "Not Dependent On Government," But On The Individual—Post-War Planning Requires No Departure From The Past Since "The United States Is Not A Failure"—Condemns Gradual Easing Out Of Economic Controls And Maintains That We Shall Have To Decide Whether "We Shall Have A Government Of Our Own Choosing"

Everyone, everywhere is trying to look into the future. The world about us is being torn into shreds and we do not know how or by whom



Dr. Willard H. Dow

it may be reshaped. Countless millions are longing for what they call security and seem willing to pay any price for any package labeled security. The sands of man's belief in himself as a being created in the image of God are running out. Men and women are trying to escape today by dreaming of tomorrow. Tonight I shall not talk about post-war planning or post-war hoping. Instead, I am going to ask you to explore with me the simple elements on which we of America have founded our lives, to the end of discovering whether or not, in much of our planning, we have not overlooked that one element without which our plans will be futile. I am going to ask you to consider freedom and what it means. And I am also going to suggest to those who think in such terms that freedom also has a cash value. But let us think in terms of the dignity of man and not of messes of potage.

Let us be high-brow in order to see if in being low-brow—call it practical—we are not in danger of missing the very thing that we are trying to get. To be concrete. How many of us are really willing to accept the challenge of individual responsibility and make our own futures?

How many of us, I wonder, are watching for a chance to break out of the lockstep of thought in which we as a people are now marching and to do a little walking at our own gait? And how many of us are just watchfully waiting for the line to break of itself, or better yet, to be broken by someone we elect or select for that purpose? In other words, how many of us have the burning passion to step out for freedom? And how many of us are beginning to think of freedom as something we would very much like to have given to us? There is a whale of a difference between the two approaches.

Freedom is not a condition of life. It is the absence of a condition of life. The moment we think of it as a condition, we recognize—no matter what we may say to the contrary—a super-power which can tell us not only what is and what is not freedom, but also just how and why we must like it. I am reminded of that marshal of Napoleon's who, entering a captured town, summoned the citizens to the marketplace. "My friends," he declared, "I bring you the perfect freedom. But be prudent. I shall shoot the first man who stirs."

Take the slogan "free enterprise." Everyone seems to have gone overboard for free enter-

*Address delivered by Mr. Dow at the Biltmore Hotel, New York City, May 13, 1944, on receiving the Gold Medal Award of the American Institute of Chemists.

prise. But it appears that the securing of free enterprise is a very complicated matter, and I should hate to be given the task of reducing some of the prescriptions I read to an algebraic formula. "Free enterprise," if it is to be anything but a name, is not a permitted way of business. It arises out of an absence of a permitted way of business.

We seem to be forgetting that a government cannot grant freedom of religion or of speech or of enterprise. When we speak of granting or receiving freedom, we exactly reverse the processes of thought that moved those great men, the Founding Fathers, to evolve for themselves and their posterity—that is, for us—the Constitution and the Bill of Rights. We of America never wrung a Magna Carta from a king. Our forefathers fought and gained the right to think and act for themselves. The Declaration of Independence was a living, fighting thing and not just a nice resolution casually adopted at a convention. We did not derive our freedom from any government. On the contrary, we set up a government and lodged with it only such small parts of our freedom as we thought necessary for the preservation of a reasonable order. Our wise fathers were so fearful that even these little trusteeships of freedom might be abused, that they delegated supreme power to no man and to no group of men, in the fervent hope that no government could ever be established as a thing of itself and apart from the people.

We today, without thought of our words, speak of the "Government" or of "Washington" as a ruling power, and there are many who would propitiate that power in much the way that the courtiers of old are said to have fawned on their monarchs. Our forefathers simply would not have known how to do that sort of thing. They did not depend upon a government. The government depended on them.

They derived their freedom to worship, to speak and to carry on from Almighty God and not from anything fashioned by man.

The utter reversal that has come about in our manner of thinking—a reversal which holds much evil and no good—is being driven in by a parade of authorities through committee rooms, through lecture halls and even through pulpits, solemnly warning us and exhorting us not to be hasty in getting rid of our wartime controls so as not to lapse into another dreadful era of tooth and claw. We are being warned against the dangers of freedom. We are being openly counseled to follow the cultures and even the diets of nations that never knew freedom. In the 'twenties, foreign missions were inspecting us to see how and why we managed so well. Now, in the 'forties, we are being taught that whatever we did in the past as a people was crude and quite wrong and that our future lies in being something other than American.

All of which, to me, is rot, for I do not happen to be one of those who believe that the United States is a failure. And, although we have a lot to learn and, if we keep our balance, we shall always

(Continued on page 2290)

U. S. Regarded As Perhaps Greatest World Force When Peace Is Set

Baruch Says No Country Will Be Able To Improve Well-Being Of Its People Without Our Help

Depicting our nation as "a force, perhaps the greatest when the peace of the world is set," Bernard M. Baruch, at the 140th anniversary dinner of "The Churchman," on May 23, made the further statement that "when the war is over no country will be able to improve the well-being of its people without our help." Mr. Baruch went on to say that "peace will be almost meaningless without betterment of daily existence. In that crisis—Uncle Sam will show himself to be neither profligate nor parsimonious. He will be fair, and that means to himself as well as to others. I have no economic radar to penetrate the future, but we can make it what we will it to be. Of that I am sure."

At the dinner, held at the Waldorf-Astoria, Mr. Baruch received the "Churchman Award" for 1944; the award is presented annually to one who has rendered distinguished service in "the promotion of good-will and better understanding among all peoples." The presentation of the award to Mr. Baruch was made by Thomas J. Watson, a trustee of the Churchman Association, and President of the International Business Machines Corp. Among the speakers at the dinner were James F.

Byrnes, Director of the Office of War Mobilization; James Forrestal, Secretary of the Navy; Robert H. Jackson, Associate Justice of the Supreme Court; Robert P. Patterson, Under-Secretary of War; William M. Jeffers, President of the Union Pacific R. R. and formerly Rubber Director for the War Production Board; the Right Rev. G. Ashton Oldham, Protestant Episcopal Bishop of Albany, and Dr. Guy Emery Shipley, editor of "The Churchman."

The address of Mr. Baruch follows: "My deep thanks for the compliments paid me by 'The Churchman's' medal, by the distinguished speakers and by your presence here."

"After the flattering words spoken about me, I should like

International Monetary Conference Called By President Roosevelt — 42 Nations Invited

An international conference to discuss post-war international monetary problems has been called by President Roosevelt. The conference, which will begin on July 1, will be held at Bretton Woods, N. H. More than 40 nations have been invited to participate in the conference, the official designation of which will be the United Nations Monetary and Financial Conference. The United States delegation will be headed by Secretary of the Treasury Morgenthau. The White House announcement in the matter was issued as follows on May 26:

"President Roosevelt has called an international conference for the purpose of discussing proposals to meet post-war international monetary problems.

"Invitations have been extended to all the United Nations and the nations associated with them in the war, requesting them to send official representatives to the United States for the conference which will begin on July 1.

"The delegates representing the United States will be headed by Secretary Morgenthau of the Treasury.

"The conference is expected to last several weeks.

"All agreements worked out by the conference subsequently will be submitted to the respective governments for approval.

"List of governments and authorities invited to participate in the conference follows:

"Australia, Belgium, Brazil, Canada, Chile, China, Colombia, Costa Rica, Cuba, Czechoslovakia, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, French committee of National Liberation, Greece, Guatemala, Haiti, Honduras, Iceland, India, Iran, Iraq, Liberia, Luxembourg, Mexico, Netherlands, New Zealand, Nicaragua, Norway, Panama, Paraguay, Peru, Philippine Commonwealth, Poland, Union of South Africa, Union of Soviet Socialist Republics, United Kingdom, Uruguay, Venezuela, Yugoslavia."

According to the Associated Press, proposals to be considered, are understood to be:

"A \$10,000,000,000 international bank to finance reconstruction and development.

"An \$8,000,000,000 stabilization fund to provide a gold base for the currency of each participating nation and reduce fluctuations in international currency transactions."

Stating that bids for Congressional representation on the American delegation were made in the Senate on May 27, the Associated Press Washington advices said:

"Senator Wagner (D., N. Y.), Chairman of the Banking Com-

mittee, said that he thought it would be a good thing for legislators to sit in on the deliberations since Mr. Roosevelt has asserted any agreements will be submitted to the respective Governments for ratification.

"Senator Ferguson (R., Mich.) advocated that members of the Senate and House Banking Committees attend the conference. He said that the Senate will have to act if treaties evolve from the deliberations and both House and Senate will have to approve any legislation needed to implement decisions of the conference.

"It is stated that the White House announcement followed a series of conferences which President Roosevelt had held with John G. Winant, Ambassador to Great Britain; Harry D. White, monetary expert of the Treasury, and other specialists in international finance.

"That such a conference would be held has been certain since monetary experts of 34 united and associated nations agreed last April 21 on broad outlines of a post-war stabilization program, including an \$8,000,000,000 gold-based stabilization fund," said Associated Press accounts (Washington) May 19, which added:

"The question of when it should be held has been a major problem, however. Current pre-invasion restrictions on even diplomatic travel from the British Isles, for instance, have loomed as an obstacle. Representatives would be expected from all the governments in exile based in London.

"The agreement approved in principle by the monetary experts of 34 nations apparently will be the starting basis for conference discussions. It calls for the United States to contribute about \$2,500,000,000 to the international stabilization fund. Britain would put in about \$1,250,000,000 and Russia about \$1,000,000,000."

The report of Secretary Morgenthau to a group of Senate and House committees on April 21 making known the reaching of an agreement by technical experts of the United Nations for an international monetary fund was noted in our April 27 issue, page 1737.

to say a few kind words about certain relative of mine—a relative of yours—the one who made me possible—the one who made you possible—our Uncle Sam. We gaze on him with a sort of toleration and amusement, but he is a pretty sturdy soul. He is always on the side of right—sometimes a little slow getting there, but when he does arrive he makes himself felt. He is better than we think he is stronger than we know. Let me state a few of his claims to your respect.

"There is a tendency among us to wonder whether he—let us say we—have done all we should have done in the world cataclysm. We search our souls for reassurance.

"Perhaps we have not done as well as we should have done, or as we could have done. Nor yet will do. But even so, we do not have to hang our heads. Without us, could the Russians have held? Could the Japanese have been stopped? Could the valiant Chinese have done as well as they have? And what of the magnificent fight of the British? Were we not of help to them? Churchill has proclaimed his debt to us. Even Stalin has admitted the effect upon his battles of the war-making power of America. Today the bloody Nazis and the Japs face a defeat that without us could not be.

"We are fighting—and helping—not on limited fronts, but on the whole circumference of the globe, and from the North to the South Poles. Even now our men are poised ready for the great invasion and the blow at Japan. We feed the hungry and we clothe the naked. We build roads, airports, harbors and plants. We supply our allies all over the world with machines of death and supports of life, in food, medicine and shelter.

"We are the most powerful nation in the world. Let us not forget that. By keeping it in our mind we shall not ignore the obligation power carries with it—to use it justly and helpfully. And we shall be a force, perhaps the greatest, when the peace of the world is set.

"When the war is over, no country will be able to improve the well-being of its people without our help. Peace will be almost meaningless without betterment of daily existence. In that crisis Uncle Sam will show himself to be neither profligate nor parsimonious. He will be fair, and that means to himself as well as to others. I have no economic radar to penetrate the future, but we can make it what we will it to be. Of that I am sure.

"In assessing our position, let us remember that, great as our physical strengths are, they are made even greater by the fact that our spiritual armor is untarnished by self-gain; all our steps toward self-protection are steps to save the world—to bring peace to all nations of good will.

"America has never forgotten—and will never forget—the nobler things that brought her into being and that light her path—the path that was entered upon only 150 years ago—a little more than twice my own age. How young she is! It will be centuries before she will adopt that maturity of custom—the clothing of the grave—that most people believe she is already fitted for.

"Our people are hard-bitten. They owe only to themselves what they have, but somehow, they have always preserved the chivalry and idealism that others mistakenly assume is softness.

"Soft? Who dares say that? Have we not fought whenever the test showed that fighting meant national existence and self-respect? When did we ever fail to fight? And when did we ever fight without high purpose, with one possible exception?

"I see the leaven of time at work. The precepts of the great Woodrow Wilson are bearing

The British Statesman

"We do not include in our program of world renovation any forcible action against any government whose internal form of administration does not come up to our ideas, and any remarks I have made on that subject refer only to enemy powers and their satellites who will be struck down by the force of arms. . . .

"In one place we support a King, in another a Communist. There is no attempt by us to enforce particular ideologies. We only want to beat the enemy, and then, in happy and serene peace, let the best expression be given by the will of the people. . . .

"As this war has progressed it has become less ideological in its character, in my opinion. The Fascist power in Italy has been overthrown and will, in a reasonable period of time, be completely expunged, mainly by the Italian democracy themselves. If there is anything left over after that, we will look after it. . . .

"The victories of the Russian armies have been attended by a great rise in strength of the Russian state and a remarkable broadening of its views. . . .

"Quite recently some of our representatives from the Ministry of Information were allowed to make a considerable tour in Russia and found opportunities of seeing for themselves what they liked. They found an atmosphere of candid friendliness and keen desire to see British films and hear of our country and what it is doing in the war. Children in schools were being informed about the war on the seas and of its difficulties and perils and how the northern convoys got through to Russia. There seemed a great desire among the people that Britain and Russia should be friends.

"These are marked departures from conceptions which were held some years ago for reasons we can all understand."—Winston Churchill.

We evidently have here the typical British statesman speaking with a very substantial degree of frankness.

May we in the future hear less about "ideologies" and more about more vital issues from all allied leaders!

The State Of Trade

Industry and labor are turning their eyes toward the post-war period with some fear and trepidation. They are concerned as to how and where they will fit into the scheme of things with the return of America to a peacetime economy. Commerce and industry have for the most part been engaged in war work, production of goods for civilian needs having suffered curtailment and in some instances activity having ceased entirely. There has never been any doubt of America's ability to meet its war requirements, and this it has done.

In November of last year industrial production reached its peak and has shown signs of tapering off. Large surpluses of arms and equipment for war have accumulated, making cutbacks and cancellation of contracts in recent months, running into substantial sums, necessary. This action has resulted in a reduction of personnel, and in some cases a complete shut-down in plant. No alternative of a changeover to non-war production is open to management, due to wartime restrictions and controls which govern vital materials.

For an early solution of the problem much depends upon the outcome of the battles presently being waged. Should the expectations of our military and naval leaders be fulfilled, the Government will permit production of some civilian goods possibly eight months hence. In view of these prospects, it is important that reconversion of plant and equipment to a civilian economy be undertaken as soon as practicable. By so doing, it will lessen the impact of the transition period by assisting labor and management in finding their proper place and function in the post-war era.

In some quarters it is felt that the time is premature for such plans and that they should await victory first. Those of more sober judgment hold that now is the acceptable time for such planning, thus avoiding confusion which may probably ensue.

A perusal of the weekly reports of trade and industry for the past week reveal only slight changes over the previous week in the rise and fall of production. On the favorable side, advances were noted in electric output, freight car loadings and paper and paper-

board production, while output of anthracite and bituminous coal edged lower and the forecast of scheduled production of steel ingots and castings for the current week is expected to decline slightly. However, the large-scale shell program and orders for landing craft now under way provide mills with an overflow tonnage and assure producers of no slack moments for several months to come. As for retail trade, marked activity was the order stimulated somewhat by pre-holiday buying of summer apparel and accessories.

In the field of electric production, results reveal that output of electricity advanced to approximately 4,245,678,000 kwh. in the week ended May 20 from 4,238,375,000 kwh. in the preceding week, as reported by the Edison Electric Institute. The latest figures represent a gain of 6.3% over one year ago, when output reached 3,992,250,000 kwh. Consolidated Edison Co. of New York reports system output of 180,400,000 in the week ended May 21, and compares with 177,900,000 kwh. for the corresponding week of 1943, or an increase of 1.4%.

The steel mills of the country in recent weeks are reflecting the pressure of intensified war with the current shell program crowding out other products. The manpower question still remains a dominant factor in production, and fears of increasing losses of skilled labor this summer are prompting mill owners to exert every effort to push ahead for earliest delivery as much tonnage as possible now standing on mill books, magazine "Steel," in its market summary the current week reveals. The increased tempo of shell steel and landing craft production, according to the summary, "not only provides mills with overflow tonnage, but assures most producers all they can handle for several months."

A general decrease in third quarter allotments has been sharp in some cases, the summary indicated, attributing the cause to an expected decline in output, because of a lack of skilled labor, effects of hot weather and the need for equipment repair, adding that with respect to requirements for the last half, much depends on the progress of the war in western Europe. The full effects of the heavy shell program embarked upon should be known early in the third quarter. In coping with the problems of this program, the summary reveals that no new rolling capacity will be required, though considerable forging and machinery equipment will be necessary. Installation of this equipment will be soon, and some in plants never before engaged in this type of production. The magazine reports a sharp reduction in WPB allocations of tin plate for cans in the third quarter, setting the figure at 634,000 tons as against 800,000 tons asked by industry. In view of the curtailment of tin plate, according to the same source, an understanding has been reached with can makers, in meeting seasonal demand for fruit and vegetable canners, in the third quarter, by keeping down production of cans for non-seasonal products and giving right of way to those for food products.

Of the important steel products of a more finished nature than the major products, the magazine reports a heavy demand, with producers running into difficulty in obtaining sufficient steel to fill requirements. As for pig iron and scrap for steelmaking, the industry is confronted with no problem of supply, since both are sufficient for the high steel production rate, the summary points out, adding, "scrap is moving freely and reserves in most cases are all that melters desire. Some apprehension continues as to supply late in the year, but up to this time no trouble has been experienced. In pig iron the situation is so easy that blast furnaces down

for relining are not being pushed for relighting, especially in face of lack of skilled labor to refit them. The problem of turnings, which probably will be increased by the heavy shell program, has not been solved and alloy contamination is causing many rejections.

As for the rate of steel production, the American Iron and Steel Institute places scheduled output for the week beginning May 29, at 97.5% of rated capacity, equivalent to 1,746,500 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 98.4%, and output of 1,762,600 tons a week ago. For the week beginning May 31, last year, steel output totaled 1,704,000 tons, and the rate was 98.4% of capacity.

With respect to freight carried by the railroads carloadings of revenue freight for the week ended May 20 totaled 871,105 cars, the Association of American Railroads announced. This was an increase of 2,796 cars, or 0.3% above the preceding week this year, and an increase of 27,263 cars, or 3.2% above the corresponding week of 1943. Compared with a similar period in 1942, an increase of 33,429 cars, or 4%, is shown.

The first step in the return of the anthracite mines to their private owners was taken on Friday, last, when Economic Stabilization Director, Fred M. Vinson, approved the anthracite coal contract, which provides wage increases for miners, and at the same time authorized a reduction in anthracite prices by about 14 cents a ton. The mines were seized by the Government last November as a result of a wage dispute between the operators and the miners. A reduction in the price of anthracite averaging 28 cents a ton was to go into effect on June 1, while the mines were under Government control. This recent agreement, which has the WLB approval, cuts the scheduled reduction by an average of 13.3 cents a ton, leaving a net cut approximating 14 cents a ton. The revised prices, it is understood, go into effect on June 1, for the producers and shortly thereafter for retail trade.

As for production in the anthracite coal fields the U. S. Bureau of Mines reports estimated output of Pennsylvania anthracite at 1,305,000 tons for the week ended May 20, 1944, a decrease of 21,000 tons, or 1.6% from the preceding week. An increase of 23,000 tons, or 1.8%, is noted when compared with output in the corresponding week of 1943. For the calendar year to date, however, an increase of 4.4% is shown over the similar period of 1943.

Bituminous coal output for the week ended May 20 reflected a decrease of 260,000 net tons from the preceding week at 12,310,000 tons, and a rise of 881,000 from a year ago, when production for the comparable week was 11,429,000 tons, as reported by the National Coal Association. Output to date—Jan. 1 through May 20, 1944—aggregated 247,705,000 tons, as against 236,087,000 tons for a like period in 1943. The report of the Solid Fuels Administration placed production for the week ended May 13 at 12,560,000 net tons, against 12,150,000 tons in the preceding week.

Paper output for the week ended May 20 was equal to 91.6% of capacity, against 89.6% in the preceding week and 92.2% for the week ended May 22, 1943, the American Paper & Pulp Association's index of mill activity disclosed. As for paperboard, production for the same period was reported at 97% of capacity, against 95% in the preceding week.

Marked activity noted in retail trade in New York in past weeks was again present last week. Fur-

ther impetus was given to retail trade by pre-holiday purchases of summer apparel and accessories. Estimates of department store sales were set at 15% to 20% above the same week of 1943. The coat and suit market enjoyed brisk business with buyers for retail trade placing orders for requirements through the month of September. According to the Federal Reserve Bank's index, sales in New York City for the weekly period to May 20 advanced by 13% over the same period of last year. For the four weeks ending May 20 sales rose by 18%, and for the year to May 20 they improved by 7%.

Retail trade in some sections of the country had to contend with inclement weather the past week but managed to hold its own, when viewed from results achieved in the same period one year ago. Dun & Bradstreet, Inc., in its review of retail business, reported further tightness the past week in many staple apparel, textile and leather lines where government continues to be a heavy purchaser. Deliveries of summer merchandise were good, the review stated, though some buyers were reported to have set limits for delivery of fall goods. Retail apparel sales continued to comprise a goodly portion of the total volume with women's and children's wear, particularly active. A slight increase in the sales of men's wear was also indicated. The Memorial Day week-end provides an added incentive to shoppers to purchase sports goods and the usual vacation equipment. In the hardware and paint line, some letup in buying was noted, influenced by rainy weather. In comparison with a year ago, regional trade volume was favorable, says the review, reporting a gain of as much as 12% for the country as a whole, and showing regional percentage increases as follows: New England, 8 to 10%; East, 10 to 12%; Middle West, 6 to 10%; Northwest, 5 to 8%; South, 12 to 16%; Southwest, 14 to 17%, and the Pacific Coast area, 12 to 14%.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index, moved upward by 15% for the week ended May 20, compared with the same week a year ago, while sales for the four weeks' period ended May 20 advanced by 18% over a similar period a year ago. For the year to May 20 an increase of 6% was noted over a like period in 1943.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index, moved upward by 15% for the week ended May 20, compared with the same week a year ago, while sales for the four weeks' period ended May 20 advanced by 18% over a similar period a year ago. For the year to May 20 an increase of 6% was noted over a like period in 1943.

Results Of Treasury Bill Offering

The Secretary of the Treasury announced on May 30 that the tenders for \$1,200,000,000, or thereabouts, of 91-day Treasury bills to be dated June 1 and to mature Aug. 31, 1944, which were offered on May 26, were opened at the Federal Reserve Banks on May 29.

The details of this issue are as follows:

Total applied for, \$1,887,125,000.
Total accepted, \$1,215,335,000 (includes \$50,745,000 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.

(60% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on June 1 in the amount of \$1,007,386,000.

The Financial Situation

(Continued from first page)

communiqués and the pronouncements of the Secretary of State in vain for such evidence of such a situation. But this time as so often in the past the President has apparently chosen other media through which to make public his ideas and attitudes. Last year he chose a popular magazine of large circulation and a writer whose gift of effective popular presentation of the views or policies of a sponsor are well known to let the public see what his trend of thought was concerning our post-war foreign relations. He has now quite evidently chosen the same writer and the same magazine to tell the American people of his "great design" in world politics as it has developed to date and as it was exemplified at Teheran. If there had been any suspicion that the President's account (for that in essentials is what it is) of what really happened at Teheran was a little fanciful, or lacking in essentials, such doubt must by now have been dissolved by what Mr. Churchill had to say at points last week before the House of Commons.

Although Secretary Hull, Mr. Churchill, Mr. Stalin, and, on occasion, even the President still have good words for the Atlantic Charter—indeed use it—as a sort of shibboleth when the occasion appears to require it—it seems fairly clear at this time that President Roosevelt conceives of a post-war world controlled by the armed might of Russia, the British Empire, and the United States. What specifically these three controlling powers are to do in this or that part of the world or with reference to this or that question is at this moment quite "fluid" (for which read wholly undetermined). They may here adhere to the tenets of the Atlantic Charter, so far as definite meaning can be found for such vague generalities, and there conveniently forget that such a document ever existed. Pax Britannica, concerning which so many kind words are heard these days, is to be transmuted apparently into a sort of Pax Britannica-Americana-Russiana—and since British and Russian interests often clash, while ours collide little with either, the United States would hold the balance of power between the two—and thus be more or less rulers of the world.

No Place For Us

Fantastic? It appears definitely so to us, but that is what is being made of the facts as they have been guardedly entrusted to the public and it is not easy to make anything else of the situation. But fantastic or not,

any such position as this, or even any serious attempt to attain such a position, is full of hazard to us and is certain to be exceedingly costly in the end. In the first place, neither Russia nor the British Empire will at any time willingly permit the United States to act as a sort of compulsory arbitrator in important matters which may arise in dispute between the two countries. If one or the other agree in any particular instance to such an arrangement it will be because it either has good ground to believe it has our ear, or else it fears the armed power that we could—and would—throw into any conflict which might arise out of the dispute. We can scarcely imagine any thoughtful American with the good of his country fully at heart wishing to have the United States playing a any such world role as is thus suggested.

But there are other and more immediate complications which may or may not greet the casual eye. For one thing, it may be taken for granted that neither Russia nor Great Britain will fail to exact the last farthing for even appearing to accept such an arrangement from the hands of President Roosevelt. It already appears that the President has resigned himself—if he ever had a great deal of real interest in the matter—to permitting Stalin to have his way in the Baltic regions and probably in other parts of eastern Europe as the price—or one of them—of Russia's "return to the family of nations." What other prices the Marshal will exact in the future can not at this time be known, but it is plain as a pikestaff that if ever there was a hard-headed—and hard-hearted—realist in world politics, Stalin is the man. He doubtless has other ambitions and covets other prizes—which incidentally may or may not include world communism, but which certainly include considerations of the sort quite well understood in non-communistic world politics—and will not be backward about seizing opportunities as they present themselves.

The British Position

We doubt if any one whose judgment is worth a fig has ever supposed that any of this was escaping Winston Churchill, that veteran of world politics. Nor need we suppose that this same gentleman does not understand that Russia, dominant in eastern Europe and rid of any threat from Japan, would be far stronger than a Britain without strong alliances in western or central Europe or America. He doubtless is also well aware that such a British

Former Government Officials Join Am. Business Congress

The American Business Congress, a National organization of independent business men with membership extending throughout the United States, announces that Sylvan Joseph, former Regional OPA Administrator for seven Middle Atlantic States, and Harwood Gilder, former Financial Advisor of the WPB and Assistant to the Chairman of the Smaller War Plants Corp., have been elected to the Board of Directors. With past experience in three Governmental agencies of importance to independent business, they will act in an advisory capacity in matters pertaining to problems of business men, relating to price control, priorities, etc.

Four officers of the organization were retained in office by a vote of the membership. These were: George Harrison, President; Nat Bass, Vice-President; Alonzo Magee, Treasurer, and Harold M. Schwab, Secretary.

The new Board of Directors, composed of business men representing 16 different industries, and include the following: Ben Abrams (President, Emerson Radio & Phonograph Corp.), A. Bloom (General Instrument Corp.), Benjamin Botwinick (Taxicab Bureau, Inc.), President; Jos. D. Brown (Poloron Products Inc.), Albert W. Clurman (Counsellor-at-Law), S. Cummings (Executive Secretary National Association of Uniform Manufacturers), Thomas Donovan (Counsellor-at-Law), Harry Golden (President, Magna Products Corp.), Harold Gessner (La Marquise Footwear Co.), Harwood Gilder (President, Harwood Gilder & Co., Inc.), Sylvan Joseph, Milton J. Karp (President Karp Metal Products Co.), Victor Lebow (Chester Roth Co., Inc.), John Mariano, Oscar Ray (Vice-President, Times Appliance Co., Inc.), George J. Seedman, (President, Times Square Stores Corp.) and Ira Shorin (Topps Chewing Gum).

Empire standing alone would, at least militarily speaking, be no match for the United States. In the situation apparently envisaged by the President, the British Empire would without question hold third place in the Triumvirate—subject to the whims of the United States, if not in substantial degree dependent upon Russian goodwill. Now the rise of the British Empire in the first place and its survival through the centuries are the fruits of the ability of British statesmen to foresee and forestall just such situations. It is not likely that they will succumb this time without a struggle to say the least.

Of this Mr. Churchill's surprising defense of Spain, and the not entirely irresponsible discussion in England of revision of the British attitude toward western and central European powers—even including Germany—may be taken as a confirmation. On the basis of present prospects Britain will be in need of allies in Europe—and may even now be looking around for them.

For the United States, all this has one message of paramount importance. It is this: The time has come for us all to look very carefully before we do any further leaping.

Bill Simplifying Individual Income Tax Passed By Congress And Signed By President

Following the completion by Congress of action on the bill to provide for the simplification of the individual income tax the bill of May 23 was sent to the President, who signed it at 7 p.m. on May 29.

Early in the month, May 5, the House unanimously passed the bill, and on May 20 the Senate adopted the proposed legislation by a voice vote; on May 23 the House, in unanimously passing the bill by a voice vote, accepted, on a motion by Representative Doughton (Dem.-N.C.), Chairman of the Ways and Means Committee, technical Senate amendments. The bill had been favorably reported by the Senate Finance Committee on May 16. Senate approval of the bill on May 20 came after Senator Langer (Rep.-N.D.) yielded the floor following 3 hours and 20 minutes of speechmaking the previous day and another hour at the May 20 session. He had refused to permit action on May 19 on the ground that the simplification bill was filled with perplexities he needed time to study. Associated Press advices reporting this, added that Senator McCarran (Dem.-Nev.) abandoned plans to amend the bill to cut the cabaret tax from 30 to 10% after he said he was assured by Finance Committee Chairman George (Dem.-Ga.) that the amendment would be accepted to the pending bill raising the National debt limit from \$210,000,000 to \$240,000,000.

The Associated Press on May 23 noted that the bill did not pass without a floor fight. Representative McLean (Rep.-N.J.), having renewed his assertions that it is not merely a simplification bill but a revenue-raising measure. It was further stated:

Mr. McLean, a member of the Ways and Means Committee, previously had said it would increase individual income taxes by \$2,000,000,000.

Mr. Doughton vigorously disputed this, citing figures to show that the Treasury actually would lose \$60,000,000 of the \$17,000,000,000 now collected from individuals.

From the Associated Press we also quote:

The measure rearranges the whole individual income tax structure, discarding the two-year-old wartime "Victory" tax and setting new normal and surtax rates and exemptions—while keeping actual tax burden at substantially present levels for most persons.

Manpower Needs And Labor Supply Are In Better Balance Says Conference Board

Apart from rising seasonal requirements for farm labor, current manpower needs appear to be in better balance with labor supply than at any other corresponding period since the war began, according to the National Industrial Conference Board, on May 16. The plateau in manpower needs on the home front, which became evident in the Board's employment figures in the closing quarter of last year, has continued in the early months of this year, says the Board, which states that the main difficulty now is that of supplying manpower as sudden and unanticipated adjustments in the war program are made.

The Board, further said: "Demands for farm labor were primarily responsible for a net gain of approximately 300,000 in employment during March. The total number at work and in the armed forces rose 61.3 million compared with 60.9 million at the beginning of the year and 59.5 million in March, 1943. An increase of about 350,000 at work on the farms plus an estimated net addition of 100,000 to the armed forces was offset in part by the unbroken decline in civilian nonagricultural employment.

"The total number of nonfarm civilian workers in March was down to 41.8 million as compared with a wartime peak of 43.0 million in July, 1943, and 42.6 million in March of last year. Only in transportation was civilian employment greater than in March, 1943. In manufacturing, employment has declined by more than 200,000 since last year while the

Effective next Jan. 1, the withholding system would be adjusted to take the full tax liability for wage and salary persons earning up to \$5,000. Thus the withholding levy would become the actual tax, beginning next year, for 30,000,000 taxpayers. They would owe no more at the end of the tax year.

No change would be made in amounts withheld from pay envelopes this year; but the Government itself would compute the taxes on 1944 income for those with wages and salaries of \$5,000 and less.

The measure would add some 150,000 new taxpayers earning between \$555 and \$624, while reshuffling to the status of income taxpayers approximately 9,000,000 persons now subject to the Victory tax but with incomes not large enough to come under present income levies.

Generally, in the reshuffling to attain a two-tax system to supplant the present three-way—Victory, normal and surtax—take from taxpayers' pockets, the legislation eases the burden for persons with large families, while increasing somewhat the load for childless married couples. This results from a flat \$500 personal exemption for each taxpayer and dependent to replace the present scale of \$1,200 for a married couple plus \$350 for each dependent. It does not disturb the present \$1,500 exemption allowed men and women in the armed services above their regular family status credits.

To provide "freedom from computation" relief at the close of this year, pending January effective date of the new withholding system, all those with wages and salaries up to \$5,000 and receiving no more than \$100 from sources not subject to withholding will be permitted simply to file a withholding receipt in place of a regular return.

The adoption of the bill by the House on May 5 was referred to in our May 11 issue, page 1941.

number at work on construction has dropped by 750,000 and was less than half of the corresponding total in the initial months of the war. Total employment in the nation's five basic industries—minerals, manufacturing, construction, transportation and public utilities—was well over half a million lower in the initial quarter of 1944 than a year ago.

"Employment in manufacturing has fallen off by nearly 650,000 in the past four months. Of the 20 major manufacturing groups only three increased the number on their payrolls. These accessions were minor compared to the substantial losses during the month in the transportation equipment and chemical groups.

"The increase of 350,000 in farm employment from February to March was entirely in the category of family labor. The number of hired workers remained at a level almost 10% below that of March, 1943."

More than \$24 Billion Provided Under Terms of Lend-Lease Acts, President Tells Congress

A total of \$24,224,206,000 is shown as having been provided by the United States under the terms of the Lend-Lease Acts, from March, 1941, through March 31, 1944, in the 15th report to Congress on Lend-Lease operations transmitted to Congress by President Roosevelt on May 22.

"Since the beginning of the Lend-Lease program on March 11, 1941," says the report, "we have sent a total of more than 30,000 planes, about 25,000 tanks and over 800,000 other military motor vehicles to the forces of our Allies. Of these totals, over 23,000 of the planes, over 23,000 of the tanks and almost 550,000 of the other motor vehicles went under lend-lease. The others were paid for in cash by our Allies."

In his letter transmitting the report to Congress the President said:

"To the Congress of the United States of America:

"I am submitting herewith the 15th Report on Lend-Lease Operations for the period ending March 31, 1944.

"United Nations forces are now about to strike new and mightier blows at Nazi-occupied Europe from offensive bases in the West, the South and the East. The fighting men of many nations have been banded together in combined operations. They are armed with the most powerful weapons that the combined resources and ingenuity of the United Nations can produce. They are ready to bring to bear their strength to continue the crushing process against the Nazis and the German war machine.

"Our American forces will go into battle side by side with the men of Britain, France, Norway, Poland, Czecho-Slovakia, Netherlands and our other Allies. At sea, warships flying many United Nations' flags will escort the fleets. In the skies, the Royal Air Force will join with the United States Army Air Forces in blasting the paths for our troops and in protecting them from air attack.

"For this great undertaking the United Nations' fighting partnership has been made far stronger by lend-lease and reverse lend-lease. Through lend-lease we have made certain that every man in the forces of the other United Nations who goes into battle beside an American fighting man has what he needs to hit the common enemy as hard as possible. Through reverse lend-lease the American forces have been similarly aided by our Allies with everything they had that we needed.

"On the eastern European front, also, arms and other war supplies provided by the United States and the British Commonwealth will continue to strengthen the Soviet Armies for the new blows that will be timed with our advances.

"In the Far East and the Pacific, our offensives in New Guinea, in Burma, and against the Japanese fortress islands in the central Pacific are proof that the battle for Japan is not waiting upon the successful conclusion of the battle against Nazi Germany. China is being helped to the utmost of our ability.

"Decisive battles are ahead. Now, more than ever, it is vital to our own American Army and Navy and Air Forces, as well as to the forces of the other United Nations, that we continue to provide our fighting partners with the additional war supplies they need to supplement their own resources. Congress has again recognized this fact by its overwhelming vote to extend the Lend-Lease Act.

"Only by uniting our full strength with the full strength of the other free peoples of the world have we moved from the defensive to the offensive. From defeats to victories. By maintaining our unity now, we shall certainly achieve final victory. By continuing our unity after the

war we can assure a peace in which mankind can live and work and worship in peace, freedom and security.

"FRANKLIN D. ROOSEVELT, "The White House, "May 22, 1944."

In the first 60 days of 1944, the report shows, more than 2,100 lend-lease planes, almost 2,000 tanks and more than 60,000 other military vehicles were sent to our Allies.

In Associated Press advices from Washington May 22, it was stated:

"Nearly \$4,750,000,000 in lend-lease aid has gone to Russia, two-thirds of it in the last year. Up to March, 1944, we had sent Russia 8,800 fighters and bombers, 190,000 military trucks, 36,000 jeeps, 5,200 tanks and tank destroyers and 30,000 other military vehicles.

"The United States has leased almost 1,400 naval craft to the British under lend-lease. They include more than 30 convoy escort aircraft carriers, destroyer escorts and merchant ships, and are in addition to \$200,000,000 worth of landing barges, PT boats and other smaller craft sent to the United Kingdom.

"The bigger vessels are leased to the Allies for the duration of the war. Title remains with the United States.

"The report showed a mounting total of reverse lend-lease. Emphasizing the pooling of Allied fighting equipment, it said: 'In proportion to their available resources, our principal Allies are putting into this war fully as we are, including lend-lease aid.'

"Here is the report's breakdown of lend-lease: To the United Kingdom, 42.5%; Russia, 27.6%; Africa, Middle East and Mediterranean, 14.4%; China, India, Australia and New Zealand, 11.2%; Latin America, 0.8%; all other areas, 3.5%.

"In the Pacific and Far East, almost \$2,000,000,000 worth of lend-lease has been poured into the fight against Japan."

The signing by President Roosevelt on May 17 of the bill extending the Lend-Lease Act for another year was noted in our May 25 issue, page 2180, and the statement he issued in approving the bill was also given therein.

Wool Associates Receive Nominations for Office

Alden H. Vose, Jr., Chairman of the Nominating Committee of Wool Associates of the New York Cotton Exchange, Inc., announced on May 25 the slate of offices to be filled at the annual election of the Exchange on June 5. Bernard J. Conlin, currently First Vice-President of Wool Associates, was nominated for the Presidency to succeed Frank J. Knell, who was named for the Board of Governors. Albert W. Hilliard was nominated for the post of First Vice-President, with Lawrence P. Hills named as Second Vice-President and Benedetto Lopinto Treasurer.

The following were nominated for the Board of Governors of Wool Associates: B. Harrison Cohan, Tinney C. Figgatt, Arthur N. Gorham, Joseph P. Henican, Jr., Marland C. Hobbs, Frank J. Knell, Stanley H. Lawton, Robert J. Murray, Max W. Stoehr, Philip B. Weld and Arthur O. Wellman.

Nominations as inspectors of election for 1945 include: James B. Irwin, James C. Royce and William H. Spilger.

Dies Will Not Seek Re-Election to Congress

Representative Martin Dies (Democrat) of Texas, announced on May 16 his withdrawal from the Congressional race, indicating that he would not seek reelection because of ill health and a desire to return to private law business. According to Associated Press advices from Jasper, Tex., Representative Dies on May 13 said that "from the beginning of my service in Congress my opposition to immigration has made me a number of powerful enemies." These advices added:

"In a telephone interview, Mr. Dies said 'they were people who wanted to open the gates to relatives, friends and their own nationals. My opposition to such bills prompted the organized blocs in Eastern cities, in New York, Chicago and other places, who were determined to bring in their relatives, friends and nationals, to oppose me.'

"Representative Dies added: 'The American Federation of Labor endorsed me every two years. The Congress of Industrial Organizations endorsed me until the House Committee on Un-American Activities began an investigation of the CIO. The AFL still supports me.'

Judge J. M. Combs, who recently resigned as Justice of the Ninth Court of Civil Appeals, had earlier made known his candidacy for Congress opposing Mr. Dies. From Washington on May 13 it was stated that at least one member of the Dies Committee thinks the decision of Chairman Martin Dies to retire from Congress will not affect the operations of the Committee for the rest of the session. The Associated Press, from which we quote, added:

"Representative J. Parnell Thomas, Republican, of New Jersey, ranking Republican on the group which is known officially as the Special Committee to Investigate Un-American Activities, said Representative Dies' decision not to seek re-election 'should not be construed as affecting the functions of the Committee for the remainder of its tenure, which expires next January 3.'

"Mr. Thomas said he believed the House should continue to maintain such a committee and 'should give serious consideration to the advisability of establishing a permanent standing committee on un-American activities with a highly trained and permanent staff.'

"His convictions, he added, 'are based upon the present underground strategy now in operation by certain of the subversive and un-American groups within our midst. The Congress and the people must never let their guard down against these enemies.'

In Washington Associated Press accounts from May 12 it was stated:

"The CIO Political Action Committee, headed by Sidney Hillman, had marked the Texan down for defeat."

Mr. Dies' withdrawal, coming on top of the defeat in the recent Alabama Democratic primary of Representative Joe Starnes, another Dies Committee member opposed by the CIO, set politicians to discussing the potentialities of the Hillman group, though some did not concede that it figured importantly in Mr. Starnes' defeat.

"So far as the House Committee is concerned, the Chairman has been its personification and the driving force behind its widespread investigations, which brought frequent clashes with high political figures, labor and other groups.

"Other members indicated that they would not take the lead in any effort to continue the Committee under the new Congress

Hull Says Leadership Toward New System Of International Relationships Rests Upon U. S.

Discussing the shift from wartime to peacetime, Secretary of State Hull, in a statement on May 19 incident to National Foreign Trade Week, declared that leadership toward a new system of international relationships in trade and other economic affairs will devolve very largely upon the United States, because of our great economic strength. We should assume this leadership, and the responsibility that goes with it, he maintained, primarily for reasons of pure national self-interest.

Mr. Hull went on to say that we ourselves cannot live in prosperity and security in our own country while people in other countries are suffering want and being driven to despair by economic hardship. If we are to have jobs for all our workers and markets for all our goods, people in other countries must likewise have opportunity to produce to their maximum capacity and to pay us, with the fruits of their efforts, for the things we want to sell them. Continuing he said:

The Government of the United States, and other United Nations Governments, are endeavoring to make as rapid progress as possible toward the objectives set forth in the Atlantic Charter, and the mutual-aid agreements, and the Moscow and Teheran declarations. In carrying out this great task, they need and must have the support of the people whose interests they serve.

"In this matter, foreign traders have a special responsibility, extending far beyond the mere safeguarding and enhancement of their own business interests. They have a special knowledge of foreign trade and its place as a necessary support of international prosperity and world security. They can contribute much to the establishment of a sound system of trade relations among nations by sharing their knowledge and understanding with other citizens and groups. Observance of National Foreign Trade Week is one means of carrying out this responsibility."

Secretary Hull referred to National Foreign Trade Week, which opened on May 21, as "a most appropriate occasion for taking stock of our situation." "Employment on the home front," he said, "is at an all-time high. Many millions now employed in making the things with which war is waged will need good jobs after the war making peacetime products, as will many millions now serving in our armed forces." In his further remarks he stated:

"Private enterprise will, I believe, meet this challenge with courage and resourcefulness. I believe, also, that the great majority of American business men will recognize the need, as well as the unique opportunity, for utilizing our enormous capacity in the production of the kinds of peacetime goods best suited to our material and human resources; for choosing those lines of production that can stand on their own feet without heavy tariff protection or subsidies.

"Only as people everywhere have opportunity to produce those things, and perform those tasks for which they are best fitted, and to exchange those products for the products of other people at home or abroad, will the world have the maximum supplies of things to be

which will come into office next January.

"Representative Mundt, Republican of South Dakota, a member, said there would be no such Committee in event the Republicans organized the House, but some new group with 'clearly defined' powers might be established. The Dies Committee has operated under a broad, general grant of authority.

"Created on May 26, 1938, it has received \$625,000 to finance its investigations, which ranged from inquiries into employment of 'subversive persons' by the Government to German and Japanese activities."

enjoyed. This can be achieved only as we co-operate with other like-minded nations, as we are co-operating now in war, to provide a basis for expanding trade and commerce among nations on a sound and equitable basis.

"The shift from war-time to peacetime commerce will undoubtedly entail some rather difficult adjustments both in our domestic economy and in our economic relations with other countries. Those adjustments must not involve such blunders as occurred after World War I, when we as well as other nations adopted commercial policies and took economic measures that disregarded and injured the citizens of other countries. Neither this country nor the world could stand a repetition of the bitter resentment among nations, the retaliatory actions, and the economic chaos and depression which finally helped to plunge us into this war.

"After this war international economic relations must be developed through co-operative measures. There must be international arrangement for currency stability as an aid to commerce and the settlement of international financial transactions. Through international investment, capital must be made available for the sound development of latent natural resources and productive capacity in relatively undeveloped areas. Above all, provision must be made for reduction or removal of unreasonable trade barriers and for the abandonment of trade discrimination in all forms.

"Such an international system of trade and financial relations embodying sound economic standards and the principles of justice must be created and made effective in order to support any international organization that may be set up to keep and enforce the peace. Otherwise, the structure of international security would be threatened with collapse as a result of economic disorder and conflict."

CDVO Mobilizes For Fifth War Loan

The Civilian Defense Volunteer Office has sold more than \$75,000,000 in War Bonds and Stamps in Greater New York during the past 10 months, according to a report received May 27 by Nevil Ford, Chairman of the War Finance Committee for New York, from Mrs. Hugh G. M. Kelleher, Assistant Vice-Chairman of CDVO and Director of its War Bonds and Stamps Division. Mrs. Kelleher said that during the month of April the organization, which is engaged in all community war services, sold 741,308.50 in bonds and \$46,531 in stamps.

Her report also stated that CDVO has mobilized its entire organization for action in the Fifth War Loan. Members volunteering for service in Manhattan for the coming drive will be assigned to various districts and areas of the War Finance Committee's Community Sales Division. Other CDVO volunteers will engage in the house-to-house canvass throughout the other boroughs. Other announced CDVO activity will include Bond Booths in the Public Library and at other important locations, manned by volunteers who gained experience in this work in previous drives.

Welles Warns Against 4-Power Military Alliance — Urges A Council Of The United Nations

A warning by former Under Secretary of State Sumner Welles that "if the people of the United States pin their faith to a four-power military alliance as the sole cure for the ills from which the world is today suffering, they will find themselves compelled to adopt as their national policy, after a few uneasy years a course of unremitting armaments building and of territorial aggrandizement as the only method by which they

can then achieve physical security," was contained in an address on "The Shaping of the Future" by Mr. Welles on May 18 at the final meeting of a series arranged by the New York "Times," held in the Times Hall. Mr. Welles went on to say:

"History does not record any example of a military alliance between great nations which has endured for more than a short while. The result of such alliances has invariably been that during their continuance the partners have jockeyed for individual influence and for selfish advantage. At best they have given rise only to a temporary and precarious balance of power.

"The employment of power and force by themselves can never make for any true world peace. A real peace can only spring from the consent of all free peoples to the exercise in their name, by an organization entitled to speak for them, of such power as may be required to see that the moral law upon which they determine is maintained between nations. And no international organization can prosper unless it is supported by the strength of public opinion.

"If we follow the path of a pure four-power military alliance and embark upon the course of imperialism which will accompany it, how can we expect to see accomplished those fundamental reforms without which there will be no hope of a more stable world?"

In his address, as given in the New York "Times," Mr. Welles also had the following to say:

"If one believes, as I believe, that the form of world organization which the experience of the past quarter of a century has shown to be the most practicable and the most desirable is an organization founded upon regional systems of States, each system primarily responsible for the maintenance of peace in its own neighborhood, but all functioning in coordination with and under the supreme authority of a universal organization, which possesses power to employ force whenever the peace of the world, rather than merely the peace of one region, is menaced, such an initial agency might well be composed of the individual representatives of the major powers, together with a small number of representatives elected by the States comprised within each regional system."

"The kind of agency to which I refer has come to be known as a Council of the United Nations. As the weeks and months have passed and no apparent advance has been made toward the establishment of such an agency, I am glad to say that an ever greater segment of public opinion in the United States has been increasingly disquieted and has been pressing more and more openly for the creation of such a Council. I am told, for example, that this very day has been set aside by many organizations as 'United Nations Council Day,' and that 25 organizations have now joined together to stand behind the following statement:

"We call upon our Government to cooperate now with the other United Nations in setting up a United Nations Council to proceed with the formation of the general international organization foreshadowed in the Moscow Declaration and the Connally Resolution."

"These developments indicate that an ever larger body of our citizens is reaching the conclusion

that the time to achieve international organization is before, rather than after, the end of the war. They are convinced that the way in which to obtain an international organization is to set about its actual construction, and not merely to talk about it."

In the course of his remarks, Mr. Welles also said:

"No world organization can successfully be established unless it is built from the outset upon a firm and continuing partnership between the four major powers among the United Nations — the United States, the British Commonwealth of Nations, the Soviet Union and China. Such a partnership will be peculiarly essential during the transition period after the war. But it is equally impossible to envisage a world organization which does not in fact recognize the full sovereignty of every independent nation of the world, no matter how small it may be, and its inalienable right to participate, directly or indirectly, in the political decisions which must be taken. Nor do I believe such an organization can survive unless it is predicated upon the acceptance by all of the participating nations of enlightened principles of international conduct and unless it possesses equitable and effective means for the pacific adjudication of all controversies as well as the force required to maintain peace.

"There are, of course, also those who, while professing unswerving allegiance to the great ideal of an eventual international organization, show every disposition to postpone for an indefinite period the taking of any practical steps toward its establishment. We can all of us agree that under our constitutional system, in the determination of the kind of international organization which should be created and of the nature of our participation in it, the executive and legislative branches of our Government must cooperate. The Congress must be in substantial accord with the policy of the Executive. But none of us can forget that time is running out.

"The longer the creation of the first political nucleus of the international organization is delayed the greater will be the danger that it may be postponed too long — the greater the likelihood that people of this country, and the peoples of the other major powers likewise, may be persuaded to the belief that the great concept of an association of free peoples is impracticable and illusory and that all that is left as a means of obtaining safety is military alliance and imperialism. And that road leads only to the Third World War."

British Consul General To Address N. Y. Chamber

Francis Edward Evans, the new British Consul General in New York, will speak on "British Trade in the Post-War Period" at the monthly meeting of the Chamber of Commerce of the State of New York at 65 Liberty Street, at noon today, June 1. This will be one of the first formal addresses made by Mr. Evans since he succeeded Sir Godfrey Haggard who retired as Consul General last February. Leroy W. Lincoln, who was elected President of the Chamber earlier this month, will preside at the meeting.

New L. I. Postal Building

Postmaster Albert Goldman announces that in accordance with a recent agreement between the War Department and the Post Office Department, a new building will be erected to provide for the increased activities of the Postal Concentration Center at New York, N. Y. The address state:

"Parcels, newspapers and other prints, for the Armed Forces Overseas will be distributed at the new building and then delivered to the New York Port of Embarkation Army Post Office, which will occupy adjoining space in the same building.

"The new building with 500,000 square feet of floor space will be one-story in height and aside from the concrete block walls will be of wood construction. Urgently needed workrooms and accommodations for personnel will be provided. 400,000 square feet will be assigned to the New York Post Office for its mail distribution activities and 100,000 square feet will be made available for the New York Port of Embarkation Army Post Office for storage and mail transportation work. It is planned to include a cafeteria capable of accommodating 800 persons at one time.

"The building will be constructed on the site of the former Madison Square Garden Bowl in Sunnyside, Long Island City, on a plot bounded by Jackson Avenue and Northern Boulevard, Gosman Avenue and Madden Street, under the direction of the Corps of Engineers, U. S. Army, of which Colonel A. H. Burton is the Division Engineer. The construction work will be under the direction of Colonel E. W. Garbisch, New York District Engineer.

"The mail handling operations will be conducted, as they are at present, over the 24-hour period daily, with approximately 4,000 persons employed for the normal mail handling operations, and that number will probably increase to 10,000 persons during the period when the Christmas parcels for the Armed Forces Overseas are being handled.

"The project provides space for expansion, when required, of both the Post Office and Army activities as the available plot will permit the erection of additional buildings on two sides of the presently planned structure.

"The plot on which the new building will be erected has been leased from the Pennsylvania Railroad and there will be two railroad tracks into the building to provide for expeditious unloading and loading of mail cars.

"The building must be completed and ready for occupancy by Sept. 1, 1944, in view of the fact that the present volume of parcels and prints has outgrown available space, and shortly after that date patrons will mail Christmas parcels intended for members of the Armed Forces Overseas."

Rathje Endorsed For Vice-President Of ABA

Illinois members of the American Bankers Association, at a caucus May 24 at the Palmer House, Chicago, endorsed Frank C. Rathje, President Chicago City Bank & Trust Co., for Vice-President of the American Bankers Association. Mr. Rathje's name will be presented at the convention in September at Chicago of the American Bankers Association. Mr. Rathje is also President of the Mutual National Bank of Chicago, and is active in State banking circles. The caucus was held in connection with the annual convention of the Illinois Bankers Association, of which Mr. Rathje is a member of the Advisory Council.

Industrial Activity Again Drops In April Federal Reserve Board Reports

The Board in its summary of general business and financial conditions in the United States, based upon statistics for April and the first half of May also reported.

The Board of Governors of the Federal Reserve System announced on May 23 that "industrial production and employment at factories and mines declined somewhat further in April, reflecting principally reduction in output of metal industries. The number of industrial wage-earners was about 6% or 800,000 less than in November, 1943."

Bank Credit

From the end of the Fourth War Loan Drive in the second week of Feb. through the middle of May, demand deposits of individuals and businesses at weekly reporting banks increased by about \$3,000,000,000. Time deposits also increased appreciably. During the same period war loan accounts at reporting banks declined by more than \$6,500,000,000. Holdings of U. S. Government securities by these banks declined by about \$2,000,000,000 and loans contracted by more than \$1,500,000,000. A large part of the loan decline was the liquidation of credits extended during the war loan drive. Loans to brokers and dealers are now less than they were before the Fourth War Loan Drive and loans to others for purchasing and carrying U. S. Government securities are down to about pre-drive levels. During the same period commercial loans also declined rapidly.

Industrial Production

The Board's seasonally adjusted index of output in manufacturing and mining industries was at 240% of the 1935-39 average in April, as compared with 242 in March and 245 in Feb.

Small declines in output of metals and metal products continued to account for most of the decrease in industrial production. Electric steel production decreased further in April to a level 5% below the same month last year. Production of most non-ferrous metals declined, reflecting partly planned curtailments and partly the effects of labor shortages in mines and smelters. A further curtailment of aluminum production was announced in May. Activity at plants producing munitions in the machinery and transportation equipment industries declined somewhat in April. Production under the farm machinery program continued to increase and was reported at a rate above the highest volume recorded in any peacetime year.

Output of nondurable manufactured goods showed little change in April. Activity at cotton mills was maintained at the level of recent months, approximately 15% below the peak level of April, 1942. As a measure to increase production, a 48-hour work week was ordered in the cotton textile industry, effective May 14.

The number of animals slaughtered continued at an exceptionally high level in April, and effective May 3 most meat products were removed from rationing. Output of dairy products continued to rise seasonally and supplies available for civilians increased.

Mineral production was maintained in large volume in April. Production of both bituminous and anthracite coal for the year through May 6 was approximately 5% more than in the same period in 1943.

Crude petroleum production in April continued at a level about 12% above a year ago. Mine production of iron ore showed a large seasonal rise, reflecting the opening on April 10 of the season for lake shipments.

Distribution

Department store sales declined in April and, after allowance for usual seasonal changes, were about 10% below the high level which prevailed in the first quarter of this year. In the first half of May sales were maintained and were considerably larger than in the corresponding period of 1943.

Carloadings of railroad freight in April and the first half of May were maintained in large volume. Grain shipments continued to decline from the exceptionally high levels of Jan. and Feb. Ore loadings increased sharply in April and were 60% greater than a year ago.

Commodity Prices

Wholesale prices of most commodities showed little change from the middle of April to the third week of May. Prices of farm products and foods were slightly lower, while maximum prices of some industrial commodities were raised.

The cost of living index advanced 1/2% from mid-March to mid-April, reflecting higher retail prices for foods and furniture

NYU Retailing School Employment Plan

A new cooperative arrangement between the New York University School of Retailing and stores in the metropolitan area was announced on May 26 by Provost Rufus D. Smith, Acting Dean of the School, at graduation exercises for 31 graduate students, held following a dinner of students, alumni and faculty of the school at John Wanamaker's, 9th Street and Broadway. Under the new arrangement, Provost Smith said, part-time employment in stores will be made available to undergraduate as well as graduate students in the school and rates of pay will be increased and standardized for all students participating in the cooperative training program. Graduate students will be assured a minimum salary of \$16.80 a week for 28 hours of work and undergraduates a minimum of \$15.40.

The store work itself, Provost Smith said, is being planned to provide each student with an equal amount of selling and non-selling work. In addition to the store selling work a series of eight field trips will be arranged to enable students to witness the work done at behind-the-scenes departments of stores, the adver-

Vice-President Wallace Leaves On Mission To China Roosevelt Announces

It was made known by President Roosevelt on May 20 that Vice-President Wallace had left that day for his trip to China, undertaken at the request of the President. Mr. Wallace is expected to return about the middle of July. He is accompanied by John Carter Vincent, Chief of the Division of Chinese Affairs, State Department; Owen Lattimore of the Overseas Branch, Office of War Information and John Hazard, of the Division for Soviet Supply, Foreign Economic Administration. Mr. Wallace disclosed that he plans to visit Siberia, stopping at the Soviet cities of Novo-Sibirsk, Tashkent, Krasnoyarsk, Stalinsk, Semipalatinsk and Alma Ata.

Reference to the proposed visit of Vice-President Wallace to China appeared in our issue of April 20, page 1629.

The statement by President Roosevelt issued on May 20 announcing the departure of Mr. Wallace follows:

I have asked the Vice-President of the United States to serve as a messenger for me in China. He is taking with him Mr. John Carter Vincent, chief of the Division of Chinese Affairs, State Department; Mr. Owen Lattimore, Deputy Director of the Overseas Branch, Office of War Information, and Mr. John Hazard, Chief Liaison Officer, Division for Soviet Supply, Foreign Economic Administration.

Eastern Asia will play a very important part in the future history of the world. Forces are being unleashed there which are of the utmost importance to our future peace and prosperity. The Vice-President, because of his present position as well as his training in economics and agriculture, is unusually well fitted to bring both to me and to the people of the United States a most valuable first-hand report.

For the time being nothing more can be said of certain aspects of the Vice-President's trip. Suffice it to say that he will be visiting a dozen places which I have long wanted to see. He left today and will report to me upon his return, which is expected about the middle of July.

At the same time the following statement by Vice-President Wallace was made public:

The President has asked me to visit Asia. The President is a symbol of hope for hundreds of millions of people throughout the world and I am proud to serve as one of his messengers. There will be no press or other public representatives with me. The object of the trip is to let our Asiatic friends know the spirit of the American people and the beliefs and hopes of their Commander-in-Chief.

Asia is just as important to the United States as is Europe. We are fighting a determined enemy in the north, south and middle Pacific. We fight because of Pearl Harbor. We fight to preserve our freedom, and for the democracies of Australia, New Zealand and Canada. We fight so that permanent peace and its blessings may become safe for the half of humanity which has its being on the shores of the world's greatest ocean.

The two great lands of China and Russia are glorious in the present. Siberia is the great arsenal without which the Russian victories over Germany could not have occurred. The Chinese will survive and to resist has its only counterpart in the defense of Stalingrad, Moscow and Leningrad. If I may carry to these

tising production department of a large newspaper, etc.

John E. Raasch, Vice-President of John Wanamaker and a member of the council of New York University, also spoke at the graduation exercises which were presided over by Samuel W. Reyburn, Chairman of the Board of Trustees of the School of Retailing and former Chairman of the Board of Directors of the Associated Dry Goods Corp.

working and fighting peoples of Asia something of the confidence and pride which the American people and their President feel in their magnificent effort, I know the journey is well undertaken.

The truth which China has been writing on the pages of history for 40 centuries is simply that hundreds of millions of peaceful people have never permanently been conquered by war aggression. So shall it always be. The will for peace and to survive on the land has been bred into the Chinese soul. China has never sought to conquer the world. China only has sought and successfully accomplished her aim of work and peace and survival.

A new day opens for this great people. The closed door has gone forever. The day of the aggressor seeking through murder and robbery to break down the Chinese life also is gone forever. The future of China belongs to the world and the world in justice and peace shall belong to China.

Neither the swamps of Burma nor the Himalaya Mountains nor Japanese warships shall stop America from bringing all possible and prompt aid to this great and enduring people. Our President's message to China is just that.

The great Chinese leader Kai-shek has heard from the President directly. My visit is merely one of emphasis so that the hundreds of millions of Chinese people may know that the American will to aid China is permanent and continuous until victory is achieved.

But the Chinese have also the right to know that the American people conceive it a duty and a privilege to work and plan with the Chinese nation for that permanent peace and prosperity of our Pacific Allies which will also make permanent our own peace and prosperity.

It is with great anticipation that I approach the Siberian experience. This country embraces one-eighth of all the land of the world. Under the Tsars it miserably supported less people than the State of Pennsylvania—a one-hundredth of its size.

A scant 25 years have passed. Over 40,000,000 busy people have taken the place of the 7,000,000—mostly convicts—who miserably existed there under Imperial Russia. So the detractors of Russia must pause before the fact of the Soviet Asia of today.

Soviet Asia in American terms may be called the wild east of Russia. America after the Civil War developed her wild West, pushing triumphantly to the Pacific—creating what Los Angeles, San Francisco, Portland, Seattle and Denver mean now. The Soviet Asia cities of Novo-Sibirsk, Tashkent, Krasnoyarsk, Stalinsk, Semipalatinsk and Alma Ata are equally well known in Moscow and Leningrad as American West Coast cities are known in Washington and New York.

I shall see these cities. I shall feel the grandeur that comes when men wisely work with nature. Upon my return I hope to contribute something to American understanding of today's Asia as well as detailed information for the President.

Pugsley To Join Spellman

Benjamin F. Spellman, former law partner of the late United States Senator Charles A. Towne, announced that as of June 1 Chester D. Pugsley, former banker and authority on International affairs, will become associated with him at 115 Broadway in the

Eccles Price Control Views Held To Hint End Of Roosevelt Administration

In making the statement that study of details of the transcript of testimony of Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, in favor of acting now to extend price control legislation for two years after the war, led Republican leaders on May 15 to detect a hint that, in the back of this veteran New Dealer's mind, at least, there was a doubt that the Roosevelt Administration would

be continued in office in the November elections, according to advices to the New York "Herald Tribune" from its Washington bureau, which also had the following to say:

That part of Mr. Eccles's testimony which aroused speculation read, "If it (Office of Price Administration legislation) is only extended for a year, as I see it, there is certainly a great element of uncertainty on the part of any thinking people—people who are making investments or commitments. There is a feeling of uncertainty—certainly as to what the next Congress is going to do

or what the next administration is going to do or whether the inflationary force will be such that it will not be met.

Mr. Eccles made the statement last Wednesday (May 10) during his appearance before the House Banking and Currency Committee which is studying extension of the present controls.

Chester Bowles, Price Administrator, testifying today before the committee, also spoke in favor of extending the OPA legislation, but he made it clear that he did not favor its continuing for very long in the post-war period.

House Passes GI Bill Of Rights In Behalf Of Veterans Of Present War

Bill Differs From That Passed By Senate

The House passed on May 18, by a vote of 387 to 0 the measure generally known as the "GI Bill of Rights" providing for "Federal Government aid for the readjustment in Civilian Life of Returning World War No. 2 Veterans." The bill was passed by the Senate on March 24 by a vote of 50 to 0, with 46 not voting. At that time (March 24) advices from Washington to the New York "Times" said:

Announced positions of absent members indicated that a full vote would have been 96 to 0. In effect, the bill had been passed before it reached the Senate floor, as it bore the signatures of 81, with others complaining today that they had not received an opportunity to be active sponsors.

Formal Senate approval came after the measure endorsed by the American Legion and the Veterans of Foreign Wars and by many labor organizations, had been under consideration less than an hour.

Most of the questions put to Senator Bennett C. Clark, Democrat, of Missouri, who introduced and handled the bill, were for the purpose of clarifying its many provisions and of voicing approval of the program.

Estimates of the cost of the measure have run from \$3,000,000,000 to \$3,500,000,000, but they are concededly vague pending the time it is known how many veterans, men and women, will receive the benefits.

The bill had been approved unanimously on March 17 by the Senate Finance Committee.

The House passed the bill on May 18 after rejecting an amendment which would have prohibited unions from requiring that veterans hold a union card to work in a "closed shop." This was indicated in Associated Press accounts from Washington on May 18 which further said:

Before sending the measure back to the Senate for action on a score of amendments, the House raised from \$1,500 to \$2,500 the maximum of government-guaranteed loans to veterans, refused to increase the period of unemployment compensation coverage from 26 to 52 weeks, and rejected amendments to reduce loan interest rates from 6 to 4% and to strike from the bill a ban against payment of unemployment benefits to veterans who engage in strikes.

The labor issue was injected into the debate shortly before passage by amendments offered by Reps. Marcantonio (Am.-Lab., N. Y.) and Smith (D., Va.).

Marcantonio sought to strike from the measure a ban against payment of unemployment benefit to veterans who engage in work stoppages resulting from

general practice of the law, specializing in banking and international law.

labor controversies. The ban, he told the House, was "anti-labor in scope and concept."

The New Yorker's proposal to eliminate the language was rejected by a standing vote of 122 to 28.

Smith's amendment would have made it illegal for anyone to "demand or receive any money or other thing of value from any veteran as a condition of unemployment, or require his membership or non-membership, in any organization, as a condition of employment."

It was rejected by a standing vote of 112 to 19 after Rep. Marcantonio and others assailed it as "the open shop amendment" and a move toward "exploitation of veterans."

From the Associated Press we also quote:

As passed by the House, the bill provides these benefits for veterans:

Twenty-six weeks of unemployment compensation at \$20 weekly (the senate provided for 52 weeks at rates ranging from \$15 to \$25 weekly.)

The right to attend schools of their own choice for a maximum of four years at government expense provided tuition and other fees do not exceed \$500 annually; qualified veterans without dependents would receive \$50 monthly for subsistence while in school, with \$75 for those with dependents; however, veterans who were over 24 at the time of entrance into service would be required to show that war service had interfered with their schooling or that they were in need of a refresher course. The veteran would be allowed to attend a college, trade school or vocational school of his own choice, provided it was approved by state educational authorities or the veterans administration.

The Senate bill contained no requirement that the veteran show that his education was interfered with by his war service.

The loan provisions of the two measures differ sharply. The Senate authorized the veterans administration to make loans up to \$1,000, for home purchase or construction, for the purchase of a farm or farm equipment, or for business purposes. The House decreed that the loans be made by usual lending agencies, with the veterans administration guaranteeing repayment of 50% of the

Broderick Named To N. Y. U. Governing Bd.

Joseph A. Broderick, President of the East River Savings Bank, has been elected an alumni member of the New York University Council, Governing Board of the Institution, it was announced on May 25 by Chancellor Harry Woodburn Chase.

Dr. Chase made his announcement at the annual Medallion Alumni Dinner at the New York University Faculty Club, 22 Washington Square North, where Mr. Broderick, President of the Medallion Alumni Association, presided. The election is to a four-year term under a plan instituted several years ago to foster broader alumni participation in the direction of the University.

Five prominent alumni selected to receive the 1944 Alumni Meritorious Service Awards were honored at the dinner for "distinguished service to the University." They were: Myron J. Greene, '26, attorney; Dr. Laura Brooks Harney, '28, '31, '39, Principal of the Pennington School, Mt. Vernon; George H. Hauser, '17, Vice-President of Liberty Aircraft Products Corp.; Benjamin A. Ross, '25, Alumni Secretary; and Dr. Jacob Shapiro, '13, dentist.

Mr. Broderick was New York State Superintendent of Banks from 1929 to 1934 when he resigned to become a member of the Board of Governors of the Federal Reserve System. He has been President and Trustee of the East River Savings Bank since 1937. A graduate of the New York University School of Commerce, Accounts and Finance in 1906, Mr. Broderick received the Alumni Meritorious Service Award in 1936.

Mr. Broderick is a member of the Council of Administration of the New York State Bankers Association; represents his State on the Nominating Committee of the American Bankers Association, and is a Governor of the Bankers Club of America. He is a member of the Advisory Committee of the New York Chapter of the American Institute of Banking. He is an honorary member of the National Association of Supervisors of State Banks and the American Institute of Banking.

Living Costs Up In Industrial Cities Conference Board Reports

The cost of living for wage earners and lower-salaried clerical workers in April rose in 57 of 63 industrial cities surveyed by the National Industrial Conference Board. Living costs were lower in 4 of the cities, and remained unchanged in 2 of them, said the Board on May 22; it added:

The largest gain, 1.9%, occurred in Cincinnati. In 9 other cities the increase was 1.0%. The largest decline, 0.5%, occurred in Denver. For the United States as a whole, the cost of living was up 0.7%.

Living costs were higher this April than in April, 1943, in 28 cities. Toledo recorded the largest increase during the 12-month period with an advance of 2.2%. Thirty-five cities showed declines. The cost of living for the United States as a whole stands 0.1% higher than a year ago, and 21.0% above January, 1941.

principal up to a maximum guarantee of \$2,500.

Chairman Rankin (D., Miss.) of the veterans committee estimated total cost of bill at \$6,510,000,000.

Appraisal Of Congressional Transportation Policies

(Continued from first page)
of the Interstate Commerce Act and revision of the statutory rule of railroad rate-making. Former President Coolidge died before the report was completed, and former Governor Smith presented his views in a separate memorandum in which he generally agreed with his associates but expressed the view that the effect of air, water, pipe and highway lines had been exaggerated.⁴

This was followed by a long series of investigations conducted or sponsored by public authority in an effort to ascertain the factors which were interfering with the healthy condition of the agencies of transportation, and to provide remedies. From 1933 to 1940 we had the several investigations and reports of the Federal Coordinator of Transportation which covered a wide range of subjects. In 1937 there was the study prepared by the Brookings Institution on "Government Activities in the Field of Transportation", printed as a report to the Select Committee to Investigate the Executive Agencies of the Government, under the chairmanship of Senator Byrd.⁵ In 1938, two committees appointed by the President of the United States investigated transportation difficulties and reported proposed remedies. The first was the so-called Committee of Three, consisting of Chairman Splawn and Commissioners Eastman and Mahaffie of the Interstate Commerce Commission,⁶ which was followed by the Committee of Six, consisting of three railroad presidents and three heads of railroad labor organizations. In 1940 the Board of Investigation and Research, which was created by the Transportation Act of 1940, began a study of the whole field of transportation and has since made some preliminary reports. Its appropriation has been practically exhausted and its life will expire in September of this year. In 1942 the National Resources Planning Board submitted to the President a large volume containing its report on "Transportation and National Policy." Some of the economic discussions, particularly those prepared by economists loaned by the Bureau of Agricultural Economics, U. S. Department of Agriculture, were pointed in the direction of government ownership and operation of all agencies of transportation. The recommendations of the Board were more moderate and less incisive. It did, however, advocate the creation of a new authority, the National Transportation Agency, to coordinate all transport forms and facilities and to supervise regional consolidations of railroads.⁷

Failure to solve the problems of transportation has not been due to insufficiency of effort, so far as investigations and reports are concerned, or to a lack of variety of proposed remedies. Running through them all is the basic proposition that physically and financially sound transportation companies providing each of the several forms of transport are essential to the economic welfare of the nation. Some of these investigations were followed by legislation, such as the Acts of Congress which have brought motor carriers, waterways and freight forwarders under the jurisdiction of the Interstate Commerce Commission. In other instances, relatively little of a practical nature has thus far resulted. Primarily these investigations were the product of the financial disaster which affected the railroad industry, precipitated in part by basic economic trends and in part by the growth of competitive forms of transportation, both of which were emphasized by the great depression ushered in by the stock market crash of October, 1929.

Footnotes appear at end of article.

Federal Regulation After 1920 Designed to Foster Transportation

At the end of the first World War, the railroads, which, aside from a small amount of waterborne traffic, were providing virtually all of our domestic intercity transportation, urgently felt the need of relief from purely restrictive regulation. It has often been pointed out that in the beginning federal regulation was set up to cope with abuses which were the product of competition rather than of monopoly, whereas state regulation, which had been first in the field, had been directed primarily toward the reduction of rates. Both, however, were intended to restrain the railroad managers. In the one case, the restraint was to be against rate and service discrimination being utilized to augment the traffic of one railroad at the expense of its competitors; and in the other, to keep the transportation charges at a low level, that is, to restrain monopoly.

With the long upward trend of wage rates and material prices which began some time about the turn of the century, the railroad industry was compelled to cope with increasing unit costs. These costs the railroads succeeded in offsetting in large measure by efficiency of operation, including the development of new techniques and devices, until the impact of the World War. Then further and more drastic increases in the costs of labor and materials, together with the public demand, following the war, for a termination of federal control of railroads and their return to private operation, brought into railroad regulatory legislation a new concept. This was epitomized by the Transportation Act, 1920, which the Supreme Court said was designed to foster and protect the railroad industry in the public interest. This concept has since been repeated in various forms in legislation affecting other agencies of transportation. The 1920 Act itself had declared it "to be the policy of Congress . . . to foster and preserve in full vigor both rail and water transportation."⁸ In the 1940 Act, this was expanded to provide "it is hereby declared to be the national transportation policy of the Congress to provide for fair and impartial regulation of all modes of transportation subject to the provisions of this Act, so administered as to recognize and preserve the inherent advantages of each."⁹

During the decade which has just closed there have been three important Acts of Congress to further the national policies as stated at the outset of this paper. The Emergency Railroad Transportation Act of 1933, in addition to setting up the Office of Federal Coordinator of Transportation for the study of all phases of interstate transportation within the continental United States, was designed immediately to reduce railroad costs through the coordination of facilities.¹⁰ It was motivated by a desire to help railroad finances in the severest depression experienced up to that time. This coincided with a period of widespread unemployment and suffering among workers. The elimination of waste and duplication of railroad operations meant also, of course, the elimination of labor. To ameliorate this, a legislative restriction was placed upon any reduction in railroad employment by reason of action taken pursuant to the authority of the new Act. As a result, the Act largely failed of any outstanding tangible result except for the issuance of a series of important reports by the Coordinator, which were in part the basis for the enactment of the Motor Carrier Act of 1935 and the Transportation Act of 1940.¹¹ The first of these brought the regulation of

carriers and as contract carriers, under the jurisdiction of the Interstate Commerce Commission.¹² Their right to operate was conditioned upon securing certificates of convenience and necessity. The Commission was given authority to determine the reasonableness of their rates, both maximum and minimum. The second, the Transportation Act of 1940, among other things, gave the Interstate Commerce Commission jurisdiction over domestic common and contract water carriers, similar in fundamental aspects to that previously applied to railway and highway carriers. It included water carriage both on the inland and coastal waterways, and provided for the regulation both of the right of entry into the transportation field and of the maximum and minimum rates. Two years later Part IV was added to this Act, bringing freight forwarders also under the jurisdiction of the Commission.

Meanwhile, Congress enacted the Civil Aeronautics Act of 1938, which broadened federal regulatory powers over air commerce and centralized them in a new administrative agency, the Civil Aeronautics Authority.¹³ In 1940 this was divided by executive order into two distinct agencies within the framework of the Department of Commerce, being the Administrator of Civil Aeronautics and the Civil Aeronautics Board. Until the past year the Civil Aeronautics Board was largely concerned with international flying and with a relatively small number of extension applications, miscellaneous matters and mail pay proceedings. Almost overnight the Board was flooded with applications for certificates, so that it now has undisposed of nearly 500 certificate applications. This enormous task must be willed even the Board members themselves. Some of the issues concern foreign flying, the place of surface carriers in both foreign and domestic flying, the sharp contest for additional routes between the so-called Big Four and the smaller carriers, and the rather sudden emergence into the picture of rotative wing craft. All of this in essence revolves around the scope and place of the airplane in the post-war scheme of transportation, and the relationship of air transportation to other forms.

The basic inequality resulting from failure to regulate competitive agencies of transportation, which the railroads criticized so violently in the years following World War I, has been ameliorated in the last decade by these statutes which subjected motor carriers, water carriers, freight forwarders and air carriers to regulation. The national transportation policy has been declared in the Transportation Act of 1940 to embrace fair and impartial regulation of all modes of transportation. In the case of water carriers, however, exemptions from regulation have been made as to a substantial part of the traffic moving on inland waterways, even when transported by common and contract water carriers. Time alone can determine whether these exemptions are in the public interest and should be continued. Generally, however, the situation as to transport regulation which will exist when the present war is over promises to be vastly different from the situation which followed World War I. At that time the railroads alone were subject to regulation, while their competitors were free from all regulatory restraint. In the sharp and probably bitter competition for traffic that will follow World War II, all these agencies of transportation will find themselves engaged in that competition under a pattern of federal regulation, except as to the exemptions of certain traffic carried by the water

Three Problems Confronting Transportation in Post-War Period

Domestic transportation in the post-war period will present for early determination three important issues of fundamental public policy. Perhaps there will be others. These three, however, are: (1) Shall regulation of all forms of transportation be entrusted to a single agency, or, if not, what means of integration, if any, shall be provided? (2) Shall subsidies be extended to any of the several forms of transportation, and, if so, under what conditions and limitations? (3) Shall competition between transportation agencies be required by law, and the regulating process in respect to the prescription of minimum rates be restricted?

I am quite clear in my own mind as to where the public interest lies in these three matters. A single regulating agency should have jurisdiction over all forms of transportation; otherwise there will inevitably be competition between the regulating bodies themselves to advance the interests of the particular form which each one regulates. Likewise, to subsidize some carriers while requiring others to bear their full costs cannot in the end result in healthy conditions. If promotional subsidies are to be provided during a development period, it seems to me that it would be in the public interest to permit the older carriers to participate in the development, and to own and operate the new forms to some extent, at least, as a part of an integrated or total transportation service. Finally, public regulation rather than free competition between common carriers should be relied upon to protect the public interest.

Regulation of Transportation Should Be By Single Federal Body

On logic, it is difficult to make out a case for a regulating authority for domestic air transportation separate from the other forms. If it be granted that we are to continue a national transportation policy of promoting and fostering adequate transportation furnished by private corporations at rates regulated by public authority, the most orderly way of accomplishing the desired results would be to entrust regulation to a single public body. Separate regulating agencies have been discarded in the beginning or later abandoned in respect to all other competing forms of transportation: the motor carrier on the highway, the water carrier engaged in inland or coastwise transportation, the pipe line and the freight forwarder. All of these have been brought within the jurisdiction of the same federal body, the Interstate Commerce Commission. It is hard to believe that there are technical characteristics of air transport which make it more difficult to regulate than in the case of the railroads themselves or any of the other forms of regulated transportation,¹⁴ although the Commission would have to adapt and equip itself to provide intelligent and efficient regulation in this new and unfamiliar field.

It is significant that the present war-time control recognizes no difference between the several forms of transportation. The Office of Defense Transportation has jurisdiction over all domestic transportation, including the water carriers, the trucks, buses and private automobiles, the local transit systems, the pipe lines and the air carriers, and, to some extent, over storage facilities. Being derived primarily from the war power, it extends also to intrastate as well as interstate operations, and to private as well as to common-carrier or contract-carrier service.

The objection sometimes made that the Interstate Commerce Commission is railroad minded, and therefore should not be given regulatory power over a newly

developing form of transportation, is disproved by events. Motor carriers and water carriers have been placed under the jurisdiction of the Commission. No serious complaint may be recorded of the manner in which that body is carrying out the mandate of Congress to provide fair and impartial regulation of the several modes of transportation so as to recognize and preserve the inherent advantages of each.

Preliminary, however, to providing for future regulation of air transport by the Interstate Commerce Commission, there should be re-examined the proposal for the reorganization of the Commission which Mr. Eastman made ten years ago in his capacity as Federal Coordinator of Transportation.¹⁵ Inadequate consideration was given to this proposal at that time. This was due in part to the opposition of the Commission to the proposal,¹⁶ and in part to a lack of urgent sponsorship for the necessary legislation. The conditions which transportation will face in the post-war world make some such reorganization of the Commission now much more important than it was when Mr. Eastman first made the proposal. In this connection permit me to observe that the series of reports, decisions and public addresses which Mr. Eastman made during the last ten years of his life reflect the considered judgment of a profound mind. The series of principles enunciated will be found applicable to many of the great issues affecting transportation in all forms, and will be looked to in the future even more than they have been in the past in helping to determine perplexing questions of national transportation policy.

The proposal for reorganization of the Commission was that it be enlarged from eleven to fifteen members, who would be assigned to different divisions or sections with separate jurisdictions. Ultimate responsibility for regulation, however, would be vested in a Control Board consisting of five members, being the chairman of the Commission and the chairmen of each of four designated divisions. As originally proposed, these would have been a railroad division, a water and pipe line division, a motor and air division, and a finance division. The Control Board would determine all matters of general regulatory policy which should be binding upon the divisions.

With the successive enlargement of the Commission from its original membership of five to seven, then to nine and finally to eleven members, there has been a marked tendency to prolong deliberations and invite diversity of opinions in decisions. Obviously, a centralization of authority and responsibility in a smaller body would promote expedition and efficiency.

It is sometimes urged that the popular esteem and public approval which the Commission has long enjoyed are due in considerable measure to its careful consideration of problems presented for decision. But sometimes delays become intolerable. While on the whole the Commission has done surprisingly well with the manifold tasks imposed upon it, there has been a pronounced tendency, especially with the assumption of new responsibilities in recent years, to slow down the whole regulatory process. Something of a fairly radical nature should be done to alter this trend, especially if the Commission is to regulate all forms of transport.

Surely, such a reorganization is more desirable than proposals which have been made from time to time in varied forms during the past twenty-five years of creating another transportation authority, to be placed either under the direction of a newly created cabinet position or under the authority of an existing cabinet officer, such as the Secretary of Commerce or

the Secretary of the Interior. Such a method would make the whole matter of transport regulation one of political consideration. This would be quite different from regulation by an independent body which, in the fifty-seven years of its existence, has established a reputation of integrity, fairness and impartiality frequently referred to as a standard for other commissions.

Quite probably, if the present development of air transportation had existed when Mr. Eastman made his proposal for reorganization of the Commission, he would have recommended for a separate division of three or five members. This could be accomplished quite readily within the original framework of the plan by substituting such a division for the originally proposed division of finance. The work of the latter division could then be placed under the direct jurisdiction of the Control Board, and administered through a bureau organization. Such, however, are matters of detail, and not fundamental to the basic purpose of reorganization. The work which has been accomplished by the Civil Aeronautics Board during the past four years could be preserved. One excellent method would be to incorporate into the Commission the staff and organization of that Board and in effect to convert it into the division which would regulate air transport.¹⁷

In reorganizing the Interstate Commerce Commission and enlarging its powers so as to make it the transportation commission, every effort should be made to keep politics from influencing its decisions, and to continue to attract to membership men of outstanding competence, independence and intelligence. They should be as well qualified as are the executives of the industries which are to be regulated. A requirement should be placed upon the President to nominate only such men as would conform to designated specifications, they should be chosen for twelve-year terms, and they should be paid salaries of at least \$15,000 and preferably \$20,000 each. Their independence should be assured by a definite pension arrangement. In other words, suitable provisions should be made to attract men of intelligence and sound character to this public service as a career. There is nothing novel about these proposals. Congress has provided that members of the Federal Reserve Board, whose responsibilities can certainly be no greater, shall receive annual salaries of \$15,000 and serve for terms of fourteen years. The independence of the federal judiciary has been safeguarded by pensions upon retirement for disability or at the age of seventy years, judges who have served ten years being entitled to their full salary for the remainder of their lives, and those with a lesser service, to half salaries.

With such a reorganization of the Commission, including provisions to insure its quality and efficiency, the regulation of all forms of transportation on a national basis would be made entirely practicable. The public would reap the benefits.

Subsidies Should Be Restricted and Common Carriers Permitted to Provide All Forms of Transportation

The second vital consideration of public policy applicable to post-war transportation is the matter of subsidies—whether subsidies shall be extended to any of the agencies of transportation and, if so, under what conditions and limitations. These are matters which Congress and not the regulating agency should determine, although regulation must take account of such subsidies as may be provided. During the decade of the twenties, when the new competition of motor carriers and wa-

ter carriers was making itself felt, and especially during the depression decade of the thirties, the railroads challenged as unfair all public aid to their competitors. They asked that the motor carrier be required to pay on a user basis its share of providing and maintaining the roadway on which it operated, and that the true cost of water carriage be directly reflected in the rates of the water carrier, if operated as a common or contract carrier, or in its costs, if privately operated. They demanded a cessation of all transportation subsidies.

The tremendous sums which have been spent by the public in the construction of highways, especially by the states, are well known. There is now considerable talk of further large scale construction at public expense in the post-war period to provide employment for returning service men. Large expenditures of federal funds have been made over the years for inland waterway development and in the field of coastal, intercoastal and foreign shipping, through construction and operating subsidies, the training of personnel, and in other aids to navigation, such as the maintenance at public expense of light-houses and lightships, and the various hydrographic services. This is not essentially different from the aid extended to airway development through the maintenance of beacons, teletype circuits for weather reporting and traffic control, radio range and communication stations and lighted intermediate landing fields, together with extensive federal aid in airport development. Subsidies through added compensation for transporting mail differ only in degree and form.¹⁸

Public interest in enlarged transportation facilities of all kinds is advanced as justification for the use of public funds to encourage new forms during their development period or to preserve existing forms against threatened discontinuance, especially where they are deemed essential for peace-time economy or for national defense. No measuring stick has been suggested to determine the appropriate extent of such subsidies, or the period for which they should be provided. Administrative agencies generally, however, have recognized the fact that private capital cannot in the long run compete with public capital.¹⁹ Just as under Gresham's Law bad money drives out good, so in competition with a subsidized transportation, those common carriers which bear their full cost will be driven to provide facilities and service which are less and less responsive to the needs of the public.²⁰

The problems of regulation itself are made exceedingly complex by public grants and subsidies.²¹ On the one hand, it is demanded that regulatory authorities should see to it that the subsidized agency passes on to the public some measure of benefit through rate reduction. On the other hand, the regulators are not infrequently called upon to decide how far the self-supporting carrier should be permitted to cut its own rates to meet the competition of the agency whose costs are borne in part by the public.²²

"Relative economy and fitness" of the different kinds of common carriers furnishing transportation, and "the methods by which each type of carrier can and should be developed to provide a national transportation system adequate for commerce," were two of the objectives which Congress in 1940 directed the Board of Investigation and Research to determine.²³ We have already observed the notable advance in equality of regulation in the last decade in respect to all forms of common carriage and, to some extent, to service performed by contract carriers. The railroads have contended that true equality can exist

only when the rates of every form of transportation, taken as a whole, reflect all the costs incurred in performing the service. They have declared that the division of function among competing forms is bound to be artificial so long as the rates of one carrier reflect its full costs while the rates of other and competing carriers reflect only a part, with the remainder made up by public aids and grants. To remedy this, they have advocated tolls in the case of the waterways, and the payment by motor carriers for the cost of highway construction and maintenance, either on a user basis or through special taxation.

While it may be a vain hope on the part of those carriers which are meeting their full costs that the public will cease to subsidize new forms of transportation in their development periods, or to preserve them from destruction, it is at least essential that such aid should be confined within narrow limits. Also, if the public interest is deemed to require subsidies to develop or preserve particular forms of transportation, the full-cost carriers should be permitted to participate in such development or preservation through coordination and integration. In other words, if motor transportation or coastwise navigation or air transport is so vitally necessary to the nation, then the railroad companies should not be prevented from assisting in the process of promotion by utilizing these new forms as a part of the total service which they offer to the public. They should be permitted to participate in changing styles and methods of transportation—in a word, to become transport companies rather than merely carriers by railroad, highway, pipe line or airway. Not only is this desirable as a matter of justice to the existing agencies themselves, but even more important is the fact that by utilizing the newer modes and methods, the older carriers (which cannot be dispensed with) are strengthened and preserved for the public service.

There could be only two reasons for denying such an opportunity. The one would be the fear that an existing form, the railroads for example, would utilize highway, water or air transport only for the purpose of throttling and ultimately destroying it. Adequate regulation wisely administered could safeguard against this. There is no necessity to use total prohibition as the remedy, which was done with unfortunate results in an earlier day in respect to railroad ownership and operation of water carriers. Under the Act of 1912, Congress forbade railways to have any interest in water carriers operating through the Panama Canal, or to retain ownership of water lines on the Great Lakes and in coastwise traffic, unless the Interstate Commerce Commission found that competition was not reduced thereby. As a result, common carrier service virtually disappeared from the Great Lakes and was greatly diminished on coastwise traffic. So severe was the decline that the Commission, in 1917, recommended that the Act be modified so as to permit continuance of railroad ownership of water lines for the convenience of the public, even though such ownership might reduce competition on the water route. Congress did not comply, and the Pennsylvania, Lehigh Valley, New York Central, Rutland, Erie, Grand Trunk and Lackawanna were compelled to dispose of their lake lines. In fact, the railroads succeeded in retaining nothing on the Great Lakes except car ferries, and common carrier service such as had previously existed was never restored. The public lost the benefit of low cost transportation.

The other possible reason for total exclusion of existing carriers from air and highway transportation would be a belief that the

greatest good is to be found in building up strong competitors, in part at public expense, so as to beat down the rates or stimulate improvements of service of the older carriers, which are meeting their full costs out of rate receipts. If this is a sound principle, then the restriction of the older forms to their own type of transportation may be justified. Under such a concept, the railroad, for example, could only utilize air transport by totally abandoning all its railroad operations and thereafter becoming an airline. In fact, in the Atlantic Monthly for November, 1943, Mr. Grover Loening, Technical Adviser on Aviation to the War Production Board, recommends exactly this. Keep out of the air, says he to the railroads, the motor carriers, and the steamships, unless you are ready to transfer your entire capital, personnel and experience "wholeheartedly into the new air field by making yourself (itself) an all-out air company." This means simply that there shall be no integration and no coordination. The law of the jungle is to operate aided by public subsidies until finally the older carrier, unlike the leopard, changes its spots and engages in the development and operation of the newer form of transport at the price of abandoning its entire previous operations.²⁴

The whole matter of subsidies for development and preservation of transport facilities is closely tied into the matter of integration and unified operation of all forms of transportation. What the public really wants in the final analysis is a maximum development of all kinds of transportation, to the extent economically sound. It wants efficiency, certainty and expedition, and its wants to avoid exploitation. This in the end means highly integrated and coordinated transportation on a national basis. Only through a true amalgamation of all the forms of transportation can the common carrier have available and utilize that form which is most appropriate from the standpoint of cost or service to the particular carriage at hand. This principle, in fact, seems to be the one which is being applied in England. Participation in the development of air transport by steamship and railroad companies has been welcomed there so long as they have not been given powers to freeze out the newer form. As was recently stated by Mr. Peter Masefield, Aviation Editor of the London Times and Adviser on Civil Aeronautics to Lord Beaverbrook: "The British shipping lines are taking a great interest in air transport. Contrary to the American point of view, few people in Great Britain see in this any attempt to strangle air commerce." Such also has been the view in Canada, although it is reported that the Minister of Munitions and Supply, who has jurisdiction over civil aviation,²⁵ has announced that after the war the Canadian Pacific must cease to operate airlines. This, to be made effective, would require statutory change, and would also involve grave issues of competitive relationship between the Canadian Pacific and the Canadian National Railways, inasmuch as the proposal is simply to transfer the latter's air lines to another government department while requiring complete divestiture in the case of the Canadian Pacific.

Unless the older forms of transportation are permitted to participate in the development or preservation of the newer forms through such coordination and integration, they are in for a battle royal, and one of their first lines of defensive attack must be to oppose with all the resources at their command the granting of any further subsidies or public aid to their competitors. If it is not a soundly coordinated scheme of integrated transportation which the public ultimately wants, but sim-

ply the survival of the fittest, then the same rules and regulations should be applied to all competitors. Each should be required to cover its full costs on a user basis by the revenue which it receives from its ratepayers.

Congressional Policy Should Be Based Upon Public Regulation Rather Than Compulsory Competition

This discussion brings us to the third problem of post-war significance which was stated earlier in this paper: "Shall competition between transportation agencies be required by law, and the prescription of minimum rates be restricted or abolished?" The question relates directly to the recent activities of the Department of Justice in attacking the rate bureaus of the rail and motor carriers as violative of the anti-trust statutes. Regulated monopoly as opposed to enforced competition is among the topics listed on the program of this meeting to be discussed by other speakers. It is probably the most vital of all subjects relating to the future of transportation. On its solution will probably depend not merely whether there are to be coordination and integration of transportation services and facilities, but whether in the end adequate transportation, at reasonable and nondiscriminatory rates, can continue to be provided by private corporations privately operated under public regulation. As Mr. Eastman pointed out in 1940 at the Philadelphia meeting of the American Economic Association: "Such a struggle for existence would not be maintained by intelligent human beings in the absence of compulsion. Left to themselves, sooner or later they would begin to trade and combine. The alternatives to an attempt to abate the abuses of competition by public regulation are, therefore, either to compel competition to be maintained in full force and vigor until only the fittest survive, or to permit the carriers to work out a state of peace in their own way through an admixture of throat-cutting, trading and combination. Neither of these alternatives [and I am still quoting from Mr. Eastman] appeals to me as likely to produce satisfactory results, and therefore I see nothing to do except to continue and improve, if possible, the policy of regulating competition in transportation to which the country is now quite firmly committed."

I cannot conclude this discussion of national transportation policy without quoting two additional statements from one of the last addresses made by Mr. Eastman, being at the annual meeting of the American Economic Association in Washington on Jan. 24, 1944. In speaking of the performance of all forms of transportation during the present war period, including the maintenance of earnings, which he characterized as "extraordinarily good," he said: "The greatest contributing factor to this excellent performance, I am sure, has been the circumstance that management and operation has been left in private hands."

As to the future he declared: "The role of the government, while it will shrink after the war is over, will continue, I believe, to be considerably greater than it was before the war, and problems of tremendous scope and difficulty will be involved. The government will, of course, deal imperfectly with these problems, for everything human is imperfect, and I sometimes fear that it will not even deal with them well. No doubt that is merely the pessimism of age. For what it may be worth, however, my judgment is that to deal with them well, we must have a better informed and better disciplined citizenry and public officials with a higher

(Continued on page 2290)

Footnotes appear at end of article.

The Meaning Of Freedom

(Continued from page 2282)

have a lot to learn. I think that what we have to learn from abroad is in the way of what not to do and not in the way of what to do. For if the cultures of Europe and Asia have brought them to their present pass, we have nothing to learn from them. So I am thinking and I would ask you to think about the moral basis on which this country is going to operate after the war. We hear a great deal about post-war planning, full production and full employment. These questions are all materialistic. But what about the individual? Where is he going to get off? Or has he vanished entirely?

We are in an era of controlled economy. It is said, and for the purposes of this evening I will grant, that these controls are needed for the war. We are being told that controls are not in the American spirit, but that we must ease out of them and that chaos would follow their sudden ending. Some of those who advise us to go slowly have records of achievement in business and finance and therefore would seem to speak out of experience.

But by the very nature of our present controls we cannot ease out of them. We can only ease into permanent control and the kind of society in which the individual never has a chance to express himself. For one control breeds another. We have already seen how quickly price control leads to subsidy. And also we are witnessing how price control brings artificial gluts and shortages. Every housewife is becoming a ration-coupon speculator and in a measurable time we shall have to eat on a fixed quantity schedule. The next step must be forced labor, for in a controlled society it is out of the question for the individual to determine either the kind or the amount of labor he will contribute. Then we shall have exactly the same sort of freedom from want and from fear that the lifer enjoys in his cell.

For, although control is not a harsh word, economic control by its very nature must be harsh, because really it means the substituting of bureaucratic discretion and in the end the individual must be deprived of his responsibility and his dignity. We shall have to decide whether we want to be Americans and have government of our own choosing or be something else. There is no half-way point in human dignity and responsibility. It either is or is not.

The control mania—I cannot use a nicer word—has struck the sciences. Every few years a group of sincere and good men, as in a cycle, comes out with the recommendation that all advancement should be in the control of a single group of scientists.

The decisions recommended by them would govern our future development. Chemistry and physics offer possibly greater opportunity for the expression of new ideas than any of the other sciences. Each scientific brain has an approach or a way of looking at things that is entirely its own. Using this brain power can bring about greater results than could possibly be achieved by a wiser Solomon than has ever yet appeared.

Can you conceive what would happen if any group of scientists—no matter how able—were made the masters of research and discovery—if their composite experience were to make all the decisions? We discard the very thought as nonsense.

An idea, no matter how weird, may grow into a constructive thought and enlarge to a new approach. Then a new industry is aborning. Experience, ideas, research—all accumulate and produce a new approach or a new product or a new thought. Each morning is cherished by the one seeing the vision and is often

communicated to others, but these visions are things coming only to those who have prepared themselves to accept them.

My own experience in research is such that I would dread the day when the bright spark of the young man who is searching the infinite might find himself in a thought prison with a keeper—no matter how well-intentioned and sympathetic that keeper might be. You all know that the best known and ablest of our authorities turned down the making of the cyclotron as useless. My company is making bromine from sea water, but, before finally getting under way, it was conclusively demonstrated, not only once but three times, that it could not be done. And lest I seem to be taking on airs, I will tell you that some years ago I maturely decided that, although the future of magnesium was unlimited, it would always be a specialty metal. But even at our present prices it is by volume among the cheapest of metals. We have learned that if a research laboratory is to produce results, the men must be allowed the freedom to be a bit crazy. If we were to control closely, we would miss the great idea that is found only by those with the courage to be crazy.

Chemistry and physics stand out nobly in the modern world of science. They are ever ready to give much and to accept little in return—which is the reverse of the modern world where the tendency is to receive all and give little. We are now in a terrible war—a war of complete destruction or maybe even elimination. Have we, as scientists, failed in our effort to humanity and permitted the operation of forces to work against instead of for civilization? Have we listened to the wrong teachers, to pedagogues of a wrong theology? Have we not been inspired by wrong thinking and gotten our quanta of energy confused with the molecules? Have we forgotten the only being worth remembering—the individual human being?

This is briefly what we have done. We have permitted the fostering of ideas our intelligence says are wrong. By pretending a knowledge we do not have, we have duped ourselves into false security. There is only one security and that grows out of the individual thinking for himself and that honestly and sincerely. This we know. But we are discarding all of our experience, traditions of past prosperity and our entire knowledge of success with individualism. We are, in short, discarding Americanism and all it stands for. That means we are discarding our moral basis.

There is much loose talk these days about after-the-war planning. In typical propaganda style, industry is held up as having the sole responsibility for taking care of all employment after the war is over. I, for one, do not believe this is possible and think it is just another scheme to dodge responsibility. For industry is always a servant and never a master. The responsibility is yours and mine. We must all make our contribution and resolve that there shall not be unemployment after the war. But we shall need to define what we mean by "employment" and by "unemployment." Everyone can be employed. But everyone cannot be employed at exactly the kind of job under exactly the conditions of wages and hours that he or she may want. And "full employment" comes perilously near to "directed" employment. There is no "right to work" but there is a responsibility to work. We need to do some hard thinking about rights and responsibilities, for there cannot be a right without a responsibility nor a responsibility without a right. And that gets us right back to the individual.

In writing the Declaration of Independence and the Constitution, the fathers of our country were moved by the unalterable purpose to free themselves and their posterity from the oppression of the Old World and elevate the individual to sovereign dignity. They believed that thus they were fulfilling the Will of God. They believed with imperishable stone.

The elemental situation has not changed from their day to ours. Instead of a country of a few million people, we have a country of one hundred and thirty million people. That means more and not less opportunity. The world around us is much greater than theirs because, where their frontiers were limited by the map, our frontiers are unmapped, for they are far off somewhere in the great new world of physical discovery. Nothing has happened to make necessary a change in our concept of individualism.

The upheaval which has come about in our manner of thinking is, I feel, due to two causes. One is the influence upon our basic thinking by European systems of thought generated by failure and the other is our neglect to cherish and foster the great freedom—the freedom of the ordinary, everyday American.

It is not easy for a nation to keep its freedom, and history teaches us that many have failed. But there never was a freedom born like the American. Our job is to prepare and to guard that freedom so that the way to greater accomplishments may be opened. Our successes are small in contrast to that which will eventually be accomplished. Our efforts are good and bad building stones of the future. There is always much room out in front—room for all without crowding—and work for generations to come. Let us now dedicate ourselves to avoiding the stumbling blocks and the unnecessary delays on this road of progress.

We must once again take up the belief that the only Divine Power is within man himself—he is the creation of God. If the American system has failed, it is because we, as individuals, have failed. In man alone can we find hope for a future. Whatever may be the seeming dangers of throwing off our controls and once more being Americans, they are as nothing in contrast to the dangers of being merely a tended herd. It all depends on whether we have what it takes. I think we have.

Council Western Hemisphere Award To Foreign Trade Group

The National Foreign Trade Council was presented on May 25 with the 1944 Western Hemisphere Award. The presentation was made to the President of the Council, Eugene P. Thomas, by Brooke Claxton, K.C., M.P., Parliamentary Assistant to the Prime Minister of Canada, and Chairman of the Canadian-American Commercial Arbitration Commission, with the citation, "for distinguished service in advancing the organization of international commercial arbitration in the Western Hemisphere." The organizations combining in this tribute to the Council were the American Arbitration Association, Inter-American Commercial Arbitration Commission and Canadian-American Commercial Arbitration Commission.

In making the presentation, Mr. Claxton paid a high tribute to the Council for its work in this field. Mr. Thomas in thanking Mr. Claxton and the Arbitration organizations in the Western Hemisphere for the honor conferred on the Council, expressed the belief that the arbitration work in which they all were engaged would be a powerful incentive toward the consolidation of the great advances that had been made during the war in the strengthening of good neighbor relations and in the

Appraisal Of Congressional Transport Policies

(Continued from page 2289)

average of sound and strong character."
—KENNETH F. BURGESS, Chicago, Illinois.

1 The Inland Waterways Corporation, operating barge lines on the Warrior River in Alabama, the upper and lower Mississippi, the Illinois and the Missouri Rivers, commonly known as the Federal Barge Lines, was created in 1924 by Act of Congress to take over barge lines previously operated by the Secretary of War. Since 1938 it has operated at a substantial operating deficit. Government operation of railroads is restricted to the Alaska Railroad under the jurisdiction of the Secretary of the Interior; the Panama Railroad Company under the control of the Governor of the Panama Canal; and the Toledo, Peoria & Western Railroad Company, which was taken over for operation by the Federal government by executive order of the President of the United States on March 21, 1942.

2 Report of Federal Coordinator of Transportation, "Public Aids to Transportation," 1940.

3 The relative participation of the various common carrier agencies of transportation as indicated by their total operating revenues for 1942 was as follows:

Steam railroads.....	\$7,691,255,000
Railway Express Agency.....	155,305,000
Pullman Company.....	99,682,000
Electric railroads.....	67,623,000
Water lines.....	94,511,000
Pipe lines.....	245,061,000
Motor carriers of passengers.....	434,051,000
Motor carriers of property.....	1,250,071,000
Air transport of passengers.....	74,971,258
Air transport, mail, baggage and express.....	34,052,480

(Source: 57th Annual Report, Interstate Commerce Commission, page 14; The Annals of the American Academy of Political and Social Science, Vol. 230, page 80.)

4 Report of National Transportation Committee, Feb. 13, 1933; see also Duncan, "A National Transportation Policy" (1936).

5 Senate Committee Print, 75th Congress, 1st Session, 1937.

6 Message from the President to Congress, April 11, 1938, transmitting report of Committee of Three and other documents, together with recommendations for means for immediate relief of railroads. House document No. 583, 75th Congress, 3d Session, 1938.

7 At the present time a committee of the Association of American Railroads, designated as the Railroad Committee for the Study of Transportation, is making an intensive study of all phases of transportation with special emphasis on the period following the war. Subcommittees are studying and will report on the following subjects: Accounting and Statistics, Air Transport, Consolidations, Economics, Engineering and Mechanical Research, Finance, Labor and Personnel, Legislation, Motor Transport, Operating Methods and Procedures, Pipe Line Transport, Public Relations, Taxation, Traffic and Water Transport.

8 Interstate Commerce Act Annotated, Vol. 4, p. 2936; see also MacVeagh, "The Transportation Act of 1920."

9 Act of Sept. 18, 1940, 54 Stat. 889.

10 Act of June 16, 1933, Ch. 91, Secs. 1-17 and 209, 48 Stat. 211.

11 49 U. S. C. A., Sec. 301ff; 49 U. S. C. A., Sec. 1ff.

12 In recommending the enactment of the Motor Carrier Act of 1935, the Committee on Interstate Commerce of the Senate stated that the bill was "a part of a complete and coordinated program of legislation touching all forms of transportation which will ultimately give the Nation a system of efficient transportation at the lowest possible cost consistent with fair treatment of labor and earnings on investment, which will support adequate credit for expansion and improvements in equipment for the convenience and service to the public." (Senate Report No. 482, 74th Congress, 1st Session, p. 3.)

13 49 U. S. C. A., Sec. 401ff.

14 In his message to Congress on June 7, 1935, recommending an extension of the Emergency Transportation Act, President Roosevelt said: "Air transportation should be brought into a proper relation to other forms of transportation by subjecting it to regulation by the same agency" (79 Cong. Rec. 8851). In the report of the Brookings Institution (1937) prepared for the Select Committee on Investigation of Executive Agencies of Government (see footnote No. 5), it was recommended that regulatory functions of the Bureau of Air Commerce and of the Post Office Department relative to air commerce, not indispensable to the proper administration of airmail service, be transferred to the Interstate Commerce Commission. The Committee of Six in 1938 also recommended equality of regulation by vesting the Interstate Commerce Commission with the same jurisdiction over all modes of transportation.

15 Third Report of the Federal Coordinator of Transportation, dated Jan. 21,

more orderly settlement of commercial disputes.

The presentation occurred at the World Trade Luncheon, in the Hotel Astor, New York, in connection with the observance of War Times Foreign Trade Week.

1935; transmitted to Congress by Interstate Commerce Commission Jan. 23, 1935.

16 The proposal was made in the Federal Coordinator's report of January, 1935. In transmitting it to Congress, the Commission stated its opposition, except for Commissioner Miller. In the following year, Mr. Eastman renewed his proposal and replied to the criticisms. Again the Commission recorded its opposition, but on this occasion Commissioner Caskie joined with Commissioner Miller in approving the plan, provided the Commission's jurisdiction were to be extended to water carriers, pipe lines, airways and motor carriers. (Fourth Report of the Federal Coordinator of Transportation, dated Jan. 18, 1936; transmitted to Congress by Interstate Commerce Commission Jan. 21, 1936). In 1938, the Committee of Three (see footnote No. 6), consisting of Chairman Splawn and Commissioners Eastman and Mahaffie, recognized in principle the desirability for drastic reorganization of the Commission to cope with the growing problems of transport regulation.

17 From 1934 to 1938 the Interstate Commerce Commission exercised limited jurisdiction over all mail, pursuant to the Air Mail Act, 1934. In its Annual Report for 1934 (pages 9 and 10), the Commission referred to the new law and to the creation of a Bureau of Air Mail (page 36). In its annual reports for 1936 (pages 30-32) and 1937 (pages 35-39), the Commission pointed out that air transportation had grown to a point where "it now comprises an integral part of the National transportation system and should be regulated as a part of the system, in a manner similar to the regulation of rail and highway carriers. Bills giving effect to the Commission's views were favorably reported by the Committees of both Houses of Congress. In 1938, however, the legislation took a different turn, and the Civil Aeronautics Act of 1938 was enacted. As explained by the Commission in its 1938 annual report (pages 52-53), the Bureau of Air Mail was transferred to the Civil Aeronautics Authority by executive order, effective Aug. 22, 1938.

18 The land grants to the railroads in an early day have been repaid to the Federal treasury many times over through the reduced rates on government transportation—freight and passenger. Thus far the efforts of the railroads to secure repeal of the so-called "land grant deductions," although repeatedly recommended by public investigating bodies, have proved unavailing.

19 Address of Commissioner Clyde B. Aitchison of Interstate Commerce Commission before Chamber of Commerce of Portland, Ore., on April 24, 1944, entitled, "After the War is Over—Transportation Problems." Traffic World, Vol. LXXIII, No. 18, page 1201.

20 Report of Federal Coordinator of Transportation, "Public Aids to Transportation," 1940, Vol. III, page 121.

21 The Interstate Commerce Commission in its 52d Annual Report to Congress (1938) discussed these problems:

"As pointed out, highway and inland waterway transportation are both largely dependent on the expenditure of public funds, and the same is true to a lesser extent of air transportation. Any appraisal of the relative economy and real utility of the various types of carriers must clearly take into consideration the part of the capital cost which is borne by the government and the extent to which this imposes a burden on general taxation." (Page 24.)

22 Petroleum Products to Tennessee River Points, 235 U. S. C. 115 (1933), especially dissenting opinion of Commissioner Eastman, page 130; Proposed Lake Erie-Ohio River Canal, 235 U. S. C. 753 (1933), pages 792, 793, 795; 52d Annual Report of Interstate Commerce Commission (1938), pages 19 and 24.

23 Transportation Act of 1940, Title III, part 1, Sec. 302(a).

24 The Civil Aeronautics Board has construed a decision of the Circuit Court of Appeals for the Second Circuit (*Pan American Airways v. Civil Aeronautics Board*, 121 Fed. (2d) 810 (1941)) as virtually excluding all surface carriers from the air. In its early administration of the Motor Carrier Act of 1935, the Interstate Commerce Commission, in acquisition applications under Section 213 of the Act, limited the railroads to acquiring motor truck lines which would be auxiliary or supplementary to rail service, the so-called Barker doctrine. *Pennsylvania Truck Lines, Inc., Acquisition of Control of Barker Motor Freight, Inc.*, 1 M. C. C. 101 (1936). In cases involving applications for certificates for new operation, the Commission at first permitted such operations only for the movement of traffic which had a prior or subsequent rail haul, but later modified this view by allowing the railroads to substitute service wholly by truck for existing railway freight service. *Kansas City Southern Transport Co., Inc., Common Carrier Application*, 10 M. C. C. 221 (1938), modified on rehearing, 28 M. C. C. 5 (1941). This was justified as a substitution of a more efficient for a less efficient means of transportation and conforms to the industry practice. Gilbert Walker, "Road and Rail" (1942). Neither of these types of restriction with few exceptions, has been imposed in respect to motor buses, for the Commission, without statutory basis, has applied much stricter rules to railroad-affiliated truck operators than to railroad-affiliated bus operators.

25 The present Minister of Munitions and Supply, Hon. C. D. Howe, was previously Minister of Transport. When, in 1940, he relinquished that portfolio, he retained ministerial responsibility for the Air Services Division (civil aviation and meteorology) and the Radio Division under the provisions of two Orders-in-Council passed July, 1940, i. e., P. C. 3076 and P. C. 3435.

Dewey Leading Roosevelt In New York State In Political Popularity Gallup Poll Shows

George Gallup, Director of the American Institute of Public Opinion, on May 25, at Princeton, N. J., revealed that a political popularity race in New York State, matching Thomas E. Dewey against Franklin D. Roosevelt as candidates for President, shows Governor Dewey holding a slight advantage at this time in terms of civilian votes. The New York "Times," of May 26, which indicates this, also had the following to say regarding the poll:

"When voters throughout the Empire State were asked by the Institute how they would vote if a Presidential election were held today with their Governor heading the Republican ticket and Mr. Roosevelt, also a New Yorker and former Governor, heading the Democratic ticket, the line-up follows:

Dewey 52%
Roosevelt 48

"President Roosevelt carried New York in the 1940 Presidential election by a comparatively

small margin—52% of the major party vote. Four years before that, in 1936, he won the State with 60%.

"New York is of course generally considered the key State in any Presidential election because it has the largest number of electoral votes—47. Since 1876 only one candidate has ever succeeded in winning the Presidency without carrying New York. He was Woodrow Wilson.

"Wilson lost the State to Charles E. Hughes in 1916, but was elected, although by a small margin, in the electoral college."

Steel Operations At 97.5%—Pressure For Shipments Intense—Orders Continue Brisk

"Aggregate steel sales volume in the past week was strong enough to substantiate the belief that the recent hesitancy in steel purchases was by no means indicative of a lower trend in buying, the "Iron Age" says in its issue of today (June 1), further adding: "Orders were more brisk on many items in the past week and there were additional signs that the flat rolled situation will not change much in the third quarter even"

though some easiness had been expected earlier in the year. Increased demands for urgent war sheets and the failure of plate demand to subside to any great extent has in some measure made it necessary for the War Production Board to have plate producers accept more than 110% of their product quota beginning in July.

"It is expected that due to the heavy pressure for many types of steel products it will be necessary for WPB to over-allot on steel products other than plates. This ordinarily would force a larger carry-over if the steel industry should run into production difficulties as it may in the third quarter. Washington officials, however, hope that the over-allot situation will be clarified by cancellations or military cutbacks before conditions become serious productionwise. It seems certain in the trade, however, that less essential steel orders will soon be in for further "pushing around."

"One thing seems certain this week, and that is that more steel sales and production officials do not believe the third and fourth quarter total steel requirement picture has crystallized to an extent where definite conclusions can be drawn. The state of mind this past week is strongly reminiscent of the confusion which existed in the middle of 1943, when total requirements appeared to be much greater than the supply. The major difference between last year's hectic period and the one which the steel industry is now entering is great enough to indicate a little more difficulty in meeting the huge military and essential civilian needs.

Steel production officials are fearful that the long and continuous grind on men and machinery will further reduce the efficiency of the steel output. In some plants a marked drop in efficiency per man has been noted because of green help as well as fatigue and absenteeism. Factors such as these, while apparent last year, are much more accentuated now. While it may be stretching the imagination slightly, there are some steel observers who believe that the long drawn-out steel wage hearings are also having their effect on steel production even though this effect might be small.

"Steel products, which were in the tightest delivery position last week, included sheets, plates, large-size bars and semi-finished steel. The tightness is one of spe-

cific products rather than general over-all steel items. Cold-finished bars, which were said to have a backlog of nine months recently, are now hardly more than three months in the unfilled-order category. Structural steels are not in heavy demand, although it is doubtful whether they could be supplied if the demand should pick up to any great extent because of the impact of the shell program. Small hot rolled bar deliveries are easy on some mills, welded pipe is fairly easy, but electric-welded pipe continues to have its deliveries advanced, due to the shifting of some seamless orders to electric-weld mills.

"One factor which has contributed to the strong steel production tempo is the lessening in the number of cancellations recently. Some companies have noted that their total cancellations in the past few weeks have been at the lowest point for several months. This is in direct contrast to a few months ago, when cancellations, due to cutbacks and change in programs, were quite heavy. If and when invasion begins and appears to be successful, the steel industry may well be flooded with certain military cancellations and cutbacks which would immediately ease up the steel picture. It is believed that the heavy volume of steel for military purchases has been placed on the basis of assuring no chance of military failures with respect to the supplying of actual equipment and ammunition. Such cutbacks, if they came however, would ably follow a rather definite time lapse, and it is for that reason that steel officials look for new levels in production during the third quarter."

The American Iron and Steel Institute on May 29 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 97.5% of capacity for the week beginning May 29, compared with 98.4% one week ago, 99.5% one month ago and 98.4% one year ago. The operating rate for the week beginning May 29 is equivalent to 1,746,500 tons of steel ingots and castings, compared to 1,762,600 tons one week ago, 1,782,300 tons one month ago, and 1,704,000 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on May 29 stated in part as follows: "While forward deliveries of steel products are not being extended as rapidly as during

Pacts Between Allies And Three Govts. In-Exile On Control Of Civil Affairs During Liberation

The signing of agreements between Great Britain and the United States, on the one hand, and the exiled Governments of Norway, the Netherlands and Belgium, on the other, governing control of civil affairs in those countries during the period of liberation took place at London on May 16, it was reported in a wireless message to the New York "Times" by David Anderson, from which we also quote:

"The texts were identical to one another and to that signed today by Norway and the Soviet Union. Russia was 'consulted' before signatures were affixed on the other agreements.

"Slight variations in interpretation were given these agreements by the men who will return to their native lands in the wake of the Allied armies, but in the main they were designed to accomplish the dual purpose of letting these Governments know where they stand and of informing the people on the Continent where to look for united leadership.

"General Dwight G. Eisenhower, Allied Supreme Commander, whose undertaking it will be to turn over power to each Government in turn 'as the military situation permits,' signed the agreements on behalf of the United States. Foreign Secretary Anthony Eden did so for Great Britain.

"Trygve Lie, Norwegian Foreign Minister, was perhaps the happiest man in London today, for in placing his name on the document he brought to an end a longer period of negotiation than any of the other diplomats. His draft was the blueprint that President Eduard Benes of Czechoslovakia took to Moscow when the Czech-Russian treaty was written.

"Moreover, tomorrow is the national day of Norway, and the members of that Government who are here were eager to complete the agreement by then. Word that Viktor Z. Lebedieff, Soviet Ambassador to the Allied Governments, was willing to sign for Russia at the same time was a relief to the somewhat impatient Norwegians.

"For the Netherlands Dr. Eeco N. van Kleffens, Foreign Minister, signed with Britain and O. C. A. van Lidth de Jeude, Minister of War, with the United States.

"The Netherlands agreement, which had been in an advanced stage since late last summer, differs from the Norwegian and the earlier Czech versions in its application in that there will be no

recent weeks, pressure for shipment is intense.

"Prospects of increasing manpower shortages this summer are causing as much tonnage as possible now on mill books being pushed ahead for earliest delivery. Combined with expanding requirements in some lines, notably shell steel and landing craft, this not only provides mills with overflow tonnage but assures most producers all they can handle for several months.

"General reduction in third-quarter allotments, due to expected drop in output because of labor shortage, effects of hot weather and need for equipment repair, has been sharp in some cases.

"War Production Board has allocated 634,000 tons of tin plate for cans in third quarter, a sharp reduction from the 800,000 tons asked by the industry. To meet seasonal demand for fruit and vegetable canners in third quarter, peak of the year, an understanding has been reached with canmakers to keep down production of cans for non-seasonal products, giving right of way to those for food products.

"Pig iron and scrap for steel-making offer no problem of supply, both being sufficient for the high steel production rate. Scrap is moving freely and reserves in most cases are all that melters desire."

delegate named to cooperate with the Allied military leaders.

"In Holland the Government as a whole will function under a state of sieze to be proclaimed by Queen Wilhelmina. Civil authorities are to take over when the fighting zone moves on even if the area is still loaded with military communications for the battle-front.

"The definition of this state of sieze in the original agreement was disallowed by the State Department, according to an explanation here of the long delay in winning Americal approval.

"The Belgium agreements were made operative by Prime Minister Hubert Pierlot and Foreign Minister Paul-Henri Spaak, who went respectively to General Eisenhower's headquarters and the British Foreign Office.

"One peculiarity of their position is the presence of King Leopold in occupied territory. They are confident that this will entail no constitutional difficulties when the day comes to reestablish the Government in Brussels."

In Washington advices to the "Times," May 16, the State Department was reported as saying:

"These agreements are intended to be essentially temporary and practical in character. They are designed to facilitate the task of the Supreme Allied Commander and to further the common purpose of the Governments concerned, namely, the speedy expulsion of the Germans from Allied territory and final victory of the Allies over Germany."

Outlook For Rubber

(Continued from First Page)

The difference between our synthetic production of say 870,000 tons and of the 700,000 tons which we use, or about 170,000 tons, will be lend-leased or stocked for future use. All natural reclaimed will be used or set aside for war purposes. Out of the above synthetic supply about 18,000,000 tires will be made this year for civilians against an estimated need of over 30,000,000.

Post-War Outlook

Natural rubber, and perhaps total rubber supplies, will be short for from two to five years after the war. It will take some time to clear up the Far East plantations after the Japs are driven out. Not much more than 250,000 tons a year for the first two or three years can be expected from pre-war sources. The United States alone will require 1,000,000 tons of rubber annually which may be close to 50% of the needs of the entire world. Estimating our production of synthetic at 1,000,000 tons it looks as though our synthetic plants might have 100% capacity operation ahead of them for a few years after the war is over; but after 1950 look out!

Tire Company Securities

Tire company stocks, while selling at about their best prices since the war, may not be too high; but I do not know. Earnings for 1944 should run close to 1943 and dividends may run a little higher as provisions for post-war conversion and other reserves have been largely taken care of. For the long-term and as a businessman's risk, I am not adverse to the best tire stocks. Here as in all other situations the best managements—especially those which have the confidence of labor—will provide the best profits.

From Washington Ahead Of The News

(Continued from First Page)

which they seem to have joined with the radical hue and cry against him.

It is a matter of interest, because we can remember when the project itself was looked upon by the conservatives as bearing out everything doleful they had anticipated of the New Deal. We can remember when Wendell Willkie was devoting all of his talents and energies to save the country from this step into the abyss. Now, within a few years it is not only accepted but the suggestion that Congress should have something to do with it, as it does with the Postal system, for example, is ridiculous and unheard of. How far we have come! What progress we have made!

McKellar, as he is being taunted now, was enthusiastically for the development at first, along with the other "social minded" folk. But he has been in a better position, perhaps, to see the development of Dave. Dave is a darling of the LaFollette-Norris Progressive school and thus was put in as one of the three directors of TVA. He had difficult going, first with Willkie, and then with one of his co-directors, Dr. Morgan, if you will recall. He got rid of Morgan and then Willkie's Commonwealth and Southern was bought out. Since then he has had easy sailing as the undisputed boss of all he surveys. McKellar's opponents now, in high indignation, assert that the Government keeps a check on the enterprise through the Comptroller General. Why the Comptroller General's office tried to make more than a superficial study of the TVA a few years ago and it was flouted and thwarted at every turn. It wouldn't be an exaggeration to say that Lilenthal is really accountable to nobody. At least this is the situation, in effect.

He has had the same free reign that Rexford Tugwell is enjoying down in Porto Rico. It is within the power of both of these men to experiment with the lives of people until their heart's content. To hear the Porto Rican delegate's anguished cries in Congress, you get the impression there is nothing benevolent about Tugwell's depotism. So far as we know, the people under Dave are contented, and maybe happy. At least, in a recent book and in his periodical reports there is a story of Utopia attained. Within the area, the exact acreage escapes us, but it is vast, Dave is the boss of all activity, of the curricula of the schools, the design of the houses, the size of the Victory gardens, the mercantile establishments. The issue being made now is that with such a marshalling of human resources as he has been able to bring about, are you going to let Congress get in there and mess it up?

At one time, if you will recall, there was a serious movement afoot to set up a series of "authorities" similar to TVA. Together they would have fairly blanketed the country. There is considerable agitation right now, in fact, for the "Missouri Valley Authority," but the spread as a whole has been laid outside while the New Deal has been engaged in more pressing business. But you can understand how simple government will be if it is carried out. Then we need to have only four or five Dave Lilenthals; no Congress, no anything else.

We remember one of the first questions propounded to the applicants for jobs with the great TVA experiment: It was whether the wives would fit in and be helpful to the community spirit.

Moody's Bond Prices And Bond Yield Averages Wholesale Commodity Index Rose 0.2% In Week Ended May 20 Labor Dept. Reports

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

MOODY'S BOND PRICES† (Based on Average Yields)									
1944— Daily Averages	U. S. Govt. Bonds	Avg. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
May 30	Exchange Closed								
29	119.67	112.19	118.40	116.80	111.81	102.46	105.86	113.89	117.00
27	119.66	112.19	118.40	116.80	111.81	102.46	105.86	113.89	117.00
26	119.66	112.19	118.40	116.80	111.81	102.46	105.86	113.89	117.00
25	119.63	112.19	118.40	116.80	111.81	102.46	105.86	113.89	117.00
24	119.63	112.19	118.40	116.80	111.81	102.46	105.86	113.89	117.00
23	119.60	112.19	118.40	116.80	111.81	102.30	105.86	113.89	117.00
22	119.60	112.19	118.40	116.80	111.81	102.30	105.86	113.89	117.00
20	119.59	112.19	118.40	116.80	111.81	102.30	105.86	113.89	116.80
19	119.59	112.00	118.40	116.80	111.81	101.97	105.69	113.89	116.80
18	119.57	112.00	118.40	116.80	111.81	101.80	105.86	113.70	116.80
17	119.51	112.00	118.40	116.80	111.81	101.80	105.69	113.89	116.61
16	119.48	112.00	118.40	116.80	111.81	101.80	105.69	113.89	116.61
15	119.48	112.00	118.40	116.80	111.81	101.80	105.69	113.89	116.61
13	119.48	111.81	118.40	116.80	111.81	101.64	105.52	113.89	116.61
12	119.48	112.00	118.40	116.80	111.81	101.64	105.69	113.70	117.00
11	119.51	111.81	118.40	116.61	111.81	101.64	105.69	113.70	116.80
10	119.51	111.81	118.40	116.61	111.81	101.64	105.69	113.70	116.61
9	119.58	111.81	118.40	116.80	111.81	101.64	105.52	113.70	116.61
8	119.52	111.81	118.40	116.80	111.81	101.64	105.52	113.70	116.41
6	119.48	111.81	118.40	116.61	111.81	101.64	105.52	113.70	116.41
5	119.48	111.81	118.40	116.61	111.81	101.64	105.52	113.70	116.41
4	119.48	111.81	118.40	116.61	111.81	101.64	105.52	113.70	116.22
3	119.51	111.81	118.40	116.61	111.81	101.64	105.34	113.70	116.22
2	119.47	111.81	118.40	116.61	111.81	101.64	105.34	113.70	116.22
1	119.34	111.62	118.40	116.41	111.62	101.31	105.34	113.70	116.41
Apr. 28	119.35	111.81	118.40	116.61	111.62	101.47	105.34	113.70	116.41
21	119.75	111.62	118.40	116.41	111.62	101.31	105.17	113.70	116.41
14	119.86	111.62	118.20	116.61	111.44	101.14	104.37	113.70	116.41
6	119.81	111.44	118.20	116.61	111.44	100.98	104.83	113.89	116.22
Mar. 31	119.68	111.44	118.20	116.41	111.25	100.81	104.66	113.70	116.22
24	119.86	111.44	118.20	116.61	111.44	100.81	104.66	113.89	116.41
17	120.14	111.44	118.20	116.61	111.25	100.65	104.66	113.70	116.41
10	120.26	111.44	118.20	116.41	111.25	100.81	104.48	113.70	116.41
3	120.44	111.25	118.20	116.61	111.25	100.49	104.31	113.70	116.41
Feb. 25	120.21	111.25	118.20	116.41	111.07	100.32	104.31	113.50	116.22
18	119.96	111.25	118.40	116.41	111.07	100.49	104.31	113.50	116.41
11	119.69	111.25	118.40	116.22	111.25	100.49	104.31	113.50	116.41
4	119.45	111.25	118.40	116.22	111.25	100.49	104.14	113.50	116.61
Jan. 28	119.47	111.07	118.20	116.22	111.07	100.16	104.14	113.31	116.41
21	119.58	111.25	118.40	116.41	111.07	100.16	104.31	113.31	116.41
14	119.57	111.25	118.60	116.41	111.25	99.84	104.14	113.50	116.41
7	119.69	111.07	118.60	116.41	111.07	99.36	103.80	113.50	116.22
High 1944	120.44	112.19	118.80	116.80	112.00	102.46	105.86	113.89	116.61
Low 1944	119.34	110.70	118.20	116.22	110.88	99.04	103.30	113.12	117.20
High 1943	120.87	111.44	119.41	117.00	111.81	99.36	103.47	114.27	117.40
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
1 Year Ago									
May 29, 1943	119.82	110.34	118.20	115.82	111.07	97.78	102.30	113.31	115.82
2 Years Ago									
May 29, 1942	118.35	106.39	116.02	112.93	107.44	91.77	96.07	110.70	113.70

MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices)									
1944— Daily Averages	U. S. Govt. Bonds	Avg. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
May 30	Exchange Closed								
29	1.83	3.05	2.73	2.81	3.07	3.60	3.40	2.96	2.80
27	1.84	3.05	2.72	2.81	3.07	3.60	3.40	2.96	2.79
26	1.84	3.05	2.72	2.81	3.07	3.61	3.40	2.96	2.80
25	1.84	3.05	2.72	2.81	3.07	3.60	3.40	2.96	2.79
24	1.84	3.05	2.72	2.81	3.07	3.61	3.40	2.96	2.80
23	1.84	3.05	2.72	2.81	3.07	3.61	3.40	2.96	2.80
22	1.84	3.06	2.72	2.81	3.07	3.62	3.40	2.96	2.80
20	1.84	3.05	2.72	2.81	3.07	3.61	3.40	2.96	2.80
19	1.84	3.06	2.72	2.81	3.07	3.62	3.40	2.96	2.81
18	1.84	3.06	2.72	2.81	3.07	3.63	3.41	2.96	2.81
17	1.85	3.06	2.72	2.81	3.07	3.64	3.40	2.97	2.81
16	1.85	3.06	2.73	2.81	3.07	3.64	3.41	2.96	2.82
15	1.85	3.06	2.73	2.81	3.07	3.64	3.41	2.96	2.82
13	1.85	3.07	2.73	2.81	3.08	3.64	3.42	2.96	2.82
12	1.85	3.06	2.72	2.81	3.07	3.65	3.42	2.96	2.81
11	1.85	3.07	2.72	2.82	3.07	3.65	3.41	2.97	2.80
10	1.85	3.07	2.73	2.82	3.07	3.65	3.41	2.97	2.81
9	1.84	3.07	2.72	2.82	3.08	3.64	3.41	2.97	2.82
8	1.85	3.07	2.73	2.81	3.08	3.65	3.42	2.97	2.82
6	1.85	3.07	2.73	2.81	3.08	3.66	3.42	2.97	2.83
5	1.85	3.07	2.73	2.82	3.08	3.66	3.42	2.97	2.83
4	1.85	3.07	2.73	2.82	3.08	3.66	3.42	2.97	2.83
3	1.85	3.08	2.74	2.82	3.08	3.66	3.43	2.97	2.84
2	1.85	3.08	2.74	2.82	3.08	3.66	3.43	2.97	2.84
1	1.86	3.08	2.73	2.83	3.08	3.67	3.43	2.97	2.83
Apr. 28	1.86	3.07	2.73	2.82	3.08	3.66	3.43	2.97	2.83
21	1.83	3.08	2.73	2.83	3.08	3.67	3.44	2.97	2.83
14	1.82	3.08	2.74	2.82	3.09	3.68	3.44	2.97	2.83
6	1.83	3.09	2.74	2.82	3.09	3.69	3.46	2.96	2.84
Mar. 31	1.83	3.09	2.74	2.83	3.10	3.70	3.47	2.97	2.84
24	1.82	3.09	2.74	2.82	3.09	3.70	3.47	2.96	2.83
17	1.80	3.09	2.74	2.82	3.10	3.71	3.47	2.97	2.83
10	1.81	3.09	2.74	2.83	3.10	3.70	3.48	2.97	2.83
3	1.80	3.10	2.74	2.82	3.10	3.72	3.49	2.97	2.83
Feb. 25	1.81	3.10	2.74	2.83	3.11	3.73	3.49	2.98	2.84
18	1.83	3.10	2.73	2.83	3.11	3.72	3.49	2.98	2.83
11	1.85	3.10	2.73	2.84	3.10	3.72	3.49	2.98	2.83
4	1.87	3.10	2.73	2.84	3.10	3.72	3.50	2.98	2.82
Jan. 28	1.87	3.11	2.74	2.84	3.11	3.74	3.50	2.99	2.83
21	1.86	3.10	2.73	2.83	3.11	3.74	3.49	2.99	2.83
14	1.86	3.10	2.72	2.83	3.10	3.76	3.50	2.98	2.83
7	1.85	3.11	2.72	2.83	3.11	3.79	3.52	2.98	2.84
High 1944	1.87	3.13	2.74	2.84	3.12	3.81	3.55	3.00	2.85
Low 1944	1.79	3.05	2.71	2.81	3.06	3.60	3.40	2.96	2.79
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	1.79	3.09	2.68	2.80	3.07	3.79	3.54	2.94	2.78
1 Year Ago									
May 29, 1943	1.88	3.15	2.74	2.86	3.11	3.89	3.61	2.99	2.86
2 Years Ago									
May 29, 1942	1.95	3.37	2.85	3.01	3.31	4.29	4.00	3.13	2.97

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

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

Chicago Res. Bank Leases Additional Space

C. S. Young, President of the Federal Reserve Bank of Chicago, announced on May 27 that it had leased through Albert H. Wetten & Co. approximately 21,000 square feet of space formerly occupied by the Postal Telegraph Co. on the fourth floor of the Insurance Ex-

change Building (South), at 175 West Jackson Boulevard, Chicago, Ill. The lease runs for four years. The additional space is required by the Federal Reserve Bank, it is announced, because of increased activity in the Fiscal Agency Division resulting from the volume of Treasury Financing. The bank will take over the premises about June 1.

The Bureau of Labor Statistics' index of commodity prices in primary markets rose 0.2% during the week ended May 20 principally because of higher quotations for livestock, fruits and vegetables, cotton and naval stores, it was announced May 25 by the United States Department of Labor, which stated that "at 103.8% of the 1926 average, the all-commodity index has risen 0.2% in the past 4 weeks to the level of this time last year." The Department further reported:

Farm Products and Foods—Led by an increase of 1.4% for livestock and higher prices for fresh fruits and vegetables and for cotton, average prices for farm products in primary markets rose 0.7%. Quotations for light hogs were up more than 5%, while heavy hogs continued to decline under OPA action in reducing ceiling prices on hogs weighing over 240 pounds. Steers rose more than 1%; cotton and tobacco increased fractionally; and the grain markets continued unsettled. Sheep dropped about 2% and prices were also lower for live poultry at Chicago, for eggs, lemons, and onions. White potatoes at Chicago and Portland (Oregon) advanced, while the Boston and New York markets were weaker. Although average market prices for farm products have risen 0.3% in the past month, they are 2% lower than for the corresponding week of May 1943.

The increase in prices for fresh fruits and vegetables accounted for a rise of 0.1% in average prices for foods during the week. Lower prices were reported for rye flour and for cured pork. Since last year the index for foods has declined more than 5% but is 0.3% higher than at this time last month.

Industrial Commodities—Very few changes occurred in industrial commodity markets during the week. There was little demand for quicksilver and the market remained in the slump which began at the end of January when the government discontinued its buying program. Prices again dropped 4.5% and are now more than 35% lower than at the beginning of the year. Average prices for building materials rose 0.5% as a result of higher prices for common brick in some areas and for rosin and turpentine.

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 22, 1944 and May 22, 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 13 to 20, 1944.

WHOLESALE PRICES FOR WEEK ENDED MAY 20, 1944 (1926=100)										
Commodity Groups—	1944					1943				
	5-20	5-13	5-6	4-22	5-22	5-13	4-22	5-22	1943	

Weekly Coal And Coke Production Statistics

The Solid Fuels Administration for War, U. S. Department of the Interior, in its latest report states that the total production of soft coal in the week ended May 20, 1944, is estimated at 12,300,000 net tons, a decrease of 260,000 tons, or 2.1%, from the preceding week. Output in the corresponding week of 1943 amounted to 11,429,000 tons. Cumulative production of soft coal from Jan. 1 to May 20, 1944, totaled 247,912,000 tons, as against 236,087,000 tons in the same period last year, a gain of 5.0%.

Production of Pennsylvania anthracite, according to the U. S. Bureau of Mines, was estimated at 1,305,000 tons for the week ended May 20, 1944, a decrease of 21,000 tons (1.6%) from the preceding week. When compared with the output in the corresponding week of 1943, there was, however, an increase of 23,000 tons, or 1.8%. The calendar year to date shows an increase of 4.4% when compared with the corresponding period of 1943.

The Bureau of Mines also reported that the estimated production of beehive coke in the United States for the week ended May 20, 1944, showed a decrease of 3,100 tons when compared with the output for the week ended May 13, 1944, and was 16,400 tons less than for the corresponding week of 1943. Production for the 141 days ended May 20, 1944, was 180,300 tons below that for the same period of last year.

ESTIMATED UNITED STATES PRODUCTION OF COAL, IN NET TONS. Table with columns for Week Ended (May 20, 1944, May 13, 1944, May 22, 1943) and January 1 to Date (May 20, 1944, May 22, 1943, May 22, 1929). Rows include Bituminous coal and lignite, Total incl. mine fuel, Commercial produc., and Daily average.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE (In Net Tons). Table with columns for Week Ended (May 20, 1944, May 13, 1944, May 22, 1943) and Calendar Year to Date (May 20, 1944, May 22, 1943, May 25, 1929). Rows include Penn. anthracite, Total incl. coll. fuel, Commercial produc., and Beehive coke.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES (In Net Tons). Table with columns for Week Ended (May 13, 1944, May 6, 1944, May 15, 1943, May 15, 1937). Rows list various states from Alabama to Wyoming.

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

Non-Ferrous Metals — April Refined Lead Shipments Lower — Quicksilver Price Drops

"E. & M. J. Metal and Mineral Markets," in its issue of May 25, states:

To meet the extraordinary demands for copper, fabricators are consuming foreign metal at a higher rate. April statistics of the brass and wire mills indicate that 61,720 tons of imported copper were consumed in that month, out of a total consumption of 160,335 tons. Requests for foreign lead for June were large. Zinc buying was in good volume last week, but somewhat below that of a month ago. Beryllium ore has been advanced in price by Metals Reserve Co. Quicksilver again declined sharply in a dull market. The publication further went on to say in part as follows:

Copper Fabricators consumed 160,335 tons of refined copper during April, according to statistics circulated privately in the industry. This high rate of consumption was foreshadowed by heavy deliveries of copper by producers. Consumption during March was 143,739 tons, February 131,855 tons, and January 131,562 tons. Fabricators report stocks of 324,500 tons as of April 30, against 400,891 tons a year ago. Shipments of brass and bronze ingots during April totaled 43,151

tons. Production for April came to 50,154 tons, against 55,324 tons in March and 41,134 tons in April last year.

Stocks of refined lead in the hands of producers at the end of April totaled 39,830 tons, which compares with 34,379 tons a month previous and 29,186 tons a year ago.

Zinc

Buying of zinc for June shipment was in substantial volume during the last week, following receipt by consumers of allocation certificates from the Zinc Division. Some producers thought that demand was not quite up to the mark established in recent months, but it is still too early to obtain a clear picture of what actual consumption will amount to in June. So far, brass mills have asked for less metal than at this time a month ago.

The Tri-State district reports a lower rate of concentrate production, but shipments were larger, owing to the availability of material from stocks accumulated for MRC.

Beryllium Ore

Demand for beryllium-copper continues at a brisk pace, and the problem of obtaining sufficient quantities of beryllium ore is receiving increased attention from WPB. To stimulate production further, Metals Reserve Co. has instructed its agents to pay up to \$14.50 per short-ton unit of BeO, equivalent to \$145.50 per ton, on acceptable ore containing 10% BeO. The previous published purchasing basis was \$120 per ton. Before the war market quotations varied between \$30 and \$35 per ton, depending on the grade.

Tin

Can manufacturers asked for 800,000 tons of tin-plate to cover their requirements for the third-quarter of the year. However, because of heavy military demands for sheet metal, WPB allocations of tin-plate for can production for the July-Sept. period was fixed at 634,000 tons.

The market situation in tin remains unchanged. Straits quality tin for shipment, in cents per pound, was as follows:

Table showing tin prices for May 18, 19, 20, 22, 23, 24 with columns for May, June, and July.

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

Quicksilver

Effective May 22, quantity business in quicksilver could have been placed at \$110 per flask, with small lots available at \$112 to \$114 per flask. Compared with a week ago, the price declined \$6 per flask. No buying of consequence developed, indicating that consumers' confidence in the price situation remains badly shaken. Reports from the Pacific Coast point to a continued decline in output this summer.

Silver

The London market for silver was unchanged throughout the week at 23½d. The New York Official for foreign silver continued at 44¼c, with domestic silver at 70½c.

Daily Prices

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

1944 Convention Of The Nat'l Foreign Trade Council

The 31st National Foreign Trade convention will be held in New York on October 9, 10, 11, it was announced on May 25 by Lindsay Crawford, Secretary of the Council.

Civil Engineering Construction \$27,885,000 For Week

Civil engineering construction volume in continental United States totals \$27,885,000 for the week. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 4% higher than the volume for a week ago, but 40% under the total reported to "Engineering News-Record" for the corresponding 1943 week, and 20% lower than the previous four-week moving average. The report made public on May 25 went on to say:

Public construction tops a week ago by 28% as a result of the 51% rise in Federal volume, but is 49% below a year ago. Private work is 40% below last week, but tops last year by 61%.

The current week's construction brings 1944 volume to \$734,-019,000 for the 21 weeks, a decrease of 51% from the \$1,491,759,000 reported for the period in 1943. Private construction for the period, \$168,912,000, is 13% above a year ago, but public construction, \$565,-107,000, is 58% lower due to the 61% decrease in Federal work.

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

Table comparing construction volumes for May 27, '43, May 18, '44, and May 25, '44. Rows include Total U. S. construction, Private construction, Public construction, State and municipal, and Federal.

In the classified construction groups, gains over last week are in waterworks, sewerage, industrial and public buildings, and unclassified construction. Gains over the 1943 week are in industrial buildings, earthwork and drainage, and unclassified construction. Subtotals for the week in each class of construction are: waterworks, \$453,000; sewerage, \$433,000; bridges, \$323,000; industrial buildings, \$2,031,000; commercial buildings, \$679,000; public buildings, \$10,777,000; earthwork and drainage, \$499,000; streets and roads, \$4,918,000; and unclassified construction, \$7,772,000.

New capital for construction purposes for the week totals \$10,642,000 and is made up of \$10,100,000 in corporate security issues and \$542,000 in State and municipal bond sales. New construction financing for 1944 to date, \$426,549,000, is 13% below the \$492,-422,000 reported for the 21-week period last year.

National Fertilizer Association Commodity Price Average Recedes

The weekly wholesale commodity price index, compiled by The National Fertilizer Association and made public on May 29, declined to 136.8 in the week ending May 27 from 137.2 in the preceding week. A month ago this index stood at 137.0 and a year ago at 135.7, based on the 1935-1939 average as 100. The all-commodity index is now only 0.8% higher than the corresponding period of 1943. The Association's report went on to say:

The farm products and foods groups were responsible for the decline in the commodity price average. The grains group continued to decline fractionally for the third consecutive week as lower quotations for rye continued. The only item to increase in the livestock group was lambs, which advanced slightly. Heavy-weight hogs, ewes, and live fowls declined sufficiently to cause the livestock group to reach a new low since December, 1943, and in turn causing a marked decline in the farm products group number. Lower quotations for eggs and sharp declines in the prices of potatoes and lard caused the foods group index number to reach the lowest point since March, 1943. The decrease in lard prices caused the fats and oils index to decline to the October 1942 level. The textiles group was the only group to advance as prices for raw cotton increased fractionally.

During the week two price series advanced while seven declined; in the preceding week there were seven advances and five declines, and in the second preceding week there were two advances and six declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX Compiled by The National Fertilizer Association

Table showing Weekly Wholesale Commodity Price Index for 1935-1939=100. Columns include Each Group Bears to the Total Index, Group, Latest Preceding Week (May 27, 1944), Preceding Week (May 20, 1944), Month Ago (Apr. 29, 1944), and Year Ago (May 29, 1943). Rows list various commodity groups like Foods, Fats and Oils, Cottonseed Oil, Farm Products, Cotton, Grains, Livestock, Fuels, Miscellaneous commodities, Textiles, Metals, Building materials, Chemicals and drugs, Fertilizer materials, Fertilizers, and Farm machinery.

*Indexes on 1926-1928 base were: May 27, 1944, 106.6; May 20, 106.9, and May 29, 1943, 105.7.

Twentieth Century Fund Aide Heads Special Libraries Association

Mrs. Louise Field, Research Associate, Twentieth Century Fund, was elected President of the New York Chapter of the Special Libraries Association at its annual meeting held in New York City on May 25. Mrs. Field succeeds Eva Trachsel, Librarian of Curtis Publishing Company. Other officers include Mary Anglemeyer, Librarian, Post Library, Mitchell Field, L. I., who was elected First Vice-President; Mrs. Abigail

Hausdorfer, Librarian, School of Library Service, Columbia University, who was elected Second Vice-President; Miss Isabel L. Towner, formerly with the National Health Library, who was elected Secretary; and Adrian A. Paradis, Department of Economic Planning, American Airlines, Inc., who was elected Treasurer. Miriam Zabriskie, Librarian, General Business Library, Western Electric Company, was elected to the Executive Board. Miss Trachsel will serve on the Board ex officio.

Daily Average Crude Oil Production For Week Ended May 20, 1944 Increased 11,400 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended May 20, 1944, was 4,513,400 barrels, an increase of 11,400 barrels over the preceding week and 507,650 barrels per day more than produced during the corresponding week of 1943. The current figure, however, was 6,300 barrels less than the daily average figure recommended by the Petroleum Administration for War for the month of May, 1944. Daily production for the four weeks ended May 20, 1944, averaged 4,491,300 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,483,000 barrels of crude oil daily and produced 13,536,000 barrels of gasoline, 1,738,000 barrels of kerosene, 4,675,000 barrels of distillate fuel oil and 8,415,000 barrels of residual fuel oil during the week ended May 20, 1944, and had in storage at the end of that week 87,962,000 barrels of gasoline, 7,600,000 barrels of kerosene, 31,088,000 barrels of distillate fuel and 49,977,000 barrels of residual fuel oil. The above figures apply to the country as a whole and do not reflect conditions on the East Coast.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations	*State Allowables	Actual Production	Change	4 Weeks	Week
	begin May	begin May	Ended May 20, 1944	from Previous Week	Ended May 20, 1944	Ended May 22, 1943
Oklahoma	330,000	328,000	†333,850	+ 300	334,200	319,800
Kansas	285,000	269,600	†283,800	+ 5,800	275,700	311,650
Nebraska	900		†1,000	+ 50	1,100	2,100
Panhandle Texas			91,000		91,000	91,100
North Texas			147,200		146,400	131,750
West Texas			429,150		415,400	226,750
East Central Texas			137,150		134,600	124,300
East Texas			364,100		363,600	339,300
Southwest Texas			307,050		303,500	214,000
Coastal Texas			519,850		519,600	375,200
Total Texas	1,972,000	†1,976,904	1,995,500		1,974,200	1,502,400
North Louisiana			73,850	- 1,000	74,800	87,250
Coastal Louisiana			283,100		282,900	261,050
Total Louisiana	350,000	390,500	356,950	- 1,000	357,700	348,300
Arkansas	76,700	77,991	80,450	+ 150	80,100	72,600
Mississippi	43,000		41,050	- 50	41,600	56,350
Alabama			100		100	
Florida			50		100	
Illinois	220,000		214,600	+ 9,900	211,400	219,700
Indiana	14,000		12,350	+ 750	13,100	14,250
Eastern—						
(Not incl. Ill., Ind., Ky.)	73,800		70,850	- 550	71,900	80,000
Kentucky	23,000		21,650	+ 1,650	21,000	22,600
Michigan	54,000		46,350	- 5,750	50,600	57,900
Wyoming	94,000		81,150	- 450	87,600	92,700
Montana	24,400		21,400		21,400	20,550
Colorado	7,200		8,200	+ 100	8,200	6,600
New Mexico	111,700	111,700	108,200	- 3,850	111,100	96,950
Total East of Calif	3,679,700		3,677,500	+ 7,000	3,661,200	3,224,450
California	840,000	†840,000	835,900	+ 4,400	830,200	781,300
Total United States	4,519,700		4,513,400	+ 11,400	4,491,300	4,005,750

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

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m. May 18, 1944.

‡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. §Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED MAY 20, 1944

(Figures in Thousands of barrels of 42 Gallons Each)

District	Daily Refining Capacity	Crude Runs to Stills	Production of Gasoline	Stocks of Finished Gasoline	Stocks of Gas Oil	Stocks of Distillate Fuel	Stocks of Residual Fuel Oil
Combin'd: East Coast							
Texas Gulf, Louisiana Gulf, North Louisiana-Arkansas, and inland Texas	2,518	90.3	2,313	91.9	6,449	38,226	16,085
Appalachian							
District No. 1	130	83.9	105	80.8	341	2,452	484
District No. 2	47	87.2	53	112.8	132	1,264	132
Ind., Ill., Ky.	824	85.2	763	92.6	2,774	19,549	5,064
Okl., Kans., Mo.	418	80.2	361	86.4	1,320	8,252	1,320
Rocky Mountain							
District No. 3	8	26.9	12	150.0	40	75	6
District No. 4	141	58.3	92	65.2	357	2,271	334
California	817	89.9	784	96.0	2,123	15,873	7,653
Total U. S. B. of M. basis May 20, 1944	4,903	87.3	4,483	91.4	13,536	†87,962	31,088
Total U. S. B. of M. basis May 13, 1944	4,903	87.3	4,400	89.7	13,618	87,823	30,763
U. S. Bur. of Mines basis May 22, 1943			3,689		10,415	85,649	30,837

*At the request of the Petroleum Administration for War. †Finished, 75,656,000 barrels; unfinished, 12,306,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,738,000 barrels of kerosene, 4,675,000 barrels of gas oil and distillate fuel oil and 8,415,000 barrels of residual fuel oil produced during the week ended May 20, 1944, which compares with 1,637,000 barrels, 4,545,000 barrels and 8,399,000 barrels, respectively, in the preceding week and 1,450,000 barrels, 3,613,000 barrels and 7,422,000 barrels, respectively, in the week ended May 22, 1943.

Note—Stocks of kerosene at May 20, 1944 amounted to 7,600,000 barrels, as against 7,049,000 barrels a week earlier and 6,112,000 barrels a year before.

Savs. Bank Officers Elect

The annual meeting of the Savings Banks Officers Forum, Group IV, was held recently and announcement was made of the election of officers for the coming year. These include: George A.

Smyth, East River Savings Bank, President; Gabriel Wendel, Union Savings Bank of Westchester Co., Vice-President; Randolph H. Brownell, Union Square Savings Bank, Secretary; and William G. Beacom, Dry Dock Savings Institution, Treasurer.

Trading On New York Exchanges

The Securities and Exchange Commission made public on May 20 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 May 6, 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 May 6 (in round-lot transactions) totaled 1,205,393 shares, which amount was 16.65% of the total transactions on the Exchange of 3,619,170 shares. This compares with member trading during the week ended April 29 of 945,576 shares, or 14.70% of the total trading of 3,216,380 shares. On the New York Curb Exchange, member trading during the week ended May 6 amounted to 226,550 shares, or 14.40% of the total volume on that exchange of 786,505 shares; during the April 29 week trading for the account of Curb members of 241,450 shares was 15.31% of total trading of 788,150 shares.

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

WEEK ENDED MAY 6, 1944		
A. Total Round-Lot Sales:	Total for Week	%
Short sales	100,240	
†Other sales	3,518,930	
Total sales	3,619,170	
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	328,380	
Short sales	39,790	
†Other sales	277,400	
Total sales	317,190	8.92
2. Other transactions initiated on the floor—		
Total purchases	185,700	
Short sales	9,320	
†Other sales	155,490	
Total sales	164,810	4.84
3. Other transactions initiated off the floor—		
Total purchases	106,075	
Short sales	8,320	
†Other sales	94,918	
Total sales	103,238	2.89
4. Total—		
Total purchases	620,155	
Short sales	57,430	
†Other sales	527,808	
Total sales	585,238	16.65

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

WEEK ENDED MAY 6, 1944		
A. Total Round-Lot Sales:	Total for Week	%
Short sales	4,935	
†Other sales	781,570	
Total sales	786,505	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	54,695	
Short sales	2,365	
†Other sales	47,525	
Total sales	49,890	6.65
2. Other transactions initiated on the floor—		
Total purchases	24,250	
Short sales	525	
†Other sales	21,010	
Total sales	21,535	2.91
3. Other transactions initiated off the floor—		
Total purchases	32,110	
Short sales	900	
†Other sales	43,170	
Total sales	44,070	4.84
4. Total—		
Total purchases	111,055	
Short sales	3,790	
†Other sales	111,705	
Total sales	115,495	14.40
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
†Customers' other sales	38,948	
Total purchases	38,948	
Total sales	23,921	

*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."

Eastern Cities Will Retain Industrial Leadership After War, Thompson Tells New York Group

With the return of peace Eastern cities which have lost population to the aircraft and shipbuilding centers of the Pacific coast will regain the position of industrial leadership they enjoyed before the war, Dr. Warren S. Thompson, director of the Scripps Foundation for Research in Population Problems, told members of the New York University Institute on Post-war Reconstruction on May 17, in the Auditorium, 35 West 4th Street.

"When peace comes those communities which have grown very rapidly purely as a result of new war industries are likely to lose population at an extremely rapid rate," Dr. Thompson said. In part he added:

"But while Los Angeles, San Francisco, Seattle, Portland and a number of other large cities may lose population rapidly in the immediate post-war years they will not be deflated to anything

like the same extent as the smaller war boom communities. They might even retain some of their growth if they could organize new industries but this would involve a degree of community cooperation that we have never yet had in this country—a degree of cooperation beside which all previous efforts of chambers of commerce would fade into insignificance. Indeed, only the entry of our western states into the field of the state ownership of certain

basic industries will enable the West Coast to maintain the industrial position it has gained during the war."

According to Dr. Thompson, centralization of population in large manufacturing centers will continue after the war. This will be particularly true of those cities which had diversified industries before the war, he said.

"Also making for the perpetuation of the war-time centralization of population" he said, is the fact "that war contracts have been heavily concentrated in the hands of a relatively few large concerns." Dr. Thompson also observed:

"I do not expect many of the factories established in small localities to survive after the war. They are not integrated into our economy and to survive they will not only have to turn to making products with which their management is unfamiliar but will have to meet very severe competition from the larger concerns which will have a surplus capacity when the war is over. I can see no reason why new plants in California, or Texas, or Utah should be kept in operation after the war by corporations which already had adequate productive capacity in the East before the war unless the volume of post-war production is going to be greatly in excess of pre-war production.

"On the whole therefore, I do not look for any great regional change in industrial activity nor can I see any rational basis for expecting a rapid decentralization of population. Indeed, it seems to me that the war has probably given a sharp setback to the decentralizing trend which seems to have begun between 1930 and 1940, although this beginning of decentralization may have been a depression phenomenon rather than in the line of normal economic development."

Dr. Thompson predicted that there would be a popular demand for more restricted immigration after the war. He also said that military considerations would probably not result in the strategic decentralization of industry in this country as it will in countries which have been subjected to intensive bombardment from the air.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on May 13 a summary for the week ended May 13 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 13, 1944	
Odd-Lot Sales by Dealers (Customers' purchases)	Total for Week
Number of orders	15,529
Number of shares	425,975
Dollar value	\$18,401,648

Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	148
*Customers' other sales	15,590
Customers' total sales	15,738
Number of Shares:	
Customers' short sales	4,852
*Customers' other sales	386,645
Customers' total sales	391,497
Dollar value	\$14,194,356

Round-Lot Sales by Dealers— (Customers' purchases)	
Number of Shares:	
Short sales	70
†Other sales	118,460
Total sales	118,530

Round-Lot Purchases by Dealers:	
Number of shares	137,430
*Sales marked "short exempt" are reported with "other sales."	
†Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."	

Revenue Freight Car Loadings During Week Ended May 20, 1944 Increased 2,796 Cars

Loading of revenue freight for the week ended May 20, 1944, totaled 871,105 cars, the Association of American Railroads announced on May 25. This was an increase above the corresponding week of 1943 of 27,263 cars, or 3.2%, and an increase above the same week in 1942 of 33,429 cars, or 4%.

Loading of revenue freight for the week of May 20 increased 2,796 cars, or 0.3%, above the preceding week.

Miscellaneous freight loading totaled 386,264 cars, an increase of 1,029 cars above the preceding week, and an increase of 5,224 cars above the corresponding week in 1943.

Loading of merchandise less than carload lot freight totaled 104,381 cars, a decrease of 2,070 cars below the preceding week, but an increase of 7,547 cars above the corresponding week in 1943.

Coal loading amounted to 176,870 cars, a decrease of 2,263 cars below the preceding week, but an increase of 10,058 cars above the corresponding week in 1943.

Grain and grain products loading totaled 40,640 cars, an increase of 629 cars above the preceding week but a decrease of 2,289 cars below the corresponding week in 1943. In the Western Districts alone, grain and grain products loading for the week of May 20, totaled 25,288 cars, an increase of 632 cars above the preceding week but a decrease of 2,570 cars below the corresponding week in 1943.

Livestock loading amounted to 14,484 cars, a decrease of 1,225 cars below the preceding week, but an increase of 1,150 cars above the corresponding week in 1943. In the Western Districts alone loading of livestock for the week of May 20 totaled 10,882 cars, a decrease of 1,073 cars below the preceding week, but an increase of 1,217 cars above the corresponding week in 1943.

Forst products loadings totaled 46,836 cars, a decrease of 376 cars below the preceding week but an increase of 2,191 cars above the corresponding week in 1943.

Ore loading amounted to 86,779 cars, an increase of 7,227 cars above the preceding week and an increase of 2,776 cars above the corresponding week in 1943.

Coke loading amounted to 14,851 cars, a decrease of 155 cars below the preceding week, but an increase of 606 cars above the corresponding week in 1943.

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

	1944	1943	1942
5 Weeks of January	3,796,477	3,531,811	3,854,479
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
Week of May 20	871,105	843,842	837,676
Total	16,736,141	16,095,374	16,882,125

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended May 20, 1944. During the period 77 roads showed increases when compared with the corresponding week a year ago.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED MAY 20

Railroads	Total Revenue Freight Loaded		Total Loads Received from Connections	
	1944	1943	1944	1943
Eastern District—				
Ann Arbor	255	276	1,525	1,384
Bangor & Aroostook	1,115	750	1,672	359
Boston & Maine	7,019	6,479	6,034	14,810
Chicago, Indianapolis & Louisville	1,377	1,470	1,360	2,065
Central Indiana	38	36	28	31
Central Vermont	1,067	1,120	952	2,139
Delaware & Hudson	6,020	6,337	6,846	12,343
Delaware, Lackawanna & Western	7,900	7,820	7,553	12,172
Detroit & Mackinac	283	316	278	91
Detroit, Toledo & Ironton	1,781	1,829	1,767	1,324
Detroit & Toledo Shore Line	341	282	278	2,855
Erie	13,535	13,267	13,914	17,210
Grand Trunk Western	3,867	3,677	3,487	8,683
Lehigh & Hudson River	187	237	195	3,115
Lehigh & New England	1,952	2,076	2,188	1,592
Lehigh Valley	9,186	8,039	8,879	16,975
Maine Central	2,204	2,162	2,199	2,946
Monongahela	6,513	6,470	6,289	296
Montour	2,772	2,489	2,314	23
New York Central Lines	51,238	51,917	45,398	54,704
N. Y., N. H. & Hartford	10,313	9,683	9,900	19,466
New York, Ontario & Western	1,194	1,080	963	3,666
New York, Chicago & St. Louis	6,400	7,239	7,859	16,512
N. Y., Susquehanna & Western	505	561	412	1,917
Pittsburgh & Lake Erie	7,905	7,728	8,214	9,658
Pere Marquette	4,881	5,221	5,355	7,544
Pittsburg & Shawmut	883	924	709	33
Pittsburg, Shawmut & North	385	413	378	322
Pittsburgh & West Virginia	1,333	1,214	1,011	2,735
Rutland	365	342	387	1,049
Wabash	5,666	4,957	5,105	13,619
Wheeling & Lake Erie	6,312	6,702	5,608	4,299
Total	164,792	163,113	158,001	236,709
Allegheny District—				
Akron, Canton & Youngstown	779	756	680	1,252
Baltimore & Ohio	48,428	41,738	40,530	28,567
Bessemer & Lake Erie	7,321	6,631	7,737	2,196
Buffalo Creek & Gauley	309	264	325	5
Cambria & Indiana	1,634	1,303	1,978	3
Central R. R. of New Jersey	7,203	6,998	6,767	20,293
Cornwall	515	669	621	54
Cumberland & Pennsylvania	251	276	303	13
Ligonier Valley	163	145	136	39
Long Island	1,323	1,121	884	3,889
Penn-Reading Seashore Lines	1,743	1,765	1,730	2,832
Pennsylvania System	86,998	83,883	83,307	69,045
Reading Co.	15,298	15,167	14,517	27,306
Union (Pittsburgh)	20,500	22,011	21,455	7,495
Western Maryland	4,125	4,011	3,906	12,529
Total	198,590	186,738	184,876	175,568
Pocahontas District—				
Chesapeake & Ohio	29,037	29,435	28,838	14,360
Norfolk & Western	21,725	22,773	22,522	7,752
Virginian	4,688	4,784	4,245	2,152
Total	55,450	56,992	55,605	24,264

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1944	1943	1942	1944	1943
Southern District—					
Alabama, Tennessee & Northern	311	311	386	455	261
Atl. & W. P.—W. R. R. of Ala.	810	673	673	3,359	2,985
Atlanta, Birmingham & Coast	711	770	876	1,432	1,311
Atlantic Coast Line	12,320	12,587	12,862	10,235	10,996
Central of Georgia	3,780	4,281	3,551	5,239	4,401
Charleston & Western Carolina	418	469	411	1,855	2,112
Clinchfield	1,665	1,548	1,608	2,953	2,935
Columbus & Greenville	236	331	322	258	147
Durham & Southern	153	109	209	652	604
Florida East Coast	1,672	2,074	1,721	1,487	1,761
Gainesville Midland	52	37	31	158	94
Georgia	1,254	1,110	1,226	3,095	3,199
Georgia & Florida	340	373	363	698	583
Gulf, Mobile & Ohio	3,996	3,840	4,301	4,215	4,349
Illinois Central System	28,748	25,526	27,773	17,037	22,039
Louisville & Nashville	25,761	27,547	27,386	12,602	11,632
Macon, Dublin & Savannah	207	209	154	1,092	836
Mississippi Central	284	224	182	751	342
Nashville, Chattanooga & St. L.	3,395	3,566	3,699	4,644	4,841
Norfolk Southern	980	1,227	1,269	1,706	1,605
Piedmont Northern	396	365	325	1,083	1,181
Richmond, Fred. & Potomac	413	393	529	10,869	11,599
Seaboard Air Line	10,639	11,242	11,289	9,298	8,281
Southern System	24,032	22,142	23,075	25,335	23,960
Tennessee Central	732	623	674	929	954
Winston-Salem Southbound	134	130	123	1,210	868
Total	123,439	121,707	125,018	122,647	123,876
Northwestern District—					
Chicago & North Western	19,713	19,393	21,526	13,062	12,777
Chicago Great Western	2,823	2,450	2,294	3,089	3,004
Chicago, Milw., St. P. & Pac.	21,191	19,034	19,015	11,060	9,918
Chicago, St. Paul, Minn. & Omaha	3,351	3,260	3,326	3,637	3,773
Duluth, Missabe & Iron Range	30,048	26,294	28,610	191	169
Duluth, South Shore & Atlantic	671	1,186	1,290	510	447
Elgin, Joliet & Eastern	9,230	8,337	10,371	10,776	10,725
Ft. Dodge, Des Moines & South	242	407	592	43	99
Great Northern	21,765	24,149	24,209	7,119	5,906
Green Bay & Western	442	424	557	1,010	834
Lake Superior & Ishpeming	1,980	2,984	3,272	56	33
Minneapolis & St. Louis	1,869	1,957	1,898	2,455	1,923
Minn., St. Paul & S. S. M.	6,697	6,665	7,416	4,458	3,039
Northern Pacific	10,230	10,497	10,371	5,954	5,657
Spokane International	180	171	172	760	631
Spokane, Portland & Seattle	2,793	2,535	2,510	3,528	3,687
Total	133,230	129,743	137,429	67,708	62,622
Central Western District—					
Atch., Top. & Santa Fe System	22,573	21,901	22,204	12,126	13,020
Ailon	3,210	2,553	2,853	3,450	4,826
Bingham & Garfield	395	650	671	88	123
Chicago, Burlington & Quincy	17,957	16,364	15,826	13,611	10,486
Chicago & Illinois Midland	3,540	2,800	2,560	839	824
Chicago, Rock Island & Pacific	11,517	12,726	11,341	12,637	12,980
Chicago & Eastern Illinois	2,538	2,379	2,559	6,444	5,665
Colorado & Southern	698	715	783	2,462	2,287
Denver & Rio Grande Western	3,624	3,388	2,747	6,107	6,026
Denver & Salt Lake	699	642	626	21	29
Fort Worth & Denver City	804	780	888	1,511	2,404
Illinois Terminal	*2,158	1,546	1,914	*1,915	1,469
Missouri-Illinois	876	1,009	1,363	688	439
Nevada Northern	1,748	2,079	2,018	129	126
North Western Pacific	829	1,102	1,012	748	692
Peoria & Pekin Union	4	4	10	0	0
Southern Pacific (Pacific)	31,454	31,229	28,815	13,846	13,265
Toledo, Peoria & Western	247	239	288	2,015	1,743
Union Pacific System	14,077	12,295	11,576	17,234	16,389
Utah	541	579	591	1	2
Western Pacific	2,229	2,227	1,987	4,242	3,524
Total	121,718	117,205	112,652	100,114	96,319
Southwestern District—					
Burlington-Rock Island	315	1,032	133	586	169
Gulf Coast Lines	7,437	6,476	5,068	2,927	2,367
International-Great Northern	2,735	2,528	3,049	3,987	3,654
Kansas, Oklahoma & Gulf	285	232	250	908	277
Kansas City Southern	6,072	4,746	5,185	2,863	1,714
Louisiana & Arkansas	3,650	3,581	3,464	2,924	3,192
Litchfield & Madison	459	329	360	1,103	1,060
Midland Valley	697	353	716	552	286
Missouri & Arkansas	189	97	129	564	121
Missouri-Kansas-Texas Lines	6,603	5,015	4,757	5,325	3,381
Missouri Pacific	16,005	14,271	15,494	20,198	20,915
Quana Acme & Pacific	70	51	102	363	212
St. Louis-San Francisco	8,603	6,867	8,196	8,837	9,305
St. Louis Southwestern	2,948	2,860	2,756	7,594	6,799
Texas & New Orleans	13,193	14,838	10,266	5,144	5,390
Texas & Pacific	4,480	4,941	3,964	7,669	9,052
Weatherford M. W. & N. W.	119	99	163	60	45
Wichita Falls & Southern	26	28	43	46	17
Total	73,886	68,344	64,095	71,650	67,965

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

Roosevelt And Dewey Congratulate School On 25th Anniversary

A message from President Roosevelt felicitating the New School for Social Research upon the occasion of the 25th anniversary of its founding was read at a dinner at the Waldorf-Astoria on May 22 signaling the event, at which also congratulations from Gov. Dewey of New York were announced. President Roosevelt, in his message addressed to Louis S. Weiss, Chairman of the Board of Directors of the School, as given in the New York "Times," said:

Dear Mr. Weiss:
My hearty congratulations to you and through you to all friends of the New School for Social Research on the 25th anniversary of its founding. I am glad, too, that after 25 years of outstanding work you

Items About Banks, Trust Companies

James W. Maitland has been elected a trustee of the New York Savings Bank at 8th Avenue and 14th Street. Mr. Maitland is a director of Central & South West Utilities, a director of American Public Service Co. and a director on the Executive Committee of the Hotel Waldorf.

The death is announced of Norman L. Noteman, pioneer in the field of personal finance and one of the founders of the First National Bank in New Rochelle, who died on May 26 at the Columbia-Presbyterian Medical Center. He was 66 years old. In the New York "Sun" of May 27 it was stated:

Organizing and directing the National Loan Societies in New York, Philadelphia and Boston, merged with the Household Finance Corporation in 1942, Mr. Noteman developed chain offices and standardized methods in the personal loan business. He was formerly a Vice-President and Director of the New Rochelle bank. A member of the Consolidated Stock Exchange, now dissolved, he was also President and a Director of the National Securities Corporation.

Mr. Noteman was born on a farm in Kansas, the son of a family from New York State. Moving to Kankakee, Ill., with his parents, he worked as a grocery clerk and court reporter to put himself through business school and the Detroit College of Law, from which he was graduated in 1902.

Mr. Noteman maintained homes in New Rochelle, Maryland, and Miami Beach. He took part in the development of Miami Beach and was active in yachting clubs in all three places.

At a special meeting of the common and preferred stockholders of The First National Bank and Trust Co., Conn., on May 27, it was voted to approve the plan for increasing the common stock of the bank to \$2,205,000 by the sale of 18,900 shares at \$53.00 per share, as recommended by the Board of Directors in a notice sent to stockholders on May 17; the proposal was referred to in our issue of May 25, page 2184.

The plan approved by the stockholders provides that holders of common stock of record at the close of business on May 26 will be entitled to subscribe to new shares at \$53.00 per share in the ratio of three new shares for each four shares held. The rights will expire June 6. Preferred stockholders of record June 6 will be entitled to subscribe on a pro rata basis to such new shares of common stock as have not been subscribed for by holders of common stock. These rights will expire on June 16. This offering of additional shares, to be made first to common stockholders and then to preferred stockholders, will be underwritten by a group of Connecticut investment bankers. The advice from the bank May 27 also said:

"This action is part of a program for the elimination of the two classes of senior shares which were issued in 1934 to provide additional capital funds in the amount of \$1,780,000. At that time, the bank issued \$630,000 of Prior Preferred stock which was sold at the par value of \$100 per share and \$920,000 of \$100 par Convertible Preferred stock, which was sold at \$125 a share. It was the intention at that time to retire these senior capital issues as rapidly as possible through the issuance of common stock and thus return to the traditional form of bank capitalization, that is, a single class of shares with no preference.

"Substantial progress has already been made toward this objective. In the years 1936-1941, inclusive, the entire issue of \$630,000 prior preferred stock was re-

tired at par in several installments. This was made possible by the accumulation of earnings not distributed as dividends. As the prior preferred stock was retired, the common stock was increased in corresponding amounts through the declaration of stock dividends.

"Upon completion of the proposed changes, the capital stock 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 distributed to common shareholders. At a recent meeting of the directors, a semi-annual dividend of \$1.25 per share on the common stock was declared, thus placing the stock on a \$2.50 annual dividend basis.

Donald Symington, former President of the Baltimore Trust Company of Baltimore, Md., died suddenly on May 22. He was 62 years of age. From the Baltimore "Sun" we quote:

At the time of his death he was President of the McConway-Torley Company, Pittsburgh, with which he had been associated for ten years. As President, he had been active in the development of improved railroad equipment and a new type of tank armor now used extensively by the army.

He also was director of a number of other corporations, including the United States Lines, which recently merged with the International Mercantile Marine Co. . . .

With his brothers he was identified in early life with the steel and railroad-equipment business here. In the early 1920's he entered the banking field.

He became President of the Baltimore Trust Company in Jan., 1927, succeeding Eugene L. Norton, and was made Vice-Chairman of the company's executive committee in 1931, resigning in November of that year.

While President, he received in 1929 from a committee of Baltimore architects a medal awarded annually to owners of the best-designed building erected in the city. The committee cited the Baltimore Trust Building as a "splendidly conceived and expertly executed" building.

In the first World War, as a captain, he served as chief munitions officer of the First Army of the American Expeditionary Force, and was in France for several months.

He also had been a director of the Western Electric Co., President of the old Baltimore Mail Steamship Co., Chairman of the boards of the Gould Coupler Co. and the Locke Insulator Co., and a Director of the Glenn L. Martin Co.

In his first public statement since accepting the Presidency of the bank on April 15, President John K. Thompson of the Union Bank of Commerce of Cleveland at its annual meeting on May 24 called on stockholders to join in a concerted effort to make the bank one of the outstanding commercial institutions in the nation. In a brief speech which departed sharply from the customary financial message usually expected at an annual meeting, he said that the Union Bank of Commerce already possesses a remarkably favorable combination of financial, physical and psychological assets which are ready to support consistent growth. "We have every requisite for sound future development," he told the stockholders. "We have a wonderfully clean balance sheet, approximately \$8,000,000 of capital funds, a strategically-located banking office, an able board of directors, a well-trained staff and a splendid list of customers." He added:

"But in addition to these things we have the psychological advantage of concentrating all of our efforts in the field of commercial banking. We can devote our en-

tire energies to rendering a superlative service in this field. With our stockholders, directors and staff all working for this single purpose, our bank should take its rightful place among the finest commercial institutions in America."

Net earnings from current operations amounting to \$685,302, equal to \$19.41 a share, were reported for the year ended April 30, 1944, comparing with \$347,228, or \$9.84 a share, for the preceding year. Net increase in undivided profits was \$439,637, or \$12.45 a share, comparing with \$219,751, or \$6.23 a share, for the year preceding. These earnings were considerably the highest in the bank's six-year history, Mr. Thompson pointed out. The statement of condition at April 30, 1944, showed \$22,781,712 cash, \$57,237,134 of U. S. Government securities, \$19,668,157 of loans and discounts, and total assets of \$101,719,712.

Three new directors were elected by stockholders. They are R. L. Ireland, Jr., President of Hanna Coal Co.; Miller B. Pennell, attorney, and G. G. Wade, President of Wade Realty Co. With the retirement from the Union Commerce Board of Henry S. Sherman, President of Society for Savings, the board now stands at 12 members. At the organization meeting of directors following the shareholders' meeting, all officers were re-elected without change.

Reference to the election of Mr. Thompson as President of the bank appeared in our issue of April 27, page 1752.

Announcement is made of the election of Arthur E. Wright, President of Manufacturers Railway Co., to the board of the Manufacturers Bank and Trust Co. of St. Louis.

From special Houston, Tex., advices May 20 to the Dallas "Times-Herald" it is learned that William H. Baugh, President of the Heights State Bank of Houston, has been elected President of the City National Bank of Houston.

Albert J. Martin, for 2½ years, a national bank examiner in Houston, has been elected a Vice-President of the First National Bank of Houston, it is stated, and H. T. Eldridge has been promoted to Vice-Presidency of the same bank.

Wiggins, Thomson And Morgan AIB Guests

A. L. M. Wiggins, President of the American Bankers Association, Geoffrey F. Morgan, Manager of the Speakers Bureau of the Douglas Aircraft Co., and J. Cameron Thomson, President of the Northwest Bancorporation of Minneapolis are to be the guest speakers at the War-time Conference of the American Institute of Banking to be held in St. Louis June 6-8, it is announced by David L. Colby, National President of the Institute, who is Assistant Vice-President of the Boatmen's National Bank in St. Louis. Mr. Thomson was National President in the year 1918-1919. This meeting will mark the 25th anniversary of his election to that office.

The conference, to which reference was made in our issue of May 25, page 2175, which will constitute the 42nd annual meeting of the AIB, will be a streamlined two-and-a-half-day affair devoted to the transaction of essential business of the Institute, election of officers and discussion of wartime bank personnel training problems. There will be two general business sessions, one Tuesday afternoon, June 6, and a second Thursday morning, June 8. In between there will be an educational conference Wednesday morning (a Chapter Administration conference Wednesday after-

Senate Confirms Forrestal As Secretary Of Navy

James V. Forrestal who was named by President Roosevelt on May 10 as Secretary of the Navy succeeding the late Frank Knox, took the oath of office as Secretary on May 19. The oath was read by Rear Admiral Thomas L. Gatch, Judge Advocate General of the Navy, at a brief ceremony in Mr. Forrestal's office, attended by high ranking officers and members of Congress. Reference to Mr. Forrestal's appointment as Secretary

of the Navy appeared in our issue of May 18, page 2064, at which time it was noted that the Senate Naval Affairs Committee unanimously recommended confirmation of the nomination on May 15.

Stating that the Senate on May 17 confirmed the nomination of Mr. Forrestal (formerly Under Secretary) as Secretary to carry on the sea war which, in his own words, has been so successful that Japan's outer Pacific defenses have been beaten down to the level of "a line of defense in name only." Associated Press accounts from Washington, May 17, added: "The Senate acted shortly after the former Under Secretary, at his first news conference since his nomination to succeed the late Frank Knox, paid that tribute to the fighting forces at sea.

"Following the course of the Naval Committee which approved the appointment unanimously on Monday without questioning the 52-year-old former New York financier on his qualifications, the

Senate ratified his nomination without even taking a formal vote.

"As evidence of the accuracy of his description of the Japanese position, Forrestal cited to reporters that American sea forces have penetrated 1,500 miles within the enemy defense perimeter extending from the north Pacific Kuriles through the mid-Pacific eastern Marshalls to the Bismarck archipelago.

"He invited Major General William H. Rupertus, Commander of the First Marine Division, which drove the Japanese from Cape Gloucester on New Britain island last December, to sit in with him.

"Rupertus said that in the Cape Gloucester operation American casualties totaled about 300 men killed and 1,000 wounded, while nearly 10,000 Japanese were either killed or wounded. He said 4,500 Japanese dead had been counted."

The death of Secretary Knox on April 28, was reported in our May 4 issue, page 1842.

Signed Agreements From Brokers And Dealers In Govt. Securities Asked By Reserve Bank

It was made known on May 16 by Allan Sproul, President of the Federal Reserve Bank of New York that oral agreements heretofore in force between the local Reserve Bank and certain brokers and dealers in Government securities will no longer suffice—agreements in written form now being required. According to the New York "Herald Tribune" Mr. Sproul explained that this step was taken at the direction of the Federal Open

Market Committee, representing the first modification in qualification procedure since 1923, when open market operations commenced. We learn that no press announcements were given out by the Reserve Bank in the matter, but that the reporters present at the press conference were shown a copy of the agreement signed by the dealers to enable them to make notes with regard thereto.

It was emphasized, said the "Herald Tribune," that qualifications of brokers and dealers and their eligibility for doing business

noon, and the National Public Speaking Contest for the A. P. Giannini Endowment prizes which will be held the first evening—that is, Tuesday, June 6. The subject to be discussed by the speakers is, "National Economic Policies for the Post-War Period."

The delegates will be welcomed to St. Louis at the opening session by W. L. Hemingway, President of the Mercantile-Commerce Bank & Trust Co. in that city, who is immediate Past-President of the American Bankers Association. Mr. Wiggins will be the main speaker at this session. His topic will be, "The Widening Horizons in the Education of a Banker." Mr. Thomson's address will open the educational conference and Mr. Morgan will speak at the closing general session. His topic will be, "The Shape of Wings to Come." Among the topics to be covered in the educational conference include "Institute Training for Bank Women," "The Forum and Seminar of Educational Techniques," and "Application of Job Instructor Training to Banking." Subjects at the Chapter Administration conference will revolve around the development of Chapter leadership.

Attendance at the conference is being restricted in keeping with wartime railroad and hotel burdens. Chapters are asked to limit their representation to two delegates in the case of chapters or study groups with membership of 100 or less, plus one delegate for each additional 100 members or fraction thereof, and in no case more than 10 delegates.

with the Open Market Committee had not been changed, but that the likelihood of continued high activity in the Government securities market for some time to come had made it desirable to place the bank-broker-dealer relationship on a more formal basis. From the same paper we also quote:

"At present, the move will affect only a small group of 17 New York and Chicago houses which will be asked to sign agreements, as well as possible newcomers. The requirements of the Federal Reserve Bank, in addition to integrity, knowledge and capacity of the management, are daily reports of the firm's condition to the fiscal authorities.

"Also, daily statements of the money borrowed against Governments, the par value of all obligations borrowed and other statistical data such as daily trading positions and a list of securities bought and sold for own account or that of others.

"The formalization of qualifying requirements was regarded yesterday as a matter of 'evolution' and no changes are anticipated in any way tending to influence continued maintenance of an orderly market in Treasury obligations, which has played an outstanding part in financing the war effort and facilitating the flow of huge funds."

In the New York "Times" of May 17 it was indicated that under the formal agreement dealers are called upon to furnish to the Committee both daily and longer period reports on such matters as daily position in the market, whether long or short; volume of business done; statements of capital and its relationship to the volume of business done, and what part of the volume is done for own account and as brokers. The "Times" also said:

It was explained at the Federal Reserve Bank yesterday that there is no minimum capital requirement. Rather, it was said, the determining factors include volume of business-to-capital ratio, whether the firm engages in speculative operations, and the volume of business done for own account or as brokers.