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WEEKLY NEWS ANALYSIS

Allies Close on Ruhr Valley; Japs Gird for U. S. Invasion; Forecast Cut in Grain Acreage

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(EDITOR'S NOTE: When opinions are expressed in these columns, they are those of Western Newspaper Union's news analysis and not necessarily of this newspaper.)



Indicative of high cost of taking Iwo Jima is this marine graveyard on the island, with row upon row of little white crosses. Approximately 4,000 Americans were killed in the struggle.

EUROPE:

Ruhr Target

To 60-year-old Field Marshal Albert Kesselring went the hapless job of assuming supreme command of German armies in the west as U. S. and British forces closed on the vital Ruhr valley after having conquered the coal and iron rich Saar basin to the southwest.

In picking Kesselring to try to hold the sagging German front in the west, Hitler chose an ardent Nazi, who gained notice through his development of strong defensive lines in Italy. Trusted by the Nazis to stand fast in the face of the overwhelming Allied onslaught, Kesselring succeeded Field Marshal Von Rundstedt, who was relieved of his command following reports that he had failed to negotiate an armistice with General Eisenhower.

As Kesselring took over the German command, his hard-pressed forces faced the Canadian 1st, British 2nd and U. S. 9th armies on the western border of the Ruhr, while the U. S. 1st army built up strength for a drive to the south of the vital industrial valley from its Remagen bridgehead.

Following a tremendous concerted aerial bombardment aimed at softening up the enemy's rear areas, these four Allied armies stood ready to strike to the east of the Rhine and break into the open German plains on the high road to Berlin. Farther to the south, the U. S. 3rd and 7th armies, having cleaned out the Saar, drew up against the forested mountain country to the east of the Rhine in this sector.

Double Trouble

Thus, while Kesselring had his hands full trying to hold the Allied armies off from the open northern plains, German commanders in the east experienced equal difficulty meeting the Russian onslaught over the other end of the level northern country in the east. From Stettin southward, the Reds menaced the serried defenses of Berlin while the Nazis still talked about a last ditch fight behind concrete pillboxes, bunkers, tank traps and irrigated flat land.

Though massed in the greatest strength before Berlin, the Reds also exerted considerable pressure to the south, seeking to batter their way through the mountain masses in Upper Silesia to enter Czechoslovakia, and smashing at German defenses in western Hungary in an effort to reach Austria.

U. S. SAVINGS:

In Billions

With a wartime economy restricting the supply of civilian goods, and income at peak levels, Americans continued to pour billions of dollars into savings, the Securities and Exchange Commission reported.

With Americans putting away nearly 25 per cent of their incomes in cash, bank deposits and government securities within the last two and one-half years, total holdings of these assets reached 148 billion dollars at the end of 1944.

In saving 40 billion dollars last year, 10 times as much as in 1940, Americans amassed an additional 17 billions in cash and bank deposits; 15 billions in government bonds; 3 1/2 billions in insurance, and 900 millions in savings and loans associations.

PACIFIC:

Fear Invasion

Making no bones about their fear of an invasion of their homeland, the Japanese government moved feverishly to prepare the country for the eventuality, while at the same time pushing efforts to organize occupied China against a thrust from U. S. forces.

Her predicament underlined by the U. S.'s gradual advance toward the homeland, and the destructive aerial raids on her great urban centers, Japan's leaders called for the establishment of virtual martial law in the country, permitting expropriation of land and demolition of buildings for defense purposes.

Though high military authorities believe that Japan, like Germany, will not be bombed out of the war because of the decentralization of her industry, U. S. attacks have cut into some of the enemy's productive capacity, besides causing serious civilian dislocations. Already, almost half of Tokyo's civilian population has been evacuated, it was said.

Besides impairing the home effort, such raids as the recent carrier plane attacks on the Japs' great inner naval base in the Inland sea bounded by the home islands of Honshu, Kyushu and Shikoku serve not only to cripple the enemy fleet but also damage important repair and anchorage facilities.

Although the Japs feel that any direct assault on the homeland would give them the advantage of short supply lines and land bases from which to develop counter-measures, they are looking worriedly to the Chinese coast, where they believe the U. S. might drive ashore to set up invasion bases.

Thus, high military authorities presume, the enemy will continue to play for time in such outlying battle zones as the Philippines and Burma to permit further development of Chinese resources and troops reportedly fighting for them so as to be better able to meet an invasion of that country.

CROP ACREAGE:

To Drop

Because of a decrease in hog numbers in their own lots, an expected drop in demand for feed grains and a switchover to crops with lower labor requirements, farmers will put fewer acres to important grain in 1945, the U. S. department of agriculture reported.

Basing its report on farmers' declarations of intentions, the USDA said that corn acreage would be down 3 per cent under 1944, barley 14 per cent, and soybeans 2 1/2 per cent. As exceptions, wheat acreage was expected to increase 4 1/2 per cent and oats 8 per cent.

In addition, the USDA's reports on acreages for other crops showed general decreases from last year, with increases forecast only for sugar beets, flaxseed, tobacco and rice.

With the weather generally favorable, finances ample and seed and feed plentiful, chief obstacles to 1945 production lie in manpower and machinery shortages, the USDA declared. Indicated acreages in declarations of intentions might be notably changed through the year, the USDA said, in accordance with influences in weather, price fluctuations, manpower, finances and the effect of the report itself on farmers' plans.

FOOD:

Overseas Demands

The food situation continued to occupy the country's attention, with the conviction growing that Americans will have to give their belts a long pull inward to help feed distressed civilians in liberated countries.

But if the food situation took the spotlight in the U. S., it also aroused interest in Britain, where Prime Minister Churchill told the house of commons that the country only had less than 6 million tons of food in reserve instead of the 700 million suggested by some quarters in America. Some of it was being used to feed needy Europeans, he said.

Following President Roosevelt's statement that it was only decent for Americans to share some of their food supplies with hungry Europeans, and reports that the army's share of meat would be increased 4 per cent during the next three months to help feed people in the war zones while U. S. civilians' would be slashed 12 per cent, it was announced that the United Nations Relief and Rehabilitation Administration (UNRRA) would require about 800 million pounds of food from this country during April, May and June.

Food other than meat composes UNRRA's largest claim on U. S. stocks, with calls for meat amounting to 1 out of every 350 pounds of the nation's civilian supply, it was said. Deliveries of grain, flour and other cereal products top the list, with meat and fat and then beans and peas, milk and sugar in order. Of UNRRA's total requirements of 1,876,000,000 pounds of food for the next three months, the U. S. is expected to furnish 42 per cent, with Canada supplying 38 per cent and other United Nations the rest.

May Cut Draft Calls

With the services expected to be built up to full strength by July, 1945, monthly draft calls thereafter may be cut from the present 135,000 to 93,000 to furnish replacements, President Roosevelt revealed.

At the same time, a congressional committee was told that although draft calls would be reduced after Germany's defeat, young men will continue to be inducted during the Japanese war to replace discharged vets.

Previously, selective service announced that some 145,000 men from 18 to 29 years of age in the steel, transportation, mining and synthetic rubber industry would be deferred as essential workers, breaking the former policy of exempting only about 30 per cent in any field. As a result, older men in the 30 to 37 age group will have to be inducted to make up the difference, it was said.

POLIO:

Kenny's Problem

Unable to enlist the support of the nation's medical leaders for her treatment of infantile paralysis, Australia's Sister Elizabeth Kenny announced her decision to leave this country if congress failed to look into the difficulties that have beset her since her arrival here.

Although Sister Kenny's decision to leave the country came upon the heels of the National Foundation for Infantile Paralysis' refusal of a request for \$804,000 for the Kenny institute in Minneapolis, Minn., she said that money was no object, since the people of the latter city already had raised \$400,000 for her work and undoubtedly could double the figure.

Rather, she said, her decision to leave was prompted by the medical profession's failure to provide assistance for further research into her theory of treatment. Without such research, she declared, her presence here was no longer necessary since others have been trained in her present methods.

MIDNIGHT CURFEW:

New York in Line

Having enjoyed an extra hour of night frolicking for a few days, New York's milling merry-makers found themselves out on the streets at midnight again, following the amusement owners' decision not to take advantage of Mayor La Guardia's one hour extension of the government's 12 a. m. curfew, imposed to conserve fuel and manpower.

First accepting La Guardia's one hour reprieve in the face of widespread criticism, the amusement owners' own hands were forced when both the army and navy ordered their personnel to leave the nighteries at midnight in obedience to the government regulation.

Before the New Yorkers decided to close their doors, War Mobilization Director Byrnes said it was impossible for the government to enforce the midnight curfew, since it lacked the police necessary.



New York Picture Postcards:

Crowds rushing away from the Main Stem after curfew as if it were a pal who could no longer do any favors. . . . An all-night beanyery's electric eye peering into the early aye-m darkness—showing that one part of the town has insomnia. . . . A ballet of spring breezes dancing through the streets. . . . The parks' trees sprouting tiny buds clenched like a baby's fist. . . . Tips of skyscrapers providing exclamation points for the city's exciting scenic story. . . . Torch-carriers suffering from high-blond pressure, attempting to kill a headache with a hang-over. . . . The sign in a bar: "Time Tells on a Man—Especially a Good Time." . . . The warm poetry of Broadway friendship which can turn into the cold prose of enmity overnight. An interesting and disheartening phenomenon. . . . Dawn coming out into the sky to put the stars to sleep.

Among the town's little heroes: Civilian defense workers who are still carrying on their duties. . . . Gigantic fingers of silence-gripping the city at dawn. So quiet you can hear the click of traffic lights as they switch colors. . . . The touching goodbyes between soldiers and their loved ones at depots. "I'll write you every day, honey!" . . . Sabbath morning church-belleque which seems to fit the silence rather than break it. . . . A scoop of afternoon sun being served on a platter of whipped cream clouds. . . . Broadwaysites clogging all-night cafeterias—sipping coffee while nibbling on a side-dish of conversation. . . . Rockefeller Center gal guides who are more arresting than any of the sights they point out.

Regal Fifth Ave. showwindows crowned with luxuries—a fitting tribute for the Queen of Big Town streets. . . . The hams who are walking showcases for their own personalities. . . . Garments arrayed on 10th Ave. clothes lines swaying to the tune of breezes humming by. . . . The sky coated with glowing twilight, exhibiting a visual wink which brings out the smile in anybody's spirit. . . . The enameled self-assurance of Main Stem movie ushers who have all the dignity of generals. . . . Hushed conversations which cushion the velvet atmosphere of the sumptuous Music Hall lounge. . . . A gay wind holding on tight to the dress of a chorine as it goes around her curves.

Comely Travelers' Aid ladies who greet strangers with a bouquet of bright smiles. . . . The Hudson River cob-webbed with streaks of moonlight—a view that tattoos itself into your memory. . . . Sunrise tinting the sky with a Paradise of colors as the world hands people its most priceless gift: A new day. . . . The theater's best-dressed man: The ticket collector—garbed in a tux. . . . A rustle of silk heralding the approach of first-nighters coming down the aisle and leaving a trail of perfume. . . . The Empire State Building at noon—cellophane with sunshine. . . . Midtown canyons at dawn filled to the brim with hush. . . . The smell-binding aroma of roasting coffee tickling nostrils as you ride over the Brooklyn Bridge.

Mountains of clouds cruising over the city and making mammoth buildings insignificant. . . . Headlines on newstands gleaming with bright war news which lights up the dimout. . . . The Flying Fortress whizzing over the Statue of Liberty and dipping its wings in a salute to the grand lady who carries a torch for Uncle Sam.

Trains announcers' voices yawning out their remarks as if they wished they were elsewhere. . . . Workers gulping a quick breakfast of orange juice, coffee and doughnuts—like bitter medicine they didn't want to taste. . . . Broadwaysites straining talk through their cigars as they stand on street corners tossing away precious minutes they can never hope to retrieve. . . . Movie stars rushing around town conveyed by a fleet of press agents.

The slanting penmanship of rain scribbling its unruly signature on window panes. . . . Darkened skyscrapers putting shadows on stilts as they stand guard over the streets all through the night.

Cool, clear nights when you can even see baby stars staying out all night. . . . Agonized cries of foghorns along the waterfront sandpiping the hush of the night.

American Life Insurance Celebrates Its 100th Anniversary by Adopting a New Actuarial Table Which Reflects Longer Life of Modern Citizen

By ELMO SCOTT WATSON

Released by Western Newspaper Union.

NINETEEN forty-five finds American life insurance observing its 100th anniversary and by way of celebration it's beginning to operate under a set of actuarial tables. Until this year insurance companies have been "booking" life and death chances on the same basis as they were figured when the first American "life" policies were written away back in 1845. But this year they are discarding the old "odds table" and putting into effect a new one and that's a matter of prime importance to more than 70,000,000 Americans who own more than 125 billion dollars worth of life insurance.

As a matter of fact, the adoption of the new actuarial tables in American life insurance's centennial year is accidental and coincidental, rather than purposely planned. Nine years ago state insurance commissioners and mathematical wizards of the insurance companies recognized the fact that the tremendous improvements in medical science had made the old "odds table" obsolete. In the light of modern methods of prolonging human existence, a new set of life expectancy standards was needed.

But figuring out these standards and fitting them to rates—fitting rates to them—wasn't a simple matter. For instance, they knew that you—if you are 30 years old—have a far better chance of living beyond that age than you did two decades ago. It was only a few decades ago that eight out of every thousand people died at that age. Today, thanks to more public enlightenment on medical matters and improvements in diet (including more knowledge of vitamin requirements) only two or three persons per thousand are dead at the age of 30.

Rates About the Same. But even though the improvement in our life chances seemed to indicate much reduced rates, this was offset over the years by the deterioration of our interest rates and the increased cost of doing business.

The problem of adjustment was threefold: (1) rates according to improved life probability; (2) company income according to lowered return on investments; and (3) company expenses as compared to "the good old days" when breakfast cost a nickel and the company president drew a salary of \$30 per week.

The insurance commissioners had a major mathematical problem before them. For the latter two points—lowered earnings on invested funds and sharply rising costs of doing business—more than covered the slight break they showed on their books because the doctors were keeping us alive longer.

Nevertheless they went ahead. Alfred N. Guertin of New Jersey, was made chairman of a commissioners group to recommend the new "life" tables. Five other state commissioners sat with him. John S. Thompson, mathematician and vice president of the Mutual Benefit Life Insurance company of Newark, N. J. was a committee member representing the Actuarial Society of America.

Sixteen states enacted the so-called "Guertin law," which means that the insurance companies doing business in those states can in 1945 adopt the recommendation of the Guertin committee into their future policies. The law became effective January 1 of this year on an optional basis but it becomes mandatory after three years, in December, 1946.

How It All Began

Centuries before Messrs. Guertin and associates took on their herculean job, a Roman named Ulpianus devised an "odds table" for a few of his friends. Ulpianus was a lawyer with a flair for figures. As a matter of fact, his life expectancy charts were so good that they remained unchallenged from 220 A. D. for almost 15 centuries. Even as late as 1814, the Tuscan government used his figures.

Not content with Lawyer Ulpianus' findings, however, Edmund Halley, known as the English astronomer who discovered the famous Halley's comet, undertook the job of computing "modern" mortality tables in 1693. His method was the basis for present-day computations; namely that of using accurate vital statistics. Halley selected the city of Breslau (you've been reading about it in the war news from Silesia) for his guinea pig from 1687-93—observing



A view on Broad street in front of the Stock Exchange and Sub-Treasury (then the Customs House) in New York City in 1845 when life insurance had its beginnings.

births and deaths for a five-year period.

His tables were the precursor for many others—such as the English tables of 1762. But all such improved tables over the last two centuries failed to keep pace with medical science.

Our first actuarial brainchild was called the American Experience table, which was brought into usage right after the Civil war. With minor changes it has continued to be the accepted base for computing life and death chances up to the present time. Meanwhile the M. D.s were busily engaged in making our American Experience figures look sick. Their success in keeping the lower age groups alive longer is directly responsible for this major effort to re-frame the basic structure of all life insurance in the United States. Just by way of proving the point, in 1900 the U. S. average age was 49.24. A couple of years ago it stood at 64.82.

When it all began back in 1845, this was a husky young nation. But many of its huskiest young citizens fell victims to one disease or another, diphtheria and tuberculosis being the most active.

Many Hazards. Even as late as 1900, more than 40 out of every 100,000 people succumbed to diphtheria. Today it's only one per 100,000. Europe's black plague of the early 17th century wasn't much worse a scourge than the horrors of pulmonary tuberculosis over the last century. Statistics for 1900 show that this killer took 173 out of every 100,000. Today less than 40 per 100,000 die of the disease each year.

For these reasons, coupled with all the other hazards of living a century ago, the old boys scratched their heads twice before insuring their fellow men promiscuously.

When Ben Miller bought the first life policy issued by Mutual Benefit Life Insurance in Newark in 1845, there were many "don'ts" tied to the policy. Ben bought \$1,500 worth of insurance on his life at a premium of \$51 a year with the provision that: (1.) He didn't die on the seas; (2.) he didn't leave the country; (3.) he didn't go south in the summertime; (4.) he didn't (without consent) join the army; (5.) he didn't cut his own throat to improve his wife's finances; (6.) he didn't expose his insured and valuable carcass by duelling; (7.) he religiously avoided the gallows or guillotine. . . . and so on for quite some distance in slightly more technical verbiage.

Ben, it might be remarked, was one of the harder sort, for he lived to collect his own insurance at the age of 96!

While the early directors of insurance companies had no worries about clients being killed in an automobile or airplane, the 1845 citizens of Pres. James Polk's nation of 27 states were liable to find themselves without a scalp if they took the "covered-wagon" trail west.

Life insurance companies also could discount the probability of the "insured" dying from heart failure because of the then modest 15 million dollar public debt. Perhaps it is worth noting that over the years the increase in heart disease (and it has increased considerably) is in ratio to the government's debt to the people—now at the quite immodest figure of almost 300 billion, a very large hunk of which is held by the same insurance companies.

If as you read this, you've been hoping to find that now insurance rates will be lower because the doc-

tors are keeping us alive longer, you'd better read on.

At first glance it would seem that under the new mortality table, life insurance rates will be cheaper. That is not true, John S. Thompson, vice president and mathematician (actuary) of the Mutual Benefit Life Insurance company, speaking for all life insurance companies, tells why. He says:

"Policies now in force will not be affected, nor is it expected that policies sold in the future will be. That is because the amount of interest life insurance companies can earn on their invested funds has dropped sharply in the last few years, and their operating expenses, wages and taxes, have increased.

Fewer Investment Chances. "The cost of life insurance depends upon three points: (1) the number of claims paid on policyholders who die in a given year; (2) the yield or earnings from investments of reserve funds; and (3) the cost of operating the company.

The war has sharply decreased the field for profitable investments, he points out. War industries are financed by the government; and the building industry, once a big field for loans, is now dormant. Thus insurance companies which formerly earned from 4 to 6 per cent on their funds, now earn only slightly more than 3 per cent. From 40 to 50 per cent of insurance company funds are invested in war bonds at an average yield of about 2 1/2 per cent. And many companies have guaranteed a 3 per cent return to their policyholders. That is why insurance rates cannot be reduced.

It was a dead clutch to earn the good old 6 per cent back in 1845 and a lot more, too, even though Mutual Benefit's records show that Robert L. Patterson, founder and first president, and his directors, scorned the possibility of paying big dividends by "grubstaking" a few of the gold-seeking '49ers. Sound, conservative investments were made to protect widows and orphans. But, conservative as the investments were then, they paid handsomely as compared with today.

Money Earns Less Than 3%. Shortly after the turn of the century, returns on invested money tightened up considerably. All this is readily reflected in overall returns to policyholders. Between 1914-1928 Mutual Benefit policyholders were getting about 2.1 per cent on their dollars paid in. The 1929-1943 picture was still trending downward to about 1.7 per cent per annum.

It was vastly different in 1845. In those days the company president drew \$1,500 per year—just about the price of a fair cook or housekeeper on today's market. The top insurance salesman wasn't allowed to earn more than \$3,000, all other earnings going back to the company till. The rent bill was \$25 per month. One of the ranking "assistants" drew the good (in those days) salary of \$300 per year.

Today the taxes, alone, on a building occupied by one large insurance company exceeds 10 million dollars per annum. And the charwomen on the 31st floor would laugh at an offer of \$300 a year. Even the elevator boy would sneer at the same salary Robert Patterson was paid in 1845.

Now you know why insurance is going to continue to cost just about the same as it has in the past. As a group, we're living a lot longer and there is less risk in insuring us. But, as a group we cost a whole of a lot to handle and the days of fancy interest returns are over.