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## The Financial Situation

It is still far from certain what the ultimate repercussions of the nomination of Mr. Wallace (and the manner of the nomination) will be. The President's strange letter to Mr. Jones is still a subject of much debate. Apparently, many people take the meaning of this epistle to be many things, and their reactions are about equally varied. It still appears all but certain that, whatever the President's real intentions, he has created a situation in Congress which he could scarcely have foreseen and certainly not desired. One result—but by no means the only one—appears to be a virtual certainty that Mr. Wallace will not enter the Administration precisely as he and his friends apparently expected. The President is a resourceful man, however, and it would be rash to assume that what Congress now does in this matter will be the be-all and the end-all of the matter. Indeed Mr. Wallace himself and his chief political backers, the so-called CIO-PAC, are but little less determined men.

### Wallace Only a Part

It is, of course, clear that Congress will serve the country well if and when it refuses to permit Mr. Wallace to have control of that vast nexus of lending and spending, the RFC and subsidiaries, either now or at any time. It would serve it still better if in addition it took such steps as are available to make certain that the President is unable to accomplish about this same thing in some other manner. If further it also refused to make the former Vice-President Secretary of Commerce under any circumstances, it would earn the full gratitude of an uneasy nation. Congress must not, however, permit its attention to become so fixed on Mr. Wallace that it fails for a moment to bear in mind the fact that the real importance of this whole issue finds its source in a situation of which Mr. Wallace is but a part—and it may be a rather unimportant part.

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## From Washington Ahead of the News

By CARLISLE BARGERON

It is now beginning to develop that Mr. Roosevelt must not have seen the ramifications of his appointment of Henry Wallace as the Federal loan czar. The general belief in Washington, engendered particularly by his crude letter to Jesse Jones, has been that he, or at least, the men around him, would like to get rid of both of them.

At this writing, he has got rid of Jones and if Wallace is to remain in the official picture at all, which with the final outcome is doubtful, he will be in a position of innocuous desuetude. But the situation is developing from there to the point where Congress seems determined to get a conflict with him on many things. His action has opened up a Pandora's box for the New Deal. Congress seems now in the mood to take advantage of the controversy aroused about Wallace, to make one grand lunge to get back a large part of its power which, ever since 1933, it has turned over to the executive branch.

Carlisle Bargeron

What we have in mind is that ever since 1943, a lot of citizens' groups, calling themselves Taxpayers' Leagues, and on this one proposition, at least, working under the guidance of a national group called the National Citizens' Committee, of which John W. Hanes is the head man, has been becoming increasingly active against Big Government—the Government Trust, as a political twist on the Power Trust, a term on which so many politicians have ridden to success, and whatever other terms might be appropriate.

They have been hammering home with varying degrees of success in the vast propaganda din to which the citizens are being subjected these days, the fact that the Government has so many "corporations" functioning, that no one agency or no one official in the Government can enumerate them. Many of these big businesses are incorporated in various States. They are running high, wide and handsome as private businesses like U. S. Steel, with little or no Government check on them, with no Congressional check on them.

There are some 50 of them. A Senate committee headed by Senator Byrd of Virginia, reported in August of last year, that it had found 44. In a study made in May of the previous year by the National Citizens Committee, and as

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## Fraternity For Peace Indispensable

By HON. ARTHUR H. VANDENBERG*

U. S. Senator from Michigan

**Amplifying His Recent Speech in the Senate, Senator Vandenberg Again Urges the United States Announce Its Attitude Regarding a World Security Organization. Calls for the Practical Application of the Atlantic Charter and Upholds the Dumbarton Oaks Formula for International Conciliation. Says President Has Constitutional Power to Use Military Force, but Insists "the Genius of Dumbarton Oaks Is the Substitution of Justice for Force!" Holds National Self Interests Can Be Maintained Under a Security Pact.**

With deepest gratitude, I thank you for your generosity to me upon this fine occasion. Under pressure of the times in Washington, I rarely have an opportunity to get back to home, sweet home, during these days and nights which try the souls of men and test the fate of nations. You may understand, therefore, why I so deeply appreciate your hospitality. I shall respond by gratefully taking advantage of the occasion to tell you what is in my heart regarding the dedications which must be closest to yours.

A. H. Vandenberg

One: America must win this war as swiftly and conclusively as possible, and no interruptions to the supply lines which sustain our intrepid soldier sons can be tolerated for a single, bloody instant. Two: America must seek a peace which justifies this sacrifice and martyrdom, which searches for justice as a substitute for force, and which plans a free world for free men.

### Announce American Policy

In the time at my disposal I concentrate upon this latter aim.

We have relative unity in this fraternity of battle. We sometimes drift dangerously away from a kindred but equally indispensable fraternity for peace. It is our responsibility to see to it that if this unity-for-peace disintegrates, it is not our America which shall be held at fault when the books of history are balanced. In my view, we cannot serve this solemn function by further silence in respect to our attitudes. That silence confuses our Allies. It often provides them with the reason which they plead to justify unilatereal decisions which collide with our ideals. It may dangerously invite the conclusion that our silence gives our own consent by default. It even confuses our own people who frequently cry out in anguish for the definition of our aims. It is time for us to say what we will do. It is time for us to say what we will not do. And it is time for us to start the doing.

That is my theme tonight.

As a basis for our thinking, let me lay down a few fundamentals. The first is the recognition of a physical fact. Since Pearl Harbor, the ghastly countenance of war has become more sinister than ever before in the nightmares of the human race. The awful science of mass murder has made more progress — what a word! — in three cruel years than in all the centuries since time began. And this new science is only in its lethal infancy. Contemplate the robot bomb in its maturity! Contemplate the refinements of "jet propulsion" when it still further reduces this foreshortened world to an intimate neighborhood! Contemplate a war of push-buttons in which human flesh and blood are at the mercy of mechanized disaster! I need not labor the point.

This war, God knows, is bad enough. But world war number three will open new laboratories of death too horrible to contemplate. I propose to do everything within my power to keep those laboratories closed for keeps. I make this pledge in the name of humane common sense. But more than that, I make it in the name of American self-interest. Times have changed. The oceans are no longer moats around our ramparts. Once upon a time Detroit could wait for the enemy to get to Windsor. In the next world war, an enemy half way around the globe will be just as close. No nation hereafter can immunize itself by its own

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*An address by Senator Vandenberg before a meeting of the Variety Club of Detroit, Michigan, Feb. 5, 1945.

### GENERAL CONTENTS



## Supports Alexander Wilson's Views On Isolationism

**Berkeley Williams of Richmond, Va., Disagrees With Mr. Lightbowne's Criticism in the "Chronicle" of Jan. 25 of Alexander Wilson's Article, "Are Americans Isolationists?"**

Editor, "Commercial and Financial Chronicle":

If I understand the English language, the men in our combat forces I hear from are telling me that if, when and as they get back and have anything to do about it, this country will mind its own business in the future. The voices of those returning G.I.'s will be the voices of authority and discussion of the question "Are Americans Isolationists?" by us here at home may, therefore, be academic, but nevertheless it is timely and informative, so keep it up. In my opinion Alexander Wilson gave a complete answer to the question in his discussion under that title. His statement of what it means to be an Isolationist was crystal clear and in substance was "that we should mind our own business as individuals and as a nation." Also his conclusions were supported by undisputed historical facts.

Berkeley Williams

Mr. Lightbowne last week undertook to criticize it, and not only failed to give any clear idea of his own of what it means to be an Isolationist, but applied the straw-man technique in his discussion. In other words, he pulled two propositions out of the air: (1) "Why the United States Entered the War," and quoted a pontifical hindsight editorial from the New York "Times" with more or less comment on what might

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# Bankers' Associations Report On Bretton Woods Plans

**Approve the Objectives, But Recommend That the International Monetary Fund Be Not Adopted, and Certain of Its Features Be Incorporated Into the Provisions of the Bank. Wants Bank to Negotiate Exchange Stabilization Agreements and to Make Stabilization Loans. Advocates Enlargement of Export-Import Bank.**

Three bankers' organizations, in a report issued in their behalf Feb. 5, approved the objectives of the Bretton Woods program but recommended merging certain features of the Stabilization Fund into the Bank to form a single institution instead of two.

The three collaborating associations in the study of the Bretton Woods program were: The American Bankers Association, the Association of Reserve City Bankers, and the Bankers Association for Foreign Trade.

A practical plan that will "wear," the report states, was the aim sought by the bankers in formulating their report, which embodies recommendations of a specific character.

"We suggest a way of preserving and making effective the desirable features of the Bretton Woods proposals, while at the same time avoiding their more serious dangers," the report says in a foreword. "In brief, we recommend that the plan for the International Bank for Reconstruction and Development be adopted with minor changes, but that the plan for the International Monetary Fund be not adopted, as it embodies lending methods that are unproved and impractical. In lieu of the Monetary Fund we recommend that certain of its features be incorporated into the provisions for the Bank. In this way, we believe, the objectives of Bretton Woods could be achieved and the risks reduced."

In addition to the recommendations, the report also endorses the enlargement of the capacity of the Export-Import Bank through an increase of its capital, and the repeal of legislation forbidding loans to nations already in default to this country on war debts.

### Specific Recommendations

The recommendations of the three associations in detail are as follows:

(1) That the capital funds of the Export-Import Bank be increased to $2 billion, first to provide means for meeting promptly deserving credit needs prior to the setting up of an international bank, and second to enable the United States to make loans in which this country has special interest and which can be made more effectively through a national institution than through an international body.

(2) That the Johnson Act and any analogous provisions in the Neutrality Act now standing in the way of private loans to certain foreign countries be repealed.

(3) That the Bretton Woods plan for an International Bank of Reconstruction and Development be adopted, but with the following suggested changes:

(a) That the two paragraphs in the Bank agreement which make membership in the Bank dependent on membership in the Fund be deleted.

(b) That an article be added placing on the governors and directors of the Bank responsibility for arranging and negotiating agreements between the member countries with respect to the stabilization of currencies, removal of exchange controls as rapidly as practicable, and the general rules of procedure in carrying out monetary policies.

(c) That the Bank be authorized to collect information with respect to monetary and economic matters as outlined in the Monetary Fund proposal.

(d) That the lending powers of the Bank be broadened sufficiently to allow it to make loans, under the same safeguards as the other loans of the Bank, for the purpose of aiding countries in stabilizing their currencies.

The report assumes that, "with the adoption of the above recommendations, which do not include approval of the proposed Fund, the Bank would set up, under properly qualified management, a separate department to deal with currency stabilization. . . . These provisions should enable the Bank to carry out all the essential purposes of the Fund in a sound and practical manner," it believes. . . . "The capital provided in the Bank plan should be adequate for all the purposes included in the amended proposal. If, after a few years' operation, successful results demonstrate the need for more capital, there is nothing to prevent reconsideration of the subject at that time."

In addition, the bankers recommend throwing certain safeguards around the operations of the Bank. "These should include the provision that the American governor and director of the Bank should be appointed by the President with the advice and consent of the Senate and that they should be men of tested banking experience." The bankers would also make provision for what the report calls a "directing committee" consisting of officials such as the heads of the Treasury, State Department, Department of Commerce, the Export-Import Bank, Chairman of the Reserve Board, and the Foreign Economic Administrator. This committee, the report says, might instruct the American governor or director of the Bank in important decisions of broad policy affecting the welfare of the country, act as the agency of the United States in those matters in which the articles of the Bank call for a decision by this government, and report at regular intervals to the President and the Congress.

### Principles Stressed

The report stresses the importance of the principles which should underlie any plans for international financial agreements and examines the Bretton Woods program in the light of the principles set forth by the American Bankers Association Economic Policy Commission in a previous study.

"There are really two plans," the report states, "one for a Fund and one for a Bank. They are elaborate and complicated, together filling 85 printed pages of text.

"The Bretton Woods program provides machinery for continuing international consultation on currency problems, the collecting of information, and agreement on the 'rules of the game' applicable to currency policies and practices. It would provide a place where important people influential in the formulation of currency policies in the different countries might meet regularly and become acquainted with one another's problems. In these broad purposes the Bretton Woods proposals are in harmony with the principles heretofore endorsed by the American Bankers Association.

"The Bretton Woods program for the granting of credits is huge and complicated and the United States would supply a large portion of the money," the report states. "The two institutions initially would have a combined capital of about $18 billion in gold and miscellaneous currencies. Of the total the United States would make a commitment for nearly $6 billion—about a third of the overall total, but more than half of the gold or currencies exchangeable into gold. Even this $6 billion might not be all that the United States would be expected to supply, since the Fund has the right to borrow scarce currencies and quotas may by agreement be increased.

"With respect to size and complexity," it finds that "the Bretton Woods program departs from he principle that an international organization should be simple and understandable," adding that "there are already differences in interpretation."

"The plan for the Monetary Fund introduces a method of lending which is novel and contrary to accepted credit principles," it continues. "Under the system of quotas in the Fund, a member country would be virtually entitled to borrow in certain specified annual amounts from the international pool of resources, provided the purposes of such borrowings were represented by it to accord with the broad purposes of the Fund. The borrowing would be subject to certain limitations, but with no stipulation that the loans should be good loans or—once a country had been admitted to full rights of membership in the Fund—that the loans should be based on prior consideration of the economic condition and prospects of the borrowing country.

"The Monetary Fund also, in its effort to meet the situation of countries now in uncertain financial position, goes far beyond the principles heretofore accepted by the United States in recognizing and approving changes in currency values and the maintenance of exchange controls. It is noteworthy that in the evolution of the program the name 'Stabilization Fund' has been discarded. The difficulty arises inevitably from any attempt while we are still at war to lay down rules that we must live up to after the war and following the transition period. Naturally, many countries are reluctant to make firm commitments now as to currency values and removing exchange controls.

"The commitment is so slight that Lord Keynes has some justification for saying in the House of Lords, 'These proposals are the exact opposite to the gold standard.'

"Nevertheless, the United States is asked for a firm commitment in putting up a large part of the internationally valid money."

Turning to the proposed Bank, the report declares that in contrast to the Fund, the Bank would operate more on the basis of established banking and investment principles.

"The Fund and the Bank are in different categories," it says. "The proposed International Bank embodies satisfactory principles and procedures: the loans have to be for specific purposes, they have to be examined by a special committee, they must offer promise of repayment, the country whose currency is lent has a veto power covering all major transactions, much of the operations may take the form of guarantees of loans made through the market and subject to that review, and the Bank will not make loans which can be made reasonably through private channels. If we assume good management, the institution should be able to operate soundly and effectively."

### World Not Dependent on U. S. Gold

The report suggests that current discussion exaggerates the extent to which the whole world is dependent on the United States for goods and credits.

It points out that the outside world as a whole already has more gold and dollar exchange than ever before, largely as a result of huge overseas expenditures for our armed forces and for materials. By September, 1944, foreign control banks and governments held, it says, $17 billion in gold and dollars. Adding foreign-owned private banking funds, the total is estimated at $20 billion. Already "in the three years that the Treasury has been considering plans for an International Monetary Fund, the outside world's holdings of gold and dollars have increased by something like $7 billion. At the same time the gold stock in this country has been going down to the point where, in the face of the currency and credit expansion taking place, the President has suggested to the Congress the necessity of lowering the legally required reserves of the Federal Reserve banks."

The report recognizes that there will be some need for additional lending facilities involving the use of some government credit but warns against the inflationary tendencies of loading countries up with too much debt and adding to inflationary fires now burning over the world.

Pointing out that "we have national principles and interest to protect," the report says that on the board of any international financial institution there will be representatives of some countries which do not have the same understanding and appreciation of private enterprise as we do." It raises the question as to "how much ought we lend through an international organization and how much through a national body of our own, such as the Export-Import Bank. . . . In many cases there will be substantial advantages in having other countries share with us the responsibility and risk of loans," it is stated, "and this can be done by the (International) Bank effectively because of its structure. In other cases where American interests are closely involved we may find it better to make the loans ourselves through a national organization such as the Export-Import Bank. Its continuance, with sound management, is therefore desirable."

### Two Institutions Not Required

Referring again to the fact that the Bretton Woods plan sets up two separate organizations, a Bank and a Fund, the report asks why should there be two.

"There would seem to be few advantages in such division of effort and many probable difficulties," it says. "Any program such as has been proposed will require wise and experienced management. The number of men qualified for these highly important posts is limited; and the prospect of divided authority and likelihood of jurisdictional conflicts between two such institutions might prove serious handicaps in attracting such men. Moreover, if, as seems possible, the cooperating nations should demand that the Fund be located in one country and the Bank in another, conflicts between the two would seem almost inevitable.

"If the Congress should decide to create only a single institution, the Bank might by minor changes in its charter, as suggested in this report, carry on the desirable functions of the Fund. The Bank might readily provide the meeting place for international consultation and agreement on monetary policies which the Bretton Woods program delegates to the complicated Fund. The other essential of the Fund is the provision of stabilization credits, which the Bank could supply with little change in its provisions and under more satisfactory safeguards."

The committees of the three banking organizations state that having studied the Bretton Woods plans with great care, they "make the foregoing recommendations in the belief that . . . the plan proposed (by them) would prove sound and effective over a term of years in achieving the major objective of international financial cooperation. The committees believe that the Monetary Fund as drafted is unsound and would increase the already grave danger of inflation; would delay fundamental economic adjustments; and would fail to protect the principles and interests of the United States and her citizens. They believe that the simplified program they here suggest would accomplish the desired purposes more effectively and with much less danger. They believe that it would be accepted as readily by other countries and would wear better in the realities of this chaotic world."

### The Committee's Personnel

The three committees in charge of the preparation of the report were the Advisory Committee on Special Activities of the American Bankers Association, the Committee on Federal Fiscal Policy of the Association of Reserve City Bankers, and the Study Committee on Post-War Problems of the Bankers Association for Foreign Trade. W. L. Hemingway, past president of the A. B. A. and president, Mercantile-Commerce Bank and Trust Company, St. Louis, Missouri, is chairman of the A. B. A. committee and the Reserve City Bankers committee. Clarence E. Hunter, vice-president, the New York Trust Company, New York, is chairman of the committee of the Bankers Association for Foreign Trade. In addition to the chairman these committees consist of:

Advisory Committee of Special Activities: Orval W. Adams, executive vice-president, Utah State National Bank, Salt Lake City, Utah; Winthrop W. Aldrich, chairman of the board, the Chase National Bank, New York, N. Y.; Leonard P. Ayres, vice-president, the Cleveland Trust Company, Cleveland, Ohio; W. Randolph Burgess, vice-chairman of the board the National City Bank, New York, N. Y.; J. Luther Cleveland, president, Guaranty Trust Company, New York, N. Y.; Robert V. Fleming, president, the Riggs National Bank, Washington, D. C.; Robert M. Hanes, president, Wachovia Bank and Trust Company, Winston-Salem, North Carolina; Fred I. Kent, director, Bankers Trust Company, New York, N. Y.; Hugh H. McGee, vice-president, Bankers Trust Company, New York, N. Y.; Frank C. Rathje, chairman of the board and president, Chicago City Bank and Trust Company, Chicago, Illinois; Tom K. Smith, president, the Boatmen's National Bank, St. Louis, Missouri; Charles E. Spencer, Jr., president, First National Bank, Boston, Massachusetts, and Merle E. Selecman, deputy manager, A. B. A., New York, N. Y., secretary.

Committee on Federal Fiscal Policy: Keehn W. Berry, president, Whitney National Bank, New Orleans, Louisiana; H. Donald Campbell, president, the Chase National Bank, New York, N. Y.; S. Sloan Colt, president, Bankers Trust Company, New York, N. Y.; Robert V. Fleming, president, Riggs National Bank, Washington, D. C., ex-officio as president of the association; Fred F. Florence, president, Republic National Bank, Dallas, Texas; H. Hiter Harris, president, First and Merchants National Bank, Richmond, Virginia; Percy H. Johnston, chairman, Chemical Bank and Trust Company, New York, N. Y.; James R. Leavell, president, Continental Illinois National Bank and Trust Company, Chicago, Illinois; William A. Mitchell, vice-president, J. P. Morgan & Company, Incorporated, New York, N. Y.; Andrew Price, president, National Bank of Commerce, Seattle, Washington: James D. Robinson, president, First National Bank, Atlanta, Georgia; Charles E.

Spencer, Jr., president, First National Bank, Boston, Massachusetts; J. C. Traphagen, president, Bank of New York, New York, N. Y., and G. M. Wallace, president, Security-First National Bank, Los Angeles, California.

Study Committee on Post-War Problems: E. M. Andel, assistant vice-president, Bankers Trust Company, New York, N. Y.; Owen L. Carlton, vice-president, Central National Bank, Cleveland, Ohio; W. F. Gephart, vice-president, First National Bank, St. Louis, Missouri; W. Latimer Gray, vice-president, First National Bank, Boston, Massachusetts; J. Leroy Lawson, supervisor of banking arrangements Royal Bank of Canada, Montreal, Canada; Robert F. Loree, vice-president, Guaranty Trust Company, New York, N. Y.; Elliott McAllister, vice-president, the Bank of California National Association, San Francisco, California; J. F. McRae, president, the Merchants National Bank, Mobile, Alabama; William A. Mitchell, vice-president, J. P. Morgan & Company, Incorporated, New York, N. Y.; Arthur W. Roberts, vice-president, Continental Illinois National Bank and Trust Company, Chicago, Illinois; Harry Salinger, vice-president, First National Bank, Chicago, Illinois; Siegfried Stern, vice-president, the Chase National Bank, New York, N. Y., and Wilbert Ward, vice-president, the National City Bank of New York, New York, N. Y.

## Declines Resignation Of Secretary Perkins

It was made known on Jan. 24 that President Roosevelt has declined to accept the resignation of Miss Frances Perkins as Secretary of Labor. Associated Press accounts from Washington reporting this, said:

"Miss Perkins refused to make public a letter from the President asking her to continue and rejecting her request to be permitted to quit after twelve years.

"The President's decision was reported to have been conveyed to her orally at first on Friday, the day before inauguration, and followed through with a letter.

"One of the last two members of Mr. Roosevelt's original Cabinet (Secretary Ickes is the other), she has been represented as wanting for a long time to step out of the labor post.

"The President was known to have offered nearly a month ago to appoint any successor on whom the CIO and AFL could agree.

"He discussed personalities with Philip Murray, President of the CIO, and William Green, President of the AFL, but the talks apparently were fruitless.

"During Miss Perkins' tenure her critics, including some labor leaders, have frequently laid stress on what they termed the need for a new appointee to handle labor issues.

"When she took the labor helm its principal preoccupation was with the immigration and naturalization service. Since then that branch has been transferred to the Justice Department and the various statistical agencies have been expanded, notably the Bureau of Labor Statistics.

"Miss Perkins has built up the Children's Bureau and the Women's Bureau and has been responsible for administration of the Fair Labor Standards Act and the Wage and Hour Law.

"Meanwhile, emergency war agencies touching on labor have developed outside her province. Among these are the War Labor Board, War Manpower Commission and the National Labor Relations Board."

The President, it is reported, has also declined to accept the resignation of Secretary Ickes.

# State of Trade

Industrial production moved generally downward again this past week for the third week in succession. The backlog of unfilled orders continues to climb as the needs of war mount. Factory employment, although lower than last year, according to Dun & Bradstreet, Inc., has gained slightly over the previous several months as a general easing of the acute manpower shortages was reported for some industries and for some sections of the country.

The change in the tide of war in Europe in favor of the United Nations has again given rise to fresh optimism that the conflict in Europe may soon be terminated. There can be little doubt in any one's mind that Germany at long last has reached that decisive stage of the war that bodes only defeat for her, but we cannot afford to gamble on her apparent inability to delay too long the fatal hour, and there is no intention of our doing so. The past week witnessed another increase in applicants for war jobs without benefit of a national service law. Pending legislation in the form of the May-Bailey limited service bill managed to pass the House last week and at present is awaiting action by the Senate. The revised measure would place manpower controls in the hands of War Mobilization Director Byrnes, thus giving the WMC, instead of selective service, authority to obtain needed workers for essential industry and thereby same time and effort.

Should the above measure become a law it would have the effect of a further tightening in our civilian economy. The need for such a law here seems to lose much of its validity when one reads of England taking steps to reestablish her peacetime economy. It is reported that some 800 English manufacturers have received permission to go ahead with post-war models and 90% of her machine tools have been freed for civilian use after a deal by which lend-lease tools costing $166,000,000 were sold to her for $31,500,000.

**Steel Industry**—As a result of severe weather, freight embargoes, manpower shortages and employee fatigue, the steel industry this past week suffered one of its most drastic production set-backs since the war starteed. Mid-week saw no indication that the full pre-storm level of ingot output would materialize in the immediate future. The raw steel rate for the country declined three points this week to 89.5% of rated capacity, with some curtailments existent a week ago still in effect this week, states "The Iron Age," in its current review of the steel trade.

Some of the back-up in the nation's steel mills, which has caused a shutting down of furnaces, can be charged to the drastic rail freight embargo which ended Tuesday midnight of last week. Some indications were in evidence, however, that a new embargo might again be put into effect soon. Overall results of the most recent freight embargo may not be known for about a week, and while this action proved of considerable assistance to Army and Navy operations, it nevertheless caused considerable disruption of normal steel operations. This was occasioned in part by a misunderstanding of the order, as in the case of the coal miners who were ordered not to report to work.

Early this week the Buffalo district seemed to be the hardest hit by a combination of embargo, weather and manpower problems, with ingot output in that area scheduled at 29% early this week, compared with 93% the week before, reports the trade paper. On Tuesday of last week Bethlehem at Buffalo was operating 10 out of 30 open hearths; Republic Steel Corp. had all nine of its furnaces down, while Wickwire was unable to operate its four furnaces. At mid-week plans were uncertain as to when all furnaces would resume production.

At Pittsburgh steel losses at one plant alone amounted to 19,000 tons and coal stocks at various plants were down to a four-day supply, with plant officials already worrying about the possibility of an unprecedented flood in case a heavy and quick thaw should set in. At Cleveland the ingot rate dropped 10 points to 79.5% of capacity. Considerable steel was lost in that area when many open hearth furnaces were forced down.

In the Chicago district the embargo was met by reshuffling delivery schedules in order to provide delayed rolling for Eastern orders and by storing rolled products on mill floors. A car shortage further complicated the situation.

Steel order volume this past week continued to mount and order books generally bulged to twice the size of a month ago and were about 50% ahead of the similar period last year, "The Iron Age" disclosed. Despite the inability of mills to absorb further tonnage, order directives continued to pour down from WPB on overflowing schedules, particularly for structural steel. Inquiries by WPB into the possibility of an expansion in capacity to break the bottlenecks caused by the heavy shell program, disclosed that additional construction, if undertaken, could not become effective for some time—possibly a year. According to WPB Chairman Krug, Army steel requirements for the second quarter have been increased by 750,000 tons.

If shell steel goals, which have been revised upward repeatedly within the past few months, are met, it is clearer than ever that other programs will have to be further deferred. The revised landing mat program is showing complications as a result of a change in specifications. If such a specification were to become widespread, deliveries would be delayed at least 90 days from the June dates quoted for hot rolled sheets.

The American Iron and Steel Institute announced last Tuesday that the operating rate of steel companies (including 94% of the industry) will be 89.3% of capacity for the week beginning Feb. 5, compared with 90.1% one week ago. The current rate is the smallest of any non-holiday week since July 22-29, 1940. This week's operating rate is equivalent to 1,610,800 net tons of steel ingots and castings, compared with 1,625,200 tons last week and 1,741,800 net tons one year ago.

**Electric Production**—The Edison Electric Institute reports that the output of electricity increased to approximately 4,576,713,000 kwh. in the week ended Jan. 27, 1945, from 4,588,214,000 kwh. in the preceding week. Output for the week ended Jan. 27, 1945, was 1.2% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 200,600,000 kwh. in the week ended Jan. 28, 1945, comparing with 220,800,000 kwh. for the corresponding week of 1944, or a decrease of 9.1%.

Local distribution of electricity amounted to 186,700,000 kwh. compared with 208,000,000 kwh. for the corresponding week of last year, a decrease of 10.2%.

**Railroad Freight Loading**—Carloadings of revenue freight for the week ended Jan. 27, 1945, totaled 758,870 cars, the Association of American Railroads announced. This was a decrease of 18,450 cars, or 2.4% below the preceding week this year and a decrease of 52,020 cars, or 6.4% be-

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# Congress vs. People

A committee of the American Political Science Association recently recommended:

"That Congress divest itself, because of the heavy volume of legislative business, of such work and activities as it can appropriately delegate to other agencies, such as the government of the District of Columbia, the settlement of private claims and pensions, and other private and local legislation.

"That the committees of Congress be adequately equipped with independent, qualified experts to aid them in making laws, such experts either to be attached to the committees or drawn from a central pool or joint legislative staff service.

"That a Legislative Council be established, to be composed of the Vice-President, the Speaker of the House, the Majority Leaders in both Chambers and the chairmen of the reorganized standing committees.

"That the function of legislative oversight of administrative performance be entrusted by Congress primarily to the subcommittees of the House Committee on Appropriations, which should be adequately staffed to permit continuing review and evaluation of the work of the executive agencies within their respective jurisdictions.

"That the annual salaries of Senators and Representatives be increased to $15,000; that each member's annual allowance for clerical hire be substantially increased, and that the Civil Service Retirement Act be amended so as to make members of Congress eligible for retirement annuities on a contributory basis after long legislative service."

Congress in recent years has, we think, been at least as much "sinned against as sinning," but, of course, its record is not an enviable one.

The suggestions here made may have merit, but they are not likely to give us a really better Congress.

The chief trouble with the American Congress is the American people!

## Senate Passes Bill Reserving Right To States to Regulate Insurance Business

A compromise bill covering the regulation of the insurance business was passed by the U. S. Senate on Jan. 25. It was noted in the Associated Press that the measure, the passage of which results from the decision of the U. S. Supreme Court on June 5, 1944 holding that insurance is commerce, and subject to the anti-trust laws reserves to the States the continued taxation and regulation of the insurance business, but sets the right of the Federal Government to intervene in cases of "boycott, coercion or intimidation" in the fixing of rates.

"At the same time," says the press advices, "it exempts the insurance business from Sherman Act provisions until June 1, 1947, and Clayton Act provisions until Jan. 1, 1948, to permit a period of adjustment of existing procedures."

The Senate Judiciary Committee unanimously approved the bill on Jan. 22, stating that the Senate passed the measure (the McCarran-Ferguson bill) on a voice vote. Advices to the New York "Journal of Commerce" from its Washington bureau on Jan. 25 reported that no question was raised when the measure was brought to the Senate, and there was only a scattering of dissenting votes. The advices in the "Journal of Commerce" also said:

"It is expected that the McCarran-Ferguson bill will be referred to the House Judiciary Committee, which already has under consideration the Walter bill, which was re-introduced early in the present session after being passed by the House by an overwhelming vote last spring.

"The McCarran-Ferguson bill represents the feelings of a large part of the insurance industry as to the legislation necessary to assure regulation and taxation of the business by the States. Following the decision of the Supreme Court, holding that insurance is in interstate commerce and therefore subject to terms of the Sherman and Clayton acts, it was feared that the Federal Government would attempt to assume regulatory powers.

"Representatives of a number of branches of the insurance industry, including the National Association of Insurance Commissioners, joined in asking Senator Pat McCarran (Dem., Nev.), Chairman of the Senate Judiciary Committee, to sponsor the measure which they had drafted.

"The Walter bill simply asserts that it was never the intent of Congress to apply provisions of the Sherman and Clayton Acts to the business of insurance.

"The McCarran-Ferguson bill is designed to give the States time to revise their laws in accordance with the Supreme Court decision and to perfect their own measures for regulating and taxing insurance within their own borders.

"The bill also specifically declares that it is the intent of Congress that taxation of insurance be left to the States. Several States, including North Carolina, South Carolina, Tennessee and Kentucky, require tax payments by Feb. 1 and without any assurance from Congress many companies would be forced to protest such tax payments because of the differences in tax treatment between domestic and foreign companies."

In our issue of Jan. 18 (page 291) reference was made to the letter addressed by President Roosevelt to Senator Radcliffe indicating his indorsement of a bill by Senator O'Mahoney providing for a moratorium exempting insurance companies from the Sherman Anti-Trust Act until March 1, 1946 except as to boycott, coercion or intimidation. The Supreme Court decision holding insurance inter-State trade and subject to the Anti-Trust Act was noted in these columns June 8, 1944, page 2383.

# The Financial Situation

(Continued from first page)

There is a large element in the President's party which is convinced that our success in producing the sinews of war has "revealed" a hitherto unsuspected production capacity, and suggested a technique whereby this capacity can be fully utilized in peacetime. They are convinced moreover that "we" have learned (as if we had not had the same experience during the first World War) what it is like to have "full employment," and a good deal else that is not precisely defined but is supposed to be something very good, and that "we" shall never "consent" to "go back" to those unenlightened years which preceded 1943. As to techniques by which to reach this desired peacetime goal, they speak glibly, if vaguely, about "cooperation," one of the partners in the process being government. They apparently are not very clear in their own minds as yet as to precisely what part the government should play—but they are quite certain that it must put up funds in amounts which prior to our entry into this war would have been regarded as fantastic—the figment of some diseased imagination.

Although still speaking on occasion of orderly debt retirement after the war, the President himself is one of the leading exponents of this type of postwar policy, and Mr. Wallace is perhaps not only the most persistent and ardent, but possibly the most extreme, lieutenant of the President in this "movement," if such it may be termed. Since the President does without doubt feel under political obligations to Mr. Wallace, since Mr. Wallace is the darling of the CIO-PAC, and since the President may feel that he had political scores to settle with Mr. Jones, it is difficult to determine what the precise motives were in this nomination. It may have been made with the intention of placing the most erratic, and the most extreme, of the postwar managers and postwar spenders in a position where he could be of the greatest strategical value to the President and his more extreme left-wing supporters, or it may not, but it would have had such an effect — and the President could scarcely have been unaware of the fact.

### Peacetime Lessons from War

At any rate, whatever the fate of the former Vice-President at the hands of the Senate or indirectly of the Congress, we have not heard the last of this post-war spending program which is being hatched up in Washington by many who worship Mr. Wallace—and it is being formulated with the full approval of the President. The truth of the matter is that in essential principle this general notion of carrying war production volume and war employment over into the peace years by means of unheard-of government spending and by government control of many aspects of the economic life of the country, and therefore of the private lives of individual citizens, has support far beyond the boundaries of the President's party. In fine, here is a theory, founded more or less upon Keynesian theories, which command wide support, and will without the slightest question be cropping up from this point forward. Much will depend, indeed it would scarcely be too much to say that the future of this country will depend, in large measure upon the way in which Congress meets this challenge.

It will meet this challenge adequately or not depending not so much upon what it may think of Mr. Wallace or of the CIO-PAC, or what it may regard as the politics of the situation as upon the degree in which it may see clearly the defects, indeed the deadly danger, of the type of policies that are being formulated by such groups as these. The Wallaces may come and the Wallaces may go, but such ideas as these may continue to plague or to threaten the country. Let there be no mistake about it. The Hillmans, the Reuthers, and the others in the left wing labor union support of the President — and for that matter, the President himself —are not nearly so much interested as they may appear to be in Mr. Wallace as such. The moment they think their cause or their own future can do better without the former Vice-President we shall hear little more from him—except so far as he himself keeps his own political chariot moving. Congress, too, if it is to do its duty in this matter, must keep its eye on the ball, not merely on Mr. Wallace.

### Mistaken Notions

Let no one suppose that the war, Mr. Wallace, the President, Lord Keynes, or any of the "bright young boys" so numerous in Washington have discovered any new formula for prosperity and economic welfare. The doctrines expounded by Keynes and made the basis for so many of these wierd ideas of the Wallaces and the others in and about Washington are either old, old ideas, sound enough in themselves, upon which have been grafted the strangest of conclusions, or else they simply are not in accord with the facts of life. It is all very well for Lord Keynes to say, as he is reputed to have said, that only in war times can people be persuaded to develop the boldness which would prove his theories—with the vague notion apparently that wartime has proved his ideas. The trouble is that there simply is no truth in the idea that war experience has proved anything about peacetime policy. Nor is there any ground either in logic or in experience to lead any intelligent or reasonable man to suppose that it is possible for a people or the world to spend its way into riches.

We fear Mr. Wallace very much less than we do Mr. Wallace's program — and its piecemeal adoption.

## Writing Down Good Will Through Charge to Capital Surplus Improper: SEC

The Securities and Exchange Commission made public on Jan. 20 an opinion of its Chief Accountant in its Accounting Series discussing the propriety of writing down goodwill by means of charges to capital surplus. The opinion is expressed therein that "the proposed charge to capital surplus is contrary to sound accounting principles." The opinion, prepared by William W. Werntz, Chief Accountant, follows:

"Inquiry has been made as to whether in a financial statement required to be filed with the Commission goodwill may be written down or written off by means of charges to capital surplus. The goodwill in question resulted from the acquisition during the year of the assets and business of a going concern at a price of $2,000,000, payable in cash or its equivalent. It was determined that $1,750,000 was paid for the physical assets acquired and $250,000 for goodwill. It is now proposed to write off this goodwill by a charge to capital surplus.

"In my opinion the proposed charge to capital surplus is contrary to sound accounting principles. It is clear that if the goodwill here involved is, or were to become, worthless, it would be necessary to write it off. Preferably such write-off should have been accomplished through timely charges to income, but in no event would it be permissible, under sound accounting principles, to charge the loss to capital surplus. The procedure being proposed would, however, evade such charges to income or earned surplus and would consequently result in an overstatement of income and earned surplus and an understatement of capital.

"This position was expressly taken in the following paragraph of the Commission's opinion in **In the Matter of Associated Gas and Electric Company — SEC.** — (Securities Exchange Act of 1934, Release No. 3285A, August 5, 1942, at p. 54):

"'[the] position [taken] with respect to intangibles not subject to amortization assumes that as long as the write-off is made because of conservatism before actual realization of the loss, the write-off may be made to capital surplus. This practice would permit a corporation to circumvent charges which should be made against income or earned surplus by recognizing them in advance as a charge against capital surplus and, in our opinion, it is not consistent with the fundamental principle that a distinction should be maintained between capital and income.'"

## Supreme Court Approves SEC's Ratio of Distribution of United Light & Power's Assets

### Five to Three Decision Holds That Charter Liquidation Provisions for Preferred and Common Shares Does Not Apply in "Death Sentence" Cases.

In a five-to-three decision, the Supreme Court on January 29 denied the petition of the investment banking firm of Otis & Co. of Cleveland, Ohio, to set aside that part of the SEC's dissolution plan of the United Light and Power Company, by which the preferred stockholders were not given the full liquidating value of their shares, so that the common shareholders could receive a participation in the distribution. Under the SEC's plan, the preferred stockholders were allotted 94.52% and the common stockholders 5.48%. The plan was contested by Otis & Co. on the ground that there were not sufficient assets to meet the liquidation payments, and according to the provisions laid down in the company's charter, the common stock, therefore, had no rights of participation.

According to the majority opinion of the court the Public Utility Holding Company Act provides for simplification and distribution "on the basis of a going concern," and, therefore, the requirement that the distribution of assets be "fair and equitable" to various classes of shareholders, does not need to meet the conditions laid down under the charter restrictions of the corporation.

"The commission applied the correct rule of law as to the rights of the stockholders," the majority opinion asserted. "That is to say, when the Commission proceeds in the simplification of a holding company system, the rights of the stockholders of a solvent company which is ordered by the commission to distribute its assets among its stockholders may be evaluated on the basis of a going business and not as though a liquidation were taking place."

"This right to priority in assets which exists between creditors and stockholders exists also between various classes of stockholders," the court admitted, but added that under the Holding Company Act, Congress "wishes to preserve values to investors, not to destroy them."

"Consequently," the majority opinion stated, "while giving the commission power to compel the elimination of holding companies deemed uneconomic, it allowed the affected companies to propose plans to the commission to effectuate the objects and the commission to approve such plans when they were considered fair and equitable."

"The manifest solvency of United Power simplified the problem of stockholders' rights with which we are here concerned," the court added. "The creditors are satisfied. No possibility exists that simplification of structure is employed here to evade or nullify creditors' rights in reorganization or to take the place of traditional reorganization."

Chief Justice Harlan F. Stone delivered the minority opinion of the court, in which Justice Owen J. Roberts and Felix Frankfurter joined. The Chief Justice contended that "Calling the preferred stockholders' right of priority a 'windfall' will not serve as an apology, explanation or justification for the Commission's action in appropriating the priority of the preferred in order to give a windfall to the common."

He further pointed out that the term "fair and equitable" has long been interpreted under the well known Boyd case (Northern Pacific vs. Boyd), decided by the Supreme Court some years ago, and has been generally followed in many similar cases.

He maintained that the rule applies to priorities of different classes of stockholders, as well as between creditors and stockholders. "The rule," Justice Stone said, "is that any arrangement or plan enforced without the consent of the parties affected by it, by which the subordinate rights and interests of stockholders are attempted to be secured at the expense of the prior rights of other security holders, is unfair and inequitable and will not be sanctioned."

## American Tariff League's 60th Year

The American Tariff League, only organization in the country solely concerned with study of the protective tariff, on Jan. 13 rounded out its 60th year of existence, Secretary Bertrand W. Hall recently announced.

Senator Kenneth S. Wherry of Nebraska, Republican whip in the Senate, who defeated the late Senator George W. Norris in 1942, delivered the principal address, "What About Our American Economy?" at the League's 60th Anniversary Dinner at the Waldorf-Astoria in New York on Jan. 18. League President Frederick K. Barbour, President of the Linen Thread Co., presided. The advices from the League said:

The League, founded in 1885, is a non-partisan research organization. It studies facts and forces brought into play in international trade and makes its findings public, in accordance with its constitution, "in an educational effort to provide a better understanding of the effect of these forces on the prosperity of American labor, agriculture and industry."

For 36 years the League published "The Economist," an authoritative weekly of standing and prestige in the world of business and economics. In 1927 "The Economist" was succeeded by "The Tariff Reviw," a monthly designed to fill a more specific function than had its predecessor.

Recently the organization published the results of a three-year comparative study of world tariffs, as of 1937, under the title, "How High Are United States Tariffs?" showing that U. S. tariffs, contrary to the popular understanding, were among the lowest of the world's great trading nations.

Among other recent studies sponsored by the League were: (1) "A Brief Tariff History of the United States," and (2) "Tariff Reductions Under the Reciprocal Trade Agreements Act," showing the 1,226 reductions arranged according to import classification and grouped according to percentage of reduction.

A few of the prominent men associated with the League in the past have been Chauncey Depew, George Westinghouse, John Wanamaker, Leland Stanford, James G. Blaine, Cornelius N. Bliss and A. D. Julliard.

## Supports Wilson's Isolationism Views

(Continued from first page)

or might not have been, which, of course, got nowhere; and (2) "Can Our Objectives Be Gained Without Full Participation in a New League of Nations?" but failed to face the facts and/or explain how we are to do business successfully with the Soviet concept of foreign policy. Events are facts that prove the accuracy of a theory, and Mr. Wilson based his theory on events and facts. I recommend that Mr. Lightbowne read David Dallins's "The Real Soviet Russia." He will find the following on page 71:

"Words must have no relation to actions—otherwise what kind of diplomacy is it? Words are one thing, actions another; good words are a mask for concealment of bad deeds. Sincere diplomacy is no more possible than dry water or wooden iron. —Joseph Stalin."

As an authority, Dr. David Dallin, according to the New York "Times," is a "genuine historian, not a propagandist." We have his word as to Stalin's respect for integrity, responsibility, freedom and justice without which no sound basis for world order can be established.

Personally, I am a disciple of the Great American who declared:

"It is by building our own strength and character at home —not by crusading abroad—that we can contribute most to civilization through the world."

Can Mr. Lightbowne, or anyone else, find any fault with that?

BERKELEY WILLIAMS.
Richmond, Va.

## Says Wilson's Article Clarifies "Isolationist" Term

To the Editor:

I have to thank Alexander Wilson, the writer of "Are Americans Isolationists?" for his article in The Chronicle of Jan. 10. With me it served to clarify the term "isolationist." In fact if that is what is meant by the term, I'll have to confess that I am one!

Right now I'm wondering if great numbers of our people are not slowly awakening inwardly to the mess our country is really in. The light of realization is probably making them blink and rub their mental eyes.

The process will no doubt be cruel, but that time and events will prove the eternal truth of Mr. Wilson's ideas, I have not the slightest doubt.

Otis Dixon Phillips.
Greensboro, N. C.
Feb. 5, 1945.

## Alloy Steel Production In 1944 Below 1943 Total

Production of alloy steels during 1944 totaled 10,525,433 tons, about 12% of total steel production during the year, according to the American Iron and Steel Institute, which further reported:

In 1943, alloy steel production reached a peak of 13,149,818 tons, almost 15% of total steel output. The decline in production last year reflects decreased demand for military purposes.

In December, 1944, alloy steel production totaled 848,274 tons, compared with 803,507 tons in November and 798,647 tons in December, 1943.

Open hearth furnaces produced 6,970,975 tons of alloy steel in 1944. The remaining 3,554,461 tons of alloy steel production came chiefly from electric furnaces.

## Takes Issue With Alexander Wilson On Isolationism

**A. G. Glasgow Says American Electorate Approves World Organization to Preserve Peace and Says "Only Alternative to Collective Suicide by War Is Collective Security Against War."**

Editor, Commercial and Financial Chronicle:

I have just seen "The Chronicle" reprint of "Are Americans Isolationists?" by Alexander Wilson, and am accepting your invitation to comment:

(a) Although Mr. Wilson describes himself as the son of foreign parents, he begins with long definitions of who and what is "The American", followed by longer claims of the superior wisdom and realism of the American "Isolationist".

Speaking quite frankly, it would seem more appropriate for one who is benefiting from American citizenship, without prior contribution to its value, to leave such definitions to those with more American background —no other nation being so diverse in citizenry.

(b) Nevertheless, there is ONE SINGLE ISSUE, concerning which the recent presidential election was unanimous. Our whole voting population, between forty-five and fifty millions, supported the very policy which Mr. Wilson denounces — World Organization to Preserve Peace, with power to co-operate promptly against aggression, without prior congressional debate.

**Both** presidential candidates supported such World Organization; and, between them, received unanimous support of that one and only hope of Permanent Peace.

Granting that some irreconcilables were influenced by party loyalty, such vast and unanimous approval of epoch-making world policy, by the free vote of an entire nation, is unique in world-history — and utterly dissipates Mr. Wilson's individual opposition.

(c) His elaborate collection of past wars and threats of war, ranging from 1755 to 1944, proves only the urgent need of World Organization for Peace. Least of all, does it suggest that America could remain neutral and safe, while a Third War destroyed the outside World.

(d) Even Mr. Wilson recognizes that his case is "counsel of despair", saying,

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

He groups Great Britain, France and Russia equally with Germany, Japan and Italy; although American life, liberty and pursuit of happiness, as well as respect for property and contract, are all based on British Institutions—with some debt to France.

Leaving such muddled-thinking to answer itself, the bald facts are: That another Global War, with implements of destruction immensely increased by science and technology, will end what remains of the World and Civilization; and **that the only alternative, to such collective suicide by war, is collective security against war.**

Cannot individual malcontents, while their country is at war, cease pouring the grit of discord into the gears of allied co-operation, on which—whether they like it or not—the welfare of America now depends?

Yours respectfully,
ARTHUR GRAHAM GLASGOW.

## Profits and Operations of Listed Corporations

Another in the series of statistical reports of the Survey of American Listed Corporations, covering "Data on Profits and Operations, 1942-1943," was made public on Jan. 22 by the Securities and Exchange Commission. The survey, which supplements a previous report for the years 1936-1942, inclusive, is in five parts, Part III representing the latest to be released. Part II of the Survey was referred to in our issue of Dec. 4 last, page 2448. From the release issued on Jan. 22 by the SEC we quote:

"The report shows the effects, whenever reported by registrants, or renegotiation, 'carry-backs' of taxes and termination of contracts, on the financial statements of each of the 1,530 companies included in the survey.

"The survey covers 118 industry groups having total assets of approximately $62,000,000,000 in 1943. Parts I-II-III-IV contain data on 1,120 companies in 76 Manufacturing Industry Groups and Part V will contain data on 413 companies in 42 non-Manufacturing Industry Groups.

"Two hundred and eighty-four companies in 1942 and 280 companies in 1943 comprise the 17 industry groups for which Combined Industry Totals are presented in Part III. These companies have 1943 assets of $16,060,302,000. Net sales in 1942 amounted to $18,044,430,000 and increased to $22,972,374,000 in 1943. Net Profit before Income Taxes for these companies amounted to $2,383,282,000 in 1942 and $2,571,158,000 in 1943 and Net Profit after Income Taxes in 1942 amounted to $837,567,000 compared with $823,904,000 in 1943. Net Profits are after the deduction of Provision for War and Related Contingencies provided out of Income. Eight of the seventeen industry groups reported a larger Net Profit before Income Taxes in 1943 than they did in 1942 with five groups reporting a larger Net Profit after Income Taxes than they did in 1942.

"Almost all of the registrants covered in the report have completed renegotiation of U. S. Government contracts for 1942 and the effect of such renegotiations, whenever reported, has been reflected in their 1942 reports. For 1943 only a part of the companies have completed or made provision for renegotiation. However, a material number of companies, basing their estimates of renegotiation refunds upon their experience in 1942, made voluntary refunds in 1943 during the period in which they were completing their Government contracts; and a number of others made provisions for refunds which they combined with their provision for income taxes.

"In 1942 202 of the 284 companies reporting showed the complete effect renegotiation had on their financial statements. For the 202 companies net sales before any deductions for renegotiation were $13,950,921,000. Voluntary reductions from net sales made by registrants during the year amounted to $173,874,000. The effect of these voluntary deductions before renegotiation on net profits was not stated by registrants. In addition, further deductions from net sales as a result of renegotiation amounted to $184,104,000, and these deductions had the effect of reducing net profit after income taxes by the amount of $21,493,000 and reducing reserves set up for renegotiation by the amount of $23,139,000.

"For 1943 21 of the 280 companies included in the combined industry totals reported the complete effects of renegotiation in their financial statements. For these 21 companies net sales before any reported deductions were $1,597,305,000. Voluntary deductions from sales made by these registrants during the year amounted to $212,456,000. The effect of these deductions on net profit after income taxes was not stated. In addition, deductions from net sales as a result of renegotiation amounted to $10,774,000, and these deductions had the effect of reducing net profit after income taxes by the amount of $2,177,000, and reserves set up for renegotiation refunds by the amount of $120,000. Many companies in 1942 and 1943 have made voluntary deductions during the course of the fiscal year without stating the amounts or the fact that such deductions were made in their financial statements. Tables showing the effect of renegotiation on the financial data of the 1,120 manufacturing companies included in the study will be summarized in Part IV.

"Of the 17 industry groups, "Steel Producers with Blast Furnace Facilities" reported the largest net sales. These 14 companies reported net sales in 1942 of $5,403,508,000, compared with net sales in 1943 of $6,105,940,000. Net profit before income taxes amounted to $702,529,000, or 13.0% of sales in 1942, compared with $561,464,000, or 9.2% of sales in 1943. Net profit after income taxes amounted to $180,991,000, or 3.3% of sales in 1942, compared with $167,814,000, or 2.7% of sales in 1943. These 14 companies showed a net profit after income taxes as a percent of net worth amounting to 5.8% in 1942, compared with 5.3% in 1943.

"Ten 'automobile' companies reported the next largest net sales of $3,584,428,000 in 1942, compared with $5,870,838,000 in 1943. Net profit before income taxes for these companies amounted to $371,576,000, or 10.4% of sales in 1942, and rose to $538,651,000, or 9.2% of sales in 1943. Net profit after payment of income taxes amounted to $194,918,000, or 5.4% of sales in 1942, compared with $191,402,000, or 3.3% of sales in 1943. Net profits after income taxes, as a percent of net worth for this group, declined from 13.3% in 1942 to 12.4% in 1943."

With 82 companies included in the combined totals in 1942 and 79 companies included in 1943, "Automobile Parts and Accessories" reported Net Sales of $2,429,860,000 in 1942 compared with $3,721,694,000 in 1943. The Net Profit before Income Taxes reported by these 82 companies in 1942 amounted to $344,661,000 or 14.2% of Sales compared with 79 companies reporting $508,498,000 or 13.7% of Sales for the same item in 1943. These companies reported a Net Profit after Income Taxes of $88,318,000 or 3.6% of Sales in 1942 compared with $106,367,000 or 2.9% of Sales in 1943. Net Profit after Income Taxes as a percent of Net Worth however, was larger in 1943 than in 1942, showing 13.9% return in 1942 compared with 17.2% in 1943.

The industry group reporting the fourth largest Sales during the period covered was "Non-Ferrous Metals—Including Smelting and Refining." Twenty-two companies in 1942 reported Net Sales of $1,696,941,000 in 1942 while 23 companies reported Net Sales of $1,882,023,000 in 1943. Net profit before Income Taxes for these companies amounted to $347,614,000 or 20.5% in 1942 compared with $326,612,000 or 17.4% in 1943. Net Profit after Income Taxes amounted to $181,468,000 or 10.7% of Sales in 1942 compared with $172,298,000 or 9.2% in 1943. Net Profit after Income Taxes as a percent of net worth declined from 9.8% in 1942 to 9.0% in 1943.

The Commission says: "Copies of this report were not prepared for general distribution due to the paper conservation program and budgetary limitations. The report may be used at the office of the Commission in Philadelphia or at any Regional or Branch Office, and at a number of selected depository libraries."

## CCC Financing Boosts Farm Production

Financial operations of the Commodity Credit Corporation—including loans to farmers, purchases of farm products, and other agricultural price-support programs—totaled $5,058,000,000 during the 1944 fiscal year. Total for the preceding year was $3,506,000,000.

The U. S. Department of Agriculture in reporting this said:

"Operations were broadened in 1943-44 in an accelerated program of farm production and price support to meet wartime military and civilian requirements for food and fiber. Farm production during this period was an all-time high record.

"The Corporation's 1944 annual report shows a wartime total of more than $9,000,000,000 of CCC financing for all purposes through June 30, 1944, by comparison with less than $3,000,000,000 of CCC loans and purchases during the entire period of its prewar operations dating back to 1933.

"The wartime total includes the financing of $5,000,000,000 of commodities purchased for lend-lease and related account. The Corporation is reimbursed by the Lend-Lease Administration for these expenditures.

"Estimated cost of the 1943-44 farm price-support program—including equalization payments to producers and processors—was $350,000,000. Including direct payments to dairymen—to boost the production of milk and butterfat—the estimated cost of the 1944-45 programs is about $750,000,000.

"Large programs operated by the Corporation during the 1944 fiscal year included (1) loans to cotton growers, (2) payments to dairy farmers to increase the production of milk and butterfat, (3) purchase and sales of feed wheat to maintain the production of meats, milk, and other livestock products, and (4) price-support and equalization payments to maintain the production of vegetable oils for food and industrial uses.

"The Corporation bought and sold 1943 and 1944 domestic wool at ceiling prices to maintain production and the income of wool producers; it bought and managed the 1944 Caribbean sugar crops so as to prevent a rise in prices to consumers, and it made price-support and equalization payments to stimulate the production and processing of canning crops.

"Other activities included a long list of operations in price-support and price-stabilization programs, ranging from freight-equalization payments on apples shipped from the west coast to interior and eastern markets to negotiations for the sale of surplus stocks of gum rosin to stimulate the production of industrial products.

"Price-support and stabilization programs also were applicable to dry beans and peas, sugar beets and sugarcane, potatoes and sweet potatoes, dried fruits, vegetables for fresh consumption, apples for processing, and hay and pasture seed."

# Fraternity For Peace Indispensable

(Continued from first page)

exclusive action. Only collective security can stop the next great war before it starts. Therefore collective security is to our advantage: and we serve America if we can help to make it work.

**Uphold Atlantic Charter**

But this brings me immediately to my second fundamental. We can not make it work alone. Unshared idealism is not an asset: it is a liability. It takes something more than a "paper league" to keep the peace. An unjust peace will break out of any strait-jacket the wit of man can devise. It ought to. Collective security will be no stronger than the merits of the cause it implements. Therefore it is to our own American self-interest also to keep this objective forever at our masthead—peace with justice! Not because we want to meddle in the problems of other continents, but because there can be no peace without justice! Let me be specific. I am talking about the basic aspirations of the Atlantic Charter. It is not just a nautical collection of fragmentary notes. It is bone and sinew of our flaming forward march. I quote:

"No aggrandizement, territorial or otherwise!"

"No territorial changes which do not accord with the freely expressed wishes of the people concerned!"

"The right of all peoples to choose the form of government under which they will live!"

"Sovereign rights and self-government restored to those who have been forcibly deprived of them!"

There will be differences of opinion in the grand alliance about the meaning of these precious things. I do not pretend to say that we, by dictation, can have it all our own way. But I do presume to say that, by the same token, no other member of the grand alliance, by dictation, can have it all his own way either. I do not speak belligerently. I speak with deepest respect for the utterly magnificent contribution which each of our major allies is making to the coming victory. But I speak with equal respect for our own fabulous American contribution. I speak with a profound prayer that the friendly, helpful unity among us shall never fall apart. But I speak also in the belief that candor now will do more for this priceless unity than will disillusionment tomorrow.

**Avoid Unilateral Decisions**

This brings me to my third fundamental. The President has correctly said: "The nearer we come to vanquishing our enemies the more we become inevitably conscious of differences among the victors." How do these dangerous differences disclose themselves? Usually by unilateral decisions in which one or another among the United Nations makes its own announcement—pronounces its own ultimatum—regarding its own present or post-war plans and purposes. It puts its own interpretation upon its own rights regardless of the fact that these rights, for all of us, all flow from our common effort. I assert that all vital decisions should also flow from the same sort of a common effort.

Let me illustrate what I mean. The army that gets to Berlin first does not win for its nation the right to settle Germany's future just because it got to Berlin first. No nation's army would have reached Berlin at all except for the heroic, common combat of all the other nations' armies. This is just another way of saying that unity—unity for an ultimate lasting peace—is a constant, day-to-day necessity which must be nourished by all of us through constant, co-ordinated consultation—in war and then in peace—and through a reasonable regard for mutual sensibilities.

Now let's put these three fundamentals together and—in the name of honest, helpful candor—see whether they do not plainly point an immediate plan of action. You will remember the fundamentals. First: The inexpressively vital need to prevent World War III through collective security. Second: The paramount importance of a just peace if it is to be a permanent peace. Third: The hazard to these objectives if each of the United Nations starts going its own way even before we have clinched our total victory. Let's frankly face our American responsibilities in this connection.

It seems to me that the logic of the situation is fairly straight and simple.

Why do our allies take these disunifying steps? What's the reason given for partitioning Poland? For planning satellite conquests? For the Anglo-Soviet agreement of 1942, the Soviet-Czechoslovak agreement of 1943, the Franco-Soviet Treaty of 1944, and similar actions yet to come? What's the reason given for much of the resurgent movements toward alliances, and toward the old "power politics" which has been the world's prime curse? What's the reason?

**Allies' Common Danger**

It is a perfectly understandable reason. It is a perfectly human reason. It is the frankly expressed fear of reborn Axis aggression in the years to come. Twice within one generation our continental allies have seen the German monster rise and overwhelm them. Twice within one generation they have been driven to the valley of the shadow by military aggression. They do not propose to be exposed again. Unless and until they know that they can depend upon America to join effectively in keeping Germany and Japan de-militarized, they will continue to go their own way. The truth of the matter is that it was the failure to keep Germany demilitarized after World War I which made possible World War II.

In the face of these circumstances, my fellow citizens, I ask you whether our immediate duty—our tremendously great, immediate opportunity—is not clear? America has the same self-interest in keeping Germany and Japan permanently and effectively demilitarized as have her closer victims. America has the keenest sort of self-interest in preventing the threat of reborn Axis aggression from driving the rest of the world into another era of separate alliances because that, too, is the road to another war. In other words, here is one, common danger—one, common objective—in which we have a complete and basic common interest.

Why not face it now? Why not act now? Regardless of any other peace plans, and regardless of whether we agree or disagree among ourselves regarding them, here is one thing that must be done regardless of whether we do anything else at all. Here is one thing that must be done—namely, the permanent demilitarization of Germany and Japan—unless we are blinder than bats in respect to history, following World War I, and unless we are to be guilty of the colossal sin of dissipating victory after World War II.

**Immediate Action Required**

It is in response to this irresistible logic of events that I have proposed and continue to propose that America shall sign up now with all her major allies to join in a hard-and-fast treaty, solemnly ratified by the Senate of the United States, which pledges our constant armed co-operation, instantly and peremptorily available through the President of the United States without further reference to the Congress, to keep Germany and Japan out of piracy for keeps. I propose that we say—beyond misunderstanding—that this fiendish thing shall not rise again. I propose that we shall practice what we preach. I propose that no other nation shall have any further chance to use our silence as an alibi for ulterior designs, if such there be. I propose action instead of words. I propose action now—before it is too late. I propose it for the sake of a better world. But I say, "again and again and again," that I propose it for our own American self-interest.

**Collateral Advantages**

Aside from the incalculable major advantage thus to be gained, there are at least two collateral advantages of scarcely secondary moment. I discuss them briefly.

When we have relieved our allies of any legitimate fear of re-born Axis aggression, we also have relieved them of any legitimate need, each on his own unchecked account, to make unilateral decisions, from time to time, in the name of self-defense. We shall have earned the right to demand that whatever such decisions may have been made in the process of war—and I concede that such decisions may sometimes be unavoidable — we shall have earned the right to demand that all such decisions shall be subject to review and correction in the post-war peace by whatever international organization we set up to perpetuate the solidarity of the United Nations. In other words, and in plain terms, we shall have earned the right to demand peace with justice—the only kind of peace which can survive. A spoilsman's peace will not survive. Therefore, peace itself is the issue at this point. Furthermore, one of the greatest arguments against early action on the Dumbarton Oaks plan for a post-war league will have been substantially removed because, otherwise, it can be persuasively urged that America is asked to sign a warrant to help sustain an unknown future which may be too repugnant to us to deserve or to get any such fidelity from justice-loving America.

This brings me to the second collateral, but dreadfully important, dividend from this program. It brings me to Dumbarton Oaks. If we first deal with our enemies through unequivocal post-war restraints upon them, we have remaining only our friends to consider in charting the organization of our post-war peace league. This immensely simplifies our problem. The only real controversy inside America respecting Dumbarton Oaks is whether the President shall have the power, without reference to Congress, to join our armed forces with those of the peace league to stop renewed military aggression. After we have given him this unquestioned power in respect to our enemies, I think I can prove that the creation of such a power for use against our friends becomes almost an academic question from the standpoint of reality.

**Upholds Dumbarton Oaks**

Remember, we are now arranging a peace formula with our friends. We have taken care of our enemies. Remember that we are now talking only about the future use of force against one of our present allies who subsequently becomes a military aggressor to threaten the peace of the world. Obviously it can be only one of our present major allies. It will have to be a present major ally who has broken a solemn pledge to abandon force as an instrumentality of foreign policy. It will have to be a major ally who has successfully defied all of the intervening machinery for the pacific settlement of disputes contemplated by Dumbarton Oaks. This means full investigation and report; then conciliation; then mediation, then arbitration; probably the intervention of international law through the medium of a new world court; perhaps even economic sanctions. The new crisis will not be a blitz. It will not come upon the world like a thief in the night. It will finally reach the last recourse—namely, armed force—only after the other United Nations (which is to say, the conscience of the world) has been put upon serial notice that one of our present major allies has turned brute beast and proposes to assault civilization.

Such a challenge would be of such gravity that no President in his right mind—whether he has the actual power or not—would think for an instant of committing America to such a war without knowing that he had his country and the Congress behind him. On the other hand, no Congress would hesitate for an instant to respond to such a challenge. We declared war on Japan in thirteen minutes and on Germany in five. That ought to be sufficiently expeditious. In other words, I repeat, it means nothing, in a practical sense, whether the President himself is given this final power or not, so far as the functioning of the peace league is concerned. But, in a practical sense, it may mean infinitely much in the decision of the American people as to whether they might reject the whole Dumbarton Oaks adventure, if they are asked to give the President this exclusive power against one of our present allies in the face of a plain constitutional injunction that only Congress can declare war.

**Military Action Constitutional**

Oh, but, you ask, if "only Congress can declare war," how can you give the President plenary power to use our armed forces to keep the Axis permanently demilitarized? The answer is that for 150 years the Constitution has permitted the President to use this plenary power for "the national defense"—short of war—and it repeatedly has thus been used without question. The permanent demilitarization of the Axis, when once authorized by Congress through the Senate's ratification of a treaty, would not involve a new "declaration of war." It would only be the lengthened shadow of the present war. It would clearly fall within the Presidential authority under the Constitution.

Now you probably ask: "Should the peace league have no force available, except against our erstwhile foes?" My answer is that the peace league certainly should maintain constant staff work in planning the ultimate mobilization of military force; it certainly should have peremptorily available, so far as we are concerned, such military force as is traditionally granted under the Constitution to the President for "national defense"; but, remembering there is to be unlimited force for use against our present foes, it does not need the final war power which the Constitution of the United States commits exclusively to the Congress of the United States.

**Justice Substituted for Force**

My further, and fundamental, answer is that the genius of Dumbarton Oaks, in correct perspective, is not the use of military force at all. The genius of Dumbarton Oaks is the exact opposite. It is the substitution of justice for force. It is the substitution of international law for piracy. It is the substitution of peace for war. Its genius lies in the organization of these pacific mechanisms which shall stop future frictions short of the necessity for force. Its genius lies in the mobilization of the vigilant moral and spiritual power of enlightened civilization against the dark and evil forces of recurrent savagery. If this power has been dormant and impotent it is because it has lacked a vigorous world instrument for organized expression. In my deep conviction, Dumbarton Oaks, in proper form, can supply this tremendous instrument.

All of these benedictions become possible just as soon as we have permanently quarantined the Axis lusts. Oh, yes, I have oversimplified the problem. I have no illusions that this tough old world will suddenly quit its sins because a formula is born. I promise no millenium. I am not so naive as to believe that the earth can suddenly rid itself of national rivalries. But I respectfully submit that here lies a way of hope. It, or something like it, will take us out of our foreign policy vacuum. It will unite our tongues and once more make us vocal in behalf of our ideals. It will save us from the dangerous misunderstandings which our continued silence might invite. It will certainly promise a better peace and, therefore, a safer and a longer peace. And it is practical because it plainly conserves self-interest (unless "self interest" involves ulterior and sinister designs) for all concerned in this great fraternity of allied war.

**Self Interest Maintained**

I do not object, my fellow citizens, to the vigilance of any nation in behalf of its own self-interest. That is what nations are for. I am frank to say that I want our intelligent, American self-interest just as vigorously protected by our spokesmen as British self-interest is always protected by Mr. Churchill and as the self-interests of the Soviets always are protected by Mr. Stalin. But I cannot escape the conviction that an insurance policy against World War III is basic in the self-interest of every civilized nation in this distraught world, America emphatically included.

Certainly that is an expession of American self-interest. We give up nothing except the inevitable curse of another involvement in another war if it ever comes. We do not sacrifice our independence. We join no world state. We do not desert the Constitution. We leave the Stars and Stripes in all their pride and glory on the domes of Washington. We simply join ourselves, in continued united fraternity with our battle comrades, in a great co-operative adventure for a better earth. We do it for the safe for free men in a free world. We do it in the name of justice. We do not do it if justice is denied. If we can start it now, our allied unity will have new vigor. The end of all our present wars will respond more quickly to our prayers. We shall vindicate our soldier-sons. We shall keep the word of promise to our hopes. We shall save our children's children. We shall have earned the right to beseech God's blessings on our dreams.

# The State of Trade

(Continued from page 651)

low the corresponding week of 1944. Compared with a similar period of 1943, an increase of 24,200 cars, or 3.3% is shown.

**Coal Industry**—The Solid Fuels Administration, U. S. Department of the Interior, in its latest report, places total production of soft coal in the week ended Jan. 27, 1945, at 11,680,000 net tons, a decrease of 280,000 tons, or 2.3% from the week previous. Production in the corresponding week of 1944 amounted to 12,830,000 tons.

According to the U. S. Bureau of Mines, output of Pennsylvania anthracite for the week ended Jan. 27, 1945, was estimated at 959,000 tons, a decrease of 40,000 tons, or 4% from the preceding week. When compared with the corresponding week in 1944 a decrease of 315,000 tons, or 24.7% is reflected.

Beehive coke for the week ended Jan. 27 showed a decrease of 16,200 tons under the previous week, but was 71,200 tons less than for the similar week of 1944.

**Crude Oil Production**—Daily average gross crude oil production for the week ended Jan. 27, as estimated by the American Petroleum Institute, was 4,727,150 barrels. This represented a decrease of 6,600 barrels per day below the preceding week and 2,450 barrels higher than the daily average figure recommended by the Petroleum Administration for War for the month of January, 1945. When compared with the corresponding week last year, crude oil production was 817,700 barrels per day higher. For the four weeks ended Jan. 27, 1945, daily output averaged 4,715,500 barrels.

Reports from refining companies indicate that the industry as a whole ran to stills (on a Bureau of Mines basis) approximately 4,756,000 barrels of crude oil daily and produced 14,957,000 barrels of gasoline. Kerosene output totaled 1,673,000 barrels with distillate fuel oil placed at 4,843,000 barrels and residual fuel oil at 9,252,000 barrels during the week ended Jan. 27, 1945. Storage supplies at the week-end totaled 46,412,000 barrels of civilian grade gasoline, 42,811,000 barrels of military and other gasoline; 9,481,000 barrels of kerosene; 33,651,000 barrels of distillate fuel oil and 51,119,000 barrels of residual fuel oil.

**Lumber Shipments**—The National Lumber Manufacturers Association reports that lumber shipments of 481 reporting mills were 7.3% above production for the week ended Jan. 27, 1945, while new records for these mills were 31.0% more than production. Unfilled order files amounted to 96% of stocks.

For the year-to-date shipments of reporting identical mills exceeded production by 5.9% and orders ran 22.6% above output.

Compared to the average corresponding week of 1935-39, production of reporting mills was 50.5% greater, shipments 37.3% greater, and orders 50.7% greater.

**Retail Hardware Sales Up 10% in 1944**—Sales of independent retail hardware stores in the United States showed an average gain of 10% in 1944 over volume for 1943, "Hardware Age" reported on Jan. 31, in its every-other-Thursday market summary. Sales for the same stores comparing December, 1944, with the same month of 1943, showed an average increase of 13%.

**Paper Production**—Paper production for the week ended Jan. 27 was 88.4% of capacity, as against a revised figure of 87.1% of capacity for the preceding week, the American Paper and Pulp Association's index of mill activity disclosed. The rate during the week ended Jan. 29 last year, was 89.1% of capacity. As for paperboard, production for the same period was reported at 95% of capacity, a rise of 1 point from the previous week.

**Silver**—The London market was unchanged at 25½d for basis .999 silver. The New York Official for foreign silver continued at 44¾c, and 70⅝c. for domestic silver.

The WPB announced last week that distinctions between the use of Treasury "free" silver and domestic silver have been removed by Direction 3 to Order M-199. This Treasury silver can now be used for any purpose for which domestic silver could formerly be used. However, it does not increase the amounts of silver that may be used under WPB orders.

**Business Failures**—Commercial and industrial failures in the week ended Feb. 1 continued without change. Concerns failing, Dun & Bradstreet, Inc., reported, numbered 16, about half the 33 in the comparable week a year ago. Failures in different size and industry groups fluctuated only slightly, with a very small uptrend appearing in manufacturing and commercial service. Large failures with liabilities of $5,000 or more were unchanged at 13 in the week just ended, against 18 a year ago. Among the small concerns failing there was only one for every five in the same week of 1944. Canadian failures number five as compared with four in the previous week and three in corresponding week of 1944.

**Food Price Index**—The Dun & Bradstreet wholesale food price index for Jan. 30 fell one cent to $4.09, marking the first downward movement in the index since mid-September. The current figure compares with $4.03 a year ago, a rise of 1.5%. Advances during the week occurred in flour, wheat, rye, and lambs, while declines were registered in eggs and steers.

The index represents the sum total of the price per pound of 31 foods in general use.

**Commodity Price Index**—Leading commodity markets moved unevenly during the past week, although daily fluctuations were small. According to Dun & Bradstreet, Inc., daily wholesale commodity price index, a drop of 17 points occurred the past week, placing the index at 175.22 on Jan. 30, as against 175.39 a week earlier and at 171.77 on the corresponding date a year ago.

Grain markets were rather unsettled and cotton values continued the trend downward with spot quotations off about 35 points from the previous close. In the Boston market trading in domestic wools was considerably quieter last week. Despite continuing large needs, demand appeared less urgent following recent heavy purchasing by mills. Supplies of scoured domestic wools were reported very tight, with scouring facilities tied up for months ahead, causing a strong demand for scoured foreign wools.

**Retail and Wholesale Trade**—There was considerable fluctuation in retail sales volume for the country as a whole last week, but notwithstanding unusually cold weather over-all volume rose 5% above the previous week, according to Dun & Bradstreet, Inc. Winter goods were in exceptional demand as the principal sales continue to be in men's, women's and children's wear lines. Accessories and some household items were also very much in demand.

Food store sales kept at a steady high level in the face of some shortages and many retailers reported small gains over the comparable week of 1944.

Severe cold weather spurred sales of heavy clothing in apparel lines, with fur sales reflecting improvement for the week. An active sales pace for this season of the year was noted in spring apparel, especially suits and toppers. Handbags evinced a high level of interest along with costume jewelry, neckwear, and cosmetics, with customers stressing quality, reports the trade review.

Retailers of men's clothing reported a moderate decline in sales volume from the previous week and slightly below that of the same week of 1944, when stocks were larger and better balanced.

Furniture volume in the retail trade dipped slightly below the preceding week, but showed a favorable comparison with that of a year ago. Many requests for bed springs, wool rugs, some small electrical appliances and occasional pieces were reported by dealers. Demand, too, was maintained for pillow cases, sheets, towels, and similar household items. Sales in piece goods and notions departments remained at a constant high level; woolen rayon and cotton goods also were in demand.

Food distributers reported that volume held at a high level, about 10% above a year ago, and moderately above a week ago. Some scarcity was noted in meats, fruits and vegetables, but volume was well maintained with a persistent demand.

Total dollar volume for the country was estimated from 6 to 10% above a year ago. Regional percentage increases were: New England 3 to 5, East 6 to 9, Middle West 7 to 10, Northwest 4 to 7 South 9 to 14, Southwest 6 to 10, and the Pacific Coast 5 to 8%.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index, were 17% ahead of a year ago for the week ended Jan. 27 1945. This compared with 11% in the preceding week. For the four weeks ended Jan. 27, 1945, sales increased 11%.

Sharp advances in dollar volume featured retail trade here in New York over a year ago. Winter and spring apparel commanded attention with sales of specialty shops also registering good progress. The proposed M-400 order of the WPB and the OPA had the effect of continued unsettlement in wholesale markets here turning out apparel and accessories. Spokesmen for several industries presented in Washington protests against the order as being unwarranted.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Jan. 27, 1945, increased by 18% over the same period of last year. This compared with an increase of 5% in the preceding week. For the four weeks ended Jan. 27, 1945, sales rose by 7%.

## Rosenman on Foreign War Mission

It was announced at the White House on Jan. 22 that Judge Samuel I. Rosenman, Presidential counsel, has been given a mission to help iron out supply problems in England, France, Belgium and the Netherlands.

According to Associated Press advices from Washington, Presidential Secretary Early said the mission would involve supplies "other than finished munitions" and that it would deal mostly with supplies for civilians, but partly with military goods. After examining conditions abroad, Judge Rosenman will report to the President and resume his position as White House counsel. Mr. Early said his mission was in the joint interest of the United States, of the Allies, and of winning the war. In special Washington advices to the New York "Times" it was stated that Judge Rosenman will have the rank of minister and will represent the Foreign Economics Administration — besides making a personal survey for President Roosevelt.

## Senate Passes Bill Separating RFC From Department of Commerce

### Postpones Until Mar. 1 Action on Nomination of Wallace

The U. S. Senate on Feb. 1 passed the bill separating the Reconstruction Finance Corporation from the Department of Commerce, and at the same time postponed until March 1 action on the confirmation of the nomination of former Vice-President Henry A. Wallace for the post of Secretary of Commerce, in which he would replace Jesse H. Jones.

On Feb. 6 the House Banking Committee unanimously approved the bill to separate the RFC from the Commerce Department. Before the vote the Democrats on the Committee, 15 to 11, defeated a Republican attempt to repeal some of President Roosevelt's war powers, to prevent the assignment of duties other than those in the curtailed Commerce Department.

As was noted in our issue of Feb. 1, page 552, the Senate Commerce Committee on Jan. 22 rejected by a vote of 14 to 5 the nomination of Mr. Wallace for the Secretaryship. Details of the action of the President in deciding upon Mr. Wallace for the post were given in our item of a week ago—page 552. The Associated Press, in reporting the Senate action on Feb. 1, both as to the Wallace nomination and the George Bill, separating the RFC and its subsidiary agencies from the Commerce Department, had the following to say:

The confusion centering around the nomination of Wallace for the dual job held by Jesse Jones was rapidly cleared in this series of quick steps:

1—The Senate forestalled by a vote of 43-41 efforts to bring up Wallace's nomination immediately.

2—The George bill divorcing the multi-billion dollar lending agencies from the Commerce Department was passed, 74 to 12, and sent to the House.

3—Majority Leader Barkley of Kentucky then read a message, coming indirectly from the President, saying he would sign the George proposal.

This message promptly enhanced Wallace's chances of being confirmed as Secretary of Commerce —a post in which he would supervise the census, the weather bureau, the coast and geodetic survey, the civil aeronautics administration and statistical bureaus.

His opponents contended he didn't have the banking experience to handle the lending agencies.

Action on the pared down nomination, however, was put off until March 1 to allow the House time to pass and the President the opportunity to sign the separation bill. This was done on a voice vote.

By this compromise, the Administration broke through a road block set up by Senators who were all-out against Mr. Wallace's holding any public office and those who were willing for him to be Secretary of Commerce but would not vote to let him administer RFC.

This group admittedly represented a majority of the Senate and Wallace's supporters had conceded that the only way they could save the Cabinet appointment was to follow the procedure of letting the George bill become law.

The President's message was as follows:

President Roosevelt's message responded to a plea made several days ago by Senator Barkley, who asked him to step into the fight over the former Vice-President. Judge Samuel I. Rosenman, Presidential adviser, paraphrased the President's message and passed it on to Mr. Barkley and the Congress thus:

"In 1942 when I (Mr. Roosevelt) transferred certain functions of the Federal loan agency to the Department of Commerce by executive order, I provided that they should be returned to that agency six months after the conclusion of the war or sooner, if the President or Congress should decide upon an earlier date.

"Therefore, should the Congress return these functions to the Federal loan agency at this time by the George resolution, I would approve the measure."

Mr. Wallace himself previously had told the Senate Commerce Committee that while he believed he should administer the loan agencies, he was willing to accept the Commerce portfolio without such authority and would serve in that job for the duration of the war.

Under the George bill, the RFC head would be appointed by the President, subject to Senate confirmation.

Asked for a statement on the Senate action today, Mr. Wallace told the reporters:

"It seems inappropriate for me to make any comment until March 1."

Before passing the George bill, the Senate adopted an amendment by Senator Harry F. Byrd (D-Va.) requiring a general accounting office audit of all independent Government corporations. He said there were 56 of these agencies, including the RFC.

The launching of a drive by Republicans on Feb. 2 to deprive President Roosevelt of all authority to assign any powers to Mr. Wallace except those of a trimmed-down Commerce Department, was reported in Associated Press accounts from Washington on Feb. 2, which in part added:

Republican Leader Martin, of Massachuetts, notified the House he would seek to amend the Senate's George bill to restrict the President's wartime power to reshuffle Federal agencies. This would repeal a part of the War Powers Act.

"Unless we do that," Martin said later, "the President could assign Wallace control over 25 or 30 Federal agencies not now under the Commerce Department."

The House Banking Committee indicated it would approve the bill overwhelmingly.

## Payments to Life Policyholders Increase

Total payments to American policyholders and beneficiaries from their life insurance companies during the first eleven months of last year amounted to $2,256,371,000, or $112,392,000 more than in the same period of the previous year, it was reported by the Institute of Life Insurance on Jan. 30. The Institute further said:

"Death benefit payments, which were greater due to war claims under civilian policies owned by service men, accounted for most of the eleven-month increase in total payments. Such benefits in the period were $1,102,945,000, which was $102,048,000 more than in the same months of 1943.

"Direct benefits paid to living policyholders, excluding surrender values, totaled $944,193,000 in the eleven months or $66,945,000 more than in the same months of 1943. Of these matured endowment payments showed the greatest gain, the aggregate of $325,207,000 being $33,154,000, or 11% more than in 1943. Calls for policy cash surrender values accounted for $209,233,000 in the eleven months, a decrease of $56,601,000 or 21% from the 1943 figure.

"Total payments in November topped $200,000,000, with death benefits amounting to $101,740,000."

# Senate Returns Anglo-American Oil Agreement to President Roosevelt

In accordance with the request of President Roosevelt the Senate on Jan. 15 by a voice vote returned to the President the Anglo-American petroleum agreement. The Senate recorded its action as follows:

"ORDERED, That the Secretary of the Senate be directed to return to the President of the United States, in compliance with his request of the 10th instant, the agreement on petroleum between the Government of the United States of America and the Government of United Kingdom of Great Britain and Northern Ireland, signed in Washington Aug. 8, 1944, printed as Executive F, Seventy-eighth Congress, second session."

In his message to the Senate on Jan. 10 the President said:

"To the Senate of the United States:

"Pursuant to the recommendation of the Secretary of State, on August 24, 1944, I transmitted to the Senate for its advice and consent to ratification an agreement on petroleum between the Governments of the United States and of the United Kingdom of Great Britain and Northern Ireland which was signed in Washington on August 8, 1944.

"At that time I considered that the agreement constituted an important step forward in removing possible causes of friction in international trade in petroleum and promoting cooperation among the nations in the development of that trade. I have not changed my opinion in this respect. However, I am informed that fears have been expressed as to the scope and effect of the document, as now worded; some voicing concern lest it authorize acts by the petroleum industry inconsistent with the provisions of existing law, others lest it hold potentialities harmful to the industry. It is my belief that these fears are without foundation. Certainly no such possibilities were intended or designed by the American representatives who negotiated the agreement.

"Since there is general accord that an understanding on international trade in petroleum between the United States and the United Kingdom is desirable and in the public interest, it would be unfortunate if this should be delayed, if not prevented, through a misunderstanding as to the purpose and scope of a particular document.

"The Secretary of State, accordingly has recommended that I request the Senate to return the agreement in order that consideration may be given, in consultation with the Government of the United Kingdom, to whatever revision appears to be necessary to achieve its objectives and to remove grounds for misunderstanding. I, therefore, request that the agreement be returned for this purpose.

"FRANKLIN D. ROOSEVELT.
"The White House,
"Jan. 10, 1945."

On Dec. 3 it was predicted by Chairman Connolly (Dem., Tex.) that the Anglo-American oil treaty would "never be ratified."

"It is my view that the treaty is unfair to the American oil industry and is not necessary for the general welfare," he declared in a brief statement, according to the Associated Press advices from Washington on that date in which he indicated that he had been opposed to ratification since it was first submitted to the committee."

The signing of the agreement on August 8 by Edward R. Stettinius Acting Secretary of State, and Lord Beaverbrook of the British Delegation as representatives of the United States and Great Britain was noted in our issue of Aug. 10, page 581.

# Maverick Terms Remarks of Crawford Regarding France as Cruel and Hurtful to War Effort

Following his return from a month's tour of the Western Front, Maury Maverick, Chairman of the Smaller War Plants Corporation, urged on Jan. 18 immediate rehabilitation of the military and essential civilian production of France. Reporting his general impressions of his tour at a press conference on that date, Mr. Maverick, according to special advices from Washington to the New York Times described France as a prostrate country, without food, heat and employment, whose financial structure had fallen to pieces. The Times advices continued:

He attributed this situation to the vicious circle created by the lack of transportation because of a want of coal and, in reverse, no coal because of the absence of transportation facilities. In addition to the havoc caused by warfare, conditions have been aggravated by the Germans, who stole, pillaged and destroyed whatever they could in their retreat.

Deploring reports suggesting a contrary picture of France, Mr. Maverick singled out the comment made early this month by Frederick C. Crawford, President of Thompson Products, Inc., and former President of the National Association of Manufacturers, who reported that there was prosperity rather than acute suffering after a recent visit to France. Mr. Crawford's picture was based on misinformation gathered from unreliable sources, Mr. Maverick said.

It was a matter of military necessity to revitalize French industry, not only because a discontented population was a source of potential danger but because factories in France and Belgium would be able to produce war materials for the Allied armies, Mr. Maverick contended. He told of one plant in Belgium that is producing 113 items for the American Army, and he said he saw numerous rubber, textile and steel plants in France that were closed because of a lack of raw materials.

The British people are "so much better off than the French that there is no comparison," he added, repeating his plea that a way has to be found to supply France, particularly since no great amount of materials was needed, in his opinion.

Mr. Maverick also urged, said the same advices, a threefold increase in the production of military supplies, enactment of draft legislation, more detailed information on the fighting in Europe and greater sacrifice on the home front.

In Associated Press accounts from Washington on Jan. 18 it was indicated that Mr. Maverick in taking sharp issue with Mr. Crawford's statement as to conditions in France described his comments as "superficial, cruel, obnoxious," and "hurtful to the war effort."

In our issue of Jan. 18, page 286, we reported Jean Ravaud, President of the French Chamber of Commerce of the United States Inc., as also having taken exception to Mr. Crawford's remarks regarding France.

# Request by Byrnes for Cancellation of Conventions After Feb. 1—Policy Committee

Col. J. Monroe Johnson, who on Jan. 5 was appointed, with the approval of the President, head of a committee "to receive and pass upon applications for the holding of group meetings after February 1 which are to be attended by more than 50 persons to determine if the need for these meetings is sufficiently in the war interest to warrant the tax on transportation and services," announces that other committee members are Under Secretary of War Robert P. Patterson, Under Secretary of Navy Ralph A. Bard, Chairman of the War Production Board J. A. Krug, and Deputy Chairman of the War Manpower Commission Charles M. Hay.

The cancellation of conventions and group meetings after Feb. 1 requiring the attendance of more than 50 people was requested by James F. Byrnes, Director of War Mobilization and Conversion on Jan. 5, who at the same time announced the appointment of the committee headed by Col. Johnson; the action is designed to curtail non-essential travel; the Office of Defense Transportation in an announcement Jan. 5 said:

Commenting on Director of War Mobilization and Reconversion Byrnes' appeal for a curtailment of nonessential travel and particularly for a cessation of group meetings, such as conventions and trade shows not necessary in the war effort, Col. Johnson said, "the committee is very anxious that the objectives of Justice Byrnes request—relief of overburdened transportation and housing facilities—be fully and speedily attained." Col. Johnson added, "We have all been concerned not only about the problem of absenteeism of workers engaged in the producing and transporting of desperately needed war materials but also over executive absenteeism caused by attendance at the many conventions, industry meetings, trade shows and conferences."

The Committee will meet promptly Col. Johnson said, to determine its policy and to develop the information required to properly pass upon application for special permits.

Col. Johnson announced that he has appointed Richard H. Clare, on leave from the Pennsylvania Railroad, as his special assistant in this matter and will recommend to the Committee his appointment as secretary.

# President Roosevelt Commends Wallace In Message Read at Testimonial Dinner

A message from President Roosevelt commending the contribution "to our times and our future" of Henry A. Wallace, recently Vice-President, and who has been named by the President as Secretary of Commerce, succeeding Jesse H. Jones, was read at a testimonial dinner to Mr. Wallace at the Hotel Commodore in New York on Jan. 29. The dinner was sponsored by the Union for Democratic Action and the "New Republic" magazine. The President in his message stated: "I count on his (Mr. Wallace's) aid, his wisdom and his courage in the difficult ways to the magnificent hopes we hold for a world worthy of his faith in the people and of the struggles of free people everywhere." Mr. Wallace was also a speaker at the dinner and his remarks had to do with his nomination and those in the Senate opposing it. The President's message to the gathering read as follows:

"I was glad to hear of your testimonial dinner to Henry Wallace. I am happy to send a message. Indeed, whenever and wherever men gather to give testimony to the contribution of Henry Wallace to our times and our future, I want to be called as a witness. With other Americans, I am grateful for the things that Henry Wallace has done as a great Secretary of Agriculture and as a Vice-President with a clear voice to the conscience and the hopes of men everywhere. You and I can be grateful also for what Henry Wallace is in the meaning of the things we have been trying to do to make a better America and, in the war we now wage, to make a better world.

"Henry Wallace comes to the end of his term as Vice-President as a man moving to a new usefulness as public servant and as a first spokesman of faith in the dignity and freedom of man. The occasion of the dinner, I am sure, is not one of farewell. America, its people, and its Government need Henry Wallace now more than ever before. I count on his aid, his wisdom and his courage in the difficult ways to the magnificent hopes we hold for a world worthy of his faith in the people and of the struggles of free people everywhere, which have so splendidly justified that faith."

Mrs. Roosevelt, who attended the dinner, brought the President's message to the gathering. In part, Mr. Wallace had the following to say in addressing the gathering:

"The current situation is not one of personalities, neither is it one of personal prestige. My good friend, Senator Bailey, knows that Senatorial rejection will enhance my personal prestige. So far as I know the Senators who are most vigorously opposing me like and esteem me as a man. As Senator Bailey knows of his own personal knowledge, I have no bitterness in this controversy concerning anyone. But men represent issues and the issues are so important that all of us sooner or later will have to stand up and be counted.

In this audience are representatives of many groups, which fought for Roosevelt in the last campaign.

"The one outstanding domestic issue in the campaign was set forth by Roosevelt last October at Chicago—sixty million jobs and an "Economic Bill of Rights." Those who voted against me in the committee, and I say this in all charity, either believe in policies which will make sixty million jobs impossible, or wish to destroy all possibility of a progressive Democratic party as a national force.

* * *

"The RFC is certain to be a headache for anyone. Even with all the Government auditing I have asked for, even with the Congressional investigation I hope for and which the public has long been entitled to, I can well realize that the tremendous ramifications of the RFC are such as to involve a succession of controversial problems as soon as the war is over. Commerce is the staff agency. RFC is in some measure the front-line action agency. While the Senate would relieve me of a great burden by giving me Commerce without RFC, I feel that from the standpoint of the sixty million workers, the profits of business, the income of farmers, the welfare of the country as a whole, and the protection of the United States Treasury, I could do a better job if the two were combined than if they were separated. Undoubtedly many good men can be found to head the loan agency, but I wish to make it clear to you that if there were serious danger of a "too-little" and "too-late" man being appointed, I would prefer not to be Secretary of Commerce."

# From Washington Ahead Of The News

(Continued from first page)

of January 1 of that year, the Government's proprietary interest totaled $11,671,000,000; the privately owned interest was $439,000,000. Real estate and other property held for sale was $1,654,000,000; they had a monthly payroll of $19,025,787; their number of employes was 109,519. Eight of the agencies had a borrowing power of $31,185,072,500. Many of the others are unlimited.

There is not anything particular new in the spectacle. The report of the National Citizens Committee and that of the Byrd Committee, are old stuff to informed persons. The important thing is that Senator Byrd and those of his mind have never thought it advisable to try to do anything definite about it until now. The Wallace case, and the interest that has been stirred up about whether he should control the loan agencies, and the reaction they have got, has influenced them to strike now to bring all of these loose and far-flung activities back under the thumbs of Congress. Senator Byrd together with Senator Butler of Nebraska, has introduced a bill to that end.

Aside from this, all of the groups out in the country that have been concerned, and that have been impatient over the lack of anybody's doing anything about it, are being activated. There is developing a "movement" to the end of Congress' getting control over such enterprises as the TVA, the RFC, the Commodity Credit Corporation and sundry others.

It will be a major fight. Just how it will come out is too early to foresee. But it is a fact that the time never seemed to be more propitious to strike. Congress is in the mood. There is not the slightest doubt that had it not been for the George bill, the Senate would have voted Wallace down for any job. The interjection of that bill has given some Senators, who were reluctant to be so brutal, something to hide behind. The bill is meeting with such a reception in the House, that they may have to vote Wallace down after all, and if the proposition is put up to them direct, they will not hesitate to do so.

The Congress is not turning out to be as this writer would have predicted. He was frankly a little annoyed during the recent campaign at people who said they were voting for Roosevelt because of the war, but intended to set up a strong Congress against him. The average member of Congress being what we have known him to be, we thought he would be completely awed by a Fourth Term victory and would revert back to the rubber stamp which he had been until the Republican infusion of 1942.

It is apparent that that is not happening. The Congress is challenging the CIO. A token of this was the House's revoting the Dies committee. That was just a token in the real scheme of things, and for the life of us, we couldn't see where a really worthwhile opportunity was to come for the Congress to really assert itself. The Wallace appointment gave that opportunity, and the Congrees seems to be going to town.

## Manufacturers Trust Stockholders Meeting

The annual meeting of stockholders of Manufacturers Trust Co., held on Jan. 10, was presided over unexpectedly by Harvey D. Gibson, President of the bank, who is now serving as Commissioner of the American Red Cross to Great Britain and Western Europe. Mr. Gibson found it necessary to return to this country several days ago for a brief stay in connection with some important Red Cross matters.

Henry C. Von Elm, Vice-Chairman of the board of Manufacturers Trust Co., who read the annual report, stated that net operating earnings for the year 1944 had amounted to $8,011,681, or $4.86 a share after current operating expenses, dividends on preferred stock, and a reserve of $2,450,000 set up out of earnings to offset the approximate amount of tax savings during the year. This compares with net operating earnings of $7,202,416, or $4.36 a share shown for the year 1943. Of the total earned in 1944, $3,299,838 was paid in dividends to common stockholders. At the end of 1944 surplus and undivided profits was $52,604,010, as against $48,344,446 at the end of 1943. Net profits from the sale of securities amounted during 1944 to $4,006,352; miscellaneous recoveries and recoveries from items heretofore charged off totaled $1,371,578; miscellaneous assets were disposed of at an aggregate net gain against book value of $42,910. These amounts, less the net taxes payable on them, were credited to reserve account.

At the end of 1944 the bank's deposits amounted to $1,991,382,000, which included U. S. Government war loan deposits of $300,867,000. This gross amount was $410,473,000 more than a year ago. After deducting war loan deposit accounts from the gross amount in both years, deposits on Dec. 31, 1944, showed an increase of $242,704,000 over the corresponding day of 1943.

At the end of the year the bank's published resources for the first time aggregated over two billion dollars, namely, $2,100,298,087; capital funds, which include preferred and common stock, and surplus and undivided profits amounted to $93,612,370, as compared with a total of $89,650,526 at the end of 1943. This represents a gain of $3,961,843. This increase in capital funds is the balance of earnings for the year after the payment of $3,299,838 in dividends on common stock, and $750,000 for the redemption of preferred shares. The bank now has outstanding 400,496 preferred shares, having a par value of $20 a share, and redeemable at $50 a share plus accumulatetd dividends. Under the tetrms of the certificate of incorporation, $750,000 of this stock is redeemed each year on this basis.

Mr. Von Elm stated that the aggregate of commercial loans, including Government-guaranteed V and V-T loans, was somewhat higher than a year ago, although conditions due to the war, and the drastic limitations of normal business, have militated against any marked gain in this respect. He pointed out, however, that the present ability of both businesss and individuals to liquidate their indebtedness strengthens their position for the period of reconstruction, and promises well for a good volume on a sound basis just as soon aas peace-time production is resumed, and the accumulating demands for civilian goods can be satisfied. Mr. Von Elm set forth that, during recent years, Manufacturers Trust Co., through its industrial credit, personal loan and modernization loan departments, had been approaching gradually the field of instalment sales financing. The bank is now studying the advisability of establishing a consumer credit department which will finance instalment purchases, both wholesale and retail, of automobiles and the more important lines of consumer durable goods. Mr. Van Elm reported that the bank's holdings of U. S. Government securities at the end of the year aggregated $1,205,104,000, or 57% of the total assets. This was an increase of $860,000,000 since our entry into the war. During the year the bank continued to invest in Government securities of relatively short maturities, and the maturities to call date of all holdings of Government securities are now as follows: From Jan. 1, 1945, to Dec. 31, 1949, 63.59%; from Jan. 1, 1950, to Dec. 31, 1952, 36.41%. The average is three years, 5½ months to call date, and four years, 6½ months to final maturity. The bank's holdings of bonds, as well as of mortgages guaranteed by the Federal Housing Administration, were amortized in the amount of $2,513,819 during 1944, as compared with $2,812,278 in 1943. These amounts are net, after deducting recaptured amortization on such items sold, totaling $248,189 in 1944, and $38,442 in 1943, both of which amounts had previously been deducted from earnings.

In a special message from the American Red Cross Headquarters in London, read by Mr. Vor Elm at the meeting, Mr. Gibson touched on the plans that had been formulated by the American Red Cross during the early part of 1944 for continental operations with our forces, and stated that a staff of 26,000 people was now required for Red Cross service in Europe. Plans have already been formulated for carrying on Red Cross work after the cessation of hostilities, and the organization of the Commission to Great Britain and Western Europe is a strong one, so that Mr. Gibson will return to active duty at the bank in May, 1945.

## Report Rise in Mtg. And Security Purchases By Life Ins. Institute

According to the Institute of Life Insurance the increased work necessary to keep invested funds productively employed today is shown by the figures of the Institute covering the mortgage and security purchases and holdings of all U. S. life insurance companies for the first eleven months of last year. In that period their aggregate purchases of such investments totaled $8,793,000,000, while the net increase in total mortgage and security holdings amounted to only $2,726,000,000. The Institute on Jan. 31 further said:

"This is even more strikingly seen when U. S. Government securities are excluded from the totals. The eleven months' purchases of mortgages and securities other than those of the U. S. Government totaled $2,900,000,000, while total holdings of these non-government investments at the end of the eleven months were actually $83,000,000 less than at the start of the year.

"Because of increased prepayments, refundings, maturities and replacements, the task of keeping the policy reserves at work has increased materially during the past two years. This year's total purchases of mortgages and securities will be more than three times the total of such purchases in pre-war 1940, although total assets of the business are only 33% larger than they were then."

U. S. Government securities purchased in the eleven months totaled $5,893,000,000, while net holdings of such securities increased by $2,809,000,000 to a November 30 total of $15,541,000,000. These figures do not take into account $2,500,000,000 war bond purchases in December for the Sixth War Loan.

## Industrial Executives Appointed to Advise on Plans for Standards Work

A committee of eight industrial executives with Charles E. Wilson, President of the General Electric Company as Chairman, has been appointed by the Secretary of Commerce to advise the Department of Commerce and the American Standards Association on future plans for standards work. Announcement of this was made on Jan. 24, by the U. S Department of Commerce which said that "this appointment is the first action to come out of a conference of 50 business leaders held in New York on Jan. 12 at the invitation of the Secretary of Commerce to make recommendations to him in regard to the relative roles which should be played by Government and industry in standards activities."

Serving with Mr. Wilson on the Committee are: Frederick M. Feiker, Dean of Engineering George Washington University; Clarence Francis, Chairman of the Board General Foods Corp.; Ephraim Freedman, R. H. Macy & Company, Inc.; Frank B. Jewett, President National Academy of Sciences; William B. Warner, President McCall Corp.; Arthur D. Whiteside, President Dun & Bradstreet, Inc., and R. E. Zimmerman, Vice-President U. S. Steel Corp.

The advices from the Department of Commerce also said:

"The Conference, presided over by Wayne C. Taylor, Under Secretary of Commerce, recommended that industry should provide a strong leadership in the development of national standards and that this should be done in full cooperation with the Government. In a formal resolution it expressed the opinion that 'the rapid growth of standards activities, their extension into new fields, and the bearing of standards upon production and sale all make it important for top management to give attention to this matter and to provide for its orderly development.'

The Conference noted with approval steps already taken by the American Standards Association to broaden the scope of its work to enable it to deal with any standard or standards project that deserves national recognition, whether in the field of engineering, or consumer goods. It recommended, however, that arrangements be made for broader participation of industry — both organized groups and individual companies—in the work of the American Standards Association.

"Much of the discussion in the Conference was devoted to standards for consumer goods, it being the general view that the post-war years would see extensive developments in this field.

"One member of the Conference said this part of the discussion could be summarized by the statement that, "However much we have differed on details, there is one point upon which there has been unanimous agreement, namely: that our customers are entitled to full information in regard to the products they buy from us."

## SEC Rules on Status of Guaranteed Securities

The Securities and Exchange Commission on Jan. 11 announced the adoption of a rule dealing with the status of guaranteed securities under the diversification provisions of Section 5 of the Investment Company Act of 1940.

Under Section 5 (b) of the Act an investment company is considered a "diversified company" if at least 75% of its total assets is represented by cash, Government securities, securities of other investment companies and securities limited in respect of any one issuer to not more than 5% of the total assets of such investment company and to not more than 10% of the outstanding voting securities of such issuer. Since the term "security" is defined under the Act to include a guarantee of a security, the securities of "any one issuer" include guarantees of securities of other companies by such issuer. This situation presents difficult problems for the investment company in the valuation of guarantees and guaranteed securities in determining whether its investments meet the diversification standards of the Act. These problems are further complicated by multiple guarantees, guarantees solely of principal, or solely of interest, and guarantees which may expire prior to the maturity date of the guaranteed security.

The new rule adopted by the Commission alleviates these difficulties while retaining the basic diversification standards of the Act. The rule provides in effect that diversified investment companies may invest in guaranteed securities on the basis that the guarantor is not the issuer of the securities provided that the aggregate value of its investment in the direct issues of a company and the issues guaranteed by such company does not exceed 10% of the value of the total assets of the investment company. The rule does not affect the 5% and 10% limitations of Section 5 (b) as respects the direct obligations of issuers. The rule also provides that guarantees by a railroad of terminal, warehouse, switching or bridge company securities shall not be considered as securities of the railroad if the guaranteed security is guaranteed by more than one railroad no one of which controls all of its co-guarantors. The rule also makes clear that a lease or similar arrangement shall not be deemed in itself a guarantee.

The text of the Commission's action follows:

The Securities and Exchange Commission, acting pursuant to authority conferred upon it by the Investment Company Act of 1940, particularly Sections 5 (b) 6 (c) and 38 (a) thereof, and deeming such action necessary and appropriate in the public interest and for the protection of investors and necessary to carry out the provisions of the Act, hereby adopts rule N-5B-2 to read as follows:

Rule N-5B-2. **Exclusion of Certain Guarantees as Securities of the Guarantor.**

(a) For the purposes of Section 5 of the Act, a guarantee of a security shall not be deemed to be a security issued by the guarantor, provided that the value of all securities issued or guaranteed by the guarantor, and owned by the management company, does not exceed 10% of the value of the total assets of such management company.

(b) Notwithstanding paragraph (a) of this rule, for the purposes of Section 5 of the Act, a guarantee by a railroad company of a security issued by a terminal company, warehouse company, switching company, or bridge company, shall not be deemed to be a security issued by such railroad company provided:

(1) The security is guaranteed jointly or severally by more than one railroad company; and

(2) No one of such guaranteeing railroad companies directly or indirectly controls all of its co-guarantors.

(c) For the purposes of Section 5 of the Act, a lease or other arrangement whereby a railroad company is or becomes obligated to pay a stipulated annual sum or rental either to another railroad company or to the security holders of such other railroad company shall not be deemed in itself a guarantee.

## War Commitments Listed by Jesse Jones

At the recent session of the Senate Commerce Committee on Jan. 24 Jesse H. Jones, retiring Secretary of Commerce, outlined the following wartime commitments of the Reconstruction Finance Corporation and its subsidiaries:

Total war authorizations, $32,300,000,000.

Rubber Reserve Company, $700,000,000.

Metals Reserve Company, $5,174,000,000.

Defense Plant Corporation, $10,704,935,000.

Defense Supplies Corporation, $10,350,000,000.

War Damage Corporation, $140,000,000,000 maximum insurance liability; $232,800 disbursed to date for enemy damage prior to July 1, 1942.

United States Commercial Company, $1,000,000,000.

Petroleum Reserves Corporation, $1,000,000,000.

Rubber Development Corporation, $150,000,000.

Loans to 5,825 going banks, 2,780 closed banks, 1,183 building and loan associations, 7 credit unions, 133 insurance companies, and 233 mortgage loan companies, totaling $3,395,440,000.

Investment of capital in 6,882 banks and ten fire and casualty insurance companies, aggregating $1,393,100,000.

Loans on 404 self-liquidating projects and railroad receivers and trustees, aggregating $1,503,700,000.

Loans to 404 self-liquidating projects and projects authorized under Federal, state or municipal law, including public school districts, aggregating $831,700,000.

Loans to 668 drainage, levee and irrigation districts, involving disbursements of $100,780,000.

Purchase of 3,318 issues of securities from other governmental agencies having par value of $694,745,000 (including $201,000,000 railroad securities).

Loans numbering 12,102 to business and industry. (This is in addition to 11,216 business loans for defense and war.) The 22,341 business loans aggregate $2,838,400,000.

Loans for benefit of agriculture, totaling $2,485,000,000.

Loans totaling $1,011,500,000 to other governmental agencies for rural electrification, farm tenancy and rural rehabilitation.

Loans numbering 21,841 aggregating $47,385,000 directly or through Disaster Loan Corporation to sufferers from floods and other catastrophies.

One hundred and nineteen thousand, six hundred and fifty-seven loans aggregating $566,500,000 through the R. F. C. Mortgage Company and Federal National Mortgage Association to re-establish a normal market for mortgages on income-producing urban property and to provide a market for F. H. A.-insured mortgages.

## National Bank of Mexico Increases Capital

The National Bank of Mexico, which has branches throughout the republic, announced on Jan. 18 an increase in its capital from 16,000,000 to 24,000,000 pesos ($4,800,000). This is learned from Mexico City Associated Press advices, which also stated that the bank will issue 160,000 shares with nominal value of 50 pesos each.

# Changes in Holdings of Reacquired Stock Of N. Y. Stock & Curb Listed Firms

The New York Stock Exchange announced on Jan. 15 that the following companies have reported changes in the amount of stock held as heretofore reported by the Department of Stock List:

| Company and Class of Stock— | Shares Previously Reported | Shares Per Latest Report | |
|---|---|---|---|
| Adams Express Company, The, common | 1,113,414 | 1,113,899 | |
| American Locomotive Company, 7% cum. pfd. | 19,700 | 20,100 | |
| Associates Investment Company, common | 45,373 | 45,446 | |
| Atlas Corporation, common | 77,206 | 77,233 | |
| 6% preferred | 42 | None | |
| Bigelow-Sanford Carpet Co., Inc., common | None | 5,000 | (1) |
| Borden Company, The, capital | 167,710 | 167,958 | |
| Cuban-American Sugar Co., The, 7% pfd. | 5,520 | 5,620 | |
| Chicago and North Western Ry. Co., v.t.c. common | None | 232,598 | (2) |
| V.t.c. 5% preferred | None | 155,434 | (2) |
| Davega Stores Corporation, 5% cumulative preferred | 253 | None | |
| E. I. du Pont de Nemours & Co., common | 12,836 | 12,867 | |
| Florsheim Shoe Company, The, common | 1,200 | 175 | |
| Gimbel Brothers, $6 cumulative preferred | 12,811 | 13,211 | |
| General Motors Corporation, common | 78,500 | 86,924 | |
| International Minerals & Chemical Corp., common | 133,529 | 125,159 | |
| Johnson & Johnson, common | 41,899 | 38,736 | (3) |
| Cumulative second preferred | 1,888 | 1,710 | (4) |
| Kroger Grocery & Baking Co., The, common | 11,689 | None | |
| National Lead Company, 7% A preferred | 19,883 | 15,883 | |
| Newport News Shipbuild. & Dry Dock Co., $5 cum. conv. | 36,700 | 37,000 | |
| Norfolk & Western Railway Co., adjusted preferred | 9,887 | 9,967 | |
| Petroleum Corporation of America, capital | 6,300 | 7,000 | |
| Plymouth Oil Company, common | 1,699 | 1,899 | |
| Purity Bakeries Corporation, common | 31,349 | 31,269 | |
| Sterling Drug Inc., capital | 34 | 35 | |
| Texas Company, The, capital | 814,211 | 814,129 | |
| Transamerica Corporation, capital | 1,262,545 | 1,264,350 | |
| United Merchants & Mfrs. Manage. Corp., 5% cum. pfd. | 3,305 | 305 | |
| United States Gypsum Company, common | 54,681 | 54,310 | |
| Universal Laboratories, Inc., 7% preferred | 1,568 | None | |

NOTES

1. Acquired during November, 1944.
2. Acquired July 25, 1944, from Reconstruction Finance Corp.
3. 560 shares acquired—3,723 share decrease represents shares delivered under Employees Extra Compensation Plan.
4. 178 share decrease represents shares delivered under Employees Extra Compensation Plan.

The New York Curb Exchange made available on Jan. 20, the following list of issuers of fully listed securities which have reported changes in their holdings of reacquired stock:

| Company and Class of Stock— | Shares Previously Reported | Shares Per Latest Report |
|---|---|---|
| American Cities Pw. & Lt. Corp. cv. A. opt. div. ser. | 800 | None |
| American Cities Pw. & Lt. Corp., A opt. div. ser. 1936 | 600 | None |
| American General Corporation, common | 395,587 | 417,035 |
| Bourjois, Inc., common | 22,100 | 27,551 |
| Dennison Manufacturing Co., "A" common | 11,056 | 11,087 |
| Detroit Gasket & Mfg. Co., 6% preferred | 10,966 | 10,991 |
| Equity Corp., $3 convertible preferred | 73,177 | 73,445 |
| Fuller (Geo. A.) Co., common | 214 | 217 |
| Kleinert (I. B.) Rubber Co., common | 27,037 | 27,537 |
| Neptune Meter Co., "A" common | 11,167 | 11,168 |
| New York Merchandise Co., Inc., common | 129,331 | 130,331 |
| Ogden Corp., common | 462 | 463 |
| Sterling, Inc., common | 75,200 | 115,028 |

# Churchill Declares U. S. Armies Have Done Almost All Fighting Against Rundstedt Offensive

## Holds to Principle of Unconditional Surrender

That American Armies "have done almost all the fighting" and "have lost 60 to 80 men for every one of ours" on the Western Front since the Germans launched their bitter counter-offensive Dec. 16, was a statement contained in an address on Jan. 18 by Prime Minister Winston Churchill in the British House of Commons. Indicating further what the Prime Minister had to say in the matter, Associated Press advices from London on Jan. 18 reported him as follows:

"This is the greatest American battle of the war and will be regarded, I think, as an ever-famous American victory," Mr. Churchill told the House of Commons.

"We ourselves a month or two earlier lost 40,000 men in opening the Scheldt," he said, "but the bulk of our armies on this occasion when von Rundstedt attacked was separated by scores of miles from the impact of the new offensive."

In the fighting during the last month, Mr. Churchill disclosed, only one British Army Corps has been engaged and all the rest of the thirty or more divisions have been American troops.

Describing German Field Marshal Gen. Karl von Rundstedt's counter-stroke as "resolute, wise and militarily correct," the Prime Minister said:

"Field Marshal Montgomery and Gen. Omar Bradley handled their forces in a manner which may become a model for the future, and all the troops fought in magnificent fashion."

Declaring that he had no doubt that the decisive shattering of the German offensive in the west was "more likely to shorten this war than to lengthen it," the Prime Minister said:

"Let the Germans dismiss from their minds any idea that losses or setbacks of the kind we have witnessed will turn us from our purpose."

The German counter-offensive, he declared, had "in no wise delayed, nor still less averted, the doom that is closing in upon them."

Cheering greeted Mr. Churchill's caution that "care must be taken in telling our proud tale not to claim for the British armies an undue share of what is undoubtedly the greatest American battle in the war."

"They have suffered losses almost equal to those of both sides at the Battle of Gettysburg," he said. "I have never hesitated to stand up for our own soldiers when their achievements have been cold-shouldered or neglected or over-shadowed, as they sometimes are, but we must not forget that it is to American homes that the telegrams of personal loss and anxiety have been coming during the past month and that there has been a hard and severe ordeal during these weeks for our brave and cherished ally."

From the Prime Minister's address we also quote:

"The principle of unconditional surrender was proclaimed by the President of the United States at Casablanca and I indorsed it there and then on behalf of this country.

"I am sure it was right at the time when it was used, when many things hung in the balance against us, and . . . I am clear that nothing should induce us to abandon the principle of unconditional surrender and enter into any form of negotiation with Germany or Japan, in whatever guise such suggestions may present themselves, until the act of unconditional surrender has been formally executed.

"But the President of the United States, and I in your name, have repeatedly declared that the enforcement of unconditional surrender upon the enemy in no way relieves the victorious powers of all their obligations to humanity or of their duties as civilized and Christian nations."

In his speech Mr. Churchill announced that he and Premier Stalin had arrived at an agreement on dealing with the Balkans so as to prevent future wars, and that President Roosevelt has been kept constantly informed.

From London Associated Press advises as given in the New York "Sun" we also quote in part as follows regarding the Prime Minister's remarks:

He also revealed that the present Russian drive was part of a co-ordinated victory plan to keep all fronts in constant flame until the final climax, and he once more indorsed the Allied demand for the unconditional surrender of Germany and Japan.

* * *

Observing that "Marshall Stalin is very punctual" in keeping his obligations to the Allies, Mr. Churchill said he would not attempt to "set limits to the superb and titanic events" unfolding on the eastern front.

"I can only say," he said, "that it is certain that the whole eastern and western fronts and on the long front in Italy, where twenty-seven German divisions are still held by no more than their own number, will be kept henceforth in constant flame until the final climax is reached."

The Prime Minister also declared that Gen. MacArthur's "recovery of the Philippines" was a "fearful warning to the Japanese of their impending defeat and ruin."

At one point he apparently warned the House not to divide on his policies, declaring:

"I would warn the House that if we are going to tear ourselves asunder over all the feuds and passions of the Balkan countries which our armies have liberated we shall find ourselves incapable of making great settlements after the war."

Without directly mentioning the United States policy of "non-interference," Mr. Churchill said he had been exchanging personal telegrams with Stalin "about what is the best thing to do" and asserted "we keep President Roosevelt constantly informed."

And in face of appeals for leniency for revolting ELAS forces in Greece, the Prime Minister warned that whether it is popular or not we shall not hesitate to rescue these hostages (taken by the ELAS) and punish their slaughter or maltreatment.

In closing his two-hour long address—which was broken by time out for luncheon — Mr. Churchill brought the House to its feet cheering as he asserted:

"We seek no territory, we covet no oil fields, we demand no bases for the forces of the air or of the sea.

"We do not set ourselves up in rivalry or bigness or might with any other community in the world. We have given and we shall continue to give everything we have. We ask nothing in return except that consideration and respect which is our due and if that were denied us we shall still have a good conscience.

"Let none either in our country or Commonwealth or in the outside world misname us, traduce our methods. Our actions are no doubt subject to human error but our actions in small things and great are disinterested, lofty and true. I repulse those calumnies. wherever they come from, that Britain and the British Empire are selfish, power greedy and land greedy and obsessed by dark schemes of European intrigue or Colonial expansion.

"The British Commonwealth and nation may rest assured that the Union Jack of freedom will forever fly from the White Cliffs of Dover."

Observing that the hard lot of having to play a leading role in the Mediterranean had fallen to Great Britain, Mr. Churchill added: "We must take care that all the blame of things going wrong is not thrown on us."

Then he repeated that Britain had only one principle to uphold in the liberated countries or repentant satellites, and that was— "Government of the people, by the people, for the people, set up on a basis of free and universal suffrage election with secrecy of the ballot and no intimidation." His definition of Britain's foreign policy in the newly freed countries brought cheers from the House.

Mr. Churchill said that he understood King Peter's point of view in attempting to avoid complications before a plebiscite on whether Yugoslavia wished to be a monarchy or a republic, but he asserted firmly: "Scruples must be respected, but cannot necessarily in these times indefinitely prevent the march of events."

In Greece, Mr. Churchill said Great Britain is guided by a policy of victory against the Germans, and had given support to the most coherent and substantial government machine that could be found. He said that England was seeking maintenance of law and order to be followed by a fair plebiscite and election "and then exit at the earliest possible moment."

Taking up contention between the British and the American press, Mr. Churchill said that never before in his experience had the British Government been "so maligned and its motives so traduced in our own country by important organs of the press and among our own people."

"How can we wonder, still less how can we complain of the attitude of hostile or indifferent newspapers in the United States," he asked, "when we have in this country witnessed such a melancholy exhibition as that provided by some of our time-honored and responsible journals and others to which such epithets could hardly apply."

# Individual Savings Accounts Up in N. Y.

Individual savings accounts increased by 21% or $27,690,143 during 1944, the Council of Insured Savings Associations of New York State reported in its annual review of operations of its 32 member associations. At the close of the year these associations reported 183,410 savings accounts with an average balance of $858. Their resources totaled $182,378,188. The announcement from the Council also said:

"The entire increase in savings from the public was reinvested in government bonds. The investments in government bonds increased by $28,080,000 during the year to $38,905,676 at the close. Cash and government bonds combined equalled 28.3% of the associations' total resources. War bond sales to the public in 1944 totaled $24,252,251. The number of bonds sold was 238,024 which was an average of 744 war bonds sold by each employee. The combined total of savings accounted for by these insured savings associations in 1944 was $51,942,394, all of which went into government bonds to aid in financing the war.

Home financing volume reached its wartime low in January, 1944 and in the last half of the year the trend was sharply upward. In the last six months of 1944 the Council members financed the purchase of 3,001 homes with loans totaling $14,889,835. This represented a 55% increase over the first half of the year and a 112.7% increase over the last half of 1943.

# NY Savs. & Loan Ass'ns Assets $600 Million

The total assets of the 244 savings and loan associations, for the first time in their 109 years of operation, reached the $600,000,000 mark on Jan. 20th, according to estimated figures released by Zeublon V. Woodard, Executive Vice-President of the New York State League of Savings and Loan Associations, on Jan. 22. It is added that savings by the general public in the associations increased approximately $73,000,000, or 16%, during 1944, of which $9,088,860, or 1.8%, represents an all-time high net gain for the month of December.

The New York State Savings and Loan League's advices continued:

"The bulk of new savings is being invested by the associations in United States Government bonds, the proportion of total resources invested in Government bonds in savings and loan associations having increased from 23.1% on Jan. 1, 1944, to 31.1% at the close of the year. In the Sixth War Loan Drive purchases of Government bonds by the associations for their investment portfolios totaled $33,164,700, exceeding their drive quota of $22,500,000 by 47%. Sales of E, F, G and other bonds to the general public during the drive aggregated $12,939,975, maturity value, against a State-wide quota of $12,500,000 for New York associations.

Mr. Woodard estimated that the volume of mortgage loans made by the associations in 1944 reached a peak of $80,000,000, which represents an increase of 52% over 1943 when mortgage loans recorded totaled $52,884,311. For December, 1944, an increase of 33%, or $1,597,696, was shown as compared to the same month in 1943. Of the $6,409,672 loans granted during December, 1944, $5,279,792 were for the purchase of homes, and $822,876 for refinancing, while construction, repair and other loans amounted to $307,004."

# Berle Assumes Post As Ambassador to Brazil

Adolf A. Berle, Jr., until recently an Assistant Secretary of State, arrived in Rio de Janeiro on Jan. 24 to assume his new post as Ambassador to Brazil. He was named to his new office by President Roosevelt on Jan. 10 to succeed Jefferson Caffery, who has become Ambassador to France. The Senate confirmed Mr. Berle's nomination on Jan. 18, and on Jan. 20 he took the oath of office in Washington. He resigned as Assistant Secretary in December (as noted in our Dec. 7 issue, page 2525) with the reorganization of the Department by Secretary of State Edward R. Stettinius, Jr. With his arrival at Rio de Janeiro Ambassador Berle was hailed by the press as a great Pan-American and friend, said special advices from there on Jan. 24 to the New York "Times," which further stated:

"Brazilians feel honored by the fact that he is the first non-career United States diplomat to fill the post here.

"Newspaper editorials today all hammered the same key—that the close relations existing between the United States and Brazil should be strengthened still more after the war. They believe Mr. Berle will do that and point out that Brazil holds an outstanding position in world affairs. The significance of the appointment was the theme of comment."

# National Fertilizer Association Commodity Price Index Registers Small Decline

The weekly wholesale commodity price index, compiled by The National Fertilizer Association, and made public on Feb. 5, declined fractionally to 140.0 in the week ending Feb. 3, 1945, from 140.1 in the preceding week. A month ago the index stood at the high point of 140.1, and a year ago at 137.2, based on the 1935-1939 average as 100. The Association's report continued as follows:

Two of the composite groups of the index declined and one advanced with the price changes moving within a narrow range. The foods index declined to its level of Oct. 14, 1944 with the prices of oranges, eggs and flour declining and those for dressed chickens advancing. The textiles index declined for the third consecutive week reflecting the downward trend in the prices for raw cotton. The farm products group index was the only one that advanced and it showed only a small advance. The cotton subgroup again declined. The grains index advanced with higher quotations for wheat and rye. The livestock index showed a fractional increase with higher prices for lambs, sheep and poultry just a little more than offsetting declining prices for eggs. All other groups in the index remained the same.

During the week 4 price series in the index declined and 7 advanced; in the preceding week there were 3 declines and 9 advances; in the second preceding week there were 8 declines and 9 advances.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
1935-1939=100*

| % Each Group Bears to the Total Index | Group | Latest Week Feb. 3, 1945 | Preceding Week Jan. 27, 1945 | Month Ago Jan. 6, 1944 | Year Ago Feb. 5, 1944 |
|---|---|---|---|---|---|
| 25.3 | Food | 142.0 | 143.4 | 143.9 | 139.7 |
| | Fats and Oils | 144.9 | 144.9 | 144.6 | 146.1 |
| | Cottonseed Oil | 161.8 | 161.8 | 160.7 | 159.6 |
| 23.0 | Farm Products | 165.0 | 164.9 | 165.9 | 156.5 |
| | Cotton | 202.9 | 203.5 | 207.2 | 196.5 |
| | Grains | 161.8 | 161.2 | 159.9 | 164.8 |
| | Livestock | 160.3 | 160.2 | 161.4 | 147.5 |
| 17.3 | Fuels | 130.4 | 130.4 | 130.4 | 129.5 |
| 10.8 | Miscellaneous Commodities | 133.4 | 133.4 | 133.4 | 131.4 |
| 8.2 | Textiles | 155.4 | 155.5 | 156.1 | 151.4 |
| 7.1 | Metals | 106.4 | 106.4 | 105.8 | 104.4 |
| 6.1 | Building Materials | 154.1 | 154.1 | 154.1 | 152.4 |
| 1.3 | Chemicals and Drugs | 125.4 | 125.4 | 125.4 | 127.7 |
| .3 | Fertilizer Materials | 118.3 | 118.3 | 118.3 | 117.7 |
| .3 | Fertilizers | 119.9 | 119.9 | 119.9 | 119.7 |
| .3 | Farm Machinery | 104.8 | 104.8 | 104.8 | 104.2 |
| 100.0 | All groups combined | 140.0 | 140.1 | 140.1 | 137.2 |

*Indexes on 1926-1928 base were: Feb. 3, 1945, 109.1; Jan. 27, 1945, 109.1, and Feb. 5, 1944, 106.9.

# Bankers' Dollar Acceptances Outstanding on Dec. 30 Increase to $115,336,000

The volume of bankers' dollar acceptances outstanding on Dec. 30 amounted to $128,944,000, an increase of $13,608,000 from the Nov. 30 total, according to the monthly acceptance survey issued Jan. 15, by the Federal Reserve Bank of New York. As compared with a year ago, the Dec. 30 total represents a gain of $12,130,000.

In the month-to-month comparison, exports and those based on goods stored in or shipped between foreign countries were lower, and imports, domestic shipments, dollar exchange and domestic warehouse credits were higher, while in the yearly analysis all the items except domestic warehouse credits, and those based on goods stored or shipped between foreign countries for December, 1944, are higher than a year ago.

The Reserve Bank's report follows:

BANKERS DOLLAR ACCEPTANCES OUTSTANDING—UNITED STATES BY FEDERAL RESERVE DISTRICTS

| Federal Reserve District— | Dec. 30, '44 | Nov. 30, '44 | Dec. 31, '43 |
|---|---|---|---|
| 1 Boston | $22,558,000 | $18,565,000 | $21,083,000 |
| 2 New York | 81,079,000 | 73,420,000 | 71,133,000 |
| 3 Philadelphia | 8,842,000 | 8,042,000 | 5,508,000 |
| 4 Cleveland | 1,443,000 | 1,342,000 | 1,699,000 |
| 5 Richmond | 790,000 | 536,000 | 2,059,000 |
| 6 Atlanta | 3,532,000 | 2,906,000 | 2,268,000 |
| 7 Chicago | 3,195,000 | 3,008,000 | 3,634,000 |
| 8 St. Louis | 530,000 | 461,000 | 437,000 |
| 9 Minneapolis | 27,000 | 25,000 | 43,000 |
| 10 Kansas City | ------ | ------ | ------ |
| 11 Dallas | 126,000 | 214,000 | 510,000 |
| 12 San Francisco | 6,822,000 | 6,817,000 | 8,440,000 |
| Grand Total | $128,944,000 | $115,336,000 | $116,814,000 |

Increase for month $13,608,000 Increase for year $12,130,000

ACCORDING TO NATURE OF CREDIT

| | Dec. 30, '44 | Nov. 30, '44 | Dec. 31, '43 |
|---|---|---|---|
| Imports | $86,347,000 | $73,759,000 | $65,926,000 |
| Exports | 14,188,000 | 14,194,000 | 11,490,000 |
| Domestic shipments | 13,500,000 | 12,251,000 | 9,581,000 |
| Domestic warehouse credits | 11,432,000 | 11,366,000 | 20,889,000 |
| Dollar exchange | 229,000 | 82,000 | 64,000 |
| Based on goods stored in or shipped between foreign countries | 3,248,000 | 3,684,000 | 8,864,000 |

BILLS HELD BY ACCEPTING BANKS

Own bills $43,914,000 Bills of others $49,571,000 Total $93,485,000
Increase for month $9,947,000

CURRENT MARKET RATES ON PRIME BANKERS ACCEPTANCES JAN. 15, 1945

| Days | Dealers' Buying Rates | Dealers' Selling Rates |
|---|---|---|
| 30 | ½ | 7/16 |
| 60 | ½ | 7/16 |
| 90 | ½ | 7/16 |
| 120 | ⅝ | 9/16 |
| 150 | ⅝ | 9/16 |
| 180 | ⅝ | 9/16 |

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

| | $ | | $ | | $ |
|---|---|---|---|---|---|
| 1941— | | 1942— | | 1943— | |
| Dec. 31 | 194,220,000 | Dec. 31 | 118,039,000 | Dec. 31 | 116,814,000 |
| 1942— | | 1943— | | 1944— | |
| Jan. 31 | 197,278,000 | Jan. 30 | 119,682,000 | Jan. 31 | 120,497,000 |
| Feb. 28 | 190,010,000 | Feb. 27 | 127,062,000 | Feb. 29 | 134,772,000 |
| Mar. 31 | 182,675,000 | Mar. 31 | 129,818,000 | Mar. 31 | 129,358,000 |
| Apr. 30 | 177,293,000 | Apr. 30 | 128,350,000 | Apr. 29 | 125,566,000 |
| May 29 | 173,906,000 | May 29 | 135,815,000 | May 31 | 113,139,000 |
| June 30 | 162,849,000 | June 30 | 139,846,000 | June 30 | 111,675,000 |
| July 31 | 156,302,000 | July 31 | 110,250,000 | July 31 | 138,692,000 |
| Aug. 31 | 139,304,000 | Aug. 31 | 130,244,000 | Aug. 31 | 109,632,000 |
| Sept. 30 | 123,494,000 | Sept. 30 | 117,016,000 | Sept. 30 | 111,101,000 |
| Oct. 31 | 118,581,000 | Oct. 30 | 114,883,000 | Oct. 31 | 114,953,000 |
| Nov. 30 | 116,067,000 | Nov. 30 | 111,283,000 | Nov. 30 | 115,336,000 |
| | | | | Dec. 30 | 128,944,000 |

# Federal Reserve December Business Indexes

The Board of Governors of the Federal Reserve System issued on Jan. 25 its monthly indexes of industrial production, factory employment and payrolls, etc. At the same time, the Board made available its customary summary of business conditions. The indexes for November, together with a comparison for a month and a year ago follow:

BUSINESS INDEXES
1939 average = 100 for factory employment and payrolls;
1923-25 average = 100 for construction contracts;
1935-39 average = 100 for all other series

| | Adjusted for Seasonal Variation —1944— Dec. | Nov. | 1943 Dec. | Without Seasonal Adjustment —1944— Dec. | Nov. | 1943 Dec. | Annual Indexes 1944 | 1943 |
|---|---|---|---|---|---|---|---|---|
| Industrial production— | | | | | | | | |
| Total | *232 | 232 | 241 | *230 | 232 | 239 | *235 | 239 |
| Manufactures— | | | | | | | | |
| Total | *249 | 248 | 260 | *247 | 248 | 258 | *252 | 258 |
| Durable | *343 | 341 | 365 | *342 | 341 | 364 | *353 | 360 |
| Nondurable | *173 | 172 | 174 | *171 | 173 | 172 | *171 | 176 |
| Minerals | *137 | 143 | 137 | *132 | 140 | 132 | *140 | 132 |
| Construction contracts, value— | | | | | | | | |
| Total | *55 | 46 | 61 | *43 | 40 | 48 | *41 | 68 |
| Residential | *14 | 13 | 35 | *12 | 13 | 30 | *16 | 40 |
| All other | *88 | 73 | 81 | *69 | 63 | 63 | *61 | 92 |
| Factory employment— | *154.0 | 153.4 | 169.1 | *154.3 | 153.5 | 169.4 | *159.1 | 168.7 |
| Total | *206.2 | 204.7 | 232.8 | *206.1 | 204.9 | 232.7 | *216.1 | 227.8 |
| Durable goods | *112.8 | 112.9 | 118.9 | *113.4 | 112.9 | 119.5 | *114.2 | 122.1 |
| Nondurable goods | | | | | | | | |
| Factory payrolls— | | | | | | | | |
| Total | --- | --- | --- | † | 311.6 | 328.3 | † | 316.4 |
| Durable goods | --- | --- | --- | † | 425.9 | 461.2 | † | 441.1 |
| Nondurable goods | --- | --- | --- | † | 199.7 | 198.4 | † | 194.4 |
| Freight carloadings | 137 | 141 | ‡143 | 128 | 144 | 133 | 140 | 137 |
| Department store sales, value | 193 | 210 | 165 | 312 | 248 | 273 | † | 168 |
| Department store stocks, value | † | 143 | 142 | † | 166 | 134 | † | 146 |

*Preliminary. †Data not yet available. ‡Revised.

**Note**—Production, carloading, and department store sales indexes based on daily averages. To convert durable manufactures, nondurable manufactures, and minerals indexes to points in total index, shown in Federal Reserve Chart Book, multiply durable by .379, nondurable by .469, and minerals by .152.

Construction contract indexes based on 3-month moving averages, centered at second month, of F. W. Dodge data for 37 Eastern States. To convert indexes to value figures, shown in the Federal Reserve Chart Book, multiply total by $410,269,000, residential by $184,137,000, and all other by $226,132,000.

Employment index, without seasonal adjustment, and payrolls index compiled by Bureau of Labor Statistics.

INDUSTRIAL PRODUCTION
(1935-39 average = 100)

| | Adjusted for Seasonal Variation —1944— Dec. | Nov. | 1943 Dec. | Without Seasonal Adjustment —1944— Dec. | Nov. | 1943 Dec. | Annual Indexes 1944 | 1943 |
|---|---|---|---|---|---|---|---|---|
| Manufactures— | | | | | | | | |
| Iron and steel | 196 | 201 | 200 | 196 | 201 | 200 | 206 | 208 |
| Pig iron | 190 | 192 | 198 | 190 | 192 | 198 | 200 | 198 |
| Steel | 211 | 218 | 222 | 211 | 218 | 222 | *227 | 232 |
| Open hearth | 182 | 186 | 178 | 182 | 186 | 178 | *186 | 184 |
| Electric | 418 | 453 | 536 | 418 | 453 | 536 | *518 | 576 |
| Machinery | *428 | 423 | 453 | *428 | 423 | 453 | *439 | 443 |
| Transportation equipment | *708 | 699 | 763 | *708 | 699 | 763 | *719 | 735 |
| Automobiles | *238 | 233 | 240 | *238 | 233 | 240 | *232 | 222 |
| Nonferrous metals and products | † | 239 | 277 | † | 239 | 278 | *261 | 267 |
| Smelting and refining | *187 | 191 | 306 | *188 | 191 | 307 | *247 | 277 |
| Lumber and products | *121 | 122 | 137 | *112 | 120 | 126 | *125 | 129 |
| Lumber | *111 | 112 | 131 | *97 | 109 | 114 | *115 | 119 |
| Furniture | *142 | 141 | 150 | *142 | 141 | 150 | *144 | 149 |
| Stone, clay and glass products | *161 | 160 | 169 | *164 | 163 | 164 | *164 | 173 |
| Plate glass | 51 | 56 | 55 | 51 | 56 | 55 | *60 | 44 |
| Cement | † | 88 | 101 | † | 95 | 92 | *78 | 125 |
| Clay products | *118 | 116 | 122 | *122 | 121 | 126 | *123 | 134 |
| Gypsum and plaster products | *174 | 175 | 192 | *177 | 177 | 196 | *183 | 198 |
| Abrasive & asbestos products | *299 | 295 | 319 | *299 | 295 | 319 | *301 | 318 |
| Textiles and products | *149 | 149 | 143 | *149 | 149 | 143 | *147 | 153 |
| Cotton consumption | 146 | 149 | 142 | 146 | 149 | 142 | 145 | 159 |
| Rayon deliveries | *215 | 209 | 189 | *215 | 209 | 189 | *196 | 183 |
| Wool textiles | † | 143 | 142 | † | 143 | 142 | *148 | 154 |
| Leather products | *112 | 116 | 102 | *112 | 118 | 101 | *113 | 114 |
| Tanning | † | 112 | 97 | † | 116 | 96 | *111 | 113 |
| Cattle hide leathers | † | 122 | 98 | † | 127 | 98 | *120 | 119 |
| Calf and kip leathers | † | 84 | 68 | † | 86 | 66 | *83 | 84 |
| Goat and kid leathers | † | 81 | 83 | † | 79 | 84 | *82 | 87 |
| Sheep and lamb leathers | † | 144 | 162 | † | 153 | 154 | *151 | 166 |
| Shoes | *112 | 119 | 105 | *112 | 119 | 105 | *114 | 114 |
| Manufactured food products | *152 | 153 | 151 | *147 | 154 | 147 | *152 | 145 |
| Wheat flour | *124 | 125 | 128 | *123 | 126 | 126 | *119 | 115 |
| Meatpacking | *155 | 158 | 173 | *181 | 175 | 205 | *177 | 165 |
| Other manufactured foods | *155 | 154 | 153 | *152 | 160 | 149 | *153 | 146 |
| Processed fruits & vegetables | *144 | 145 | 142 | *112 | 133 | 111 | *133 | 129 |
| Tobacco products | *131 | 135 | 143 | 121 | 137 | 132 | 125 | 133 |
| Cigars | 95 | 105 | 90 | 95 | 105 | 90 | 92 | 99 |
| Cigarettes | 155 | 157 | 181 | 142 | 160 | 167 | 152 | 164 |
| Other tobacco products | 108 | 107 | 99 | 95 | 110 | 87 | 86 | 89 |
| Paper and products | † | 143 | 132 | † | 143 | 131 | *139 | 139 |
| Paperboard | 145 | 160 | 135 | 145 | 160 | 135 | 153 | 147 |
| Newsprint production | 85 | 81 | 83 | 84 | 82 | 82 | 79 | 89 |
| Printing and publishing | *102 | 103 | 105 | *104 | 107 | 108 | *101 | 111 |
| Newsprint consumption | 84 | 86 | 89 | 88 | 93 | 93 | 85 | 99 |
| Petroleum and coal products | † | 266 | 219 | † | 266 | 219 | *247 | 185 |
| Petroleum refining | † | 281 | 226 | † | 281 | 226 | *258 | 188 |
| Gasoline | *144 | 144 | 123 | *144 | 144 | 123 | *135 | 111 |
| Fuel oil | † | 165 | 159 | † | 165 | 159 | *163 | 146 |
| Lubricating oil | † | 136 | 120 | † | 136 | 118 | *129 | 121 |
| Kerosene | † | 124 | 120 | † | 128 | 124 | *126 | 116 |
| Coke | † | 170 | 172 | † | 170 | 172 | *172 | 167 |
| Byproduct | † | 164 | 161 | † | 164 | 161 | *165 | 157 |
| Beehive | *323 | 367 | 519 | *323 | 367 | 519 | *435 | 493 |
| Chemicals | *313 | 306 | 365 | *315 | 308 | 367 | *324 | 384 |
| Rayon | *250 | 243 | 226 | *250 | 243 | 226 | *236 | 215 |
| Industrial chemicals | *394 | 394 | 394 | *394 | 394 | 394 | *404 | 367 |
| Rubber | *233 | 230 | 240 | *233 | 230 | 240 | *233 | 228 |
| Minerals— | | | | | | | | |
| Fuels | *142 | 148 | 140 | *142 | 148 | 140 | *145 | 132 |
| Bituminous coal | *138 | 155 | 156 | *138 | 155 | 156 | *156 | 147 |
| Anthracite | *109 | 126 | 114 | *109 | 126 | 114 | *126 | 118 |
| Crude petroleum | *147 | 148 | 136 | *147 | 148 | 136 | *143 | 128 |
| Metals | † | 111 | 124 | † | 88 | 87 | *114 | 126 |
| Iron ore | † | --- | --- | † | 133 | 83 | † | 222 |

*Preliminary or estimated. †Data not yet available.

FREIGHT CARLOADINGS
(1935-39 average = 100)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Coal | 127 | 143 | 147 | 127 | 143 | 147 | 144 | 138 |
| Coke | 166 | 181 | 192 | 175 | 181 | 202 | 186 | 186 |
| Grain | 134 | 150 | 153 | 126 | 147 | 144 | 139 | 146 |
| Livestock | 128 | 135 | 122 | 124 | 170 | ‡177 | 124 | 117 |
| Forest products | 135 | 138 | ‡155 | 120 | 135 | 138 | 144 | 141 |
| Ore | 133 | 153 | 209 | 41 | 138 | 65 | 181 | 192 |
| Miscellaneous | 151 | 149 | 148 | 142 | 155 | 139 | 147 | 145 |
| Merchandise, l.c.l. | 68 | 68 | 68 | 65 | 70 | 65 | 67 | 63 |

‡Revised.

**Note**—To convert coal and miscellaneous indexes to points in total index, shown in the Federal Reserve Chart Book, multiply coal by .213 and miscellaneous by .548.

# Fulton Trust Co. Net Earnings in 1944

Arthur J. Morris, President of Fulton Trust Company of New York, announced on Jan. 17 at the annual meeting of the stockholders that the institution showed net current operating earnings of $202,789 or $10.13 per share in 1944, compared with $200,960 or $10.04 per share in 1943. Mr. Morris further reported that deposits for the year averaged $31,800,000, the highest figure being $39,000,000 on December 30th 1944. The latter figure, he said, "is the highest point in deposits in the history of the Company and the average deposits for 1944 exceeded the average for the previous year by $1,400,000."

Mr. Morris continued:

"In our portfolio, our investment in Government Securities at the end of the year totaled $32,336,000, an increase over the previous year of $6,736,000. These bonds have a maturity to the first call date as follows: 34% in one year, 35% from 1 to 5 years, 29.4% from 5 to 10 years, 1.6% over 10 years. The average maturity is three and one-half years. Our investments in Government Bonds represent 73% of our total resources.

"In the three War Loan Drives conducted during the year 1944, our customers subscribed through us to the various issues to a total of $32,454,700."

At the Stockholders' meeting of the Fulton Trust Company the following were elected. Directors for the term ended January, 1948: John A. Larkin, E. Townsend Irvin, Charles Scribner, Charles S. Brown and Charles J. Nourse. The following were elected as Inspectors of Election for 1946; F. Ashton de Peyster, Matthew G. Ely and Walter N. Stillman.

# Officers Reelected by Newark Clearing House

At the 23rd annual meeting of the Newark (N. J.) Clearing House Association held January 16, the following officers were reelected:

President, W. Paul Stillman, President, National State Bank, Newark; Vice President, Robert G. Cowan, President, National Newark and Essex Banking Company, Newark; Treasurer, Carl K. Withers, President, Lincoln National Bank, Newark; Secretary, T. L. R. Crooks, President, Clinton Trust Co., Newark. Frank C. Mindnich, President of the Federal Trust Company, Newark, was reelected a member of the Clearing House Committee; other members of which are beside Mr. Stillman and Mr. Cowan: Horace K. Corbin, President, Fidelity Union Trust Co., Newark; Ray E. Mayham, President, West Side Trust Company, Newark, and Julius S. Rippel, President of the Merchants and Newark Trust Company, Newark. Russel W. Lynn continues as Manager-Examiner.

Standing committee reappointments were: Managing Committee, Roy F. Duke, Chairman, Vice-President, Fidelity Union Trust Co.; David J. Connolly, Vice-President, Federal Trust Company; John T. Corsa, Vice-President, National State Bank; Stanley J. Marek, Secretary-Treasurer, Franklin Washington Trust Co.; Committee on Admissions, Ralph W. Crum, Chairman, President, United States Trust Co.; Frederick J. Kugelmann, Cashier, National State Bank, and Francis R. Steyert, President, South Orange Trust Co.; Arthur E. Kean, Jr., Cashier, Lincoln National Bank, and Gustave E. Wiedenmayer, Vice-President and Cashier, National Newark and Essex Banking Company, make up the Advisory Committee.

# Daily Average Crude Oil Production for Week Ended Jan. 27, 1945, Decreased 6,600 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Jan. 27, 1945, was 4,727,150 barrels, a decrease of 6,600 barrels when compared with the preceding week. It was, however, 2,450 barrels in excess of the daily average figure recommended by the Petroleum Administration for War for the month of January, 1945, and exceeded the output in the week ended Jan. 29, 1944 by 317,700 barrels per day. Daily production for the four weeks ended Jan. 27, 1945, averaged 4,715,500 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 approximately 4,756,000 barrels of crude oil daily and produced 14,957,000 barrels of gasoline; 1,673,000 barrels of kerosene; 4,843,000 barrels of distillate Fuel, and 9,252,000 barrels of residual fuel oil during the week ended Jan. 27, 1945; and had in storage at the end of that week; 46,412,000 barrels of civilian grade gasoline; 42,811,000 barrels of military and other gasoline; 9,481,000 barrels of kerosene; 33,651,000 barrels of distillate fuel, and 51,119,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

| | *P. A. W. Recommendations January | *State Allowables Begin. Jan. 1 | Actual Production Week Ended Jan. 27, 1945 | Change from Previous Week | 4 Weeks Ended Jan. 27, 1945 | Week Ended Jan. 29, 1944 |
|---|---|---|---|---|---|---|
| Oklahoma | 352,000 | 356,000 | †361,900 | — 600 | 361,600 | 328,800 |
| Kansas | 274,000 | 269,400 | †267,250 | — 9,300 | 261,600 | 286,700 |
| Nebraska | 1,200 | ---- | †950 | — 50 | 1,000 | 1,150 |
| Panhandle Texas | | | 88,700 | ---- | 88,700 | 97,900 |
| North Texas | | | 143,150 | ---- | 143,150 | 140,200 |
| West Texas | | | 478,600 | ---- | 478,600 | 364,600 |
| East Central Texas | | | 144,050 | ---- | 144,050 | 116,400 |
| East Texas | | | 385,700 | ---- | 378,300 | 366,200 |
| Southwest Texas | | | 342,350 | ---- | 342,350 | 293,550 |
| Coastal Texas | | | 552,600 | ---- | 552,600 | 520,800 |
| Total Texas | 2,124,000 | ‡2,124,054 | 2,135,150 | ---- | 2,127,750 | 1,899,650 |
| North Louisiana | | | 68,000 | — 1,000 | 69,100 | 76,850 |
| Coastal Louisiana | | | 289,200 | ---- | 289,200 | 280,900 |
| Total Louisiana | 355,000 | 395,000 | 357,200 | — 1,000 | 358,300 | 357,750 |
| Arkansas | 80,000 | 79,975 | 81,300 | — 400 | 81,350 | 78,300 |
| Mississippi | 53,000 | | 48,850 | + 1,250 | 49,100 | 44,400 |
| Alabama | 300 | | 300 | + 50 | 250 | ---- |
| Florida | ---- | | 50 | ---- | 50 | ---- |
| Illinois | 200,000 | | 201,050 | + 2,800 | 202,450 | 217,200 |
| Indiana | 12,500 | | 12,600 | + 50 | 12,700 | 14,000 |
| Eastern— (Not incl. Ill., Ind., Ky.) | 68,200 | | 57,500 | — 6,300 | 61,550 | 73,600 |
| Kentucky | 32,000 | | 29,450 | — 1,000 | 29,800 | 22,500 |
| Michigan | 47,000 | | 46,700 | + 4,150 | 47,300 | 52,900 |
| Wyoming | 100,000 | | 98,000 | — 1,750 | 97,650 | 97,050 |
| Montana | 23,000 | | 20,400 | ---- | 20,400 | 20.950 |
| Colorado | 9,500 | | 10,050 | + 600 | 9,500 | 6,300 |
| New Mexico | 105,000 | 105,000 | 103,150 | ---- | 103,200 | 113,000 |
| Total East of Calif. | 3,836,700 | | 3,831,850 | —11,500 | 3,825,550 | 3,614,250 |
| California | 888,000 | §888,000 | 895,300 | + 4,900 | 889,950 | 795,200 |
| Total United States | 4,724,700 | | 4,727,150 | — 6,600 | 4,715,500 | 4,409,450 |

*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. Jan. 25, 1945.

‡This is the net basic allowable as of Jan. 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 2 to 15 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 JAN. 27, 1945

(Figures in thousands of barrels of 42 gallons each)

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

| District— | % Daily Refining Capacity Reporting | Crude Runs to Stills Daily Average | % Operated | §Gasoline Production at Ref. Inc. Nat. Blended | ‡Stocks of Gas Oil & Dist. Fuel Oil | ‡Stocks of Residual Fuel oil | Gasoline Stocks Military and Other | Gasoline Stocks Civilian Grade |
|---|---|---|---|---|---|---|---|---|
| East Coast | 100.0 | 774 | 106.2 | 1,927 | 6,955 | 4,951 | 6,391 | 5,857 |
| Appalachian— District No. 1 | 83.9 | 103 | 79.2 | 308 | 419 | 277 | 1,399 | 1,221 |
| District No. 2 | 87.2 | 59 | 125.5 | 192 | 237 | 243 | 605 | 1,135 |
| Ind., Ill., Ky. | 85.2 | 799 | 97.0 | 3,029 | 4,925 | 2,693 | 6,156 | 14,324 |
| Okla., Kans., Mo. | 80.2 | 395 | 94.5 | 1,446 | 1,949 | 1,278 | 2,256 | 6,822 |
| Inland Texas | 66.9 | 225 | 80.9 | 881 | 384 | 661 | 1,045 | 1,702 |
| Texas Gulf Coast | 90.5 | 1,123 | 96.4 | 3,444 | 6,817 | 8,848 | 10,112 | 5,397 |
| Louisiana Gulf Coast | 95.5 | 289 | 119.4 | 940 | 1,276 | 1,336 | 2,360 | 2,143 |
| No. La. & Arkansas | 68.0 | 76 | 73.1 | 196 | 842 | 259 | 976 | 1,780 |
| Rocky Mountain— District No. 3 | 17.0 | 10 | 76.9 | 33 | 20 | 28 | 10 | 71 |
| District No. 4 | 58.3 | 118 | 83.7 | 390 | 340 | 550 | 575 | 1,221 |
| California | 89.9 | 785 | 96.1 | 2,171 | 9,487 | 29,995 | 10,926 | 4,739 |
| Total U. S. B. of M. basis Jan. 27, 1945 | 87.2 | 4,756 | 96.9 | 14,957 | 33,651 | 51,110 | *42,811 | 46,412 |
| Total U. S. B. of M. Basis Jan. 20, 1945 | 87.2 | 4,686 | 95.5 | 14.554 | 35,041 | 52,554 | 42,926 | 45,782 |
| U. S. Bur. of Mines basis Jan. 29, 1944 | | 4,364 | | 13,294 | 37,251 | 52,980 | 36,346 | 44,571 |

*Includes aviation, military, solvents and naphthas, and gasoline blending stocks currently indeterminate as to ultimate use, and 11,689,000 barrels of Unfinished gasoline this week, compared with 12,167,000 barrels last week (revised) and 11,893,000 barrels a year ago. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,673,000 barrels of kerosine, 4,843,000 barrels of gas oil and distillate fuel oil and 9,252.000 barrels of residual fuel oil produced during the week ended Jan. 27, 1945, which compares with 1,556,000 barrels, 4,586,000 barrels and 9,082,000 barrels, respectively, in the preceding week and 1,631,000 barrels, 4,196,000 barrels and 8,700,000 barrels, respectively, in the week ended Jan. 29, 1944.

**Note**—Stocks of kerosine at Jan. 27, 1945, amounted to 9,481,000 barrels, as against 9,445,000 barrels a week earlier and 8,314,000 barrels a year before.

# Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES†
(Based on Average Yields)

| 1945— Daily Averages | U.S. Govt. Bonds | Avge. Corporate* | Aaa | Aa | A | Baa | R. R. | P. U. | Indus. |
|---|---|---|---|---|---|---|---|---|---|
| | | | Corporate by Ratings* | | | | Corporate by Groups* | | |
| Feb. 6 | 121.44 | 114.08 | 119.82 | 118.20 | 113.89 | 105.52 | 109.79 | 114.08 | 118.80 |
| 5 | 121.44 | 114.08 | 119.82 | 118.00 | 113.89 | 105.52 | 109.79 | 113.89 | 118.80 |
| 3 | 121.37 | 114.08 | 119.82 | 118.20 | 113.89 | 105.34 | 109.60 | 114.08 | 118.80 |
| 2 | 121.33 | 114.08 | 119.82 | 118.00 | 113.89 | 105.34 | 109.60 | 114.08 | 118.80 |
| 1 | 121.11 | 113.89 | 119.61 | 118.00 | 113.70 | 105.34 | 109.42 | 113.89 | 118.80 |
| Jan. 31 | 121.06 | 113.89 | 119.41 | 118.00 | 113.70 | 105.34 | 109.42 | 113.89 | 118.80 |
| 30 | 120.97 | 113.89 | 119.41 | 118.00 | 113.70 | 105.17 | 109.24 | 113.89 | 118.60 |
| 29 | 120.81 | 113.89 | 119.41 | 118.00 | 113.50 | 105.17 | 109.24 | 113.89 | 118.60 |
| 27 | 120.84 | 113.89 | 119.41 | 118.00 | 113.70 | 105.17 | 109.24 | 113.89 | 118.60 |
| 26 | 120.88 | 113.89 | 119.41 | 118.00 | 113.70 | 105.17 | 109.24 | 113.89 | 118.60 |
| 25 | 120.82 | 113.70 | 119.20 | 118.00 | 113.50 | 105.00 | 109.06 | 113.89 | 118.60 |
| 24 | 120.88 | 113.70 | 119.20 | 118.00 | 113.50 | 105.00 | 109.06 | 113.70 | 118.60 |
| 23 | 121.13 | 113.70 | 119.20 | 117.80 | 113.50 | 105.00 | 109.06 | 113.70 | 118.60 |
| 22 | 121.14 | 113.70 | 119.20 | 117.80 | 113.31 | 105.00 | 108.88 | 113.70 | 118.60 |
| 20 | 121.16 | 113.70 | 119.20 | 117.80 | 113.70 | 105.00 | 108.88 | 113.70 | 118.60 |
| 19 | 121.09 | 113.70 | 119.20 | 118.00 | 113.70 | 105.00 | 108.88 | 113.70 | 118.60 |
| 18 | 121.17 | 113.70 | 119.20 | 117.80 | 113.70 | 105.00 | 109.06 | 113.70 | 118.60 |
| 17 | 121.20 | 113.70 | 119.20 | 117.80 | 113.70 | 105.00 | 109.06 | 113.70 | 118.60 |
| 16 | 121.03 | 113.70 | 119.00 | 117.80 | 113.70 | 105.00 | 109.06 | 113.70 | 118.40 |
| 15 | 121.16 | 113.70 | 119.00 | 117.80 | 113.50 | 105.00 | 109.06 | 113.70 | 118.40 |
| 13 | 121.25 | 113.70 | 119.00 | 118.00 | 113.50 | 104.83 | 108.88 | 113.70 | 118.40 |
| 12 | 121.25 | 113.70 | 119.00 | 118.00 | 113.50 | 104.83 | 109.06 | 113.70 | 118.40 |
| 11 | 121.22 | 113.70 | 119.00 | 118.00 | 113.50 | 104.83 | 108.88 | 113.70 | 118.40 |
| 10 | 121.03 | 113.50 | 119.00 | 118.00 | 113.31 | 104.83 | 108.88 | 113.70 | 118.40 |
| 9 | 120.79 | 113.50 | 119.00 | 117.80 | 113.31 | 104.66 | 108.70 | 113.70 | 118.40 |
| 8 | 120.78 | 113.50 | 119.00 | 117.80 | 113.31 | 104.66 | 108.70 | 113.70 | 118.20 |
| 6 | 120.67 | 113.50 | 119.00 | 117.80 | 113.50 | 104.66 | 108.70 | 113.89 | 118.20 |
| 5 | 120.66 | 113,50 | 119,00 | 117.80 | 113.50 | 104.66 | 108.70 | 113.89 | 118.20 |
| 4 | 120.66 | 113.50 | 119.00 | 117.80 | 113.50 | 104.48 | 108.70 | 113.89 | 118.20 |
| 3 | 120.62 | 113.50 | 118.80 | 117.80 | 113.50 | 104.48 | 108.70 | 113.89 | 118.20 |
| 2 | 120.55 | 113.50 | 119.00 | 117.80 | 113.31 | 104.48 | 108.52 | 113.89 | 118.20 |
| 1 | Stock Exchange Closed | | | | | | | | |
| High 1945 | 121.44 | 114.08 | 118.80 | 117.80 | 113.89 | 105.52 | 109.79 | 114.08 | 118.80 |
| Low 1945 | 120.55 | 113.50 | 119.82 | 118.20 | 113.31 | 104.48 | 108.52 | 113.70 | 118.20 |
| 1 Year Ago | | | | | | | | | |
| Feb. 5, 1944 | 119.50 | 111.25 | 118.40 | 116.22 | 111.25 | 100.49 | 104.14 | 113.50 | 116.61 |
| 2 Years Ago | | | | | | | | | |
| Feb. 6, 1943 | 117.09 | 108.88 | 117.80 | 115.04 | 109.97 | 94.71 | 99.20 | 112.75 | 115.43 |

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

| 1945— Daily Averages | U.S. Govt. Bonds | Avge. Corporate* | Aaa | Aa | A | Baa | R. R. | P. U. | Indus. |
|---|---|---|---|---|---|---|---|---|---|
| | | | Corporate by Ratings* | | | | Corporate by Groups* | | |
| Feb. 6 | 1.73 | 2.95 | 2.66 | 2.74 | 2.96 | 3.42 | 3.18 | 2.95 | 2.71 |
| 5 | 1.73 | 2.95 | 2.66 | 2.75 | 2.96 | 3.42 | 3.18 | 2.96 | 2.71 |
| 3 | 1.73 | 2.95 | 2.66 | 2.74 | 2.96 | 3.43 | 3.19 | 2.95 | 2.71 |
| 2 | 1.73 | 2.95 | 2.66 | 2.75 | 2.96 | 3.43 | 3.19 | 2.95 | 2.71 |
| 1 | 1.75 | 2.96 | 2.67 | 2.75 | 2.97 | 3.43 | 3.20 | 2.96 | 2.71 |
| Jan. 31 | 1.76 | 2.96 | 2.68 | 2.75 | 2.97 | 3.43 | 3.20 | 2.96 | 2.71 |
| 30 | 1.76 | 2.96 | 2.68 | 2.75 | 2.97 | 3.44 | 3.21 | 2.96 | 2.72 |
| 29 | 1.77 | 2.96 | 2.68 | 2.75 | 2.98 | 3.44 | 3.21 | 2.96 | 2.72 |
| 27 | 1.77 | 2.96 | 2.68 | 2.75 | 2.97 | 3.44 | 3.21 | 2.96 | 2.72 |
| 26 | 1.77 | 2.96 | 2.68 | 2.75 | 2.97 | 3.44 | 3.21 | 2.96 | 2.72 |
| 25 | 1.77 | 2.97 | 2.69 | 2.75 | 2.98 | 3.45 | 3.22 | 2.96 | 2.72 |
| 24 | 1.77 | 2.97 | 2.69 | 2.75 | 2.98 | 3.45 | 3.22 | 2.97 | 2.72 |
| 23 | 1.75 | 2.97 | 2.69 | 2.76 | 2.98 | 3.45 | 3.23 | 2.97 | 2.72 |
| 22 | 1.75 | 2.97 | 2.69 | 2.76 | 2.99 | 3.45 | 3.23 | 2.97 | 2.72 |
| 20 | 1.75 | 2.97 | 2.69 | 2.76 | 2.97 | 3.45 | 3.23 | 2.97 | 2.72 |
| 19 | 1.75 | 2.97 | 2.69 | 2.75 | 2.97 | 3.45 | 3.23 | 2.97 | 2.72 |
| 18 | 1.75 | 2.97 | 2.69 | 2.76 | 2.97 | 3.45 | 3.22 | 2.97 | 2.72 |
| 17 | 1.74 | 2.97 | 2.69 | 2.76 | 2.97 | 3.45 | 3.22 | 2.97 | 2.72 |
| 16 | 1.76 | 2.97 | 2.70 | 2.76 | 2.97 | 3.45 | 3.22 | 2.97 | 2.73 |
| 15 | 1.75 | 2.97 | 2.70 | 2.76 | 2.98 | 3.45 | 3.22 | 2.97 | 2.73 |
| 13 | 1.74 | 2.97 | 2.70 | 2.75 | 2.98 | 3.46 | 3.23 | 2.97 | 2.73 |
| 12 | 1.74 | 2.97 | 2.70 | 2.75 | 2.98 | 3.46 | 3.22 | 2.97 | 2.73 |
| 11 | 1.74 | 2.97 | 2.70 | 2.75 | 2.98 | 3.46 | 3.23 | 2.97 | 2.73 |
| 10 | 1.76 | 2.98 | 2.70 | 2.75 | 2.99 | 3.46 | 3.23 | 2.97 | 2.73 |
| 9 | 1.78 | 2.98 | 2.70 | 2.76 | 2.99 | 3.47 | 3.24 | 2.97 | 2.73 |
| 8 | 1.78 | 2.98 | 2.70 | 2.76 | 2.99 | 3.47 | 3.24 | 2.97 | 2.74 |
| 6 | 1.78 | 2.98 | 2.70 | 2.76 | 2.98 | 3.47 | 3.24 | 2.96 | 2.74 |
| 5 | 1.79 | 2.98 | 2.70 | 2.76 | 2.98 | 3.47 | 3.24 | 2.96 | 2.74 |
| 4 | 1.79 | 2.98 | 2.70 | 2.76 | 2.98 | 3.48 | 3.24 | 2.96 | 2.74 |
| 3 | 1.79 | 2.98 | 2.71 | 2.76 | 2.98 | 3.48 | 3.24 | 2.96 | 2.74 |
| 2 | 1.80 | 2.98 | 2.70 | 2.76 | 2.99 | 3.48 | 3.25 | 2.96 | 2.74 |
| 1 | Stock Exchange Closed | | | | | | | | |
| High 1945 | 1.80 | 2.98 | 2.71 | 2.76 | 2.99 | 3.48 | 3.25 | 2.97 | 2.74 |
| Low 1945 | 1.73 | 2.95 | 2.66 | 2.74 | 2.96 | 3.42 | 3.18 | 2.95 | 2.71 |
| 1 Year Ago | | | | | | | | | |
| Feb. 5, 1944 | 1.86 | 3.10 | 2.73 | 2.84 | 3.10 | 3.72 | 3.50 | 2.98 | 2.82 |
| 2 Years Ago | | | | | | | | | |
| Feb. 6, 1943 | 2.06 | 3.23 | 2.76 | 2.90 | 3.17 | 4.09 | 3.80 | 3.02 | 2.88 |

*These prices are computed from average yields on the basis of one "typical" bond (3¾% 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.

# Manufacturing Workers' Earnings at New All-Time Peak in November, Says Conference Bd.

Average weekly earnings of wage earners in the 25 manufacturing industries surveyed each month by the National Industrial Conference Board were at an all-time peak of $49.46 in November, while hourly earnings regained their October loss to equal the record September level of $1.08, according to the Board's advices of Feb. 2, which also said:

"The lowest average of weekly earnings was $31.83 in the boot and shoe industry, while the four highest averages were shown for the following industries: automobile, $58.24; iron and steel, $57.34; rubber, $58.06; and foundries and machine shops, $57.08.

"These figures include overtime and other monetary compensation.

"The changes in payroll statistics from October to November as shown by the Conference Board's survey are summarized as follows:

"**Hourly earnings** rose 0.1% to $1.080. They were 3.7% higher than in November, 1943, 42.3% above the level of January, 1941, base date of the Little Steel formula, and 83.1% above that of 1929.

"**Weekly earnings** at $49.46 were 0.1% higher than in October, 4.0% above those of November, 1943, 61.6% above January, 1941, and 73.2% higher than in 1929.

"**'Real' weekly earnings**, or dollar weekly earnings adjusted for changes in living costs, declined 0.2% in November. They were 2.1% greater than in November, 1943, 32% above January, 1941, and 64.6% above the 1929 level.

"**Hours worked per week** averaged 45.6, or 0.2% less than in October. The average was 0.1 hour, or 0.2%, above November, 1943, 5.4 hours, or 13.4% above January, 1941, but 2.7 hours, or 5.6% less than the average worked in 1929.

"**Employment** in the twenty-five industries declined 0.5% in November, the twelfth consecutive monthly decline. It was 10.6% below November, 1943, but 23.1% above January, 1941, and 36.5% above 1929.

"**Man hours** worked in the twenty-five inndustries declined 0.8% and were 10.4% below November, 1943. They were, however, 39.7% above January, 1941, and 28.8% above the 1929 average.

"**Payrolls** in November fell off 0.3% and were 7.0% below those of November, 1943. They were 99.1% higher than in January, 1941, and 136.5% above the 1929 average.

# Resume Servicing of Finnish Bonds

Secretary Morgenthau announced on Feb. 1 that, after consultation with the State Department, Foreign Funds Control licenses are being granted authorizing the resumption of servicing in the United States of the following Finnish Government bond issues:

City of Helsingfors 6½% Bonds of 1960.

Finland's Residential Mortgage Bank 6% Bonds of 1961.

Republic of Finland 6% External Loan Sinking Fund Bonds of 1945.

In addition, licenses are being granted authorizing payment by the Finnish Government of $240,660.96 to the Export-Import Bank, representing one-half of the semi-annual interest due November 1, 1944, on the loan of the Export-Import Bank to the Finnish-American Trading Corporation, and $235,445.16 to the United States Treasury, representing the December 15, 1944, installment of interest and principal on the 3½% loan of 1923 made by this Government to the Republic of Finland.

## Rep. O'Connor Dies

Representative Francis O'Connor (Democrat), of Livingston, Mont., died on Jan. 14 in the Roosevelt Hotel, Washington, D. C., where he resided. Mr. O'Connoir was 66 years of age. In Washington, D. C., Associated Press advices Jan. 14 it was stated:

Born near California Junction, Iowa, Mr. O'Connor served in the Montana State Legislature and on the Federal Trade Commission prior to his election to Congress in 1936. He was Chairman of the Indian Affairs Committee of the House.

Mr. O'Connor was first elected to Congress from the Second Montana district in 1936. He was re-elected in 1938, 1940 and 1942.

He was graduated from the University of Nebraska Law School in 1904, and after practicing law became Judge of the Sixth Judicial District of Montana in 1912. In 1917 and 1918 he was a member of the Montana Legislature, serving as Speaker of the House.

He was a special counsel for the Federal Trade Commission at Washington in 1918.

In addition to his Indian Affairs chairmanship Mr. O'Connor was a member of the Census, Flood Control, Irrigation and Reclamation, Public Lands, Territories and War Claims committees.

His son, Lieut. Miles J. O'Connor, who had been at his home at Livingston on a furlough, was reported at the time of his father's death as en route to Navy duty in Seattle, Wash.

# Moody's Daily Commodity Index

| | |
|---|---|
| Tuesday, Jan. 30, 1945 | 252.1 |
| Wednesday, Jan. 31 | 252.5 |
| Thursday, Feb. 1 | 253.6 |
| Friday, Feb. 2 | 253.0 |
| Saturday, Feb. 3 | 253.1 |
| Monday, Feb. 5 | 253.6 |
| Tuesday, Feb. 6 | 254.0 |
| Two weeks ago, Jan. 23 | 252.7 |
| Month ago, Jan. 6 | 254.7 |
| Year ago, Feb. 6, 1944 | 247.3 |
| 1943 High, April 1 | 249.8 |
| Low, Jan. 2 | 240.2 |
| 1944 High, Jan. 8 | 255.3 |
| Low, Jan. 24 | 252.1 |

## Weekly Coal and Coke Production Statistics

The Solid Fuels Administration, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended Jan. 27, 1945, is estimated at 11,680,000 net tons, a decrease of 280,000 tons, or 2.3%, from the preceding week. Output in the corresponding week of 1944 amounted to 12,830,000 tons. For the calendar year to Jan. 27, 1945, soft coal production totaled 46,365,000 tons, a decrease of 10.3% when compared with the 51,710,000 tons produced in the calendar year to Jan. 29, 1944.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended Jan. 27, 1945, was estimated at 959,000 tons, a decrease of 40,000 tons (4%) from the preceding week. When compared with the output in the corresponding week of 1944 there was a decrease of 315,000 tons, or 24.7%. Production for the calendar year to date amounted to 3,873,000 tons, as against 4,824,000 tons in the corresponding period in 1944.

The Bureau also reported that the estimated production of beehive coke for the week ended Jan. 27, 1945, showed a decrease of 16,200 tons when compared with the output for the week ended Jan. 20, 1945; and was 71,200 tons less than for the corresponding week of 1944.

ESTIMATED UNITED STATES PRODUCTION OF BITUMINOUS COAL AND LIGNITE IN NET TONS

| | Week Ended | | | Jan. 1 to Date | |
|---|---|---|---|---|---|
| Bituminous coal & lignite— | Jan. 27, 1945 | Jan. 20, 1945 | Jan. 29, 1944 | *Jan. 27, 1945 | Jan. 29, 1944 |
| Total, including mine fuel | 11,680,000 | 11,960,000 | 12,830,000 | 46,365,000 | 51,710,000 |
| Daily average | 1,947,000 | 1,993,000 | 2,138,000 | 1,965,000 | 2,094,000 |

*Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

(In Net Tons)

| | Week Ended | | | Calendar Year to Date | | |
|---|---|---|---|---|---|---|
| Penn. anthracite— | ‡Jan. 27, 1945 | §Jan. 20, 1945 | Jan. 29, 1944 | Jan. 27, 1945 | Jan. 29, 1944 | Jan. 30, 1937 |
| *Total incl. coll. fuel | 959,000 | 999,000 | 1,274,000 | 3,873,000 | 4,824,000 | 4,236,000 |
| †Commercial produc. | 921,000 | 959,000 | 1,223,000 | 3,718,000 | 4,631,000 | 4,024,000 |
| Beehive coke— | | | | | | |
| United States total | 95,400 | 111,600 | 166,600 | 383,600 | 664,100 | 272,700 |

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

ESTIMATED WEEKLY PRODUCTION OF BITUMINOUS COAL AND LIGNITE, BY STATES

(In Net Tons)

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

| | Week Ended | | |
|---|---|---|---|
| State— | Jan. 20, 1945 | Jan. 13, 1945 | Jan. 22, 1944 |
| Alabama | 376,000 | 378,000 | 403,000 |
| Alaska | 7,000 | 7,000 | 5,000 |
| Arkansas and Oklahoma | 107,000 | 110,000 | 103,000 |
| Colorado | 171,000 | 173,000 | 195,000 |
| Georgia and North Carolina | 1,000 | 1,000 | 1,000 |
| Illinois | 1,495,000 | 1,467,000 | 1,644,000 |
| Indiana | 578,000 | 584,000 | 550,000 |
| Iowa | 63,000 | 60,000 | 54,000 |
| Kansas and Missouri | 176,000 | 182,000 | 185,000 |
| Kentucky—Eastern | 1,030,000 | 1,055,000 | 980,000 |
| Kentucky—Western | 354,000 | 343,000 | 349,000 |
| Maryland | 36,000 | 34,000 | 38,000 |
| Michigan | 2,000 | 2,000 | 6,000 |
| Montana (bitum. & lignite) | 110,000 | 115,000 | 109,000 |
| New Mexico | 35,000 | 34,000 | 39,000 |
| North & South Dakota (lignite) | 79,000 | 76,000 | 78,000 |
| Ohio | 670,000 | 682,000 | 689,000 |
| Pennsylvania (bituminous) | 2,715,000 | 2,780,000 | 2,990,000 |
| Tennessee | 143,000 | 146,000 | 173,000 |
| Texas (bituminous & lignite) | 4,000 | 4,000 | 6,000 |
| Utah | 140,000 | 157,000 | 144,000 |
| Virginia | 385,000 | 400,000 | 417,000 |
| Washington | 35,000 | 32,000 | 35,000 |
| †West Virginia—Southern | 2,145,000 | 2,184,000 | 2,265,000 |
| ‡West Virginia—Northern | 888,000 | 924,000 | 982,000 |
| Wyoming | 214,000 | 220,000 | 209,000 |
| §Other Western States | 1,000 | * | 1,000 |
| Total bituminous & lignite | 11,960,000 | 12,150,000 | 12,650,000 |

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

## Wholesale Prices for Week Ended January 27

Lower prices for fruits and vegetables and for eggs brought the Bureau of Labor Statistics' index of commodity prices in primary markets down 0.1% during the week ended Jan. 27, said the weekly report issued by the U. S. Dept. of Labor on Feb. 1, which continued by saying: "Average prices for both farm products and foods dropped 0.6% during the week. The decline offset the increase of the preceding week and again placed the all-commodity index at 104.7% of the 1926 average, the level reached at the end of December. The index is now 1.6% higher than at this time last year." The Department's advices further said:

**"Farm Products and Foods**—Led by declines of 6% for rye, 4% for oats and 1.5% for cotton, together with lower quotations for eggs, apples, citrus fruits and sweet potatoes, average prices for farm products fell a little over one-half of 1% during the week. Livestock and poultry advanced 0.3%, due to an increase of 3.7% for sheep and 0.3% for hogs. The grain market advanced fractionally with wheat up 1.2% and corn 0.2%. Higher prices were also reported for hay and for white potatoes at Boston and New York and for onions. In the past four weeks farm product prices at the primary market level have declined 0.7%. They were, however, 2.6% higher than at the end of January a year ago.

"The decrease of 0.6% in average prices for food was largely the result of a decline of over 3% for fruits and vegetables and 1.4% for eggs. Cereal products decreased slightly because of lower prices for flour. Except for higher quotations for potatoes in eastern markets and for onions, there were no important increases in market prices for foods during the week. The foods group index has declined 1% since the end of December and it was 0.3%lower than at this time last year.

**"Industrial Commodities**—The most important change in industrial commodity markets was a further rise of over 3% in the mercury market, which brought the index for the metal products group up 0.1%.

The Labor Department included the following notation in their report:

**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. The indexes 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 December 30, 1944, and Jan 29, 1944, and the percentage changes from a week ago, a month ago, and a year ago and (2) percentage changes in subgroup indexes from Jan. 20, 1945, to Jan. 27, 1945.

WHOLESALE PRICES FOR WEEK ENDED JAN. 27, 1945

(1926=100)

| | | | | | | Percentage change to Jan. 27, 1945 from— | | |
|---|---|---|---|---|---|---|---|---|
| Commodity Groups— | 1-27 1945 | 1-20 1945 | 1-13 1945 | 12-30 1944 | 1-29 1944 | 1-20 1945 | 12-30 1944 | 1-29 1944 |
| All commodities | 104.7 | 104.8 | 104.7 | 104.7 | 103.1 | —0.1 | 0 | + 1.6 |
| Farm products | 125.8 | 126.6 | 126.3 | 126.7 | 122.6 | —0.6 | —0.7 | + 2.6 |
| Foods | 104.4 | 105.0 | 104.7 | 105.5 | 104.7 | —0.6 | —1.0 | — 0.3 |
| Hides and leather products | 117.9 | 117.9 | 117.9 | 117.9 | 117.8 | 0 | 0 | + 0.1 |
| Textile products | 99.0 | 99.0 | 99.0 | 99.0 | 97.2 | 0 | 0 | + 1.9 |
| Fuel and lighting materials | 83.9 | 83.9 | 83.9 | 83.6 | 83.1 | 0 | +0.4 | + 1.0 |
| Metals and metal products | 104.3 | 104.2 | 104.0 | 103.9 | 103.8 | +0.1 | +0.4 | + 0.5 |
| Building materials | 116.7 | 116.7 | 116.4 | 116.4 | 113.5 | 0 | +0.3 | + 2.8 |
| Chemicals and allied products | 104.9 | 104.9 | 104.9 | 104.8 | 100.4 | 0 | +0.1 | + 4.5 |
| Housefurnishing goods | 106.1 | 106.1 | 106.1 | 106.1 | 104.4 | 0 | 0 | + 1.6 |
| Miscellaneous commodities | 94.0 | 94.0 | 94.0 | 93.9 | 93.0 | 0 | +0.1 | + 1.1 |
| Raw materials | 115.3 | 115.8 | 115.6 | 115.7 | 112.7 | —0.4 | —0.3 | + 2.3 |
| Semimanufactured articles | 94.8 | 94.8 | 94.7 | 94.7 | 93.1 | 0 | +0.1 | + 1.8 |
| Manufactured products | 101.6 | 101.6 | 101.4 | 101.3 | 100.4 | 0 | +0.3 | + 1.2 |
| All commodities other than farm products | 100.0 | 100.0 | 99.9 | 99.8 | 99.0 | 0 | +0.2 | + 1.0 |
| All commodities other than farm products and foods | 99.3 | 99.3 | 99.2 | 99.1 | 98.0 | 0 | +0.2 | + 1.3 |

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM JAN. 20, 1945 TO JAN. 27, 1945

| Increases | | | |
|---|---|---|---|
| Paper and pulp | 0.5 | Livestock and poultry | 0.3 |
| Grains | 0.2 | | |
| **Decreases** | | | |
| Fruits and vegetables | 3.1 | Other foods | 0.4 |
| Other farm products | 1.5 | Cereal Products | 0.1 |

## Electric Output for Week Ended Feb. 3, 1945 Increased 0.3% Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Feb. 3, 1945, was approximately 4,538,552,000 kwh., which compares with 4,524,134,000 kwh. in the corresponding week a year ago, and 4,576,713,000 kwh. in the week ended Jan. 27, 1945. The output of the week ended Feb. 3, 1945, was 0.3% in excess of that in the same week last year.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

| | Week Ended | | | |
|---|---|---|---|---|
| Major Geographical Divisions— | Feb. 3 | Jan. 27 | Jan. 20 | Jan. 13 |
| New England | 2.3 | 1.8 | 2.5 | 3.5 |
| Middle Atlantic | *2.0 | *0.2 | *0.9 | *0.7 |
| Central Industrial | 2.2 | 4.1 | 4.2 | 3.4 |
| West Central | 8.4 | 9.8 | 10.6 | 10.2 |
| Southern States | 5.6 | 6.4 | 5.3 | 5.4 |
| Rocky Mountain | *10.8 | *12.6 | *11.1 | *9.6 |
| Pacific Coast | *2.5 | *5.4 | *3.6 | *0.2 |
| Total United States | 0.3 | 1.2 | 1.2 | 1.7 |

*Decrease under similar week in previous year.

Note—Because the same week a year ago contained the New Year holiday, no percentage comparison is available for the week ended Jan. 6.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

| Week Ended— | 1944 | 1943 | % Change over 1943 | 1942 | 1932 | 1929 |
|---|---|---|---|---|---|---|
| Nov. 4 | 4,354,939 | 4,413,863 | — 1.3 | 3,761,961 | 1,520,730 | 1,798,164 |
| Nov. 11 | 4,396,595 | 4,482,665 | — 1.9 | 3,775,878 | 1,531,584 | 1,793,584 |
| Nov. 18 | 4,450,047 | 4,513,299 | — 1.4 | 3,795,361 | 1,475,268 | 1,818,169 |
| Nov. 25 | 4,368,519 | 4,403,342 | — 0.8 | 3,766,381 | 1,510,337 | 1,718,002 |
| Dec. 2 | 4,524,257 | 4,560,158 | — 0.8 | 3.883,534 | 1,518,922 | 1,806.225 |
| Dec. 9 | 4,538,012 | 4,566,905 | — 0.6 | 3,937,524 | 1,563,384 | 1,840,863 |
| Dec. 16 | 4,563,079 | 4,612,994 | — 1.1 | 3,975,873 | 1,554,473 | 1,860,021 |
| Dec. 23 | 4,616,975 | 4,295,010 | — | 3,655,926 | 1,414,710 | 1,637,683 |
| Dec. 30 | 4,225,814 | 4,337,287 | — 2.6 | 3,779,993 | 1,619,265 | 1,542,000 |
| **Week Ended—** | **1945** | **1944** | **% Change over 1944** | **1943** | **1932** | **1929** |
| Jan. 6 | 4,427,281 | 4,567,959 | — | 3,952,587 | 1,602,482 | 1,733,810 |
| Jan. 13 | 4,614,334 | 4,539,083 | + 1.7 | 3,952,479 | 1,598,201 | 1,736,721 |
| Jan. 20 | 4,588,214 | 4,531,662 | + 1.2 | 3,974,202 | 1,588,967 | 1,717,315 |
| Jan. 27 | 4,576,713 | 4,523,763 | + 1.2 | 3,976,844 | 1,588,853 | 1,728,203 |
| Feb. 3 | 4,538,552 | 4,524,134 | + 0.3 | 3,960,242 | 1,578,817 | 1,726,161 |
| Feb. 10 | | 4,532,730 | | 3,939,708 | 1,545,459 | 1,718,304 |
| Feb. 17 | | 4,511,562 | | 3,948,749 | 1,512,158 | 1,699,250 |
| Feb. 24 | | 4,444,939 | | 3,892,796 | 1,519,679 | 1,706,719 |

## Steel Output at Lower Rate—Higher Prices Near—Buying Heavy and Deliveries Extended

The American Iron and Steel Institute on Feb. 5 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 89.3% of capacity for the week beginning Feb. 5, compared with 90.1% one week ago, 93.0% one month ago and 97.2% one year ago. The operating rate for the week beginning Feb. 5 is equivalent to 1,610,800 tons of steel ingots and castings, compared to 1,625,200 tons one week ago, 1,677,500 tons one month ago, and 1,741,800 tons one year ago. Steel production for the current week is the smallest of any nonholiday week since July 22-29, 1940.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Feb. 5 stated in part as follows:

Higher prices on some carbon steel products may be approved by Office of Price Administration within the next few weeks, based on the fact that steelmaking costs have risen since prices were frozen, some probably effective before the end of February.

Steel orders in January were perhaps the heaviest on record and deliveries are extending rapidly, with adverse factors of weather and labor shortage important factors in the latter. Some producers have been forced to reduce production to the lowest level of the war years. Prospects for early improvement are not bright as further railroad embargoes are thought likely. Threat of a miners' strike is a further factor in considering future conditions.

Extension of deliveries is not only impressive in major products, carbon bars and hot and cold-rolled sheets, but in various specialties also, with a general stiffening all along the line.

Broadening shell and small arms ammunition requirements are making good the forecast of several weeks ago and bar needs continue to grow. Deliveries on large diameters fall in third quarter, directives being needed for earlier delivery. Some makers can book hot-rolled sheets in July, with most quoting August and September and cold-rolled for August to October.

Some effect of limitation of pig iron inventory to 30 days may be noticed in specifying for February and March but this is not expected to be important, as many melters have not carried heavy stocks. Better shipments from the Buffalo district have eased the situation for some eastern foundries. Some had been forced to curtail or suspend production. Better car supply is moving iron from furnace stocks in that area. Shortage of labor continues a deterrent to full castings output.

## President Appeals To People to Grow, Share, And Preserve Food

An appeal to help the people in the United States to continue to grow, preserve and share food until the war is won, was made on Jan. 22 by President Roosevelt. Under that date, Associated Press advices from Washington said:

"President Roosevelt in sending 'calls to action' to the American people today to help in getting food produced and seeing that it is conserved and shared, prompted the attachment of special significance to his statement by saying that it was issued in accordance with desires of Marvin Jones, War Food Administrator, and the Office of Price Administration.

"Apparently it was linked with the projected drafting of younger farmers now deferred, but the White House would not say whether it foreshadowed additional food rationing.

"Congress is now embroiled over the Selective Service Administration's call for a review of agricultural deferments for young men, with farm-State legislators pressing for a stiffly worded directive requiring literal application of the Tydings act, which is a 'blueprint' for farm deferments. The farm group insists that if more agricultural workers are inducted food production will suffer.

"Another suggestion was that the President might have been laying the groundwork for tighter food rationing, but officials of the OPA said that no major changes are under consideration. It was indicated that there will be few point value changes in February. In recent weeks the OPA restored almost all meats and cooking and salads fats to the point list."

Mr. Roosevelt's appeal, according to Washington advices to the New York "Times" Jan. 22, said:

"I ask the people in cities, towns and villages to assist our farmers in every possible way to reach the food goals which have been set for this year.

"I call upon the millions of victory gardeners who have done so much to swell the nation's food supply in these war years to continue their good work. I ask those people who can spare the time to assist the nation's food processors in the task of preparing the food for our armed services, our civilians and our Allies.

"I ask the millions of women who have preserved food at home so that our armed services could have the fruits and vegetables they need to carry on until the war is won. I ask every American to share our available food by observing the rules of rationing and by cooperating with food merchants in the observance of food price ceilings.

"I know I can count on the American people to respond to these calls to action so that we can all truly continue to say when the war is won that our food has played an important role in the fight for freedom."

# Trading on New York Exchanges

The Securities and Exchange Commission made public on Jan. 31 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 Jan. 13, 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 Jan. 13 (in round-lot transactions) totaled 3,706,422 shares, which amount was 15.10% of the total transactions on the Exchange of 12,274,350 shares. This compares with member trading during the week ended Jan. 6 of 2,850,464 shares, or 16.61% of the total trading of 8,578,480 shares. On the New York Curb Exchange, member trading during the week ended Jan. 13 amounted to 821,620 shares, or 13.39% of the total volume on that exchange of 3,068,495 shares. During the Jan. 6 week trading for the account of Curb members of 625,805 shares was 14.27% of total trading of 8,578,480 shares.

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

WEEK ENDED JAN. 13, 1945

| | Total for week | †% |
|---|---|---|
| A. Total Round-Lot Sales: | | |
| Short sales | 316,460 | |
| ‡Other sales | 11,957,890 | |
| Total sales | 12,274,350 | |
| 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 | 885,380 | |
| Short sales | 117,490 | |
| ‡Other sales | 796,780 | |
| Total sales | 914,270 | 7.33 |
| 2. Other transactions initiated on the floor— | | |
| Total purchases | 624,490 | |
| Short sales | 42,400 | |
| ‡Other sales | 567,720 | |
| Total sales | 610,120 | 5.03 |
| 3. Other transactions initiated off the floor— | | |
| Total purchases | 344,012 | |
| Short sales | 31,000 | |
| ‡Other sales | 297,150 | |
| Total sales | 328,150 | 2.74 |
| 4. Total— | | |
| Total purchases | 1,853,882 | |
| Short sales | 190,890 | |
| ‡Other sales | 1,661,650 | |
| Total sales | 1,852,540 | 15.10 |

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

WEEK ENDED JAN. 13, 1945

| | Total for week | †% |
|---|---|---|
| A. Total Round-Lot Sales: | | |
| Short sales | 35,015 | |
| ‡Other sales | 3,033,480 | |
| Total sales | 3,068,495 | |
| B. Round-Lot Transaction for Account of Members: | | |
| 1. Transactions of specialists in stocks in which they are registered— | | |
| Total purchases | 204,440 | |
| Short sales | 16,300 | |
| ‡Other sales | 206,510 | |
| Total sales | 222,810 | 6.96 |
| 2. Other transactions initiated on the floor— | | |
| Total purchases | 108,275 | |
| Short sales | 11,700 | |
| ‡Other sales | 104,705 | |
| Total sales | 116,405 | 3.66 |
| 3. Other transactions initiated off the floor— | | |
| Total purchases | 77,660 | |
| Short sales | 1,900 | |
| ‡Other sales | 90,130 | |
| Total sales | 92,030 | 2.77 |
| 4. Total— | | |
| Total purchases | 390,375 | |
| Short sales | 29,900 | |
| ‡Other sales | 401,345 | |
| Total sales | 431,245 | 13.39 |
| C. Odd-Lot Transactions for Account of Specialists— | | |
| Customers' short sales | 0 | |
| §Customers' other sales | 92,615 | |
| Total purchases | 92,615 | |
| Total sales | 75,242 | |

*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."

# Civil Engineering Construction $28,716,000 For Week

Civil engineering construction volume in continental United States totals $28,716,000 for the week. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, tops the preceding week by 226%, is 30% above the previous four-week moving average, but is 19% below the volume reported for the corresponding 1944 week by "Engineering News-Record." The report made public on Feb. 1 continued as follows:

Private construction for the week is 188% higher than a week ago, but is 62% under a year ago. Public work is 243 and 32% higher, respectively, than a week ago and a year ago. Both state and municipal construction and federal work exceed their totals for last week and last year.

The current week's construction brings 1945 volume to $116,909,000 for the five weeks, a decrease of 39% from the $192,041,000 reported for the 1944 period. Private construction, $39,765,000, is 9% lower than a year ago, and public construction, $77,144,000, is down 48% as a result of the 57% drop in federal work. State and municipal volume is 82% higher than in the 1944 period.

Civil engineering construction volumes for the 1944 week, last week, and the current week are:

| | Feb. 3, 1944 | Jan. 25, 1945 | Feb. 1, 1945 |
|---|---|---|---|
| Total U. S. Construction | $35,523,000 | $8,791,000 | $28,716,000 |
| Private Construction | 19,380,000 | 2,576,000 | 7,403,000 |
| Public Construction | 16,143,000 | 6,215,000 | 21,313,000 |
| State and Municipal | 1,786,000 | 744,000 | 2,317,000 |
| Federal | 14,357,000 | 5,471,000 | 18,996,000 |

In the classified construction groups, gains over last week are in waterworks, sewerage, bridges, industrial, commercial and public buildings, and unclassified construction. Gains over the 1944 week are reported in waterworks, sewerage, bridges, public buildings, and unclassified construction. Subtotals for the week in each class of construction are: waterworks, $675,000; sewerage, $1,714,000; bridges, $512,000; industrial buildings, $3,637,000; commercial building and large-scale private housing, $2,977,000; public buildings, $12,319,000; earthwork and drainage, $106,000; streets and roads, $179,000; and unclassified construction, $6,597,000.

New capital for construction purposes for the week totals $81,654,000. It is made up of $77,504,000 in state and municipal bond sales, including the $75,000,000 New York City bond sale for various construction purposes, and $4,150,000 in corporate security issues.

The week's new financing brings 1945 volume to $184,871,000, a volume 24% above the $149,588,000 reported for the opening five-week period in 1944.

# Non-Ferrous Metals — Allocation of Zinc Weighted by WPB—Quicksilver Again Higher

"E. & M. J. Metal and Mineral Markets," in its issue of Feb. 1, stated: "Demand for zinc by grades has been uneven, and some classifications have moved into a tight position, although others remain in ample supply. The problem of taking care of essential needs in grades that threaten to become scarce—Special High Grade and Prime Western—has been considered in WPB circles, and allocation of all grades as a means of handling the situation looms as a possibility. A second amendment to the lead order is expected shortly. Quicksilver prices advanced, notwithstanding increased offerings of the metal from foreign sources. Favorable war news exerted no influence on the market for non-ferrous metals last week." The publication further went on to say in part as follows:

### Copper

Consumption of copper is at a high level, and the stockpile has been drawn upon to meet the extra heavy demands.

President Roosevelt, on Jan. 24, ordered the War Department to take over and operate the Bingham & Garfield Railroad after 37 trainmen voted to strike. The railroad, operating over a distance of some 20 miles in the Utah copper area, hauls a substantial part of the country's copper ore to processing mills.

British commentators are wondering whether the 11.75c. New York electro basis agreed upon in payment for Rhodesian copper will prove to be as much as the producers obtained under former Ministry of Supply contracts. Blister and fire-refined copper will be shipped to this country from Africa and freight, insurance, and refining charges will enter into the calculations in arriving at the net price obtained by producers.

### Lead

A second amendment to the lead order M-38 is about ready, and, when released, is expected to clear up a few points not generally understood by consumers, particularly in reference to the inventory clause. However, the latest revision is not expected to alter the situation much one way or the other so far as producers are concerned. Deliveries of lead in February are expected to be smaller in volume than those of January.

Sales in the domestic market for the last week totaled 9,095 tons.

In reviewing the lead situation before the Colorado Mining Association in Denver, Jan. 27, F. E. Wormser, Secretary of the Lead Industries Association, said that since last May the demand for lead has been so strong that the government's stockpile has been reduced from a peak of 273,000 tons to an estimated 80,000 tons at the end of January, 1945. Estimated consumption of lead in 1944 was 1,060,500 tons.

We need about 90,000 tons of lead a month, Mr. Wormser said, and have available from primary producers 32,000; scrap producers 30,000, and imports 18,000 to 20,000. "A quick calculation shows that demand and prospective supply do not balance. The deficit of about 10,000 tons is the amount it is necessary to curtail the use of lead per month without drawing further on the government's stock pile." Imports of pig lead for 1944 were estimated at 220,000 tons, against 243,000 tons in 1943 and 369,000 tons in 1942. Imports of lead in ores, etc., amounted to about 90,000 tons in 1944, against 70,000 tons in 1943 and 123,000 tons in 1942.

The settling basis on imports of Mexican lead has been raised from 5.45c. f.o.b. Mexican border to 5.85c. The revised figure corresponds to the prevailing 6.50c. basis, New York. The higher level was agreed upon to offset higher costs.

### Zinc

Though total stocks of slab zinc remain large, a breakdown of the reserve supply by grades indicates that both Special High Grade and Prime Western are moving into a really tight position. To cope with this uneven supply situation, WPB has been considering the allocation of zinc. Some producers belive that full allocation is hardly necessary under present circumstances, and that regulations, if any is called for, should be limited to the grades that are tight. Washington authorities lean to the view that partial allocation would only complicate matters.

Labor shortages continue as the chief factor limiting production of both Special High Grade and the ordinary brand.

### Tin

Authorizations for the use of tin that existed prior to Sept. 1, 1944, have been cancelled through Direction 1 to Order M-43, issued by WPB last week. This action, it was explained, was necessary to eliminate authorizations for tin uses now prohibited.

The selling basis for tin remained unchanged. Straits quality tin for shipment, in cents per pound, was nominally as follows:

| | Feb. | March | April |
|---|---|---|---|
| January 25 | 52.000 | 52.000 | 52.000 |
| January 26 | 52.000 | 52.000 | 52.000 |
| January 27 | 52.000 | 52.000 | 52.000 |
| January 29 | 52.000 | 52.000 | 52.000 |
| January 30 | 52.000 | 52.000 | 52.000 |
| January 31 | 52.000 | 52.000 | 52.000 |

Chinese, or 99% tin, continued at 51.125c. per pound.

### Quicksilver

Imported quicksilver has been figuring in transactions to a greater extent. Foreign metal has been purchased for shipment from Canada, Mexico, and Chile. Spanish metal has not been offered here. Most operators hold that consumption of quicksilver will continue to rise, and imports as well as Metals Reserve metal will be needed to meet the demand. During last week quicksilver sold at prices ranging from $165 to $170 per flask. Several round lots were included in the transactions.

### Silver

Distinctions between the use of Treasury "free" silver and domestic silver have been removed by Direction 3 to Order M-199, WPB announced last week. This Treasury silver can now be used for any purpose for which domestic silver could formerly be used. However, it does not increase the amounts of silver that may be used under WPB orders.

The London market was unchanged at 25½d. The New York Official for foreign silver was unchanged at 44¾c., with domestic at 70⅝c.

# Life Insurance Purchases Increased In 1944

With 24% fewer ordinary life insurance agents in the field during 1944 than in pre-war 1940, 27% more new ordinary life insurance was purchased by the American public, resulting in an increase of 66% in the average of new insurance per agent, it is shown by the Life Insurance Sales Research Bureau, in an analysis made public Jan. 30 of the business of 35 life insurance companies handling ordinary insurance only. The announcement further says:

"In addition, these agents have rendered the field service to policyholders on a total of ordinary insurance in force which has increased 20% in the four years.

"The sales and service accomplishment per agent has increased each year during the war, as the manpower total has decreased, so that the business has not only maintained its pre-war status but has grown.

"The experience in Canada has been similar, the Research Bureau survey shows, with the average new ordinary insurance per agent up 65% in the same four-year period."

# NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Jan. 31 a summary for the week ended Jan. 20 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 Jan. 20, 1945

| | Total for Week |
|---|---|
| Odd-Lot Sales by Dealers (Customers' purchases) | |
| Number of orders | 31,065 |
| Number of shares | 916,118 |
| Dollar value | $33,979,468 |
| Odd-Lot Purchases by Dealers— (Customers' sales) | |
| Number of Orders: | |
| Customers' short sales | 190 |
| *Customers' other sales | 28,828 |
| Customers' total sales | 29,018 |
| Number of Shares: | |
| Customers' short sales | 6,840 |
| *Customers' other sales | 821,020 |
| Customers' total sales | 827,860 |
| Dollar value | $28,390,679 |
| Round-Lot Sales by Dealers— | |
| Number of Shares: | |
| Short sales | 80 |
| †Other sales | 212,030 |
| Total sales | 212,110 |
| Round-Lot Purchases by Dealers: | |
| Number of shares | 266,720 |

*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 Jan. 27, 1945 Decreased 18,450 Cars

Loading of revenue freight for the week ended Jan. 27, 1945 totaled 758,870 cars, the Association of American Railroads announced on Feb. 1. This was a decrease below the corresponding week of 1944 of 52,020 cars, or 6.4%, but an increase above the same week in 1943 of 24,200 cars or 3.3%.

Loading of revenue freight for the week of January 27, decreased 18,450 cars, or 2.4% below the preceding week.

Miscellaneous freight loading totaled 372,218 cars, a decrease of 7,224 cars below the preceding week, and a decrease of 3,751 cars below the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 96,281 cars, a decrease of 1,566 cars below the preceding week, and a decrease of 6,409 cars below the corresponding week in 1944.

Coal loading amounted to 165,221 cars, a decrease of 7,213 cars below the preceding week, and a decrease of 20,325 cars below the corresponding week in 1944.

Grain and grain products loading totaled 43,756 cars, a decrease of 2,278 cars below the preceding week and a decrease of 12,059 cars below the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of Jan. 27, totaled 29,628 cars, a decrease of 1,450 cars below the preceding week and a decrease of 9,107 cars below the corresponding week of 1944.

Livestock loading amounted to 14,602 cars, a decrease of 812 cars below the preceding week and a decrease of 631 cars below the corresponding week in 1944. In the Western Districts alone loading of live stock for the week of Jan. 27, totaled 10,620 cars, a decrease of 328 cars below the preceding week, and a decrease of 118 cars below the corresponding week in 1944.

Forest products loading totaled 40,772 cars, an increase of 1,663 cars above the preceding week but a decrease of 3,841 cars below the corresponding week in 1944.

Ore loading amounted to 11,628 cars, a decrease of 277 cars below the preceding week and a decrease of 3,526 cars below the corresponding week in 1944.

Coke loading amounted to 14,392 cars, a decrease of 743 cars below the preceding week, and a decrease of 1,478 cars below the corresponding week in 1944.

All districts reported decreases compared with the corresponding week in 1944 except the Centralwestern and Southwestern. All reported increases compared with 1943 except the Eastern and Allegheny.

| | 1945 | 1944 | 1943 |
|---|---|---|---|
| Week of January 6 | 682,967 | 769,629 | 717,176 |
| Week of January 13 | 782,387 | 779,531 | 755,498 |
| Week of January 20 | 777,320 | 798,650 | 703,294 |
| Week of January 27 | 758,870 | 810,890 | 734,670 |
| Total | 3,001,544 | 3,158,700 | 2,910,638 |

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Jan. 27, 1945. During this period only 40 roads showed increases when compared with the corresponding week a year ago.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED JAN. 27

| Railroads | Total Revenue Freight Loaded | | | Total Loads Received from Connections | |
|---|---|---|---|---|---|
| | 1945 | 1944 | 1943 | 1945 | 1944 |
| **Eastern District—** | | | | | |
| Ann Arbor | 294 | 250 | 268 | 1,486 | 1,562 |
| Bangor & Aroostook | 2,424 | 2,713 | 2,548 | 380 | 296 |
| Boston & Maine | 6,077 | 6,841 | 5,790 | 12,817 | 15,436 |
| Chicago, Indianapolis & Louisville | 1,201 | 1,410 | 1,400 | 2,336 | 2,470 |
| Central Indiana | 33 | 43 | 31 | 47 | 38 |
| Central Vermont | 972 | 1,098 | 912 | 2,228 | 2,368 |
| Delaware & Hudson | 4,244 | 5,691 | 6,506 | 12,104 | 13,451 |
| Delaware, Lackawanna & Western | 6,550 | 7,593 | 7,603 | 8,361 | 11,034 |
| Detroit & Mackinac | 189 | 162 | 267 | 118 | 120 |
| Detroit, Toledo & Ironton | 1,694 | 2,198 | 1,891 | 2,356 | 1,920 |
| Detroit & Toledo Shore Line | 380 | 363 | 303 | 3,946 | 3,921 |
| Erie | 11,215 | 12,466 | 12,185 | 16,902 | 20,666 |
| Grand Trunk Western | 4,063 | 3,694 | 3,545 | 10,349 | 10,029 |
| Lehigh & Hudson River | 123 | 172 | 149 | 3,052 | 3,737 |
| Lehigh & New England | 1,466 | 1,861 | 1,776 | 1,408 | 1,426 |
| Lehigh Valley | 6,593 | 8,948 | 8,095 | 10,545 | 16,766 |
| Maine Central | 2,315 | 2,525 | 2,588 | 3,977 | 4,820 |
| Monongahela | 3,826 | 6,516 | 5,955 | 342 | 309 |
| Montour | 2,163 | 2,643 | 2,636 | 20 | 15 |
| New York Central Lines | 41,857 | 43,451 | 44,945 | 48,712 | 59,135 |
| N. Y., N. H. & Hartford | 9,104 | 10,118 | 8,375 | 15,959 | 20,431 |
| New York, Ontario & Western | 650 | 981 | 891 | 2,976 | 2,739 |
| New York, Chicago & St. Louis | 5,991 | 6,706 | 7,220 | 15,435 | 17,677 |
| N. Y., Susquehanna & Western | 423 | 637 | 441 | 2,074 | 2,639 |
| Pittsburgh & Lake Erie | 6,696 | 8,114 | 7,900 | 6,706 | 8,280 |
| Pere Marquette | 4,638 | 4,609 | 4,748 | 8,735 | 8,742 |
| Pittsburg & Shawmut | 800 | 899 | 715 | 9 | 33 |
| Pittsburg, Shawmut & North | 222 | 383 | 335 | 232 | 333 |
| Pittsburgh & West Virginia | 772 | 1,166 | 933 | 2,988 | 2,580 |
| Rutland | 306 | 385 | 303 | 754 | 830 |
| Wabash | 5,664 | 6,567 | 5,689 | 13,063 | 13,350 |
| Wheeling & Lake Erie | 5,450 | 4,932 | 4,853 | 5,443 | 4,631 |
| Tot | 138,475 | 161,125 | 151,804 | 215,860 | 251,834 |
| **Allegheny District—** | | | | | |
| Akron, Canton & Youngstown | 892 | 798 | 713 | 1,697 | 1,303 |
| Baltimore & Ohio | 38,671 | 43,077 | 36,224 | 29,723 | 27,949 |
| Bessemer & Lake Erie | *2,082 | 2,575 | 3,046 | 1,419 | 1,654 |
| Buffalo Creek & Gauley | † | † | 385 | † | † |
| Cambria & Indiana | 965 | 1,902 | 1,714 | 8 | 6 |
| Central R. R. of New Jersey | 5,856 | 6,567 | 6,285 | 19,168 | 21,772 |
| Cornwall | 348 | 624 | 465 | 40 | 50 |
| Cumberland & Pennsylvania | *203 | 236 | 204 | 8 | 12 |
| Ligonier Valley | 100 | 161 | 125 | 26 | 56 |
| Long Island | 1,210 | 1,480 | 1,000 | 2,974 | 3,818 |
| Penn-Reading Seashore Lines | 1,668 | 1,651 | 1,316 | 2,313 | 2,700 |
| Pennsylvania System | 69,687 | 79,210 | 71,872 | 63,431 | 67,120 |
| Reading Co. | 12,868 | 14,787 | 13,556 | 27,930 | 31,047 |
| Union (Pittsburgh) | 18,541 | 19,812 | 20,288 | 3,654 | 4,593 |
| Western Maryland | 3,919 | 4,294 | 3,437 | 14,623 | 14,519 |
| Total | 157,015 | 177,624 | 160,609 | 167,017 | 176,000 |
| **Pocahontas District—** | | | | | |
| Chesapeake & Ohio | 29,072 | 29,474 | 25,345 | 13,058 | 12,150 |
| Norfolk & Western | 21,972 | 22,818 | 21,234 | 10,653 | 7,606 |
| Virginian | 4,739 | 4,699 | 4,424 | 2,541 | 1,484 |
| Total | 55,783 | 56,991 | 51,003 | 26,252 | 21,240 |
| **Southern District—** | | | | | |
| Alabama, Tennessee & Northern | 460 | 314 | 361 | 414 | 420 |
| Atl. & W. P.—W. R. R. of Ala | 782 | 794 | 661 | 2,802 | 2,476 |
| Atlanta, Birmingham & Coast | 916 | 784 | 637 | 1,750 | 1,464 |
| Atlantic Coast Line | 12,729 | 13,601 | 14,472 | 13,442 | 12,926 |
| Central of Georgia | 3,512 | 3,988 | 3,754 | 5,985 | 6,619 |
| Charleston & Western Carolina | 403 | 430 | 416 | 1,873 | 1,840 |
| Clinchfield | 1,615 | 1,618 | 1,669 | 3,743 | 3,618 |
| Columbus & Greenville | 291 | 299 | 320 | 372 | 276 |
| Durham & Southern | 120 | 105 | 91 | 933 | 342 |
| Florida East Coast | 2,956 | 3,387 | 2,966 | 1,501 | 1,814 |
| Gainesville Midland | 43 | 48 | 36 | 150 | 126 |
| Georgia | 936 | 1,051 | 1,291 | 2,781 | 2,562 |
| Georgia & Florida | 514 | 452 | 356 | 852 | 819 |
| Gulf, Mobile & Ohio | 4,631 | 4,005 | 3,452 | 4,343 | 4,196 |
| Illinois Central System | 26,958 | 29,322 | 26,882 | 17,757 | 17,385 |
| Louisville & Nashville | 26,903 | 25,806 | 23,299 | 12,671 | 12,431 |
| Macon, Dublin & Savannah | 196 | 161 | 169 | 843 | 928 |
| Mississippi Central | 271 | 225 | 171 | 537 | 611 |
| Nashville, Chattanooga & St. L. | 3,122 | 3,428 | 2,887 | 4,993 | 4,827 |
| Norfolk Southern | 830 | 965 | 1,125 | 1,670 | 1,695 |
| Piedmont Northern | 352 | 435 | 339 | 1,354 | 1,689 |
| Richmond, Fred. & Potomac | 384 | 452 | 302 | 10,518 | 12,638 |
| Seaboard Air Line | 9,946 | 10,944 | 10,181 | 8,504 | 10,223 |
| Southern System | 23,629 | 23,758 | 21,154 | 26,892 | 26,775 |
| Tennessee Central | 561 | 628 | 332 | 892 | 913 |
| Winston-Salem Southbound | 145 | 137 | 96 | 1,551 | 914 |
| Total | 123,205 | 127,137 | 117,419 | 129,123 | 130,527 |
| **Northwestern District—** | | | | | |
| Chicago & North Western | 15,451 | 15,883 | 14,651 | 14,369 | 15,035 |
| Chicago Great Western | 2,774 | 2,702 | 2,546 | 3,561 | 3,532 |
| Chicago, Milw., St. P. & Pac. | 21,388 | 21,847 | 19,055 | 11,452 | 11,598 |
| Chicago, St. Paul, Minn. & Omaha | 3,258 | 3,842 | 3,837 | 3,909 | 4,124 |
| Duluth, Missabe & Iron Range | 1,227 | 1,305 | 1,266 | 229 | 267 |
| Duluth, South Shore & Atlantic | 642 | 701 | 659 | 638 | 583 |
| Elgin, Joliet & Eastern | 8,810 | 8,781 | 8,932 | 12,962 | 10,627 |
| Ft. Dodge, Des Moines & South | 315 | 437 | 372 | 106 | 120 |
| Great Northern | 11,403 | 12,548 | 9,795 | 5,341 | 5,007 |
| Green Bay & Western | 450 | 520 | 479 | 1,019 | 903 |
| Lake Superior & Ishpeming | 264 | 309 | 265 | 64 | 59 |
| Minneapolis & St. Louis | 1,906 | 2,346 | 1,765 | 2,497 | 2,376 |
| Minn., St. Paul & S. S. M. | 4,537 | 5,690 | 4,484 | 3,331 | 3,614 |
| Northern Pacific | 10,041 | 10,541 | 8,034 | 5,724 | 5,151 |
| Spokane International | 160 | 112 | 42 | 566 | 739 |
| Spokane, Portland & Seattle | 2,318 | 2,231 | 1,335 | 3,778 | 2,921 |
| Total | 84,944 | 89,795 | 77,517 | 69,546 | 66,656 |
| **Central Western District—** | | | | | |
| Atch., Top. & Santa Fe System | 24,080 | 22,128 | 19,349 | 14,892 | 13,664 |
| Alton | 3,445 | 3,066 | 3,183 | 5,030 | 4,004 |
| Bingham & Garfield | 377 | 466 | 700 | 65 | 119 |
| Chicago, Burlington & Quincy | 19,814 | 21,027 | 17,966 | 12,739 | 12,378 |
| Chicago & Illinois Midland | 3,231 | 2,891 | 2,759 | 942 | 962 |
| Chicago, Rock Island & Pacific | 12,255 | 12,052 | 11,166 | 14,641 | 13,124 |
| Chicago & Eastern Illinois | 2,785 | 3,049 | 2,285 | 5,483 | 5,726 |
| Colorado & Southern | 744 | 769 | 764 | 2,083 | 2,030 |
| Denver & Rio Grande Western | 3,966 | 3,565 | 3,684 | 6,023 | 6,223 |
| Denver & Salt Lake | 791 | 875 | 802 | 24 | 4 |
| Fort Worth & Denver City | 756 | 1,007 | 1,039 | 1,366 | 1,750 |
| Illinois Terminal | 2,497 | 2,317 | 1,564 | 2,162 | 2,030 |
| Missouri-Illinois | 856 | 955 | 900 | 745 | 552 |
| Nevada Northern | 1,461 | 1,821 | 1,653 | 103 | 147 |
| North Western Pacific | 697 | 719 | 534 | 1,009 | 829 |
| Peoria & Pekin Union | 5 | 16 | 37 | 0 | 0 |
| Southern Pacific (Pacific) | 28,064 | 29,676 | 21,937 | 15,260 | 14,679 |
| Toledo, Peoria & Western | 253 | 595 | 400 | 2,253 | 1,921 |
| Union Pacific System | 17,189 | 16,224 | 13,989 | 16,498 | 17,010 |
| Utah | 618 | 679 | 635 | 3 | 11 |
| Western Pacific | 1,853 | 1,605 | 1,561 | 4,263 | 3,295 |
| Total | 125,737 | 125,502 | 106,937 | 105,584 | 100,458 |
| **Southwestern District—** | | | | | |
| Burlington-Rock Island | 367 | 306 | 683 | 1,077 | 380 |
| Gulf Coast Lines | 6,830 | 7,041 | 6,588 | 2,821 | 2,311 |
| International-Great Northern | 2,854 | 1,953 | 3,308 | 3,964 | 4,200 |
| Kansas, Oklahoma & Gulf | 208 | 260 | 278 | 952 | 1,110 |
| Kansas City Southern | 4,417 | 5,003 | 5,327 | 2,647 | 2,544 |
| Louisiana & Arkansas | 3,524 | 3,414 | 3,208 | 2,613 | 2,609 |
| Litchfield & Madison | 379 | 286 | 270 | 1,283 | 1,325 |
| Midland Valley | 697 | 726 | 583 | 538 | 484 |
| Missouri & Arkansas | 152 | 247 | 117 | 526 | 504 |
| Missouri-Kansas-Texas Lines | 6,753 | 5,400 | 6,016 | 5,240 | 5,424 |
| Missouri Pacific | 17,574 | 17,621 | 15,701 | 19,436 | 20,518 |
| Quanah Acme & Pacific | 80 | 119 | 109 | 402 | 248 |
| St. Louis-San Francisco | 9,671 | 8,843 | 8,709 | 8,475 | 9,884 |
| St. Louis Southwestern | 3,656 | 3,268 | 2,985 | 7,384 | 6,553 |
| Texas & New Orleans | 11,126 | 12,916 | 11,241 | 5,476 | 5,453 |
| Texas & Pacific | 5,296 | 5,200 | 4,152 | 8,458 | 7,447 |
| Wichita Falls & Southern | 95 | 73 | 82 | 45 | 64 |
| Weatherford M. W. & N. W. | 32 | 27 | 24 | 24 | 34 |
| Total | 73,711 | 72,706 | 69,381 | 71,367 | 71,092 |

*Previous week's figure. †Included in Baltimore & Ohio RR.
Note—Previous year's figures revised.

# Weekly Statistics of Paperboard Industry

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

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

| Period | Orders Received Tons | Production Tons | Unfilled Orders Remaining Tons | Percent of Activity | |
|---|---|---|---|---|---|
| 1944—Week Ended | | | | Current | Cumulative |
| November 4 | 207,817 | 157,644 | 535,745 | 96 | 94 |
| November 11 | 141,154 | 158,266 | 515,738 | 96 | 94 |
| November 18 | 135,644 | 156,667 | 494,062 | 96 | 94 |
| November 25 | 110,144 | 149,062 | 450,898 | 91 | 94 |
| December 2 | 189,731 | 154,682 | 484,811 | 94 | 94 |
| December 9 | 173,669 | 154,822 | 501,946 | 95 | 94 |
| December 16 | 137,936 | 152,695 | 480,929 | 94 | 94 |
| December 23 | 126,115 | 149,031 | 451,891 | 94 | 94 |
| December 30 | 109,895 | 88,105 | 471,289 | 57 | 93 |
| Period 1945—Week Ended | | | | | |
| January 6 | 189,769 | 125,882 | 532,194 | 80 | 80 |
| January 13 | 149,921 | 150,011 | 524,308 | 95 | 87 |
| January 20 | 131,901 | 150,876 | 503,240 | 94 | 89 |
| January 27 | 159,885 | 152,075 | 510,931 | 95 | 91 |

Notes—Unfilled orders of the prior week, plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

# Truckloading Volume In December Declined

The volume of freight transported by motor carriers in December deceased 7.8% below November and 5.7% under December, 1943, according to American Trucking Associations, Inc, which further announced as follows:

Comparable reports received by ATA from 241 carriers in 44 States showed these carriers transported an aggregate of 1,600,044 tons in December, as against 1,735,567 in November and 1,696,124 in December of 1943.

The ATA index figure, computed on the basis of the average monthly tonnage of the reporting carriers for the three-year period of 1938-1940 as representing 100, was 169.94 in December; the Nomember index figure was 188.45.

Approximately 84% of all tonnage transported in the month was hauled by carriers of general freight. The volume in this category decreased 7.9% below November and was 5.4% under December of 1943.

Transportation of petroleum products, accounting for about 10% of the total tonnage reported, showed a decrease of 1.9% below November but was 10.7% below December of the previous year.

Carriers of iron and steel products hauled about 2% of the total tonnage. Their traffic volume was 35.4% below November and 11.9% under December of 1943.

About 4% of the total tonnage reported consisted of miscellaneous commodities, including tobacco, milk, textile products, coke, bricks, building materials, cement and household goods. Tonnage in this class increased 1.1% above November and was 6.8% above December, 1943.

## O'Brien Quits SEC

The acceptance by President Roosevelt of the resignation of Robert H. O'Brien as a member of the Securities and Exchange Commission was made known on Dec. 29, according to Associated Press advices from Washington.

Mr. O'Brien gave "pressing personal reasons" for leaving the Government service, which he entered in 1934 as a lawyer in the Public Works Administration. The press accounts on Dec. 29 added:

He practiced law in Chicago before entering the Government. He became a member of the SEC Feb. 3, 1942. He is a native of Helena, Mont.

"Your work over the years with the Commission," Mr. Roosevelt wrote, "has been an outstanding example of public service."

In Philadelphia, Mr. O'Brien announced that he will become special assistant to Barney Balaban, President of Paramount Pictures, Inc., soon after Jan. 1.

## Lumber Movement—Week Ended January 27, 1945

According to the National Lumber Manufacturers Association, lumber shipments of 481 mills reporting to the National Lumber Trade Barometer were 7.3% above production for the week Jan. 27, 1945. In the same week new orders of these mills were 31.0% more than production. Unfilled order files of the reporting mills amounted to 96% of stocks. For reporting softwood mills, unfilled orders are equivalent to 38 days' production at the current rate, and gross stocks are equivalent to 37 days' production.

For the year-to-date, shipments of reporting identical mills exceeded production by 5.9%: orders by 22.6%.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 50.5% greater; shipments were 37.3% greater; and orders were 50.7% greater.

# Items About Banks, Trust Companies

At a meeting of the Board of Directors of Sterling National Bank & Trust Co. of New York held on Feb. 1, L. F. Fiammenghi was elected Assistant Vice-President in the Foreign Department of the bank's main office at Broadway and 39th Street. Mr. Fiammenghi for the past 25 years has been actively engaged in this city in the foreign banking field.

The Union Dime Savings Bank, New York, N. Y., reported in its statement of condition as of Jan. 1, 1945, that total deposits are $168,303,057 against $151,517,564 on Jan. 1, 1944, while total resources are now $186,503,502 compared with $169,382,914 a year ago. Cash now stands at $7,343,195 while it was $10,590,971 last year; U. S. Government bonds are now $107,000,000 against $81,610,396; mortgages on real estate (less reserve) are $63,601,285 compared with $65,209,478. The surplus fund at the latest date, Jan. 1, 1945, is shown to be $18,000,359 compared with $17,595,378 a year ago.

The bank also said in its recent report that as of Dec. 30, 1944, War Bonds sold by the bank totaled 237,488 bonds, having maturity value of $21,430,800.

David P. Zahniser, Comptroller of the Union National Bank of Pittsburgh, Pa., since 1940, was recently named Assistant Vice-President and Comptroller." He has been connected with this institution since 1925," said the Pittsburgh "Post Gazette" of Jan. 12, which also stated that "Curtis W. Cording, Harold L. Gregg and Lee F. Mason were elected Assistant Cashiers."

Douglas Gorman, Maryland banker and former State Chairman of the NRA program in Maryland in 1933, died on Jan. 29 at the age of 62 years. Mr. Gorman was President of the Cumberland Coal Co. and had been a director of the Hopkins Place Savings Bank, Baltimore, Md., according to the Baltimore "Sun," which also reported that he was formerly President of the Annapolis Gas and Electric Light Co. and a director of the Maryland Casualty Co.

Albert Beauregard Schwarzkopf, Vice-President of the Norfolk National Bank of Commerce, Norfolk, Va., and for 22 years President of the Hampton Roads Maritime Exchange, died on Jan. 27 at Norfolk, Va.

Advices from Norfolk to the New York "Times" reported that Mr. Schwarzkopf, who helped found the Norfolk National Bank in 1885, had been President of the Norfolk Association of Commerce for more than 15 years and was a Vice-President of the Atlantic Deeper Waterways Association.

At the annual meeting of the State Bank of Milwaukee, Milwaukee, Wisc., on Jan. 10, Joseph M. Wolf, Vice-President of the bank, was elected to the Board of Directors; G. B. Schaefer, Assistant Cashier, was advanced to Assistant Vice-President.

Olney D. Newman, veteran Kansas banker for over 20 years, has resigned as President of the Garden National Bank, Garden City, Kan., which he helped found 10 years ago to become a Vice-President of the Interstate National Bank, Kansas City, Mo. Kansas City "Star" advices noting this, stated:

"He has a wide acquaintance throughout the Southwest, having served in 1940 as President of the Kansas Bankers' Association."

The death of Edgar Lackland Taylor, Vice-President of the Boatmen's National Bank, St. Louis, Mo., was announced on Jan. 29 by the St. Louis "Globe Democrat," which further said:

"Mr. Taylor (who was 74 years old at the time of his death) had been connected with the bank for more than 50 years, having started as a clerk while his grandfather, Rufus J. Lackland, was President. He had served as a Vice-President about 20 years, and for the past 10 years was also Secretary of the Board of Directors."

Earl R. Muir, President of the Louisville Trust Co. of Louisville, Ky., announced on Jan. 29 that the bank has retired $200,000 of preferred stock held by the Reconstruction Finance Corporation.

In reporting this the Louisville "Courier Journal" said:

"The RFC retains $300,000 of Louisville Trust preferred out of an original commitment of $1,000,000 made in March, 1934. Retirements were nominal until January, 1942, only $50,000 having been retired in those first few years.

"In January, 1942, the bank bought in $20,000 of the issue, and in February, 1943, a like amount, followed by $60,000 in December, 1943. In June, 1944, the bank paid off $150,000, so the net retirement in the last nine months has been $350,000.

"Additional good news for the stockholders and depositors of Louisville Trust on Jan. 28 was Mr. Muir's announcement that $300,000 was added to surplus. This boosted total surplus to $1,400,000, which exceeds combined preferred and common stock by $100,000. (The bank has $1,000,000 of common stock outstanding in addition to the $300,000 of preferred.)

"Net worth of Louisville Trust now aggregate $3,227,000," Mr. Muir said. "Preferred and common stock total, $1,300,000; surplus, $1,400,000; undivided profits, $370,000, and other net worth reserves, $157,000. The common stock was 27 bid yesterday in the over-the-counter market."

The year just closed has been a good one for the Third National Bank of Nashville, Tenn., from the standpoint of growth, earnings and development in all departments of the bank.

Deposits and total resources again showed a substantial increase totaling $85,556,119.51 and $89,720,924.37, respectively, at the year-end, thus continuing the record of growth since 1927. Earnings, after allowing fully for depreciation, all taxes, amply for bond premium amortization, and all other charges, were $454,891.87. Out of earnings, $150,000, or $15 per share was paid in dividends, $50,000 was added to reserves for contingencies and $254,891.87 was added to undivided profits account, bringing that account as of the year-end to $674,055.76, holdings of Government securities rose from $1,500,000 to $30,000,000, a gain of 2,000%.

At the last stockholders' meeting all former directors were reelected and two new directors were added to the Board—J. T. Ward, WLAC Broadcasting Service, and John S. Bransford, President of Springfield Woolen Mills.

Wilfred J. Begnaud, Louisiana State Banking Commissioner, and Joseph A. Ellis, acting special agent of the banking department, announced on Jan. 26 that the Union Bank & Trust Co. of Baton Rouge, La., which has been in liquidation since 1933, will be returned to the stockholders on Feb. 28, with all depositors paid in full and with remaining assets sufficient to pay the stockholders 30 cents on the dollar. Baton Rouge Associated Press Jan. 25 advices further reported:

"The bank had a capital stock of $150,000. After payment of all obligations the banking department now has on hand $13,000 plus other assets estimated to be worth $32,000, which are to be turned over to the stockholders.

At the annual meeting of the Board of Directors of the Bank of California on Jan. 9, Kenneth R. Cochran, Auditor, was named Assistant Manager of the Portland branch, and F. Boyce Fenton was made an Assistant Trust Officer of the Portland branch.

Following the annual meeting of the board of the United States National Bank, Portland, Ore., last month, Hugh J. Walker, Comptroller of the bank, was elevated to the position of Cashier. He fills the vacancy caused by the death of Harold L. Stiles.

The Commercial Bank of Scotland Ltd., Edinburgh, Scotland, reported in its balance sheet as of Oct. 28, 1944, that total assets were £101,038,914 compared with £93,885,653 at the same time in 1943. Deposits and other credit balances (including provision for contingencies) was shown to be £83,237,872 against £76,566,160 in October, last year, while British Government treasury deposit receipts were £12,000,000 compared with £9,000,000 a year ago last October. Capital issued remained unchanged at £2,250,000, but the reserve fund increased over last year from £3,450,000 to £3,525,000.

# Sav. Bank Deposits In N. Y. State Now Over $7,000,000,000

"In 1944 the Savings Banks of New York State showed a net gain in deposits of $948,824,453," Myron S. Short, president of the Savings Banks Association, announced on Jan. 16. "This amazing growth in savings," he stated, "reveals the common sense and self-denial of millions of average citizens—industrial and white collar workers alike. Despite the huge demands upon the individual for taxes and war bonds and with tempting luxuries within reach, these people have forged ahead in the building of an unprecedented savings reserve."

The net gain in deposits during 1944, it is stated, was 15.4% and brings the total deposits as of the end of the year to $7,115,897,726 and the number of accounts to 6,405,828, representing a gain of 279,677 accounts exclusive of 105,338 fifteen-year-old "abandoned accounts" turned over to the State Comptroller in November.

During December the gain in savings bank deposits was the second largest of any month last year, totaling $92,000,494, with the number of accounts increasing by 27,892.

"There has been a steadily increasing momentum of saving in the mutual savings banks since Pearl Harbor—which contrasts with the experience during the silk shirt days of World War I," said Mr. Short. "In the other war we barely held our own, and it was not until after the business recession of 1921 that deposits really started to climb."

The advices from the association also state:

"Savings bank gains in 1944 were accomplished while records were being made by these institutions in sales of war bonds to their depositors and others. During the Sixth War Loan, which closed in December, the savings banks sold a total of $49,163,148 in bonds. Sales in the three war loans of 1944 (exclusive of purchases by the savings banks, themselves) amounted to $249,069,983. War bonds amounting to $30,169,213 were sold by the savings banks in December. Since May 1, 1941 the banks have sold $932,426,587 in such bonds."

# Assets of New York Federal Reserve Bank at End of 1944 Show Advance

Total assets of the Federal Reserve Bank of New York advanced on Dec. 31, 1944 to $10,819,655,000 from $9,537,938,000 at the end of 1943. In referring to the bank's report, it was noted in the New York "Herald Tribune" that the figures shown constitute about one-quarter of all twelve Federal Reserve Banks, and makes the New York Central Bank the largest bank in the world. Its nearest competitor in size, said the same paper, is the Federal Reserve Bank of Chicago, the total assets of which on Dec. 31, 1944, were $6,635,745,183.

The earnings of the Federal Reserve Bank of New York for the calendar year 1944 were $28,993,000 compared with $17,998,000 in 1943. The net expenses in 1944 were $11,445,000 against $10,034,000 in the previous year, and the current net earnings in 1944 are reported as $17,548,000 as compared with $7,964,000 the year before. Net earnings of $18,505,000 in 1944 contrast with $15,331,000 in 1943. These figures are shown in the New York Reserve Bank's 30th annual statement issued on Jan. 5, by Allan Sproul, President.

Additions to the $17,548,000 current net earnings in 1944 included profits on sales of U. S. Government securities of $829,000, and all other $133,000; or a total of $962,000 comparing with total additions of $10,245,000 to the current net earnings of $7,964,000 in 1943 of which $10,217,000 represented profits on sales of U. S. Government securities and $28,000 all other additions. There were total deductions of $2,878,000 from the $7,964,000 current net earnings of 1943; of which $2,389,000 was on account of the retirement system, $482,000 special reserve on bank premises and all other $7,000 against only $5,000 (all other) deducted from the 1944 current net earnings of $17,548,000.

The Bank's statement of condition shows total reserves Dec. 31, 1944 of $5,313,259,000 compared with $6,001,376,000 at the end of 1943; holdings of U. S. Government securities rose during the year from $3,000,110,000 to $4,815,765,000, while total deposits increased in the twelve months to Dec. 31, 1944 from $5,320,745,000 to $5,483,653,000.

The following is Bank's profit and loss account for the calendar years 1943 and 1944:

(In thousands of dollars)

| | 1943 | 1944 |
|---|---|---|
| Earnings | $17,998 | $28,993 |
| Net expenses | 10,034 | 11,445 |
| Current net earnings | $7,964 | $17,548 |
| Additions to current net earnings: | | |
| Profits on sales of U. S. Government securities | $10,217 | $829 |
| All other | 28 | 133 |
| Total additions | $10,245 | $962 |
| Deductions from current net earnings: | | |
| Retirement system | $2,389 | ---- |
| Special reserve on bank premises | 482 | ---- |
| All other | 7 | $5 |
| Total deductions | $2,878 | $5 |
| Net earnings | $15,331 | $18,505 |
| Paid United States Treasury (Section 13b) | $18 | $80 |
| Dividends paid | 3,280 | 3,483 |
| Transferred to surplus (Section 13b) | 22 | 51 |
| Transferred to surplus (Section 7) | 12,011 | 14,891 |
| Surplus (Section 7) beginning of year | $58,001 | $70,012 |
| Addition as above | 12,011 | 14,891 |
| Surplus (Section 7) end of year | $70,012 | $84,903 |

# Lincoln-Alliance Employes in Service Reminded of Co.'s Interest in Their Behalf in Post-War

That many banking institutions, like that of the Bank of Montreal, have taken post-war measures in behalf of their employees is evidenced from time to time. The proposals of the Canadian bank were noted in our issue of Jan. 18, page 272. From the annual report of President Raymond N. Ball, of the Lincoln-Alliance Bank & Trust Co. of Rochester, N. Y., presented to the stockholders on Jan. 16, we observe that that institution has likewise focused attention on those of its employees now serving in the armed forces, and sent to each at Christmas a check in an amount equal to one week's compensation at the time they left the service. President Ball at the same time addressed to each of the men and women now in the armed services, a letter which in part said:

"Some day this dreadful conflict will be over—sooner, I hope, than we can now anticipate. Then you will have but one thought in mind—that of getting home. That will also be our thought. When you left we promised you a job upon your return. We shall live up to our promise. We realize, however, that in the service many of you have discovered talents which you did not know that you possessed which may lead you into new fields of endeavor. We believe that some of you may be undecided, when you return, as to the work which you may desire to undertake. We have been thinking of these problems and have arrived at several basic conclusions.

"To those of you who desire to return to the bank, your old job, or a better one if we can provide it, is awaiting you. To you who will return uncertain in mind as to what you may care to do in the future, you will be welcomed back to the bank and put on the payroll so that you may have 'bread and butter' during the time you are making your future plans. We, during your readjustment period, will do all we can to be of help to you."

In his report to the stockholders Mr. Ball also says:

"The progress of our Company depends largely upon the loyal services of our officers and employees some 459 in number in the banking departments and 67 building employees. In 1929 a Retirement Annuity Plan was adopted. The Plan is a contributory one to which employee and Company contribute. As of December 31, 1944, the Plan's assets totaled $735,420.10. Our employees also enjoy Group Life Insurance, Sickness and Accident Insurance and insurance covering Surgical costs. Each employee who has been with the Company a year shares in the Employees Wage Dividend payable each year in December and in an amount which is based upon the common dividends declared. This year each eligible employee received one-and-one half week's additional compensation."

# Am. Chemical Society Cancels Spring Meeting

The annual Spring meeting of the American Chemical Society, largest organization of professional chemists in the world, will not be held in 1945, it is announced by Dr. Charles L. Parsons, Secretary of the Society, following action by the board of directors. Practically the entire membership of the Society is engaged in essential war work, it was explained by Dr. Parsons, who expressed the Society's desire to cooperate fully with the Government in meeting difficulties of transportation.