

# The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 161 Number 4360

New York, N. Y., Thursday, February 15, 1945

Price 60 Cents a Copy

## The Financial Situation

"Small business" has become a fetish in this country, and many of the proposals now being made in its behalf or professedly for its benefit have all the innate qualities of a public menace. Let there be no misunderstanding of what is being said here. What is popularly known as "small business," that is, the thousands, yes the hundreds of thousands, of small, local business enterprises, incorporated or not, scattered throughout the length and breadth of the land, contribute in many ways the backbone of the American economic system. It is through them in large part that giant manufacturing corporations distribute their products to the consumers. It is they who perform the thousand and one services that the localities in which they are situated want and could get satisfactorily only from local talent intimately acquainted with the needs of their neighbors. In the hearts of such "small business men," the true spirit of independence and self reliance that has historically characterized the American scene is nourished and perpetuated. It would scarcely be too much to say that as these small enterprises flourish and prosper so America prospers and flourishes.

### Why They Are Indispensable

But it is precisely because these small business men are able to stand on their own feet, because they want above all else to stand on their own feet, and because, by and large, they can and do give back to the public as much as or more than they take from the public, that they constitute a solid foundation for our free American enterprise system. If now they are to be persuaded to eat out of the hand of the politician, and are presently to find themselves in a position which requires them to sneeze when the politician takes snuff—if this were to happen to them they would not long remain of inestimable value to the American nation. If they were to sell their independence of action for the messes of pottage that are now being offered them they would soon sink to a position in the community which they themselves have

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## Post-War Opportunities

### Roger W. Babson Makes Suggestions for Servicemen

BABSON PARK, FLA.—Neither parents nor servicemen now realize the new conditions which they must face in the post-war era. The boys must not expect to find, upon their return, the same opportunities which existed when they were drafted.

#### War Reverses the Rules

(1) Before this war, it was bad to unfairly kill one's enemy; but now it is good



Roger W. Babson

to kill the enemy in any way and under any conditions. (2) Before this war it was good to create things, but now it is good to destroy things. (3) Before this war it was undesirable to regiment and desirable to have individual liberty, but now it is desirable to regiment and undesirable to have individual liberty. (4) Before this war it was popular for the Government to restrain expenditures, but now it is popular for the Government to increase expenditures. (5) Before this war it was wise to allow interest rates to rise to curb booming output, but now it is wiser to keep in-

terest rates down and produce beyond "capacity."

(6) Before this war it was natural for stock prices to boom with business, but now it is more natural for stock prices to disregard wartime earnings. (7) Before this war it was best to allow commodity prices to seek their supply-demand level, but now it seems wise to ration commodities and control prices. (8) Before this war we could wait and allow God's justice to shine in due time, but now it appears necessary for us to completely upset American ways and principles.

#### If I Were Young

The greatest developments of the future will be along creative lines, possibly in connection with foods as researchers or small manufacturers or sales agents. If I were about to go to college today, I would specialize in biological chemistry, or I would connect myself with either a pharmaceutical concern or a fertilizer corporation with the ultimate idea

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## Legal Aspects of Silver Policies Of the United States

By NEIL CAROTHERS and FREDERICK A. BRADFORD\*  
Lehigh University, Bethlehem, Pa.

Asserting That Silver Currency Legislation Has Been a Series of Legal Subterfuges to Promote Private Interests, Lehigh University Economists Contend That Bimetallism Has Not Existed in the U. S. Since 1937, and That the Silver Dollar Was Never Actually a "Standard Coin" Despite the Passage of the Bland-Allison and the Sherman Silver Purchase Acts. They Attack the Legality of President Roosevelt's Proclamation Which Nationalized Newly Mined Silver in 1933 and Condemn Its Subsequent Validation by Congress as Unconstitutional. The Silver Purchase Act of 1934 Is Characterized as a Surrender to the Silver Interests and as an Incredible Monstrosity Since It Has Given Silver Bullion Five Different and Distinct Values.

It should be said at the outset, by way of confession and avoidance, that a study of the legal as-



Neil Carothers F. A. Bradford

pects of silver as money in America presents no legal problems of national significance. A study of the legal aspects of silver can be only a description of the legal subterfuges which government must adopt when it embarks on a policy of using our money system to subsidize a private interest.

The silver measures of the United States government over the past seventy-five years have been indefensible on any grounds whatever. They have not been

\*A paper read by Prof. Bradford before the Institute on Money and the Law, New York City, January 15, 1945.

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\*Not available this week.

measures aimed at solving monetary problems. They have been concessions to organized political pressure. Not all executive administrations of our country have faced the full force of this political pressure. The silver interests have usually been quiescent in times of mining prosperity. They have been most rapacious in time of war and depression, particularly in the administrations of Presidents Hayes, Harrison, Cleveland, Wilson, Hoover and Franklin Roosevelt. Of these chief executives, Hayes fought them but was overcome. Hoover resisted them all the time he was in office. Cleveland is the only President who fought them and whipped them. Only one administration in our history completely surrendered to them.

An understanding of these political aspects is essential to any explanation of the legal aspects. Unfortunately an understanding of the history of our money and

of the technical facts of silver coinage is also essential. We are driven perforce to rake the dry bones of monetary history and to delve into the most perplexing technicalities. Before we are done we will resemble Einstein in the story of the college professor who said to his class: "Only ten men in the world understand the Einstein theory," and a voice from the rear benches said: "Yes and Einstein's not one of them."

#### Silver Legislation

When Alexander Hamilton established our coinage system in 1792 he made it bimetallic, at a ratio of 15 to 1, with a silver dollar of 371¼ grains of pure silver. The new system was a failure. The nation depended for its money on foreign coins from Mexico and Peru. In 1806 Jefferson stopped the coinage of silver dollar pieces, as all of them had gone to the West Indies. By laws of

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## From Washington Ahead of the News

By CARLISLE BARGERON

When you talk with members of Congress day after day, learn their bewilderment about the future, you become convinced that the American people are in the most peculiar state of any people in all history. Other people have suffered more, of course. But they are used to suffering. They have known little else. We were a people riding high. We could even take wars in our stride, conduct them in pretty much luxury.

But now we have gone in for "leadership," in for one man to take care of us, and that man has become bored with us. This is to say that Roosevelt, in the opinion of most members of Congress, has now become wholly unconcerned about domestic affairs. He played with them over a period of eight years, from 1933 through 1940, and to a lesser extent since 1940 until now he has become wholly disinterested in them.

We have just been through an amazing episode, bearing in mind



Carlisle Bargeron

the one-man government which we have had. Not only did Mr. Roosevelt go away to meet Churchill and Stalin, but he took the other big-shot, home-front men with him. He took Harry Hopkins, he took Jimmy Byrnes, he sent Sammy the Rose Rosenman away on another jaunt. He took Ed Stettinius, as he should have. He even took Anna Boettinger, his daughter, about whom we were just beginning to read, that she was exercising an increasing influence over affairs. Out of the Bronx he took Ed Flynn.

The plain facts are that for a period of several weeks the Washington correspondents, for sheer deviltry, we imagine, have been daily trekking to the White House to banter Jonathan Daniels, the New White House press secretary, as to what was going on. Washington, the great capital of the world, was about the most un-

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## Report on "Big Three" Crimea Conference— Act to Destroy German Militarism and Nazism

The objectives of the "Big Three" conference held between President Roosevelt, Prime Minister Churchill of Great Britain, and Premier Stalin of Russia were made known in a report thereon made public at Washington on Feb. 12. The conferences were held near Yalta, in the Black Sea area, and the report was preceded by an announcement made public at Washington, London and Moscow on Feb. 7, as follows:

"The President of the United States of America, the Premier of the Soviet Union and the Prime Minister of Great Britain, accompanied by their chiefs of staff, the three Foreign Secretaries and other advisers, are now meeting in the Black Sea area.

"Their purpose is to concert plans for completing the defeat of the common enemy and for building, with their allies, firm foundations for a lasting peace. Meetings are proceeding continuously.

"The conference began with military discussions. The present situation on all the European fronts has been reviewed and the fullest information interchanged. There is complete agreement for joint military operations in the final phase of the war against Nazi Germany. The military staffs of the three governments are now engaged in working out jointly the detailed plans.

"Discussions of problems involved in establishing a secure peace have also begun. These discussions will cover joint plans for the occupation and control of Germany, the political and economic problems of liberated Europe and proposals for the earliest possible establishment of a permanent international organization to maintain peace.

"A communique will be issued at the conclusion of the conference.

The report deals not only with the plans for the defeat of Germany, its occupation and control, etc., but also with the establishment of a general international organization to maintain peace and security. Recommendations as to the liberated peoples of Europe, Poland and Yugoslavia are also covered in the report, and plans for maintaining and strengthening peace are reaffirmed. A supplemental agreement concerning prisoners liberated by the Allies' forces invading Germany accompanies the report. The following is the report and agreement as released at the White House Feb. 12, and given in Associated Press advices from Washington published in the New York "Times":

### Report of Crimea Conference

For the past eight days Winston S. Churchill, Prime Minister of Great Britain; Franklin D. Roosevelt, President of the United States of America, and Marshal J. V. Stalin, Chairman of the People's Commissars of the Union of Soviet Socialist Republics, have met with the Foreign Secretaries, Chiefs of Staff and other advisers in the Crimea.

In addition to the three heads of government, the following took part in the conference:

#### For the United States of America:

Edward R. Stettinius Jr., Secretary of State;  
Fleet Admiral William D. Leahy, U. S. N., Chief of Staff to the President;  
Harry L. Hopkins, Special Assistant to the President;  
Justice James F. Byrnes, Director Office of War Mobilization and Reconversion;  
General of the Army George C. Marshall, U. S. A., Chief of Staff United States Army;  
Fleet Admiral Ernest J. King, U. S. N., Chief of Naval Operations and Commander in Chief United States Fleet;  
Lieut. Gen. Brehon B. Somer-

vell, Commanding General, Army Service Forces;

Vice Admiral Emory S. Land, War Shipping Administrator;  
Maj. Gen. L. S. Kuter, U. S. A., Staff of Commanding General, U. S. Army Air Forces;

W. Averell Harriman, Ambassador to the U. S. S. R.;

H. Freeman Matthews, Director of European Affairs, State Department;

Alger Hiss, Deputy Director Office of Special Political Affairs, Department of State;

Charles E. Bohlen, Assistant to the Secretary of State, together with political, military and technical advisers.

#### For the United Kingdom:

Anthony Eden, Secretary of State for Foreign Affairs;

Lord Leathers, Minister of War Transport;

Sir A. Clark Kerr, H. M. Ambassador at Moscow;

Sir Alexander Cadogan, Permanent Undersecretary of State for Foreign Affairs;

Sir Edward Bridges, Secretary of the War Cabinet;

Field Marshal Sir Alan Brooke, Chief of the Imperial General Staff;

Marshal of the Royal Air Force Sir Charles Portal, Chief of the Air Staff;

Admiral of the Fleet Sir Andrew Cunningham, First Sea Lord;

General Sir Hastings Ismay, Chief of Staff to the Minister of Defense, together with

Field Marshal Alexander, Supreme Allied Commander, Mediterranean theatre;

Field Marshal Wilson, head of the British Joint Staff Mission at Washington;

Admiral Somerville, Joint Staff Mission at Washington, together with military and diplomatic advisers.

#### For the Soviet Union:

V. M. Molotov, People's Commissar for Foreign Affairs of the U. S. S. R.;

Admiral Kuznetsov, People's Commissar for the Navy;

Army General Antonoff, Deputy Chief of the General Staff of the Red Army;

A. Y. Vyshinski, Deputy People's Commissar for Foreign Affairs of the U. S. S. R.;

I. M. Maisky, Deputy People's Commissar of Foreign Affairs of the U. S. S. R.;

Marshal of Aviation Khudyakoff;

F. T. Guseff, Ambassador in Great Britain;

A. A. Gromyko, Ambassador in the United States.

The following statement is made by the Prime Minister of Great Britain, the President of the United States of America, and the Chairman of the Council of People's Commissars of the Union of Soviet Socialist Republics on the results of the Crimean conference:

### The Defeat of Germany

We have considered and determined the military plans of the three Allied Powers for the final defeat of the common enemy. The military staffs of the three Allied nations have met in daily meetings throughout the conference. These meetings have been most satisfactory from every point of view and have resulted in closer coordination of the military effort of the three Allies than ever

before. The fullest information has been interchanged. The timing, scope and coordination of new and even more powerful blows to be launched by our armies and air forces into the heart of Germany from the east, west, north and south have been fully agreed and planned in detail.

Our combined military plans will be made known only as we execute them, but we believe that the very close-working partnership among the three staffs attained at this conference will result in shortening the war. Meetings of the three staffs will be continued in the future whenever the need arises.

Nazi Germany is doomed. The German people will only make the cost of their defeat heavier to themselves by attempting to continue a hopeless resistance.

### The Occupation and Control of Germany

We have agreed on common policies and plans for enforcing the unconditional surrender terms which we shall impose together on Nazi Germany after German armed resistance has been finally crushed. These terms will not be made known until the final defeat of Germany has been accomplished. Under the agreed plan the forces of the three Powers will each occupy a separate zone of Germany. Coordinated administration and control have been provided for under the plan through a central control commission consisting of the Supreme Commanders of the three Powers, with headquarters in Berlin. It has been agreed that France should be invited by the three Powers, if she should so desire, to take over a zone of occupation and to participate as a fourth member of the control commission. The limits of the French zone will be agreed by the four governments concerned through their representatives on the European Advisory Commission.

It is our inflexible purpose to destroy German militarism and Nazism and to insure that Germany will never again be able to disturb the peace of the world. We are determined to disarm and disband all German armed forces; break up for all time the German General Staff that has repeatedly contrived the resurgence of German militarism; remove or destroy all German military equipment; eliminate or control all German industry that could be used for military production; bring all war criminals to just and swift punishment and exact reparation in kind for the destruction wrought by the Germans; wipe out the Nazi party; Nazi laws, organizations and institutions; remove all Nazi and militarist influences from public office and from the cultural and economic life of the German people; and take in harmony such other measures in Germany as may be necessary to the future peace and safety of the world. It is not our purpose to destroy the people of Germany, but only when Nazism and militarism have been extirpated will there be hope for a decent life for Germans, and a place for them in the comity of nations.

### Reparation by Germany

We have considered the question of the damage caused by Germany to the Allied Nations in this war and recognized it as just that Germany be obliged to make compensation for this damage in kind to the greatest extent possible. A commission for the compensation of damage will be established. (Continued on page 753)

## Dewey Urges Full Participation For World Peace Organization

In Washington Address, He Pleads for Full Non-Partisan Support to Prevent Future Wars, and Full Participation of U. S. in Shaping International Political Settlements. Says Decisions Should Not Be Made in the Cynical Spirit of Power Politics, But in Harmony With Our American Ideals. Criticizes Our Quiescent Attitude Regarding the Balkans.

Governor Thomas E. Dewey, in the first major political address since the election, delivered in Washington on Feb. 8, urged whole-



Thomas E. Dewey

hearted cooperation of all parties at home in supporting a vigorous foreign policy to bring about a world peace organization. He advocated a more direct and immediate participation of the United States in the settlement of European affairs and insisted that decisions "should not be made in the cynical spirit of power politics," but they "should be in harmony with our American ideals." He cautioned against permitting the trend toward totalitarianism to continue in our domestic policies as destructive of our democratic ideals and denounced the "spending of the nation into bankruptcy."

The text of his complete address follows:

At this Lincoln Day dinner we Republicans traditionally take stock of ourselves. We ask ourselves how far we have strayed from the fundamentals of our political faith. We rededicate ourselves to the eternal principles of human freedom for which the name of Lincoln stands.

It is particularly important that we re-examine our faith after a national election. It fell to us to conduct a campaign when our country was engaged in the greatest war of all history. That was a grave and difficult responsibility for an opposition party, because any campaign has within it the dangers of divisions on national purposes. Instead, the campaign made it clear to all the world that the united determination of the people of America to fight the war to total victory was greater than ever before. Moreover, our will to build a lasting peace was lifted by our party above partisanship, and we made a lasting contribution toward the actual building of the structure for international peace.

At the same time we vigorously performed our duty as the party of the opposition in pointing out the defects in the policies of the present Administration and the startling contradictions between its promises and its performances.

#### Republicans to Carry on

As Americans we accept with good grace the verdict of the majority. As members of the party of opposition we shall stanchly carry forward the banner of our political faith. There are 22,000,000 of us—nearly 48% of the voters—who believe today in that political faith.

We have no excuse for existence as a political party—we have no excuse for our service in public office—unless we are deeply conscious of the overwhelming tragedy which stalks the world today. The normal life of a majority of the people of the world has either been uprooted or its natural development set back. Tens of millions of young men have been giving their most productive years to warfare. An appalling number of them will come back to their homes with deep scars, and many will never come home.

Over almost every home in our land there is a sense of brooding

fear or of irreparable loss. At the same time there is a gallant courage and determination in the heart and mind of every American to beat down the forces of evil and this time to keep them down.

Certainly this is the time for re-examination and re-affirmation of the things we believe in. It is the time to cast aside those things that are not fundamental and to re-affirm those things that are true.

#### Freedom Cannot Continue with Periodic War

It is increasingly clear to every one that neither justice nor freedom can long continue to exist in a world beset by periodic total wars. Modern warfare strikes down the youth of the world. It also strikes at the heart of freedom itself. By its very nature it forces even freedom-loving countries to regiment their people in order to fight total war.

Moreover, the terrifying developments of science have made war no longer a matter between next-door neighbors. We have learned to our sorrow that aggression anywhere in the world endangers all the rest of the world. We now know that, in the future, aggression will be possible by air from bases thousands of miles away. If there is an aggressor anywhere in the world, all of us are his imperiled neighbors.

It is obvious that we cannot and must not risk another great war. It is equally obvious that aside from adequate military forces and bases for our defense in the future our only hope of avoiding war lies in effective international cooperation for peace.

War is an evil which has scourged mankind from the beginning of time. It is not likely suddenly to disappear from the earth of its own accord. As I have said so often, peace must be waged with all the vigor and skill with which we wage war or we shall always be having to wage war.

#### U. S. Must Take Responsible Part for World Security

We have nailed to our masthead one principle to which I believe we must everlastingly adhere, or principles will count no more in the face of force. That is, that we, as a nation, can, we will, and we must take a full, responsible part in the establishment of collective security among nations.

The opinion of our people has crystallized. They want the United States to accept its responsibilities for the vital decisions affecting the future of the world. Those who speak for our country need no longer hide behind fine phrases and glittering generalities. There need no longer be any doubt anywhere that the American people are prepared to exercise their great power actively, continuously and effectively in the interest of a just and a lasting peace.

There is now in progress a conference among the three great powers among the United Nations. The results of that conference will go far to determine the course of the rest of the war and the nature of the peace to come. At that conference the President of the United States has, I am sure, the whole-hearted support of both political parties and the prayers of the American people for his

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# Roosevelt Asks Congress To Approve Bretton Woods Plans

Urges Proposals Be Enacted as a Cornerstone for International Peace and as Concrete Evidence of Unity of Purpose in the Economic Field.



President Roosevelt

**Says Fund and Bank Will Assist in Rehabilitation and Expand Foreign Trade, and That They Together "Represent One of the Most Sound and Useful Proposals for International Collaboration Before Us."**

On Feb. 12, President Roosevelt submitted to Congress a special message in which he urged "the immediate adoption of the Bretton Woods Agreements" as concrete evidence that the United States is in favor of an international unity of purpose in the economic field.

Official text of the message is as follows:

To the Congress of the United States:

In my budget message of Jan. 9 I called attention to the need for immediate action on the Bretton Woods proposals for an international monetary fund and an international bank for reconstruction and development. It is my purpose in this message to indicate the importance of these international organizations in our plans for a peaceful and prosperous world.

As we dedicate our total efforts to the task of winning this war we must never lose sight of the fact that victory is not only an end in itself but, in a large sense, victory offers us the means of achieving the goal of lasting peace and a better way of life.

Victory does not insure the achievement of these larger goals—it merely offers us the opportunity—the chance—to seek their attainment. Whether we will have the courage and vision to avail ourselves of this tremendous opportunity—purchased at so great a cost—is yet to be determined. On our shoulders rests the heavy responsibility for making this momentous decision. I said before, and I repeat again: "This generation has a rendezvous with destiny."

If we are to measure up to the task of peace with the same stature as we have measured up to the task of war, we must see that the institutions of peace rest firmly on the solid foundations of international political and economic cooperation. The cornerstone for international political cooperation is the Dumbarton Oaks proposal for a permanent United Nations.

International political relations will be friendly and constructive, however, only if solutions are found to the difficult economic problems we face today. The cornerstone for international economic cooperation is the Bretton Woods proposals for an international monetary fund and an international bank for reconstruction and development.

### Unity in Economic Field

These proposals for an international fund and international bank are concrete evidence that the economic objectives of the United States agree with those of the United Nations. They illustrate our unity of purpose and interest in the economic field. What we need and what they need correspond—expanded production, employment, exchange and consumption—in other words, more goods produced, more jobs, more trade and a higher standard of living for us all.

To the people of the United States this means real peacetime employment for those who will be returning from the war and for those at home whose wartime work has ended. It also means orders and profits to our industries and fair prices to our farmers. We shall need prosperous markets in the world to ensure our own prosperity, and we shall need the goods the world can sell us. For all these purposes, as well as for a peace that will endure, we need the partnership of the United Nations.

The first problem in time which we must cope with is that of saving life and getting resources and

people back into production. In many of the liberated countries economic life has all but stopped. Transportation systems are in ruins and therefore coal and raw materials cannot be brought to factories.

Many factories themselves are shattered, power plants smashed, transmission systems broken, bridges blown up or bombed, ports clogged with sunken wrecks, and great rich areas of farm land inundated by the sea. People are tired and sick and hungry. But they are eager to go to work again, and to create again with their own hands and under their own leaders the necessary physical basis of their lives.

Emergency relief is under way behind the armies under the authority of local Governments, backed up first by the Allied Military Command and after that by the United Nations Relief and Rehabilitation Administration. Our participation in the UNRRA has been approved by Congress. But neither UNRRA nor the armies are designed for the construction or reconstruction of large-scale public works or factories or power plants or transportation systems. That job must be done otherwise, and it must be started soon.

The main job of restoration is not one of relief. It is one of reconstruction which must largely be done by local people and their Governments. They will provide the labor, the local money and most of the materials. The same is true for all the many plans for the improvement of transportation, agriculture, industry and housing, that are essential to the development of the economically backward areas of the world.

### Profitable Role for U. S.

But some of the things required for all these projects, both of reconstruction and development, will have to come from overseas. It is at this point that our highly developed economy can play a role important to the rest of the world and very profitable to the United States. Inquiries for numerous materials and for all kinds of equipment and machinery in connection with such projects are already being directed to our industries and many more will come. This business will be welcome just as soon as the more urgent production for the war itself ends.

The main problem will be for these countries to obtain the means of payment. In the long run we can be paid for what we sell abroad chiefly in goods and services. But at the moment many of the countries who want to be our customers are prostrate. Other countries have devoted their economies so completely to the war that they do not have

# Reciprocal Air Pact By U. S. and Ireland

Announcement of another in the series of reciprocal air transport agreements that eventually will open routes to Europe for American aviation companies, was made known on Feb. 3 with the signing by the United States of a pact with Ireland similar to those concluded earlier with Spain, Sweden, Denmark and Iceland. Advice to the New York "Herald Tribune" on Feb. 3 from its Washington bureau reported that the State Department made public the United States-Ireland agreement as diplomatic sources said that plans were being made for negotiating similar commercial air privileges in Lebanon, which may become one of the most important Middle East air bases on the Europe-to-Asia route. The "Herald-Tribune" advices went on to say:

The United States-Ireland agreement, which was signed at Washington, provides that American air lines may land at Foynes and Rineanna in Ireland to refuel and make repairs and may pick up and discharge international traffic. Similar privileges are granted to Irish air lines "at specific airports in connection with such route or routes as may be determined at a later date."

The agreement, which becomes effective Feb. 15, was signed by William L. Clayton, Assistant Secretary of State, and Robert Brennan, Irish Minister at Washington. The terms of the pact authorize American air lines to make transit and non-traffic stops in Irish territory and to pick up international traffic on routes from the United States "to Ireland and countries beyond."

the resources for reconstruction and development.

Unless a means of financing is found, such countries will be unable to restore their economies and, in desperation, will be forced to carry forward and intensify existing systems of discriminatory trade practices, restrictive exchange controls, competitive depreciation of currencies and other forms of economic warfare. That would destroy all our good hopes. We must move promptly to prevent its happening, and we must move on several fronts, including finance and trade.

### Quick Action Essential

The United States should act promptly upon the plan for the international bank, which will make or guarantee sound loans for the foreign currency requirements of important reconstruction and development projects in member countries. One of its most important functions will be to facilitate and make secure wide private participation in such loans. The articles of agreement constituting the charter of the bank have been worked out with great care by an international conference of experts and give adequate protection to all interests. I recommend to the Congress that we accept the plan, subscribe the capital allotted to us, and participate wholeheartedly in the bank's work.

This measure, with others I shall later suggest, should go far to take care of our part of the lending requirements of the post-war years. They should help the countries concerned to get production started, to get over the first crisis of disorganization and fear, to begin the work of reconstruction and development; and they should help our farmers and our industries to get over the crisis of reconversion by making a large volume of export business possible in the post-war years.

As confidence returns private investors will participate more and more in foreign lending and investment without any Government assistance. But to get over

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# The State of Trade

The volume of new corporate financing for the month of January was the largest for any month since October, 1944, the total aggregating \$315,020,703, as compared with \$429,924,540 in October and \$160,456,350 in January of last year. The activity for January may be attributed in part to the ending of the Sixth War Loan Drive of November-December, which resulted in the withholding of some substantial issues which otherwise would have found their way into the market. As a result, a large backlog of corporate financing was built up which is expected to come into the investment market in the near future. Of the \$315,020,703 emissions in January, a total of \$42,740,931, or 13.57%, was for new money and \$272,279,772, or 86.43% for refunding purposes. As in prior months the trend of financing still is in the refunding column.

Private financing for the month totaled \$56,414,000, consisting of 10 issues and represented 17.9% of the total. This compares with \$77,500,000 so placed in December, 1944, or 58.4% of that month's total.

For those of our readers who may be interested in more detailed information concerning new capital flotations in the United States, we refer you to next Monday's issue of the "Chronicle," dated Feb. 19, 1945.

Industrial operations last week were on a reduced scale due in great measure to manpower shortages in critical areas and a disruption of railroad freight shipments. The severe weather contributed its share to curtail output in the week. Most of the weekly barometers to record declines were steel operations, soft coal output, electric kilowatt production and crude oil. Such general business indicators as bank clearings for 23 cities outside of New York, and freight carloadings, similarly declined.

In the commodity markets an irregular trend obtained with the Dun & Bradstreet daily wholesale commodity price index of 30 basic commodities, increasing from 175.12 to 175.22, while the wholesale food price index rose 1 cent to \$4.10, the high point for the past two years. Trading volume on the security markets also increased the past week with buying broad and prices on the upgrade.

**Steel Industry** — Steel order tempo influenced by urgent war requirements approached the boiling point the past week, necessitating the Steel Division of the War Production Board, at presently seriously undermined by the new emergency, to recall top-notch steel men to assist it over the hump.

A heavier order volume than for several years combined with disrupted production schedules during January, the "Iron Age" reported, worked to produce a more chaotic delivery situation than at any time since the outbreak of war. The critical Chicago district, less severely hit by weather and manpower difficulties, has proved no exception with January, 1946, deliveries being quoted on some items in heavy demand for war programs. Incoming orders, states the magazine, have swept deliveries on most items ahead two to six months during the past 30 days, and new war requirements have made it necessary to sharply increase WPB directives in order to obtain the materials when desired by the Armed Forces. The complications arising from such a situation have caused carryovers to mount at a highly accelerated rate.

Some strip mill sheets are still available for May shipment, the trade paper adds, but more production space on this item is filled up as far as November. Quality carbon bars have been extended from July to November, although regular carbon bar grades are available in May and June. Reflecting the quick change in the flat rolled picture, strip which recently was quoted for

May delivery is not now available before August. Other deliveries such as cold rolled sheets have jumped from May to September and October.

As a result of severe weather, freight tieups, and fuel shortages, important steel producers' last month failed to meet their minimum production directive goals by as much as 7%. Mills in less affected districts were able to make fair progress, but the industry on an average basis went into February with carryover tonnage approximating 10 days production of all products, the magazine discloses.

Concluding, the "Iron Age" states, "It now appears that the steel industry has been squeezed of its last ton of steel, both for today and tomorrow and for as far into the future as can be appraised. Continued pressure through piling of orders and draining of manpower is not resulting in more steel, but instead threatens to break down the order, distribution, and production structure so that less may be produced."

The American Iron and Steel Institute announced last Tuesday that the operating rate of steel companies (including 94% of the industry) will be 92.8% of capacity for the week beginning Feb. 12, compared with 89.3% one week ago. This week's operating rate is equivalent to 1,673,300 tons of steel ingots and castings, compared with 1,610,800 tons last week and 1,750,000 tons one year ago.

**Electric Production**—The Edison Electric Institute reports that the output of electricity increased to approximately 4,538,552,000 kwh. in the week ended Feb. 3, 1945, from 4,576,713,000 kwh. in the preceding week. Output for the week ended Feb. 3, 1945, was 0.3% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 195,200,000 kwh. in the week ended Feb. 4, 1945, comparing with 213,800,000 kwh. for the corresponding week of 1944, or a decrease of 8.7%.

Local distribution of electricity amounted to 181,500,000 kwh. compared with 207,600,000 kwh. for the corresponding week of last year, a decrease of 12.6%.

**Railroad Freight Loading**—Carloadings of revenue freight for the week ended Feb. 3, 1945, totaled 738,680 cars, the Association of American Railroads announced. This was a decrease of 20,190 cars, or 2.7% below the preceding week this year and a decrease of 67,034 cars, or 8.3% below the corresponding week of 1944. Compared with a similar period of 1943, a decrease of 16,834 cars, or 2.2% 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 Feb. 3, 1945, at 11,260,000 net tons, a decrease of 320,000 tons, or 2.7% from the week previous. Production in the corresponding week of 1944 amounted to 12,850,000 tons.

According to the U. S. Bureau of Mines, output of Pennsylvania anthracite for the week ended Feb. 3, 1945, was estimated at 842,000 tons, a decrease of 117,000 tons, or 12.2% from the preceding week. When compared with the corresponding week in 1944 a decrease of 422,000 tons, or 33.4% is reflected.

Beehive coke for the week ended Feb. 3, 1945, showed an in-

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## The Financial Situation

(Continued from first page)

always scorned. If such special favors as are now being sought for the small business man are really essential for his survival, there is something radically wrong with the conditions as they exist today or threaten to exist with the return of peace.

For our part, we do not believe for a moment that the so-called small business man is doomed if the largesse that is being asked for him is not forthcoming—and, what is more, we do not believe that the rank and file of small business men, once they understand what the inevitable consequences of some of the proposals would be, would for one moment favor them. Many small business enterprises have become many times larger during the past year or two as a result of their participation in the war effort. Many of them—all honor to them—have proved themselves capable, with financial assistance, of adding significantly to the effectiveness with which we have armed ourselves to meet the crisis by which we found ourselves confronted late in 1941. An end of this arming program and a return to peacetime pursuits can scarcely fail to create certain very real problems for many of these small enterprises which must resume their former status of small business. It may or may not be true that it will be necessary for the national government to aid this transition from war to peace as it found it necessary to lend aid in the conversion from peace to war. This, however, is a special situation and anything done to relieve it should be of a strictly temporary nature.

### Loans! Loans! Loans!

Most of the current proposals have to do with making loans to small business, or with the supplying of what has become known as "equity capital." The arguments with which many of these programs are supported appear to indicate a plain desire on the part of those making such suggestions that some means be found to stimulate men to start small businesses—a part of the program of finding 60,000,000 jobs after the war. Now this country surely has not reached the stage where its government has to find some way to persuade men to go into business for themselves. If so, then the future is dark indeed! In such an event nothing that government could do would greatly help the situation. A people so deficient in personal initiative and enterprise as would thus be indicated are on the way down and out. We do not believe for one moment that any such state of affairs exists in this

country. There is not a fact known to us that suggests any such condition, and we have yet to see any one who could point to such a fact.

It would be almost as difficult to find any dispassionate observer acquainted with the facts who would undertake to defend the implied claim that by and large small business men suffer from a lack of legitimate credit facilities. It is of course true that for a decade or more it has been repeatedly asserted by politicians and others who knew not what they said that the economy was being restrained and restricted because small business men could not obtain credit due them from the regular agencies. Special machinery was established for the purpose of serving these small business enterprises. Strenuous efforts were made to find these credit-starved small business enterprises. Little or no success attended the effort. Even the relatively few who were found who both deserved (so the lender thought) and wanted credit have proved not to have been particularly credit-worthy as judged by their subsequent record. Studies made through these years have universally come to the conclusion that there is no small business credit problem in the ordinary meaning of the term. The only exception has been in connection with large war orders which created a very special situation which obviously will not outlive the war.

### "Equity Capital"

About equally clear is it, according to those who have studied the subject with care and calmness, that small business men are not seeking equity capital in anything like the degree commonly supposed. They are exceedingly jealous of control of their own enterprises. They want no partners sharing that control. The real problems of small business—in the sense that these are the causes of the high rate of failure among small enterprises—is poor management and ill-advised initiation of businesses which never from the first had any real basis upon which to stand upright or flourish. Such infirmities as these obviously will not yield to currently proposed remedies. Indeed, it seems to us to be of doubtful wisdom to do much interfering with this process by which small businesses are started, flourish or die. It is pretty close to the fundamental freedoms of this country—and out of this process many of our most flourishing enterprises emerge from time to time.

The urgent need of small business is identical with that

## Steel Payrolls Set New Record in 1944

Total payrolls of steel companies in 1944 reached a new record of \$1,745,019,700, almost \$96,000,000 more than the previous peak of \$1,649,227,000 paid out in 1943, according to the American Iron and Steel Institute. The total for 1944 includes the payment of part of the retroactive wage increases called for by the decision late last year in the steel wage case. The Institute further reports as follows:

Hourly and weekly earnings of wage earners also set a new record last year, averaging 121.9 cents per hour and \$56.93 per week over the entire year. In 1943, hourly earnings averaged 113.5 cents and weekly earnings \$48.81.

Average employment in steel plants declined in 1944, however, although output last year exceeded the 1943 tonnage. Over the whole year an average of 571,200 employees was at work in the industry as against total employment of 626,000 in 1943.

The number of hours worked per week of wage earners averaged 46.7 during 1944, compared with 43.0 hours per week in 1943.

In December of last year, steel payrolls totaled \$139,894,900 as against \$143,136,800 in November and \$140,202,700 in December 1943. Employment averaged 563,900 in December 1944, compared with 564,200 in November and 604,700 in December 1943.

Wage earners received an average of 119.7 cents per hour in December of last year, 120.2 cents per hour in November and 116.1 cents per hour in December 1943. Hours worked weekly in the closing months of 1944 averaged 45.0, compared with 47.7 in November and 43.2 in December 1943.

## January Steel Output Cut by Bad Weather

Bad weather during January in several important steelmaking areas was largely responsible for reducing steel output last month to the lowest total for a 31-day month since July 1942, according to a report released on Feb. 10 by American Iron and Steel Institute, which further adds:

A total of 7,178,315 tons of ingots and steel for castings was produced during January, as against 7,361,191 tons in December and 7,586,740 tons in January a year ago.

During January the steel plants operated at an average of 90.1% of capacity rated as of midyear 1944. Since then, capacity has been increased. When the new capacity ratings as of Jan. 1, 1945, are released, it is expected that the January output will represent about 88½% of current capacity. The latter rate would be the lowest monthly since 83% rate recorded in July 1940 when the national defense program was just getting under way.

By comparison, output in December was equivalent to 92.6% of the July 1 capacity, while production in January 1944 was 95.6% of the then available capacity.

During January, steel output averaged 1,620,387 tons per week, compared with \$1,665,428 tons per week in December and 1,712,582 tons per week in January of last year.

of large business—an atmosphere in which any sort of private enterprise can flourish. The quackery of the past decade hits small as well as large business—and in neither case will special favors or paternalistic grants-in-aid remedy the situation.

## Strange Reasoning

"We whose signatures are appended to this letter believe that this proposition [that a post-war universal military training system be adopted now] should be thought through now, while we are conscious of the realities of a world at war. As a nation we are better able at this time to reach a wise decision on this important matter than we shall be after the war is over, when again we shall be lulled by a false sense of security.

"Contrary to the opinion expressed by some, we believe that the judgment of the people of the nation is now more sound on this issue than it will be after peace is declared. We know too well the reaction which occurs after a conflict is over: The general desire to 'forget it.'

"The adoption now of a proper plan of universal military training involves no perpetual commitment. If out of the coming discussions among the nations an effective international plan to insure peace should emerge and the unrighteous ambitions of aggressor nations permanently blocked, the Congress would always have the authority to modify or abrogate the military training system."—From a joint letter to the President by a number of prominent educators.

The reasoning of these learned gentlemen appears most extraordinary to us.

They express the view that our present day judgment is superior to any we are likely to be able to summon in the post-war years; in the next breath the assurance is given that our post-war views can at any moment over-ride our present opinions.

Yet they seem to see some sort of security or assurance in action now.

## RFC and Smaller War Plants Corp. to Pass on Business Loans Under GI Bill of Rights

Two agreements have been signed under which the Administrator of Veterans' Affairs has designated the Reconstruction Finance Corporation and the Smaller War Plants Corporation as cooperating agencies in connection with business loans under the "GI Bill of Rights," Brig. Gen. Frank T. Hines, Administrator of Veterans' Affairs, announced on Feb. 9. These agreements were entered into under the authority given General

Hines to "designate such agency or agencies, if any, as he finds equipped to determine whether the guaranty of loan should be approved. . . ."

Under these agreements the two cooperating agencies will review the papers connected with loans and will recommend that the loans be approved or disapproved. In making such recommendation, the agencies agreed they will consider matters of substance only and will ignore all matters of form not affecting the substance of the loan, General Hines said.

RFC and SWPC will also be designated by the Administrator of Veterans' Affairs to act as appraisers to be used by the lenders in connection with loans for business purposes. They will also examine loans to determine:

"(1) That the proceeds will be used for purposes permitted by law.

"(2) That the property involved will be useful and reasonably necessary to the occupation.

"(3) That the veteran has the ability and experience to assure a reasonable likelihood of success in the venture.

"(4) That the price to be paid does not exceed a reasonable value.

"(5) That the loan is practicable."

The advices in the matter also state:

"Ordinarily business loans will be made through recognized lending agencies, such as banks, loan associations, or individuals, etc., just as are other GI loans.

"But in some instances either RFC and SWPC may make a primary loan under their independent authority as lending agencies, General Hines said. Where

this is done the Veterans' Administration may make a second loan to an amount not in excess of 20% of the purchase price, or \$2,000, whichever is greater. When this is done, the Veterans' Administration may guarantee the entire amount of the second loan.

"At no time may the interest on any loan that is guaranteed by the Veterans' Administration be charged at a rate of more than 4%, and interest on the guaranteed part will be paid for the first year by the Veterans' Administration."

## Commodity Exchange, Inc., Reelects Weld President

Philip B. Weld of Harris, Upham & Co. was reelected for a third term as President of Commodity Exchange, Inc., on Jan. 31. Floyd Y. Keeler of Orvis Bros. & Co. was reelected Treasurer. The Vice-Presidents elected were Richard F. Teichgraber, Milton R. Katzenberg, Paulino Gerli and Louis V. Keeler.

At the annual election of members of the Commodity Exchange, Inc., the following governors were elected to represent the various groups of the Exchange:

Commission House Group—Floyd Y. Keeler and Philip B. Weld; Hide Group—Milton R. Katzenberg and Albert O. Trostel Jr.; Silk Group—Alexander D. Walker and Nathan Lewis; Metal Group—Ivan Reitler and Hans A. Vogelstein; Rubber Group—Aage Bendixsen and Nathan W. Diamond; Non-Trade Group—Kuo C. Li.

## Mahan Asserts Nation Can Easily Finance Post-War Building

If private interests get a full opportunity to do so, they can easily finance the postwar housing this nation must have even though the volume should reach the most optimistic estimate now being made, L. E. Mahan, St. Louis, President, Mortgage Bankers Association of America, told members of the Kansas City Real Estate Board in Kansas City on Feb. 9 at the organization's meeting in Hotel Muehlebach. The same is true for private industry, he said, and pointed out that the SEC's report of last November showing net working capital of corporations exceeding 44 billion dollars is evidence that industry "can finance reconversion and postwar plant expansion without a considerable amount of outside credit."

Despite this, Mr. Mahan declared that he had grave fears that private enterprise may not be given the responsibilities it is prepared to meet and added that after the war we may find "the United States an island of democracy in a world where the trend is toward a totalitarian state." Mahan said he has been surprised how many Americans adopt the attitude that we cannot revert to free enterprise very quickly after the war.

"There are the conservatives and the leftists, but I hope that there may be some happy middle ground on which these two groups can get together and preserve the American way of life. Unless we do, the lives lost in the two world wars will have been in vain.

Mahan told the real estate and mortgage men that based upon his own studies, a number of which he submitted to the Senate Taft Committee two weeks ago, there seems every reason to believe that private enterprise can finance the postwar building in this country. He said that his own studies also show that the government is not nearly so firmly entrenched in mortgage financing as most people believe. He declared that even though the federal government has been operating in this field for more than two decades, it still holds less than one tenth of the loans outstanding. He set \$34,373,000,000 as the total of all mortgages outstanding.

Discussing the life insurance companies and the possible role they may play in financing postwar homebuilding, Mahan said they could probably do the job almost alone.

"As of December 31, 1944, the total admitted assets of life insurance companies were approximately 41 billion dollars. It is generally conceded among those in charge of finance of these companies, that 40% of their investment portfolios could be safely invested in mortgage loans, so that if the portfolios were theoretically balanced at the present time, there would be approximately 16 billion dollars of funds invested in mortgage loans by the life insurance companies.

"As of December 31, 1944, there were approximately 5½ billion dollars invested in mortgage loans, so that in the life insurance companies alone there are at the present time approximately 10½ billion dollars which should gravitate to mortgage loan investments following the war."

He criticized those who are currently contending that one thing needed is lower interest rates for building money and said the benefits which they hold out from such action are largely an illusion.

"On a sound basis, the interest rate on mortgages should be a rate which will encourage investment in the field in such quantities as will completely supply the demand. If you lower the rate below that standard, then you will drive money from that field, and you do more harm than good. As an illustration, look at the experience in the farm loan field: Since 1917 the rate on farm loans established by the federal farm loan system, has been somewhat lower than for city loans, and with the strong agricultural bloc in Washington, pressure has been brought from

time to time to reduce the rate. As a result, I would say that there are less than 5½ billion dollars of farm loans at the present time; and purely from a credit standpoint, the farmer is not served as well as the city dweller. There is not the availability of funds for farm development that existed prior to the inception of the Federal Farm Loan Act."

## Summary of Provisions Of Manpower Bill as Passed by House

The following summary of major provisions of manpower legislation for limited national service, as passed by the House on Feb. 1, was contained in Associated Press accounts from Washington, published in the New York "Journal of Commerce":

**Persons Affected:** Every man between the ages of 18 and 45 who is not on active military duty or who has not been deferred specifically by law, such as public officials, divinity students and essential farm workers.

**How They Are Affected:** If they are holding a war or war-supporting job they may be ordered to keep it by their local draft boards; if the boards determine their service could be utilized better elsewhere, they must move in accordance with board request, or order, if a request fails to produce the desired results.

**Penalties:** A man disregarding a board order may be inducted forthwith or, if he is not suitable for military service, he may be fined as much as \$1,000 and imprisoned for as long as five years. This is the same penalty that now applies to a "draft dodger."

**Who Decides What an Essential Job Is:** The Director of War Mobilization and Reconversion, or some agency designated by him. The director, after consulting with representatives of management, labor, agriculture and Government, will certify to Selective Service the manpower needs in various areas. Local draft boards thereupon will endeavor to persuade registrants to take jobs voluntarily, or force them to do so if necessary.

In ordering men to work, boards must consider which men can transfer to new jobs with the least disruption to themselves and the civilian economy. They also will make work-calls by categories based on age and occupational skills. Honorably discharged veterans normally will be asked to take new jobs only after non-veterans.

**Appeal Provisions:** A man must be given a "reasonable choice" of employers and may appeal a work-order through the regular draft board appeal system. If he is prosecuted for a violation he may, as a defense, establish that the order involving him was not based upon "fair consideration."

**Travel Allowances:** Registrants volunteering for or accepting jobs under board orders are entitled to travel and subsistence allowances from their homes to their new jobs if the jobs are in a locality outside their home; after the job ceases, or after they are given a release, they will receive travel and subsistence allowances to return home.

**Benefits:** Men working in accordance with draft board orders or requests receive the re-employ-

## Mutual Savings Bank Deposits, Depositors At New High Levels

Public willingness to save instead of to spend is reflected in year-end reports of the National Association of Mutual Savings Banks, which showed new record levels for these institutions, operating in 17 states, and holding the largest accumulation of small capital ever brought together by one group of banking institutions. Last December 31, deposits in these mutual institutions amounted to \$13,331,810,630, an unparalleled increase for a year of \$1,624,785,582. "This continued gain in savings is the measure of public assistance in the fight against inflation, its aid to the Government and its provisions for the future," said Isaac W. Roberts, President of the Philadelphia Saving Fund Society and President of the National Association. "The patriotic response of so many millions of Americans is a tribute to the national spirit. Now, let all of us prepare to utilize our accumulation of 'small savings' in the best possible way for the nation and ourselves in the peacetime to come."

It is pointed out that the status of mutual savings bank assets kept balance with deposits, amounting to \$14,812,651,197 last December 31, an increase of \$1,769,819,529 for the year. The gain in deposits and assets exceeded any previous figures. It is further stated in the advices from the association made available Feb. 1:

"A break-down of deposits showed that at the year-end mutual savings banks had \$13,291,702,785 in 'regular accounts.' This balance excluded all 'special purpose accounts,' such as Christmas Clubs, school savings, and similar accounts. The average deposit in a 'regular account' rose to \$999.71, also a record and the average deposit for all types of accounts was \$816.84.

"The public will to save was further emphasized by a substantial gain in new accounts, the total number at the year-end being 16,321,229, an expansion in 1944 numbering 609,018 accounts—likewise a record.

"While accounts were rising to new heights, the combined surplus of mutual institutions reached the unapproached figure of \$1,454,738,308, which represented a gain for the year of \$128,109,745, providing a surplus ratio of 10.9% for each dollar upon deposit, one of the highest ratios existing for any similar sum of capital.

"Interest-dividends paid to depositors were continued at moderate rates, owing to limited investment possibilities, the average per account for the 17 'mutual states' being 1.70%.

"In the 1944 period of record growth, mutual savings banks continued to be large distributors of War Savings Bonds, up to the year-end having sold about 1/25th part of all bonds so distributed. The total of their sales is approaching \$2,000,000,000. They exceeded quotas in the Sixth War Loan. Besides direct distribution to the public, mutual savings banks have diverted about 55% of deposits to the standard Government issues. Plans are under way for the Seventh War Loan.

ment priority protection given draftees under the Selective Service Law and are eligible for benefits of the Soldiers' and Sailors' Civil Act, if the job they take involves a financial loss to them.

**Conscientious Objectors:** May be ordered to some other activity in the national interest if they object to participation in war activities.

**Effective Period:** The Act expires when the war ends unless Congress nullifies it sooner.

## House Passes Manpower Bill Providing for Limited National Service Legislation

By a vote of 246 to 165 the House on Feb. 1 passed the May-Bailey manpower bill, providing limited National service legislation for men between the ages of 18 and 45. The action of the House is in line with the request of President Roosevelt, who, in his annual State-of-the-Union Message to Congress on Jan. 6 renewed his recommendation of a year ago, for the enactment of a National Service law. The President's message was given in our Jan. 11 issue, page 185.

Passage of the measure came only after its backers staved on a mighty drive by opponents to substitute a voluntary plan for meeting manpower needs, said the Associated Press, which added that the substitute bill offered by Representative Harness (Rep., Ind.) and rejected by a 10-vote margin would have tackled the problem by directing draft boards to inventory their manpower resources and authorizing the War Manpower Commission to fill labor needs through persuasive methods.

From Associated Press advices from Washington, Feb. 1, we also quote:

The substitute, backed heavily by Republicans, went down by a non-record vote of 187 to 177. Earlier the House decisively rejected moves to incorporate in the legislation a so-called "anti-closed shop" amendment and a ban against giving essential rating to an employer unwilling to hire a worker because of his race, color or creed.

Also defeated, on a standing vote of 205 to 71 shortly before the final ballot, was a proposal by Representative Voorhis, Democrat, California, to handle the problems by giving the War Manpower Commission authority to impose labor ceilings on employers and to provide for renegotiation of war contracts by employers using labor obtained through the WMC program.

While the House was taking final action, production and military sources, which strongly backed the measure throughout, put in a new argument, that the extent of reconversion after V-E Day will depend to a considerable extent on the fate of the limited national service bill.

If a bill is passed which would assure that war plants would be manned to the full extent needed to wind up the European war and wage the Pacific war successfully, these officials said, reconversion activity could be pushed ahead more rapidly than otherwise.

As it finally passed, the bill follows recommendations of the House Military Affairs Committee almost to the word.

It undertakes to give to the director of war mobilization authority to designate essential industries and call upon Selective Service to provide manpower for those industries when there is a need.

In meeting a manpower request, local draft boards may request men to take designated jobs or may direct them to do so. They also may "freeze" registrants in existing jobs.

Any registrant leaving a job into which he has been "frozen" or refusing to take one into which he has been directed could be inducted for general military duty or fined \$10,000 and imprisoned for five years.

The legislation requires draft boards to give men a reasonable choice of employers, a provision recommended by the Military Affairs Committee as a substitute for a discarded proposal permitting a man to take a job in a closed shop plant without joining a union.

It also provides that a registrant may decline to take a job if he has a just cause, but he may have to prove to a court or a draft appeal board that his reason was valid.

In assigning men to jobs, draft boards are directed to consider the

effect of a job-change on a man's family and the possible impact on the civilian economy.

Men taking jobs voluntarily or at draft board order would receive travel allowances if the job is away from home and benefits of the Soldiers' and Sailors' Civil Relief Act and the re-employment priorities of the draft law.

The bill, it was noted in the Press, was stoutly opposed by organized labor and industry, spokesmen for which contended the manpower problem could be solved voluntarily. The proposal of Representative Voorhis, which would have given the War Manpower Commission broad authority, won strong early support and for a time there was considerable belief that it might be adopted, it was stated in the Associated Press advices from Washington, on Feb. 1, which added:

However, after Republicans joined in an attack on the substitute and called up a battery of speakers including Representatives Luce of Connecticut, Arends of Illinois, and Taber and Wadsworth of New York, the Voorhis bill was flattened.

The attack on Voorhis's measure centered largely on Paul V. McNutt, WMC head, whom Taber called "the greatest failure" of the Roosevelt Administration.

Turned down without debate was a proposal to provide for all-out conscription of labor and industry.

The Senate Military Committee voted on Feb. 2 to centralize coercive manpower controls under War Mobilizer Byrnes, but delayed until later the final vote on adoption of the legislation. The House bill provided for the administration of controls by local draft boards. A series of amendments adopted by the Senate Committee, it was stated by the Chairman, Senator Thomas (D. Utah), would have the general effect of giving Mr. Byrnes's office overall control. "The reason for that," Senator Thomas said, "is that it is deemed by everybody that this is a national endeavor and should be directed by a national institution."

## Civil Air Agreement Between U. S. & Iceland

The State Department has announced the signing of a civil air agreement with Iceland, an important trans-Atlantic stop, it is learned from Washington Associated Press advices appearing in the "Wall Street Journal" of Jan. 31, which also had the following to say:

The agreement, signed at Reykjavik on Jan. 27, becomes effective on Feb. 1.

It gives American commercial air services rights of transit, refueling stops and the right to pick-up and discharge international traffic at the important Keflavik airport on a route from the United States "to Iceland and points beyond."

The agreement traces another route in the expanding pattern of American international aviation.

Similar agreements have already been signed with Denmark, including rights in Greenland, and with Sweden and Spain.

# Legal Aspects of Silver Policies Of the United States

(Continued from first page)

1834 and 1837 Congress changed the ratio to 16 to 1 by reducing the gold dollar. The sole purpose was to encourage gold coinage. The law resulted in a large coinage of gold and, practically, put the country on a single gold standard. At the ratio of 16 to 1 silver owners could coin their bullion only at a loss.

In 1853 Congress solved the problem of a domestic small-change currency by creating a subsidiary silver coinage. The free coinage of silver was abolished for all coins from the 3-cent piece to the 50-cent piece. They were to be made token coins, manufactured from bullion bought by the government and sold to the public for gold.

A tragic blunder was made in the law. Nothing was said about the silver dollar. Congress did not formally repeal the bimetallic law of 1837 so far as the dollar was concerned. Never in general circulation and coined only in negligible quantities for export or as souvenirs, the dollar was unknown. Congress, understanding neither the old law nor the new subsidiary system, left the unknown dollar nominally bimetallic. In 1873 Congress, after three years of consideration, revised all the coinage and currency laws. The error of 1853 was corrected by dropping the silver dollar. This put the country legally as well as actually on the single gold standard.

Two insignificant events in this period changed American history. One was a fall in the market price of silver bullion. The other was the discovery of a huge deposit of silver in Nevada, with a resultant speculation in silver stocks which even touched government circles.

## Attempts to Restore Bimetallism

In 1874 the price of silver fell to a point where the number of grains in the non-existent silver dollar of the non-functioning bimetalism under the repealed law of 1837 had a market value less than one gold dollar. The silver interests suddenly discovered that if the silver dollar had not been dropped by the law of 1873 they could for a time take 80 or 90 cents worth of silver to the Mint and get a dollar. The fact that such a system would be utterly unsound economically and ruinous to the nation's finances did not concern them. They began a drive to "restore" a bimetalism that had never existed in fact and to "return" to circulation a silver dollar that had never circulated.

That drive has never relaxed. The three-quarters of a century of political turmoil over silver has had only one objective, to permit the coinage of silver at a ratio above its value, so that silver owners would reap an unearned profit at the expense of the country.

By wholly false propaganda and political deals the silver interests almost succeeded in establishing bimetalism, which would have wrecked the country's money system. Failing in that, they managed to extort from Congress two subsidies which brought disaster eventually. In 1878 they passed the Bland-Allison Act, which forced the Treasury to buy from domestic producers what they thought would be the total output of silver bullion. In 1890 they obtained passage of the Sherman Silver Purchase Act, which doubled the purchases. The silver was to be paid for with a new kind of government paper money, called Treasury Notes.

Under these two laws the Treasury was to buy the metal, coin it into dollars, and issue the dollars to the public. Regardless of the value of the silver, it was

to be coined into the old 371/4 grain dollars that had never been in use. They were thus to be small-change coins, manufactured by the government and sold to the public at much above their value. They were to have no more monetary standing than the 1-cent copper piece. But both laws declared that this small-change piece, of exactly the same character as the 1-cent copper piece, was a standard coin, of equal value with a gold dollar. It was to have unlimited legal tender. Thus as far back as 1878 we find Congress enacting falsehood into law, in relation to silver coinage.

The public would not accept the coin. The Treasury devised a scheme to pass it on to the people. It coined the dollars, buried them in the vaults, issued to itself warehouse receipts called silver certificates, and passed the certificates on to the public. Since 1862 the country, outside the far West, had had no currency but paper, and they readily accepted the certificates. A few dollars circulated in two rural areas. In the South the colored people, not expert in reading, preferred solid coins to paper money. In the far West the people had never accepted paper money, and a few silver dollars circulated.

For 15 years, under these two acts, the Treasury bought silver, buried it in the vaults, and transferred its ownership to the people by certificates and Treasury notes. By 1893 the process had swollen the paper money circulation. The financial situation was not sound, in the country or in the Treasury. In June a cable announced that India had abandoned the silver standard. There was an immediate run on the banks and on the Treasury. In one day 573 banks closed. The run on the Treasury brought the government to the brink of bankruptcy. The deep depression of 1893-1897 was ushered in. A petty subsidy granted by Congress to a tinpot industry owned by a tiny group of mining interests had brought the Treasury to an insolvency prevented only by the loan of gold by New York bankers.

President Cleveland called a special session of Congress and demanded repeal of the Sherman Act. The silver Senators refused to permit its passage. For weeks they filibustered. They yielded only at the price of the insertion of a foolish clause. This clause declared that it was the general policy of the United States to work for bimetalism if some workable system could be devised. The silver interests had brought distress to the country, and they were serving warning that they would do it again. It should be noted that this was not a decision by Congress on the money standard. The law was an emergency measure, repealing a vicious statute in time of crisis.

The silver interests again started a campaign for free silver. They were defeated in 1896 and defeated again in 1900. In that year Congress determined to settle the matter. The Gold Standard Act of 1900 was passed. The law declared that the standard monetary unit of the United States should be the gold dollar. But once again the silver Senators managed to insert a clause providing that the law would not preclude the establishment of international bimetalism if it should be possible.

In the law the silver dollar was again referred to as a standard coin, as it has been in every silver law since, down to the present day. It is not necessary to explain to this audience why these legal statements that the dollar is a standard coin are at

the same time a falsehood and an absurdity. A standard coin is a basic metallic money. Its value as money is its value as a metal. It has free coinage, which means that it is not a piece coined by the government, but is merely metal stamped by the government for the owner of bullion, to guarantee its weight and purity. It is not redeemable, because it is itself the standard with which inferior monies are redeemed. The silver dollars buried in the vaults under the Bland-Allison and Sherman Acts had no vestige of standard quality. They were token coins, as they are today, worth a fraction of their face value, rejected by the people even as token coins, and foisted upon the people by the Treasury, at an unearned profit to the government.

The purpose of this historical summary is to bring out the essential facts that the silver dollar has never been in any material circulation as a basic money in American history, that bimetalism has never worked practically in our history, that the silver dollar is not a standard coin and has not been such, even nominally, since 1873.

## Legal Phases of Silver

We are concerned here today with legal phases of silver. It is not our function to outline the silver proposals and enactments from 1933 to 1945, except insofar as they raise legal issues. We can summarize the silver history of the past decade by saying that in all the annals of currency there has never been so fantastic a story. It is a phantasmagoria of organized propaganda, frenzied speculation, and incredible legislation. We see an administration of the United States Government first resisting the silver interests and finally becoming their very agent. We see a sham international agreement engineered amid the wreckage of an international conference. We see the Treasury, under compulsion, draw back briefly a curtain, to expose as speculators in silver citizens of high prominence who had financed a propaganda to raise silver prices.

We see even more somber things. We see Senator Pittman urging a subsidy for silver to raise the wages of the starving coolies of China, China begging the United States not to ruin her by this measure, Secretary Hull saying that the country could do nothing because Congress ordered it. We see China's monetary system wrecked. We see the Japanese smuggling silver out of China, selling it to us, and investing the proceeds in scrap steel. We see Mexico making enough profit from our purchases of her silver to enable her to finance the confiscation of American oil wells. It is a sordid story.

But it is our task today to discuss legal aspects. Two laws we must consider and one executive action by the President of the United States. In the spring of 1933 there was passed an extraordinary measure which is popularly known as the Thomas Inflation Act. It contained provisions in reference to silver. One of them provided that the President might, at his volition, establish bimetalism, at whatever ratio of gold to silver his wisdom might dictate. It was an abrogation by Congress of its powers over money, expressly granted by the Constitution. To this date the power has not been exercised, although it still exists.

## The Pittman Silver Purchase Scheme

In June of 1933 a world economic conference met in London, to attempt a stabilization of currencies and a restraint on tariff wars without which the world would continue to wallow in the depths of depression. The President chose as a member of the American delegation Senator Pittman, who had devoted his life to the cause of silver subsidies.

In the midst of the deliberations President Roosevelt sent a cable which repudiated the program and destroyed the Conference. In the atmosphere of distress created by the cable Senator Pittman persuaded the representatives of seven other nations to agree to a resolution on silver. It included various minor provisions about silver and silver coinage. The only significant provision was one which required that five governments purchase from their domestic silver production a total of 35 million ounces. The governments were the United States, Canada, Australia, Mexico, and Peru.

This was the most extraordinary international resolution ever devised. Thirty-five million ounces of silver were of no consequence whatever in world affairs. At the time silver was worth about 37 cents an ounce, and the total value of the amount to be purchased was about \$13,000,000. World production at the time was around 200 million ounces, and the total silver in the world was around 12 billion ounces. If the question is asked why the other nations entered into a senseless agreement, the answer is simply that the agreement meant nothing whatever to the other nations, as will appear.

The intent of the matter became clear as events unfolded. Pittman engineered some days later a so-called supplementary agreement, allotting the shares to be bought by each country. The allotment of the United States was a fraction over 24 million ounces. The other four nations were to purchase a combined total of about 11 million ounces, although they produced annually about six times as much as the United States. But it was provided further that if any of the five nations refused to ratify the agreement it would still be in effect provided the remaining nations should purchase the total of 35,000,000 ounces. Here was a preposterous jumble of words which said that a joint international agreement of five nations would still be a joint agreement if four nations rejected it and one continued.

And here we have the point of the entire matter. The United States was to buy 24 million ounces, which was almost precisely the total annual production of the petty silver industry of this country, not as important as the sock supporter industry or the apple jelly industry. But if the other nations did not care to go on with the proposal the United States could by raising the price stimulate domestic production to perhaps 35 million ounces and buy that total amount at inflated prices. Since the purchase of a few truckloads of silver bullion by Peru or Canada could not have any economic significance anywhere, it was evidently the sole purpose of the scheme to bring back to Congress what would appear to be an international undertaking which would force the United States Government to buy all the silver produced in America.

This shabby conspiracy succeeded, in startling fashion. The normal procedure would have been to have the Senate ratify the agreement, as a treaty, as without ratification it was wholly without force. But it was not ratified. No attempt was made to obtain ratification. It would be safer to have the President make the purchases of silver. But such action would be unconstitutional and ultra vires. The problem was apparently unsolvable. At this point the services of the Attorney General, Mr. Homer Cummings, were enlisted. The President asked him to prepare an opinion on the authority of the President to open the mints to the coinage of silver.

The result was an extraordinary legal opinion. This opinion held that it was legally possible for the President to buy in the name

of the United States an unspecified amount of domestic silver bullion, at unspecified prices, from unspecified sellers. The opinion was not expressed in these words. The opinion said that the President could put into effect what was called a plan for the unlimited coinage of silver at the current fixed ratio to gold, with a seigniorage charge of 50%. Such a policy, he said, would be in harmony with the declared policy of the United States to continue the use of both gold and silver as standard money.

Even at the risk of a tedious discussion of technicalities it is necessary to examine this statement. In the first place, there was no plan for the unlimited coinage of silver. It was a plan for the President to buy a mass of silver bullion of no monetary standard. It would have been equally legal for the President to order the Treasury to buy copper or zinc and have it coined. The fixed ratio between gold and silver had been abolished by law in 1873. The limited number of dollars coined under the Bland-Allison Act and the Sherman Act were token coins, as we have already pointed out. They were coined at the old 16 to 1 ratio, but they could as easily have been coined at 10 to 1 or 20 to 1.

In reference to the declared policy of the United States to continue the use of both gold and silver as standard money the Attorney General cited the long-forgotten law of 1893, which had declared that it was the general policy to establish bimetalism if it could be made to work. The circumstances of the adoption of this law have been outlined. It was repealed by the law of 1900, which established the single gold standard. The Attorney General also cited this law of 1900. He did not refer to its basic provision abolishing any pretense of having any standard but gold, but to the provision which said we might some day undertake international bimetalism.

The proposed purchase of silver by the President had no relation whatever to bimetalism. Bimetalism is the establishment of two metal standards, one gold, the other silver. Each metal has free coinage. Under bimetalism the government can buy no metal and can own no metal. It merely stamps metal brought to the mint and hands it back to the owners. It would have been bimetalism only if the mints had been opened to the coinage of all silver in the world. These simple facts made every contention of the Attorney General meaningless. The remainder of the opinion consisted of a long discussion of the history of seigniorage on coinage. This will be explained later.

## President's Silver Proclamation

With this legal casuistry as defense, the final step could be taken. In December, 1933, the President issued a proclamation directing the purchase of all silver produced by American mines. The proclamation attempted a double defense for itself. It declared that it was merely carrying out the international agreement of the London Conference. As has been pointed out repeatedly, there never was an international agreement. There was only a proposal for an agreement. The proclamation then proceeded to revive the assumption that the silver dollar is a standard coin. It pretended that it was, to the extent of domestic silver purchases, establishing free coinage under bimetalism, the line of defense so clumsily set up by Cummings. It directed that the silver be received from the owners for coinage. It should be noted that this pretense of establishing bimetalism contradicted the previous defense. The London agreement called only for the purchase of silver bullion by each country. The other nations party to the agreement did not even suspect

that it was a scheme for coinage. The only purpose of the agreement was for each country to buy little lots of its own domestic silver.

Having directed that domestic silver be received for coinage, the proclamation then directed that the Treasury exact a seigniorage charge of 50%. This provision about seigniorage all but denies explanation, but a clear understanding of it is essential to any understanding of the present legal status of silver coinage. It is the key to the legalistic deception in all silver legislation since 1878.

A silver dollar contains such weight of silver that one ounce coins into \$1.293, at the old weight originally established in 1792. If we had had legal bimetalism, and if the dollar had been a standard coin, and if silver had been granted free coinage, and if the ratio had been 16 to 1, and if the gold dollar had not been depreciated since October, 1933, the owner of an ounce of silver could take it to the mint and receive \$1.29 in silver dollars. The proclamation assumed this wholly imaginary situation, including every one of those "if" hypotheses, and declared that silver would be received for coinage. As we have shown, it was necessary, since there was no legal authority for the purchase of silver by the President, to pretend that the mints were thrown open to bimetalism. It was further pretended that this bimetallic coinage was to be at the old non-existent ratio of 16 to 1. This meant handing to every owner of an ounce of silver, worth 43 cents, \$1.29 in silver coin.

But the administration simply did not have the hardihood to pay silver miners \$1.29 for an ounce worth 43 cents. The actual scheme was to pay at first just half of \$1.29, or 64.64 cents. This could not be done under the legalistic pretense that bimetalism was being established at a 16 to 1 ratio. The solution was to pretend to establish bimetalism at 16 to 1, to pretend to open the mints to coinage at \$1.29 per ounce, and to pretend to make a coinage charge of 50%. The silver miners would get half of \$1.29, or 64.5 cents. Still carrying out this pretense of bimetalism, the proclamation directed that the government take for itself half the silver offered for coinage but coin the other half and hand it back to the owners.

At the time of its promulgation an ounce of silver could be bought anywhere in the world for 28 cents in our old gold currency, or for 43 cents in the then depreciated value of our American dollar.

At long last, through the instrumentality of the President of the United States, the silver interests had achieved their aim. The United States was now compelled to buy all the product of the silver mining companies at a price more than 50% above its price anywhere in the world. The sham international agreement that the United States should purchase 24 million ounces was not even considered. The total domestic product was to be bought. The proclamation was actually issued before three of the other four countries had ratified the agreement.

There was one element of ironic humor in the proclamation's direction that the silver dollar should be coined at "the present ratio of gold to silver." As we have explained, there was no such ratio even if there had been bimetalism. There was not in December, 1933, any gold coinage or any gold dollar. Our dollar at the time was a fluctuating dollar, changing every morning with the Secretary's bids for gold under the ridiculous Gold Purchase Plan. The old gold dollar had been cut about 40 cents, and the actual ratio of the old silver dollar to the gold dollar was about 25 to 1.

Our concern here is with legal questions. As we see it, the proclamation was wholly without authority of Constitution or statute. There was no authority in law which permitted the President to buy silver, to give a subsidy to the silver miners, or to coin silver dollars.

It is true that no government funds were used in the purchase of the silver. This was due to the fact that the proclamation called 33 cents worth of silver a dollar. It bought an ounce of domestic silver. It then called this ounce \$1.29. It was to pay the owner 64.5 cents in silver coin out of this ounce. The remaining half, or 64.5 cents, it retained. Having paid nothing for this retained half, the government had what it called a profit of 64 cents on every ounce it bought. The economic immorality in this lay in the fact that the proclamation was arbitrarily putting into circulation a token coin. Expressed in dollars, the government was buying 66 cents worth of silver. It was coining one-half of this, calling it a dollar, and paying it to the owner. The other half, which it called a dollar, it kept and called its own profit. The dollar put in circulation was a debased coin. The seigniorage profit was derived from a fictitious overvaluation of 33 cents worth of metal. It was precisely as if the government bought a quart of milk, called a pint a quart, paid the owner of the quart with one pint, and declared the remaining pint a quart of profit to itself.

There is one other perplexing technicality. As we have said earlier, most of the dollars of the past, before 1893, had been insinuated into circulation by the device of the silver certificate. The proclamation overlooked this detail. It directed that all purchases of silver be paid for with coined silver dollars. As we have pointed out, the public will not accept the silver dollar, not even silver miners. If it is forced on a creditor by legal tender, he promptly hands it back to the Treasury. The Treasury buries it in a hole and transfers ownership to the public by issuing certificates, which people accept. The certificate is the only available one dollar bill. If any member of this distinguished audience has in his pocket a one dollar bill, it is a silver certificate. It means he owns a buried silver dollar, worth as metal about 35 cents.

#### The Gold Reserve Act

The Gold Reserve Act of 1934, passed five weeks after the proclamation was issued, made a confused effort to give some color of legality to the proclamation. It confirmed the President's authority to establish bimetalism, already granted by the Thomas Inflation Act. It also authorized the President to give certificates instead of silver dollars to the owners of bullion.

The Act said further that the President was authorized to make different charges or to collect different seigniorage for the coinage of silver of foreign production than for the coinage of domestic silver. This provision defies explanation. There was not at this time any authority for the purchase or the coinage of foreign silver by any government agency. Apparently it was aimed at giving some pretense of legal sanction to the price of 64 cents paid domestic producers for a commodity selling everywhere in the world for about 40 cents. Undoubtedly this clause attempted to legalize the subsidy granted by the proclamation. Actually it failed to do so, for the simple reasons that there was no authority for the purchase of foreign silver and no authority for the purchase of domestic silver. There was no seigniorage charge of any kind involved in the purchase of domestic silver. The charge was imaginary.

The Gold Reserve Act contained

another clause in reference to silver, as follows: "All actions, regulations, rules, orders, and proclamations heretofore taken, promulgated, made or issued by the President of the United States or the Secretary of the Treasury . . . under the Act of May 12, 1933, are hereby approved, ratified, and confirmed." Here we have something unique. It had been attempted in the proclamation to justify it as the fulfillment of a treaty obligation, which did not exist. It had been attempted to justify it as a bimetallic measure as authorized by the Thomas Act, when it was not a bimetallic measure. So Congress passes a law saying that whatever the President had done under the Thomas Act was legal whether it was legal or not.

At this point we retire in favor of the legal profession. A law which declares that an act which was illegal when committed is now legal is beyond the layman's power of analysis. To the innocent layman it appears to be the Constitution's prohibition of ex post facto legislation standing on its head. Here we are not even amici curiae. Until we are corrected, we take the position that if the proclamation was illegal when issued it was illegal after the Gold Reserve Act.

It has been widely believed that the Gold Reserve Act legalized the proclamation of a month earlier. Undoubtedly it was intended to do so. Our analysis indicates that it did not do so. The subsidy to domestic producers had the same dubious legal status as before.

The so-called agreement was to continue four years: In the next four years the President continued to buy domestic silver at arbitrary prices, by proclamation. In April of 1935 he raised the price to 71 cents and then to 77 cents. The circumlocutions about coinage and seigniorage were always repeated. But there was now a directive that silver certificates could be used for the payments. We are not concerned here with the economic consequences. But it is permissible to note that these prices set off a fury of silver speculation, whose result was the disruption of the domestic currencies of countries all over the world.

#### The Silver Purchase Act

In the summer of 1934 the Government of the United States surrendered to the silver interests. The Silver Purchase Act was passed. It called first for the confiscation at a fixed price of all silver bullion held in the country. It called second for the purchase of indefinite amounts of foreign silver, at indefinite prices, over indefinite periods. It provided that these purchases should continue until the silver held in the Treasury, valued at the fictitious rating of \$1.29 per ounce, should equal one-third of the value of the gold so held or until the price reached \$1.29.

We are not dealing here with the economies of the present silver situation. But we still live under this law, and it must be explained. It is an incredible monstrosity. It was here enacted that the United States should buy a well-nigh useless monetary metal, not used as standard money anywhere on the globe, at shifting market prices, and then declare each ounce worth \$1.29 and bury it in a hole. When the pile of metal in the hole reached a fictitious value of one-third the value of the gold, the whole hybrid mass would become the metallic reserve of the United States. To pay for this foreign silver a vast volume of silver certificates was to be pumped into circulation.

No one unfamiliar with the character of silver schemes can even guess at the purposes of this law. The program was first to force up the price of silver to \$1.29 an ounce. At this point the President

could be forced to establish bimetalism. For a while, before the financial system was ruined, a few mining companies would receive \$1.29 an ounce for their product.

The Silver Purchase Act provided that the Secretary of the Treasury should purchase silver at home or abroad, at such prices as he might choose. This clause has sometimes been misconstrued as a further legalization of the subsidy to domestic silver. The provision referred only to the Treasury purchase of foreign silver under the new act. It did not refer to newly issued silver from domestic mines. The subsidy to domestic silver remained as before, an arbitrary purchase by Proclamation of the President. By Proclamation of December, 1937, he reduced the price from 77 cents to 64 cents. This was renewed in December, 1938. The agreement was to expire in this month. The other four countries, which had finally ratified the agreement when its instigator had not, allowed it to expire without comment.

In all the sordid story of this period there is only one cheerful note. The silver interests overreached themselves. Silver went from 24 cents an ounce in 1932 to 81 cents in 1935. An outraged economic justice revolted. The market collapsed into sheer panic. Silver fell to 45 cents, and numbers of the speculators were wiped out.

The government continued to buy domestic silver at 64 cents and foreign silver at lower prices, although the agreement had expired, the failure of the Silver Purchase Act in every respect had been fully recognized, and the dangers of the mass of silver certificates had become self-evident. In the summer of 1939 some lingering remnants of statesmanship moved the Congress to let the President's powers over money, especially over gold, expire. It was not to be. The Administration appealed to its supporters, the silver crowd whipped up their ranks, and after a bitter battle Congress again surrendered its Constitutional powers to one official.

The law renewing the President's powers contained a provision on silver. It declared that all domestic silver should by law be bought at a price of 71 cents per ounce. The terms of the provision contained the same false pretense which had now become routine, the pretense that the mints were opened to free coinage of silver for domestic producers. A seigniorage charge was to be imposed amounting to 45% of the so-called coinage value. This merely made the price 71 cents.

One peculiar technicality must be labored over. The President's first Proclamation in 1933 had commanded that the bought silver should be coined into dollars in part and that the owners of the silver should be paid with these dollars. The law of Jan. 30, 1934, authorized payment in certificates also. And thereafter the President's Proclamation authorized payment in certificates.

But this law of 1939, making the old pretense of bimetalism, declared that all domestic silver purchased should be coined into dollars to the extent necessary to pay the owners. There was no provision for payment with certificates. The records of the Treasury declare that no silver dollars were coined from 1939 to the present day. Therefore, apparently, the law of 1939 is consistently violated. It is not a matter of any consequence. If the owners should be paid in dollars, the dollars would promptly go back to the Treasury, which would bury them and issue certificates against them. This it has authority to do. The matter is mentioned here primarily to show that in this murky legal fog of silver legislation the government does not even observe its own

fictions when required to do so by law.

At long last Congress had, by this 1939 law, made statutory a cash gift to private persons, in the form of a purchase of a useless commodity. The President need no longer buy domestic silver by proclamation. The significant aspect of this last act is that it is typical of the course of all such raids on the public purse. A subsidy scheme is forced to passage. After such a scheme has been perpetuated and maintained a sufficient time, it becomes a mere fixture in government. It eventually becomes a vested interest of the beneficiaries. Finally it is, quietly, made a permanent gift of government funds to a favored interest.

There remains to be mentioned only one other legal enactment. The Green Act of 1943, recently renewed, authorizes the Treasury to sell silver to war industries, provided that the price is not less than 71 cents.

This brings to a close the story of the legal history of silver in our time. It remains only to summarize the actual present legal status of silver, as it is fixed by the statutes still existing after the ten troubled years of error and improper procedure just past. They may be set down by number.

#### Summary of Legislation

(1) Under the Silver Purchase Act the Treasury is to continue to buy silver bullion until it becomes equal in value, at a false valuation, to one-third of the value of the nation's gold stock or until its price reaches \$1.29. When this point is reached, the nation's metallic monetary reserve is to be this incongruous mixture. The Treasury has been buying billions of ounces over the past ten years, but the total quantity bought has not even approached the one-third fictitious valuation. For ten years past the Treasury has been a ridiculous kitten, chasing its tail.

(2) The domestic silver bought is by a legal fiction considered as delivered by the owners to the mint for coinage and return, with a fictitious seigniorage charge for the coinage. This fiction of coinage is not even observed. In actual fact the domestic silver is bought at 71 cents an ounce, stored in the vaults, and paid for with silver certificates. A one-dollar certificate is redeemable for one silver dollar, a small-change coin, that will not circulate at home or abroad and has a metal value of around 35 cents.

(3) There is no legal pretense of delivery for coinage in the case of foreign silver purchases. The Secretary buys the silver, buries it, and pays for it with silver certificates. This means that the government pretends to have free coinage of domestic silver but openly buys foreign silver. Actually, it has bought domestic silver at 71 cents an ounce, and has bought foreign silver at the market price, usually around 45 cents. It takes the two lots, which it pretends legally to have acquired by two quite different methods, and buries them in one hole, valuing each ounce at \$1.29.

(4) The legal status of silver certificates is confused. The Treasury buys an ounce of foreign silver for 45 cents and pays for it with a 45-cent certificate. It sets aside as security against this certificate 45 cents worth of overvalued silver coin. But the ounce coins into \$1.29 in the overvalued silver. Thus there is left over a lump of silver which is improperly valued at 84 cents. This is considered to be government seigniorage profit. It can be coined into 84 cents. And against it new certificates can be issued. Thus a full \$1.29 may be issued in certificates against every ounce of silver. Since all forms of money are now unlimited legal tender we may have a vast volume of legal tender certificates (Continued on page 754)

## Dewey Urges Full Participation For World Peace Organization

(Continued from page 746)

every effort in the interest of our country and of world peace.

### Decisions to Be American Ideals and Unconcealed

Our people are prepared to uphold the hands of their own representatives. They ask in return that the decisions to be made shall be in harmony with our American ideals of liberty and justice. They ask that the actions to be taken shall not be concealed and shall not be devious. They ask that they shall not ignore the opinion of mankind. Our people insist that mighty decisions shall not be made in the cynical spirit of power politics. The structure of international peace must progress further and faster or it will be left behind in the swift movement of world events.

### Our Government Was Absent

In the last three months the liberation of peoples and nations had pressed forward with increasing speed. The governments of Bulgaria, Yugoslavia, Italy and Greece, the government and boundaries of Poland have one after the other in rapid succession required action and decision. Yet we learned, day after day, that events required action and our own government was absent from the scene. We have seen the American people in the humiliating situation where they were compelled to learn of these tremendous events from the debates in the British House of Commons. Moreover, we learned from those debates that while the powder kegs of Europe were being dealt with once again, the representatives of our own government were uttering pleasant generalities and leaving our Allies to decide the fate of the world.

### Republican Support

During all of that critical three-month period the clearest call for constructive action came from the distinguished senior Senator from Michigan, Arthur H. Vandenberg.

In giving their whole-hearted support to decisions to be made at the present conference and to action in the future our people are perfectly aware that they cannot have everything just as they want it. Our Allies have strong views of their own. We know that conflicting views must be reconciled. But we insist that decisions be made with us and not without us, with our representatives in the discussion every day on every subject, and not occasionally or part of the time. Our people cannot accept compromises without a new, firm knowledge that the American Government took its part and did its best in advancing the principles and faith for which Americans are dying all over the world. We shall accept neither isolationism or abdication.

The time has come for the hard, painstaking labor or translating ideals and generalities into reality and action. The conference now in progress is, we hope, a great step to that end. From now on these problems cannot hang in suspense for many months at a time. They cannot be left to the rare meetings between the heads of nations. Time and events move too fast. Ideals and great purposes are too easily lost by default. We are not content that our government sit idly by and merely, as we have been told, be "kept informed." Millions of Americans are in the front lines of battle. Our government must likewise be in the front line of decisions which flow from these victorious battles.

### People United on Foreign Policy

There have been those in other countries and some in our own who choose to interpret the almost equal division of the American people between candidates and parties in the last election as proof of division in our fundamental purposes and intentions. The fact is that our differences concerned only who were the most effective individuals and what were the most effective methods of carrying out the ideals and purposes upon which we as a people are strongly united. Let it be understood by every one, everywhere in the world. Let it be understood that the representatives of our government have the whole-hearted support of the American people in every step they take which advances the cause of a just and lasting peace.

So as we give all-out support to action toward carrying out our ideals, we want to be sure that those ideals have been vigorously represented. We want to be sure of action guaranteeing the permanent disarmament of Germany and Japan. We want to be sure of action to transform the agreements reached at Dumbarton Oaks from pieces of paper into living reality. We want to know that the things left unfinished are moving toward solution.

As a nation we have strong views concerning the freedom of the peoples of Europe. We want to know that these views are represented in the decisions concerning the future of the people who have suffered so much through conquest and re-conquest and final liberation. We want to know that it is liberation in truth—that we have in fact crushed out-war-breeding totalitarianism wherever it infected those nations. We want to know that we have not fought this war in vain.

### Upholds Ideals at Home

As, in the name of Lincoln, we take stock of our purposes in the world, we must also inquire whether we are upholding his ideals at home.

Our nation was founded upon the classic liberal principle that government is the servant of its people and not their master. Hand in hand with this political idea of human freedom went the belief that men may be free politically only so long as they are free economically. These were the contagious, compelling, exciting truths out of which our country was established and became great.

These were not our ideals alone. They were in response to the clarion call to human freedom which swept over the western world in the eighteenth century. During that century the French Revolution and the American Revolution were fought to establish the right of people to rule themselves and the right of the individual to be free. By evolution the same principles were then also being established in Great Britain and elsewhere.

Today these liberal principles are under challenge. They are no longer self-evident to a large portion of the world. It is said that individual freedom can no longer exist in a modern industrial society; that government must be supreme, and the people must be its dependent servants.

### Trend Toward Totalitarianism

The wheel has had a full turn between the eighteenth and twentieth centuries. The intrusive idea today is again that all wisdom is in government and that it should exercise all power. Even as we fight a total war against that idea, it infects the minds of people everywhere.

We find people from all walks

of life and of all shades of political thoughts right here in our own country who are afraid that we cannot have security and full employment and at the same time maintain the liberty and dignity of the individual. There are others who joyously proclaim that the new road to Utopia is through government action alone, which leads inevitably to totalitarian control over our people. While professing their concern for the individual they would crush him, leaving only a soulless automaton who takes his orders from the State.

Adding together those who are afraid for human freedom and those who basically have no interest in it, we have a large body of opinion in our own country going down the primrose path toward totalitarianism.

How to achieve our objective, security and full employment, and also preserve individual liberty! This is the crucial question of our time. It is the hard core of every political decision we make.

We have seen in our country a long, persistent effort to increase the power of government over the individual. We have seen a cavalier willingness to saddle the people with unlimited debt in the peacetime behind us and in the plans for the peace ahead of us. We have seen a smooth willingness on the part of government to find pleasant excuses in the name of false liberalism to bring the daily lives of our people under its increasing control.

### "Spending the Nation Into Bankruptcy"

There are those who want to take the easy way of spending the nation into bankruptcy and chaos, while the government takes over the control of the lives of every individual. They believe that to cure every ill you pass a law and appropriate \$1,000,000,000. They would like to have the Government finance every business, from a gasoline station to a steel corporation, while it quietly takes over control of every aspect of our economy. It is by that process that life, liberty and the pursuit of happiness would be stifled and liberalism would become a dead thing in history.

Here is the real battle of the years to come. Must the people of America deny their own heritage and surrender to an absolute state? Must we, too, when peace comes, join the march backward 200 years to individual subservience to the master state? Let us on this occasion proclaim our faith in a better way. It is the way of progress not only toward ever-increasing security but also toward ever-greater freedom of the individual. At times it may be the slower, harder road. But it is the only road for Americans to take.

### Democracy Achieves Production

It is perfectly obvious to the rest of the world and it ought to be to us that America has staggeringly outproduced every other nation in the world. Our 130,000,000 people have produced many of the winning instruments of war for Great Britain, Russia and China, as well as for ourselves. It is obvious to the rest of the world, and it ought to be to us, that this is because of the enormous initiative and inventive genius which springs from the very heart of our system. Ours is a system which rewards achievement, in which men can create and build with the full knowledge that they and their families will benefit, as well as society as a whole. Ours has been a system whereby labor is free to work, to organize and to share to the limit of its productive capacity in the good things of life which are produced by all.

The very heart of that system is the classic, liberal concept that every man is his own master and that government exists to keep him free. It is in the natural development of that system that we

## NAM Advocates Foreign Investments For an Expanding Post-War Economy

Proposes the Creation of a Fact Finding Investment Organization, Repeal of the Johnson Act, and Private Insurance of Foreign Credits. Sets Up Tests of Sound Foreign Investment, and Urges American Technicians Accompany American Capital Abroad.

The National Association of Manufacturers made public on Feb. 8 the report of its Special Committee on Post-War Developments concerning foreign investment policy.

The Committee's Chairman is Earle W. Webb, President of the Ethyl Corporation, who is also a director of the NAM which has already approved the report.

The report calls for a fact-finding international investment organization, private insurance of foreign credits, the repeal of the Johnson Act, lend-lease settlements leading to fair world trade, export of American "know-how," and it gives tests of soundness for our foreign investments.

"For the expanding economy at home which is being generally invoked but still too vaguely discussed, we not only need foreign trade," says the report, "but (it needs to be emphasized) we also need foreign investments.

"If we depend for our expansion solely on trade, we shall run promptly into the difficulty that foreign trade is a two-way movement and that our sale of goods and services abroad will build up a return-pressure on our tariff and domestic producers.

"We can avoid this bottleneck in our job-giving cycle of production and distribution in the early postwar period by exporting dollars in the form of private investments and loans. Thereby we will

assert that neither accumulations of great wealth nor monopoly—that neither Government nor any individual—shall control the lives of other Americans. It is that system which guarantees and must make effective equal rights for all, regardless of race, color, creed or national origin.

### We Must Follow Lincoln's Ideals

These are the principles for which Lincoln lived and died. If we are to justify the purpose for which we exist we must follow in the path he set. It is of little importance whether the course is popular or unpopular at the moment.

What is important is that we follow unflinchingly the road of freedom on every issue. It is that road which 12,000,000 young Americans will want to take when they come home to enjoy the peace they have won. It is that road which opens to them unlimited vistas of achievement. To travel that road is their inalienable right. It is the right freely to produce to the maximum for their own enjoyment. It is the right to join a union free from the dictation of either Government or employer. It is the right to become an employer without government dictation, whether on a farm or in a shop.

It is the right to use the initiative, the character and skill these young Americans have developed in these dreadful years of warfare for the advancement of their country and themselves and for the security of their families. It is the right to enjoy social security without any leader or party claiming a political debt for it.

It is the right of 12,000,000 young Americans to come home to a country where we have preserved and enlarged the area of human freedom while they fought and bled for it. It is the right to come home without finding the heavy hand of Government telling them where they shall work, at what and for how much. It is the right to have a government which knows that it is their servant and not their master.

If we who follow the faith of Abraham Lincoln will hold high the principles of that faith, liberal government under God shall not perish from the earth.

provide long-term dollars which foreign purchasers may add to their current trade receipts from sales to us, and so make up the necessary dollar balances to pay for more of our goods and services.

"Unless this solution is to turn into an illusion, however, the foreign enterprises which get our long-term postwar dollars must eventually be able to repay the loans, and we must be free in the long run to bring home our invested dollars.

"This report has been issued as a corrective of the mistakes which we made between the First World War and the Great Depression.

"While the report was in preparation, some of its more general principles were written into the findings of the International Business Conference of which NAM was a sponsor, at Rye last November.

"In the present NAM report, however, the long-run principles of sound foreign investment are given more detailed expression as well as application to the special position of the United States in the world economy.

"Our stake in the postwar field of foreign trade and investments, might be perhaps three million jobs in the United States and some \$10 billions of goods and services annually to be sold abroad."

The report, now available from the NAM under the title "Principles Governing Foreign Investments," contains a section on principles as well as a section on their application to the postwar situation, together with a survey of private United States investments abroad since 1914, with a statistical appendix showing the related balance of payments and the foreign investment position of the United States.

The report on "Principles Governing Foreign Investments" was prepared by W. W. Cumberland, Partner, Wellington & Co., and Joseph L. Pogue, Vice-President, Chase National Bank, as members of NAM's Postwar Advisory Committee. Regarding the employment of American technicians abroad in connection with the export of capital the report states that "if American capital sent abroad is not accompanied by American technicians, or is not managed by fully competent foreign technicians, or is otherwise detached from the "know how" for its efficient application, both parties to the transaction fail to realize its full benefit.

"There are few instances, except in attempting to prevent war or when conducting war, that loans to governments are appropriate, as in most instances governments contract loans for political rather than economic purposes, or else employ loan funds for economic purposes in an inefficient manner. The principle that governments are not, as a rule, desirable borrowing entities, applies to central governments and also to political subdivisions. Loans by governments to governments are ordinarily made for purposes of high state policy and should be considered as costs of war prevention or else as costs of actual war. Governments are not primarily economic enterprises. They do not feel compelled to balance income against expenditure. Their record in the faithful observance of contractual obligations is not favorable."

## Report on "Big Three" Crimea Conference— Act to Destroy German Militarism and Nazism

(Continued from page 746)

established. The commission will be instructed to consider the question of the extent and methods for compensating damage caused by Germany to the Allied countries. The commission will work in Moscow.

### United Nations Conference

We are resolved upon the earliest possible establishment with our allies of a general international organization to maintain peace and security. We believe that this is essential, both to prevent aggression and to remove the political, economic and social causes of war through the close and continuing collaboration of all peace-loving peoples.

The foundations were laid at Dumbarton Oaks. On the important question of voting procedure, however, agreement was not there reached. The present conference has been able to resolve this difficulty.

We have agreed that a conference of the United Nations should be called to meet at San Francisco, in the United States, on April 25, 1945, to prepare the charter of such an organization, along the lines proposed in the informal conversations at Dumbarton Oaks.

The Government of China and the Provisional Government of France will be immediately consulted and invited to sponsor invitations to the conference jointly with the Governments of the United States, Great Britain and the Union of Soviet Socialist Republics. As soon as the consultation with China and France has been completed, the text of the proposals on voting procedure will be made public.

### Declaration on Liberated Europe

The Premier of the Union of Soviet Socialist Republics, the Prime Minister of the United Kingdom and the President of the United States of America have consulted with each other in the common interests of the peoples of their countries and those of liberated Europe. They jointly declare their mutual agreement to concert during the temporary period of instability in liberated Europe the policies of their three Governments in assisting the peoples liberated from the domination of Nazi Germany and the peoples of the former Axis satellite States of Europe to solve by democratic means their pressing political and economic problems.

The establishment of order in Europe and the rebuilding of national economic life must be achieved by processes which will enable the liberated peoples to destroy the last vestiges of Nazism and Fascism and to create democratic institutions of their own choice. This is a principle of the Atlantic Charter—the right of all peoples to choose the form of government under which they will live—the restoration of sovereign rights and self-government to those peoples who have been forcibly deprived of them by the aggressor nations.

To foster the conditions in which the liberated peoples may exercise these rights, the three Governments will jointly assist the people in any European liberated State or former Axis satellite State in Europe where in their judgment conditions require (A) to establish conditions of internal peace; (B) to carry out emergency measures for the relief of distressed peoples; (C) to form interim governmental authorities broadly representative of all democratic elements in the population and pledged to the earliest possible establishment through

free elections of governments responsive to the will of the people; and (D) to facilitate where necessary the holding of such elections.

The three Governments will consult the other United Nations and provisional authorities or other governments in Europe when matters of direct interest to them are under consideration.

When, in the opinion of the three Governments, conditions in any European liberated State or any former Axis satellite State in Europe make such action necessary, they will immediately consult together on the measures necessary to discharge the joint responsibilities set forth in this declaration.

By this declaration we reaffirm our faith in the principles of the Atlantic Charter, our pledge in the Declaration by the United Nations and our determination to build, in cooperation with other peace-loving nations, world order under law, dedicated to peace, security, freedom and the general well-being of all mankind.

In issuing this declaration, the three Powers express the hope that the Provisional Government of the French Republic may be associated with them in the procedure suggested.

### Poland

A new situation has been created in Poland as a result of her complete liberation by the Red Army. This calls for the establishment of a Polish Provisional Government which can be more broadly based than was possible before the recent liberation of western Poland. The Provisional Government which is now functioning in Poland should therefore be reorganized on a broader democratic basis, with the inclusion of democratic leaders from Poland itself and Poles abroad. This new government should then be called the Polish Provisional Government of National Unity.

M. Molotoff, Mr. Harriman and Sir A. Clark Kerr are authorized as a commission to consult in the first instance in Moscow with members of the present Provisional Government and with other Polish democratic leaders from within Poland and from abroad, with a view to the reorganization of the present Government along the above line. This Polish Government of National Unity shall be pledged to the holding of free and unfettered elections as soon as possible on the basis of universal suffrage and secret ballot. In these elections all democratic and anti-Nazi parties shall have the right to take part and to put forward candidates.

When a Polish Provisional Government of National Unity has been properly formed in conformity with the above, the Government of the U. S. S. R., which now maintains diplomatic relations with the present Provisional Government of Poland, and the Government of the United Kingdom and the Government of the United States of America will establish diplomatic relations with the new Polish Provisional Government of National Unity and will exchange Ambassadors, by whose reports the respective Governments will be kept informed about the situation in Poland.

The three heads of Government consider that the eastern frontier of Poland should follow the Curzon Line, with digressions from it in some regions of five to eight kilometers in favor of Poland. They recognize that Poland must receive substantial accessions of territory in the north

and west. They feel that the opinion of the new Polish Provisional Government of National Unity should be sought in due course on the extent of these accessions and that the final delimitation of the western frontier of Poland should thereafter await the peace conference.

### Yugoslavia

We have agreed to recommend to Marshal Tito and Dr. Subasitch that the agreement between them should be put into effect immediately and that a new Government should be formed on the basis of that agreement. We also recommend that as soon as the new Government has been formed it should declare that:

(1) The anti-Fascist Assembly of National Liberation (AVNOJ) should be extended to include members of the last Yugoslav Parliament (Skupschina) who have not compromised themselves by collaboration with the enemy, thus forming a body to be known as a temporary Parliament; and, (2) Legislative Acts passed by the anti-Fascist Assembly of National Liberation will be subject to subsequent ratification by a Constituent Assembly.

There was also a general review of other Balkan questions.

### Meetings of Foreign Secretaries

Throughout the conference, besides the daily meetings of the heads of Government and the Foreign Secretaries, separate meetings of the three Foreign Secretaries and their advisers have also been held daily.

These meetings have proved of the utmost value, and the conference agreed that permanent machinery should be set up for regular consultation between the three Foreign Secretaries. They will, therefore, meet as often as may be necessary, probably about every three or four months. These meetings will be held in rotation in the three capitals, the first meeting being held in London, after the United Nations' conference on world organization.

### Unity for Peace as for War

Our meeting here in the Crimea has reaffirmed our common determination to maintain and strengthen in the peace to come that unity of purpose and of action which has made victory possible and certain for the United Nations in this war. We believe that this is a sacred obligation which our Governments owe to our peoples and to all the peoples of the world.

Only with the continuing and growing cooperation and understanding among our three countries and among all the peace-loving nations can the highest aspiration of humanity be realized—a secure and lasting peace which will, in the words of the Atlantic Charter, "afford assurance that all the men in all the lands may live out their lives in freedom from fear and want."

Victory in this war and the establishment of the proposed international organization will provide the greatest opportunity in all history to create in the years to come the essential conditions of such a peace.

WINSTON S. CHURCHILL,  
FRANKLIN D. ROOSEVELT,  
J. STALIN.

Feb. 11, 1945.

### Supplemental Report on Freed Prisoners

The text of an agreement reached at the Big Three conference concerning prisoners liberated by the Allies' forces invading Germany follows:

A comprehensive agreement was reached at the Crimea conference providing detailed ar-

## From Washington Ahead of The News

(Continued from first page)  
informative place in which a man could be.

If ever a people were headless, we were that people. Originally we were used to being a headless people. That was the way we lived. Quite successfully, too. But then we went in for a "head," an indispensable head.

Undoubtedly had our head gone away from us in previous times and even taken Harry Hopkins, Jimmy Byrnes, and even sent Sam Rosenman on a mission, we could have presumably got along all right. But this time the head left a mass of undisciplined bureaucrats on our necks. They have been making hay while the sun shone.

In the midst of the worst winter we have experienced in several years, the people of Washington and, we understand, those in the Northeastern section generally, have endured acute suffering from lack of fuel, from lack of meat, from lack of other necessities. Our rationing and priority systems seem to be in an awful mess. A few weeks ago, it seems, that we were in a serious manpower situation and drastic measures were needed. Now nobody, at least around Washington, seems to be upset about the manpower situation.

The Director of Transportation, however, does have a thought. It is on the question of how to treat women employees. Don't be familiar with them, he says in a lengthy directive. But be firm and helpful.

Attorney General Biddle is quite disturbed about the representation of Sammy the Rose Rosenman as the personal counsel of the President. That has always been what the Attorney General was supposed to be. Out of his irritation he makes known that he intends to file anti-trust charges against the "Readers Digest," its great monopoly being that it has boosted the pay of magazine writers in the country. Vice-President Truman is having a delightful time appearing at any gathering to which he is invited, and playing the piano. The other day he had his picture taken with Lauren Bacall, playing the piano as he did so. He is an awfully nice fellow, Truman is.

In the meantime, another fellow who is not bored with the home front, Henry Wallace, is looking anxiously to step into FD's shoes, at a cost of only \$60 billion or thereabouts to the American people. He is having difficulty getting a crusade started behind him. The Senators and members of Congress are all being flooded with communications inspired by the CIO. Strangely

rangements for the protection, maintenance and repatriation of prisoners of war and civilians of the British Commonwealth, Soviet Union and United States liberated by the Allied forces now invading Germany.

Under these arrangements each Ally will provide food, clothing, medical attention and other needs for the nationals of the others until transport is available for their repatriation. In caring for British subjects and American citizens, the Soviet Government will be assisted by British and American officers. Soviet officers will assist British and American authorities in their task of caring for Soviet citizens liberated by the British and American forces during such time as they are on the continent of Europe or in the United Kingdom, awaiting transport to take them home.

We are pledged to give every assistance consistent with operational requirements to help to insure that all these prisoners of war and civilians are speedily repatriated.

enough, they are getting just as many uninspired letters on the other side. The trouble with Wallace's aspirations seems to be that another genius is just now going in for world affairs, Sidney Hillman. Sidney is over in London, despite the ban against unnecessary travel, looking to a world federation of labor to take the place of the one in which the A. F. of L. is now a member. Sidney, too, is neglecting the home front, and Wallace, when Wallace depends so much on him.

As an offset to Sidney's aspirations, the A. F. of L. by the time this appears, will probably have taken John L. back into the Federation.

Lewis is facing new wage negotiations beginning March 1. The general impression in Washington is that he and the coal operators would have no trouble at all. But Lewis is determined to get a "victory" against Roosevelt, and vice versa. The coal operators, many of whom we have talked with and who sympathize with Lewis, are caught in the middle.

But, now getting back to the Roosevelt's exclusive concern in world affairs: It was interesting the reaction the communique on his conference with Stalin and Churchill got in Congress. We are not concerned with the headlines of about how an agreement had been reached on Poland, about the agreement to pursue a total war to the end. Various Congressmen and Senators made statements which they thought appropriate to their constituents. Those with Polish-American constituents, for example, expressed sadness about what had happened to Poland. Others hailed it as a tremendous achievement, making a new light for the world, etc. But most of them, reflecting the attitude of the American people, looked at one thing and were less communicative. Did or did not Stalin promise to help out with Japan. There was an insinuation to this effect. This promise is the only thing, with all the men and materials which this country has furnished, which Mr. Roosevelt can bring back to justify our people's faith in him, or so we are told by the majority of Congressmen, regardless of which way they may articulate upon it. It would be a little enough accomplishment on his part. For a people living so far away from the conflict, and giving so freely of our substance, this is as little as we could ask.

## Eliason Aide to Romney Of Automotive Council

Appointment of Courtleigh W. Eliason as assistant to George Romney, managing director of the Automotive Council for War Production, was announced on Feb. 12 by Mr. Romney.

Mr. Eliason has been regional industrial adviser, United States Maritime Commission, Oakland, California, for the past two-and-a-half years. Prior to that he was affiliated with the United States Steel Corporation, Pittsburgh, where he served as staff assistant, industrial relations department, and general assistant, office of director of industrial relations.

In 1940-41, Mr. Eliason took a leave of absence to become research assistant, bureau of industrial relations, University of Michigan, under Dr. John W. Riegel.

Mr. Eliason began his industrial career with the Columbia Steel Corporation, at San Francisco and Pittsburgh, California in industrial relations and affiliated work. Born in Hyrum, Utah, he is a graduate of Utah State Agricultural College and of the Graduate School of Business and of Stanford University, where he majored in production. He received an M. B. A. degree from Stanford in June, 1937.

## The State of Trade

(Continued from page 747)

crease of 600 tons above the previous week, but was 68,700 tons less than for the similar week of 1944.

**Crude Oil Production**—Daily average gross crude oil production for the week ended Feb. 3, as estimated by the American Petroleum Institute, was 4,723,400 barrels. This represented a decrease of 3,750 barrels per day below the preceding week and 33,400 barrels below the daily average figure recommended by the Petroleum Administration for War for the month of February, 1945. When compared with the corresponding week last year, crude oil production was 323,250 barrels per day higher. For the four weeks ended Feb. 3, 1945, daily output averaged 4,726,750 barrels.

Reports from refining companies indicate that the industry as a whole ran to stills (on a Bureau of Mines basis) approximately 4,662,000 barrels of crude oil daily and produced 14,535,000 barrels of gasoline. Kerosene output totaled 1,325,000 barrels with distillate fuel oil placed at 4,559,000 barrels and residual fuel oil at 9,377,000 barrels during the week ended Feb. 3, 1945. Storage supplies at the week-end totaled 47,660,000 barrels of civilian grade gasoline, 43,374,000 barrels of military and other gasoline; 8,798,000 barrels of kerosene; 32,370,000 barrels of distillate fuel oil and 50,451,000 barrels of residual fuel oil.

**Lumber Shipments**—The National Lumber Manufacturers Association reports that lumber shipments of 471 reporting mills were 13.8% above production for the week ended Feb. 3, 1945, while new records for these mills were 10.6% more than production. Unfilled order files amounted to 98% of stocks.

For the year-to-date shipments of reporting identical mills exceeded production by 7.6% and orders ran 20.0% above output.

Compared to the average corresponding week of 1935-39, production of reporting mills was 52.6% greater, shipments 40.8% greater, and orders 33.4% greater.

**Paper Production**—Paper production for the week ended Feb. 3 was 88.8% of capacity, as against 88.4% of capacity for the preceding week, the American Paper and Pulp Association's index of mill activity disclosed. The rate during the week ended Feb. 5, last year, was also 88.4% of capacity. As for paperboard, production for the same period was reported at 92% of capacity, a decline of 3 points from the previous week.

**Silver**—The London market was unchanged at 95½d. for basis .999 silver. The New York Official for foreign silver continued at 44¼c. and 70¼c. for domestic silver.

**Business Failures**—Commercial and industrial failures in the week ended Feb. 8 turned downward. Concerns failing, Dun & Bradstreet, Inc., reported, numbered 14, as compared to 16 in the previous week and were about two-thirds the 22 in the comparable week of 1944. Failures in different size and industry groups fluctuated only slightly, with a small increase taking place in failures involving liabilities under \$5,000. Large failures with liabilities of \$5,000 or more numbered nine, as against 13 a week ago and 14 in the like week a year ago. Canadian failures number two, as compared with five in the previous week and three in the corresponding week of 1944.

**Food Price Index**—The Dun & Bradstreet wholesale food price index for Feb. 6 advanced 1 cent to \$4.10, the high point for the past two years. The current level represents a rise of 2.0% above the \$4.02 for the corresponding 1944 date. Advances during the

week occurred in wheat, rye, oats, potatoes, sheep, and lambs, while declines were registered in flour, steers and eggs.

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

**Commodity Price Index**—Leading commodity markets, with the exception of corn, developed a firmer trend during the past week, although the volume of sales was considerably under a week ago. According to Dun & Bradstreet, Inc., daily wholesale commodity price index, a rise of 11 points occurred the past week, placing the index at 175.33 on Feb. 6, as against 175.22 a week earlier and at 171.87 on the corresponding date a year ago.

The grain markets aside from corn were stronger, cotton reversed its downward course with prices rallying sharply from recent lows. Strength was derived from the expectation that the government cotton program will be continued and the possibility that cotton loan rates will be higher. Trade and mill demand were quite active but offerings were comparatively light. In the Boston market trading was only moderately active last week, as mills showed a tendency to hold down inventories, fearing a sudden end to the war in Europe. Domestic scoured medium wools were in demand but offerings were very limited. Foreign spot and shortly to arrive wools were reported well sold but there was little interest shown in foreign offerings where shipping and delivery dates were uncertain.

**Shoe Sales in 1944**—The New England Shoe and Leather Association in an analysis of the "first eleven" shoe manufacturing companies to report sales and profits figures for 1944 reveal that total profits were 11% below the preceding year, while net profits of the eleven companies were \$11,928,222 for the past year. Net sales rose to \$431,542,122, or 4% above that of 1943.

The average rate of net income to sales equaled 2.8%, based on the combined reports of the eleven companies and ranged from 0.2% to 5.1%, the Association pointed out.

**Retail and Wholesale Trade**—Reports coming to hand on retail activity for the country at large for the past week were the most varied in several weeks. As for over-all volume, it reflected a slight decline below the week previous and moderately over last year. Stormy weather worked against increased trade in the northern and northeastern sections of the country with demand for the most part routine. Seasonal goods moved well and interest in spring merchandise was slow in developing. Inventories were at a low state compared with customary stocks carried. Merchandise replacements proved difficult to obtain.

Seasonal lines retained a considerable portion of retail apparel, according to Dun & Bradstreet, with spring dresses, suits, and to a lesser degree, coats becoming more popular. In accessory lines, sales were improved, especially in gloves. Hosiery departments showed marked activity, but stocks are low. Fur sales begun in January have continued to increase. In piece goods, sales in cottons were extremely high, while stocks show a serious depletion. Shortages have been reported principally in the higher priced men's and women's wear and in piece goods.

Retail sales for the country were estimated from 8 to 12% over last year. Regional percentages were: New England, 6 to 9%; East, 5 to 10%; Middle West, 4 to 7%; Northwest, 5 to 8%; South, 16 to 20%; Southwest, 14 to 18%; Pacific Coast, 12 to 16%. In the wholesale field, fewer

## ABA Executive Council Meeting Canceled

The annual spring meeting of the Executive Council of the American Bankers Association to be held in New York on April 15, 16, and 17, has been canceled, W. Randolph Burgess, president of the Association and Vice-Chairman of the board of The National City Bank of New York, announced on Feb. 8.

This action was taken to comply with the recent request of War Mobilization Director James F. Byrnes that conventions and larger business gatherings be called off. The Executive Council of the Association, which totals 124, with representatives from every state in the Union, is the governing body of the Association.

In order that the necessary business of the Association may be carried on President Burgess has called a meeting of the Administrative Committee of the Association to be held in New York, April 15 and 16. There are 16 members of this committee which has interim powers between meetings of the Executive Council.

Scheduled for discussion at this meeting, Mr. Burgess stated, are many of the important wartime activities of the Association, including preparation for the Seventh War Loan, service to war veterans under the "GI Bill of Rights," and credit for small business.

## Reduce Air-Mail Postage

Postmaster Albert Goldman on Feb. 7 announced the reduced air-mail postage rates now in effect between the continental United States and Puerto Rico, the Virgin Islands and Hawaii.

The rate of postage on matter carried by airplane to or from the continental United States and Puerto Rico or the Virgin Islands is 8 cents for each half ounce or fraction thereof, instead of 10 cents.

The postage rate on air mail to or from the continental United States and Hawaii is 15 cents per half ounce or fraction thereof, instead of 20 cents.

market events took place the past week, according to Dun & Bradstreet, and trading was generally affected by merchandise scarcities, though the volume compared favorably with the steady trend of a week earlier. Buyers, it was reported, were willing to take available merchandise and were placing orders without regard for cost. Sales of goods in the higher price range were especially noticeable.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index, were 11% ahead of a year ago for the week ended Feb. 3, 1945. This compared with 17% in the preceding week. For the four weeks ended Feb. 3, 1945, sales increased 13% and for the year to date by 11%.

Bad weather coupled with growing shortages in many lines of merchandise resulted in a spotty condition in retail trade here in New York the past week. Spokesmen for the apparel industry in an effort to lift the present confusion in the apparel markets caused by the textile-apparel order M-388 will seek some modification of the order in Washington the current week. The hope for an improved delivery situation appears remote at this time.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Feb. 3, 1945, increased by 12% over the same period of last year. This compared with an increase of 17% (revised figure) in the preceding week. For the four weeks ended Feb. 3, 1945, sales rose by 10% and for the year to date by 11%.

## Legal Aspects of Silver Policies of U. S.

(Continued from page 751)  
for \$1 each, backed only by a lump of silver of uncertain value. To date the Treasury has not issued certificates against the so-called seigniorage profit. But it may do so. There are now outstanding over 1½ billion of these certificates. Against them there are silver deposits incorrectly valued at over 3 billion dollars. Thrown on the market, this mass of silver would have a very low value.

(5) The Thomas Inflation Act has never been repealed. It gives the President authority to establish bimetalism at any ratio he chooses.

(6) The Gold Reserve Act of 1934 authorizes the President to reduce the size of the silver dollar in proportion to the size of the gold dollar as devalued under the Act. The gold dollar was reduced from 23.22 grains to 13.7 grains, or 41%. This provision permits the President at will to cut the silver dollar 41% and call the fraction of 59% one dollar. This needs consideration. The silver dollar is already a debased coin called a dollar when it is worth 35 cents. Here is a proposal to cut it to a value of 19½ cents and call the fragment \$1. The theory of this is that the ratio of silver to gold used to be 16 to 1. With the gold dollar cut 41% the silver dollar would be cut 41% to a 16 to 1 proportion.

Exercising this power would reduce the fragmentary asset behind a certificate to about 20 cents. It would give the government a 69% increase in its seigniorage profit on all the silver it has bought. In the end it would mean that the domestic silver interests would demand a 69% increase in the price they now receive for silver, which is already 50% above its market value and 100% above its usefulness to this nation for any purpose.

We close this legal report by presenting a summary of bizarre and humorous character. An analysis of the preceding outline of the legal position of silver will disclose that an ounce of silver in the United States has five values, a situation which is as irrational in law as in economics. There is first the value of an ounce of silver here and everywhere else in the world, unless that silver happens to come from an American mine. That value is about 45 cents. There is second the value of an ounce if it is mined in the United States. That value is 71 cents. This is also its value if it is sold by the Treasury to war industries, desperately in need of silver for vital war production. There is third the value of an ounce if it is buried in a hole at West Point. That value is \$1.29. There is fourth its value if it is converted into ten dimes or four quarters. That value is \$1.38. There is fifth its value to people of the United States as a basic money. That value is zero.

## Money in Circulation

The Treasury Department in Washington has issued its customary monthly statement showing the amount of money in circulation after deducting the money held in the U. S. Treasury and by Federal Reserve Banks and agents. The figures this time are those of Dec. 31, 1944, and show that the money in circulation at that date (including of course that held in bank vaults of member banks of the Federal Reserve System) was \$25,307,152,635 as against \$25,019,073,463 on Nov. 30, 1944, and \$20,449,387,607 on Dec. 31, 1943, and compares with \$5,698,214,612 on Oct. 31, 1920. Just before the outbreak of the first World War, that is, on June 30, 1914, total was \$3,459,434,174.

## Babson on Post-War Opportunities

(Continued from first page)  
of getting into business for myself.

### Insurance Attractive

I am now a director in two fire insurance companies and one life insurance company. Many insurance companies are in ruts, and there are great opportunities with casualty insurance! The system used by Lloyd's has never secured a foothold here. It would be very tempting to develop it. Although I have constantly fought against "gambling" in stocks, I fully realize the human instinct to take chances. Although Washington has driven gamblers out of the stock market, they still love race tracks and number games.

Or one could start a company to specialize in "commodity" or "price" insurance and let speculators do the insuring, the company to serve only in finding the business. Further, it might be wise to sell such insurance through drug stores, restaurants, barber shops and various other outlets which are now handling the numbers game. I would let people bet on business affairs instead of on the foolish things they now bet on. This idea is sound statistically and ethically; it might offer a great future to thousands of returning servicemen.

### Don't Forget Good Soil

Whatever your boys do, see that they own and live on an acre of fertile land within walking distance of post office, church and schools. In this connection, I am reminded of a wise old gentleman who used to visit my office. He was Hon. Westmoreland Davis, ex-Governor of Virginia. He always carried a steel suitcase. One day we asked him why he carried the odd suitcase. He replied, "Because it looks less like a carpet bag than any other type of hand luggage, and I want to forget carpet bags!" This opened up conversation with regard to the uncertainty of investments.

The old gentleman became deadly sincere and told us that we of the North could never understand what real chaos and tribulation could follow a war because we had never experienced it. He had lived through the Civil War and the Reconstruction Days. He said: "There was never any piece of paper representing the ownership of property that came through those evil days of the South. Our bonds were no good; our cash was worthless. There was only one thing that came through. That was the land which we occupied. Those of us who stuck to the land came through. Security owners, mortgage holders and absentee landlords were all wiped out." I do not mean to suggest that anything like this could happen here during the next 20 years, but it is wise to insure against everything.

## Further Extension of Mail Service to Greece

Postmaster Albert Goldman announces information has been received from the Post Office Department, Washington 25, D. C., that effective Feb. 15, 1945, the limited mail service to Greece will be extended to include the island of Crete.

The service is restricted to non-illustrated postcards on personal or family matters.

The rate of postage is 3 cents for each card.

## Manhattan Financial and Insurance Interests Organized for 1945 Red Cross War Fund

The financial world of Manhattan, embracing banks, exchanges, investment and insurance companies and related fields has been organized into 27 campaign units to support the Red Cross 1945 War Fund, it was announced on Feb. 5 by S. Sloan Colt, President of the Bankers Trust Company and Chairman of the financial section of the Red Cross Manhattan Commerce and Industry Committee.

The nation-wide Red Cross appeal has as its goal \$200,000,000 to be devoted to direct aid and services to America's fighting men and service women, to their families at home and to essential wartime needs on the home front. Greater New York's share of this national figure has been set at \$21,187,000.

The Red Cross Manhattan Commerce and Industry Committee headed by William B. Given, Jr., is the major fund-raising organization of the city-wide campaign, accounting for approximately two-thirds of the funds contributed. Mr. Colt's financial section is one of the key-groups of this committee. In addition to serving as Chairman of the financial section, Mr. Colt also is a member of the Red Cross War Fund's Advisory Committee.

Serving with Mr. Colt as group and division Chairmen are: Henry E. Mendes, accountants; Charles D. Dickey, banks and Trust companies, brokerage and investments; Cecil F. Shallcross, British-American companies; Windsor C. Batchelder, credit agencies; William E. Thompson, credit loan companies; Lawrence S. Kennedy, downtown insurance brokers; Lincoln Cromwell, factors; Arthur O. Dietz, finance and loan companies; Fred W. Hautau, finance companies; Alfred Shriver, investment bankers; Bradford F. Story, investment counsellors; F. Wilder Bellamy, investment trusts; Eli Whitney Debevoise, lawyers; Alexander E. Patterson, life insurance agencies; Julian S. Myrick, life insurance companies; Hendon Chubb, marine companies and underwriters and general insurance; J. J. Magrath, marine insurance; Harry Lamy, mutual fire and reciprocal companies; Edwin Posner, New York Curb Exchange; John A. Coleman, New York Stock Exchange; Louis Braverman, personal loan companies; Gardner W. Taylor, savings and loan associations and credit loan companies; Clarence G. Michaelis, savings banks; Bernard M. Culver, stock fire insurance and fleet companies; Vincent Cullen, surety and fidelity bonding companies and casualty insurance companies; Charles J. Davis, textile factors; Frank Dunne, unlisted securities; Edward I. White, uptown insurance brokers.

## Meeting to Inspect Silver Coinage

Mrs. Nellie Tayloe Ross, Director of the Mint, announced on Feb. 7 that members of an annual Assay Commission, appointed by the President, met at the Philadelphia Mint, Wednesday, Feb. 14, to conduct the tests provided by law to determine whether the nation's silver coinage measures up to standards of fineness and weight.

The assembling of a Commission, to supervise the assaying by experts of random-selected coins, is a safeguard of the nation's monetary system that has been exercised without interruption for 152 years, starting the year following the creation of the Mint.

This year the "pyx," or sample box, contains 261,064 silver coins, one out of each 2,000 produced by three coinage Mints, from the record 1944 production of 522,119,300 pieces. Manufacture of minor coins, which are excluded from the testing requirement, swelled the year's total production of domestic coins to more than 2,844,000,000 pieces.

From the "pyx" a representative number of coins will be taken for testing by the Commission.

The Treasury Department's advices continued:

Members of the Commission, who are paid expenses, but no salary, for their work, might well sense an invisible spectator in the austere shade of Alexander Hamilton, first Secretary of the Treasury, looking, perhaps with some amazement, at the prodigious pile of coins. For it was Hamilton who, back in 1791, in presenting to the Congress the result of his "inquiries and reflections" relative to the establishment of a Mint, suggested the system of sampling and testing. His suggestion was adopted, and the tradition has been observed since.

The first Secretary then described the English system of preserving promiscuously chosen samples of coinage in "a strong box, called the pix," for mass assaying by a jury of the Company of Goldsmiths.

Presidentially-appointed members of this year's Commission are as follows:

Andrew Augustine, President of the Augustine Construction Company, 4401 Disston Street, Philadelphia; Mrs. Mabel E. Murphy, 8 East Union Street, Bordentown, N. J.; Mrs. Mary Riley, 131 Crystal Avenue, New London, Conn.; L. B. Macurdy, Division of Weights and Measures, National Bureau of Standards, Washington; J. J. Seifer, retired hotel executive and real estate dealer, 20 Blackstone Boulevard, Providence, R. I.; Mrs. David Levy, 300 Park Avenue, New York; Jordan L. Alperin, Vice-President of the Eastern Smelting and Refining Corp., 109 West Brookline Street, Boston; Max M. Schwartz, attorney, 152 West 42nd Street, New York; Robert Wilson, merchant, Lima, Ohio; H. Glenwood Evans, former member of the Maryland House of Delegates and head of a seafood distributing company, Crisfield, Md.; Samuel F. Hoffberger, attorney, 215 North Calvert Street, Baltimore.

The ex-officio members designated by statute are:

Judge William H. Kirkpatrick, of the Federal District Court, Eastern District of Pennsylvania; Preston Delano, Comptroller of the Currency, Washington, and Joseph S. Buford, Assayer of the United States Assay Office, New York.

Mr. Macurdy will take to Philadelphia the official weights and measures to be used in the tests.

## Accord on Defense Facilities Reached Between U.S. & Canada

The reaching of an agreement with Canada for disposition of defense facilities established there by the United States was announced on Jan. 31 by the War Department, according to Associated Press advices that day from Washington, which stated that, dividing the facilities into two classes—immovables, such as buildings, and movables—the agreement provides:

"Within three months the United States will furnish the Canadian Government with a list of the immovable facilities to be included in the agreement. Each Government then will appoint an appraiser to establish the 'fair

market value' of each facility at the time and place of appraisal.

"In event of disagreement between two appraisers, they will choose a third, who will establish the value.

"The Canadian Government will pay to the United States the price established by the appraisers. Facilities not listed in the agreement will be relinquished, within a year after the end of hostilities, to either the Canadian Government or the Province in which they are situated, without cost.

"In the case of movable facilities, the United States will remove all those it desires. The Canadian Government then will arrange to buy any of the remaining articles it wants. Those still remaining will be transferred to an agency of the Canadian Government for sale or disposition.

"Proceeds from the sale of movables, less sales costs, will be paid to the United States Government, which will be represented in all cases.

"Movables remaining unsold at the end of two years after they are transferred to the Canadian Government agency either will be declared valueless or removed from Canada by the United States Government."

According to the Associated Press, the announcement said that the agreement follows recommendations of the Permanent Joint Board on Defense. There was no immediate estimate of the value of facilities involved.

## Purchasing of Homes In 1944 Helped to Prevent Inflation

The extra dollars of at least 320,000 families in the United States last year went into building up the owner's equity in homes purchased in 1944, and were thus withheld from the inflationary stream of cash exerting pressures on the prices of short-time consumers' goods, the United States Savings and Loan League's Home Building and Home Owning Committee reported recently. The down payments made on homes purchased in 1944 through savings and loan associations and cooperative bank mortgage loans, plus the monthly reductions in the debt after the purchase had been made, are estimated to amount to approximately \$365,000,000 for these families.

"They thus put an average of about \$1,150 into the kind of durable goods, a home, which has always represented the principal wealth of the average American family," comments Henry P. Irr, Baltimore, Chairman of the Committee. The figures are for purchase of existing houses only since no very large proportion of houses built in 1944 were for owner occupancy.

He pointed out that the down payments made in connection with savings and loan financing of 1944 home purchases represented some \$350,000,000 in cash, and that an additional \$15,000,000 had been paid off the debt on these 1944-bought homes before the end of the year.

"This latter figure is a conservative estimate, in view of the fact that many home-buyers last year made larger monthly payments on the principal than an ordinary 15-year loan repayment schedule would call for," he pointed out. "Because of the present natural differences of opinion about where real estate prices may go from 1944 and 1945, the lending institutions have encouraged borrowers to reduce the debt on their properties more rapidly in these first years of the undertaking,

## Building Permit Valuations 7% Over Last Year, Says Labor Department

The value of non-Federal building construction started in urban areas of the United States during the calendar year 1944 was 7% above 1943, Secretary of Labor Frances Perkins reported on Feb. 3. "Federal building dropped 43%, however, causing the value of all building started to decrease from 1.3 to 1.1 billion dollars," she said.

"The increase by nearly one-third in the value of additions, alterations, and repairs in 1944 was more than offset by a net decline of about 42 and 7%, respectively, in new residential and new non-residential values. Additions, alterations, and repairs rose on both Federally and non-Federally financed projects and new residential work decreased on both types. In the case of new non-residential building, however, the 27% decrease in Federal work was in contrast to a 60% increase on other projects.

Valuation of Building Construction in All Urban Areas, by Class of Construction 12 Months of 1943 and 1944

Class of construction—	Total			Federal		
	*1944	1943	Percentage change	*1944	1943	Percentage change
	(In thousands of dollars)			(In thousands of dollars)		
All construction	1,086,203	1,289,176	-15.7	331,577	585,486	-43.4
New residential	342,239	586,531	-41.7	54,047	211,363	-74.4
New nonresidential	430,227	463,458	-7.2	259,291	356,805	-27.3
Additions, alterations and repairs	313,737	239,187	+31.2	18,239	17,318	+5.3

\*Preliminary. Subject to revision upon receipt of late reports for December 1944.

The Labor Department advices of Feb. 3 continued:

"The value of building undertaken in December, 1944 (around 70 million dollars worth) showed a seasonal decline from November of nearly a fourth. Both Federal and non-Federal values decreased and in about the same proportion. New residential building showed a small net gain because of an upturn in Federal housing in the Pacific region.

"While the total volume of work started in December, 1944, was nearly a third below the previous December, non-Federal work was only a fifth lower, principally because of the 18% increase in new nonresidential building.

Percentage Change in the Value of Building Construction in All Urban Areas November to December 1944 and December 1943 to December 1944

Class of construction—	Percentage change from					
	Nov. 1944 to Dec. 1944			Dec. 1943 to Dec. 1944		
	Total	Other than Federal	Federal	Total	Other than Federal	Federal
All construction	-22.5	-22.1	-23.5	-31.7	-19.8	-48.6
New residential	+0.5	-21.1	+88.5	-47.0	-49.9	-41.2
New nonresidential	-30.7	-11.9	-45.5	-35.4	+18.1	-59.1
Additions, alterations and repairs	-29.3	-28.6	-34.9	+5.4	-0.2	+94.0

"The total of 8,185 dwelling units for which permits were issued or Federal contracts awarded during December, 1944, was 2% above the November total, but 43% below that for December, 1943. Approximately three-fifths, or 4,969, were privately financed; 3,216 were in Federal war housing projects."

The figures on building construction cover the entire urban area of the United States, which, by Census definition, includes all incorporated places with a 1940 population of 2,500 or more and by special rule, a small number of unincorporated civil divisions. The volume of privately financed construction is estimated from the building permit data received from a large majority of all urban places and these estimates are combined with data on building construction contracts awarded as furnished by Federal and State agencies. All figures for the current month are preliminary. Upward revisions in Federally financed nonresidential construction may be expected due to late notifications of contracts awarded.

Principal centers of various types of building construction for which permits were issued or contracts were awarded in December, 1944, except projects which have been excluded because of their confidential nature were: Bridgeport, Conn., 1 church to cost \$222,000; Worcester, Mass., 1 factory to cost \$283,000; Nutley, N. J., 5 apartments providing 84 units to cost \$260,000; Berkeley, Ill., 49 one-family dwellings to cost \$245,000; Chicago, Ill., 252 one-family dwellings to cost \$1,154,800; Cicero, Ill., 180 one-family dwellings to cost \$900,000; South Bend, Ind., 1 factory to cost \$200,000; St. Joseph, Mich., 32 one-family dwellings to cost \$192,000; Minneapolis, Minn., 64 one-family dwelling to cost \$329,000; Kansas City, Mo., 1 apartment providing 191 units to cost \$400,000; Washington, D. C., 167 one-family dwellings to cost \$561,000; Miami, Fla., 35 one-family dwellings to cost \$160,800, 6 units in two-family to cost \$30,000, and 1 apartment providing 16 units to cost \$33,000; Baltimore, Md., 104 units in two-family dwellings to cost \$266,000; Memphis, Tenn., 55 one-family dwellings to cost \$198,300; Alexandria, La., 1 institution to cost \$170,366; New Orleans, La., 77 one-family dwellings to cost \$211,900 and 268 units in two-family dwellings to cost \$580,800; Galveston, Texas, 88 one-family dwellings to cost \$207,676; Houston, Texas, 67 one-family dwellings to cost \$238,400; Phoenix, Ariz., 41 one-family dwellings to cost \$188,600; Bakersfield, Calif., 63 one-family dwellings to cost \$268,900; Huntington Beach, Calif., 45 one-family dwellings to cost \$225,000; Los Angeles, Calif., 132 one-family dwellings to cost \$349,116; Newport Beach, Calif., 1 institution to cost \$121,900; Seattle, Wash., 60 one-family dwellings to cost \$313,100; Spokane, Wash., 1 institution to cost \$109,246.

In addition, contracts were also awarded during December for the following Federally financed projects containing the indicated number of housekeeping units: Alameda, Calif., \$763,500 for 340 units; Albany, Calif., \$248,824 for 100 units; Coronado, Calif., \$832,000 for 248 units; Los Angeles, Calif., \$149,932 for 88 units; Livermore, Calif., \$317,433 for 124 units; Long Beach, Calif., \$639,429 for 268 units; Oakland, Calif., \$69,990 for 20 units; Oceanside, Calif., \$1,118,642 for 448 units; San Diego, Calif., \$2,164,148 for 808 units; San Francisco, Calif., \$1,626,347 for 696 units; Santa Ana, Calif., \$192,633 for 76 units.

seeing that money is plentiful in their pockets now but the future abundance of it in those same pockets cannot be assured."

Mr. Irr said that this form of saving money has to be counted in with the rest of the savings

with which the American people have been piling up a record, since a debt-free home has always been reckoned an island of economic safety in the midst of any kind of stresses which may lie ahead.

### 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 Feb. 3, 1945, is estimated at 11,360,000 net tons, a decrease of 320,000 tons, or 2.7%, from the preceding week. Output in the corresponding week of 1944 amounted to 12,850,000 tons. For the calendar year to Feb. 3, 1945, soft coal production totaled 57,725,000 tons, a decrease of 10.6% when compared with the 64,560,000 tons produced in the calendar year to Feb. 5, 1944.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended Feb. 3, 1945, was estimated at 842,000 tons, a decrease of 117,000 tons (12.2%) from the preceding week. When compared with the output in the corresponding week in 1944 there was a decrease of 422,000 tons, or 33.4%. Production for the calendar year to date amounted to 4,715,000 tons, as against 6,088,000 tons in the corresponding period in 1944.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended Feb. 3, 1945, showed an increase of 600 tons when compared with the output for the week ended Jan. 27, 1945, but was 68,700 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	
	Feb. 3, 1945	Jan. 27, 1945	Feb. 5, 1944	Feb. 3, 1945	Feb. 5, 1944
Bituminous coal & lignite—	11,360,000	11,680,000	12,850,000	57,725,000	64,560,000
Total incl. mine fuel—	842,000	959,000	1,264,000	4,715,000	5,329,000
Daily average	1,893,000	1,947,000	2,142,000	1,950,000	2,103,000

#### ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE (In Net Tons)

	Week Ended			Calendar Year to Date		
	Feb. 3, 1945	Jan. 27, 1945	Feb. 5, 1944	Feb. 3, 1945	Feb. 5, 1944	Feb. 6, 1937
Penn. anthracite—	842,000	959,000	1,264,000	4,715,000	6,088,000	5,329,000
*Total incl. coll. fuel	808,000	921,000	1,213,000	4,526,000	5,844,000	5,063,000
†Commercial produc.	808,000	921,000	1,213,000	4,526,000	5,844,000	5,063,000
Beehive coke—	96,000	95,400	164,700	479,600	828,800	339,100
United States total	96,000	95,400	164,700	479,600	828,800	339,100

\*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)

State	Week Ended		
	Jan. 27, 1945	Jan. 20, 1944	Jan. 29, 1944
Alabama	380,000	376,000	409,000
Alaska	7,000	7,000	5,000
Arkansas and Oklahoma	112,000	107,000	108,000
Colorado	176,000	171,000	195,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	1,518,000	1,495,000	1,649,000
Indiana	550,000	578,000	545,000
Iowa	63,000	63,000	53,000
Kansas and Missouri	204,000	176,000	188,000
Kentucky—Eastern	1,030,000	1,030,000	958,000
Kentucky—Western	388,000	354,000	360,000
Maryland	35,000	36,000	38,000
Michigan	3,000	2,000	4,000
Montana (bitum. & lignite)	103,000	110,000	99,000
New Mexico	35,000	35,000	38,000
North & South Dakota (lignite)	72,000	79,000	76,000
Ohio	660,000	670,000	674,000
Pennsylvania (bituminous)	2,340,000	2,715,000	3,060,000
Tennessee	152,000	143,000	171,000
Texas (bituminous & lignite)	5,000	4,000	6,000
Utah	152,000	140,000	127,000
Virginia	410,000	385,000	437,000
Washington	31,000	35,000	36,000
†West Virginia—Southern	2,267,000	2,145,000	2,363,000
†West Virginia—Northern	715,000	888,000	1,023,000
Wyoming	218,000	214,000	206,000
‡Other Western States	1,000	1,000	1,000
Total bituminous & lignite	11,680,000	11,960,000	12,830,000

†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.

### Civil Engineering Construction \$20,591,000 For Week

Civil engineering construction volume in continental United States totals \$20,591,000 for the week. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding is 28% lower than in the preceding week, 11% below the total reported by "Engineering News-Record" for the corresponding 1944 week, and 4% under the previous four-week moving average. The report went on to say:

Private construction tops last week by 16%, and is 102% higher than in the week last year. Public construction is 44 and 36% lower, respectively, than a week ago and a year ago, due to the decreased volume of Federal work. State and municipal construction is 6% above last week, and 24% over last year.

The current week's construction brings 1945 volume to \$137,500,000 for the six weeks, a decrease of 36% from the \$215,192,000 reported for the 1944 period. Private construction, \$48,334,000, is 1% higher than last year, but public construction, \$89,166,000, is down 47% as a result of the 55% drop in Federal volume. State and municipal work is up 72% compared with a year ago.

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

	Feb. 10, 1944	Feb. 1, 1945	Feb. 8, 1945
Total U. S. Construction	\$23,151,000	\$28,716,000	\$20,591,000
Private Construction	4,243,000	7,403,000	8,569,000
Public Construction	18,908,000	21,313,000	12,022,000
State and Municipal	1,969,000	2,317,000	2,451,000
Federal	16,939,000	18,996,000	9,571,000

In the classified construction groups, gains over last week are in bridges, commercial buildings, earthwork and drainage, and streets and roads; and gains over the 1944 week are in waterworks, bridges, and industrial and commercial buildings. Subtotals for the week in each class of construction are: Waterworks, \$507,000; sewerage, \$169,000; bridges, \$860,000; industrial buildings, \$2,108,000; commercial building and large-scale private housing, \$4,760,000; public buildings \$6,487,000; earthwork and drainage, \$262,000; streets and roads, \$950,000; and unclassified construction, \$4,488,000.

New capital for construction purposes for the week totals \$4,152,000, and is made up entirely of State and municipal bond sales.

### Moody's Bond Prices And Bond Yield Averages

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

1945— Daily averages	U. S. Govt. Bonds	U. S. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Feb. 13	121.64	114.27	120.02	118.40	114.08	105.69	109.97	114.08	119.20
12	121.59	114.27	119.82	118.40	114.08	105.69	109.97	114.08	119.23
10	121.58	114.27	119.82	118.40	114.08	105.69	109.97	114.08	119.20
9	121.55	114.27	119.82	118.40	114.08	105.52	109.97	114.08	119.20
8	121.53	114.08	119.61	118.20	114.08	105.52	109.79	113.89	118.80
7	121.44	114.08	119.82	118.20	113.89	105.52	109.79	113.89	118.80
6	121.44	114.08	119.82	118.20	113.89	105.52	109.79	113.89	118.80
5	121.37	114.08	119.82	118.20	113.89	105.34	109.60	114.08	118.80
4	121.33	114.08	119.82	118.00	113.89	105.34	109.60	114.08	118.80
3	121.11	113.89	119.61	118.00	113.70	105.34	109.42	113.89	118.80
2	120.88	113.89	119.41	118.00	113.70	105.17	109.24	113.89	118.60
1	121.09	113.70	119.20	118.00	113.70	105.00	108.88	113.70	118.60
Jan. 26	121.25	113.70	119.00	118.00	113.50	104.83	109.06	113.70	118.40
19	120.66	113.50	119.00	117.80	113.50	104.66	108.70	113.89	118.20
12	120.66	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
High 1945	121.64	114.27	120.02	118.40	114.08	105.69	109.97	114.08	119.20
Low 1945	120.55	113.50	118.80	117.80	113.31	104.48	108.52	113.70	118.20

1 Year Ago	2 Years Ago
Feb. 11, 1944	Feb. 13, 1943
119.69 111.25 118.40 116.22 111.25 100.49 104.31 113.50 116.41	117.12 108.88 117.60 115.24 110.15 94.86 99.36 112.93 115.63

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

1945— Daily averages	U. S. Govt. Bonds	U. S. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Feb. 13	1.72	2.94	2.65	2.73	2.95	3.41	3.17	2.95	2.69
12	1.72	2.94	2.66	2.73	2.95	3.41	3.17	2.95	2.69
10	1.72	2.94	2.66	2.73	2.95	3.41	3.17	2.95	2.69
9	1.72	2.94	2.66	2.73	2.95	3.42	3.17	2.95	2.69
8	1.72	2.94	2.66	2.73	2.95	3.42	3.17	2.95	2.69
7	1.72	2.95	2.67	2.74	2.95	3.42	3.18	2.96	2.71
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
4	1.73	2.95	2.66	2.74	2.96	3.43	3.19	2.95	2.71
3	1.73	2.95	2.66	2.75	2.96	3.43	3.19	2.95	2.71
2	1.75	2.96	2.67	2.75	2.97	3.43	3.20	2.96	2.71
1	1.75	2.96	2.67	2.75	2.97	3.43	3.20	2.96	2.71
Jan. 26	1.77	2.96	2.68	2.75	2.97	3.44	3.21	2.96	2.72
19	1.75	2.97	2.69	2.75	2.97	3.45	3.23	2.97	2.72
12	1.74	2.97	2.70	2.75	2.98	3.46	3.22	2.97	2.73
5	1.79	2.98	2.70	2.76	2.98	3.47	3.24	2.96	2.74
High 1945	1.80	2.98	2.71	2.76	2.99	3.48	3.25	2.97	2.74
Low 1945	1.72	2.94	2.65	2.73	2.95	3.41	3.17	2.95	2.69
1 Year Ago	1.85	3.10	2.73	2.84	3.10	3.72	3.49	2.98	2.83
2 Years Ago	2.06	3.23	2.77	2.89	3.16	4.08	3.79	3.01	2.87

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

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

### Steel Production Rises Sharply — Pig Iron Ceiling Prices Up — Export Locomotives Placed

"Most steel districts which had been affected by weather conditions and freight embargoes have seen their steel ingot rate expanded somewhat this week, with the result that steel ingot operations for the country rose sharply this week to approximately 93% of capacity," states "The Iron Age" in its issue of today (Feb. 15), which further goes on to say:

"At long last, pig iron producers this week were permitted to raise the price of all grades, except charcoal, \$1 a ton on the base price. This move by OPA, which became effective Feb. 14, will undoubtedly give some measure of relief to pig iron producers, especially the smaller furnaces, which have had rough going because of accumulated raw material costs. While the OPA decision will not satisfy many in the trade, nevertheless it was hailed as a step in the right direction. The increase is the first over-all hike in pig iron ceiling prices since control began and when the pig iron schedule was issued on June 24, 1941.

"According to reports, the OPA is now working on a revision of warehouse prices and increases in some categories are expected to be permitted soon. The interim steel price increases announced on Jan. 11 applied to mill quotations and left the warehouses to absorb these higher prices on most items. The OPA, after studying warehouse price data, will apparently attempt to compensate for this situation.

"Even though raw steel output has regained some lost ground this week, Pittsburgh reports that a car shortage there will likely present a difficult problem in shipping finished steel out of the mills. For the first time there operations in the finishing end have been specifically affected by

this car shortage. Despite the present seriousness of the railroad car supply, steel operators display a more optimistic tone.

"More favorable war news has caused no dwindling in the flood of new orders. One major steel producer indicates that orders during the past two weeks have been double that of shipments. Current emphasis in order volume is on sheets, rails, semi-finished steel and tin plate.

"The increased use of directives in order to obtain material promptly appears to be the outstanding pattern in the order situation. Hardship among customers is likely to result because of this condition. Caught flat-footed by the rapid extension of delivery dates, and in some instances periled by delaying carryovers through no fault of their own, certain types of war goods makers are waking up to the fact that only order directives will enable them to secure material in time to meet their contracts. This is particularly true for sheets.

"Hit hard by the terrific demand for war steel have been the concrete bar makers and the building trades using this item. Deliveries previously scheduled for April and May are being pushed back into June and July and proposed building schedules will be similarly delayed.

"At Cleveland steel companies report the biggest backlog since

the war began. Opinion there holds that the number of small orders is impressive because many consumers are hesitant about piling up too much inventory. Some steel users are not ordering the full amount of steel needed on any given program but are content to take delivery as allotted. This, it is said, results in last-minute hurry-up calls for material which can only be satisfied by more WPB directives."

The American Iron and Steel Institute on Feb. 12, 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 92.8% of capacity for the week beginning Feb. 12, compared with 89.3% one week ago, 93.6% one month ago and 97.7% one year ago. The operating rate for the week beginning Feb. 12 is equivalent to 1,673,900 tons of steel ingots and castings, compared to 1,610,800 tons one week ago, 1,688,400 tons one month ago, and 1,750,000 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Feb. 12, stated in part as follows: "Adverse weather conditions and traffic congestion are causing producers to lose ground in their attempt to get in raw materials, pig iron, scrap, fuel oil, coal and coke in particular, and steel buyers are running further behind in receipt of needed finished material.

"While current embargoes probably will prove generally beneficial in the long run and are helping in movement of munitions and other essentials they have tied up temporarily shipments of many items needed in production of these essentials.

"This situation, linked with further substantial buying, is forcing delivery schedules back all along the line. Sheet delivery promises fall generally well into third quarter, with carbon bars not far behind. In some grades and sizes of these products some producers are booked into fourth quarter. In plates, which are in less demand than formerly, several sellers quote June, with at least one large sheared plate producer offering April delivery.

"Scrap supply to consumers has been curtailed by snow blockades and by shortages of yard workers. Collection and preparation have been limited by both these factors.

"Following heavy orders for freight cars late last year only 7,200 were placed in January and decreased buying is expected for following months. The locomotive market is enlivened by purchase of 200 additional locomotives by the French provisional government, bringing its total to 700, and placing of 500 for Russia. These were placed mainly with American Locomotive Co. and Baldwin Locomotive Works, with part of the French order going to Lima Locomotive Works."

### Moody's Daily Commodity Index

Tuesday,
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### Latest Summary of Copper Statistics

The Copper Institute on Feb. 9 released the following statistics pertaining to production, deliveries and stocks of duty-free copper:

SUMMARY OF COPPER STATISTICS REPORTED BY MEMBERS OF THE COPPER INSTITUTE

U. S. Duty Free Copper	Production		Deliveries to Customers		Refined Stocks End of Period	Stock Increase (+) or Decreases (-)
	*Crude	Refined	Domestic	Export		
Year 1939	836,074	818,289	814,407	134,152	159,485	+17,785
Year 1940	892,293	1,033,710	1,001,886	48,537	142,772	-41,417
Year 1941	1,016,896	1,065,667	1,545,541	307	75,564	-48,671
Year 1942	1,152,344	1,135,708	1,635,236	---	65,309	+16,636
Year 1943	1,194,899	1,206,871	1,643,677	---	52,121	-12,172
Year 1944	1,056,180	1,098,788	1,636,295	---	66,780	-42,608
Jan., 1944	95,400	92,781	101,779	---	45,800	+2,619
Feb., 1944	95,712	87,128	124,800	---	36,489	+8,584
Mar., 1944	101,247	99,118	156,083	---	37,259	+2,129
Apr., 1944	92,530	95,280	156,233	---	38,382	-2,750
May, 1944	94,534	98,580	165,887	---	37,074	-4,046
June, 1944	89,070	93,968	141,139	---	42,467	-4,888
July, 1944	86,224	93,650	121,898	---	48,050	+1,426
Aug., 1944	82,769	91,047	139,515	---	50,991	-8,278
Sept., 1944	82,776	88,384	118,054	---	51,412	-5,608
Oct., 1944	82,653	89,068	126,590	---	49,358	-6,415
Nov., 1944	76,466	87,145	127,517	---	58,051	-10,679
Dec., 1944	76,799	82,649	156,800	---	66,780	-5,850
Jan., 1945	73,640	67,726	145,904	---	59,715	+5,914

\*Mine or smelter production or shipments, and custom intake including scrap.  
†Beginning March, 1941, includes deliveries of duty paid foreign copper for domestic consumption.

‡At refineries on consignment and in exchange warehouses, but not including consumers' stocks at their plants or warehouses.

Note—Statistics for the month of December, 1944 and for the calendar year 1944 have been revised.

### National Fertilizer Association Commodity Price Index Advances Slightly

The weekly wholesale commodity price index, compiled by The National Fertilizer Association and made public on Feb. 12, advanced fractionally to its previous peak of 140.1 in the week ending Feb. 10, 1945, from 140.0 in the preceding week. A month ago the index stood at 139.9 and a year ago at 137.0, based on the 1935-1939 average at 100. The report added:

Only one of the composite groups of the index advanced during the week. The textiles index showed a slight rise reflecting the prices of raw cotton. The foods index was unchanged, although the fats and oils and cottonseed oil subgroups advanced slightly because of higher quotations for cottonseed oil. The advance in the prices for potatoes offset the decline in the price for eggs. The farm products group remained unchanged. The subgroups of cotton and grains advanced and that for livestock declined with all changing prices moving within a narrow range. Wheat quotations were mixed and those for rye declined. Prices for good cattle declined while higher quotations were given for calves, lambs and sheep. Egg prices also declined seasonally. All other groups in the index remained the same.

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

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

Each Group Bears to Total Index	Group	Latest Preceding Month Year			
		Feb. 10, 1945	Feb. 3, 1945	Jan. 13, 1945	Feb. 12, 1944
25.3	Food	142.9	142.9	144.2	139.0
	Fats and Oils	145.3	144.9	144.6	146.1
	Cottonseed Oil	163.1	161.8	160.7	159.6
23.0	Farm Products	165.0	165.0	164.8	155.9
	Cotton	203.4	202.9	207.8	197.5
	Grains	162.7	161.8	159.4	164.8
	Livestock	159.9	160.3	159.7	146.3
17.3	Fuels	130.4	130.4	130.4	130.1
10.8	Miscellaneous Commodities	133.4	133.4	133.4	131.4
8.2	Textiles	155.5	155.4	156.2	151.5
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	140.1	140.0	139.9	137.0

\*Indexes on 1926-1928 base were: Feb. 10, 1945, 109.1; Feb. 3, 1945, 109.1, and Feb. 12, 1944, 106.7.

### Wholesale Prices for Week Ended February 3

Average prices for commodities at the primary market level moved within a very narrow range during the week ended Feb. 3, said the weekly report issued by the U. S. Department of Labor on Feb. 8, which continued by saying:

"Minor declines in prices for farm products, foods and metals and metal products were offset by slight increases for textile products, fuel and lighting materials, house furnishing goods and miscellaneous commodities. The all-commodity index remained unchanged at 104.7% of the 1926 average, 0.1% higher than at this time last month and 1.6% higher than a year ago." The Department further said:

"Farm Products and Foods—Seasonally lower prices for eggs together with fractional declines in prices for corn and wheat, and lower quotations for steers, cotton, apples and potatoes accounted for a decline of 0.1% in average prices for farm products in primary markets during the week. Higher prices were reported for oats and rye, for cows and sheep, and for lemons, oranges and onions. In the past four weeks prices for farm products have dropped 0.2% but were nearly 3% higher than early in February a year ago.

"Average prices for foods also declined 0.1% during the week. In addition to a 3.6% decrease for eggs and lower quotations for apples and potatoes, wheat flour was lower at the Kansas City mills. Rye flour, on the contrary, advanced more than 4%. Since early in January prices for foods have dropped 0.3% and were only 0.1% higher than at this time last year.

"Industrial Commodities—An upward adjustment in ceiling prices resulted in an increase of \$4.00 per ton for wood pulp late

in January. Higher prices were also permitted for blankets. The textile products group index advanced slightly as a result of increased prices for shirting.

"Higher sales realization prices for electricity brought the fuel and lighting materials index up 0.1%. In the building materials group higher prices for turpentine were counterbalanced by lower prices for maple flooring and the building materials group index remained unchanged at last week's level.

"A slight reaction occurred in the mercury market and prices dropped 1.4% when it was believed that certain producers who had been withholding mercury for higher prices would become impatient and release their supplies."

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 Jan. 6, 1945 and Feb. 5, 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. 27, 1945 to Feb. 3, 1945:

WHOLESALE PRICES FOR WEEK ENDED FEB. 3, 1945  
(1926=100)

Commodity Groups—	2-3	1-27	1-20	1-6	2-5	Percentage change to Feb. 3, 1945 from—		
	1945	1945	1945	1945	1944	1-27 1945	1-6 1945	2-5 1944
All commodities	104.7	104.7	104.8	104.6	103.1	0	+0.1	+1.6
Farm products	125.7	125.8	126.6	125.9	122.1	-0.1	-0.2	+2.9
Foods	164.3	164.4	165.0	164.6	164.2	-0.1	-0.3	+0.1
Hides and leather products	117.9	117.9	117.9	117.9	117.7	0	0	+0.2
Textile products	99.1	99.0	99.0	99.0	97.2	+0.1	+0.1	+2.0
Fuel and lighting materials	84.0	83.9	83.9	83.6	83.2	+0.1	+0.5	+1.0
Metals and metal products	104.2	104.3	104.2	103.9	103.8	-0.1	+0.3	+0.4
Building materials	116.7	116.7	116.7	116.4	113.5	0	+0.3	+2.8
Chemicals and allied products	94.9	94.9	94.9	94.9	95.1	0	0	-0.2
Housefurnishing goods	106.2	106.1	106.1	106.1	104.4	+0.1	+0.1	+1.7
Miscellaneous commodities	94.1	94.0	94.0	93.9	93.0	+0.1	+0.2	+1.2
Raw materials	115.3	115.3	115.8	115.4	112.4	0	-0.1	+2.6
Semimanufactured articles	94.8	94.8	94.8	94.7	93.2	0	+0.1	+1.7
Manufactured products	101.6	101.6	101.6	101.3	100.5	0	+0.3	+1.1
All commodities other than farm products	100.1	100.0	100.0	99.9	99.0	+0.1	+0.2	+1.1
All commodities other than farm products and foods	99.3	99.3	99.3	99.1	98.0	0	+0.2	+1.3

\*Revised. The revised weekly and monthly index numbers back to October, 1941 are available in mimeographed form upon request.

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM JAN. 27, 1945 TO FEB. 3, 1945

Fruits and vegetables	Increases	
	0.6 Cotton goods	0.3
Livestock and poultry	0.5 Paper and pulp	0.2
Furnishings	0.1	
Decreases		
Other foods	0.7 Other farm products	0.6
Grains	0.2	

### Non-Ferrous Metals — Antimony Allocation Imposed by WPB — Lead Order Amended

"E. & M. J. Metal and Mineral Markets," in its issue of Feb. 8, stated: "Antimony was returned to full control last week to maintain an adequate supply for the war program. The expected revision of the lead order was announced by WPB, halting the sale of various non-essential items now on the prohibited list, and increasing moderately the percentage of lead available for production of civilian storage batteries in the first-quarter period. The order regulating inventories of sheet aluminum was tightened. Quicksilver was offered more freely, yet prices averaged about \$2 per flask above the level established in the preceding week." The publication further went on to say in part as follows:

#### Copper

Requests for copper remain large. Consumers are buying March metal in volume, which points to another month of heavy shipments.

During January 5,750 metric tons of copper were earmarked here for shipment to France, it was stated officially. In the next six months about 12,000 tons will be set aside for that country under the war program.

#### Lead

General Preference Order M-38 amended Feb. 1, 1945, increases the allowable use of lead in storage batteries for civilian use during the first quarter of 1945 from 30% of the 1944 base period to 37½%, with subsequent allotments for quarterly periods to be announced. Lead uses were also liberalized moderately where the essentiality in the war effort had been established and substitutions cannot be effected.

Restrictions were tightened through redefining lead to include scrap lead and any alloy containing 50% or more by weight of metallic lead.

WPB announced that unless the uses of lead for non-essential purposes are substantially curtailed

further drastic restrictions are inevitable.

Demand for lead last week was active, sales involving 12,366 tons, against 9,095 tons in the preceding week.

Canada is preparing to increase production of lead. Mine output in Canada dropped from a monthly high of 16,355 tons in January, 1944, to 9,185 tons in October.

#### Zinc

Though imports of zinc from Canada and Austria are expected to increase, the market situation in Special High Grade and Prime Western remains tight. The trend of events in Europe may have a bearing on the question of whether allocation will be necessary. The supply outlook will be reviewed at the next meeting of the advisory committee. Demand for zinc last week was quite active.

#### Magnesium Production

Magnesium production dropped sharply during November, owing chiefly to decreased requirements. Output of primary metal in November totaled 12,475,000 lb., against 16,611,000 lb. in October and 18,463,000 lb. in September. The monthly peak in production during 1944 was 41,100,000 lb. in January.

Recovery of secondary magnesium in November came to 2,121,000 lb., against 2,819,000 lb. in October, according to the Aluminum and Magnesium Division, WPB.

November and October

magnesium statistics, in pounds, follow:

	Nov.	Oct.
Primary magnesium	12,475,000	16,611,000
Secondary magnesium	2,121,000	2,819,000
Product shipments:		
Sand castings	5,919,000	6,062,000
Permanent mold	521,000	515,000
Die castings	199,000	161,000
Forgings	25,000	25,000
Extrusions	664,000	1,130,000
Sheet, strip, etc.	161,000	153,000

The figures on fabricated products do not cover incendiary bomb body castings, extruded sheet stocks, forging stock, and sticks.

#### Antimony

The heavy demand for antimony oxide for flameproofing tents, etc., and manufacturing flame-retarding paint for the war program has created a tight situation in the metal. Under revised Order M-112, effective Feb. 10, 1945, the Tin-Lead-Zinc Division of WPB will assume full control of the deliveries and use of antimony. Consumption now exceeds production, and the stockpile is being reduced appreciably.

#### Aluminum

Under Direction 21 to CMP 2, issued by WPB on Feb. 1, a user of 10,000 lb. or more a month of aluminum sheet, strip, or plate is not permitted to accept delivery if its inventory, because of such acceptance, would exceed 30 days' requirements for authorized production. Users previously were limited to 60 days. The inventory restrictions were imposed because of heavy demands for aluminum in these forms.

#### Tin

The outlook for tin has not changed, and WPB regulations are not expected to ease for some time to come. In fact, so far as tin-plate operations are concerned, it is thought that production might be reduced somewhat in the second quarter, and electrolytic lines may be called upon to carry a greater load to conserve on tin.

Details of the price advance agreed upon for Bolivian tin concentrate have not been ironed out as yet, but producers look forward to an early settlement.

Straits quality tin continues at 52c. per pound, with shipment prices nominally as follows:

	Feb.	March	April
February 1	52.000	52.000	52.000
February 2	52.000	52.000	52.000
February 3	52.000	52.000	52.000
February 5	52.000	52.000	52.000
February 6	52.000	52.000	52.000
February 7	52.000	52.000	52.000

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

#### Quicksilver

Favorable war news, coupled with rumors to the effect that metal is being offered here for shipment from Spain, caused some irregularity in prices. Early in the week some sellers raised their views to \$175, but before the week ended business was transacted in round lots at prices ranging from \$167 to \$172 per flask. So far as could be learned, there have been no firm offers of Spanish metal, but dealers did ask consumers to submit bids on prospects of doing business. In spite of this development, the tone of the market was generally regarded as firm.

#### Silver

The London market was quiet and the price unchanged at 25½d. per fine ounce. The New York Official for foreign silver continued at 44¼c., with domestic metal at 70½c.

## Daily Average Crude Oil Production for Week Ended Feb. 3, 1945 Declined 3,750 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Feb. 3, 1945, was 4,723,400 barrels, a decrease of 3,750 barrels when compared with the preceding week, and 33,400 barrels below the daily average figure recommended by the Petroleum Administration for War for the month of February, 1945. The current figure, however, exceeded the output in the week ended Feb. 5, 1944, by 323,250 barrels per day. Daily production for the four weeks ended Feb. 3, 1945, averaged 4,726,750 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,662,000 barrels of crude oil daily and produced 14,535,000 barrels of gasoline; 1,325,000 barrels of kerosine; 4,559,000 barrels of distillate fuel, and 9,377,000 barrels of residual fuel oil during the week ended Feb. 3, 1945, and had in storage at the end of the week; 47,660,000 barrels of civilian grade gasoline; 43,374,000 barrels of military and other gasoline; 8,796,000 barrels of kerosine; 32,370,000 barrels of distillate fuel, and 50,451,000 barrels of residual fuel oil.

	*P. A. W. Recommendations February	*State Allowables Begin Feb. 1, 1945	Actual Production Week Ended Feb. 3, 1945	Change from Previous Week	4 Weeks Ended Feb. 3, 1945	Week Ended Feb. 5, 1944
Oklahoma	360,000	360,500	1363,800	+ 1,900	362,250	328,500
Kansas	274,000	269,400	1,257,400	- 9,850	268,450	266,900
Nebraska	1,000		1950		950	1,100
Panhandle Texas			88,700		88,700	102,000
North Texas			143,150		143,150	139,950
West Texas			478,600		478,600	362,000
East Central Texas			144,050		144,050	110,250
East Texas			400,700	+ 15,000	385,750	390,600
Southwest Texas			342,350		342,350	288,250
Coastal Texas			552,600		552,600	516,600
<b>Total Texas</b>	<b>2,140,000</b>	<b>2,143,749</b>	<b>2,150,160</b>	<b>+ 15,000</b>	<b>2,135,200</b>	<b>1,909,650</b>
North Louisiana			68,300	+ 300	68,600	78,750
Coastal Louisiana			289,200		289,200	283,100
<b>Total Louisiana</b>	<b>360,000</b>	<b>396,800</b>	<b>357,500</b>	<b>+ 300</b>	<b>357,800</b>	<b>361,850</b>
Arkansas	80,000	80,317	81,550	+ 250	81,500	78,750
Mississippi	53,000		48,150	- 700	48,700	45,800
Alabama	300		300		300	
Florida			50		50	
Illinois	198,000		194,500	- 6,550	199,350	218,400
Indiana	12,000		13,200	+ 600	12,850	13,300
Eastern (Not incl. Ill., Ind., Ky.)	68,200		58,150	+ 650	60,450	71,550
Kentucky	32,000		30,200	+ 750	29,950	21,750
Michigan	47,000		46,800	+ 100	46,700	51,600
Wyoming	100,000		94,850	- 3,150	97,600	98,350
Montana	23,000		19,650	- 750	20,200	20,950
Colorado	9,500		9,350	- 700	9,550	8,500
New Mexico	105,000	105,000	103,150		103,150	113,000
<b>Total East of Calif.</b>	<b>3,863,000</b>		<b>3,829,700</b>	<b>- 2,150</b>	<b>3,835,000</b>	<b>3,609,950</b>
California	893,800	893,800	893,700	- 1,600	891,750	790,200
<b>Total United States</b>	<b>4,756,800</b>		<b>4,723,400</b>	<b>- 3,750</b>	<b>4,726,750</b>	<b>4,400,150</b>

\*P.A.W. recommendations and state allowables, as shown above, represent the productive 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. Feb. 1, 1945.

‡This is the net basic allowable as of Feb. 1 calculated on a 28-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 14 days, the entire state was ordered shut down for 6 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 6 days shutdown time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED FEB. 3, 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 Crude Runs			% Gasoline		% Stocks		% Gasoline Stocks	
	Capacity	Actual	Operating	Production of Ref. Inc. Nat. & Dist. Blended	Gas Oil Fuel Oil	Residual Fuel Oil	Mill. and Other	Civilian and Military	Grade
East Coast	100.0	728	99.9	1,779	6,794	5,151	6,410	6,338	
Appalachian									
District No. 1	83.9	101	77.7	340	393	260	1,331	1,335	
District No. 2	87.2	60	127.7	199	194	233	591	1,121	
Ind., Ill., Ky.	85.2	761	92.4	2,926	4,783	2,610	6,391	14,830	
Okl., Kans., Mo.	80.2	369	88.3	1,337	1,913	1,238	2,266	6,967	
Inland Texas	66.9	232	83.5	921	358	674	1,139	1,724	
Texas Gulf Coast	90.5	1,139	97.8	3,393	6,398	8,566	9,968	5,309	
Louisiana Gulf Coast	95.5	229	94.6	771	1,536	1,308	2,463	1,944	
No. La. & Arkansas	68.0	82	78.8	213	784	258	945	1,856	
Rocky Mountain									
District No. 3	17.0	10	76.9	33	15	28	10	71	
District No. 4	58.3	106	75.2	352	340	575	582	1,270	
California	89.9	845	103.4	2,271	9,470	29,550	11,278	4,895	
<b>Total U. S. B. of M. basis Feb. 3, 1945</b>	<b>87.2</b>	<b>4,662</b>	<b>95.0</b>	<b>14,535</b>	<b>32,370</b>	<b>50,451</b>	<b>*43,374</b>	<b>47,660</b>	
<b>Total U. S. B. of M. basis Jan. 27, 1945</b>	<b>87.2</b>	<b>4,756</b>	<b>96.9</b>	<b>14,957</b>	<b>33,651</b>	<b>51,119</b>	<b>42,811</b>	<b>46,412</b>	
<b>U. S. Bur. of Mines basis Feb. 5, 1944</b>		<b>4,358</b>		<b>13,114</b>	<b>36,333</b>	<b>52,956</b>	<b>36,263</b>	<b>45,341</b>	

\*Includes aviation, military, solvents and naphthas, and gasoline blending stocks currently indeterminate as to ultimate use, and 11,830,000 barrels of unfinished gasoline this week, compared with 11,949,000 barrels a year ago.

†Stocks at refineries, at bulk terminals, in transit and in pipe lines.

‡Not including 1,325,000 barrels of kerosine, 4,559,000 barrels of gas oil and distillate fuel oil and 9,377,000 barrels of residual fuel oil produced during the week ended Feb. 3, 1945, which compares with 1,673,000 barrels, 4,843,000 barrels and 9,252,000 barrels, respectively, in the preceding week and 1,620,000 barrels, 4,294,000 barrels and 8,943,000 barrels, respectively, in the week ended Feb. 5, 1944.

§Note—Stocks of kerosine at Feb. 3, 1945 amounted to 8,796,000 barrels, as against 8,481,000 barrels a week earlier and 8,187,000 barrels a year before.

## Trading on New York Exchanges

The Securities and Exchange Commission made public on Feb. 7 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. 20, 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. 20 (in round-lot transactions) totaled 2,994,259 shares, which amount was 14.83% of the total transactions on the Exchange of 10,095,210 shares. This compares with member trading during the week ended Jan. 13 of 3,706,422 shares, or 15.10% of the total trading of 12,274,350 shares. On the New York Curb Exchange, member trading during the week ended Jan. 20 amounted to 725,845 shares, or 13.90% of the total volume on that exchange of 5,244,895 shares. During the Jan. 13 week trading for the account of Curb members of 821,620 shares was 13.39% of total trading of 3,068,495 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. 20, 1945		
<b>A. Total Round-Lot Sales:</b>	<b>Total for week</b>	<b>%</b>
Short sales	212,150	
†Other sales	9,883,060	
<b>Total sales</b>	<b>10,095,210</b>	
<b>B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:</b>		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	792,150	
Short sales	81,700	
†Other sales	694,980	
<b>Total sales</b>	<b>776,680</b>	<b>7.77</b>
2. Other transactions initiated on the floor—		
Total purchases	438,210	
Short sales	18,300	
†Other sales	423,540	
<b>Total sales</b>	<b>441,840</b>	<b>4.36</b>
3. Other transactions initiated off the floor—		
Total purchases	255,734	
Short sales	23,500	
†Other sales	266,145	
<b>Total sales</b>	<b>289,645</b>	<b>2.70</b>
4. Total—		
Total purchases	1,486,094	
Short sales	123,500	
†Other sales	1,384,665	
<b>Total sales</b>	<b>1,508,165</b>	<b>14.83</b>

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

WEEK ENDED JAN. 20, 1945		
<b>A. Total Round-Lot Sales:</b>	<b>Total for week</b>	<b>%</b>
Short sales	28,790	
†Other sales	2,516,205	
<b>Total sales</b>	<b>2,544,895</b>	
<b>B. Round-Lot Transaction for Account of Members:</b>		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	171,540	
Short sales	7,305	
†Other sales	200,515	
<b>Total sales</b>	<b>207,820</b>	<b>7.45</b>
2. Other transactions initiated on the floor—		
Total purchases	82,050	
Short sales	7,900	
†Other sales	87,875	
<b>Total sales</b>	<b>95,775</b>	<b>3.49</b>
3. Other transactions initiated off the floor—		
Total purchases	52,085	
Short sales	6,300	
†Other sales	92,275	
<b>Total sales</b>	<b>98,575</b>	<b>2.96</b>
4. Total—		
Total purchases	305,675	
Short sales	21,505	
†Other sales	380,665	
<b>Total sales</b>	<b>402,170</b>	<b>13.90</b>
<b>C. Odd-Lot Transactions for Account of Specialists—</b>		
Customers' short sales	0	
†Customers' other sales	74,893	
<b>Total purchases</b>	<b>74,893</b>	
<b>Total sales</b>	<b>70,574</b>	

\*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."

## Bank Debits for Month of January

The Board of Governors of the Federal Reserve System issued on Feb. 10 its usual monthly summary of "bank debits," which we give below:

Federal Reserve District	—3 Months Ended—			
	Jan. 1945	Jan. 1944	Jan. 1945	Jan. 1944
<b>Total, 334 centers</b>	<b>82,743</b>	<b>71,904</b>	<b>251,799</b>	<b>213,427</b>
*New York City	34,990	27,031	102,684	79,293
*140 other centers	40,292	37,960	126,163	113,330
193 other centers	7,461	6,914	22,952	20,804
*Included in the national series covering 141 centers, available beginning in 1919.				

## NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Feb. 7 a summary for the week ended Jan. 27 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. 27, 1945	
<b>Odd-Lot Sales by Dealers (Customers' purchases)</b>	<b>Total for Week</b>
Number of orders	26,898
Number of shares	780,788
Dollar value	\$31,337,529
<b>Odd-Lot Purchases by Dealers (Customers' sales)</b>	
Number of Orders:	
Customers' short sales	217
Customers' other sales	23,312
<b>Customers' total sales</b>	<b>23,529</b>
<b>Number of Shares:</b>	
Customers' short sales	7,313
Customers' other sales	675,966
<b>Customers' total sales</b>	<b>683,279</b>
Dollar value	\$24,676,884
<b>Round-Lot Sales by Dealers</b>	
Number of Shares:	
Short sales	30
†Other sales	150,330
<b>Total sales</b>	<b>150,360</b>
<b>Round-Lot Purchases by Dealers:</b>	
Number of shares	243,590

\*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."

## Extends Restricted Mail to Province of Pesaro, Italy

Postmaster Albert Goldman announces information has been received from the Post Office Department, Washington 25, D. C., that effective Feb. 12, 1945, mail service for letters and postcards will be extended to the Province of Pesaro, Italy.

Letters and packages will be accepted for mailing up to a weight limit of 2 pounds 3 ounces. No merchandise of any kind can be enclosed, the service being restricted to communications (personal or business) which are not transactional in character.

The postage rate will be 5 cents for the first ounce and 3 cents for each additional ounce.

Registry service will be available.

As soon as the necessary facilities for the transmission of personal support remittances to individuals in the Province of Pesaro are re-established, proper announcement will be made by the Treasury and War Departments.

The service for parcel post packages containing merchandise is restricted to those addressed for delivery in Rome City, Naples City, Palermo City and Vatican City State.

## E. Baird Smith Dies

E. Baird Smith, Director of Public Relations of the American Standards Association, New York, died of a heart attack on Feb. 8 at his home on Old Roaring Brook Road, Chappaqua, N. Y., at the age of 38.

Mr. Smith had come only recently to the American Standards Association from his position as Assistant to the Director of the Conservation Division of the War Production Board. Prior to his work in Washington, Mr. Smith had been associated with Young and Rubicam Advertising Agency and the Crowell-Collier Publishing Company.

Born Nov. 19, 1906, son of Mildred Hammar and the late Robert Ritchie Smith. He was graduated from the School of Business, New York University.

## Revenue Freight Car Loadings During Week Ended Feb. 3, 1945 Decreased 20,190 Cars

Loading of revenue freight for the week ended Feb. 3, 1945 totaled 733,680 cars, the Association of American Railroads announced on Feb. 8. This was a decrease below the corresponding week of 1944 of 67,034 cars, or 8.3%, and a decrease below the same week in 1943 of 16,834 cars or 2.2%.

Loading of revenue freight for the week of Feb. 3, decreased 20,190 cars, or 2.7% below the preceding week.

Miscellaneous freight loading totaled 363,698 cars, a decrease of 3,520 cars below the preceding week, and a decrease of 9,991 cars below the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 93,736 cars, a decrease of 2,545 cars below the preceding week, and a decrease of 8,739 cars below the corresponding week in 1944.

Coal loading amounted to 157,564 cars, a decrease of 7,657 cars below the preceding week, and a decrease of 25,219 cars below the corresponding week in 1944.

Grain and grain products loading totaled 41,732 cars, a decrease of 2,024 cars below the preceding week and a decrease of 13,538 cars below the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of Feb. 3, totaled 29,025 cars, a decrease of 603 cars below the preceding week and a decrease of 9,813 cars below the corresponding week in 1944.

Livestock loading amounted to 14,031 cars, a decrease of 571 cars below the preceding week and a decrease of 1,305 cars below the corresponding week in 1944. In the Western Districts alone loading of livestock for the week of Feb. 3, totaled 10,452 cars, a decrease of 168 cars below the preceding week, and a decrease of 590 cars below the corresponding week in 1944.

Forest products loading totaled 43,449 cars, an increase of 2,677 cars above the preceding week, but a decrease of 2,759 cars below the corresponding week in 1944.

Ore loading amounted to 10,215 cars, a decrease of 1,413 cars below the preceding week and a decrease of 4,656 cars below the corresponding week in 1944.

Coke loading amounted to 14,255 cars, a decrease of 137 cars below the preceding week, and a decrease of 827 cars below the corresponding week in 1944.

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

	1945	1944	1943
4 Weeks of January	3,001,544	3,158,700	2,910,638
Week of February 3	738,680	805,714	755,514
Total	3,740,224	3,964,414	3,666,152

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Feb. 3, 1945. During this period only 42 roads showed increases when compared with the corresponding week a year ago.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED FEB. 3

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
<b>Eastern District—</b>					
Ann Arbor	303	257	240	1,409	1,552
Bangor & Aroostook	2,026	2,463	2,321	447	235
Boston & Maine	6,228	6,708	5,754	14,236	15,364
Chicago, Indianapolis & Louisville	1,181	1,460	1,329	2,122	2,228
Central Indiana	31	37	53	46	33
Central Vermont	999	1,020	911	2,721	2,170
Delaware & Hudson	3,781	5,541	6,399	13,508	13,567
Delaware, Lackawanna & Western	5,568	7,392	7,799	8,165	11,109
Detroit & Mackinac	155	169	225	102	117
Detroit, Toledo & Ironton	1,681	2,102	1,845	2,218	1,855
Detroit & Toledo Shore Line	403	323	217	3,220	3,750
Erie	10,053	12,238	12,540	14,271	19,855
Grand Trunk Western	3,513	3,712	3,667	9,050	9,495
Lehigh & Hudson River	132	161	161	3,892	3,592
Lehigh & New England	1,426	1,914	1,922	1,455	1,507
Lehigh Valley	5,654	8,748	7,870	9,366	17,257
Maine Central	2,276	2,444	2,340	3,997	4,254
Monongahela	4,266	5,647	6,035	229	320
Montour	2,116	2,476	2,587	25	19
New York Central Lines	39,863	47,559	45,033	39,092	59,045
N. Y., N. H. & Hartford	9,192	9,868	9,040	17,093	20,133
New York, Ontario & Western	686	927	918	2,325	2,684
New York, Chicago & St. Louis	5,667	6,966	7,078	13,015	18,017
N. Y., Susquehanna & Western	409	549	392	2,602	2,678
Pittsburgh & Lake Erie	6,533	7,742	7,283	5,594	8,001
Pere Marquette	4,520	4,583	4,454	7,309	8,791
Pittsburg & Shawmut	658	854	712	10	35
Pittsburg, Shawmut & North	213	316	305	197	334
Pittsburgh & West Virginia	842	1,259	942	3,034	2,748
Rutland	335	398	235	833	948
Wabash	5,977	6,403	5,807	10,801	13,474
Wheeling & Lake Erie	4,721	5,001	4,626	5,002	5,030
<b>Total</b>	<b>131,447</b>	<b>157,276</b>	<b>151,200</b>	<b>197,358</b>	<b>250,172</b>

Allegheny District—					
Akron, Canton & Youngstown	791	701	745	1,432	1,462
Baltimore & Ohio	35,601	42,600	37,228	25,108	28,399
Bessemer & Lake Erie	2,088	3,302	3,322	1,424	1,489
Buffalo Creek & Gaultley	†	†	252	†	†
Cambria & Indiana	967	1,843	1,919	2	2
Central R. R. of New Jersey	5,617	6,558	6,413	18,687	21,430
Cornwall	317	623	445	40	85
Cumberland & Pennsylvania	148	276	261	7	13
Ligonier Valley	70	137	128	45	42
Long Island	1,116	1,386	987	3,282	3,630
Penn.-Reading Seashore Lines	1,545	1,684	1,480	2,337	2,659
Pennsylvania System	65,847	78,637	72,656	52,129	68,648
Reading Co.	11,634	15,470	14,076	25,550	31,612
Union (Pittsburgh)	17,384	19,990	20,616	2,910	5,247
Western Maryland	3,233	4,135	3,702	13,050	14,963
<b>Total</b>	<b>146,288</b>	<b>177,314</b>	<b>164,250</b>	<b>146,134</b>	<b>179,771</b>

Pocahontas District—					
Chesapeake & Ohio	27,390	29,210	26,148	11,747	12,310
Norfolk & Western	21,066	22,471	20,911	9,591	7,575
Virginian	4,766	4,593	4,815	2,487	2,404
<b>Total</b>	<b>53,222</b>	<b>56,274</b>	<b>51,874</b>	<b>23,825</b>	<b>22,289</b>

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
<b>Southern District—</b>					
Alabama, Tennessee & Northern	431	325	389	385	382
Atl. & W. P.—W. R. R. of Ala.	842	879	754	2,780	2,464
Atlanta, Birmingham & Coast	988	730	638	1,534	1,399
Atlantic Coast Line	13,721	13,672	14,948	13,120	12,218
Central of Georgia	4,051	4,120	4,060	5,392	5,622
Charleston & Western Carolina	498	411	433	1,861	1,856
Cinchfield	1,714	1,733	1,620	3,707	3,982
Columbus & Greenville	298	318	365	262	352
Durham & Southern	119	91	139	655	849
Florida East Coast	3,091	3,207	3,181	1,534	1,909
Gainesville Midland	75	55	37	163	142
Georgia	1,069	1,155	1,602	2,696	2,697
Georgia & Florida	396	443	400	859	968
Gulf, Mobile & Ohio	4,906	4,231	3,621	4,602	4,234
Illinois Central System	26,838	29,677	25,604	17,904	18,274
Louisville & Nashville	25,373	25,831	25,053	11,653	12,366
Macon, Dublin & Savannah	185	132	179	772	967
Mississippi Central	321	332	249	550	672
Nashville, Chattanooga & St. L.	3,371	3,331	3,301	4,926	5,171
Norfolk Southern	957	1,086	1,197	1,817	1,677
Piedmont Northern	468	430	352	1,440	1,662
Richmond, Fred. & Potomac	527	431	323	9,476	11,902
Seaboard Air Line	10,811	11,110	10,546	9,411	10,078
Southern System	24,353	23,801	21,191	26,487	26,144
Tennessee Central	701	688	475	763	1,114
Winston-Salem Southbound	147	147	108	1,409	1,299
<b>Total</b>	<b>126,251</b>	<b>128,366</b>	<b>120,715</b>	<b>126,138</b>	<b>130,400</b>

Northwestern District—					
Chicago & North Western	15,359	16,264	14,397	13,203	14,430
Chicago Great Western	2,466	2,902	2,475	3,273	3,527
Chicago, Milw., St. P. & Pac.	21,601	22,001	19,399	10,458	11,052
Chicago, St. Paul, Minn. & Omaha	3,310	3,882	3,799	4,064	4,075
Duluth, Missabe & Iron Range	1,317	1,372	1,380	280	222
Duluth, South Shore & Atlantic	658	798	630	580	559
Elgin, Joliet & Eastern	8,335	8,787	8,830	11,883	10,783
Ft. Dodge, Des Moines & South	303	452	329	93	88
Great Northern	10,828	12,475	10,224	5,338	5,763
Green Bay & Western	489	463	443	976	1,044
Lake Superior & Ishpeming	260	267	245	79	70
Minnesota & St. Louis	1,905	2,259	1,935	2,497	2,662
Minn., St. Paul & S. S. M.	4,725	5,431	4,834	3,282	3,910
Northern Pacific	9,401	10,106	8,876	5,602	5,380
Spokane International	244	117	39	614	683
Spokane, Portland & Seattle	2,509	2,246	1,480	3,548	2,829
<b>Total</b>	<b>83,774</b>	<b>89,822</b>	<b>79,342</b>	<b>65,780</b>	<b>67,077</b>

Central Western District—					
Atch., Top. & Santa Fe System	24,038	21,538	20,834	13,948	14,425
Alton	3,534	3,078	3,039	4,481	4,301
Bingham & Garfield	410	536	490	102	95
Chicago, Burlington & Quincy	19,574	21,422	18,822	12,274	12,235
Chicago & Illinois Midland	3,096	2,962	2,773	838	848
Chicago, Rock Island & Pacific	12,039	12,385	11,605	13,648	13,195
Chicago & Eastern Illinois	2,698	2,836	2,291	4,279	5,709
Colorado & Southern	730	747	716	2,150	2,249
Denver & Rio Grande Western	4,033	3,811	3,812	5,988	5,433
Denver & Salt Lake	768	933	862	22	8
Fort Worth & Denver City	906	901	995	1,475	1,597
Illinois Terminal	2,246	2,144	1,622	1,971	1,888
Missouri-Illinois	926	982	861	562	491
Nevada Northern	1,421	1,914	2,021	119	119
North Western Pacific	734	637	577	936	772
Peoria & Pekin Union	7	18	24	0	0
Southern Pacific (Pacific)	29,178	28,848	25,981	14,733	15,655
Toledo, Peoria & Western	297	486	297	1,952	2,186
Union Pacific System	17,272	16,279	13,866	14,976	16,783
Utah	543	713	593	0	0
Western Pacific	1,781	1,441	2,282	3,776	2,779
<b>Total</b>	<b>126,231</b>	<b>124,611</b>	<b>114,363</b>	<b>98,270</b>	<b>100,776</b>

Southwestern District—					
Burlington-Rock Island	392	267	888	556	431
Gulf Coast Lines	6,091	7,584	6,781	2,742	2,948
International-Great Northern	2,695	1,829	3,204	4,160	4,068
Kansas, Oklahoma & Gulf	261	158	350	1,150	1,242
Kansas City Southern	4,650	5,157	5,325	3,041	2,815
Louisiana & Arkansas	3,659	3,275	3,477	3,023	2,615
Litchfield & Madison	326	332	320	1,233	1,228
Midland Valley	662	803	663	475	483
Missouri & Arkansas	165	238	144	602	505
Missouri-Kansas-Texas Lines	6,835	5,303	6,435	5,070	5,580
Missouri Pacific	17,556	16,867	16,828	17,827	20,976
Quanaah Acme & Pacific	66	118	112	343	293
St. Louis-San Francisco	9,206	8,524	8,933	8,266	10,661
St. Louis Southwestern	3,437	3,161	3,051	6,937	6,634
Texas & New Orleans	10,289	13,410	12,860	5,880	5,581
Texas & Pacific	5,054	4,921	4,294	8,561	8,521
Wichita Falls & Southern	93	72	95	57	52
Weatherford M. W. & N. W.	30	21	20	45	27
<b>Total</b>	<b>71,467</b>	<b>72,051</b>	<b>73</b>		

## Items About Banks, Trust Companies

N. Baxter Jackson, First Vice-President of the Chemical Bank & Trust Company of New York, announced on Feb. 8 that W. Donald Jordan was appointed Assistant Treasurer at a meeting of the Board of Directors held Feb. 7. Mr. Jordan graduated from the Columbia University School of Business in the class of 1922 and joined the staff of the bank in 1930.

The Depositors Trust Co. of Augusta, Me., recently announced its intention to increase its capital stock by offering 10,000 shares of stock at \$25 par for \$35 per share to the present stockholders, in the ratio of one new for four existing shares.

The Boston "News Bureau" advises further stated:

"Period in which subscription rights may be exercised will run from Feb. 8 to March 3. This bank has the largest volume of deposits of any commercial bank in Maine, amounting at Dec. 31 last to around \$30,000,000.

"The proposed addition will increase capital to 50,000 shares, after which the bank will have capital of \$1,250,000, surplus of \$625,000 and undivided profits of \$535,000, a total of \$2,410,000."

Ernest E. Rogers, former Lieutenant Governor of Connecticut, and President of the Winthrop Trust Co., New London, Conn., since 1922, died on Jan. 28 at 79 years of age. Associated Press advises from New London said:

"Mr. Rogers, former Mayor of New London and one-time State Treasurer, was Republican candidate for Governor in 1930, being defeated by Dr. Wilbur L. Cross. He was former President of the Connecticut State Chamber of Commerce.

Thomas A. Loughlin was recently advanced to President and Treasurer from Secretary and Treasurer of the United States Savings Bank, Newark, N. J., it was announced by Benjamin Fairbanks, President of the bank, who added that Mr. Loughlin was also elected a member of the Board's Finance Committee. The Newark "News," from which this is learned, said:

"He [Mr. Loughlin] is First Vice-President and member of the Executive Committee of the New Jersey Savings Banks Association, Second Vice-President of the Essex County Bankers Association and is a member of the Board of Governors of Essex County Chapter, American Institute of Banking."

Charles N. Caldwell, Vice-President and Director of the First National Bank, Nutley, N. J., died on Feb. 1 at the age of 78. Mr. Caldwell, who held posts with the bank for 12 years, retired as General Manager of the Eastman Machine Corp. of New York in 1929.

W. Logan McCoy, President of the Provident Trust Co., Philadelphia, Pa., announced recently the following among changes in the staff of the bank:

Charles F. Nagel, from Assistant Treasurer to Assistant Vice President; Louis F. Richter, appointed Assistant Treasurer; Louis J. Knodel, from Trust Officer to Senior Trust Officer; Robert Colman, from Assistant Trust Investment Officer to Assistant Vice-President; Hamilton M. Redman, Frank G. Royce and Allen G. Powell, from Assistant Trust Officers to Trust Officers.

The election of Richard O. Ludebuehl, formerly Assistant Treasurer, as Trust Officer of the Union Trust Co. of Pittsburgh, Pa., was recently announced, according to the "Post-Gazette" of Pittsburgh, which also reported that "other officers also named were: Milton

C. Smith, Investment Officer; Walter T. Schmitt, Assistant Treasurer, and Fred G. DeLong, Assistant Secretary.

The Maryland Trust Co., Baltimore, Md., announced on Feb. 1 the election of Alexander Gordon, 3rd, as Trust Officer, succeeding the late George B. Pelton. "Mr. Gordon," according to the Baltimore "Sun," "was formerly associated with the law firm of Armstrong, Machen, Allen and Eney."

The election of Guy T. O. Hollyday, President of the Title Guarantee & Trust Co. of Baltimore; John M. Nelson, Jr., President of Nelson Corp.; and D. Luke Hopkins, Vice-President of the Maryland Trust Co., as Directors of the Savings Bank of Baltimore, Baltimore, Md., was announced on Feb. 6, following the annual meeting of the bank.

Charles Sindlinger, Vice-President of the Lincoln National Bank, Cincinnati, O., and one of the city's oldest bankers, announced on Jan. 30 his intention to retire. He has been connected with the Lincoln National for 62 years. The Cincinnati "Enquirer" in reporting this said:

Mr. Sindlinger joined the bank in 1883, was appointed Assistant Cashier in 1917, and was named Vice-President in 1939.

After it had been issued a State charter on Feb. 2, the Steel City Bank of South Chicago, Chicago, Ill., opened its doors for business the next day. The Chicago "Journal of Commerce" in reporting the opening of the new bank said:

"More than 300 stockholders have purchased 20,000 shares of stock at \$13.50. The bank is capitalized at \$200,000, with a surplus of \$50,000 and a reserve of \$20,000. The officers are: Eugene A. Dufresne, President; N. A. Uddman, Joseph C. Brodzinski, and Harry Brainin, Vice-President; Walter T. Larsen, Cashier; Francis A. Shupryt, and William C. Howell, Assistant Cashiers."

The election of Dewey Shillerston as Trust Officer of the City National Bank, Kansas City, Mo., by the Directors, was made known on Feb. 8 by the Kansas City "Star," which added:

"Mr. Shillerston has been in the banking business for 18 years. He came to the City National two years ago, previously having been with the Union National Bank of Kansas City.

A small group headed by F. Donald McDonald, formerly Trust Officer of the Mutual Bank & Trust Co. of St. Louis, and Herold D. Ruel, formerly Assistant Trust Officer of Mutual Bank, has purchased control of Baden Bank in St. Louis from Alex Berger and some of his associates, according to the St. Louis "Globe-Democrat," on Feb. 6, which also said:

Mr. McDonald was elected President to succeed Mr. Berger. James A. Reid, Executive Vice-President; Mr. McDonald, and Mr. Ruel were elected to the Board to succeed Louis Jacobsmeyer, Eugene A. Freund and Sam M. Degen, all of whom sold their stock. No other changes were made in the directorate. Mr. Berger remains a director.

He had bought control and became President early in 1941.

Total capital, surplus and undivided profits are nearly \$500,000, and total deposits Dec. 31, 1944, were \$7,759,000 compared to \$2,890,000 on Dec. 31, 1940.

The directors of the Midland Bank, Ltd., report that, after appropriation to contingency accounts, out of which full provision has been made for all bad and doubtful debts, and net profit for the year 1944 amounts to £2,038,274 which, with £682,830 brought forward, makes £2,721,-

104 out of which the following appropriations amounting to £1,406,345 have been made: To interim dividend, paid July 15, 1944, for the half-year ended June 30, 1944, at the rate of 8% actual (1s. 7½d. per £1 of share capital paid up) less income tax, £606,345; to reserve fund, £700,000; to reserve for future contingencies, £100,000, leaving a sum of £1,314,759 from which the directors recommend a dividend, payable Feb. 1, next, for the half-year ended Dec. 31, 1944, at the rate of 8% actual (1s. 7½d. per £1 of share capital paid up) less income tax, £606,345, and a balance to be carried forward to the next account, £708,414.

The bank further reported that the total amount of available funds for 1944 is £2,721,104, compared with £2,645,520 for 1943 and £2,623,813 two years ago while total amount carried forward at the present time is £708,104, against £682,830 and £661,123 for 1943 and 1942, respectively.

The Board of Directors of Swiss Bank Corporation at a meeting held in Basle, Switzerland, on Feb. 6, approved accounts for 1944, showing net profits including carry over of 10,510,496 Swiss francs, against 10,241,943 Swiss francs for 1943, and total assets of 1,540,016,463 Swiss francs against 1,473,255,671 Swiss francs. At the general meeting to be held on March 2, the Board of Directors will propose a 4% dividend (same as last year), after which there would be a carry over of 4,110,496 francs, against 3,841,943 francs.

## N. Y. Community Trust Disbursements in 1944

Appropriations by the New York Community Trust for charitable purposes reached a new high in 1944 when \$558,746.35 was paid out, compared with \$550,816 in the preceding year, Ralph Hayes, Director of the Institution announced recently. Disbursements were made from 46 memorial funds to 188 organizations. Payments went to 22 states; New York received the largest proportion, \$400,071, followed by California which received \$25,250.

The principal beneficiary was the Salvation Army to which \$65,692 was paid. To the James Foundation, organized by the Community Trust for operations principally in Missouri, \$50,000 was disbursed, and the Visiting Nurse Service of New York received \$40,218. The American Red Cross was given \$34,576 in 12 cities; St. Mary's Hospital for Children, \$28,000; the Community Service Society, \$27,586; and the Y. M. C. A., \$16,697.

Other recipients included Memorial Hospital, \$16,185; Hebrew University in Palestine, \$15,029; Mt. Sinai Hospital, \$15,000; United Hospital Fund, \$14,130; and National War Fund, \$11,500. Grants in Westchester County rose from \$10,773 in 1943 to \$11,833 last year.

Continuing a development first noted in 1942, less than half of last year's payments — 48.7% — came from "designated" funds, having attached to them precise preferential statements by their founders concerning their use. "Semi-designated" funds, whose founders indicate a general area of use within which the Community Trust makes more specific allocations, accounted for 50.7% of outpayments. The remaining 6% came from "designated" funds.

Grants by the Community Trust, which began with a total appropriation of \$20 in 1924, attained in annual volume of \$200,000 in 1934, and \$500,000 in 1942. Cumulative payments are now \$4,613,965.

## Roosevelt Asks Congress To Approve Bretton Woods Plans

(Continued from page 747)

the first crisis, in the situation that confronts us, loans and guarantees by agencies of Government will be essential.

We all know, however, that a prosperous world economy must be built on more than foreign investment. Exchange rates must be stabilized and the channels of trade opened up throughout the world. A large foreign trade after victory will generate production, and therefore wealth. It will also make possible the servicing of foreign investments.

Almost no one in the modern world produces what he eats and wears and lives in. It is only by the division of labor among people and among geographic areas, with all their varied resources, and by the increased all-around production which specialization makes possible, that any modern country can sustain its present population. It is through exchange and trade that efficient production in large units becomes possible. To expand the trading circle, to make it richer, more competitive, more varied, is a fundamental contribution to everybody's wealth and welfare.

It is time for the United States to take the lead in establishing the principle of economic cooperation as the foundation for expanded world trade. We propose to do this, not by setting up a super-government, but by international negotiation and agreement, directed to the improvement of the monetary institutions of the world and of the laws that govern trade.

We have done a good deal in those directions in the last ten years under the Trade Agreements Act of 1934 and through the stabilization fund operated by our Treasury. But our present enemies were powerful in those years too, and they devoted all their efforts not to international collaboration, but to autarchy and economic warfare. When victory is won we must be ready to go forward rapidly on a wide front. We all know very well that this will be a long and complicated business.

### Nature of Agreements

A good start has been made. The United Nations monetary conference at Bretton Woods has taken a long step forward on a matter of great practical importance to us all. The conference submitted a plan to create an international monetary fund which will put an end to monetary chaos. The fund is a financial institution to preserve stability and order in the exchange rates between different moneys. It does not create a single money for the world; neither we nor anyone else is ready to do that. There will still be a different money in each country, but with the fund in operation the value of each currency in international trade will remain comparatively stable. Changes in the value of foreign currencies will be made only after careful consideration by the fund of the factors involved.

Furthermore, and equally important, the fund agreement establishes a code of agreed principles for the conduct of exchange and currency affairs. In a nutshell, the fund agreement spells the difference between a world caught again in the maelstrom of panic and economic warfare culminating in war—as in the Nineteen Thirties—or a world in which the members strive for a better life through mutual trust, cooperation and assistance. The choice is ours.

I therefore recommend prompt action by the Congress to provide the subscription of the United States to the international mone-

tary fund and the legislation necessary for our membership in the fund.

The international fund and bank together represent one of the most sound and useful proposals for international collaboration now before us. On the other hand, I do not want to leave with you the impression that these proposals for the fund and bank are perfect in every detail.

It may well be that the experience of future years will show us how they can be improved. I do wish to make it clear, however, that these articles of agreement are the product of the best minds that forty-four nations could muster. These men, who represented nations from all parts of the globe, nations in all stages of economic development, nations with different political and economic philosophies, have reached an accord which is presented to you for your consideration and approval. It would be a tragedy if differences of opinion on minor details should lead us to sacrifice the basic agreement achieved on the major problems.

Nor do I want to leave with you the impression that the fund and the bank are all that we will need to solve the economic problems which will face the United Nations when the war is over. There are other problems which we will be called upon to solve. It is my expectation that other proposals will shortly be ready to submit to you for your consideration.

### Must Repeal Johnson Act

These will include the establishment of the food and agriculture organization of the United Nations, broadening and strengthening of the Trade Agreements Act of 1934, international agreement for the reduction of trade barriers, the control of cartels and the orderly marketing of world surpluses of certain commodities, a revision of the Export-Import Bank, and an international oil agreement, as well as proposals in the field of civil aviation, shipping and radio and wire communications. It will also be necessary, of course, to repeal the Johnson Act.

In this message I have recommended for your consideration the immediate adoption of the Bretton Woods agreements and suggested other measures which will have to be dealt with in the near future. They are all parts of a consistent whole.

That whole is our hope for a secure and fruitful world, a world in which plain people in all countries can work at tasks which they do well, exchange in peace the products of their labor and work out their several destinies in security and peace; a world in which Governments, as their major contribution to the common welfare, are highly and effectively resolved to work together in practical affairs and to guide all their actions by the knowledge that any policy or act that has effects abroad must be considered in the light of those effects.

The point in history at which we stand is full of promise and of danger. The world will either move toward unity and widely shared prosperity or it will move apart into necessarily competing economic blocs.

We have a chance, we citizens of the United States, to use our influence in favor of a more united and cooperating world. Whether we do so will determine, as far as it is in our power, the kind of lives our grandchildren can live.

FRANKLIN D. ROOSEVELT.  
The White House.  
Feb. 12, 1945.