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The Financial Situation

Appearing in behalf of a measure to enable the banks to extend more aid to the Treasury in financing the war through inflationary tactics, the Chairman of the Board of Governors of the Federal Reserve System was drawn by the Senate Banking and Currency Committee last week into a discussion of ways and means of avoiding or limiting the natural post-war effects of the type of war financing he would now assist. The Chairman's insistence upon a balanced post-war national budget is certainly sound and is as certainly welcome in thoughtful circles. His proposal for the adoption of measures "for full employment" is altogether too vague to admit of appraisal. If he means what most officials in Washington mean when they make such a statement, he cannot be too emphatically condemned. We hope there are not very many who would support him in his demand for continuation of price controls and material allocations—at least for more than a very brief transitional period.

Eliminate the Speculator?

But when the Chairman suggests that the "speculator" should be "eliminated" by the imposition of a crushing tax on capital gains he seems to have spoken before he had given the matter the thought it deserves. It is scarcely credible that he is really ready to eliminate the speculator from the economic system. He speaks of farm prices having risen 60%, urban homes 40 to 50%, and stocks 80%. Precisely where he obtains such figures it is rather difficult to guess, but one thing is quite clear. That is, the increases, whatever their amount, are not the result of the activities of the "speculator." Least of all are they due to any manipulative activity.

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Stettinius Reaffirms the Good Neighbor Policy

He Tells the Inter-American Conference the United States Will Aid Latin American Nations in Reconversion Problems. Favors Regional "Bloc," but Insists That Action Must Be in Line With Policy of World Peace Organization. Upholds Principles of Atlantic Charter and Crimea Conference but Insists Nazism and Aggression Must Be Permanently Eliminated and Nazi Leaders or War Criminals Find No Refuge in Any Nation. In Radio Address on Feb. 24, He Urges Participation of Small Nations in Post-War Peace Plan, Together "With Free Access to Information."

Secretary of State Edward R. Stettinius, Jr., in an address on Feb. 22 at the first plenary session of the Inter-American Conference



E. R. Stettinius, Jr.

on Problems of War and Peace, held at the Chapultepec Palace in Mexico City pledged a continuance of the good neighbor policy of the United States and reaffirmed the principles of the Atlantic Charter and the Yalta Conference "of permitting and assisting" all peoples to choose the form of government under which they will live. However, he insisted that Nazism and Fascism must be permanently stamped out, and that no refuge should be offered by any nations to Nazi or Fascist leaders to carry on underground activities and again disturb the peace of the world. He upheld a regional or-

ganization of nations and stated that "the United States Government believes that the stronger we can make the inter-American system in our own sphere of activity, the stronger the world organization will be." He disclosed further that "The United States intends to propose and support measures for closer cooperation among nations in public health, nutrition and food supply, labor, education, science, freedom of information, transportation and in economic development, including industrialization and the modernization of agriculture." This last statement was particularly pleasing to the Latin-American delegates to the Conference who are seriously concerned regarding the reconversion period from war to peace.

The full text of Secretary Stettinius' address follows:

Mr. President and fellow delegates:

I. It is an honor and a privilege for me to address on behalf

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Says Sterling Cannot Be Stabilized Until Britain Balances Her International Accounts

Dean Madden of New York University Predicts Great Britain's Industrial and Agricultural Productivity Will Increase and Her Most Difficult Financial Position Will Come in the Immediate Post-War Years. Says U. S. and Canada Can Help.

Until the international accounts of Great Britain have been balanced and the problem of the frozen sterling debt incurred abroad

during the war has been solved, it will be impossible to stabilize the pound sterling on a permanent basis which in turn will affect the international value of a number of currencies, according to a bulletin entitled "The Post-War International Financial Position of Great Britain" issued today by Dean John T. Madden, Director of the Institute of International Finance of New York University.



Dean J. T. Madden

According to the bulletin: "The international financial position of Great Britain has been adversely affected by the following developments: (1) The balance of payments position of the country has deteriorated because of the loss of foreign investments, the decline in commodity exports and the shrinkage of invisible exports. (2) Great Britain will emerge from the war with a large foreign short-term sterling debt owed primarily to Empire countries. (3) Some of the countries which before the war imported large quantities of manufactured

goods from Great Britain have become industrialized and it is uncertain whether the British will recapture these markets. (4) The agricultural position of Great Britain has undergone a considerable change. A much larger proportion of the foodstuffs consumed within the country is grown at home, but the cost of producing food is much higher in Great Britain than elsewhere. (5) The destruction of private and public buildings in Great Britain has been very great. So long as the nation is engaged in reconstruction it will not be able to export large quantities of goods. Moreover, the reconstruction will necessitate large imports that will further aggravate the balance of payments of the country. Great as these problems are, they are not insurmountable and under certain conditions they can be solved within a few years."

In discussing the balance of payments problem the bulletin states:

"The post-war balance of payments of Great Britain will show considerable changes. Even before the outbreak of the war Britain's ability to balance her current international accounts was already decreasing, and in the last two pre-war years these accounts showed a deficit of about \$55 million a year. These deficits could be easily covered with the then available gold and readily marketable foreign assets. After the war Great Britain will not occupy the creditor position she formerly enjoyed and her income from foreign investments will be much smaller than in the pre-war period. During five years of war Great Britain liquidated \$1,065 million of foreign investments in addition to disposing of substantial amounts of gold and dollar balances accumulated prior to the

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From Washington Ahead of the News

By CARLISLE BARGERON

Your correspondent is somewhat bewildered as he sets about to write this piece, because after spending the day checking up on the prospects of the manpower bill in Congress, he encountered a panhandler, the first one we had run into since Pearl Harbor when, a great boom came on, and since when, as we understand it, the "working class" have been sitting on the top of the world. "Full"

employment which could not be worked out in eight years and some \$45 billion of Government expenditure was finally accomplished, and a great economic easing came to everybody except those in the armed forces, and to a great majority of them.

This is by way of saying that the United States Senate was never in such a sweat in all of its collective life. There are not more than 10% of the members of the House who wanted to vote for the bill as it passed that body. But the squeeze was upon them. The military leaders said it was necessary. Not more than these same ten per cent thought it was, but what are they to do when the men are conducting the war, tell them seriously that it is necessary. Even then they hoped the Senate would kill it off and they depended upon the Senate to do this very thing.

The Senate has been stalling. Those who want to go along with



Carlisle Bargeron

the Administration have been stalling. They have hoped that something would happen in Europe to make the bill unnecessary, or rather to destroy the arguments for the bill. Against their attitude the Administration has come forward with the argument that the bill will be even more necessary after VE day. Their argument is, in effect, that all, or most of the people who have been working in these war plants, are patriots who want to get back to their homes or to the security of less paying jobs as soon as the emergency ends. The Administration forces contend that they will consider the emergency ended when VE day comes.

This runs counter to the experience of the personnel offices in these war plants who find that the overwhelming majority of these workers have been drawn into these plants because of the high wages, that a tremendous number of them are from the farms, are women and young girls; people who never in their lives before made such money. It also runs counter to our students of the post-war problems who insist that these tremendously increased and high wage earners will insist upon making this same money after the war; it also runs counter to the proposition in the legislation, sponsored by

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*These items appeared in our issue of Feb. 26, on pages indicated.

Lofty—and Silly!

"In the Americas, we must put an end to the Dantesque spectacle of men without homes, eaten away by tuberculosis, malaria, malnutrition and silicosis. An end must come in America to the somber picture that cannot be described in words—of the jobless man who, in the midst of his country's indifference, goes home night after night clenching his fists, without bread for his children.

"The coexistence of free, prosperous peoples with slave, poor peoples must be canceled definitely. . . . This American world must face once more, and with even greater danger, a renewal of the radical struggle between ideologies. . . . Peoples in desperation go to the extreme Left, Governments to the extreme Right. . . . Lest a catastrophe of tremendous implications is invited, there is only one answer to the enormous power of abundance and distribution—the very great consuming power of the masses. Let us organize it in America."—Ezequiel Padilla, Foreign Minister of Mexico.

These sentences are taken from an address which some reports from the scene describe as the "highlight" of the opening days of the inter-American sessions in Mexico City.

As an emotional appeal the address was apparently excellent. As an expression of high hopes and lofty ideals it was doubtless most effective.

As an attempt to outline feasible means by which such ideals could be realized it was hardly better than silly.

It was, however—all of it—quite in tune with the times.

And, according to despatches from the scene, it was addressed primarily to the United States—whence, obviously, came its inspiration.

American Tariff League Issues

Declaration of "Principles and Policy"

If the United States is to hold a position of constructive leadership among nations after the war, as envisaged in the Crimea and other recent international conferences, it must maintain a strong internal economy, the American Tariff League declared on Feb. 25.

In its new 2,500-word declaration of "Principles and Policy," the League pointed out that the basic requirement for a strong internal economy is a high degree of production. This, however, cannot be assured if the American producer loses the American market. The League said:

"In the United States, high wages and low prices are most likely to be possible when the volume of production is high. Volume cannot be high if the domestic producer loses the American market."

The declaration, which was made public by League Secretary Bertrand W. Hall, is divided into three principal sections: (1) What We Believe about Government and Business, (2) Economic Principles, and (3) Program. Included in the program are recommendations with respect to legislation and other measures for international economic cooperation involving changes in United States tariffs.

"Production, the chance to work and the American standards of living must be safeguarded from all forms of unfair competition from other nations," the League said in its statement, which adds:

"Tariff protects jobs and production by providing partial assurance against destructive competition from nations with lower standards of living.

"Government subsidies, differences in taxation, control of shipping, all forms of dumping, manipulation of money values and exchange are all elements in competition outside the control of our industries. These uncontrolled factors, in addition to lower levels of income and living, cannot be met by effective production alone."

Tariffs will play an important role in United States post-war economy, the League believes. Their abolition at this time and the substitution of free-trade would lead to a lowering of liv-

ing standards in this country. The statement continued:

"Were complete free-trade introduced into the world, the standards of living of the nations would, like water, seek a common level. The standard of living in the United States, now the highest in the world, would obviously have to sink to reach the common level."

The possibility of lowered tariffs in the future, however, is not overlooked.

"As levels of income, wages and living go up in other countries," the statement went on, "our need for tariff and other controls should be less."

Until then, some measure of protection for American producers and American workers should be maintained.

While the League favors a healthy and mutually profitable export and import trade and hopes to see all nations of the world increase their standards of living, "it holds as a primary principle," the declaration states, "that, in the consideration of any phase of international trade, the standards of living, the means of production, the production and the employment so provided in the United States shall not be unduly sacrificed."

Since 1934, the League pointed out, the United States has reduced more than 1,200 of its tariff rates, approximately half of them by the full 50% allowable under the Reciprocal Trade Agreements Act. "This," the statement declared, "has been a drastic lowering of our tariffs unequalled by any other great trading nation."

The League favors international trade rules "which will increase the flow of needed goods between nations without subjecting any nation to unfair competition." However, in any program for international economic cooperation

which involves changes in United States tariffs, it believes, the following principles should govern this country's action:

"No further change in tariff should be made which will result in undue injury to an efficiently and economically conducted domestic production in agriculture or industry.

"In such an exchange of concessions, no United States duty should be reduced, except in exchange for a reasonably equivalent reduction in tariff from each other nation to whom the reduced United States rate is given.

"In considering what is a proper rate of United States duty, there should be taken into account the difference in wages of this and competing countries, as such are reflected in unit cost of production.

"The principle of flexibility in United States tariff rates to meet unforeseen changes in the conditions of world competition, should be restored to full operation.

"An effort should be made to remedy the present unintended discrimination against higher-cost nations, caused by our use of foreign value as the basis for assessment of ad valorem duties. The use of some form of domestic value as the basis on which to compute ad valorem duty would at least result in each foreign competitor being obliged to pay the same amount of duty money on a given quantity of goods, the same as he does in the case of specific duties."

Renewal of Relations Between U. S. and El Salvador Announced

The renewal of relations between the United States and the Government of El Salvador was announced on Feb. 19 by Acting Secretary of State Grew. Associated Press accounts from Washington in reporting this said:

The State Department announced that the American embassy at San Salvador had been instructed to resume normal diplomatic relations with the administration.

The action, which it is assumed is part of a general recognition of El Salvador by other American Governments, should clear the way for that country to attend the Inter-American Conference at Mexico City.

Mr. Grew's statement, said special advisers to the New York "Times" Feb. 19, recalled that the provisional President of El Salvador resigned Oct. 20, 1944, and that the powers of government were then assumed by Col. Osmin Aguirre y Salinas.

From the "Times" we also quote:

"Consultations," he said, "were immediately initiated by the American Republics under Resolution 22 of the Advisory Committee for Political Defense at Montevideo to determine whether the change of government had been brought about through Axis influence. While these consultations elicited no charges that the new regime had thus come in power, they demonstrated there was no consensus in favor of recognition on the grounds that the stability of the Aguirre regime was not assured."

The announcement said that the consultations now showed that El Salvador's Government fulfilled the requirements for recognition, which involved control of the machinery of government and the country, general support without active opposition, and its declaration of intention to fulfill its international obligations and ability to do so.

A cablegram to the "Times" from Havana on the same date said: "The Ministry of State today announced Cuban recognition of the Salvadorean Government. This action was taken 'as a contribution to American solidarity,' the official note said."

The State of Trade

From the news coming to hand the home front is due for a severe jolt in the months ahead, and our civilian economy will experience the tightest conditions insofar as civilian goods shortages are concerned, beginning with the month of April and running through May and June, of any period since the outbreak of the war. The peak of these shortages is expected to be reached by late summer.

In the week past the Army and the WPB jointly decided upon a policy to curtail civilian production, and the impact of their decisions will not be fully felt by the public until some time in the future, since the details will be released gradually over a period of weeks. Because of this, their significance will not readily be comprehended by the public.

The step taken at this time is irrevocable, since production schedules for the quarter have been drawn up and the signal already given to start the machinery in motion. To modify the decision at this time would only result in confusion and chaos.

The picture for the immediate future is rather depressing, as the steps being taken not only affect individuals in a personal way but vital industries as well, which are the very warp and woof of our whole war effort. The railroads are a case in point, and under the present plan they will be allotted 30% less steel than the minimum urgently needed by them.

The carriers have done and are presently doing a magnificent job in support of the war effort, and their rolling stock, track and other equipment are developing increasing signs of the heavy burden that has been imposed upon them. Repairs are urgent to meet the task that lies ahead in coping with heavy transcontinental movements of troops once the war in Europe ends. In the field of transportation, however, the railroads are not alone affected by the plan, since trucks and repair parts of all types of motor vehicles will also be cut much below essential requirements. Farm and food processing machinery, too, will be shaved to 17% below minimum essential needs, it is understood, placing an extra burden on the production of food. So it holds along the line, permeating the whole fabric of our economy.

The disturbing feature of the new policy is the fact that a large portion of minimum essential requirements, as set forth by the WPB through its Office of Civilian Requirements, will not be met, thus impairing our domestic economy to the extent that it will find it difficult to meet the increasing demand of war goods for our armed forces. The main reason for this drastic cut in domestic requirements is reflected in reports which indicate that the Army has embarked upon a buying spree based upon the prospective needs in Europe and for the full prosecution of the war in the Pacific.

The Army harbors the feeling that the American people will be disposed to leave war work once the battle for Germany is over, and hence their desire to build up what they consider adequate stocks of goods to wage an all-out war in the Pacific when the decisive moment arrives.

It is a precaution being taken by the Procurement Division of the Army, but in attacking the problem in this way it is taxing the civilian machinery to the utmost when it is not necessary, according to practical production men who are in a position to know the facts. By so doing, these experts contend, the Army is weakening the ability of our economy to meet important war needs at a later date. Notwithstanding the advice and proven experience of these men of industry, especially in view of the blunders of military men in the past with respect to production

and supply problems, the Army continues to dominate the situation.

Industrial output remained at a high level the past week, with further recovery noted in steel operations, carloadings of revenue freight, anthracite, crude oil and paper production, while electric power output declined fractionally, along with moderate reductions in bituminous coal and beehive coke production. Commodity prices moved slightly upward the past week, while Dun & Bradstreet's food price index displayed a slightly lower level for the week. Security markets continued their upward movement into new high ground in heavy trading.

Steel Industry—Present indications point to a decline in steel order volume through the first half of February of from 20% to 30% less than in the corresponding January period. This decline, however, is not in itself significant in appraising the steel delivery situation, since such a decline, even if continued at the same rate, will have little or no effect upon already overextended deliveries, states "The Iron Age" in its current summary of the steel trade.

Much of the order volume in recent weeks has outdistanced the steel industry's capacity to produce, and the WPB this past week found on its hands requirements for more than 140,000 tons of sheets which it cannot schedule for several months, even with the aid of directives. To further illustrate the effects of the increased tempo of production for war on the steel industry, tens of thousands of tons of new sheet business has been turned away in the past week, the trade paper discloses.

As for delivery schedules, drum sheets are filled through to the end of this year, with no earlier promises than December for galvanized sheets. Carbon bars have become so tight that November deliveries are being promised. So far extended are orders for many steel products some steel sources doubt that they will ever be completed especially if the war in Europe should suddenly end.

The directive situation whereby the WPB attempts to get prior delivery on urgent war material over the routine allotment of regular war steel business is becoming more chaotic. However, the danger of a complete breakdown of the present method of scheduling steel orders may not be as close as some sources believe. The fact that many projects were cut back last fall when victory in Europe appeared imminent has caused a far larger safety factor in the form of inflated war demands than eventual needs will probably prove necessary. Nevertheless, such a precaution is justified in waging a war of such gigantic proportions. Present orders on the books, even though later found to be unnecessary, do, today, represent realities.

According to the magazine, the shell steel production directive is expected to be boosted again in March, with the increase in tonnage considerable. Such an expansion is considered significant in that it will make it more difficult to honor allotment tickets for rails, semi-finished steel and structural products.

Recently the domestic steel market had its first taste of foreign steel competition. Amer-

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Ayres Sees End of European War Approaching And Ushering in Readjustment Period

Regards Decision to Leave Military Stocks in Europe as Equivalent to Increase in Export Trade

Making the statement that "each day it becomes increasingly clear that the war in Europe is approaching its end," Brig.-Gen. Leonard P. Ayers, Vice-President of the Cleveland Trust Co., in the company's "Business Bulletin," Feb. 15, said:

"When the end is reached that event will constitute the most important piece of business news since war broke out in Europe in 1939. Despite the fact that we shall still have another great war to carry through to victory, the ending of the war in Europe will usher in the beginning of the period of readjustment that will finally lead us back into a civilian economy."

In his comments Gen. Ayers views a decision to leave most of the stocks of military supplies in Europe as "equivalent to a huge increase in our export trade financed with our funds." His observations on this point follow:

"Probably our military authorities will move troops as rapidly as they can from Europe to the Orient without undertaking at the outset to move with them any large proportion of their stocks of reserve munitions and equipment. This may save time and shipping, and it will have the further effect of keeping our munitions industries operating at full capacity in order to re-equip and re-supply the armies. In addition it will enable the armed services to retain for an extended time their controls over civilian industry."

"If matters do work out about that way, the shift-over to the production of civilian goods, and the revival of civilian construction, will be slower than was be-

ing generally assumed a few weeks ago. There will be less employment in the near future resulting from cut-backs and terminations of munitions contracts, but more unemployment later on when the war with Japan ends. Another general result will be that the multiple controls over the civilian economy will be longer extended and more strictly administered than had been assumed.

"In economic terms a decision to leave in Europe most of the vast stocks of military supplies that we have been accumulating there during the war years is equivalent to a huge increase in our export trade financed with our funds. The armies that move from Europe to the Orient will have to be re-equipped and re-supplied, and that will require as much sustained industrial output here as would the production of an equivalent volume and value of manufactured goods made for export trade. The procedure that is proposed will greatly increase the volume of our exports without involving any corresponding expansion in the volume of our imports."

Eccles Asks Speculation Tax to Cure Inflation

Chairman of Federal Reserve Board Tells Senate Banking Committee a Tax on Speculative Gains in Real Estate and Stocks Should Accompany Continued Price Controls and a Balanced Federal Budget After War. Testifies in Behalf of Bill to Reduce Minimum Cash Reserves of Federal Reserve Banks.

Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve Board appeared before the Senate Banking Committee on Feb. 20 in support of a bill to reduce the present minimum cash reserve requirements of the twelve Federal Reserve Banks from the present 40 per cent in gold certificates against Federal Reserve note circulation and 35 per cent in gold certificates and lawful money against demand deposits, to a reserve of 25 per cent in gold certificates against combined note and deposit liabilities. In his testimony Mr. Eccles expressed opposition to changing the price of gold, as a substitute measure, and maintained that the ratio of the gold reserve to liabilities of the banks had little relation to inflation, pointing out the British and Canadian banks had suspended all gold reserve requirements and that they have had less inflation than in this country. He ascribed any inflation that we have now as due mainly to the Government deficits.

According to an Associated Press dispatch printed in the New York "Times," Mr. Eccles answered Senator Murdoch's suggestion that it might be more advisable to lower the price of gold, by saying that such a step "would give the rest of the world a profit of \$8.5 billions immediately on the gold held." Mr. Eccles also pointed out that there were large foreign bank balances in this country, and these would be immediately converted into gold, if the price were increased.

In relation to the problem of post-war inflation, Mr. Eccles held that the danger might be reduced if the Federal budget were balanced directly after the war, and if price controls and allocation of scarce materials were continued for a period of about two years. He also proposed, as an anti-inflation measure, that "a gains tax"

of the Board of Governors of the before the Senate Banking Committee be levied so as to eliminate speculation, which he believed would be partly responsible for post-war inflation. Mr. Eccles also expressed himself in favor of continued export controls directly after the war to prevent an excessive amount of purchases by foreigners of goods in this country.

Market Transactions in Govts. in January

During the month of January, 1945, market transactions in direct and guaranteed securities of the Government for Treasury investment and other accounts resulted in net sales of \$67,475,000, Secretary Morgenthau announced on Feb. 15.

The following tabulation shows the Treasury's transactions in Government securities for the last two years:—

Month	Amount	Type
1943—		
February	\$90,300,000	sold
March	72,927,750	sold
April	400,000	purchased
May	35,200,000	sold
June	145,768,000	sold
July	67,757,200	sold
August	15,800,000	sold
September	2,651,600	sold
October	No sales or purchases	
November	\$5,000,000	sold
December	4,800,000	purchased
1944—		
January	\$9,924,000	sold
February	105,100,000	sold
March	11,500,000	sold
April	16,511,300	sold
May	9,965,000	sold
June	20,500,000	purchased
July	18,484,000	sold
August	18,992,500	sold
September	28,100,000	sold
October		
November	5,900,000	sold
December	12,000,000	sold
1945—		
January	\$67,475,000	sold
	*Less than \$50,000	sold.

Post-War Plan to Stabilize Bldg. Activity

A post-war construction plan to stabilize building activity at \$15,400,000,000 a year, about \$4,000,000,000 higher than ever attained, was offered on Feb. 13 by the National Planning Association, according to Associated Press advices from Washington on that date, which said that:

"NPA proposed a 'timed public works program' which could be used quickly to stimulate private construction or put off when private activity neared the \$15,000,000,000 mark and showed signs of over-building and speculation."

The Associated Press further said:

"The Association is composed of representatives of Government, business, labor, science and professions. 'Tax relief, both for home owners and real estate corporations, was recommended as a stimulant to investment. This was contained in a report prepared for NPA by Miles L. Colean, a construction authority. It recommended that home owners be allowed to deduct from personal income tax the depreciation of their dwellings. The corporations should be relieved of part of their triple tax load—taxes on the property itself, taxes on corporation earnings and taxes on earnings received by the stockholders."

"Several new Government agencies were suggested—principally an information bureau to keep industry posted on building needs and trends and to warn when construction saturation is threatened in any area."

"Another is a proposed 'public works control authority,' responsible for 'planning and acquiring sites' and then to determine the time for construction."

"The report advocated full advance planning and designing, even to the purchase of project sites before the war ends."

"If a timed program of public works had been used during the depression," he said, "the total drop from peak activity would have been only about 30% instead of 70%, with no additional outlay by the Government."

"The figure of \$15,000,000,000 as the stabilization point was chosen by Mr. Colean as appropriate to the \$140,000,000,000 national income which the NPA declares needed for full post-war employment. Labor members of NPA dissented from this figure, estimating the new construction level should be nearly \$3,000,000,000 higher."

"Maintenance and repair work would add about \$5,000,000,000 more to the construction activity, Mr. Colean said."

Personal Support Remittances to Italy

It was announced on Feb. 19 by Postmaster Albert Goldman that information had been received from the Post Office Department, Washington, that facilities are now available for transmission, through the medium of banking institutions, of personal support remittances for individuals in the Italian provinces of Ancona, Arezzo, Livorno, Perugia, and Siena, and to the cities of Florence and Pisa, and to those portions of the provinces of Firenze (Florence) and Pisa south of the Arno River. It is further indicated that:

"Remittances to the areas above-named will be sent through the Bank of Italy and payment instructions will be sent by mail to that bank by correspondent banks in the United States. In general, the procedure to be followed is the same as in the case of remittances to other parts of liberated Italy, for which arrangements previously have been made."

Turkey Declares War on Axis Thus Winning Seat at San Francisco Security Conference

Following the action of the Turkish Government in declaring war on Germany and Japan on Feb. 23, Syria and Egypt have since followed Turkey's action. In Ankara, Associated Press advices Feb. 23, it was stated that Turkey declared war on Germany and Japan in order to win a seat at the world-security conference to be held at San Francisco on April 25, and ended a five-and-a-half-year-old policy that had veered between neutrality and non-belligerency.

From these press accounts we also quote:

"Foreign Minister Hasan Saka asked for the declaration in an address to a specially convened session of the Assembly. Prime Minister Sukru Saracoglu closed the debate with a supporting speech, and the Assembly voted unanimously for war against the Axis."

"Saka's proposal to the Assembly followed the presentation, on Feb. 20, of a memorandum from the British Ambassador stating that it was decided by the Big Three at the Crimea conference that only nations at war with the Axis powers before Mar. 1 would be invited to the San Francisco conference."

"The Foreign Minister said other 'associated nations' were told similarly that they would have to declare war on the Axis to qualify for San Francisco, naming them as Egypt, Iceland, Chile, Ecuador, Paraguay, Peru, Uruguay and Venezuela."

"Saka's speech and others left no doubt that Turkey's declaration of war was a direct outgrowth of her desire to participate in the San Francisco conference as a full-fledged member of the United Nations. Premier Saracoglu said flatly that 'we want to take our place officially among the United Nations.'"

"Shortly before he spoke to ask for the war vote Saka signed with United States Ambassador Laurence A. Steinhardt a formal lend-lease agreement which had been under negotiation for several months."

"The lend-lease signature on the same day that Turkey went to war was a coincidence, but Turkey's lend-lease shipments may now be augmented if Turkey proceeds from the declaration to positive military action."

The action of Syria was indicated in the following (Associated Press) from Damascus (Syria) on Feb. 26:

"The Chamber of Deputies voted a declaration of war against Germany and Japan today making Syria the third nation of the Middle East to take such action in four days."

"The vote followed a 20-minute speech by President Shukri el Kuwaty, who asserted that, since the beginning of the war, Syria had placed all her resources at the Allies' disposal and now wished to take an active part. A brisk debate ensued, but the vote showed majority support for the Government's bill declaring war."

"Reports from Beirut indicated that Lebanon was likely to join the Allies soon."

The Turkish Government's action on Feb. 23 was followed by the Egyptian Government the next day when it issued a royal decree to similar effect. Egypt's declaration of war against Germany and Japan was approved on Feb. 26 by both Houses of Parliament. The Government also obtained a vote of confidence.

Unveil Bust of Hull

Former Secretary of State Cordell Hull was called the greatest Secretary of State of all time and the outstanding contemporary world statesman by Governor McCord of Tennessee on Feb. 21 in accepting for the State a marble bust of him. The bust, sculptured in Italian marble by Bryant Baker of New York, was unveiled by the Governor's wife.

Shaw Calls Crimea Conference a Fairy Tale

George Bernard Shaw, on Feb. 22, writing for the Left Wing weekly "Forward," described the Crimea conference as an "impudently incredible fairy tale," and said that President Roosevelt, Prime Minister Churchill and Premier Stalin were "the three, the three-in-one, the one-in-three," according to a United Press dispatch from Glasgow, Scotland, on Feb. 22, which also had the following to say, according to these advices as given in the New York "Herald Tribune":

"We know the names of three-in-one," he said, "but who was the one-in-three? Clearly Uncle Joe. On the Polish question he was first and the rest nowhere. Lublin has beaten London hands down, and Washington has looked on, not knowing what to say."

"There are other Lublins and other Londons, and will be more of them. Stalin will be for Lublin every time; and what Stalin says is so far the voice of destiny. 'Churchill and Roosevelt are not nonentities. Their disadvantage is that whereas Stalin, being Communist, has made up his mind, these two are up to the waist in Fascism (private enterprise plus public capital and regulations), and don't know it.'"

Shaw saw little chance for Russian concessions at the United Nations Conference in San Francisco. "On the 25th of April," he said, "the Russo-Japanese four-year non-aggression treaty expires, and another conference begins in San Francisco. Will Stalin declare war on Japan as the price of surrender of the other two over Lublin?"

"Not a word about it. Fairy tales, fairy tales, fairy tales."

"I for one should like to know what really passed at Yalta. This will all come out 20 years hence, when Stalin writes his war memoirs as Lloyd George did. But I shall not then be alive. I shall never know."

Coe Director of Treasury Div. of Monetary Research

Secretary Morgenthau announced on Feb. 19 the appointment of Frank Coe to be Director of the Treasury's Division of Monetary Research, a position formerly held by Dr. Harry D. White who was recently made Assistant Secretary of the Treasury. The Treasury announcement says:

Mr. Coe returns to the Treasury from the Foreign Economic Administration where he has been Assistant Administrator. He has held a number of other positions in the Government, including that of Executive Secretary of the Joint War Production Committee of the United States and Canada, Economist for the National Advisory Defense Commission, and the Federal Security Agency, and Special Assistant to the U. S. Ambassador to Great Britain. He was Technical Secretary General to the International Monetary Conference held in Bretton Woods last year. Mr. Coe first entered the Treasury in 1934 and has served there in a number of positions including that of Assistant Director of Monetary Research.

Mr. Coe is a native of Richmond, Va., was educated in the University of Chicago, and has served on the staffs of Johns Hopkins University, the Brookings Institute and the University of Toronto.

The Financial Situation

(Continued from first page)

Farm Land

The fact of the matter is that for the most part these upward movements in values are a direct result of New Deal policies and war practices and conditions. Increased activity in farm real estate, and higher prices, have been observed and reported for some years past. But in rather unusual degree farm land has been purchased by men who intend to live on it and farm it. In no small measure the purchasers have been former farm tenants. The sellers have often been active farmers, but it was not the rule that they sold to speculators who expected to resell quickly for a profit. It may well be questioned whether capital gains taxes upon profits obtained by speculating in farm real estate—that is, speculating in the usual meaning of that term—would have had a nickel's worth of effect upon the course of the farm real estate market during the past few years. The fact is that farmers and would-be farmers have been making more money than for a long while past—possibly more than they ever made before—thanks to New Deal subsidies and to war conditions. They have been bidding land up. Sellers as a rule have long been owners.

Urban Homes

Evidence abounds, too, that urban homes have been changing hands much more frequently during the past year or two and that prices are higher. Evidence, however, is lacking that speculation has had a great deal to do with it—at least with the situation as it affects low priced homes, which one supposes the Chairman had in mind. Here again the fact is that a great many people in the lower income brackets have been earning more than they have ever earned before. They, too, have been more disposed to buy homes. In most cases they could not build. There is little or no reason to suppose that anybody has been buying and selling such homes as a matter of speculation. Buyers, as a rule, intend to live out their lives in them—and sellers rather often have been owners who came into possession of them through foreclosure or some other related process some years ago.

The Stock Market

And, the stock market? Here is a market place which is peculiarly susceptible to psychological influences, and to imponderables of many varieties. He would be a rash soul who undertook to say what would have occurred in this market had some such tax been imposed all along as

Chairman Eccles now suggests. Yet it is a well known fact that the main support of the stock market for years past has been the investor—that is the individual or the institution which buys for cash and intends to hold at least until some reason to sell emerges. Mr. Eccles is nowhere explicit as to the tax he is suggesting. It would, accordingly, be impossible to know whether it would interfere with such transactions as those we have just been describing or not. If it did, in any event, it could scarcely be construed as a constructive influence. Similar taxes in the past have often tended to render owners disinclined to sell even when they considered prices high—and thus been responsible for inflated values. And is Mr. Eccles prepared to say that the stock market in normal times can well serve the investor if the professional speculator is eliminated?

But all such immediate considerations to one side, does Mr. Eccles really believe that the speculator should be eliminated from the economic system? Let no one answer such a question by long accounts of the abuses which have been perpetrated upon the public by unscrupulous individuals, who have been labeled "speculators." We are naturally well aware of these careers. A few of them contributed almost nothing to the American nation. Others, even when their activities have not always conformed to American ideas of ethics, have contributed a good deal more to the public than they ever took from the public. But all this neither destroys nor builds the case for speculation. In commodities, in securities, in real estate, and in almost all other departments of our economic life there is room for the man who makes it a practice to take risks—and in doing so renders a very real service to mankind. Some of these would not be affected by Mr. Eccles' tax suggestions. Others would either be eliminated, or driven underground, as it were.

Larger Aspects

But there are larger issues involved. Mr. Eccles apparently would seek some means of preventing the prices of things the public wants from rising, but, like so many other New Dealers, has no interest in preventing the cost of these things from rising. Stable prices with rising costs can end only in reduced production, unemployment and sooner or later want and misery—particularly for the very elements in the population which seem to be most on the minds of the officials in Washington. Take, for ex-

December Surplus War Property Disposal Listed

The Surplus Property Board announced on Feb. 6 that in the month of December four disposal agencies disposed of \$27,701,000 of surplus war property, at 59% of cost or appraised value. Disposals by the Reconstruction Finance Corporation amounted to \$14,748,000 and brought 47% of cost; the Procurement Division of the Treasury Department, \$12,105,000 and 75.4% of appraised value; the United States Maritime Commission, \$754,000 and 42% of cost; and War Food Administration, \$94,000 and 27.7% of cost. Included in this total were \$1,412,000 disposed of to other U. S. Government agencies and \$1,619,000 for Lend Lease.

The Board's report of Feb. 6, continued:

"This rate of disposal compares with surplus war property acquired in December by these four agencies, together with Foreign Economic Administration and National Housing Agency, amounting to \$217,656,000.

"Inventories of all six agencies on Dec. 31 amounted to \$1,041,711,000. Aircraft and related equipment accounted for \$704,149,000. Because of their heavy construction and high operating costs, many of the 22,786 planes which constitute the aircraft inventory will have virtually no commercial use.

"In addition to the \$1,041,711,000 inventories held by the disposal agencies, almost another billion dollars of surplus is already in prospect. The War Department has been screening, to determine if it is surplus to its needs, excess property, contractor-owned termination inventories and idle plants and facilities totaling \$562,000,000. The Navy is screening \$91,000,000. Idle plant and facilities held in standby condition by Defense Plant Corporation, plants used as storage disposal centers, and plants for which operating agreements had been or were about to be terminated amounted to \$329,000,000.

"In the seven months June 1 to Dec. 31, disposals by the six disposal agencies amounted to \$162,865,000. In addition, the reported cost of War Department direct disposals during that period amounted to \$280,880,000. War Department sales of scrap and salvage brought \$52,882,000. Of the \$22,652,000 sales made by the Navy direct, \$19,903,000 was scrap and salvage. The activities of the disposal agencies, plus those of the Army and Navy, thus bring total surplus property disposals by all Federal agencies to \$519,279,000 in the seven months to Dec. 31.

"The RFC is the disposal agency for capital and producer goods, including plants, equipment, many types of raw materials and other industrial property, as well as aircraft and aircraft components. In the month of December, surplus

ample, the matter of urban homes, of which Mr. Eccles speaks. He says that they have risen 40 to 50% in price since the war began. Have these prices risen as much as the cost of producing new homes? If not, then there is no excess in present prices—unless there is good reason to expect construction costs to decline when the war is over. All the New Dealers tell us how much more housing is needed. We do not always agree with them, but it is clear enough that very considerable amounts of new construction will be needed when the war is over. How will it be achieved if the house when completed is not permitted to be worth what it costs?

The New Dealers, Mr. Eccles included, would do well to reconsider their ideas about post-war prices.

property costing \$14,748,000 was disposed of by RFC for \$6,877,000, or 47% of cost. Aircraft and related equipment accounted for \$4,547,000 and metal working machinery \$4,289,000. In the seven months, June 1 to Dec. 31, surplus property which cost \$80,621,000 brought \$48,528,000, or 60% of the reported cost. These disposals constituted 8% of the total declared surplus. Aircraft and related equipment accounted for \$17,943,000, metal working machinery \$16,870,000, construction materials \$9,976,000 and special industry machinery \$4,246,000.

"In the seven months to Dec. 31, RFC received declarations of surplus property, mainly from the War Department, of \$953,754,000, four times the amount received by all other disposal agencies and 12 times its own disposals. Aircraft and related equipment, which stood on the RFC books at \$704,149,000 on Dec. 31, represented 77% of its \$916,593,000 inventory. Aircraft and related equipment disposed of in the seven months amounted to 2% of the total available. Surplus planes that have been in demand to date are communication planes, primary trainers, small cargo planes, medium transports allocated to domestic and foreign airlines and light civilian type planes. The strongest demand has been for the light civilian type planes that were requisitioned from their former owners after Pearl Harbor for use in preliminary Army and Navy training programs. Most of the latter type have been sold. The larger planes, heavy bombers and fighters, which constitute the bulk of the aircraft inventory, will have virtually no commercial value. Some of the planes in this category available for disposal are not flyable, and some have not been certificated by the Civil Aeronautics Administration.

"The Procurement Division of the Treasury Department is the disposal agency for consumer goods. Primarily because of limited civilian production, such things as motor vehicles, textiles, leather, apparel and footwear, and furniture and fixtures have been disposed of rapidly and year-end inventories of such items are low in relation to recent disposals. Surgical and medical supplies, drugs and medicines and automotive parts have turned over less rapidly.

"In the month of December,

Agency	(In Thousands of Dollars)			Percent Disposed of	Dec. 31 Inventories
	Inventories	Acquisitions	Disposals		
Treasury Procurement	\$30,221	\$152,649	\$77,029	42.1	\$105,841
Reconstruction Finance Corp.	43,460	953,754	80,621	8.1	916,593
Maritime Commission	—	23,908	4,975	20.8	18,933
Foreign Economic Adminis.	—	95	2	2.1	93
War Food Administration	—	323	238	73.7	85
National Housing Agency	—	166	—	0	166
Total	\$73,681	\$1,130,895	\$162,865	13.5	\$1,041,711

President Roosevelt Stresses Need of United Support of All Good Citizens to Effect Peace

A message from President Roosevelt, read at the Tammany Victory Dinner at the Hotel Commodore in New York, on Feb. 17, referring to the efforts of the Allied Powers toward achieving "an early victory and lasting peace," cited the need of "the united support of all good citizens" to that end. United States Senator Robert F. Wagner was a guest of honor at the dinner. The President's message, read by James W. Gerard, former Ambassador to Germany, and toastmaster, was given as follows in the New York "Herald Tribune":

"The victory which the Democratic County Committee of New York will celebrate Saturday night carries with it a tremendous responsibility. Our national election was held in the midst of a global war and the victory dinner comes at a time when statesmen

consumer goods brought \$9,144,000, or 75.4% of the \$12,105,000 appraised value of property sold. Included in this total were goods sold to U. S. Government agencies, including FEA (Lend Lease), which brought \$1,630,000, or 76% of the \$2,145,000 appraised value. The December total also included \$1,504,000 to State and local governments and tax-supported institutions. Sales to all others, chiefly industry and commerce, brought \$6,010,000.

"The disposal of automotive vehicles, the leading activity of the Procurement Division, has fallen off during the past two months, due to the fact that the Army is retaining supplies of vehicles that had been expected to be declared surplus. Disposals of motor vehicles in December were \$4,063,000, compared with \$4,741,000 in November and \$6,814,000 in October. Owing to the acute demand, the majority of motor vehicle sales have been at ceiling prices. Sales of waterproof garments, overcoats, uniforms and obsolete Army shoes have been active, much of it going to Lend Lease.

"In the seven months, June 1 to Dec. 31, total consumer goods disposals brought \$62,761,000, or 83% of the \$75,680,000 appraised value of property sold. Included in this total were \$13,836,000 sold to U. S. Government agencies, including FEA (Lend Lease) a sales figure which represented 91% of the \$15,258,000 appraised value. Total disposals constituted 42% of the consumer goods available. During the same period, Treasury Procurement Division received declarations of property appraised at \$152,649,000, of which \$40,408,000 represented motor vehicles and parts. On Dec. 31, total inventory having an appraised value of \$105,841,000 included \$16,793,000 of motor vehicles and parts.

"War Food Administration's disposals of surplus food have been confined to that turned over to it by other owning agencies, principally the Army and Navy. On Dec. 31, only \$85,000 of such property, mainly canned foods, remained in its surplus inventory. During the month of December, sales of food costing \$94,000 were made for \$26,000, or 27.7% of cost. In the seven months to Dec. 31, total sales of food costing \$238,000 brought \$144,000, or 61% of cost.

"Summarized below are the inventory figures as of June 1, which was the date disposal agencies began to function under Surplus War Property Administration regulations, the acquisitions and disposals and percent disposed of during the seven-month period and the inventory remaining, by agencies, on Dec. 31, 1944.

Agency	(In Thousands of Dollars)			Percent Disposed of	Dec. 31 Inventories
	Inventories	Acquisitions	Disposals		
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National Housing Agency	—	166	—	0	166
Total	\$73,681	\$1,130,895	\$162,865	13.5	\$1,041,711

of the Allied Powers are devoting all of their thoughts and all of their resources to the achievement of an early victory and a lasting peace. In this great task we shall need the united support of all good citizens. It gives me great pleasure to pay heartfelt tribute to Vice-President Truman and Bob Wagner and my warmest personal greetings to all who gather in their honor."

Sees Serious Farm Problem Ahead

Guaranty Trust Company Says Post-War Agricultural Maladjustments Will Be Similar to Those Following Previous War. Urges Rebuilding Foreign Markets and Development of New Uses for Farm Products

In the current issue of the "Guaranty Survey," the monthly review of business published by the Guaranty Trust Company of New York, it is pointed out that one of the most difficult questions that will face the United States after the war will be the problem of agriculture. The maladjustments due to the war and the troublesome changes which will be required as a part of the war's after-effects present the same problems and difficulties which American agriculture experienced in the '20s and '30s, and which were largely responsible for the economic distress of that period.

"The experience of the last quarter-century," comments the "Survey," "is a sufficient reminder that agricultural maladjustments can be among the most troublesome after-effects of war, and already the present conflict has produced some conditions similar to those that proved to be fore-runners of trouble in the '20s and '30s. The unhappy record of those years offers little prospect that a quick, comprehensive and generally acceptable solution will be found, but it does afford grounds for the hope that a repetition of some past mistakes can be avoided."

A Vital Question

"The welfare of the farmer," it continues, "is a matter of vital concern to every division of commerce and industry. Agriculture provides virtually all of the nation's food supply and the greater part of its industrial raw materials. It is the direct means of subsistence for a fifth of the population, and the money income it yields is a major factor in determining the demand for the products of mines and factories. Over most of the country's area, it is the direct or indirect support of the great majority of the people, the foundation on which the whole economic and social structure rests. The severe and persistent agricultural difficulties that followed the last war were, in the opinion of many authorities, among the principal contributing causes of the great depression of the 1930s."

"The many remedies that were tried during the inter-war period failed to provide an enduring basis for agricultural welfare. Some were outright failures, while others brought partial relief only by creating new problems. Tariff protection, market regulation, new credit mechanism, cooperative marketing, equalization fees, export debentures, domestic allotments, governmental buying and selling, production control, marketing quotas, crop loans, export and domestic subsidies—these and other experiments and proposals have left the problem so far from final solution that conferences within the last few weeks have revealed as wide a divergence of opinion as ever among public and private authorities concerning the best means of dealing with the matter."

Effects of the War

Commenting on the effects of the war, the "Survey" remarks: "In agriculture, as in business and industry generally, the war has largely obscured the fundamental situation by giving rise to a new set of temporary and highly abnormal conditions. It has created a volume of demand that has taxed the physical capacity of our farms, a level of farm prices considerably above the long-sought 'parity' (the ratio of farm to non-farm prices prior to World War I), and an unprecedented total of farm income; it has relieved the wheat and corn surpluses and reduced the cotton surplus. It has, for the time being, transformed our agricultural economy as a whole from one of superabundance to one of relative scarcity;

and it has done this by swelling domestic and foreign demand so rapidly that even a large increase in supply has not sufficed to keep pace with it.

"In one important respect, the trend during the present war has contrasted sharply with that in the period of World War I. The increase in supply during the last five years, though much greater than that in the first World War, has been achieved with only a small fraction of the acreage expansion that was necessary in the earlier period. The rise in production has been made possible by more intensive cultivation, and particularly by the greater use of mechanized equipment.

Possible Dangers

"The present war has, however, brought a repetition of one potentially dangerous condition that appeared during and after the last war. Values of farm land have risen rapidly, and the rise in values has been accompanied by a great increase in sales of farm property. For the 12-month period that ended in March, 1944, voluntary sales totaled 53 per 1,000 farms, exceeding the previous peak reached in 1919 during the land boom after the close of the first World War. Fortunately, this rapid change of ownership has not yet reversed the downward trend of mortgage indebtedness. As the Federal Reserve Board has recently pointed out, a reversal of this trend, together with a continued increase in land values, would constitute a serious threat to agricultural stability during the post-war period.

"The war has brought about another condition that may aggravate the farm problem after the emergency demand has passed. In its efforts to increase agricultural output, the Government has given price guarantees that will remain in effect for two full years after the end of the war. These guarantees will presumably cover at least the next three annual harvests. Producers of corn, wheat, tobacco, rice and peanuts are guaranteed a price equal to 90% of parity, and producers of cotton a return equal to 92½% of parity. Most other farm products that have been in urgent demand during the war are covered by guarantees of at least 90%; some such products are actually being supported at prices as much as 30% above parity, and the stabilization extension act provides that where prices of certain commodities were above the present parity at any time during the first nine months of 1942, the highest price reached during that period must be maintained.

"Unless demand remains at a very high level during the early post-war years, it is difficult to see how these price guarantees can be maintained without production control on a much wider scale than has ever been practiced in the past. As long as farmers are assured of high prices for their crops, it is not likely that they will voluntarily and individually reduce their output to much lower levels. Unless the Government adopts sweeping measures of control, therefore, it is likely to find itself confronted with a set of unmanageable surpluses. To institute control on such a wide scale, it will be necessary to create new administrative machinery and probably to pay benefits greatly exceeding those that were required before the war, despite the high levels of farm prices and farm income.

"It is hardly necessary to point out that these price guarantees will be far from helpful in pro-

Extension of Social Security Program Recommended by Life Insurance Interests

Recommendations for extension of coverage of the country's Social Security program to many millions of workers now excluded, and of other changes to strengthen the program's effectiveness were advanced on Feb. 20 by representative committees of the life insurance business. These recommendations were presented through release of a statement on Social Security prepared by a joint committee of the American Life Convention and the Life Insurance Association of America, headed by M. Albert Linton, President of the Provident Mutual Life Insurance Company, and a committee of

moting the efforts of American agriculture to regain its foreign markets. Already it has been found necessary to introduce export subsidies on wheat and cotton. If world prices decline after the war, even larger subsidies may be required to dispose of the surpluses that seem likely to accumulate in this country.

"As far as the domestic market is concerned, the question arises as to the attitude of industrial workers toward high food prices at a time when their own aggregate income will be reduced by the cessation of the abnormal employment conditions of wartime. Even now important labor groups are demanding higher wage rates to offset the rise in the cost of living. The prospect of declining wage payments at a time when food prices are still held at artificial levels by Government guarantees is not reassuring."

The Outlook

Commenting on the outlook and the remedies that may be applied, the article concludes:

"These conditions, however, will presumably be temporary; and, even though the cost may be high, their effects can perhaps be survived without serious permanent damage. But their passing will leave the farm problem, in its long-term aspects, at least as far from solution as it was before the war intervened. Even if the question could be considered on purely economic grounds, a satisfactory answer would be difficult to find. Complicated as it is by political factors, it will probably continue to be handled, as it has been in the past, by a series of temporary expedients designed more to pacify powerful and exigent groups than to place agriculture on an enduringly sound basis.

"There are, of course, a number of rather obvious guiding principles that can and should be followed. Foreign trade policy as a whole should aim at the rebuilding of foreign markets for American farm products through general reduction of trade barriers. New and increasing uses for farm products probably can and will be found. Diversification and self-sufficiency, particularly for smaller farms, should be encouraged. Costs of production should be reduced through further mechanization and other improvements in methods. Agricultural policy should be based on the recognition that, with technical progress, a declining farm population and a rising average output per worker are inevitable; and provision should be made for absorbing marginal workers in other pursuits.

"These are theoretical objectives, rather than practical steps. How they are to be attained, or approached, is the question that public authorities must face within a comparatively brief period after the war. The most that can be hoped is that they may be consistently borne in mind as fixed aims underlying day-to-day expedients, that legislative and administrative action may be shaped after full consultation with those experienced in the practical activities that are factors in determining the economic position of agriculture, and that in consequence our agriculture may gradually move toward a permanently tenable relationship with the other divisions of our economic life."

The National Association of Life Underwriters, headed by Judd C. Benson, General Manager Union Central Life Insurance Company, Cincinnati.

While endorsing the principle of social security and recognizing the social and economic value of the system, the committees advise against changes in the system which would impair the will to work, or would be so costly as to affect adversely the soundness of the nation's over-all economy.

The statement, issued through the Institute of Life Insurance, makes the following recommendations:

"Extension, wherever feasible, of the coverage of old age and survivors' insurance to all those gainfully employed groups not now covered, including agricultural and domestic workers, government employees, railroad workers, employees of non-profit organizations and the self-employed.

"A thorough review of processes by which benefits and eligible status are determined under old age and survivors' insurance. For example, the present minimum benefits of \$10 a month might well be raised to, say, \$20 a month (\$30 per aged couple), subject to appropriate safeguards, with no increase in the present top limit of \$85 a month.

"Close study as to how best to safeguard the interests under old age and survivors' insurance of men and women in the armed forces, and of persons who continue to work after age 65.

"Extension of old age and survivors' insurance to provide benefits for total and permanent disability after age 55, thereby making allowances for the fact that some workers become prematurely old in the sense that they can no longer work.

"Extension, wherever feasible, of unemployment compensation protection to all groups of workers, with the exception of self-employed and possibly employees of non-profit organizations where the added weight of payroll taxes on these institutions might restrict their operations.

"Study of the practicability of having unemployment compensation benefits related, in part, to the number of dependents of a married worker.

"Continued experimentation by the States with merit rating in financing unemployment benefits before arriving at a positive conclusion as to the relative weights of its advantages and disadvantages.

"A moderate increase in the maximum number of weeks for which unemployment compensation is paid if and when the financial position of State plans permit, rather than shortening of the waiting period or an increase in the level of benefits."

The statement calls for a re-examination of the entire problem of financing old age benefits. It characterizes as unsound proposals that Social Security taxes should be increased to combat inflation or to help finance the war. The way to protect the system, it says, is to determine Social Security taxation policy by the needs of Social Security only.

Recommending that a committee of qualified persons appointed by Congress to review the financial question fully, the statement says:

"This review is particularly desirable owing to the fact that a reserve fund of \$6,000,000,000 has already been accumulated and is rapidly increasing on account of

the current heavy excess of income over outgo. Furthermore, with up-to-date estimates of benefit payments, a revised tax schedule should be developed which would make it unnecessary for Congress to go through what now appears to be an annual process of deciding what the next year's tax rate is to be. By setting the schedule, say for a three or five-year period, and by providing for periodic review, the situation would be much more satisfactory than at present."

The statement urges great caution in considering proposals to increase the level of unemployment benefits, declaring that, if enacted, they may endanger the will to work. It cites the Beveridge report in Great Britain as giving recognition throughout to the importance of the fundamental principle that Social Security benefits must not impair incentives to work and save, and declares that the principle that Social Security benefits should not be above subsistence levels is particularly applicable to unemployment compensation. The committees express grave doubts as to the wisdom of experimenting with any extension of unemployment compensation to cover temporary disability occasioned by accident and sickness. They recommend that temporary disability coverage be continued and encouraged on a voluntary basis, and declare that, if any Government experimentation is to be tried—and there are grave doubts as to its wisdom—this should be at the State and not the Federal level.

The joint committee representing the American Life Convention and the Life Insurance Association of America is composed of: O. J. Arnold, President, Northwestern National Life Insurance Co., Minneapolis; Rollin M. Clark, Vice-President and Secretary, Continental Assurance Co., Chicago; W. T. Grant, President, Business Men's Assurance Company of America, Kansas City; Reinhard A. Hohaus, Associate Actuary, Metropolitan Life Insurance Co., New York City; A. J. McAndless, President, The Lincoln National Life Insurance Co., Fort Wayne; Edmund M. McConney, Vice-President, Bankers Life Company, Des Moines; M. Albert Linton, President, Provident Mutual Life Insurance Company of Philadelphia, Chairman.

The committee representing The National Association of Life Underwriters is composed of: William H. Andrews, Jr., Manager, Jefferson Standard Life Insurance Co., Greensboro, N. C.; President, The National Association of Life Underwriters; Osborne Bethea, General Agent, The Penn Mutual Life Insurance Co., New York City; Patrick A. Collins, Manager, Metropolitan Life Insurance Co., New York City; Philip B. Hobbs, Agency Manager, The Equitable Life Assurance Society, Chicago; Herbert L. Smith, General Agent, The Northwestern Mutual Life Insurance Co., Harrisburg; Judd C. Benson, General Manager, Union Central Life Insurance Co., Cincinnati, Chairman.

Living Costs In United States Unchanged in January

Living costs for the average family of wage earners and lower-salaried clerical workers in the United States remained unchanged from December to January, according to the National Industrial Conference Board's report issued on Feb. 21 which further said:

The Board's index stood at 105.7 (1923=100), the highest level since January, 1926, and 22.9% above that of January, 1941, base month of the Little Steel formula. A decline of 0.2% in the cost of food was offset by increases of 0.2% in clothing and 0.1% in sundries. Living costs in January were 1.7% higher than a year ago.

Taft Objects to Army's Action in Use of 18-Year-Old Draftees for Overseas Combat

Calling upon the War Department to clarify and state its policy on using 18-year-old draftees with less than a year's training in overseas combat, Senator Robert A. Taft (Republican) of Ohio, on Feb. 25 told a reporter that he would cite in the Senate the case of Pfc. Robert R. Pogue of Cincinnati, 18, who was reported killed in action in France Feb. 3, a little more than seven months after his induction.

The Associated Press, reporting this from Washington, Feb. 25, said:

Mr. Taft, who knew young Pogue, said he was informed that the youth received 17 weeks of training before he was shipped overseas as a replacement early in January.

"I don't think it's fair to put these young boys into the front line with only basic training or a little more," the Ohio Senator said. "I know that war makes sudden demands, but it seems to me that some of the divisions in this country could be combed for men who are a little older and have had more training to make up these replacements."

Mr. Taft said his own son had received 14 months of training before being sent overseas, adding that the final few months had taught him most of the "know how" to minimize the dangers of battle.

Senators Ferguson, Republican of Michigan and McCarran, Democrat of Nevada, also said they had received protests from parents of reputedly green troops being pressed into combat service.

Last June 7 the War Department set up a general policy that the infantry and armored forces would use no men under 19 in combat and would attempt to give all of these a year's training.

On Dec. 7, however, Robert Patterson, Undersecretary of War, said that urgent military requirements had necessitated a revision of this policy, but that in general a minimum of about eight months would elapse between induction and combat service.

Mr. Taft said he thought the War Department should explain now whether those standards had been changed and indicate the military necessity for any changes that had been made.

On Feb. 26 Senator Hill (D., Ala.) contended that the War Department is justified by military necessity in sending 18-year-old draftees into combat with eight months of training. Replying to a demand by Senator Taft for clarification of the Department's policies, Senator Hill said he was informed the young inductees were shipped overseas only after the Army had drained all of the men it could from more experienced divisions in training in this country.

From Associated Press Washington accounts, Feb. 26, we also quote:

The War Department found it necessary to draw on these youngsters as replacements," Mr. Hill told reporters. "In most cases they have been given eight months of training and then placed in battle-ried divisions, where their more experienced comrades could help them in combat."

Undersecretary of War Robert Patterson said in December that the Army had been forced to dip into the pool of 18-year-old men, but gave assurances that all replacements had adequate training.

Limited Mail to Finland

Postmaster Albert Goldman announced on Feb. 19 that information had been received from the Post Office Department at Washington, D. C., that limited mail service is resumed between the United States and Finland, Estonia, Latvia, Lithuania, part of Poland, and Bessarabia, part of northern Bukovina, and localities in Moldavia. The service for Poland, Finland, Estonia, Latvia and

Lithuania will be limited to letters not exceeding one ounce and non-illustrated postcards. From the announcement we also quote:

The postage rates are five cents for letters and three cents for postcards.

Air mail, registration, special delivery, money-order and parcel post services are not now available.

Mail for certain areas in Poland may be delayed because of military operations, and mail will not be accepted for localities in the Polish provinces of Pomorze and Kotowice, parts of which are still held by the enemy.

Mail for Bessarabia and part of northern Bukovina and certain places in the district of Dorohoi in Moldavia should include in the address "Union of Soviet Socialist Republics" as the country of destination, all of these areas being subject to the jurisdiction of the Union of Soviet Socialist Republics.

A Treasury Department announcement in the matter appeared in our Feb. 22 issue, page 860.

Asks for Full Account on Foreign Affairs

Senator Hugh Butler, Republican of Nebraska, called upon President Roosevelt and the State Department on Feb. 26 to "make a full accountability to Congress upon what is actually taking place" in foreign affairs. At the same time he assailed "the secrecy in which foreign discussions have been conducted," according to a special dispatch to the New York "Times" from Washington on Feb. 26, from which the following is also taken:

"His (Senator Butler's) speech in the Senate carried forward a movement to obtain from the President a verbal report on the Crimea conference to supplement the official announcements. Congress, he declared, had given to the President unqualified support and allowed him a free hand and in return was being kept in the dark.

"He charged that there were many things in the Crimea and Dumbarton Oaks decisions to indicate that the Government has no policy at all and is simply floundering in a maelstrom of events which is forcing our hand everywhere and making our policy for us."

"He asserted that on the surface the decisions at Yalta appear to have been taken 'independent of our consent' and expressed the fear that the Dumbarton Oaks accord would set up a 'grandiose supergovernment' by which 'the world is to be policed by four or possibly five great Powers which will control the destinies of the smaller States.'

"The official report of the Crimea conference, he declared, indicated that we had counter-signed the unilateral actions of our allies.

"He recalled that at the Moscow conference the Powers had pledged themselves not to use their armies in territories of other nations without agreement. Violations of this pledge, he suggested, might be due to the 'unfortunate lack of clarity in our own foreign policy' and 'lack of faith in the glittering abstractions' of former conferences.

"Unilateral actions by the Powers, he asserted, had 'plainly shown our allies' lack of confi-

dence in world security,' since they occurred not before but since the Moscow conference and the conference of Dumbarton Oaks.

"He spoke of President Roosevelt, Marshal Stalin and Prime Minister Churchill as the 'three men who, for good or for ill, hold the destinies of the world in their hands.'

"State Department officials pointed out that they were conducting a vigorous campaign by radio and by speeches at meetings to inform the public on the details of the Dumbarton Oaks proposals.

"The Chamber of Commerce of the United States, through its board of directors, adopted today recommendations for incorporation in the Dumbarton charter.

"It urged that the Security Council have authority to use national force contingents without regional limitations, that use of forces of the United States involve consultations of high officers of the State Department, the Army and the Navy and other departments, and that the title 'charter' should be changed to 'covenant' or 'compact' to show that the organization was an association and not a super-State."

Further Rent Control in Defense-Rental Areas

Control of residential rents were established in 17 more defense-rental areas on March 1, 1945, in accordance with an announcement by the Office of Price Administration on Feb. 21. On March 1 also a portion of one area was removed from control, and five areas regrouped for administrative purposes. The OPA advises Feb. 27 also said:

"In the Cheyenne (Wyo.) defense-rental area, which now includes all of Laramie County, control will be removed from all of the county except the city of Cheyenne proper and its immediate environs.

"Control is being removed since administrative experience has shown that outside of Cheyenne and the immediate vicinity no problems exist necessitating control. The population of the entire county, a large one geographically, is only 33,651, of which 22,474 is concentrated in Cheyenne. There are no towns of 1,000 population in that portion of Laramie County being removed from control.

"The new areas have a 1940 census population of 700,000, and include Vicksburg, Miss., Raleigh and Winston-Salem, N. C., and Billings, Mont.

"The March 1 action will make a total of 444 defense-rental areas in all parts of the nation under OPA control, with a total population of 93,000,000.

"Two areas being regrouped are in New Mexico. The regrouping will place Otero County in the Roswell Defense-Rental Area, along with Chaves County. Otero County formerly comprised the area known as Alamogordo. Lea County is being removed from the present Roswell area to form, with Eddy County, the Carlsbad Defense-Rental Area.

"In New York, the Watertown and the St. Lawrence County areas are being combined to form a new Watertown Defense-Rental Area.

"In Texas the Amarillo Defense Rental Area is being split up. The new Amarillo area will be composed of Potter and Randall Counties. A new area is being formed consisting of Dallam, Hansford, Hartley, Moore and Sherman Counties, to be known as the Dalhart Defense-Rental Area. The counties in this area were formerly in the Amarillo area."

House Passes George Bill Separating RFC From Commerce Department

Taft Opposes Wallace Confirmation

The bill sponsored by Senator George calling for the separation of the Reconstruction Finance Corporation from the Department of Commerce was passed by the House on Feb. 16 by a vote of 399 to 2. The Senate passed the George bill on Feb. 2 by a vote of 74 to 12, as was indicated in our issue of Feb. 8, page 655. Shortly before the House voted to pass the bill on Feb. 16 it was noted in Associated Press advices from Washington on that date that the Administration escaped defeat by a hair's breadth margin of eight votes when the House voted 204 to 196 not to recommit (shelve) the bill. These press advices further said:

The Senate is due to vote March 1 on the Wallace nomination. Wallace backers predict he will be confirmed, whereas most legislators believed that if the George bill had not passed he would have been rejected.

Senator Barkley of Kentucky, majority leader, told a reporter late today:

"It is obvious that the action of the House in passing without amendment the George bill greatly improves the chances of Mr. Wallace's being confirmed by the Senate as Secretary of Commerce.

"I hope now that this matter has been settled that his confirmation will be forthcoming without further serious controversy."

In today's uproarious session, a coalition of Republicans and Southern Democrats sought in vain to send the George bill back to the House Banking Committee for further study. The aim was to force the Senate to vote on Mr. Wallace's confirmation not only as Commerce Secretary but also as RFC administrator.

In this big test on the issue, 200 Democrats, two Republicans and two minor party members voted to save the George bill, while 22 Democrats, mostly Southerners, joined 174 Republicans in the rejected recommitment effort.

Machinery for Veterans Business Loans Under GI Act Set Up in N. Y. Loan Agency of RFC

The necessary machinery for processing applications by veterans of World War II for business loans under the Servicemen's Readjustment Act of 1944 (G. I. Bill of Rights) was recently set up in the New York Loan Agency of the Reconstruction Finance Corporation, it was announced by Thomas J. Ahearn, Jr., Manager. The New York Loan Agency territory comprises the entire State of New York, the following Counties in New Jersey: Bergen, Essex, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Passaic, Somerset, Sussex, Union and Warren, and the County of Fairfield, Connecticut. Mr. Ahearn's statement followed an announcement from Washington, D. C., that the Veterans Administration had designated the Reconstruction Finance Corporation as an Agency to review applications to banks by veterans for the guaranty of business loans. Under the program, RFC will recommend to the appropriate office of the Administrator of Veterans Affairs whether that office should approve or disapprove such applications. Mr. Ahearn's announcement said:

"Loans applied for may be used in purchasing any business, supplies, equipment, machinery or tools to be used by the veteran in pursuing a gainful occupation. The Government may guarantee repayment of such loans to the extent of 50%, but not in an amount exceeding \$2,000 as its maximum guaranty. Thus, the veteran who qualifies for a business loan may obtain a guaranty for 50% of any loan up to \$4,000. He may, of course, obtain from his banker a loan of greater amount, for instance, \$6,000; but the guaranty is limited to \$2,000. In loans of less than \$4,000, the Government guarantees half; thus, in a \$3,000 loan the guaranty amounts to \$1,500, not more."

Mr. Ahearn outlined the following essential steps for veterans desiring guaranteed business loans: 1. The veteran should first contact his local banker. 2. If the veteran is unable to obtain

On final passage the only two votes against the bill were by Representatives Lemke (Rep., Ind.) and Wilson (Rep., Ind.).

Senator Taft (Rep.) of Ohio declared that President Roosevelt had forfeited any right to Senatorial courtesy by what he termed the "cynical" removal of Jesse Jones to reward Wallace for political services, and he urged the Senate to reject Mr. Wallace's nomination for Secretary of Commerce. From the Associated Press we quote:

"The Ohio Senator told his colleagues that, by passage of the George bill separating the Government lending agencies from the Commerce Department, 'Congress has shown overwhelmingly its lack of confidence in Mr. Wallace to administer any position where extensive powers and large sums of money are at his disposal.'

"Although Senator Taft thus renewed the Senate fight against confirmation of the former Vice-President, indications pointed to an approval of the appointment when it comes up March 1. In the meantime, President Roosevelt is expected to permit the George bill to become law."

Senator Taft contended on Feb. 19, said the Associated Press, that Henry Wallace's plans for Government aid in a post-war economy of 60,000,000 jobs will "lead to national bankruptcy and a totalitarian State."

a loan from his local banker, he should then apply to his nearest RFC Loan Agency for a loan. The address of the appropriate agency for this region is 70 Pine Street, New York 5, N. Y.

UNRRA Document Made Available by Columbia

The International Documents Service announces the first publication of the United Nations Relief and Rehabilitation Administration, distributed in the United States by Columbia University Press at 2960 Broadway, New York. This document, it is announced, embodies the second UNRRA meeting held in Montreal in September, 1944, and represents a self-contained and complete record of the important decisions of the United Nations Relief and Rehabilitation Administration since its inception.

The bulk of the text, it is indicated, consists of the reports and discussions of each daily session. In addition, the Journal contains: a complete cumulative guide to more than 200 documents; a directory of delegations to the Montreal meeting; a directory of the UNRRA staff; the official text of resolutions passed at the first session of the Council at Atlantic City in November, 1943; an appendix of additional special reports not included in the text of the daily Journal.

The publication, consisting of 215 pages, is priced at \$2.00.

The State of Trade

(Continued from page 962)

ican mills, in at least one instance, gave way to British competition in sales to the Canadian railroad equipment industry. One such order, a substantial one, the "Iron Age" disclosed, originally placed with an American mill, was canceled last week because of better delivery promised by England.

The American Iron and Steel Institute announced last Tuesday that the operating rate of steel companies (including 94% of the industry) will be 94.5% of capacity for the week beginning Feb. 26, compared with 96.4% one week ago. This week's operating rate is equivalent to 1,732,700 tons of steel ingots and castings, compared to 1,765,700 tons last week and 1,746,500 tons one year ago.

Electric Production—The Edison Electric Institute reports that the output of electricity decreased to approximately 4,472,298,000 kwh. in the week ended Feb. 17, 1945, from 4,505,269,000 kwh. in the preceding week. Output for the week ended Feb. 17, 1945, was 0.9% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 184,200,000 kwh. in the week ended Feb. 18, 1945, comparing with 218,600,000 kwh. for the corresponding week of 1944, or a decrease of 15.7%.

Local distribution of electricity amounted to 176,100,000 kwh., compared with 208,100,000 kwh. for the corresponding week of last year, a decrease of 15.3%.

Railroad Freight Loading—Carloadings of revenue freight for the week ended Feb. 17, 1945, totaled 783,738 cars, the Association of American Railroads announced. This was an increase of 28,302 cars, or 3.7% above the preceding week this year and an increase of 9,501 cars, or 1.2% above the corresponding week of 1944. Compared with a similar period of 1943, an increase of 31,719 cars, or 4.2%, 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. 17, 1945, at 11,515,000 net tons, a decrease of 765,000 tons from the week previous. Production in the corresponding week of 1944 amounted to 12,390,000 net tons.

According to the U. S. Bureau of Mines, output of Pennsylvania anthracite for the week ended Feb. 17, 1945, was estimated at 1,129,000 tons, an increase of 12,000 tons, or 1.1% over the preceding week. When compared with the corresponding week in 1944, a decrease of 303,000 tons, or 21.2%, is reflected.

Beehive coke for the week ended Feb. 17, 1945, showed a decrease of 11,700 tons above the previous week, but was 42,400 tons less than for the similar week of 1944.

Crude Oil Production—Daily average gross crude oil production for the week ended Feb. 17, as estimated by the American Petroleum Institute, was 4,780,670 barrels. This represented an increase of 40,550 barrels per day above the preceding week, and was 23,870 barrels above 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 396,170 barrels per day higher. For the four weeks ended Feb. 17, 1945, daily output averaged 4,742,850 barrels.

Reports from refining companies indicate that the industry as a whole ran to stills (on a Bureau of Mines basis) approximately 4,787,000 barrels of crude

oil daily and produced 14,910,000 barrels of gasoline. Kerosene output totaled 1,503,000 barrels, with distillate fuel oil placed at 5,023,000 barrels and residual fuel oil at 9,234,000 barrels during the week ended Feb. 17, 1945. Storage supplies at the week-end totaled 49,265,000 barrels of civilian grade gasoline, 45,415,000 barrels of military and other gasoline; 7,762,000 barrels of kerosene; 29,864,000 barrels of distillate fuel oil, and 48,240,000 barrels of residual fuel oil.

Lumber Shipments—The National Lumber Manufacturers Association reports that lumber shipments of 475 reporting mills were 2.5% above production for the week ended Feb. 17, 1945, while new orders for these mills were 17.7% more than production. Unfilled order files amounted to 98% of stocks.

For the year to date, shipments of reporting identical mills exceeded production by 6.0% and orders ran 17.4% above output.

Compared to the average corresponding week of 1935-39, production of reporting mills was 43.5% greater, shipments 26.9% greater, and orders 46.4% greater.

Paper Production—Paper production for the week ended Feb. 17 was 91% of capacity, as against 90.1% of capacity for the preceding week, the American Paper and Pulp Association's index of mill activity disclosed. The rate during the week ended Feb. 19, last year, was 89.2% of capacity. As for paperboard, production for the same period was reported at 93% of capacity, unchanged 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 70½c. for domestic silver.

Business Failures—Commercial and industrial failures in the week ended Feb. 22 dropped to less than half their number in the comparable week of last year. Concerns failing, Dun & Bradstreet, Inc., reported, numbered 14, as compared to 23 in the previous week and 36 a year ago. Failures in manufacturing and commercial service reflected the sharpest decline, while in retailing and construction they were higher than the previous week. Large failures with liabilities of \$5,000 or more numbered six, as against 13 a week ago and 24 in the like week a year ago. There were no Canadian failures reported for the week ending Feb. 22, as compared with three in the previous week and one in the corresponding week of 1944.

Food Price Index—The Dun & Bradstreet wholesale food price index for Feb. 20 fell slightly to \$4.10 from \$4.11 a week previous, the highest since the war-time peak of \$4.12 was reached on May 18, 1943. The current figure compares with \$4.03 recorded on the corresponding 1944 date, or a rise of 1.77%. Advances during the week occurred in flour, wheat, rye and sheep, while declines were registered in oats, eggs, steers and lambs.

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

Commodity Price Index—Leading commodity markets during the week moved slightly upward, largely reflecting the recent advance in basic pig iron quotations. According to Dun & Bradstreet, Inc., its daily wholesale commodity price index touched a new war-time high of 176.11 on Feb. 14, and closed at the same level on Feb. 20, contrasting with 175.50 a week earlier and with 172.37 on the comparative date a year ago. General firmness characterized

grain markets, the past week, reflecting the possibility of favorable Congressional action regarding farm legislation. Cash wheat was in good demand, with supplies tight and prices holding at or near ceilings throughout the week. Domestic cotton markets exhibited a moderate pick-up in trade activity, accompanied by a strengthening of the price undertone. With current market values still well below the level at which the CCC will buy from growers, cotton continued to move into the Government loan and purchase programs at a good rate, giving rise to fears of an increasingly tight spot situation as the season advances. Mill consumption of cotton during the first half of the current season was reported by the Census Bureau to be about 4% less than that for the same period a year ago.

New business in domestic wools in the Boston market remained on a restricted basis, with activity again confined largely to the exercising of options on orders previously placed. Spot and shortly-to-arrive foreign wools were in demand, but offerings of desired lots were very scarce.

Retail and Wholesale Trade—Consumer demand for the country as a whole continued strong the past week, with sales slightly above the previous week. Volume has moderately held above that of last year, but higher prices account for a considerable part of the gain, Dun & Bradstreet currently reports. Shortages of merchandise in various lines has produced a spotty condition in the field of distribution. Reports reflect growing evidence of a continued contraction of retail inventories induced by reason of manufacturers' inability to meet merchandise needs, slow deliveries, as well as some selectivity by retailers in acquiring stock replacements. Shoe retailers experienced a brisk demand the past week, with odd-lots released from ration restrictions. Women's wear and accessories were active, Dun & Bradstreet reports, with suits and coats outstanding lines as promotional activity, the resulting volume being heavy. Inventories of men's wear stores showed improvement in the week, with receipts of spring merchandise sizable during the past 10 days.

Household sales held at a steady level, due to no improvement in the supply situation. Sheets, towels and other white goods continued scarce and moved rapidly as soon as they appeared on department store shelves. Sales of fabrics still hold at a high volume, but shortages in cottons and other staple lines are fast developing throughout the country. Food distribution continued active, with the volume on a par with that of last year.

Retail volume for the country was estimated from 10% to 14% over a year ago. Regional percentage increases were: New England, 6 to 8; East, 8 to 12; Middle West, 14 to 16; Northwest, 8 to 10; South, 12 to 15; Southwest, 18 to 20; Pacific Coast, 15 to 18.

Wholesale volume was slightly below last week's level, with initial ordering in markets slackened, and though re-orders were numerous they were more difficult to place. Deliveries continued to constitute the main problem of buyers. In spring goods, deliveries have already been large, but schedules in many lines have shown further slackening.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index, were 24% ahead of a year ago for the week ended Feb. 17, 1945. This compared with 21% (revised) in the preceding week. For the four weeks ended Feb. 17, 1945, sales increased 18%, and for the year to date by 14%.

Activity was present in retail

Roosevelt and Churchill Meet With Rulers of Egypt, Ethiopia and Arabia

DeGaulle Fails to Meet President

Supplementing the "Big Three" Crimea Conference, held between President Roosevelt, Prime Minister Churchill of Great Britain and Premier Stalin of Russia, a further meeting was held by the President with Mr. Churchill, their talks bearing on strategy for crushing Japan in the Pacific, where it was noted in Associated Press accounts from Washington on Feb. 20, Russia officially continues her role as neutral power. The report on the "Big Three" Conference dealing with plans for the defeat of Germany, recommendations as to the liberated peoples of Europe and the establishment of an international organization to maintain peace and security, was given in our Feb. 15 issue, page 746.

The latest Roosevelt-Churchill meeting, the Associated Press indicated from Washington on Feb. 20, took place in Alexandria, Egypt, after the conclusion on Feb. 11 of the Big Three Conference at Yalta, Crimea, on the Black Sea.

From the Associated Press Washington advices of Feb. 20, as given in the New York "Sun," we also quote in part as follows:

"But another meeting planned by Mr. Roosevelt during his trip to see Mr. Churchill and Marshal Stalin did not come off—Gen. Charles de Gaulle, President of the Provisional Government of France, reported that official business would not permit him to meet the President at Algiers, French North Africa.

"In his first official comment on Gen. de Gaulle's rejection of his invitation, Mr. Roosevelt said:

"Questions of mutual interest and importance to France and the United States are pending. I wanted very much to see the General before leaving for home."

"The whole dramatic story of the President's journey through the Middle East after the eight-day Yalta conference was told today in a lengthy dispatch released by the White House.

"Aboard a United States man-of-war in Great Bitter Lake in the Suez Canal, Mr. Roosevelt received three storied rulers of Eastern countries—King Farouk of Egypt, Emperor Haile Selassie I of Ethiopia and King Ibn Saud of Saudi Arabia.

"The Roosevelt-Churchill conference at Alexandria, the official statement said, 'permitted new and important discussions of at least one subject which they could not take up before. That had to do with Japan and the war in the Pacific.'

"Mr. Churchill, the account continued, told Mr. Roosevelt 'in blunt words that his Government was terminated to throw everything it had at the Japs as soon as Germany has been defeated and meanwhile, would do all it

trade here in New York the past week. It was, of course, natural to expect that the suspension of business on Thursday, and part of the evening of that day, because of Washington's Birthday, would have an effect on the comparative showing for the week. In the apparel trades the forthcoming maximum average price plan to be introduced by the Office of Price Administration is expected to pose greater problems for the trade than the low-price textile-apparel directive M-388. The supply situation in general continued to reflect extreme tightness.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Feb. 17, 1945, increased by 23% over the same period of last year. This compared with an increase of 19% in the preceding week. For the four weeks ended Feb. 17, 1945, sales rose by 18% and for the year to date by 12%.

could to strengthen its forces already engaged in that conflict.'

"Algiers was described as the President's last stopping place abroad before leaving for Washington.

"The White House announcement said that Secretary of State Stettinius, en route from Moscow to make official calls in Liberia, Southwest Africa, Brazil and then to the inter-American conference in Mexico City, was waiting to see the President in Alexandria where he reported, on meetings with Foreign Commissar Molotov in Moscow. The conferences were described as 'altogether satisfactory.'

"Ambassador John G. Winant also met the President in the Middle East, traveling by air from London.

"Two more Ambassadors, Jefferson Caffery, from Paris, and Alexander Kirk from Rome, were met by the President in Algiers.

"Mr. Roosevelt was reported to have brought the three Ambassadors up to date on all that took place in the Crimea Conference as well as to advise them fully regarding his meetings with the rulers of Egypt, Saudi Arabia and Ethiopia.

"At no time during his journey the statement said, was he beyond almost instantaneous reach of the White House or Washington officials.

"The invitation to Gen. de Gaulle was said to have been given in Paris by Ambassador Caffery. It had been sent from Yalta, six days in advance of the President's arrival in Algiers. In the message Mr. Roosevelt said that he had hoped to meet Gen. de Gaulle in continental France, but that 'time pressure made it impossible to get to Paris, much as he would like to do so.'

"The President also expressed warm thanks for the invitation the Government of France extended him when he was in Quebec, attending the last conference there.

"Mr. Roosevelt's invitation concluded with 'an expression of real hope that the alternative proposal for a meeting in Algiers would be satisfactory to the French leader.'

"The President was most disappointed that official business did not permit the General to come to Algiers,' the statement added.

"Aboard a man-of-war at anchor at Great Bitter Lake, Mr. Roosevelt received King Farouk shortly before noon. Guests included Admiral William D. Leahy, the President's chief of staff; Mrs. John Boettenger, the President's daughter, and Harry Hopkins, his special assistant. Haile Selassie was received later in the afternoon.

"It was in his talk with Haile Selassie that the President was said to have stressed communications between the United States and Ethiopia, particularly by air. The two countries would come to know each other better. The Emperor, the White House said, enthusiastically indorsed the President's hope for closer relations.

"In conversations earlier with the Egyptian King, Mr. Roosevelt referred to large American purchases of long-staple Egyptian cotton during the war. The White House said he 'stressed the hope that greatly increased exchange of other commodities would be developed in the future.'

Stettinius Reaffirms the Good Neighbor Policy

(Continued from first page)

of the government of the United States this conference of American republics on the problems of war and peace. I bring to you the most cordial greetings of the President of the United States and of my great predecessor, Cordell Hull.

We have met here in beautiful and historic Mexico City because we—the people of the New World—are at a historic juncture in our own affairs and in our relationship to the rest of the world.

The vital interests of the American republics are equally involved in winning the war and in making the peace.

Reaffirms Good Neighbor Policy

The United States government looks upon this conference in Mexico City as a meeting of decisive importance. Our unity has been greatly strengthened by our war-time collaboration. Now it is our task to advance this unity still further, both for the war and in our political, economic and social collaboration in the tasks of peace.

I wish to reaffirm to the representatives of all the governments assembled here that the United States government regards the good-neighbor policy and the further development of inter-American co-operation as indispensable to the building, after victory, of a peaceful and democratic order. I wish also to reaffirm the belief of the United States that this democratic order must be built by all nations, large and small, acting together as sovereign equals.

II. I have just had an extraordinary experience that has driven home to me more sharply than ever before the significance of the fact that the world is now truly united in time and space.

A week ago, I was in Moscow, where I paid a brief visit after we had completed our work at the Crimea Conference. Moscow is over 15,000 miles away by the route I came. In the short time since I left Washington, I have traveled 24,000 miles on the business of war and peace. I have flown over the North and South Atlantic Ocean and over points on five of the world's six continents—Europe, Asia, Africa and North American and South America. I have come from a conference about war and peace conducted on the shores of the Black Sea to another conference about war and peace meeting ten days later in Mexico City.

War and Peace Problems Not Local

Both are concerned with essentially the same problem. For they are no longer purely European problems of war and peace, or American problems of war and peace, or African, or Asian problems of this character. War anywhere in the world today threatens war throughout the world. Peace anywhere in the world today requires a whole world at peace. The prosperity and well-being and security of the peoples of the American continents are bound up with the prosperity and well-being and security of the other continents and islands of the earth.

For a long time we relied for protection upon the oceans which surround these continents. Now we know that there are no barriers of sea or air or land that can separate us from the rest of the world. We have learned our lesson in two successive world-wide conflagrations which have destroyed our sons, consumed our wealth and interrupted our peaceful and creative purpose as disastrously almost as though their battles had been fought upon our prairies or in our cities.

And we are sure now what it is that must be done. It is not enough to stop war at our coasts—nor on the oceans that lie beyond our coasts. War must be stopped at the point, whatever point it may be on the surface of the earth, where war begins.

The Crimea Conference

III. Toward that end we worked at the Crimea Conference. Toward that end we are assembled here. May I, before I address myself directly to the tasks of this conference, say a few words about the meeting of the Crimea?

You have all read the communique of the Crimea Conference. You know that the unity of the three powers represented there was greatly strengthened, both for the war and for the peace.

A full measure of credit for this result belongs to the President of the United States, whose vision, courage, understanding and creative purpose were never displayed to better advantage. I want also to pay tribute to the other heads of government, Marshal Stalin and Prime Minister Churchill, and to the Soviet and British Foreign Secretaries, Mr. Molotov and Mr. Eden, with whom I worked in such close, friendly and effective collaboration at the conference. They have rendered distinguished service to the United Nations cause.

I reviewed the achievements of the Crimea Conference with the President of the United States when I met him again three days after we had left the Crimea. It is the President's firm conviction that the results of the Crimea Conference have greatly advanced the basic objectives of United States foreign policy.

Objectives of Inter-American Conference

My purpose tonight is to speak to you of our hopes of what may be accomplished here in Mexico City and of these basic objectives of our foreign policy.

IV. The earliest possible final defeat of the aggressors who plunged the world into war and so gravely threatened the security of this hemisphere is, I am sure, the first objective of the other American republics, as it is of the United States.

Military matters are, of course, not in my field, but it was generally agreed at the Crimea Conference that the military plans completed there in the closest co-operation by the chiefs of staff of the three powers—and the continuing three-power staff meetings there provided for—will shorten the war and thus save the lives of tens of thousands of United Nations fighting men.

Here at Mexico City the American republics have met to consider what further steps we can take together to that same end—helping to shorten the war.

The solid foundations of the war-time collaboration of the American republics were laid at the conferences of Montevideo and Buenos Aires in 1933 and 1936, and at Lima in 1938. In meetings at Panama, Havana and Rio de Janeiro after the outbreak of this war the intention and the capacity of our countries to implement our solidarity was fully demonstrated. We have acted together in accordance with the Declaration of Havana that an act of aggression against any American state is an act of aggression against all of us.

The American republics since 1940 have succeeded together in building up the defenses of this hemisphere to an extent never

before dreamed of. Their military forces have co-operated in the war. They have increased greatly the military might of United States and other United Nations armed forces through their production of strategic materials that were transformed in our factories into the fleets of planes and tanks and ships which are carrying the war to the enemy.

The only hope that remains to the Nazi and the Japanese is that the United Nations might now relax their efforts in the belief that the war is as good as over. It is thus more important than ever before that we maintain and strengthen this active war-time collaboration of the American republics.

I have high confidence that our discussions here will result in co-operative action that will hasten the day of final victory.

Policy Toward Germany

The second major point I wish to make is this: I am certain that all of our countries will support as absolutely necessary to the future of the world and of this hemisphere the strong and sweeping policies toward Germany agreed upon at the Crimea Conference. This is what was agreed upon: "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."

So far as the United States is concerned this is a fundamental of our foreign policy. The world may rest assured that the United States, in full agreement with our allies, is inflexibly resolved upon whatever steps may be necessary to insure that neither Germany nor Japan will ever again have the military or industrial capacity to make war.

Dangers of Nazi-Fascist Infiltration

We of the Americas have another responsibility to fulfill in the destruction of Nazi-Fascism—a responsibility common to all of us. During the war we have through close cooperation achieved encouraging success in combating Axis economic and political penetration and in preventing Nazi and Fascist sabotage. But we have much yet to do. We still face the danger of secret Nazi-Fascist infiltration into the political and economic life of this hemisphere.

The Axis leaders will, of course, attempt to escape the consequences of their crimes. We must be constantly on the alert for the flight to this hemisphere of Nazi funds and Nazi underground leaders who will seek to find a refuge here that can serve as a base for an ultimate comeback.

The people of the United States are confident that the American republics will join in whatever co-operative measures may be necessary to stamp out utterly every vestige of Nazi influence in this hemisphere. That must be our unalterable purpose.

VI. At the Crimea Conference

the Soviet Union and Great Britain joined the United States in a declaration on liberated Europe. This declaration provides for joint action by the three governments to assist the liberated peoples during the temporary period of instability in Europe "to destroy the last vestiges of Nazis and Fascists and to create democratic institutions of their own choice."

The three powers thus pledged joint action to uphold the right proclaimed in the Atlantic Charter of all peoples to choose the form of government under which they will live and the restoration of sovereign rights and self-government to those who have been forcibly deprived of them by the aggressor nations.

U. S. Contribution to Reconstruction

This is a third fundamental purpose of United States foreign policy. We intend to make our full contribution toward the building of a world in which the right of every nation to develop free institutions according to its own desires will be upheld. We look upon this purpose as part of the American faith which we have sought to practice in our relations with other peoples.

The United States will not shirk its responsibilities in seeing to it, so far as it is within our power, that this purpose is achieved.

The declaration on liberated Europe adopted at the Crimea Conference is animated by much the same spirit and purpose as the good-neighbor policy. We recognize that all nations are interdependent and that no nation can achieve peace and prosperity alone. We believe that all nations are equal before the law and that the equal rights of all nations, large and small, must be upheld.

World Peace Organization

VII. We are assembled here to discuss the creation at the earliest possible moment—and before the end of the war—of an international organization to insure the peace of the world, by force if necessary. This is a fourth major objective of United States foreign policy, as I am sure it is of the other American republics.

Largely because of the vision and leadership of Cordell Hull, we were able to lay the foundations last fall at Dumbarton Oaks. These proposals setting forth a plan for such an organization were agreed upon by the United States, the Soviet Union, Great Britain and China. Since then these proposals have been studied and discussed throughout the world.

At the Crimea Conference the last obstacle to calling a United Nations conference to adopt the charter for such a world organization was removed. The Soviet Union and Great Britain there agreed to the proposals presented by the President of the United States for voting procedure in the Security Council.

The United Nations conference, toward which we have been constantly striving, has therefore been called to meet at San Francisco, Calif., on April 25, 1945, just nine weeks from now. Invitations will be issued as soon as we have completed our consultations with China and France, who have been invited to join in sponsoring the conference.

The Dumbarton Oaks proposals recognize that the world organization has two tasks: First, to prevent aggression; and second, to reduce and remove the causes of war through close political, economic and social collaboration among all peace-loving peoples.

The proposals are designed to prevent lawless power politics and to use the power of the great nations in the interest of the peace and freedom of all nations. They are based squarely upon

the principles of the Atlantic Charter and of the United Nations declaration, and they draw heavily upon the ideals and practices of the inter-American system, to which the statesmen of the American republics here present have contributed so much.

The agreement reached on voting procedure at the Crimea Conference recognizes the two essential elements of a successful world organization—unity of action by the great powers who alone have the military and industrial strength to prevent aggression; and the equal sovereignty of all nations, large and small, who must act together to create the essential conditions of lasting peace.

We have met here in order to carry further our discussions of the world organization before the United Nations conference at San Francisco. We will not, of course, in this inter-American meeting take decisions on questions of policy that will be explored by all the United Nations together at San Francisco.

The Inter-American System

However, we should, I believe, examine what steps need to be taken to strengthen the inter-American system for the major role which it should play in the world of the future.

Let me remind you that the Dumbarton Oaks proposals recognize the value, within the framework of a general organization, of regional arrangements for promoting peace and security.

The United States government believes that the stronger we can make the inter-American system in its own sphere of activity, the stronger the world organization will be.

VIII. There is another statement of purpose in the Atlantic Charter which was reaffirmed at the Crimea Conference—the purpose to build a peace "which will afford assurance that all the men in all the lands may live out their lives in freedom from fear and want."

I can assure you that the United States does not regard this as a rhetorical assertion of vague intentions. We regard it as a necessity if the United Nations are to build a peace that will endure.

We cannot, of course, accomplish this purpose over night. We can accomplish it only by establishing the world organization and by continuing an ever-closer collaboration among the nations of this hemisphere and among all nations toward a rising standard of living and wider opportunities for all men and women, regardless of race, creed or color.

Post War Collaboration

The United Nations, which have fought so successfully together against the Axis in this war, must join together in the years after victory in waging war with equal vigor and unity against hunger, poverty, ignorance and disease. The accomplishment of this purpose is the fifth of the fundamental objectives of United States foreign policy to which I have referred tonight.

Consideration of the practical steps that we can take together toward this end is part of the business of this conference, as it was in the Crimea and as it will be at San Francisco.

Here in Mexico City we are particularly concerned with the application of this policy in the Western Hemisphere.

The United States intends to propose and support measures for closer co-operation among us in public health, nutrition and food supply, labor, education, science, freedom of information, transportation and in economic development, including industrialization and the modernization of agriculture.

We are also faced with the immediate necessity of preparing to

meet the many problems of transition from our war-time economic collaboration to the methods of peace-time collaboration.

U. S. Will Aid Other American Republics in Reconversion

It is the fixed purpose of the United States Government to undertake, in co-operation with the other American republics, to reduce to the minimum the inevitable dislocations of this transition period.

Adjustments will be required in the production of some strategic commodities, the output of which has been stimulated greatly by the common war effort. My government hopes that a program can be agreed upon by the nations here represented which will provide a basis for accomplishing this adjustment in such a way as to protect the economies of the American republics.

The war has placed many restrictive controls upon normal trade. During the transition period, which will begin after the defeat of Germany, we should relax these artificial wartime restrictions as rapidly as our primary objective of winning the war makes possible.

To Encourage International Trade

We must seek also positive measures to promote constantly rising levels of international trade among the nations of this hemisphere and among all nations—much higher than we ever enjoyed before.

Economically sound industrial development and the modernization of agriculture are essential to sustain these higher levels of trade and to fuller employment and rising standards of living.

This requires arrangements to assure reasonably stable rates of exchange and to promote international investment in profitable new enterprises which will increase the productive capacity of the countries of the Western Hemisphere as well as in other parts of the world.

We should take the necessary international action at the earliest possible moment. Supplementary measures of various kinds are also required on a national level to encourage foreign investment. In our country we propose to extend our operations in this field, making full use of the facilities available, including the Export-Import Bank.

By collaborating in these economic and financial measures and combining them with our programs of mutual technical assistance in industry, agriculture, labor, cultural relations, public health, nutrition and their related fields, we can achieve together the rising standard of living that we all seek.

Post War Tasks a Joint Responsibility

IX. The nations of the world today are face to face with an historic crisis and an historic opportunity—an opportunity greater than any offered to all the generations of men who have preceded us.

We of this generation for the first time have it truly within our power to build a lasting peace and to build it in such a manner that a new world of freedom and opportunity for all men can actually be realized within the foreseeable future.

The achievement of these tasks is the joint responsibility of all peace-loving nations large and small. A special obligation also rests with the great powers which are carrying the main burden of the war. Effective and continuing collaboration among themselves and with other peace-loving nations is essential both to victory and to peace. That sacred obligation was recognized and met at the Crimea Conference.

It is equally true that neither victory nor peace can be won without the full support of the American republics and without

effective and continuing collaboration among themselves and with the rest of the world. That sacred obligation we must recognize and meet here at Mexico City.

We know that without the contributions that have been made by the American republics in the war the United Nations could not defeat the Axis aggressors.

This American strength—this strength of the New World—must also be built into the structure of peace if that structure is to endure.

I am thinking not only of the factories and farms and mines and forests—of all the developed and still undeveloped wealth of these Western continents.

I am thinking not only of the power and the will of our nations to use this wealth for the good of all the people.

I am thinking also of those beliefs for which Americans of all our countries have lived and fought—beliefs that form for our peoples an unbreakable core of unity.

We believe in the essential worth and integrity and equal rights of the individual and of individual nations, large and small.

We believe in the people and therefore in the right of the people to govern themselves in accordance with their own customs and desires.

We believe in peace, not war, and we have sought to practice peace, not war, in our dealings with each other and with countries in other parts of the world.

Let us recognize that this hour of our greatest opportunity is also an hour of danger and difficulty. We can easily lose this opportunity as we can seize and use it.

This is partly because our old enemies, aggression and tyranny, are now able to use for the corruption and oppression of the minds of men the very science that we seek to use for the enlightenment and freedom of men. So long as Nazi-Fascism exists anywhere in the world—or if it is ever permitted through disunity or indifference on our part to re-establish itself anywhere in the world—our peace and freedom are endangered.

Victory in this war will not of itself resolve the difficulty, nor banish the danger. The months and years immediately ahead will see the supreme test of the faith that has always animated the American peoples and of the abilities and energies that have built the American nations.

Inter-American Collaboration Part of Larger Fabric

I cannot escape the feeling that these are the times for which all that has gone into the making of the history of the Americas up to now was but the preparation.

The beliefs that have united the American peoples with each other can now unite them with the other freedom-loving peoples of the world. The unfinished pattern of the American purpose can now be completed in the larger fabric of a world purpose.

To this task and to this opportunity I ask the representatives of the nations represented here to join in dedicating ourselves.

I am reminded of the words of Abraham Lincoln to the Congress of the United States at a critical moment in the history of my country. They are words which might well be engraved in the hearts of all of us at this hour. He said: "Fellow citizens, we cannot escape history. We will be remembered in spite of ourselves. No personal significance or insignificance can spare one or another of us. The fiery trial through which we pass will light us down in honor or dishonor to the latest generation. We—even we here—hold the power and bear the responsibility."

That is what Abraham Lincoln said.

If we succeed—and as Americans who pioneered two virgin continents and founded here a new civilization, we know that all is possible—if we succeed, future generations will look back upon this conference in Mexico City, and the conference in the Crimea and the United Nations conference in San Francisco as among the great historic milestones on the road to a lasting peace and a new world of security and opportunity for all mankind.

In a brief radio address on Feb. 24, Secretary Stettinius emphasized the need of the participation of small nations in a world peace set-up and praised the action of the Mexico City Conference in permitting the introduction of a resolution upholding the right to free access to information.

In his radio address Mr. Stettinius said:

It is particularly appropriate that a series of broadcasts on the building of the peace should be opened from a conference of American nations in Mexico City. This conference propitiously follows the meeting in the Crimea which revealed the broad pattern of aims and purposes of the nations associated in the war and precedes the United Nations meeting to be held in San Francisco.

We Americans of all the American republics have lived our lives—have lived our histories—in the discovery and the building of new worlds.

We know that worlds can be discovered such as men in older continents had never imagined. We know that worlds can be built such as men in other ages had never seen. We are not frightened, therefore, or discouraged or dismayed when we are brought face to face with the necessity of creating something new—an effective world organization.

Purpose of Conference

Delegates from the American republics are assembled in this beautiful city of Mexico to strengthen the fraternal ties developed through many decades, and to improve the inter-American system of relations.

The are engaged in the serious business of considering how their friendship and unity of purpose may best contribute to a world organization for peace, security and a better way of life. This meeting affords a forum where the ideas and opinions of the American republics may be given expression.

Already we have offered to the conference resolutions intended to accomplish the more effective cooperation of the American republics with the proposed new world structure.

Our entire American past is a past of bold explorations, of hardy settlement, of arduous construction, of difficult beginnings. We are accustomed to labors without precedent. We are hardened to the seeming impossible. We know how to do what was never done before. We have brought a vast and untamed continent to human order within a space of time which would seem impossible to those who measure what can be done in the future by what has been done before. In the Americas, we have sought to foster a spirit of neighborliness, which is indispensable to a new society of mankind.

We have a good reason, therefore, for approaching the greatest labor of human history with such high hopes, with such unshakable determination. We have not listened in the past, and we will not listen in the future, to voices of frustration and defeat which tell us that we cannot do what we believe we must do. There is nothing in our American history that needed doing which did not find the men to do it.

Peace Plan Given Full Publicity

But this labor of the construction of a peaceful world is not a labor to be spoken of in terms of hope and purposes only. Much has already been accomplished. Four nations have agreed among themselves on proposals for the organization of a peaceful world, and those proposals had been submitted to the people of the earth for their consideration.

Never before has a proposal worked out by specialists and experts and agreed upon by representatives of several nations been submitted to such searching examination by the peoples of the world before its submission to a formal conference. At the San Francisco conference, all of the United Nations will take part in setting up the permanent machinery for international security. They will participate as independent sovereign States. Sovereign equality of nations, large and small, is a basic principle underlying the proposals.

Those proposals not only embrace the sovereign equality of nations, but they also intend that the power of all nations shall be used in the interests of world peace, security and freedom. Only on such a foundation may we realize the aspiration of mankind for a new and better world, with greater opportunity and well-being for all people.

Dumbarton Oaks Incomplete

The fact that the nations which took part in the primary discussions at Dumbarton Oaks were the nations which now bear, and have borne, the principal burden of the war, makes it natural, and indeed inevitable, that Great Britain, the Soviet Union, the United States and China should have taken primary responsibility for the initiation of these proposals, as they have been obliged to take primary responsibility for the prosecution of the war.

The Dumbarton Oaks proposals, however, were incomplete. They had to be supplemented in several important respects. This was one of the great accomplishments of the Crimea Conference.

Large and Small Nations Must Act Together

The voting procedure agreed upon at the Crimea Conference is a procedure, as I stated to the Inter-American Conference two days ago, which recognizes "the two essential elements of a successful world organization—unity of action by the great powers who alone have the military and industrial strength to prevent aggression; and the equal sovereignty of all nations, large and small, who must act together to create the essential conditions of lasting peace."

Once the world organization is established and measures for social and economic welfare are undertaken, the true democracy of the organization of the world for peace will become apparent.

It is to put before the people of the United States the facts about the proposed world organization that the Department of State has undertaken this series of broadcasts. I like to think that our people for the next few weeks will study, discuss and reflect on these proposals which are so significant to the destiny of all mankind.

It is my belief, and the belief of my colleagues in the department, that our duty in this regard is to put the facts before the country and let the facts speak for themselves. This is the democratic method. It is the only method that will be acceptable to our people.

Here in Mexico City we have sought to support that democratic method by offering a resolution which declares the right of peoples to have free access to information. In this way, and only in

From Washington Ahead Of The News

(Continued from first page)
the radicals, that these workers, like the armed forces, must be given railroad transportation back to their home towns, with unemployment pay until they get another job.

In short, the overall picture of these people, as reported by the personnel officers of the war plants, is that they are most impenetrable and have never given any thought to tomorrow, much less to the day of VE.

In Washington, it is a fine commentary on things, that perhaps not a single member of Congress thinks the bill is really needed. Aside from those who go along with the Administration on everything, the others have busied themselves with trying to dope out the motives behind it.

We have written once that the members of Congress, looking around for the motives behind the bill were of the impression that it was designed to divert attention from the Ardennes bulge. We are of the impression that this is still true. It was the original motive. After the bulge incident passed, all interest on the part of the Administration was lost for the bill. There is not more than a handful of Congressmen or newspapermen who did not then think the bill was dead.

But, presto, in the past two weeks has come a renewed interest on the part of the Administration, a renewed pressure behind the bill.

Now, we pass on for what it is worth, what the members of Congress now think is the motive. Bear in mind, the point that the bill is really necessary is not taken seriously in any large quarter.

The current motive dopes-out divide into two classes:

1—Those who think it is designed to get at Jimmy Petrillo.

2—Those who think it is designed to get at John L. Lewis.

The latter think it is definitely designed against him. And there, we are to have a spectacle in the next few weeks, the spectacle of what happens when a country lets itself get into the hands of personalities.

The New Deal has been trying to destroy Lewis ever since he broke with it. It has definitely shown that it is more powerful in vote-getting ability among the miners. On that score, it has humiliated Lewis. He, in turn, has got to get a victory over the New Deal.

As he comes up before the coal operators in their biennial wage negotiations this time, he really has no score or feeling against them. But he is determined to get a victory over the New Deal. And it can't be by any subterfuge as was the portal-to-portal arrangement two years ago; it must be a clean-cut breaking of the Little Steel formula, so-called.

So, to head him off, as most Congressmen believe, and with which this correspondent is inclined to agree, there is the tremendous pressure for the manpower bill which would take miners now deferred. And the closing of the night clubs, we are told, is supposed to incense people against Lewis.

On this latter, Washington is having a lot of revelry. Washington is not a hot-spot town. The great majority of Congressmen are not hot-spotters. They are getting a tremendous kick out of the discomfiture that is coming to the New York and Hollywood hot-spotters. These hot-spotters voted for Roosevelt, says these Congressmen; it serves them right.

But it is an awful way to run a government.

this way, will truth, the enemy of tyranny, assert itself for the freedom and security of mankind.

Report by President of Phila. Land Title & Trust Aims at Strengthening Personal Relationship

A report to depositors of the Land Title and Trust Company of Philadelphia prepared by Percy C. Madeira, Jr., President, is said by the bank to be a definite part of its public relations program aimed at creating and bringing about a stronger personal relationship between the bank and the banking public. The report, made public Feb. 23, was occasioned by the belief that the success and prosperity of a bank are due in large part to its customers, and that those customers "are keenly interested in our accomplishments and our progress." According to Mr. Madeira "a decidedly more human relationship exists today between the banks and the public despite the fact that virtually all banks are increasing in size," and he says, "this relationship will be even closer and more personal in the future."

He adds: "To some extent, this situation has been brought about by the entrance of the banks in recent years into the fields of personal loans and special checking accounts, bringing the banks into intimate contact with the people who in the past seldom had any dealings with banks. In our own case, we have today over 10,000 special checking account depositors, with balances aggregating \$1,300,000, that we did not have a few years ago."

"We have found that depositors and customers of the bank alike today are intimately interested in the progress and activities of the bank. That they look upon it as 'our bank.' We felt that this feeling should be strengthened, and to that end decided to issue a report to depositors. Besides, we had a good year in 1944—and it is only natural to want to tell our friends about it."

In the report, Mr. Madeira points out that the war effort continues to be paramount in the thoughts and activities of the bank and lists, among the accomplishments along that line: More than 39% of its loans directly connected with the war effort; including loans to finance housing for defense workers; processing of \$69,000,000 in Government bonds purchased for customers and the trust department; unusually successful origination of substantial V and VT loans. Detailing the bank's progress for 1944, he said its demand deposits, excluding U. S. Treasury deposits, were the largest in its history, and that the bank now had a waiting list for its smaller safe deposit boxes. The volume of personal loans was smaller, he stated, "due to scarcity in many lines of consumer goods and continued full employment and consequent ability of borrowers to pay off debts out of larger income."

Non-Farm Mtge. Financing

Non-farm mortgage financing last November reached approximately \$394,000,000, a less-than-seasonal decrease of seven percent from the total for October, the Federal Home Loan Bank Administration reported on Jan. 13. The figure was 11% above the amount for November, 1943. The October to November decline was shared by all types of mortgages, ranging from a two percent drop for insurance companies to nine percent for savings and loan associations.

The FHLBA's advices further said: "During the first eleven months of 1944, upward of \$4,250,000,000 on non-farm mortgages were recorded, 20% more than in the same months of 1943. The greatest growth over this period was in the activity of individual lenders whose recordings increased 33%; savings and loan associations were second with a rise of 27%. An

	Number	Amount	Percent
Savings and loan associations	41,734	\$134,359,000	34%
Insurance companies	3,992	20,543,000	5
Bank and trust companies	20,535	71,752,000	18
Mutual savings banks	3,802	15,176,000	4
Individuals	38,975	103,513,000	27
Other mortgagees	12,967	48,296,000	12
Total	122,005	\$393,639,000	100%

Results Of Treasury Bill Offering

The Secretary of the Treasury announced on Feb. 26 that the tenders of \$1,300,000,000 or thereabouts, of 91-day Treasury bills to be dated Mar. 1 and to mature May 31, 1945, which were offered on Feb. 23, were opened at the Federal Reserve Banks on Feb. 26. The details of this issue are as follows:

Total applied for \$2,065,776,000. Total accepted \$1,314,147,000 (includes \$59,003,000 entered on a fixed price basis at 99.905 and accepted in full).

Average price 99.905, equivalent rate of discount approximately 0.375% per annum.

Range of accepted competitive bids:

High, 99.908, equivalent rate of discount approximately 0.364% per annum.

Low, 99.905, equivalent rate of discount approximately 0.376% per annum.

(58% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Mar. 1 in the amount of \$1,203,676,000.

Simplified Registration Statement for Corporations

The SEC announced on Feb. 17 that a draft has been prepared of a new simplified form for the registration of shares of corporations in the promotional or development stage under the Securities Act of 1933. In keeping with its practice, the Commission has sent copies of the proposed registration form to various individuals, organizations, and firms interested in primary financing, for their comments and suggestions. In its advices the Commission adds:

"The proposed form is not to replace an existing form, but is designed instead to meet the particular needs of corporations of the aforementioned types which are without subsidiaries or funded debt and have not been involved in a recent succession to the business of another concern. It is felt that the form will prove helpful to new corporations, particularly, when wartime conditions become ameliorated."

"The simple type of registrant visualized in drafting the form has permitted simplification of the various items of the form and the financial statements. A balance sheet is not required to be filed in the usual case. Instructions, where necessary, immediately follow the various items of the form and have been prepared with the view of showing clearly the type of information sought to be disclosed by such items."

eight percent decline was reported in mortgage financing by insurance companies, the only type of lender showing a recession in 1944.

The figures include estimates of the nation's recordings of new mortgages amounting to \$20,000 or less. The number and dollar amount of recordings in November, by class of lender, are as follows:

Soft Coal Miners Contract Expires March 31 - Gives Strike Notice

John L. Lewis and the United Mine Workers' policy committee on Feb. 26 served notice under the Smith-Connally Act of the possibility of a bituminous coal strike in thirty days, according to an Associated Press dispatch from Washington, D. C., which further adds in part:

The bituminous contract expires on March 31 and negotiations with the operators will begin today (March 1). The policy committee gathered on Feb. 26 to formulate demands for a new contract. The strike notice was the first action of the meeting.

Mr. Lewis, in a letter to Secretary of Labor Perkins, notified her that:

"In order to protect our membership under the terms of this act, this letter is now directed to you as formal notice that a labor dispute exists within the meaning of the act, as interpreted by this committee, between the United Mine Workers of America and the bituminous coal operators of this country."

"This notice is not intended to apply to any bituminous coal mine now under governmental seizure and control."

"To the end and for the purpose of procuring a new basic wage agreement for the industry, we will work diligently and forthrightly for the ensuing thirty days to prevent, if possible, any interruption of coal production, so vital to the prosecution of the war in which our country is now engaged, and to which we pledge our full devotion."

Railway Employees Total 1,390,718

Employees of Class I railroads of the United States, as of the middle of January, 1945, totaled 1,390,718, an increase of 2.47% compared with the corresponding month of 1944, but a decrease of 0.67% under December, 1944, according to a report just issued by the Bureau of Transport Economics and Statistics of the Interstate Commerce Commission, which further adds:

A gain over January, 1944, is shown in the number of employees for every reporting group with the exception of transportation (train and engine service), which shows a decrease of 0.13%. The percentages of increase are:

Executives, officials, and staff assistants, 2.61; professional, clerical, and general, 2.23; maintenance of way and structures, 6.78; maintenance of equipment and stores, 1.93; transportation (other than train, engine, and yard), 1.68, and transportation (yardmasters, switchtenders, and hostlers), 4.57.

Mail to Philippine Internees

Postmaster Albert Goldman announced on Feb. 19 that information had been received from the Post Office Department at Washington, D. C., that mail for American military and civilian internees in the Philippine Islands, whose liberation has been announced, may now be accepted for mailing under the following conditions:

For the present, such mail is restricted to letters and postcards only prepaid at the air-mail rate of postage applicable to overseas APO's, that is, six cents for each half-ounce or fraction of a half-ounce. It is intended that such mail will receive air mail treatment to destination. Such mail should be addressed in the following manner:
Name of addressee,
American Red Cross, Civilian War Affairs Section,
APO 442, c/o Postmaster,
San Francisco, Cal.

Economic Stability in the Post-War World Subject of League of Nations Report

Making known that the League of Nations Delegation on Economic Depressions recently held its final session in Princeton, N. J., the League on Feb. 12 pointed out that, appointed in 1938 by the Council of the League to consider measures that might be employed "for preventing or mitigating economic depressions," it began its work at the end of that year, but was forced to interrupt it on the outbreak of war.

It is further noted that in 1943 the Council issued the first part of its report under the title, "The Transition from War to Peace Economy," in which it proposed a series of measures, both domestic and international, for effecting as smooth a transition as possible from war to peace economy. The advices from the League continue:

The second part of the report, which has now been completed, is concerned with the longer-term problem of securing economic stability and the fullest possible use of productive resources after the period of transition. The delegation insists on the international nature of depressions and on the need, therefore, for the international coordination of national policies for the maintenance of a high and stable level of employment. The report, which will run into over 300 pages, will be published under the title, "Economic Stability in the Post-war World; The Conditions of Prosperity After the Transition from War to Peace."

The following have taken part in its preparation:

Winfield W. Riefler, Professor at the Institute for Advanced Study, and until recently United States Minister in London (Chairman); R. H. Brand, C.M.G., Principal Representative of the British Treasury in the United States; W. Domaniewski, Commercial Counselor, Polish Embassy, Washington; Carter Goodrich, Columbia University, representing the International Development Works Committee of the International Labour Organization; Prof. G. Haberler, Harvard University; Dr. D. Crena de Iongh, Chairman, Board for the Netherlands Indies, Surinam and Ceraeao; F. L. McDougall, C.M.G., Economic Adviser to the Australian Government in London; R. Marjolin, Director of External Relations, Ministry of National Economy, Paris; Prof. O. Morgenstern, Princeton University, formerly head of the Austrian Institute for Business Cycle Research; Louis Rasminsky, Chairman (alternate), Foreign Exchange Control Board, Canada; G. F. Towers, Governor of the Bank of Canada.

Non-Farm Mortgage Financing

Despite a continued decline in non-farm home building for the year, mortgage recordings in the nation reached \$4,610,600,000 during 1944, a gain of 19% over 1943, the Federal Home Loan Bank Administration reported on Feb. 10. The advices add:

The dollar total was only 3% less than for 1941—the high year in mortgage financing since the depression bottom and the last year before sharp wartime restrictions on new building were imposed.

With limitations on the amount and price of new construction in effect, it is clear that the active sale of existing properties is the chief cause of the rise, according to officials of the Bank Administration. The average value of recordings last year was \$3,111, as compared with \$3,031 in 1943.

By Federal Home Loan Bank districts, the greatest gain in 1944 recordings (32.5%) was reported in the Los Angeles area, compris-

	Number	Amount	Per Cent
Savings and loan associations	496,996	\$1,563,678,000	34%
Insurance companies	50,900	256,173,000	5
Banks and trust companies	249,026	877,762,000	19
Mutual savings banks	42,028	165,054,000	4
Individuals	447,021	1,134,054,000	25
Others	160,577	613,908,000	13
Total	1,446,548	\$4,610,629,000	100%

Jan. Volume of Freight Traffic 5.8% Lower

The volume of freight traffic handled by Class I railroads in January, 1945, measured in ton-miles of freight, decreased 5.8% under the corresponding month of last year, the Association of American Railroads announced Feb. 23. Traffic in January amounted to approximately 57,000,000,000 ton-miles, according to preliminary estimates based on reports just received by the Association from Class I railroads. This was 3½% greater than for the same month two years ago, and 2¼ times that of 1939.

The following table summarizes revised statistics for the year 1944, and preliminary figures for January, 1945 ('000's omitted):

	1944	1943	% Chge.
1st 11 mos. 1944	680,337,455	666,394,928	+ 2.1
Mo. of Dec. 1944	*57,700,000	60,614,577	- 4.8
Year 1944	*738,037,455	727,009,505	+ 1.5
Mo. of Jan. 1945	†57,000,000	60,487,994	- 5.8

*Revised estimate. †Preliminary estimate.

G. S. Cheston Elected to Board of J. P. Morgan

At a regular meeting of the board of directors of J. P. Morgan & Co. Incorporated, held on Feb. 22, Charles S. Cheston of Philadelphia was elected a member of the board.

Mr. Cheston, who lives at Whitmarsh, Pa., was born in 1892 at Chestnut Hill, Philadelphia, Pa. He attended the University of Pennsylvania. He became a partner in Edward B. Smith & Co. in 1920 and continued as a partner in that firm and its successor, Smith Barney & Co., until the end of 1944. He is now in Government service in Washington, D. C.

He holds directorships in Provident Mutual Life Insurance Co. of Philadelphia, Philco Corp., Pure Oil Co., Western Saving Fund Society of Philadelphia, Virginia Coal & Iron Co., Stonega Coke & Coal Co.

ing California, Arizona, Nevada and Hawaii. Only four districts—Pittsburgh, Indianapolis, Topeka and Portland (Oregon)—showed increases of less than 15%.

Mortgages registered in the name of "individuals" in 1944 increased by 32% over 1943, the greatest gain for any type of lender. For savings and loan associations the rise was 26%.

All remaining types of mortgages except life insurance companies shared in the increase from 1943—17% for banks and trust companies, 8.5% for mutual savings banks and 5.5% for miscellaneous lenders.

During December, 1944, about \$360,000,000 of mortgages was recorded, a 10% decline from November.

The estimates of financing activity are based on mortgages of \$20,000 or less, recorded in areas embracing almost two-thirds of the non-farm population of the country. The number and amount of mortgages recorded in 1944, by type of lender, are as follows:

Steel Production Off—Extended Deliveries Increase Backlogs—Orders Exceed Shipments

"While the steel industry this week continued to struggle with manpower and production problems, steel requirements in the form of commitments for delivery over the next quarter probably represent one of the toughest challenges to the industry since the war began," states "The Iron Age" in its issue of today (March 1), which further goes on to say: "The greatest emphasis will be upon those orders tagged for the military. Although

the latter was not being allotted the amount of steel it requested for the second quarter, both the Army and the Navy on actual allotments to them came out far better than any of the other war agencies.

"In the face of increasing transportation needs, the second quarter requests of the Office of Defense Transportation were slashed considerably. While railroad authorities do not minimize the importance of Army and Navy demands, they still point out that the nation's transportation system cannot long continue to have its requirements continually cut. It is recalled that throughout 1944 the railroads were unable to obtain the amount of steel which they thought necessary to keep the transportation system in 'fair' shape. Some even believe that the setbacks in the recent severe weather period were accentuated by the fact that equipment was worn out and replacements and repairs on a greater scale had been made impossible because of the supply situation.

"Forms of transportation other than the railroads have also suffered due to cutbacks in their estimated needs. On the home front it is becoming increasingly apparent that bus service for war workers and other essential employment continues to deteriorate due to lack of parts and supplies, as well as due to manpower shortages. In the drive for more war work such factors may not be too small when absenteeism is being analyzed.

"Steel order volume, although having declined in recent weeks from the record-breaking January level, was nevertheless somewhat ahead of actual shipments. This situation, however, may not be as bad as it appears, because the increase in backlogs recently has been due in large part to greatly extended deliveries. Steel consumers have had to place their orders so far ahead that some business is being labeled for first and second quarter delivery, 1946.

"For the country as a whole, steel order volume during the first two months of this year is estimated to be about 25% ahead of the same period last year. The oversold condition in the industry is indicated by reports that some major producing units' orders during the first few weeks of February exceeded shipments by as much as 60%.

"Of great interest in the railroad construction field is the reported award, on a prime contract, for 30,000 box cars for France to International Railway Car & Equipment Mfg. Co. with offices in Chicago and a plant at Kenton, Ohio. It is expected that a portion of the order will be sublet. Pullman Standard has been awarded 3,000 and American Car & Foundry 2,000 56-ton flat cars for Russia. Heavy demand is reported for standard rails for export—particularly for South America."

The American Iron and Steel Institute on Feb. 26 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 94.6% of capacity for the week beginning Feb. 26, compared with 96.4% one week ago, 88.7% one month ago and 97.5% one year ago. The operating rate for the week beginning Feb. 26, 1945, is equivalent to 1,732,700 tons of steel ingots and castings, compared to

1,765,700 tons one week ago, 1,625,200 tons one month ago, and 1,746,500 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Feb. 26 stated in part as follows: "With steel mills booked far ahead with orders for essential material for war purposes there still is heavy pressure to place tonnage on books for nearby and second quarter rolling.

"Directives have been issued for so much tonnage that a great deal of Controlled Materials Plan steel has been pushed far back in rolling schedules, much of it also essential. Great confusion has prevailed as a result of this procedure and use of directives is being reduced by Washington to lessen the disorder. Directives now are being issued only after severest scrutiny as to need for the tonnage for which special action is sought.

"Under greatest pressure is steel for guns and ammunition, for rockets in particular. Signal Corps equipment, involving various types of sheets and wire also is being pushed insistently. Mobile gun mounts and combat tanks call for high priority also. However, the ship program appears to be approaching its peak, with probability that March production of plates will be heaviest in several months. April and entire second quarter should witness high plate production, with the trend slightly downward, notwithstanding increasing requirements from locomotive builders; now beginning to place tonnage for export orders recently booked. Some platemakers can give delivery in May but most are booked into June for entire production.

"Claimant agencies are asking over 17 million tons of carbon steel for second quarter needs, while production possibilities are estimated at not more than about 14 million tons. Effort will be made by WPB to reduce the requests by close screening, to match with possible output. Manpower is a large factor in holding production down.

"Scrap is still tight as a result of slow movement during the period of heavy snows, which prevented collection, preparation and shipment. During this period reserves were reduced and some tonnage still is being taken from stocks, but the situation is improving.

"Consumption of Lake Superior iron ore in January was below average, as had been indicated by lower pig iron production. The total was 6,982,619 gross tons, compared with 7,481,653 tons in the corresponding month last year. Stocks at furnaces and Lake Erie ports Feb. 1 were 30,888,619 tons, compared with 36,059,302 tons at the same date in 1944. Despite the smaller tonnage it appears ample to fill needs until new tonnage comes down the lakes at the opening of navigation."

Seized Soft Coal Mines Returned by Secretary Ickes

Harold L. Ickes, Solid Fuels Administrator, on Feb. 24, announced that the Government had returned to their owners 72 bituminous coal mines in West Virginia, Pennsylvania and Kentucky, which had been seized in September to end labor disturbances, according to an Associated Press dispatch from Washington, D. C.

The mines involved were said to have a daily output of 145,000 tons and employ more than 25,000.

Says Sterling Cannot Be Stabilized Until Britain Balances Her International Accounts

(Continued from first page)

outbreak of hostilities in 1939. Among the foreign investments surrendered by British nationals to the Exchequer and later liquidated were some of the best, including securities of the United States, Canada, South Africa, India and Argentina which yielded satisfactory returns. While the amount of foreign investments of Great Britain is still about £2,700 million, the fact should not be overlooked that a portion of these investments is in default and that many of them could not be liquidated and converted into foreign exchange for some time after the war. In addition Great Britain had accumulated by the end of 1944 an external short-term sterling debt of about £3,000 million, which at the cessation of hostilities may amount to £4,000 million and on which the annual interest and amortization charges—allowing for the normal balances kept in London either as currency reserves or as working balances—may for years exceed the income on her investments abroad.

"The problem of the post-war balance of payments could be met by increasing Great Britain's international indebtedness. But this would merely postpone the solution and render it much more difficult in the future. Hence, it may be expected that the British will endeavor to solve the problem by increasing visible exports. The question, therefore, arises whether Great Britain will be able to find markets for greatly increased exports. There are a number of factors that indicate such expansion is feasible.

1. Great Britain will continue to be one of the leading importers of raw materials and foodstuffs. The countries selling in Great Britain will purchase manufactured goods in that country. The pent-up demand for factory products for some years after the war is likely to cause a rise in prices of manufactured goods as compared with prices of raw materials and foodstuffs, which would give Great Britain a trade advantage in the critical years following the cessation of hostilities.

2. Great Britain's industrial plant after the war will be more modern than ever before and its productive capacity has been increased materially. The British, therefore, will be in a position to produce more goods at relatively low costs. The decline in income from foreign investments and other invisible exports will act as a powerful stimulus to modernize not only the equipment and process of production but also the methods of marketing and of financing foreign trade.

3. The productivity of labor is receiving more attention in Great Britain at present than in the past. Committees sent by the British to the United States to study various American industries have reported that the productivity of American labor in many industries, especially in the cotton textile industry, is far greater than that of British labor. There is no reason to believe that the British will not be able to increase materially the productivity of labor through the installation of modern machinery, provision of more mechanical equipment per worker and application of scientific methods to the utilization of labor and equipment. An increase in the productivity of the British economy will improve the country's competitive position and enable it to cope successfully with economic problems.

In considering the problem of frozen sterling balances the bulletin states:

"The accumulation of foreign-

owned sterling balances, which at the end of 1944 were estimated at £3,000,000,000 or about \$12,000,000,000, has caused considerable concern about the method of settling or liquidating these balances. The growth of sterling balances has been recently accelerated since some of the Dominions have either completed, curtailed, or ceased repatriation of their securities held in the United Kingdom. It is obvious that until these abnormally large balances have been drastically reduced, or a considerable portion of them converted into special long-term obligations, it will be impossible for Great Britain to abolish foreign-exchange restrictions or to stabilize the pound sterling on a permanent basis. Furthermore, the amount of interest which Great Britain will have to pay on these balances, particularly after they have been funded, will exercise a considerable influence on the British balance of payments.

"While the existence of the huge amounts of foreign-owned frozen sterling balances constitutes a serious threat to monetary stability and aggravates materially the British balance of payments problem, a solution can be found, particularly if India and Egypt were to adopt a reasonable attitude and take into account the sacrifices in life and treasure made on their behalf by Great Britain and other members of the United Nations. The main factor to be borne in mind is that it is primarily a sterling area problem and, therefore, is not as difficult as would be the case if these balances were owned by non-sterling bloc countries. In the long run these balances can exercise a powerful influence on exports of capital goods from Great Britain, particularly to India where plans have been made already for considerable industrial development. Since, however, Great Britain has to import in order to be able to export, it is evident that these balances can be utilized by their owners only after the reconstruction of Great Britain has been completed and even then only over a considerable period of time."

In conclusion the bulletin states:

"The most difficult period in Britain's international financial position will be the immediate post-war years. During those years the country will be confronted not only with the task of converting the economy from war to peace operations, but also with the urgent need to construct a large number of dwellings, to repair damaged buildings, and to erect a number of public buildings which have been destroyed during the war. The need for machinery and equipment will also be very great and some will have to be imported probably from the United States. Great Britain, therefore, will have full employment during the first peacetime years, but by far the greater part of the industrial output will not be available for export. Since Great Britain will have to import large quantities of raw materials, foodstuffs, as well as machinery and equipment, the foreign-trade deficit during the first two or three years after the war is bound to be very great, thus further increasing Britain's international short-term indebtedness.

"How the large excess of imports over exports will be financed is, of course, impossible to state. It is quite likely that a part of the adverse trade balance will be paid with the gold and dollar balances held by the British Treasury. It is also possible that the United States Government as

well as the Government of the Dominion of Canada may continue to render some assistance to the British Government until the period of reconstruction is over and Great Britain is able to export considerable quantities of manufactured goods. The repeal of the Johnson Act, cancellation of the interallied debts contracted during World War I, and a prompt and equitable settlement of lend-lease obligations would have a favorable effect on Great Britain. Should the International Monetary Fund, as provided for by the Bretton Woods Conference, be established, the British would be able to draw on the resources of the Fund during the reconstruction period. It is quite certain, however, that the period of reconstruction and rehabilitation of British industry will be a difficult one, mainly because the country will be dependent to a considerable extent on foreign raw materials and manufactured goods."

Four More South American States Join United Nations

With the signing on Feb. 14 by representatives of four South American republics of the Declaration of the United Nations the number of United Nations was increased to 40. The ceremony took place at the State Department before diplomatic representatives of other member Governments, said special advices from Washington to the New York "Times", Feb. 14 which also said in part:

The four were Peru and Paraguay, which recently declared war against both Japan and Germany, and Ecuador and Chile, which previously had done so. All four had long ago severed diplomatic relations with the Axis. The Chilean declaration of war was officially announced at the time of the signing.

Joseph C. Grew, acting Secretary of State, presided at the ceremony, which was in the large conference room of the Department amid a setting of flags of the United Nations and to the accompaniment of flashes of photographers' bulbs. The exercises also were broadcast over national networks.

Among the Ambassadors present was Jan Ciechanowski whose Polish Government-in-Exile in London still is recognized by the United States.

Except for Argentina, only two other Latin-American countries, Uruguay and Venezuela, have not yet declared war on the Axis. However, they long ago severed relations, and indications are that the two republics are preparing to declare war.

Outside of this hemisphere the only Governments that have broken relations but have not declared war are those of Egypt and Iceland.

Mr. Grew delivered a brief address, as did the diplomatic representatives of the Governments that subscribed to the Declaration through affixation of their formal signatures.

"We are happy to welcome these nations formally into our fold," Mr. Grew said. "Convinced of the justice of our cause, each of them long ago took its firm stand on the side of the United Nations by breaking relations with the Axis Powers, by suppressing subversive activities aimed against this hemisphere and by mobilizing its human and economic resources in support of the war effort."

Mr. Grew added that the new members were welcomed, too, as "full partners in constructing an international peace and security organization. We need the best thought of all Governments and peoples who believe in this noble enterprise."

Moody's Bond Prices and Bond Yield Averages

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

MOODY'S BOND PRICES* (Based on Average Yields)									
1945— Daily Averages	U. S. Govt. Bonds	Avg. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Feb. 27	121.95	114.66	120.22	118.60	114.46	106.04	110.52	114.27	119.41
26	121.95	114.66	120.22	118.60	114.46	106.04	110.52	114.27	119.41
24	121.92	114.66	120.22	118.60	114.46	106.04	110.52	114.27	119.41
23	121.92	114.66	120.22	118.60	114.46	106.04	110.52	114.27	119.41
22	121.87	114.66	120.02	118.60	114.46	106.04	110.52	114.27	119.41
21	121.87	114.66	120.02	118.60	114.46	106.04	110.52	114.27	119.41
20	121.87	114.66	120.02	118.60	114.46	106.04	110.52	114.27	119.41
19	121.93	114.46	120.02	118.60	114.27	105.86	110.15	114.08	119.41
17	121.97	114.46	120.02	118.60	114.27	105.69	110.15	114.08	119.41
16	121.97	114.46	120.02	118.60	114.27	105.69	110.15	114.08	119.41
15	121.97	114.46	120.02	118.60	114.27	105.69	110.15	114.08	119.41
14	121.70	114.27	120.02	118.40	114.08	105.69	109.97	114.08	119.20
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	119.20
10	121.55	114.27	119.82	118.40	114.08	105.52	109.97	114.08	119.20
9	121.53	114.08	119.61	118.20	113.89	105.52	109.79	113.89	118.80
8	121.44	114.08	119.61	118.20	113.89	105.52	109.79	113.89	118.80
7	121.44	114.08	119.61	118.20	113.89	105.52	109.79	113.89	118.80
6	121.44	114.08	119.61	118.20	113.89	105.52	109.79	113.89	118.80
5	121.37	114.08	119.61	118.20	113.89	105.34	109.60	114.08	118.80
4	121.33	114.08	119.61	118.20	113.89	105.34	109.60	114.08	118.80
3	121.11	113.89	119.41	118.00	113.70	105.17	109.24	113.89	118.60
2	120.88	113.89	119.41	118.00	113.70	105.00	108.88	113.70	118.60
1	121.09	113.70	119.20	118.00	113.50	104.83	109.66	113.70	118.40
Jan. 26	121.25	113.70	119.00	118.00	113.50	104.66	108.70	113.89	118.20
19	120.66	113.50	119.00	117.80	113.50	104.66	108.70	113.89	118.20
12	121.97	114.66	120.22	118.60	114.46	106.04	110.52	114.27	119.41
High 1945	121.97	114.66	120.22	118.60	114.46	106.04	110.52	114.27	119.41
Low 1945	120.55	113.50	118.80	117.80	113.31	104.48	108.52	113.70	118.20
1 Year Ago									
Feb. 26, 1944	120.21	111.07	118.20	116.22	111.07	100.32	104.31	113.50	116.22
2 Years Ago									
Feb. 27, 1943	117.11	109.24	117.60	115.43	110.15	95.60	100.16	112.93	115.43

MOODY'S BOND YIELD AVERAGES* (Based on Individual Closing Prices)									
1945— Daily Averages	U. S. Govt. Bonds	Avg. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Feb. 27	1.69	2.92	2.64	2.72	2.93	3.39	3.14	2.94	2.68
26	1.69	2.92	2.64	2.72	2.93	3.39	3.14	2.94	2.68
24	1.69	2.92	2.64	2.72	2.93	3.39	3.14	2.94	2.68
23	1.69	2.92	2.65	2.72	2.93	3.39	3.14	2.95	2.68
22	1.70	2.92	2.65	2.72	2.93	3.39	3.14	2.94	2.68
21	1.70	2.93	2.65	2.72	2.93	3.40	3.15	2.95	2.68
20	1.60	2.93	2.65	2.72	2.94	3.40	3.15	2.94	2.69
19	1.69	2.93	2.65	2.72	2.94	3.40	3.16	2.95	2.68
17	1.69	2.93	2.65	2.72	2.94	3.41	3.16	2.95	2.68
16	1.71	2.93	2.65	2.72	2.94	3.40	3.16	2.95	2.69
15	1.71	2.94	2.65	2.73	2.94	3.41	3.16	2.95	2.69
14	1.72	2.94	2.65	2.73	2.95	3.41	3.17	2.95	2.69
13	1.72	2.94	2.66	2.73	2.95	3.41	3.17	2.95	2.69
12	1.72	2.94	2.66	2.73	2.95	3.42	3.17	2.95	2.69
10	1.72	2.94	2.66	2.73	2.95	3.42	3.17	2.95	2.69
9	1.72	2.94	2.66	2.73	2.95	3.42	3.18	2.96	2.71
8	1.72	2.95	2.67	2.74	2.96	3.42	3.18	2.96	2.71
7	1.73	2.95	2.66	2.74	2.96	3.42	3.18	2.96	2.71
6	1.73	2.95	2.66	2.74	2.96	3.42	3.18	2.96	2.71
5	1.73	2.95	2.66	2.74	2.96	3.43	3.19	2.95	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	2.74	2.96	3.43	3.20	2.96	2.71
2	1.75	2.96	2.67	2.75	2.97	3.44	3.21	2.96	2.72
1	1.77	2.96	2.68	2.75	2.97	3.45	3.23	2.97	2.72
Jan. 26	1.75	2.97	2.70	2.75	2.98	3.46	3.22	2.97	2.73
19	1.74	2.97	2.70	2.76	2.98	3.47	3.24	2.96	2.74
12	1.79	2.98	2.71	2.76	2.99	3.48	3.25	2.97	2.74
High 1945	1.80	2.98	2.71	2.76	2.99	3.48	3.25	2.97	2.74
Low 1945	1.69	2.92	2.64	2.72	2.93	3.39	3.14	2.94	2.68
1 Year Ago									
Feb. 26, 1944	1.81	3.11	2.74	2.84	3.11	3.73	3.49	2.98	2.84
2 Years Ago									
Feb. 27, 1943	2.06	3.21	2.77	2.88	3.16	4.03	3.74	3.01	2.88

*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.

Electric Output for Week Ended Feb. 24, 1945

Increased 0.7% Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Feb. 24, 1945, was approximately 4,473,962,000 kwh., which compares with 4,444,939,000 kwh. in the corresponding week a year ago, and 4,472,298,000 kwh. in the week ended Feb. 17, 1945. The output of the week ended Feb. 24, 1945, was 0.7% in excess of that in the same week last year.

Major Geographical Divisions—	PERCENTAGE INCREASE OVER PREVIOUS YEAR			
	Feb. 24	Feb. 17	Feb. 10	Feb. 3
New England	0.9	*0.0	*1.9	2.3
Middle Atlantic	*1.9	*4.0	*3.7	*2.0
Central Industrial	3.5	1.5	1.6	2.2
West Central	8.8	6.0	9.2	8.4
Southern States	6.9	5.1	4.9	5.6
Rocky Mountain	*9.8	*11.9	*11.5	*10.8
Pacific Coast	*6.2	*5.5	*4.5	*2.5
Total United States	0.7	*0.9	*0.6	0.3

*Decrease under similar week in previous year.

Week Ended—	DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)				
	1944	1944	1943	1932	1929
Nov. 4	4,354,939	4,413,863	— 1.3	3,761,961	1,520,730
Nov. 11	4,396,595	4,482,665	— 1.9	3,775,878	1,531,584
Nov. 18	4,450,047	4,513,299	— 1.4	3,795,361	1,475,268
Nov. 25	4,368,519	4,403,342	— 0.8	3,766,381	1,510,337
Dec. 2	4,524,257	4,560,158	— 0.8	3,883,534	1,806,225
Dec. 9	4,538,012	4,566,905	— 0.6	3,937,524	1,840,863
Dec. 16	4,563,079	4,612,994	— 1.1	3,975,873	1,554,473
Dec. 23	4,616,975	4,295,010	—	3,655,926	1,414,710
Dec. 30	4,425,814	4,337,287	— 2.6	3,779,993	1,619,265
Jan. 6	4,427,281	4,567,959	—	3,952,587	1,602,482
Jan. 13	4,614,334	4,539,083	+ 1.7	3,952,479	1,598,201
Jan. 20	4,588,214	4,531,662	+ 1.2	3,974,202	1,588,967
Jan. 27	4,576,713	4,523,763	+ 1.2	3,976,844	1,588,853
Feb. 3	4,538,552	4,524,134	+ 0.3	3,960,242	1,578,817
Feb. 10	4,505,269	4,532,730	— 0.6	3,939,708	1,545,459
Feb. 17	4,472,293	4,511,562	— 0.9	3,948,749	1,512,158
Feb. 24	4,473,962	4,444,939	+ 0.7	3,892,796	1,519,679

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

Wholesale Prices for Week Ended Feb. 17

Rose 0.1%, Labor Department Reports

"The Bureau of Labor Statistics' weekly index of commodity prices at the primary market level rose 0.1% during the week ended Feb. 17 to a new wartime peak," said the U. S. Department of Labor on Feb. 22, which added that "higher prices for livestock and for building materials, such as brick and cement, largely accounted for the advance." "This fractional increase brought the all-commodity index to 105.0% of the 1926 average, the highest reached in 24 years. In the past four weeks the index rose 0.2% to a point 1.6% higher than at this time last year," according to the Department, which further reported:

"Farm Products and Foods—Led by an increase of 0.8% for livestock and poultry—4.5% for sheep and nearly 2% for cattle—and higher prices for cotton, hay and tobacco, for fresh milk at Chicago, and for lemons, average prices for farm products in primary markets rose 0.3% to the highest point since mid-June, 1943. Eggs declined seasonally and lower prices were also reported for apples, oranges and potatoes in most markets. Since the middle of January, average prices for farm products have advanced 0.5% and were 3.6% higher than for the corresponding week of last year.

"The seasonal decline in prices for eggs, together with lower prices for fruits and vegetables, brought average prices for foods down 0.1% during the week. Wheat flour at the Kansas City mills advanced slightly while rye flour declined. Dressed poultry in the Chicago market rose 1.6%. In the past four weeks average prices for foods in primary markets have decreased 0.2% but were 0.7% higher than in mid-February, 1944.

"Industrial Commodities—An increase of \$1.00 per ton in ceiling prices for pig iron allowed by OPA to compensate for higher production costs caused the index for metals and metal products to rise 0.1%. Building material prices advanced 0.2% during the week, reflecting higher prices for brick and cement in certain local areas. Lower sales realizations for gas brought the index for fuel and lighting materials down 0.2%."

The Labor Department included the following notation in its 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. 20, 1945 and Feb. 19, 1944, and the percentage changes from a week ago, a month ago, and a year ago, and (2) percentage changes in subgroup indexes from Feb. 10, 1945, to Feb. 17, 1945:

Commodity Groups—	WHOLESALE PRICES FOR WEEK ENDED FEB. 17, 1945					Percentage change to Feb. 17, 1945 from—		
	1945	1945	1945	1944	1944	2-10	1-20	2-19
All commodities	105.0	104.9	104.7	104.8	103.3	+0.1	+0.2	+1.6
Farm products	127.2	126.8	125.7	126.6	122.8	+0.3	+0.5	+3.6
Foods	104.8	104.9	104.3	105.0	104.1	-0.1	-0.2	+0.7
Hides and leather products	118.0	118.0	117.9	117.9	117.7	0	+0.1	+0.3
Textile products	99.1	99.1	99.1	99.0	97.2	0	+0.1	+2.0
Fuel and lighting materials	83.8	84.0	84.0	83.9	83.7	-0.2	-0.1	+0.1
Metals and metal products	104.3	104.2	104.2	104.2	103.8	+0.1	+0.1	+0.5
Building materials	116.9	116.7	116.7	116.7	113.7	+0.2	+0.2	+2.8
Chemicals and allied products	94.9	94.9	94.9	94.9	95.1	0	0	-0.2
Housefurnishing goods	105.2	105.2	105.2	105.1	105.2	0	+0.1	+0.9
Miscellaneous commodities	94.1	94.1	94.1	94.0	93.3	+0.2	+0.3	+2.8
Raw materials	116.2	116.0	115.3	115.8	113.0	0	0	+1.4
Semimanufactured articles	94.8	94.8	94.8	94.8	93.5	0	0	+1.6
Manufactured products	101.6	101.6	101.6	101.6	100.6	0	0	+1.0
All commodities other than farm products	100.1	100.1	100.1	100.0	99.2	0	+0.1	+0.9
All commodities other than farm products and foods	99.3	99.3	99.3	99.3	98.2	0	0	+1.1

Weekly Coal and Coke Production Statistics

The Solid Fuels Administration, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended Feb. 17, 1945, is estimated at 11,515,000 net tons, a decrease of 765,000 tons from the preceding week. Output in the corresponding week of 1944 amounted to 12,390,000 tons. For the calendar year to Feb. 17, 1945, soft coal production totaled 81,450,000 tons, a decrease of 9.4% when compared with the 89,900,000 tons produced in the calendar year to Feb. 19, 1944.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended Feb. 17, 1945, was estimated at 1,129,000 tons, an increase of 12,000 tons (1.1%) over the preceding week. When compared with the output in the corresponding week of 1944 there was a decrease of 303,000 tons, or 21.2%. The calendar year to date shows a decrease of 22.2% when compared with the same period in 1944.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended Feb. 17, 1945, showed a decrease of 11,700 tons when compared with the output for the week ended Feb. 10, 1945, and was 42,400 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. 17, 1945	Feb. 10, 1945	Feb. 19, 1944	Feb. 17, 1945	Feb. 19, 1944	Feb. 19, 1944
Bituminous coal & lignite—	11,515,000	12,280,000	12,390,000	81,450,000	89,900,000	89,900,000
Total, including mine fuel—	1,129,000	2,047,000	2,065,000	7,958,000	2,106,000	2,106,000

*Revised. †Subject to current adjustment.

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

	Week Ended			Calendar Year to Date		
	Feb. 17, 1945	Feb. 10, 1945	Feb. 19, 1944	Feb. 17, 1945	Feb. 19, 1944	1937
Penn. anthracite—	1,129,000	1,117,000	1,432,000	6,961,000	8,944,000	7,189,000
Total incl. coll. fuel—	1,084,000	1,072,000	1,375,000	6,682,000	8,586,000	6,830,000
Beehive coke—	108,000	119,700	150,400	710,400	1,136,100	486,200

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

ESTIMATED WEEKLY PRODUCTION OF BITUMINOUS COAL AND LIGNITE, BY STATES (In Net Tons)

State	Week Ended		
	Feb. 10, 1945	Feb. 3, 1945	Feb. 12, 1944
Alabama	373,000	385,000	413,000
Alaska	7,000	7,000	5,000
Arkansas and Oklahoma	108,000	106,000	100,000
Colorado	171,000	172,000	192,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	1,584,000	1,516,000	1,622,000
Indiana	581,000	572,000	557,000
Iowa	63,000	56,000	42,000
Kansas and Missouri	180,000	163,000	176,000
Kentucky—Eastern	1,157,000	1,013,000	1,000,000
Kentucky—Western	361,000	393,000	358,000
Maryland	35,000	30,000	37,000
Michigan	2,000	2,000	7,000
Montana (Lignite & lignite)	102,000	105,000	95,000
New Mexico	33,000	31,000	39,000
North & South Dakota (Lignite)	66,000	67,000	62,000
Ohio	675,000	626,000	700,000
Pennsylvania (bituminous)	2,573,000	2,218,000	3,080,000
Tennessee	162,000	153,000	161,000
Texas (bituminous & lignite)	4,000	4,000	3,000
Utah	149,000	150,000	140,000
Virginia	437,000	395,000	441,000
Washington	34,000	31,000	35,000
West Virginia—Southern	2,450,000	2,124,000	2,388,000
West Virginia—Northern	802,000	757,000	1,077,000
Wyoming	200,000	194,000	218,000
Other Western States	—	—	1,000
Total bituminous & lignite	12,280,000	11,290,000	12,950,000

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

National Fertilizer Association Commodity Price Index Again Declines Slightly

The weekly wholesale commodity price index, compiled by The National Fertilizer Association and made public on Feb. 26, declined for the second consecutive week to 139.8 in the week ending Feb. 24, 1945, from 140.0 in the preceding week. A month ago the index stood at 140.1, the highest point of the index, and a year ago at 137.0, based on the 1935-39 average as 100. The Association's report went on to say:

Two of the composite groups of the index declined during the week and one advanced. The foods index registered a further decline, taking the index 1.8% lower than it was six weeks ago when it started its downward trend. The lower prices for oranges and bread were responsible for this week's decline. The metals index declined 1.6% due to a drop in the prices for finished goods. Higher quotations were shown for pig iron, but they were not enough to offset the decline in finished steel. Farm products prices were generally higher with the three subgroups all advancing. Cotton prices rose only slightly. The grains index was up because of higher quotations for wheat at Minneapolis and for rye. Cattle and lamb prices advanced, taking the livestock index up almost to its level of two weeks ago. Timothy hay prices were also higher. The rise in raw cotton prices were not enough to affect the textiles index. All other groups in the index remained unchanged.

During the week 3 price series in the index declined and 8 advanced; in the preceding week there were 4 declines and 5 advances; in the second preceding week there were 4 declines and 7 advances.

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

Each Group Bears to the Total Index	Group	Latest Preceding			
		Week	Week	Month	Year
		Feb. 24, 1945	Feb. 17, 1945	Jan. 27, 1945	Feb. 26, 1944
25.3	Food	141.7	142.7	143.4	138.4
	Fats and Oils	145.3	145.3	144.9	146.1
	Cottonseed Oil	163.1	163.1	161.8	159.6
23.0	Farm Products	165.6	164.6	164.9	157.0
	Cotton	206.3	205.8	203.5	199.0
	Grains	163.7	162.9	161.2	164.8
	Livestock	159.8	158.8	160.2	147.7
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	155.9	155.9	155.5	151.8
7.1	Metals	104.7	106.4	106.4	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	139.8	140.0	140.1	137.0

*Indexes on 1926-1928 base were: Feb. 24, 1945, 108.9; Feb. 17, 109.1, and Feb. 26, 1944, 106.7.

Non-Ferrous Metals — Allocation of Zinc — To Revise Lead Order—Copper Demand Heavy

"E. & M. J. Metal and Mineral Markets," in its issue of Feb. 22, states: "Zinc will be placed under strict WPB control in an allocation procedure much the same as that abandoned on Sept. 15, 1944. The control is expected to become effective about April 1. Copper demand still is heavy and is expected to increase. Lead is still flowing too freely to consumers, and the stockpile will be reduced somewhat in February. Revision of the conservation order to curtail consumption still further is believed to be under consideration. Offerings of foreign metal held the quicksilver market to last week's position." The publication further went on to say in part as follows:

Lead

Demand for lead continues good, and all available metal is being taken. The lead conservation order has not thus far had the desired effect, partly because military needs (largely storage batteries) rise as civilian supplies are cut off. The government stockpile of lead will, perforce, be reduced substantially in February, though not as much as in the past two months. A further revision of the lead conservation order is believed to be in preparation, and it is expected that this time such revision will be toward tightening lead supply, rather than relaxing it as has been the case in recent revisions. The need for such tightening is pointed up by the fact that the stockpile was reduced in January to 75,000 tons, which the military had regarded as the "irreducible minimum."

Sales of lead last week amounted to 8,727 tons, against 6,712 tons in the preceding week.

Copper

Demand for copper continues heavy and is expected to increase still further. Shipments this month and next could easily set

new records if it were not for the transportation and manpower difficulties that held down deliveries in January. In releasing the report of the requirements-supply position this week, Michael Schwarz, director of the WPB copper division, said that instead of a surplus of 87,000 tons of refined copper, which had been expected this year, a deficit of at least 4,000 tons would be faced.

Zinc

The impending allocation of zinc has caused no apparent surge in demand for the metal, although a few consumers may seek to lay in a relatively small quantity as insurance against any delay in allocation procedures. The pressure responsible for allocation is all on Special High Grade and Prime Western zinc. It has been pointed out that the excess demand for Special High Grade is largely unnecessary, inasmuch as brass producers could substitute the plentiful High Grade metal to a much greater extent than they are doing at present.

Increased urgency is given current attempts to increase zinc production because cadmium output is so closely tied up with it. Cadmium is in an extremely tight position at present because of large, and secret, military demands.

Tin

The WPB on Feb. 15, 1945, amended Conservation Order M-

325 in order to make it compulsory for refuse collectors to pick up segregated and prepared tin cans and turn them over to salvage agencies. This step was taken in an effort to stimulate lagging reclamation of such tin, but no accompanying measures were taken to increase the quantity of prepared tin cans available to collectors.

It was reported that the new contract between the Bolivian tin miners and the Foreign Economic Administration was ready for signature after having been approved by both parties. It calls for a price of 63½¢ per pound of tin contained, plus a bonus of 1½¢.

Production of tin-plate in 1944 totaled 2,641,832 tons, of which 1,992,276 tons was hot-dipped and 649,556 tons was electrolytic. Production in 1943 was 2,159,961 tons and in 1942 it was 2,727,079 tons.

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

	Feb.	March	April
February 15—	52.000	52.000	52.000
February 16—	52.000	52.000	52.000
February 17—	52.000	52.000	52.000
February 19—	52.000	52.000	52.000
February 20—	52.000	52.000	52.000
February 21—	52.000	52.000	52.000

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

Quicksilver

For the first time in many weeks there was no change to report in the price of quicksilver. Little spot metal was available, and the market was quiet in the main, with no great buying or selling interest in evidence. Some weakness was apparent in future metal. WPB authorization would be recorded at prices ranging from \$165 to \$170 as during last week.

With regard to offerings of foreign mercury, there has been no indication that any government agency will do anything to hinder or to help the shipment of such metal. WPB authorization would be necessary before the FEA, for example, took any action in regard to Spanish mercury, and it is likely that the inclination in government circles would be to get all possible mercury into the country in the interest of the war effort.

Indeed, some members of the trade believe that demand for mercury will not reach its peak for some time.

Transvaal quicksilver is being offered in domestic markets at \$154, subject to later delivery, and it is further reported that two sailings per month are available for shipping the metal to this country.

Silver

The London market last week was unchanged at 25½d. The New York Official for foreign silver was unchanged at 44¾¢, with domestic at 70½¢.

Cotton Spinning for January

The Bureau of the Census announced on Feb. 20 that, according to preliminary figures, 23,101,850 cotton spinning spindles were in place in the United States on Jan. 31, 1945, of which 22,260,628 were operated at some time during the month, compared with 22,219,768 for December, 22,257,040 for November, 22,228,138 for October, 22,279,574 for September and 22,216,202 for January, 1944. The aggregate number of active spindle-hours reported for the month was 9,955,968,062, an average of 431 per spindle in place, compared with 8,763,356,074, an average of 379 per spindle in place, for last month, and 9,719,459,079, an average of 417 per spindle in place for January, 1944. Based on an activity of 80 hours per week, cotton spindles in the United States were operating during January, 1945, at 119.7% capacity. This percentage compares, on the same basis, with 118.5 for December, 120.6 for November, 117.4 for October, 122.3 for September and 124.0 for January, 1944.

Civil Engineering Construction \$16,301,000 For Week

Civil engineering construction volume for the short week due to the early closing for the Washington's Birthday holiday totals \$16,301,000. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 26% lower than in the corresponding 1944 week, 40% under the previous four-week moving average, and compares with \$43,908,000 reported to "Engineering News-Record" for the full preceding week. The report made public on Feb. 22, continued as follows:

Private construction is 220% higher than in the 1944 week, but public construction is 65% lower than last year due to the 79% drop in Federal work. State and municipal volume is 32% higher than in the week last year.

The current week's construction brings 1945 volume to \$197,709,000 for the eight weeks, a decrease of 28% from the \$274,396,000 reported in 1944. Private construction, \$60,936,000, is 14% above last year, but public work, \$136,773,000, is down 38% as a result of the 46% drop in Federal. State and municipal construction has climbed 64% over a year ago.

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

	Feb. 24, 1944 (four days)	Feb. 15, 1945 (five days)	Feb. 22, 1945 (four days)
Total U. S. Construction	\$22,161,000	\$43,908,000	\$16,301,000
Private Construction	2,959,000	3,120,000	9,482,000
Public Construction	19,202,000	40,788,000	6,819,000
State and Municipal	2,453,000	1,943,000	3,236,000
Federal	16,749,000	38,845,000	3,583,000

In the classified construction groups, gains over the 1944 week are recorded in sewerage, bridges, industrial buildings and commercial buildings. The same classes of work report increases over a week ago. Subtotals for the week in each class of construction are: Waterworks, \$198,000; sewerage, \$2,112,000; bridges, \$786,000; industrial buildings, \$7,025,000; commercial building and large-scale private housing, \$2,182,000; public buildings, \$1,222,000; earthwork and

drainage, \$365,000; streets and roads, \$131,000, and unclassified construction, \$2,280,000.

New capital for construction purposes for the week totals \$5,779,000. It is made up of \$1,854,000 in State and municipal bond sales, and \$3,925,000 in corporate security issues. The week's new financing brings 1945 volume to \$196,472,000, a volume 24% above the \$158,801,000 reported for the eight-week 1944 period.

Daily Average Crude Oil Production for Week Ended Feb. 17, 1945 Increased 40,550 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Feb. 17, 1945, was 4,780,670 barrels, an increase of 40,550 barrels over the preceding week and a gain of 396,170 barrels over the corresponding week of last year. The current figure also exceeded by 23,870 barrels the daily average figure recommended by the Petroleum Administration for War for the month of February, 1945. Daily production for the four weeks ended Feb. 17, 1945, averaged 4,742,850 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 4,787,000 barrels of crude oil daily and produced 14,910,000 barrels of gasoline; 1,503,000 barrels of kerosene; 5,053,000 barrels of distillate fuel, and 9,234,000 barrels of residual fuel oil during the week ended Feb. 17, 1945; and had in storage at the end of that week 49,265,000 barrels of civilian grade gasoline; 45,415,000 barrels of military and other gasoline; 7,762,000 barrels of kerosene; 29,864,000 barrels of distillate fuel, and 48,240,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations February	*State Allowables Begin. Feb. 1, 1945	Actual Production Week Ended Feb. 17, 1945	Change from Previous Week	4 Weeks Ended Feb. 17, 1945	Week Ended Feb. 19, 1944
Oklahoma	360,000	360,500	136,300	+ 2,750	363,900	325,400
Kansas	274,000	269,400	127,350	+18,550	262,200	268,050
Nebraska	1,000	---	1900	---	950	1,100
Panhandle Texas			88,000	---	88,350	102,000
North Texas			148,800	---	145,950	139,950
West Texas			464,300	---	471,450	362,000
East Central Texas			144,200	---	144,150	110,250
East Texas			392,000	---	392,600	390,600
Southwest Texas			347,000	---	344,650	288,250
Coastal Texas			562,100	---	557,350	516,600
Total Texas	2,140,000	2,143,749	2,146,400	---	2,144,500	1,909,650
North Louisiana			68,750	+ 500	68,300	77,200
Coastal Louisiana			294,800	---	292,000	283,100
Total Louisiana	360,000	396,800	363,550	+ 500	360,300	360,300
Arkansas	80,000	80,317	82,200	+ 600	81,650	78,750
Mississippi	53,000	---	51,500	+ 4,700	48,850	42,600
Alabama	300	---	250	---	250	---
Florida	---	---	20	---	50	---
Illinois	198,000	---	204,500	---	201,450	211,100
Indiana	12,000	---	12,500	---	12,850	12,450
Eastern						
(Not incl. Ill., Ind., Ky.)	68,200	---	62,050	+ 2,800	59,250	68,700
Kentucky	32,000	---	31,100	+ 800	30,250	20,100
Michigan	47,000	---	51,100	+ 5,850	47,450	53,500
Wyoming	100,000	---	100,950	+ 1,400	98,350	95,400
Montana	23,000	---	19,700	+ 50	19,850	20,950
Colorado	9,500	---	10,050	+ 500	9,750	6,900
New Mexico	105,000	105,000	103,950	---	103,550	112,850
Total East of Calif.	3,863,000	3,878,370	3,878,370	+36,650	3,845,400	3,587,800
California	893,800	893,800	902,300	+ 3,900	897,450	796,700
Total United States	4,756,800	4,780,670	4,742,850	+40,550	4,742,850	4,384,500

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

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m. Feb. 15, 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. Note—Production for the week ended Feb. 10, 1945, was revised as follows: Total Texas, 2,146,400 barrels; Coastal Louisiana, 294,800 barrels; total Louisiana, 363,050 barrels; Florida, 20 barrels; New Mexico, 103,950 barrels; total East of California, 3,841,720 barrels, and total United States, 4,740,120 barrels.

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. 17, 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 Refining Capacity	% Daily Crude Aver- age	% Op- erated	% Gasoline at Ref. Blended	% Stocks of Gas Oil Fuel Oil	% Stocks of Resi- dual Fuel Oil	Gasoline Stocks Mil- li- on	Other Stocks and Wil- son Grade
East Coast	100.0	72.2	99.0	1,903	5,473	4,903	7,033	6,246
Appalachian								
District No. 1	83.9	97	74.6	295	298	254	1,303	1,403
District No. 2	87.2	60	127.7	204	195	217	605	992
Ind., Ill., Ky.	85.2	801	97.2	2,906	4,069	2,425	6,624	15,867
Okl., Kans., Mo.	80.2	392	93.8	1,429	1,811	1,159	2,088	6,976
Inland Texas	66.9	246	88.5	1,007	336	657	1,127	1,901
Texas Gulf Coast	90.5	1,177	101.0	3,806	6,141	8,198	10,345	5,469
Louisiana Gulf Coast	95.5	251	103.7	753	1,662	1,460	2,825	2,227
No. La. & Arkansas	68.0	84	80.8	226	717	263	827	1,988
Rocky Mountain								
District No. 3	17.0	11	84.6	37	15	28	15	70
District No. 4	69.5	103	72.0	364	329	626	523	1,521
California	89.9	843	103.2	2,180	8,818	28,050	12,000	4,605
Total U. S. B. of M. basis Feb. 17, 1945	87.5	4,787	97.5	14,910	29,864	48,240	*45,415	49,265
Total U. S. B. of M. basis Feb. 10, 1945	87.5	4,770	97.1	14,996	30,544	48,845	44,573	47,882
U. S. Bur. of Mines basis Feb. 19, 1944		4,441		13,429	33,914	52,694	36,037	47,265

*Includes aviation, military, solvents and naphthas and gasoline blending stocks currently indeterminate as to ultimate use, and 12,104,000 barrels of unfinished gasoline this week, compared with 11,317,000 barrels a year ago. †Stocks at refineries, at bulk terminals, in transit and in pipe lines. ‡Not including 1,503,000 barrels of kerosene, 5,053,000 barrels of gas oil and distillate fuel oil and 9,234,000 barrels of residual fuel oil produced during the week ended Feb. 17, 1945, which compares with 1,563,000 barrels, 4,565,000 barrels and 9,237,000 barrels, respectively, in the preceding week and 1,524,000 barrels, 4,483,000 barrels and 8,789,000 barrels, respectively, in the week ended Feb. 19, 1944.

Note—Stocks of kerosene at Feb. 17, 1945 amounted to 7,762,000 barrels, as against 7,896,000 barrels a week earlier and 7,382,000 barrels a year before.

Trading on New York Exchanges

The Securities and Exchange Commission made public on Feb. 21 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 Feb. 3, 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 Feb. 3 (in round-lot transactions) totaled 2,746,100 shares, which amount was 14.65% of the total transactions on the Exchange of 9,372,790 shares. This compares with member trading during the week ended Jan. 27 of 2,102,428 shares, or 15.12% of the total trading of 7,331,930 shares. On the New York Curb Exchange, member trading during the week ended Feb. 3 amounted to 808,280 shares, or 12.98% of the total volume on that exchange of 3,113,030 shares. During the Jan 27 week trading for the account of Curb members of 615,980 shares was 14.70% of total trading of 2,094,510 shares.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares) WEEK ENDED FEB. 3, 1945

A. Total Round-Lot Sales:	Total for week	%
Short sales	251,460	
†Other sales	9,121,330	
Total sales	9,372,790	
B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	682,850	
Short sales	99,280	
†Other sales	562,820	
Total sales	662,100	7.17
2. Other transactions initiated on the floor—		
Total purchases	426,430	
Short sales	26,240	
†Other sales	339,340	
Total sales	365,580	4.23
3. Other transactions initiated off the floor—		
Total purchases	302,300	
Short sales	60,760	
†Other sales	246,080	
Total sales	306,840	3.25
4. Total—		
Total purchases	1,411,580	
Short sales	186,280	
†Other sales	1,148,240	
Total sales	1,334,520	14.65

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares) WEEK ENDED FEB. 3, 1945

A. Total Round-Lot Sales:	Total for week	%
Short sales	36,740	
†Other sales	3,076,290	
Total sales	3,113,030	
B. Round-Lot Transaction for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	217,515	
Short sales	15,690	
†Other sales	200,875	
Total sales	216,565	6.97
2. Other transactions initiated on the floor—		
Total purchases	91,575	
Short sales	7,600	
†Other sales	73,625	
Total sales	81,225	2.78
3. Other transactions initiated off the floor—		
Total purchases	91,125	
Short sales	3,400	
†Other sales	106,875	
Total sales	110,275	3.23
4. Total—		
Total purchases	400,215	
Short sales	26,690	
†Other sales	381,375	
Total sales	408,065	12.98
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
†Customers' other sales	91,190	
Total purchases	91,190	
Total sales	91,190	

*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."

Commercial Paper Outstanding

Reports received by the Federal Reserve Bank of New York from commercial paper dealers show a total of \$162,400,000 of open market paper outstanding on Jan. 31, 1945, compared with \$166,000,000 on Dec. 30, 1944, and \$208,900,000 on Jan. 31, 1944, the bank announced on Feb. 15.

1945—	\$	1944—	\$
Jan 31	162,400,000	Jan 31	208,900,000
1944—		1943—	
Dec 30	166,000,000	Dec 31	202,000,000
Nov 30	166,900,000	Nov 30	203,300,000
Oct 31	141,700,000	Oct 30	187,800,000
Sep 29	140,800,000	Sep 30	169,500,000
Aug 31	140,900,000	Aug 31	156,200,000
July 31	142,900,000	July 31	149,800,000
June 30	136,500,000	June 30	143,300,000
May 31	150,700,000	May 29	159,600,000
Apr 29	171,500,000	Apr 30	178,900,000
Mar 31	194,800,000	Mar 31	200,600,000
Feb 29	213,700,000	Feb 27	209,100,000

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Feb. 21 a summary for the week ended Feb. 10 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 Feb. 10, 1945	
Odd-Lot Sales by Dealers (Customers' purchases)	Total for Week 29,539
Number of orders	869,027
Number of shares	869,027
Dollar value	\$32,814,459
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	229
Customers' other sales	28,449
Customers' total sales	28,678
Number of Shares:	
Customers' short sales	8,053
Customers' other sales	794,664
Customers' total sales	802,717
Dollar value	\$27,418,226
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	30
†Other sales	190,050
Total sales	190,080
Round-Lot Purchases by Dealers:	
Number of shares	248,650
*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."	

Lumber Movement—Week Ended Feb. 17, 1945

According to the National Lumber Manufacturers Association, lumber shipments of 475 mills reporting to the National Lumber Trade Barometer were 2.5% above production for the week Feb. 17, 1945. In the same week new orders of these mills were 17.7% more than production. Unfilled order files of the reporting mills amounted to 98% of stocks. For reporting softwood mills, unfilled orders are equivalent to 38 days' production at the current rate, and gross stocks are equivalent to 36 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 6.0%; orders by 17.4%.

Compared to the average corresponding week of 1935-39, production of reporting mills was 43.5% greater; shipments were 26.9% greater, and orders were 46.4% greater.

More Freight Cars Placed In Service and On Order

The Class I railroads on Feb. 1, 1945, had 36,734 new freight cars on order, the Association of American Railroads announced on Feb. 22. This included 7,086 hopper, 5,763 gondolas, 850 flat, 18,997 plain box, 1,771 automobile, 2,158 refrigerator and 109 stock freight cars. On Jan. 1, last, the roads had 36,597 cars on order and on Feb. 1, 1944, the total was 33,411.

They put 4,468 freight cars in service in January, 1945, compared with 2,856 in the same month last year. Those installed in the first month of the current year included 1,829 hopper, 411 gondola, five flat, 130 stock, 25 refrigerator, 105 automobile box, 1,963 plain box freight cars.

The Class I railroads also had 451 locomotives on order on Feb. 1, 1945, which included 80 steam, two electric and 369 Diesel locomotives. Total on Feb. 1, 1944, was 863, which included 303 steam, two electric and 558 Diesel.

They also put 34 new locomotives in service in January, of which three were steam and 31 were Diesel. New locomotives installed in January, 1944, totaled 92, of which there were 36 steam, one electric and 55 Diesel.

Revenue Freight Car Loadings During Week Ended Feb. 17, 1945 Increased 28,302 Cars

Loading of revenue freight for the week ended Feb. 17, 1945, totaled 783,738 cars, the Association of American Railroads announced Feb. 23. This was an increase above the corresponding week of 1944 of 9,501 cars, or 1.2%, and an increase above the same week in 1943 of 31,719 cars or 4.2%.

Loading of revenue freight for the week of Feb. 17, increased 28,302 cars, or 3.7% above the preceding week.

Miscellaneous freight loading totaled 389,983 cars, an increase of 26,638 cars above the preceding week, and an increase of 29,582 cars above the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 103,047 cars, an increase of 6,284 cars above the preceding week, and an increase of 2,371 cars above the corresponding week in 1944.

Coal loading amounted to 166,607 cars, a decrease of 9,406 cars below the preceding week, and a decrease of 11,757 cars below the corresponding week in 1944.

Grain and grain products loading totaled 43,036 cars, an increase of 1,689 cars above the preceding week, but a decrease of 7,701 cars below the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of Feb. 17, totaled 27,201 cars, a decrease of 514 cars below the preceding week and a decrease of 8,281 cars below the corresponding week of 1944.

Livestock loading amounted to 13,963 cars an increase of 392 cars above the preceding week but a decrease of 1,198 cars below the corresponding week in 1944. In the Western Districts alone loading of live stock for the week of Feb. 17, totaled 10,172 cars, an increase of 333 cars above the preceding week, but a decrease of 946 cars below the corresponding week in 1944.

Forest products loading totaled 39,815 cars, an increase of 913 cars above the preceding week, but a decrease of 711 cars below the corresponding week in 1944.

Ore loading amounted to 12,538 cars, an increase of 1,781 cars above the preceding week but a decrease of 589 cars below the corresponding week in 1944.

Coke loading amounted to 14,749 cars, an increase of 11 cars above the preceding week, but a decrease of 496 cars below the corresponding week in 1944.

All districts reported decreases compared with the corresponding week in 1944 except the Southern, Centralwestern and Southwestern. All districts reported increases compared with 1943 except the Pocahontas, Northwestern 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
Week of February 10	755,436	793,181	765,271
Week of February 17	783,738	774,237	752,019
Total	5,279,398	5,531,832	5,183,442

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Feb. 17, 1945. During this period 73 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. 17

Railroads	Total Revenue Freight Loaded		Total Loads Received from Connections	
	1945	1944	1945	1944
Eastern District—				
Ann Arbor	321	284	1,818	1,641
Bangor & Aroostook	2,459	2,156	489	334
Boston & Maine	6,390	6,428	16,293	14,534
Chicago, Indianapolis & Louisville	1,334	1,268	2,408	2,023
Central Indiana	28	38	39	38
Central Vermont	1,051	960	796	3,233
Delaware & Hudson	4,719	4,864	5,749	14,307
Delaware, Lackawanna & Western	7,604	7,496	6,790	10,367
Detroit & Mackinac	175	204	138	100
Detroit, Toledo & Ironton	1,699	2,016	1,911	2,289
Detroit & Toledo Shore Line	430	297	269	3,949
Erie	12,067	12,363	11,276	17,943
Grand Trunk Western	4,123	3,621	3,554	10,338
Lehigh & Hudson River	152	149	150	3,990
Lehigh & New England	1,813	2,034	1,602	1,324
Lehigh Valley	7,428	8,850	7,065	13,133
Maine Central	2,540	2,370	2,291	4,472
Monongahela	5,289	6,079	6,274	312
Montour	2,428	2,622	2,521	12
New York Central Lines	46,720	45,360	42,555	53,044
N. Y., N. H. & Hartford	9,510	9,982	8,257	18,991
New York, Ontario & Western	770	1,353	789	2,365
New York, Chicago & St. Louis	6,540	6,289	6,757	17,488
N. Y., Susquehanna & Western	494	403	451	2,691
Pittsburgh & Lake Erie	7,507	7,864	7,284	7,091
Pere Marquette	5,047	4,688	4,479	8,690
Pittsburg & Shawmut	812	859	633	110
Pittsburg, Shawmut & North	277	301	320	310
Pittsburgh & West Virginia	779	1,110	856	3,503
Rutland	319	373	288	1,133
Wabash	6,000	5,979	5,775	14,143
Wheeling & Lake Erie	5,706	5,028	4,646	5,519
Total	152,531	153,688	142,654	241,823

Railroads	Total Revenue Freight Loaded		Total Loads Received from Connections	
	1945	1944	1945	1944
Allegheny District—				
Akron, Canton & Youngstown	841	776	665	1,636
Baltimore & Ohio	38,654	41,140	36,381	32,621
Bessemer & Lake Erie	2,951	2,702	2,248	1,812
Buffalo Creek & Gauley	†	†	228	†
Cambria & Indiana	1,561	1,852	1,905	22,626
Central R. R. of New Jersey	6,577	7,064	5,901	20,828
Cornwall	481	587	364	59
Cumberland & Pennsylvania	199	202	228	5
Ligonier Valley	122	140	110	52
Long Island	1,330	1,297	860	3,626
Penn-Reading Seashore Lines	1,329	1,576	1,495	2,420
Pennsylvania System	77,589	77,356	69,740	67,721
Reading Co.	14,884	14,599	12,737	31,736
Union (Pittsburgh)	19,005	20,575	19,971	4,500
Western Maryland	3,938	3,916	3,751	16,520
Total	169,961	173,782	156,582	185,356
Pocahontas District—				
Chesapeake & Ohio	28,014	27,929	28,182	13,557
Norfolk & Western	20,951	21,238	22,000	10,972
Virginian	4,356	4,507	4,477	2,610
Total	53,321	53,674	54,659	27,139

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Southern District—					
Alabama, Tennessee & Northern	395	289	299	340	362
Atl. & W. P.—W. R. R. of Ala.	862	726	765	2,787	2,330
Atlanta, Birmingham & Coast	956	670	637	1,603	1,629
Atlantic Coast Line	14,380	13,140	14,694	14,871	11,405
Central of Georgia	4,032	3,578	4,196	6,158	5,176
Charleston & Western Carolina	453	311	468	1,881	1,884
Clinchfield	1,704	1,495	1,740	3,420	3,327
Columbus & Greenville	285	288	386	345	246
Durham & Southern	141	96	100	963	931
Florida East Coast	3,470	3,382	2,969	1,509	1,992
Gainesville Midland	53	28	40	120	122
Georgia	1,274	984	1,408	2,618	2,708
Georgia & Florida	446	355	377	860	820
Gulf, Mobile & Ohio	4,445	4,029	3,860	4,143	4,466
Illinois Central System	27,620	27,444	27,770	17,357	17,834
Louisville & Nashville	27,204	23,527	24,960	12,396	12,244
Macon, Dublin & Savannah	234	207	180	965	929
Mississippi Central	366	278	218	492	708
Nashville, Chattanooga & St. L.	3,315	3,002	3,180	5,155	4,923
Norfolk Southern	994	863	1,102	1,778	1,611
Piedmont Northern	392	384	357	1,508	1,568
Richmond, Fred. & Potomac	551	377	314	11,459	11,226
Seaboard Air Line	10,815	10,121	10,228	9,490	8,867
Southern System	24,619	21,267	21,731	28,563	25,713
Tennessee Central	707	603	457	834	1,219
Winston-Salem Southbound	122	128	106	1,467	1,151
Total	129,835	117,572	122,542	131,082	125,391

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Northwestern District—					
Chicago & North Western	14,678	15,045	15,078	13,954	14,478
Chicago Great Western	2,439	2,850	2,528	3,733	3,607
Chicago, Milw., St. P. & Pac.	21,000	20,595	22,418	11,139	10,870
Chicago, St. Paul, Minn. & Omaha	3,242	3,982	3,616	3,955	3,958
Duluth, Missabe & Iron Range	1,354	1,442	1,326	288	206
Duluth, South Shore & Atlantic	649	897	475	670	593
Elgin, Joliet & Eastern	8,804	8,356	9,157	12,736	12,632
Fl. Dodge, Des Moines & South	337	456	435	79	99
Great Northern	9,979	12,219	10,618	5,981	5,326
Green Bay & Western	468	496	473	1,203	949
Lake Superior & Ishpeming	262	323	253	85	56
Minneapolis & St. Louis	2,022	2,121	2,149	2,680	2,365
Minn., St. Paul & S. S. M.	4,243	5,102	4,652	3,546	3,776
Northern Pacific	9,909	10,310	8,479	6,602	5,444
Spokane International	254	110	72	603	640
Spokane, Portland & Seattle	2,483	2,383	1,756	3,663	3,003
Total	81,223	86,687	83,481	70,917	68,002

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Central Western District—					
Aitch., Top. & Santa Fe System	23,955	21,693	21,659	14,122	12,955
Alton	3,428	3,096	2,833	4,292	4,027
Bingham & Garfield	409	509	484	58	78
Chicago, Burlington & Quincy	19,605	19,791	18,529	12,147	10,831
Chicago & Illinois Midland	3,126	3,113	3,173	961	736
Chicago, Rock Island & Pacific	12,206	11,501	12,508	13,405	12,933
Chicago & Eastern Illinois	2,694	2,750	2,466	4,146	5,990
Colorado & Southern	745	727	826	2,104	2,287
Denver & Rio Grande Western	3,905	3,340	4,319	6,109	5,595
Denver & Salt Lake	590	935	891	14	12
Fort Worth & Denver City	988	824	1,129	1,429	1,411
Illinois Terminal	*2,269	1,890	1,583	*2,126	1,790
Missouri-Illinois	979	950	809	586	501
Nevada Northern	1,435	1,561	1,806	123	112
North Western Pacific	700	685	1,023	1,151	937
Peoria & Pekin Union	2	57	27	0	0
Southern Pacific (Pacific)	27,408	29,100	27,454	15,825	14,524
Toledo, Peoria & Western	336	389	259	2,415	1,852
Union Pacific System	17,489	15,187	13,750	16,164	15,630
Utah	581	618	609	4	7
Western Pacific	1,938	1,556	2,070	4,409	2,862
Total	124,988	120,272	118,207	101,590	95,126

Railroads	Total Revenue Freight Loaded		Total Loads Received from Connections	
	1945	1944	1945	1944
Southwestern District—				
Burlington-Rock Island	415	288	687	340
Gulf Coast Lines	6,199	7,007	6,518	2,315
International-Great Northern	2,397	1,856	2,871	3,615
Kansas, Oklahoma & Gulf	232	250	297	1,049
Kansas City Southern	4,568	5,712	5,450	2,830
Louisiana & Arkansas	3,542	2,954	3,510	2,880
Litchfield & Madison	338	355	309	1,279
Midland Valley	609	713	618	404
Missouri & Arkansas	142	170	171	482
Missouri-Kansas-Texas Lines	7,166	5,052	6,027	4,991
Missouri Pacific	17,778	15,619	16,967	18,196
Quanaah Acme & Pacific	83	120	108	433
St. Louis-San Francisco	9,285	8,044	9,568	8,742
St. Louis Southwestern	3,524	2,928	3,069	7,147
Texas & New Orleans	*10,549	12,846	13,054	*5,492
Texas & Pacific	5,445	4,545	4,549	8,420
Wichita Falls & Southern	82	68	104	30
Weatherford M. W. & N. W.	25	35	17	48
Total	71,879	68,562	73,894	68,693

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

Weekly Statistics of Paperboard Industry

Items About Banks, Trust Companies

Manufacturers Trust Co. of New York on Feb. 21 drew by lot 14,881 shares of convertible preferred stock for redemption on March 23, 1945, at \$50 per share, plus the accumulated dividend of 40 cents per share, from Jan. 16 to date of redemption. Notice of the redemption has been mailed to those whose shares have been selected, and copies of the certificate numbers for the shares drawn are available at the office of the company.

Henry J. Cochran, President of The Franklin Savings Bank of New York has announced the election of Lewis P. Carmer to the bank's board of trustees at the recent meeting of the board. Mr. Carmer is Vice-President of The Bank of New York.

George J. Uhl, formerly Auditor, has been appointed Assistant Secretary, and Phillip C. Schmierer, formerly Assistant Auditor, has been appointed Auditor of the Lawyers Trust Co. of New York.

William Cumming Murphy, Vice-President and Trust Officer of the Fifth Avenue Bank of New York, died at his home in this city on Feb. 21. He was 76 years old and had been with the bank for 55 years, said the New York "Herald Tribune," which reports that Mr. Murphy joined the Fifth Avenue Bank as a clerk on June 3, 1889, and was appointed Assistant Cashier on Dec. 7, 1905. In charge of the trust department since the bank obtained powers of trust in 1919, he was elected Vice-President and Trust Officer in 1921 and a director of the bank in 1940.

Two promotions have been announced by the Albany Savings Bank of Albany, N. Y., after their approval on Feb. 20 at a meeting of the Board of Trustees. The Albany "Times-Union," indicating this, stated:

"Paul A. Toole, Auditor since 1937, has been promoted to Assistant Treasurer, a newly created position. The last Assistant Treasurer at the bank was the late E. J. Toole, Mr. Toole's uncle, who died in 1933. Mr. Toole came with the bank as messenger in 1923, rising successively from messenger, clerk, teller and bookkeeper to Auditor.

"Kenneth W. Messier, Assistant Auditor since 1942, has been promoted to Auditor, succeeding Mr. Toole."

J. Robert Murray was on Feb. 23 named Assistant Trust Officer of the Security Trust Co. of Schenectady, N. Y., President Bernard E. Finucane announced. The Rochester "Times-Union" states that Mr. Murray was for some years engaged in the accounting business and became associated with the Security Trust in 1935 as a trust department Auditor. In recent years he has specialized in estate administration.

George E. Volk, Vice-President of the Plainfield National Bank of Plainfield, N. J., since 1939, was elected President at a directors' meeting on Feb. 21, succeeding Lawrence B. Carey, who recently resigned to become New Jersey State Commissioner of Banks and Insurance. Special advices to the New York "Times" from Plainfield indicating this, added that Edson B. Day, formerly Assistant Cashier, and Cashier since Jan. 16, was made Vice-President.

The plan to increase the capital stock of the Bank of Nutley, Nutley, N. J., from 8,000 to 12,000 shares, which was approved by the stockholders in December, has recently been completed, it was announced by Albert E. Howe, President of the bank, on Feb. 15. The Newark "News," in reporting

this, also stated that the capital of \$633,850 is itemized as: common stock, \$300,000; surplus, \$200,000; undivided profits, \$83,850, and reserve for contingencies, \$50,000.

Charles W. Hummel, retired Trust Officer and Vice-President of Federal Trust Co. of Newark, N. J., died on Feb. 21. He was 75 years of age. According to the Newark "News," Mr. Hummel was Trust Officer of Fidelity Union Trust Co. before his affiliation with Federal Trust. He retired in February, 1943, but remained on the board of directors.

The Baltimore "Sun" announced on Feb. 17 that subscription rights having expired on Feb. 15, the First National Bank of Baltimore announced that the sale of 100,000 new shares of its \$10 par stock has been completed. The "Sun" adds:

"Stockholders exercised the right to buy the additional stock at \$30 a share in the ratio of one new share for each four held.

"This transaction has increased the bank's capital from \$4,000,000 to \$5,000,000 and its surplus from \$6,000,000 to \$8,000,000. The bank reported total deposits of \$322,000,000 at the close of 1944."

The First Trust & Savings Bank of Canton, of Canton, Ohio, a State member bank of the Federal Reserve System, converted into a National bank under the title of The Canton National Bank, Feb. 1, the Board of Governors of the Reserve System announces.

The removal of the banking business of the Second Northwestern State Bank of Minneapolis to the quarters of the Third Northwestern National Bank, in that city, in connection with the organization of a new Twin City bank, was made known on Feb. 17 by Shirley S. Ford, President of the Northwestern National Bank, according to the Minneapolis "Journal," from which the following is also taken:

"Second Northwestern State Bank will become the Second Northwestern National Bank, and will be located at Bedford and University Avenues in Midway. The new bank will be open for business as soon as quarters can be completed.

"Safety deposit boxes of the Second Northwestern State will be transferred to the Central Northwestern National Bank at 2329 Central Avenue, and the Northeast State Bank Insurance agency will be transferred to Central National Agency, 2329 Central Avenue.

"Ray Mikolajczyk, Cashier of Second Northwestern State Bank, will become an officer of the Third Northwestern, and John S. Reshetar, Assistant Cashier of Second Northwestern, becomes an officer of Central Northwestern National, Mr. Ford said.

"Officers of the new bank will be Frank C. O'Brien, President; J. R. Wren, Vice-President and Cashier, and Harry J. Jensen, Assistant Cashier. Mr. O'Brien is a Vice-President of Northwestern National Bank. Mr. Wren is Assistant Manager of the Lincoln office of the Northwestern, and Mr. Jensen formerly was Cashier of Millers & Traders State Bank.

Donald C. Dayton has been appointed a member of the advisory board of the Lincoln office of Northwestern National Bank of Minneapolis, Shirley S. Ford, President, announced on Feb. 16, it is learned from the Minneapolis "Journal." Mr. Dayton, it is stated, is Secretary and Assistant General Manager of the Dayton Company.

Roz G. Morris has been advanced to the office of Executive Vice-President of the United Bank & Trust Co. of St. Louis, and has also been elected a member of the board of directors of the institution, it is announced by E. T. Murray, President. Mr. Murray had heretofore been Vice-President.

The Board of Governors of the Federal Reserve System report that, effective Feb. 1, the Houston Land & Trust Co., Houston, Tex., a State member, has changed its title to Houston Bank & Trust Co.

The Republic National Bank of Dallas (Tex.) on Feb. 14 celebrated its 25th anniversary. The Dallas "Times Herald" notes that the bank opened for business Feb. 14, 1920, as the Guaranty Bank & Trust Co. when its capital was \$100,000. It is added that "it has grown from a small local bank to a nationally-known financial institution, with resources of \$235,537,264 and capital and surplus of \$15,000,000 today, and now ranks as the 76th largest bank in America."

"The bank became the Republic National Bank & Trust Co. in 1922, when it received its national charter," says the paper quoted, which further said:

"In 1924 it had acquired the Texas Farm Mortgage Co. from Wirt Davis and Leslie Waggener, naming the affiliated institution the Republic Trust & Savings Co. Mr. Davis is now Chairman of the board of directors of the Republic National Bank and Mr. Waggener is Chairman of the executive committee. Karl Hohlitzelle is Vice-Chairman of the board, having recently been elected to that office."

As a feature of the observance of the celebration, the bank announced an exhibition of the historical "Moneys of the World" collection owned by the Chase National Bank of New York.

NYSE Short Interest For Feb. 15

The New York Stock Exchange announced on Feb. 21 that the short interest as of the close of business on the Feb. 15, 1945, settlement date, as compiled from information obtained by the New York Stock Exchange from its members and member firms was 1,580,647 shares, compared with 1,475,441 shares on Jan. 31, 1945, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of the Feb. 15, 1945, settlement date, the total short interest in all odd-lot dealers' accounts was 34,055 shares, compared with 39,426 shares on Jan. 31, 1945. The Exchange's report added:

"Of the 1,256 individual stock issues listed on the Exchange on Feb. 15, 1945, there were 69 issues in which a short interest of 5,000 or more shares existed, or in which a change in the short position of 2,000 or more shares occurred during the month."

We are advised by the Exchange that hereafter the short interest figures will be given monthly as of the 15th instead of at the end of the month, as heretofore.

In the following tabulation is shown the short interest existing at the close of the last business day for the last 12 months:

1944—	
Jan. 31	847,335
Feb. 28	960,617
Mar. 31	1,028,480
Apr. 29	1,090,581
May 31	1,181,293
June 30	1,287,970
July 31	1,327,641
Aug. 31	1,283,555
Sept. 29	1,275,709
Oct. 31	1,373,540
Nov. 30	1,436,271
Dec. 29	1,390,713
1945—	
Jan. 31	1,475,441
Feb. 15	1,580,647

Majority of Economists National Committee on Monetary Policy Favor Bretton Woods Rejection

Professor Spahr, Secretary of Committee, Says Each Member "Speaks for Himself" and That Most Were Not Among Those Who Received Questionnaire of Recently-Organized Committee on Bretton Woods.

A telegraphic inquiry on the Bretton Woods proposals sent to 69 out of 76 members of the Economists' National Committee on Monetary Policy—the 69 being the only ones who were in a position to receive the telegram—produced the following results:

Of the 61 replies, 9 approved the proposed International Monetary Fund without qualification; 8 approved provided there are modifications; 37 favored its rejection. In respect to the proposed International Bank for Reconstruction and Development, 13 approved without qualification; 37 approved provided there are modifications; 5 favored its rejection. Some votes could not be counted because of lack of clarity or failure to reply regarding certain items. Eight members of the Committee did not respond for reasons unknown.

According to Walter E. Spahr, Secretary of the Economists' National Committee on Monetary Policy, the organization, composed

of monetary economists, was formed eleven years ago for the purpose of bringing to the attention of the public and Congress the opinions of the individual members on monetary questions for such value as these might have. Each member speaks only for himself. Therefore any announcement of the results of a poll of opinion of members of the Committee must recognize that a majority vote does not in any way bind or reflect the views of a minority.

Incidentally, these members were asked whether they had received the questionnaire sent out under the name of the recently-organized Economists Committee on Bretton Woods. Of those who replied to this question, 23 stated that they had received it, 30 that they had not, 4 were uncertain.

Other Economists Endorse Bretton Woods Pacts

That "more than 200 leading economists had joined in endorsing the international financial agreements" was disclosed on Feb. 18 by Senator Robert F. Wagner and Representative Brent Spence, Congressional sponsors of the Bretton Woods agreements bill, who, according to special advices to the New York "Times" on that date from Washington, made public a statement, to which 224 economists subscribed declaring that "it is

very doubtful whether another agreement would be reached" if Congress insisted on reservations. The "Times" advices from which we quote also had the following to say:

And they also stated that a voluntary committee comprising 33 members of the American Economic Association had polled its former Presidents, and with "nearly all" replying, 16 of the 18 who responded approved and only two disapproved the Bretton Woods proposals.

Commenting on the results of this poll, Prof. Seymour E. Harris of Harvard, Chairman of the committee, was quoted as saying:

"This shows a remarkable degree of unanimity among economists. Economists of all kind—liberal and conservative, Democrats and Republicans, New Dealers and anti-New Dealers, young and old—seem to agree that revival of world trade is imperative and that the Bretton Woods program is the road to take toward more trade and a higher standard of living."

Among those listed as supporting the Bretton Woods agreements were Prof. Oliver M. W. Sprague of the Harvard School of Business Administration, formerly an adviser to the Bank of England; Prof. Jacob Viner of the University of Chicago, an authority on international trade and finance; Prof. Winfield Riefler of Princeton University and Prof. J. B. Condliffe of the University of California.

The committee canvassed 250 economists, of whom the 240, or about 90%, endorsed the Bretton Woods proposals as a whole.

Their statement is in contrast to the stand of the American Bankers Association and other banking groups which favor the proposed Bank for Reconstruction and Development but would scrap the proposed International Monetary Fund in favor of a new department in the proposed bank to undertake limited activities in stabilizing international currencies.

In their statement the 224 economists said:

"If the present proposals are not ratified by the leading countries of the world the outlook for genuine international collaboration in

the economic field and even for world peace would be indeed gloomy. It is therefore a matter of urgent necessity that full support be given to the agreements by all United Nations.

"Although the monetary fund and the International Bank do not provide a complete solution to the international economic problems, they will contribute substantially towards solving the exchange and investment problems, which are necessary if expanding international trade is to make its much-needed contribution to the prosperity of the United States and of the world.

"Conditions of foreign lending must be substantially improved if international investment is again to make its indispensable contribution to the prosperity of the world economy on which, to a large degree, our own welfare depends.

"The proposed Monetary Fund provides a program for avoiding competitive currency depreciation and related forms of economic warfare.

"The proposed Bank for Reconstruction and Development aims at increasing security of international lending, not only through the bank's guarantee, but also by making the Government of the borrowing country directly responsible to the bank.

"Under the Monetary Fund, barring outright repudiation of debts by some debtor Government the risk of financial loss is very small.

"The good-will acquired by accepting the agreement, supported by the influence which the United States can legitimately exert through its large voting power in the fund and the bank, will be of great advantage in the settlement of other international issues.

"Bretton Woods represents the first attempt of the United Nations to reach agreement on vital economic issues and, in view of the fact that over forty Governments are involved and in view of the complexity of the problem, the extensive concessions made by others to the United States at Bretton Woods, and the ill-will we would incur by insisting on reservations, it is very doubtful whether another agreement could be reached."