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The Financial Situation

The more the thoughtful observer studies what he is permitted to know about what took place at Yalta, and the more the President and others close to him have to say about what was planned there and what is laid out to be done in San Francisco and later, the more inescapable seems the conclusion that many current official ideas about post-war policies are "simply out of this world" — to drop into the patois of the day, and to give a new meaning to borrowed words. It begins almost to appear that some of our leaders, conspicuous among them being the President of the United States, have come or are rapidly coming to the conclusion that most of the worst sins of traditional world politics cannot be eliminated from international relations—indeed, some of them should not be—but that payment of the wages of these sins can be avoided if only the Senate of the United States will approve some as yet not clearly outlined piece of machinery to assure future peace!

Understanding Essential

The American people can not afford to fail to recognize some such general drift in what is going on or to realize without delay the utter and dangerous nonsense of the notion. We are told ad nauseam that we must not repeat the "mistakes" of the peace treaties which followed World War I. No one takes the trouble to explain what these mistakes were. It is so much more convenient to assume that every one knows what they were and that there is general agreement about them! The fact is that it is far from clear even what the Administration considers such mistakes to be. It is often difficult to escape the impression that the President and many, if not most of his followers, are of the opinion that the only "mistake" of much consequence was our failure to join the League of Nations.

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How To Make Every Nation Rich

By HAROLD F. CLARK*

Professor in Charge of Educational Economics, Teachers College, Columbia University

Educator, Who Has Studied Why Some Countries Are Poor and Others Rich, Contends That the Only Way to Make a Country Rich Is by a Great and Continuous Expansion of the Technical Skill of Its Population. Contrasts Resources and Climate of Nations to Prove That Physical Resources Alone Do Not Make a Country Rich, If Technical Skill for Proper Utilization Is Lacking, and Suggests That in Poor Sections of the United States Incomes Could Be Increased by Encouraging the Inhabitants to Develop Technical Competence Rather Than by Furnishing Relief and Assistance.

Rich communities in this country buy lots of goods. Rich countries abroad buy lots of goods. Many of you are interested in selling more goods, and for that reason I take it you are interested in the factors that make a community or country rich.



H. F. Clark

There are many other people who think that the trouble with the world is that there is not enough money in it. Give people more purchasing power and all will be well, and communities or nations will be prosperous. Such people seem to infest all countries today. The recent situation in Greece should provide an answer to all these people. Billions and trillions of purchasing power is avail-

able. Of what avail is money if there are no goods? Anyone who has recently been in Greece could give you an emphatic answer. The same answer has been proved hundreds of times in the history of the world. Seemingly man never learns.

During the past twenty years I have spent a great deal of time visiting and studying the rich and poor places in the world, trying to find out why some are rich and some are poor. During this process I have had the opportunity to study more than fifty countries. There are a few things that have been discovered. I would like to try to summarize those very briefly.

Some people would tell us that the physical resources of a country

*An address by Prof. Clark before the New York Sales Executive Club, New York City, February 20, 1945.

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Crimean Conference A Successful Effort: Roosevelt

In Report to Congress, President Tells of Agreements Regarding Viz. (1) the Occupation and Control of Germany After Victory; (2) the Unsettled Questions on Dumbarton Oaks; (3) the Restoration of Liberated Areas; and (4) the Special Problems Created by Poland and Yugoslavia. Reiterates the "Unconditional Surrender" Policy and Calls for Reparations in Kind. Holds Structure of Future Peace Requires a Definite Plan of International Cooperation and Calls Upon Congress and People to Accept Results of Coming San Francisco Conference.

On March 1st, thirty hours after his arrival in Washington, President Franklin D. Roosevelt addressed Congress on the Crimean Conference between himself, Prime Minister Winston Churchill of Great Britain and Premier Joseph Stalin of Russia. The President pronounced the Conference a successful effort toward future peace and "a turning point in American history" and he called upon Congress and the American people to approve and support "a universal organization in which all peace-loving nations will have a chance to join."



President Roosevelt

The full text of the report, as given in the New York "Times" of March 2, follows:

It is good to be home. It has been a long journey. I hope you will agree that it was a fruitful one. Speaking in all frankness, the question of whether it is to be entirely fruitful or not lies to a great extent in your hands. For unless you here in the halls of the American Congress—with the support of the American people—concur in the decisions reached at Yalta, and give them your active support, the meeting will not have produced lasting results. That is why I come before you

at the earliest hour after my return. I want to make a personal report to you—and, at the same time, to the people of the country. Many months of earnest work are ahead of us all, and I should like to feel that when the last stone is laid on the structure of international peace, it will be an achievement for which all of us in America have worked steadfastly and unselfishly—together.

I return from this trip—which took me as far as 7,000 miles from the White House—refreshed and inspired. The Roosevelts are not, as you may suspect averse to travel. We thrive on it!

Far away as I was, I was kept constantly informed of affairs in the United States. The modern miracle of rapid communication has made this world very small; and we must always bear that in mind, when we think or speak of international relations. I received a steady stream of messages from Washington, and except where radio silence was necessary for security purposes, I could continuously send messages any place in the world. And, of course, in a grave emergency, we could even have risked breaking the security rule.

I come from the Crimean conference, my fellow Americans, with a firm belief that we have made a good start on the road to a world of peace.

Purposes of the Conference

There were two main purposes at the Crimean conference. The first was to bring defeat to Germany with the greatest possible speed and with the smallest possible loss of Allied men. That purpose is now being carried out in great force. The German army, and the German people, are feeling the ever-increasing might of our fighting men and of the Allied armies. Every hour gives us added pride in the heroic advance of our troops over German soil toward a meeting with the gallant Red Army.

The second purpose was to continue to build the foundation for an international accord which would bring order and security after the chaos of war, and which would give some assurance of lasting peace among the nations of the world.

Toward that goal also, a tremendous stride was made.

At Teheran, over a year ago, there were long-range military plans laid by the chiefs of staff of the three most powerful nations.

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From Washington Ahead of the News

By CARLISLE BARGERON

This is the story of the development of a wage demand, or what takes place behind the scenes in the evolution of the American people when they are looked upon and dealt with by a few people as so many statistics. To appreciate it fully, it must be realized that the current biennial wage negotiations between the coal operators and John L. Lewis are not something ordinary such as wage negotiations

which have been going on between employer and the employee's representatives since Hector was a pup, and just about that long between the coal operators and the United Mine Workers. In fact, until Lewis became such a political issue and before the Government came into the intimacy of our lives, these coal negotiations were generally looked upon by the Washington observers as more-or-less biennial events of clean fun on the part of operator and UMW representatives alike, just as the small town banker or business man likes to get away occasionally



Carlisle Bargeron

to the convention and the night clubs of the Big Town.

The biennial frolic of coal operator and UMW representative has become a national event of something of very grave import, affecting all of us because of such by-products as the curfew. With the spotlight on both sides in this way, naturally their tendency is to act up. Your correspondent was right close to the preliminary scene this time, as the combatants got ready to appear on the stage. Among the operators there was an amused speculation as to what Lewis would spring. They speculated upon everything, but the demand for a 10% royalty on coal mined, socked them between the eyes, and as of this writing they are still groping around to find out just what lies behind it. Lewis says the \$60 million to be raised would be for "health and economic" purposes. In the great circus there is an undisguised admiration for Lewis on the part of

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*These items appeared in our issue of March 5, on pages indicated.

It Will "Survive Again"

"I know that the word 'planning' is not looked upon with favor in some circles. In domestic affairs, tragic mistakes have been made by reason of lack of planning, and, on the other hand, many great improvements in living, and may benefits to the human race, have been accomplished as a result of adequate, intelligent planning—reclamations of desert areas, developments of whole river valleys, provision for adequate housing.

"The same will be true in relations between nations. For the second time in the lives of most of us, this generation is face to face with the objective of preventing wars. To meet that objective, the nations of the world will either have a plan or they will not. The groundwork of a plan has now been furnished, and has been submitted to humanity for discussion and decision.

"Twenty-five years ago American fighting men looked to the statesmen of the world to finish the work of peace for which they fought and suffered. We failed them then. We cannot fail them again, and expect the world to survive again."—Franklin D. Roosevelt.

Putting an end to war has been an "objective" of many, if not of the human race, since the memory of man runneth not to the contrary.

It is true that the phrase-makers of the day told us last time that we were fighting a war to end all war.

It is true that neither that war nor the arrangements which followed it had any such happy result.

We may be sure that this war and the peace to follow will likewise fail if peace is to depend on any "plan" or mechanism devised at Yalta, San Francisco or anywhere else in the world.

And the world will "survive again" in any event.

Industrial Activity Up Slightly in January, Federal Reserve Board Reports

According to the summary of general business and financial conditions in the United States, based upon statistics for January and the first half of February, issued Feb. 27 by the Federal Reserve System, "factory output continued to increase in January despite severe weather conditions. Department store sales during the first seven weeks of this year have been 14% above the high level maintained during the same period last year," says the Board, which further reports:

Industrial Production

"Total output at factories and mines rose slightly in January and the Board's seasonally adjusted index was 234% of the 1935-39 average as compared with 232 in the preceding three months.

"Activity in munitions industries was maintained in January at the December rate, although slight increases were scheduled. In February it was announced that schedules for 1945 production of aircraft and Army ordnance items had been increased further. Output of open hearth and Bessemer steel in January was at the lowest rate since July, 1942, largely due to severe weather conditions in several important steelmaking areas. Output of electric steel, however, which had been declining since the end of 1943, rose 10% in January, reflecting new military requirements for alloy steel. The War Production Board early in February ordered a 10% increase in aluminum ingot production and announced that a large increase had occurred in output of aluminum sheet since Dec. 1.

"Output of nondurable goods rose 2% in January. Production of liquor and beverage spirits increased sharply as a result of the release of distilleries from industrial alcohol production for the month of January. Output of manufactured food products also showed a gain for the month, reflecting increases in the canning and baking industries, after allowing for seasonal changes. Activity at meat packing establishments declined 10% in January and was at a rate 25% below the same month a year ago. Production in the chemical industries continued to rise, largely reflect-

ing further increases in output of small arms ammunition. Activity at textile and paper mills continued to show little change.

"Output of coal increased in January but the tonnage was 8% less than the large volume for January, 1944. The production rise was limited by shortages of cars at mines due to congestion in ice-clogged northern railroad yards. In the week ending Feb. 10 output of bituminous coal was the largest for any week since last November.

Distribution

"Department store sales continued in January and the first half of February at about the same high level that prevailed in the last quarter of 1944 after allowance is made for the usual sharp seasonal decline. Value of sales was 14% greater than in the corresponding period a year ago, with a higher rate of gain shown in February.

"Freight carloadings increased in the early part of January due chiefly to larger shipments of fuel and war materials. At the end of January and in the early part of February, however, two short embargoes were placed on rail shipments of most non-war goods. These embargoes were limited to the northeastern states where heavy snowfalls had resulted in traffic tie-ups.

Commodity Prices

"Prices of commodities in wholesale and retail markets continued to increase slightly during January. In the first three weeks of February prices of farm products averaged above the January level and small increases were permitted in maximum wholesale prices of various industrial commodities.

Bank Credit

"With a steady succession of

Treasury calls on War Loan balances, both demand deposits adjusted and time deposits at member banks increased from mid-January to mid-February. Time deposits maintained the rather rapid rate of increase which has prevailed for the past several months. During this period reporting member banks in 101 cities reduced their total holdings of Treasury bills in order to meet increases in required reserves and a currency drain. At the same time, however, banks continued to make sizeable purchases of Treasury bonds, mostly in the eight-to-ten-year maturity range. Loans for purchasing and carrying Government securities decreased, particularly loans made directly to customers. Commercial loans also declined slightly.

"During the five weeks ending Feb. 21, Reserve Banks increased their holdings of Treasury bills by 630 million dollars and sold 65 million of Treasury bonds. The bill purchases, together with advances of 165 million dollars to member banks, enabled banks to meet a 450 million currency drain and a 270 million dollar growth in required reserves. Although currency in circulation had declined through most of January, the outflow was renewed in the last days of the month and continued at an accelerated pace in February. Excess reserves declined to below 1 billion dollars late in January, about the average level at which they have been between drives during the past year.

Government Security Yields

"Following the close of the Sixth War Loan drive in December, the Government security market was strong during January and the first part of February. The average yield on medium-term, taxable Treasury bonds declined from 1.94% during the last week of December to 1.78% during the week ended February 17. The average yield on long-term, taxable Treasury bonds declined from 2.47% to 2.39% in the same period, the lowest since early December, 1941.

Newsprint Deliveries Cut 5% in Next Quarter

The Newspaper Industry Advisory Committee of the War Production Board on March 3, recommended a 5% cut in newsprint deliveries during April, May and June, according to a United Press dispatch from Washington on March 3, which added:

The Committee recommended that publishers draw on their newsprint inventories to meet the 5% delivery reduction rather than attempt to cut consumption further. The recommendations were made in an effort to meet what was described as an impending temporary newsprint shortage.

War Production Board officials said they feared the necessary reduction might go deeper than 5% in view of transportation difficulties and increasing government requirements. They explained that the Committee's proposals were made to meet an expected newsprint shortage of more than 45,000 tons, 5 1/4% of estimated orders amounting to 865,000 tons.

A spokesman in the printing and publishing division said, however, that WPB "probably will go along" with the Advisory Committee's recommendations despite the fears. An order putting the recommendations into effect is expected to be issued before the second quarter begins April 1, he said.

WPB said increased newsprint requirements for the armed services, other government agencies and shipments to the United Nations, neutral countries and liberated areas contributed to the deficit.

The State of Trade

Industrial production moved steadily upward last week as output of some critical war goods remained close to peak levels. Orders at many plants continue at an exceptionally high level as war schedules are raised. Factory employment is generally rising, with women being employed in many areas to balance current labor shortages. Payrolls, too, are increasing over recent weeks. Although steel bookings declined slightly in the week, they were well above a year ago. Electric kilowatt output showed a fractional increase for the week, while crude oil production turned moderately downward. Coal production, on the other hand, moved ahead in the week and paper mill operations rose fractionally to the highest levels this year.

Steel Industry—Steel requirements in the form of commitments for delivery over the next quarter, "The Iron Age" currently states, probably represent one of the toughest challenges to the industry since the war began. Prime consideration, however, will be given to military requirements. While the amount of steel requested for the second quarter by both the Army and the Navy has not been granted to them, on actual allotments they fared far better than any of the other war agencies.

Despite growing transportation needs, second quarter requests of the ODT were cut sharply. Railroad authorities, not unmindful of the importance of Army and Navy demands, hold that the nation's transportation system cannot long continue to have its requirements continually cut, since throughout 1944 the carriers were unable to obtain the amount of steel which they thought necessary to keep the roads in "fair" shape. On the home front, too, it is fast becoming apparent that bus service for war workers and other essential employment continues to deteriorate due to a lack of parts and supplies, as well as to manpower shortages.

Reports from steel centers, the magazine notes, indicate that the return of key steel industry men to the WPB Steel Division has already effected a reduction in the volume of order directives. These directives involved so much tonnage recently that the entire system known as the Controlled Materials Plan for the distribution of steel was being threatened. It is believed these steel experts will scrutinize closely the current Army-Navy domination of steel distribution and scheduling.

Steel orders in recent weeks have declined from the record-breaking January level. Nevertheless, the volume ran somewhat ahead of actual shipments. This situation, however, may not be as bad as it appears, "The Iron Age" points out, because the increase in backlogs recently has been due in large part to greatly extended deliveries. As an illustration, some business is being labeled for first and second quarter delivery in 1946. Steel order volume for the entire country during the first two months of 1945 was placed at 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%.

The Navy's plan to purchase 1,950 warehouse buildings, to require about 12,000 tons of galvanized sheets, thus increasing the number of directives, may well be the starting point of a thorough house cleaning by WPB steel experts in the steel delivery picture.

Continued railroad car shortages in some districts have produced a tight situation in tinplate shipments, the magazine discloses. Truck shipments are almost double and tinplate stocks are backing up into mill storage

facilities. Unless this condition is temporary, actual production of tinplate might be hindered, since warehouse space is rapidly filling up.

The American Iron and Steel Institute announced last Tuesday that the operating rate of steel companies (including 94% of the industry) will be 95.9% of capacity for the week beginning March 5, compared with 94.6% one week ago. This week's operating rate is around the high point for the year, being 1.3 points above last week's rate, and is equivalent to 1,756,500 net tons of steel ingots and castings, compared to 1,732,700 tons last week and 1,769,300 tons one year ago.

Electric Production—The Edison Electric Institute reports that the output of electricity increased to approximately 4,473,962,000 kwh. in the week ended Feb. 24, 1945, from 4,472,298,000 kwh. in the preceding week. Output for the week ended Feb. 24, 1945, was 0.7% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 177,600,000 kwh. in the week ended Feb. 25, 1945, comparing with 207,600,000 kwh. for the corresponding week of 1944, or a decrease of 14.5%.

Local distribution of electricity amounted to 170,900,000 kwh., compared with 199,000,000 kwh. for the corresponding week of last year, a decrease of 14.1%.

Railroad Freight Loadings—Carloadings of revenue freight for the week ended Feb. 24, 1945, totaled 771,843 cars, the Association of American Railroads announced. This was a decrease of 11,895 cars, or 1.5% below the preceding week this year and a decrease of 9,141 cars, or 1.2% below the corresponding week of 1944. Compared with a similar period of 1943, a decrease of 11,073 cars, or 1.4%, 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. 24, 1945, at 11,825,000 net tons, an increase of 340,000 tons, or 2.9% over the week previous. Production in the corresponding week of 1944 amounted to 12,575,000 tons.

According to the U. S. Bureau of Mines, output of Pennsylvania anthracite for the week ended Feb. 24, 1945, was estimated at 1,135,000 tons, a decrease of 4,000 tons, or 0.4% from the preceding week. When compared with the corresponding week in 1944, a decrease of 211,000 tons, or 15.7%, is reflected.

Beehive coke for the week ended Feb. 24, 1945, showed an increase of 17,900 tons above the previous week, but was 30,900 tons less than for the similar week of 1944.

Crude Oil Production—Daily average gross crude oil production for the week ended Feb. 24, as estimated by the American Petroleum Institute, was 4,777,970 barrels. This represented a decrease of 2,700 barrels per day below the preceding week, but was, however, 21,170 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 354,395 barrels per day higher. For the four weeks ended (Continued on page 1081)

Lend-Lease Agreement Between U. S. and France—Official Statement Released

The conclusion by the United States with France of three agreements relating to lend-lease and reverse lend-lease was announced in Washington on Feb. 28 on behalf of the State and Treasury Departments and the Foreign Economic Administration the statement in the matter indicating that the agreements consisted of:

(1) A master agreement identical with those entered into with the United Kingdom, China, the Soviet Union, and other countries; (2) a reciprocal aid agreement similar to those entered into with the United Kingdom, Australia, New Zealand and others; and (3) an agreement under section 3 (C) of the Lend-Lease Act. These statements also said:

The first two agreements with the French are based on the same principles as the lend-lease and reverse lend-lease agreements made by the United States with our allies. The third agreement is the first to be concluded with any of the United Nations. A similar agreement is in negotiation with the Soviet Union.

The amount of raw materials, food, petroleum, etc., to be supplied to France consists of \$1,675,000,000, while the long-life capital goods provided under the lend-lease terms involves an estimated maximum cost of \$900,000,000.

Prior to the announcement in Washington it was made known in wireless advices from Paris Feb. 23 by Harold Callender to the New York "Times" that the French Cabinet had on that day approved the lend-lease agreement with only slight modifications. From these advices we quote:

Jean Monnet brought the text of the proposed agreement from Washington, where he negotiated it for about a year. He will return to Washington next week to sign it. It is expected to take effect immediately thereafter.

The Cabinet was said to be pleased that the new agreement, which should hasten shipping equipment and raw materials for the revival of French industry and transport, would permit the French to retain most of their gold and dollar exchange in the United States, which otherwise they would have been obliged to spend for indispensable supplies.

Present industrial production in France is about one-third that of 1939. It is expected that a low living standard will be necessary for several years, although this will depend upon the rapidity of reconstruction by means of imported capital goods.

It was emphasized that the Cabinet, including Gen. Charles de Gaulle, was impressed by the agreement.

The official statement regarding the new lend-lease agreement, as given out at Washington on Feb. 28, was contained in the following Associated Press advices published in the New York "Times":

Joseph C. Grew, Acting Secretary of State; Henry Morgenthau Jr., Secretary of the Treasury, and Leo T. Crowley, Foreign Economic Administrator, acting for the Government of the United States on lend-lease and reverse lend-lease discussions with Jean Monnet, representative of the Provisional Government of the French Republic, made the following statement today:

"Three agreements relating to lend-lease and reverse lend-lease aid have been concluded with the French: (1) A master agreement identical with those entered into with the United Kingdom, China, the Soviet Union and other countries; (2) a reciprocal aid agreement similar to those entered into with the United Kingdom, Australia, New Zealand and others; and (3) an agreement under section 3 (C) of the Lend-Lease Act.

"The first two agreements with the French are based on the same principles as the lend-lease and reverse lend-lease agreements made by the United States with our other allies. The third agreement is the first to be concluded

forces alone could not have carried through that campaign with any comparable saving of losses on our side. As it was, those losses were at a minimum. Subsequently, as members of the French First Army, these same French troops have helped effectuate the rescue of the Province of Alsac, including Strasbourg and the present holding of the upper Rhine boundary.

"Supplies to equip additional French divisions and units will be furnished under lend-lease pursuant to the terms of these agreements.

"War production materials and other vital supplies and services will be furnished by the United States to the French under these agreements on lend-lease until a determination by the President that they are no longer necessary for the prosecution of the war.

"After this determination, the French may, under the 3 (C) agreement, continue to receive the undelivered balances of certain supplies in the program and to pay for them on specified credit terms, with the reserved right to have the programs or contracts canceled upon paying the United States its out-of-pocket costs. The United States agrees to deliver the programmed supplies to the French, after this determination by the President, unless the President determines that it is not in our national interests to do so.

"The maximum aid to be furnished the French by the United States under the 3 (C) agreement is specified in two schedules.

The articles and services in Schedule 1 and their estimated maximum cost are as follows:

Raw materials for war use and essential civilian supply (cotton, metals, steel, chemicals, synthetic rubber, drugs, medical supplies, etc.)	\$840,000,000
Food (milk, pulses, edible oils, oil seed, seeds)	185,000,000
Petroleum supplies	132,000,000
French prisoner-of-war supplies	48,000,000
Short-life manufacturing equipment for war production	250,000,000
Freight charges (rental and charter of vessels)	220,000,000
	\$1,675,000,000

"The supplies and services to be furnished under Schedule 1 include such items as cotton for the production of cotton duck for tents and other textiles for the armed forces, rubber for the production of tires for military vehicles, and similar war production materials. They also include other vital supplies such as petroleum, hand tools and trucks for war production and other essential operations, and food and medical supplies for war workers and others of the French people so that they can fight, produce and work most effectively in the winning of the war.

"Supplies and services under Schedule 1 do not include finished armament, etc., for the use of French military forces. Up to the extent that they are not found to be necessary in the joint war effort by the President, any undelivered balances of Schedule 1 items may, subject to the reservation of the President to withhold in the national interest, be acquired by the French. Such items are to be paid for by the French in thirty annual installments, beginning July 1, 1946, or on the first day of July following delivery with interest at 2% per cent per annum.

"In addition to these supplies and materials provided under Schedule 1, certain categories of long-life capital goods will be provided under Schedule 2 to enable France to produce and transport military equipment and other war goods for our combined forces. This will reduce the burden on our own output of such goods and will save vital shipping.

"These long-life capital goods which have a war-connected use are to be supplied to the French who agree to pay for them in full against 20% down payment on delivery and the balance in equal

annual installments within not to exceed thirty years, with interest at 2% per annum.

"The articles and services in Schedule 2 and their estimated maximum cost are as follows:

Locomotives	\$200,000,000
Railroad cars	120,000,000
Merchant marines	140,000,000
Harbor watercraft	32,000,000
Fishing fleet	8,000,000
Inland watercraft (barges)	50,000,000
Metal-working machinery	100,000,000
Industrial equipment	150,000,000
Machinery for mines, arsenals, etc.	100,000,000
	\$900,000,000

"These long-life articles are being furnished under Section 3 (C) of the Lend-Lease Act and are put on, these terms because, while they have an important and useful part to play in the war, a large part of their usefulness may also serve post-war purposes.

"Under the agreement, production and delivery will not have to stop on these goods even though the war should end before they were finished. The French agree to take and pay for such goods and the United States Government can proceed with an orderly liquidation of the lend-lease contracts in the manner provided for under Section 3 (C) of the Lend-Lease Act. The program for long-life equipment of this character is subject to substantially the same limitations as apply to Schedule 1.

"Both of these programs are subject to periodic review in the light of the war conditions and particularly after the end of the European war.

"Such reviews will have as their central objective the carrying out of the intent of the Lend-Lease Act. From the beginning of the program in March of 1941, lend-lease aid has been extended for one purpose—and for one purpose

only—the defense of the United States and to enable our allies to bring the full weight of their men and resources to bear against our common enemies.

"Accordingly, it is understood between the two Governments that the United States has a broad power to cancel or revoke procurement programs or contracts if the President determines that it is in our national interest to do so. Actual delivery will always be subject to the development of the military situation, and the changing demands of strategy, as well as to economic and financial factors which affect our national interest.

"The reciprocal aid agreement the second of the agreements noted above—has been made retroactive to D-day in order to cover supplies and services provided to the armed forces of the United States by the French since that time and without payment by us.

"The supplies and services being furnished to us by the French under reverse lend-lease include textiles, military vehicle tires, batteries, telephone wire, chemicals and other vital war materials, railroad and port facilities and services, hotels, warehouses and other facilities and services. The French have placed their industrial production, in so far as it can be brought into operation, at the service of the common war effort.

"The reciprocal aid agreement reaffirms the central principle that the French are to render us benefits on reverse lend-lease, thus putting into effect the kind of combined war supply operations which have previously been so effective in aiding the United Nations to progress to victory over the common enemies."

"Secret" Weapon Development Between Allies Of Enduring Coalition Says Morgenthau

Speaking on Feb. 22 at a dinner at the Waldorf-Astoria Hotel in New York in celebration of George Washington's birthday and the 27th anniversary of the founding of the Red Army, Secretary of the Treasury Henry Morgenthau, Jr., declared that "the true secret weapon of this war has been the development between us and our allies of a great and enduring coalition." Hitler, he asserted, "must be demented indeed if he still

hopes to disrupt the coalition we have forged against him." "The death knell for any such hope was tolled resoundingly at Yalta in the Crimea," said Mr. Morgenthau, who added that "there the leading statesmen of the world's three greatest powers demonstrated again that the unity created by the war is to endure even beyond it and is to serve as the bulwark of the future peace."

The dinner was held under the auspices of the National Council of American-Soviet Friendship, Inc., and the New York "Times" in addition to reporting the above remarks by Mr. Morgenthau. Also quoted him as saying:

"We have learned a great lesson in the bitter school of war—that peace is indivisible."

"Not only peace but prosperity as well is indivisible. We know now that the improvement of living standards which we seek at home can be realized only through an improvement of living standards in all portions of the world. And we can bring about that improvement only by continuing in peace the unity we have discovered in war.

"We have already made a hopeful start in this direction at the International Monetary and Financial Conference held last Summer at Bretton Woods; where the representatives of 44 nations composed their differences and found a basis for common action in meeting certain economic problems. At that conference the representatives of the Soviet Union set an example for the rest of us in enlightened generosity.

"It is noteworthy, I think, that this was the first international economic conference in which the Soviet Union took part. Like ourselves, the people of that great nation have come to understand

that their economy, however, it may differ from ours, cannot be isolated. It has a vital stake in the economic health of the world.

"Both Russians and Americans, I am certain, will emerge from the war with a new understanding and appreciation of one another. The achievements of the Red Army and the heroic devotion of all Soviet citizens have commanded the admiration of the entire world. Misconceptions about Russian life and character are being cleared away.

"There will come a day when the forces of the United Nations will meet and clasp hands in the partnership of victory. They will know that their victory has grown out of their partnership in war. They will understand that their common interests and purposes transcend their differences. They will recognize that their power imposes upon them a high responsibility, that what they won must be held in joint trusteeship for the world. They will forge there a new kind of partnership among nations—a partnership of peace."

Other speakers at the dinner attended by 1,700 persons, said the "Times," included Field Marshal Sir Henry Maitland Wilson, head of the British Joint Staff Mission, participant in the Crimea conference, who represented Great Britain; Maj. Gen. L. S. Kuter, United States Air Representative at the Crimea conference, who represented the American and Air Force, and Maj. Gen. Fedor Ivanovich Belov of the Soviet Purchasing Commission, who spoke for the Red Army. Corliss Lamont, Chairman of the council, introduced United Nations military and naval representatives who were present as guests of honor. Henry A. Wallace sent greetings.

The Financial Situation

(Continued from first page)

If, however, the majority of the American people agree with the President, or even agree that our failure to join the League was a mistake at all, the conviction on the part of the rank and file is a most recently acquired one. If there is any one issue which the American people in the interval between the two wars made clear again and again and again it is that they were quite content to have no part in the League. For ourselves, we are still convinced that we were wise to remain out of the League—and that the real mistakes of the interwar years were of a wholly different order. What is more, there is every evidence at present that our leaders are likely to make these very same mistakes, or others of a closely similar sort, again when this war is over—and add more for good measure—whatever we may decide to do about some revamped League of Nations.

League Helpless

He would be a superficial observer indeed who supposed that there would have been no World War II had we joined the League of Nations, or otherwise "taken our part" in the management of world affairs in the 1920's and early 1930's. Of course, it is obvious that had Great Britain, France, and the United States remained fully armed, and had found it feasible to act as a unit and with dispatch, Germany could have been kept under heel, assuming it possible to keep Russia on the side of the power aligned against Germany. It is likewise doubtless true that this coalition of powers, again supposing it had maintained itself closely and vigorously together, could, if it had wished, have read the riot act to Japan before that country really got started—and possibly, though by no means certainly, prevented the Pacific phase of the present war. Had they been able to persuade Russia to join them, and having joined them, to act with them in all matters, there is little doubt that they could have enforced a sort of Pax Romana upon the remainder of the world more or less indefinitely—assuming that they did not fall out among themselves at any point.

But these countries—even those which did join the League—did not act in any such way. There is certainly no good reason to suppose that the situation would have worked out in any other way had we joined that organization. Indeed the League failed precisely because the countries which were members of it could not hang together and work together in

the way indicated. The League, so far as any one is able to discern, aided them not one iota in doing so. When the pressure of war was off, each country soon developed, or became conscious of, interests of its own. These interests often were not shared by any of the other larger countries, and indeed often actually conflicted with what other countries thought of as their interests.

More Realistic Approach

Now there is a much more realistic way to consider the "mistakes" of the peace which followed World War I and the problems which will follow World War II. We must, however, subordinate thoughts of mechanisms and machinery and get down to causes. The real blunders of those years grew out of the nationalism of the period and shortsighted means chosen to "hog tie" Germany. A number of "synthetic" states were created as either "buffers" against Germany, or for other and at times devious reasons. Some at least of these nations never were in a position to maintain an independent economy. Severe penalties were imposed upon the defeated countries and large reparations demanded of them—at the same time that few if any of the victorious nations were willing to permit payment to be made in goods. The net result of these and other similar policies and programs was to create a sort of international economic impasse. But no one was quite willing to admit the existence of such a situation—at least none in this country. Presently we found ourselves financing this impossible situation by large loans for all manner of purposes. Either we utterly failed to understand the situation, or else we pretended it did not exist and proceeded as if it did not.

Same Blunders Again

Of this sort of material was World War II fashioned, and it would puzzle the proverbial Philadelphia lawyer to understand how any international organization such as the League of Nations would have very much helped the situation. What is worse, is that so far as can now be determined from all the vague accounts of what took place at Yalta and what is being planned, it would appear that no steps of much consequence are to be taken to avoid precisely such blunders this time. The emphasis is upon joining the League of Nations, i.e., the 1945 model which bears a somewhat different name and style.

And, from all accounts, an even worse economic international situation to follow this war is again to be healed by

U. S. Denies Settlement On Czarist Bonds

Harry White, Treasury monetary expert, denied on Feb. 28 the United States and the Soviet Union were negotiating for a settlement on defaulted Imperial Russian government bonds and asserted the American people were "suckers for a lot of rumors." United Press Washington advised in the New York "Herald Tribune," reporting this, added:

"The Czarist dollar loans, repudiated by the Soviet Union after the revolution, have been bid up sharply recently to new highs ranging back more than 17 years on rumors Russia may make some sort of a settlement on the issues.

"Mr. White told the United Press that 'no deals are being made; none has been made, and none is planned now.'

"An informed financial source recently scored the settlement rumors and said Russia would not make good on the bonds because the money received by the Czarist regime from the loans was used to fight the Russian Communists. He said the objection there was moral rather than financial.

"Because of the sharp gains in the Russian imperial bonds, the Securities and Exchange Commission has started an investigation of recent dealings, but has yet to make public any findings."

The same paper in its issue of Feb. 22 stated that collapse of the speculative bubble in Russian Imperial 6½ and 5½% bonds followed, on Feb. 21, the statement by Mr. White, that there are no present or prospective default settlement negotiations. The same paper stated:

"On a turnover of \$880,000 6½s, the priced showed a drop for the session of 8¾ points to a close at 11¼, the incidental changes ranging from an opening at 13 to a low of 9. Trades in 5½s showed \$276,000 par value, with the net price recession 8½ points, the opening having been 13 and the low 8¾.

"The two issues, totaling \$75,000,000 par value, were quoted between 5 and 6 in the days before the Russian drive on Berlin began, with trades sparse on the New York Curb Exchange, where they are quoted. Military successes achieved by the Soviet armies occasioned quickened activity and a run-up in quotations which reached its high point last Tuesday, at figures of 22 for the 6½s and 21¼ for the 5½s.

Alloy Steel Output Up

Alloy steel production in January totaled 907,896 tons, a gain of almost 60,000 tons over the 848,274 tons produced in December, according to the American Iron and Steel Institute. In January, 1944, production of alloy steel totaled 919,017 tons.

The Institute also reported as follows:

"Production of pig iron, ferromanganese and spiegel declined to 4,945,018 tons in January from 4,998,757 tons in December. Adverse weather conditions, affecting railroad shipments were a factor helping to account for the decline. In January, 1944, production was 5,275,852 tons.

"The revised figure on January ingot production is 7,204,303 net tons." [Latter total compares with 7,178,315 tons previously reported—See Feb. 15 issue of the "Commercial and Financial Chronicle," page 748—Ed.]

heedless loans out of the pocketbook of the American taxpayers, who meanwhile have grown rather too wise to make them directly as private citizens.

Govt. Policies Affecting Surpluses Called Responsible for Many Delays by Conference Bd.

Government should not adopt an over-all policy for disposal of all types of surplus property, but should consult with industry committees as to the best possible solution for each major industry, according to a majority of top business executives polled by The Conference Board "Business Record." The Board's advices, made available Feb. 20, state that the solutions proposed, based upon the executives' study of postwar prospects of their own industries, fall into three general groups—gradual disposal, immediate sale in the domestic market, and export. From the Board's announcement we also quote:

Machinery and machine tool builders believe that liquidation of government surpluses of their wartime products must be gradual and that it should take place through normal trade channels. The viewpoint of these executives, which is generally representative of the capital goods industries, is that unused parts should be returned to the original manufacturer, at least to the extent that he is able to assimilate them, and complete machines returned to the manufacturer or consigned to him for sale through regular distributive channels. One suggestion is for 25% of sales to be taken each year out of the Government's surplus stocks until they are completely liquidated.

Executives of the electrical equipment and chemical industries also stress the importance of returning surpluses to the original manufacturer at a reasonable price, so that they may be marketed without upsetting industry prices and employment. "The last thing we want," said one executive, "is the creation of some government-owned corporation to sell surplus property to the general public."

Many executives of nondurable goods industries and iron and steel products call for rapid liquidation of the surpluses. A textile executive believes that it is best to "get the headache over with." In his opinion, "the sooner the Government gets rid of its surplus inventories, the sooner the market will reach an orderly condition. There is going to be a substantial shortage of most materials as the war progresses and the time to dump surplus is when there is a shortage."

A manufacturer of iron and steel products declares: "The more that nature is allowed to take its course in the distribution of surplus property, the better off the

country is going to be in the long run. An inventory hanging over the market has a permanent bearish factor, whereas its sale hurts the market only once."

The survey revealed general agreement that surplus materials located in foreign countries at the termination of hostilities should be disposed of in those countries rather than return to the domestic market. Many of the executives favored exporting materials that might otherwise find their way into speculative channels.

Many replies complained of the injection of the Department of Justice into the surplus disposal program. Objections were widespread to the Government's terms of sale. Listings have been found inadequate, lots are stored in different locations without being so listed, and stocks are not available for inspection despite the requirement of cash in advance "without recourse." Because of these objections, "contractors are at present hesitant to bid and as a result new orders are being placed for items of which there are Government surplus stocks."

Other criticisms occurring frequently in the replies were that undue hesitation and procrastination have been prevalent on the part of the Services in reaching a decision to dispose of many surpluses, that the Government practice of having a three-man board is unsound, and that the present tendency to make priority offers of surplus property to charitable and other organizations and to small business delays disposal. It is also felt that there is too much uncertainty about how much more similar property might become available and the price it might bring.

Present uncertainty may lead many firms to plan construction of new facilities in the immediate postwar period; or place orders with machine tool manufacturers—both to the detriment of a market for government surplus facilities.

U. S. Not to Assume Any Liability for Redemption of "Invasion Currency"

It was made known on Feb. 26 that the United States has not assumed and does not intend to assume any liability for redemption of so-called "invasion currency" used by American armies in liberated European countries. This position of the Government, maintained since Allied armies were first supplied with special currency for use in countries freed from German occupation, was reiterated before the House Appropriations Committee by Secretary of the Treasury Morgenthau and Under Secretary Bell in testimony made public on that date, said advices to the "Wall Street Journal" from its Washington bureau, which also had the following to say:

Invasion currency has been employed in Italy, France, Belgium, Luxembourg and The Netherlands. It is supplied to Allied armies so they can do business, with a minimum of difficulty, in these areas.

As to who stands behind this currency, much of which was printed in the United States, Under Secretary Bell had this to say:

"It is the obligation of the Italian Government to redeem that currency (liras used by the Allies in Italy), and they have accepted that obligation under the terms of the armistice agreement, and the same obligation has been accepted by the other countries. As to the western invasion, the respective governments (France,

Belgium and The Netherlands) all agreed to that before the invasion took place."

Secretary Morgenthau backed up what Mr. Bell said and then went on to add that "nobody has suggested that the United States Treasury assume this obligation."

But the Secretary indicated requests might be made at some later date. He said it was possible that Italy, for example, might put in a claim against the Allies for the amount of invasion currency used.

"But I can assure you that there is nowhere implied that there is an obligation on the part of the United States Government to redeem this invasion money which our military forces are using."

Mr. Morgenthau went on to say that if and when claims for redemption of this currency are made, the Allies will have a claim for the costs of invasion, involving that final determination might be the subject of negotiation.

Goal of \$14 Billion in 7th War Loan—Drive for Individuals to Extend From May 14 to June 30

Announcement was made on March 2 by Secretary of the Treasury Morgenthau of the types of securities to be sold in the Seventh War Loan Drive and the periods during which intensive campaigns will be conducted to sell these securities to the various classes of investors. The goal for the Seventh War Loan, said Mr. Morgenthau, has been set at \$14,000,000,000, of which \$7,000,000,000 is to come from sales to individuals and \$7,000,000,000 from other non-bank investors. "Again," he said, "the major emphasis throughout the entire drive will be placed on the quota for individuals, which is the highest established in any of the war loan drives. Of that quota, \$4,000,000,000 has been established as the goal for series E War Savings Bonds, which is also the highest quota established in any drive for that security."

The quota for individual subscriptions in New York State in the new war loan drive will be \$1,134,000,000, according to an announcement on March 4 by Frederick W. Gehle, Vice-President of the Chase National Bank of New York, who will again serve as State Chairman for the War Finance Committee for New York.

From Secretary Morgenthau's announcement regarding the drive we quote as follows as to the goal and securities:

"The goal and the securities to be offered were determined by the Treasury after full discussion with various groups, including chairmen of the State War Finance Committees, officials of the Federal Reserve System, members of the American Bankers Association, representatives of insurance companies, and other investment authorities.

"The Secretary stated that there is every evidence that Federal expenditures are going to remain at a high level for some time to come, and that the Seventh War Loan program was designed to obtain maximum funds necessary to prosecute the war from non-bank investors.

"The securities, which will be sold under the direction of the State War Finance Committees, are as follows:

- Series E, F and G Savings Bonds.
- Series C Savings Notes.
- 2½% Bonds.
- 2¼% Bonds.
- 1½% Bonds.
- ¾% Certificates of Indebtedness. (The 1½% Bonds will not be offered in the drive to corporations.)

"The drive for individuals will extend from May 14 to June 30. However, an intensification of activities in the sale of series E bonds will begin April 9, when millions of persons on payroll savings plans throughout the country will be asked to enlarge their participation as a part of the Seventh War Loan. All series E, F and G Savings Bonds and Series C Savings Notes processed through the Federal Reserve Banks between April 9 and July 7 will be credited to the drive.

"During the final phase of the drive which will cover the period from June 18 through June 30, subscriptions will be received from all other non-bank investors for the 2¼% and 2½% marketable bonds and the certificates of indebtedness.

"The Treasury will request that there be no trading in the marketable securities and no purchases of such securities other than on direct subscription until after the closing of the drive on June 30.

"To avoid unnecessary transfers of funds from one locality to another, the Treasury again urges that all subscriptions by corporations and firms be entered and paid for through the banking institutions where funds are located. This request is made to prevent disturbance to the money market and the banking situation. The Treasury will undertake, as in the Sixth War Loan Drive, to see that statistical credit is given to any locality for such subscriptions as

the purchaser may request, except that subscriptions from insurance companies will be credited to the State of the home office as in the past. The Treasury appreciates the substantial cooperation it has received in this respect.

"In order to help in achieving its objective of selling as many securities as possible outside of the banking system, the Secretary will request the cooperation of all banking institutions in declining to make speculative loans for the purchase of Government securities, and in declining to accept subscriptions from customers which appear to be entered for speculative purposes. The acquisition of outstanding securities by banks on the understanding that a substantially like amount of the new securities will be subscribed through such banks, thus enabling them to expand their war loan deposit balances, is regarded as an improper practice by the Treasury. The Secretary will request banking institutions not to make such purchases, and not to make loans for the purpose of acquiring the drive securities later for their own account. The Treasury is in favor of the banks making loans to facilitate permanent investment in Government securities provided such loans are made in accord with the joint statement issued by the National and State Bank Supervisory Authorities on Nov. 23, 1942. (See below.)

"The Treasury requests that all non-bank investors refrain from selling securities heretofore acquired to obtain funds to subscribe for the securities offered in the Seventh War Loan Drive. However, this request is not intended to preclude normal portfolio adjustments.

"Life insurance companies, savings institutions, and States, municipalities, political subdivisions and similar public corporations, and agencies thereof, will be permitted to make deferred payment, at par and accrued interest, for the 2¼% and 2½% marketable bonds allotted to them, up to Aug. 31, 1945.

"During the period from June 18 through June 30 commercial banks, which are defined for this purpose as banks accepting demand deposits, will be afforded an opportunity to subscribe for series F and series G savings bonds, and for the 1½% bonds and the ¾% certificates offered in the drive, in aggregate amounts not exceeding \$500,000 or 10% of the time deposits (of which not more than \$100,000 may be series F and series G savings bonds) under the same formula as was used during the last drive. Securities so acquired by the banks will not be included in the drive nor will they be counted toward any quota.

"Commercial banks will not be permitted to own the 2½% or the 2¼% marketable bonds offered in the drive until within ten years of their respective maturity dates."

The joint statement referred to above, issued by the National and State Bank supervisory authorities, as given out by the Treasury Department, follows:

"The Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, and the Executive Committee of the National Association of Supervisors of the State Banks made the following statement of their examination and supervisory policy with special reference to investments in and loans upon Government securities:

"1. There will be no deterrents

in examination or supervisory policy to investments by banks in Government securities of all types, except those securities made specifically ineligible for bank investment by the terms of their issue.

"2. In connection with Government financing, individual subscribers relying upon anticipated income may wish to augment their subscriptions by temporary borrowings from banks. Such loans will not be subject to criticism but should be on a short term or amortization basis fully repayable within periods not exceeding six months.

"3. Banks will not be criticized for utilizing their idle funds as far as possible in making such investments and loans and availing themselves of the privilege of temporarily borrowing from or selling Treasury bills to the Federal Reserve Banks when necessary to restore their required reserve positions."

Life Ins. Investments In U. S. Securities

More than 70% of the new investments made by the life insurance companies of the country in 1944 were in United States Government securities, gross purchases of such securities amounting to \$7,585,000,000, the Institute of Life Insurance reported on Feb. 26. Their purchases of other securities and mortgages totaled \$3,096,000,000. The extent to which these purchases represented funds becoming available for reinvestment through maturities and otherwise, says the Institute, is indicated by the fact that the total of \$10,681,000,000 was almost two and one-half times premium income. Holdings of United States Government securities at the year-end, it is added, amounted to \$16,413,000,000, a net increase during the year of \$3,681,000,000. Holdings of other securities and mortgages totaled \$19,425,000,000, a net decrease during the year of \$112,000,000.

"The increasing contribution of policyholders' reserves to the national economy and their responsiveness to current needs are clearly shown by the year's investment activities," Holgar J. Johnson, President of the Institute, said in commenting upon the report. "The total of these funds at work on the home front increased by 3½ billion dollars, but the net increase in holdings of United States Government securities, representing the primary need of the year, was somewhat greater than this. The record suggests how effectively these pooled funds can be applied to the basic needs of the economy in the post-war period when government financing requirements are moderated."

From the Institute's announcement, we also quote:

"Purchases of business and industrial securities in 1944 were \$1,878,000,000, compared with \$913,000,000 in the previous year. Holdings of these securities at year-end were \$10,337,000,000, only slightly changed from the previous year-end, as purchases were offset by refundings, maturities and replacements. Life insurance investments in such securities actually were \$213,000,000 greater than at the war's start.

"Sharpest readjustment of holdings was in State, county, municipal and foreign securities, the year-end figure of \$2,405,000,000, down 8% from 1943, comparing with \$2,630,000,000 at the start of the war. Purchases of such securities dropped sharply in the past year, totaling \$277,000,000 compared with \$365,000,000 in the previous year.

"Mortgage holdings of the life insurance companies increased slightly during the past year to

President Signs George Bill Separating RFC From Commerce Dept.—Wallace Commerce Sec.

Preliminary to the confirmation by the U. S. Senate of Henry A. Wallace as Secretary of the Department of Commerce, President Roosevelt on Feb. 24 signed at sea the bill of Senator George providing for the separation of the Reconstruction Finance Corporation from the Department of Commerce. The House had passed the George Bill on Feb. 16 by a vote of 399 to 2—the Senate having adopted it on Feb. 2 by a vote of 74 to 12. References to the Congressional action appeared in our issues of Feb. 8, page 655, and March 1, page 966. The nomination of Mr. Wallace as Secretary of Commerce was sent to the Senate by the President on Jan. 22, after it had been disclosed that the request had been made by the President to Jesse H. Jones that he relinquish the Secretaryship to make a place for Mr. Wallace who retired as Vice-President of the United States on Jan. 21. An item bearing on this appeared in our Feb. 1 issue, page 552.

The signing of the George bill by the President was made known at the White House on Feb. 28 by Press Secretary Jonathan Daniels who made the announcement after the President reached the White House from the Crimean conference, said Associated Press advices which also noted:

There was no supplemental statement by the President. Mr. Roosevelt announced some time ago that he would sign the measure.

Administration leaders had told him that his signature would be the price of getting the former Vice-President approved by the Senate as Secretary of Commerce.

The nomination of Mr. Wallace as Secretary was approved by the Senate on March 1 by a vote of 56 to 32; regarding the Senate action the Associated Press stated:

Senator Hill (D., Ala.), started the ball rolling for Mr. Wallace with a speech in which he pleaded with his colleagues not to let "malignance and hysteria" interfere with their judgment.

Senator Aiken (R., Vt.), frequently at odds with his party, took over from there with praise for Mr. Wallace as a champion of "the weak and unfortunate."

Taking the opposite view, Senator Wiley (R., Wis.), called Mr. Wallace one of the "New Deal's medicine men" and said the "horse-sense Americans would have none of his economic philosophy."

He said he had come to the unmistakable conclusion that the American people "have been under the high pressure of super-salesmen of collectivism for far too long."

Senator Hawkes (R., N. J.), declared Mr. Wallace's presence in the cabinet would make it "unbalanced."

Mr. Wallace took the oath of office as Secretary on March 2, having been sworn in by Supreme Court Justice Hugo L. Black. In a statement following his confirmation he indicated that he was appointing a committee to plan means for small business "to do its full share in furnishing maximum employment" after the war. His statement follows:

"The Department of Commerce will continue to aid the war effort and it will likewise do its part to facilitate maximum co-operation between the nation's employees, investors, business, agriculture and Government to the end that all America, our assets and our people may be busily and profitably employed. It will do what it can to help develop the fullest use of all man power, women power, money, credit, ingenuity and science to produce even more for the peace than we have

\$6,683,000,000, of which \$799,000,000 were farm mortgages, \$1,408,000,000 were FHA mortgages and \$4,476,000,000 were other city mortgages. Year-end holdings were \$255,000,000 greater than at the start of the war, due largely to financing of housing for war needs, especially FHA projects."

learned to produce for war so that the peacetime standard of living may be continually rising.

"To attain these objectives I propose to appoint a series of committees from the Business Advisory Council. The first committee which I shall ask to report as soon as reasonably possible will be for the purpose of making suggestions for enabling small business to do its full share in furnishing maximum post-war employment.

"It is hoped that the committee will give especial attention to the problem of making available to small business adequate supplies of equity financing as well as long-term loans at reasonable rates."

The committee named by him consists of Eric A. Johnston, President, United States Chamber of Commerce; Edward E. Brown, Board Chairman, First National Bank of Chicago; Prentiss M. Brown, Board Chairman, Detroit Edison Company; Ralph Flanders, President, Jones & Lamson Machine Company, Springfield, Vt.; Thomas B. McCabe, President, Scott Paper Company, Chester, Pa.; John W. Snyder, Vice-President, First National Bank, St. Louis; Ernest G. Draper, member, Federal Reserve Board, and Stacy May, McGraw-Hill Publishing Company.

Military Importance of Cottons Stressed

Because of the enormous diversion of cotton goods into war uses, National Cotton Week this year will not be observed in the usual manner, according to a joint announcement by its sponsors, The Cotton-Textile Institute, Inc., and National Cotton Council. Instead of promoting the sale of cotton goods to the consumer, the period from May 20 to 26 this year will be devoted to stressing the military importance of cottons, will explain to consumers the reasons for shortages of many staple items and will emphasize the need for conservation and careful buying.

The Cotton-Textile Institute's advices of Feb. 16 went on to say:

"Printed material to be circulated among retailers and consumers will be written around the theme, 'Cotton Is Fighting Now! But Better-Than-Ever Cottons Will Be Yours Quickly... After the War!'"

"Commenting on the change in plans, Dr. Claudius T. Murchison, Institute president, stated: 'Let's face the facts. Cotton goods are scarce and will continue to be scarce in the months to come. Military and relief demands are mounting steadily. Despite the mighty efforts of mills to hold production at levels far above the peace-time average, demand is constantly outstripping supply with the result that civilians will just have to conserve what they have and buy only what they urgently need until victory over both Germany and Japan is achieved.'"

Oscar Johnston, President, National Cotton Council, stated: "American cotton is being consumed by American mills at the rate of 425 million pounds per month. From this amazing consumption flows the ten thousand and more cotton products necessary for the prosecution of the war. As long as this condition continues, I am sure patriotic civilians will endure the shortages of cotton goods in the same way they have been enduring the absence of so many things that made up our pre-war standard of living."

Invitations to San Francisco Security Conference State Dep't Issues Statem't on Voting Procedure

Along with the text of the invitations to participate in the United Nations Security Conference to be held at San Francisco on April 25, the State Department made public on March 5 an announcement regarding the proposed voting procedure in the International Security Organization.

At the same time (March 5) a statement was made at Mexico City by Secretary of State Edward R. Stettinius, Jr., regarding the issuance of the invitations to the conference, which, he said, "is another step toward a goal which is in the minds and hearts of all of us—establishing an enduring peace after victory in this war." Mr. Stettinius stated also that "our task here (Mexico City) has been to exchange views, and to clarify our thoughts, on the essential features of the world organization of the future and on the relationship to it of our own inter-American system, and thus to prepare ourselves more fully for the work to be undertaken at San Francisco."

These several documents (all Associated Press) as published in the New York "Herald Tribune" of March 6 are given herewith:

Following is the text of the invitation to participate in the United Nations conference at San Francisco, April 25, as released by the State Department at Washington March 5:

At the Crimea Conference the government of the United States of America was authorized, on behalf of the three governments there represented, to consult the government of the Republic of China and the Provisional Government of the French Republic in order to invite them to sponsor invitations jointly with the governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland and the Union of Soviet Socialist Republics to a conference of United Nations called to meet at San Francisco on April 25, 1945.

Those consultations have now been held. The government of the Republic of China has agreed to join in sponsoring invitations to the San Francisco Conference. The Provisional Government of the French Republic has agreed to participate in the conference but, after consultation with the sponsoring governments, the provisional government—which did not participate in the Dumbarton Oaks conversations—is not joining in sponsoring the invitations.

Text of Invitations

Today at noon, Washington time, representatives of the government of the United States of America stationed at various capitals throughout the world are presenting to the governments of thirty-nine different United Nations the following invitation:

The government of the United States of America, on behalf of itself and of the governments of the United Kingdom of Great Britain and Northern Ireland, the Union of Soviet Socialist Republics and the Republic of China, invites the government of (name of government invited was inserted here) to send representatives to a conference of the United Nations to be held on April 25, 1945, at San Francisco in the United States of America to prepare a charter for a general international organization for the maintenance of international peace and security.

The above named governments suggest that the conference consider as affording a basis for such a charter the proposals for the establishment of a general international organization, which were made public last October as a result of the Dumbarton Oaks Conference, and which have now been supplemented by the following provisions for Section C of Chapter VI:

"C. Voting:

"1. Each member of the security council should have one vote.

"2. Decisions of the security council on procedural matters should be made by an affirmative vote of seven members.

"3. Decisions of the security council on all other matters should be made by an affirmative vote of seven members including the concurring votes of the permanent members; provided that, in decisions under Chapter VIII, Section A, and under the second sentence of Paragraph 1 of Chapter VII, Section C, a party to a dispute should abstain from voting."

Nations That Received Bids

Further information as to arrangements will be transmitted subsequently. In the event that the government of (name of government invited was inserted here) desires in advance of the conference to present views or comments concerning the proposals, the government of the United States of America will be pleased to transmit such views and comments to the other participating governments.

The invitation has been presented to the governments of the following United Nations:

Commonwealth of Australia, Kingdom of Belgium, Republic of Bolivia, United States of Brazil, Canada,

Republic of Chile, Republic of Colombia, Republic of Costa Rica, Republic of Cuba, Czechoslovak Republic, Dominican Republic, Republic of Ecuador,

Kingdom of Egypt, Empire of Ethiopia, Kingdom of Greece, Republic of Guatemala, Republic of Haiti,

Republic of Honduras, India, Empire of Iran, Kingdom of Iraq, the Republic of Liberia, the Grand Duchy of Luxemburg,

United Mexican States, the Kingdom of the Netherlands, Dominion of New Zealand, Republic of Nicaragua, Kingdom of Norway, Republic of Panama, Republic of Paraguay, Republic of Peru,

Commonwealth of the Philippines, Republic of El Salvador, Kingdom of Saudi Arabia, the Republic of Turkey, Union of South Africa, Oriental Republic of Uruguay, United States of Venezuela, Kingdom of Yugoslavia.

Mexico City Announcement

The following is the text of the statement made at Mexico City March 5 by Secretary of State Edward R. Stettinius, Jr., at the Inter-American Conference:

I am happy to be able to make a most significant announcement here in Mexico City concerning the future world organization for peace and security.

As I arise to speak, the government of the United States, acting on behalf of the sponsoring governments—the United States, Great Britain, the Soviet Union and China—is transmitting invitations to the United Nations Conference to be held at San Francisco on April 25.

I regret exceedingly that the provisional government of France has not accepted our invitation to become one of the sponsoring countries for the San Francisco conference.

Issuance of the formal invitation to meet only seven weeks from now in San Francisco is another step toward a goal which is in the minds and in the hearts of all of us—establishment of an enduring peace after victory in this war.

Pledge to Co-operate Cited

In October, 1943, the signa-

tures of the Moscow Declaration pledged themselves to co-operate with each other and with the other nations devoted to peace in creating a general international organization for the maintenance of peace and security.

The Dumbarton Oaks conference was the next step necessary in the carrying out of this vast program. From that conference there emerged the proposals which we are studying here in Mexico City.

The conversations at Dumbarton Oaks left open the question of voting procedure in the security council. A proposal on this subject has now been agreed upon in the manner stated in the text of the invitation to the San Francisco conference, which I shall read to you in a moment. This was one of the great accomplishments under President Roosevelt's leadership at the Crimea Conference.

In Mexico City the twenty countries here represented are taking another important step toward the establishment of a world organization. Our task here has been to exchange views, and to clarify our thoughts, on the essential features of the world organization of the future and on the relationship to it of our own inter-American system, and thus to prepare ourselves more fully for the work to be undertaken at San Francisco.

It is my great pleasure now to read to you the text of the invitation to the conference, which includes the proposed provisions for voting in the security council. [Mr. Stettinius here presented the text of the invitation.]

Roosevelt's Proposals

The proposed provisions for voting in the security council are those which were presented by the President of the United States at the Crimea Conference; they were there agreed to by Great Britain and by the Soviet Union and have since been approved by China.

I wish at this time to comment to you briefly on the significance of the proposal on voting procedure. This procedure means that whenever any member of the council—including any permanent member—is a party to a dispute, that member cannot vote in any decision of the council involving peaceful settlement of that dispute. Consequently, the council can examine the dispute thoroughly, and the remaining members can make recommendations to all the parties to the dispute as to methods and procedures for settling it. They can refer the legal aspects of the dispute to the international court for advice. They can refer the dispute to the general assembly if they wish; and they can take any other appropriate steps short of enforcement measures to obtain a settlement of that dispute without the vote of the member of the security council involved in the dispute.

This means that all members of the security council when they are parties to a dispute will be on the same footing before this council. It means that no nation in the world will be denied the right to have a fair hearing of its case in the security council, and that the equal, democratic rights of all nations will be respected.

If the dispute is not settled by such means, the major question before the council is whether force needs to be employed. In that event it is necessary that the vote of the permanent members of the council be unanimous. They are the nations which possess in sufficient degree the industrial and military strength to prevent aggression. However, the decision of the council can be reached in such a case only by a majority of seven members, which means that the permanent members cannot alone decide to take action. It also means that

the non-permanent members can prevent action.

Invites Other Suggestions

I am happy to say that I have here to hand to each of you a more detailed memorandum on the voting procedure which I am sure you will wish to study.

The invitation to the San Francisco conference suggests that the Dumbarton Oaks proposals be considered as affording a basis for the charter of the world organization. It is the wish of the United States, as it is, I am confident, of the other sponsoring nations, that there should also be the fullest opportunity at that conference for consideration of the views and suggestions of all the participating governments. I know that the contributions of the distinguished statesmen of the American republics will be most valuable in the writing of the charter.

The responsibility for the establishment and maintenance of a peaceful world order is the common responsibility of all the United Nations. It is on them that the duty has now fallen to write a charter for the international organization so firmly rooted in the realities of the world as it is, and so clearly expressing the free and democratic ideals for which the United Nations stand, that it will truly represent both the will of the peoples of the world for lasting peace and their capacity actually to build and to maintain such a peace together.

We have the opportunity. We have the will. May God grant us the vision and the strength to sustain us. It is my faith that together we will build this world of freedom and security—a world at peace at last.

STATEMENT ON VOTING PROCEDURE

The text of the statement by Secretary of State Stettinius in connection with the issuance of invitations to the United Nations conference at San Francisco, April 25, which was released by the State Department at Washington, follows:

Today, with the issuance of the invitations to the San Francisco Conference, there have been made public the provisions of the text on voting procedure in the security council of the general international organization proposed at Dumbarton Oaks.

The practical effect of these provisions, taken together, is that a difference is made, so far as voting is concerned, between the quasi-judicial function of the security council in promoting the peaceful settlement of disputes and the political function of the council in taking action for the maintenance of peace and security.

Where the council is engaged in performing its quasi-judicial function of promoting peaceful settlement of disputes, no nation, large or small, should be above the law. This means that no nation, large or small, if a party to a dispute, would participate in the decisions of the security council on questions like the following:

(A) Whether a matter should be investigated;

(B) Whether the dispute or situation is of such a nature that its continuation is likely to threaten the peace;

(C) Whether the council should call on the parties to settle a dispute by means of their own choice;

(D) Whether, if the dispute is referred to the council, a recommendation should be made as to methods and procedures of settlement;

(E) Whether the council should make such recommendations before the dispute is referred to it;

(F) What should be the nature of this recommendation;

(G) Whether the legal aspect of the dispute should be referred to the court for advice;

(H) Whether a regional agen-

"Doctors' Plan" Made Available to Morgan Employees

J. P. Morgan & Company, Inc., has become the first subscriber to "the doctors' plan" recently put into effect by United Medical Service, it was announced under date of March 1 by Rowland H. George, President. The company will pay the entire cost of the service for 681 employees and their families, including 80 now in the armed forces. This protection supplements the hospitalization benefits which the company is also making available to its employees through the Blue Cross Plan of Associated Hospital Service of New York.

Under the terms of the United Medical Service agreement, individuals with incomes up to \$1,800 and families within the \$2,500 income bracket are entitled to complete payment of physicians' and surgeons' fees for surgical operations, the treatment of fractures and dislocations, and maternity care, including pre-natal and post-natal care. Employees with higher incomes may be billed by their physicians for additional fees. United Medical Service has been officially endorsed by the Medical Society of the State of New York and the 17 county medical societies of the New York area.

Results Of Treasury Bill Offering

The Secretary of the Treasury announced on March 5 that the tenders of \$1,300,000,000 or thereabouts, of 91-day Treasury bills to be dated March 8 and to mature June 7, 1945, which were offered on March 2, were opened at the Federal Reserve Banks on March 5.

The details of this issue are as follows:

Total applied for \$2,436,231,000. Total accepted \$1,309,916,000 (includes \$60,219,000 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, 99.915, equivalent rate of discount approximately 0.336% per annum.

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

(48% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on March 8 in the amount of \$1,204,896,000.

cy should be asked to concern itself with the dispute, and

(I) Whether the dispute should be referred to the general assembly.

Where the council is engaged in performing its political functions of action for maintenance of peace and security, a difference is made between the permanent members of the council and other nations for the practical reason that the permanent members of the council must, as a matter of necessity, bear the principal responsibility for action. Unanimous agreement among the permanent members of the council is therefore requisite. In such matters, therefore, the concurrence of all the permanent members would be required. Examples are:

(A) Determination of the existence of a threat or breach of the peace;

(B) Use of force or other enforcement measures;

(C) Approval of agreements for supply of armed forces;

(D) Matters relating to the regulation of armaments, and

(E) Matters concerning the suspension and expulsion of members and the admission of new members.

The Crimean Conference

A Successful Effort: Roosevelt

(Continued from first page)

tions. Among the civilian leaders at Teheran, however, there were only exchanges of views and expressions of opinion. No political agreements were made—and none was attempted.

At the Crimean conference, however, the time had come for getting down to specific cases in the political field.

Efforts for Future Peace

There was on all sides at this conference an enthusiastic effort to reach agreement. Since the time of the Teheran conference, there had developed among all of us a greater facility in negotiating with each other, which augurs well for the future peace of the world.

I have never for an instant wavered in my belief that an agreement to insure world peace and security can be reached.

The lapse of time between Teheran and Yalta without conferences of civilian representatives of the three major Powers has proved to be too long—fourteen months. During this long period, local problems were permitted to become acute in places like Poland and Greece and Italy and Yugoslavia.

Therefore we decided at Yalta that, even if circumstances made it impossible for the heads of the three governments to meet more often in the future, we would make sure that there would be more frequent personal contacts for exchange of views.

Accordingly, we arranged for periodic meetings of the foreign secretaries of Great Britain, Russia and the United States at intervals of three or four months. I feel very confident that under this arrangement there will be no recurrence of the incidents which this winter disturbed the friends of worldwide collaboration.

Four Vital Political Problems

When we met at Yalta, in addition to laying our strategic and tactical plans for a final and complete military victory over Germany, there were a number of problems of vital political consequence.

First, there were the problems of the occupation and control of Germany after victory, the complete destruction of her military power, and the assurance that neither Nazism nor Prussian militarism could again be revived to threaten the peace and civilization of the world.

Second, there was the settlement of the few differences which remained among us with respect to the international security organization after the Dumbarton Oaks conference.

Third, there were the general political and economic problems common to all of the areas which had been or would be liberated from the Nazi yoke.

Fourth, there were the special problems created by Poland and Yugoslavia.

Days were spent in discussing these momentous matters and we argued freely and frankly across the table. But at the end, on every point, unanimous agreement was reached. And more important even than the agreement of words, I may say we achieved a unity of thought and a way of getting along together.

It was Hitler's hope that we would not agree—that some slight crack might appear in the solid wall of Allied unity which would give him and his fellow gangsters one last hope of escaping their just doom. That is the objective for which his propaganda machine has been working for months.

But Hitler has failed. Never before have the major

Allies been more closely united—not only in their war aims but in their peace aims. And they are determined to continue to be united with each other—and with all peace-loving nations—so that the ideal of lasting world peace will become a reality.

Allied Military Co-ordination

The Soviet, British and United States chiefs of staff held daily meetings with each other, and conferred frequently with Marshal Stalin, with Prime Minister Churchill and with me, on the problem of co-ordinating the strategic and tactical efforts of all the Allied forces. They completed their plans for the final knock-out blows to Germany.

At the time of the Teheran conference, the Russian front was so far removed from the American and British fronts that, while certain long-range strategic co-operation was possible, there could be no tactical, day-by-day co-ordination. But Russian troops have now crossed Poland, and are fighting on the eastern soil of Germany; British and American troops are now on German soil close to the River Rhine in the west. It is a different situation today; a closer tactical liaison has become possible—and, in the Crimean conference, this has been accomplished.

Provision was made for daily exchange of information between the armies under command of Gen. Eisenhower, those under command of the Soviet marshals on the eastern front, and our armies in Italy—without the necessity of going through the chiefs of staff in Washington and London as in the past.

You have seen one result of this exchange of information in the recent bombing by American and English aircraft of points which are directly related to the Russian advance on Berlin.

From now on, American and British heavy bombers will be used—in the day-by-day tactics of the war—in direct support of the Soviet armies, as well as in support of our own on the Western Front.

They are now engaged in bombing and strafing in order to hamper the movement of German reserves and materials to the Eastern and Western fronts from other parts of Germany and from Italy.

Arrangements were made for the most effective distribution of all available material and transportation to the places where they can best be used in the combined war effort—American, British and Russian.

Details of all these plans and arrangements are military secrets; but they will hasten the day of the final collapse of Germany. The Nazis are learning about some of them already, to their sorrow. They will learn more about them tomorrow and the next day—and every day.

There will be no respite for them. We will not desist for one moment until unconditional surrender.

Unconditional Surrender Reiterated

The German people, as well as the German soldiers must realize that the sooner they give up and surrender, by groups or as individuals, the sooner their present agony will be over. They must realize that only with complete surrender can they begin to re-establish themselves as people whom the world might accept as decent neighbors.

We made it clear again at Yalta, and I now repeat—that unconditional surrender does not mean the destruction or enslavement of the German people. The

Nazi leaders have deliberately withheld that part of the Yalta declaration from the German press and radio. They seek to convince the people of Germany that the Yalta declaration does mean slavery and destruction for them—for that is how the Nazis hope to save their own skins, and deceive their people into continued useless resistance.

We did, however, make it clear at this conference just what unconditional surrender does mean for Germany.

It means the temporary control of Germany by Great Britain, Russia, France, and the United States. Each of these nations will occupy and control a separate zone of Germany—and the administration of the four zones will be co-ordinated in Berlin by a control council composed of representatives of the four nations.

Unconditional surrender also means the end of Nazism, and of the Nazi party—and all of its barbaric laws and institutions.

It means the termination of all militaristic influence in the public, private and cultural life of Germany.

It means the complete disarmament of Germany; the destruction of its militarism and its military equipment; the end of its production of armament; the dispersal of all of its armed forces; the permanent dismemberment of the German General Staff, which has so often shattered the peace of the world.

Reparations in Kind

It means that Germany will have to make reparations in kind for the damage which it has done to the innocent victims of its aggression.

By compelling reparations in kind—in plants, and machinery, and rolling stock, and raw materials—we shall avoid the mistake made after the last war of demanding reparations in the form of money which German could never pay.

We do not want the German people to starve, or to become a burden on the rest of the world.

Our objective in handling Germany is simple—it is to secure the peace of the future world. Too much experience has shown that that objective is impossible if Germany is allowed to retain any ability to wage aggressive war.

That objective will not harm the German people. On the contrary, it will protect them from a repetition of the fate which the general staff and Kaiserism imposed on them before, and which Hitlerism is now imposing upon them again a hundredfold. It will be removing a cancer from the German body, which for generations has produced only misery and pain for the whole world.

During my stay at Yalta, I saw the kind of reckless, senseless fury and destruction which comes out of German militarism. Yalta had no military significance of any kind, and no defenses.

Before the last war, it had been a resort for the Czars and for the aristocracy of Russia. Afterward, however, and until the attack upon the Soviet Union by Hitler, the palaces and villas of Yalta had been used as a rest and recreation center by the Russian people.

The Nazi officers took them over for their own use; and when the Red Army forced the Nazis out of the Crimea, these villas were looted by the Nazis, and then nearly all were destroyed. And even the humblest of homes were not spared.

There was little left in Yalta but ruin and desolation.

Sevastopol was also a scene of utter destruction—with less than a dozen buildings left intact in the whole city.

I had read about Warsaw and Lidice and Rotterdam and Coventry—but I saw Sevastopol and Yalta! And I know that there is not enough room on earth for

both German militarism and Christian decency.

Agreements on International Organization

Of equal importance with the military arrangements at the Crimean conference were the agreements reached with respect to a general international organization for lasting world peace. The foundations were laid at Dumbarton Oaks. There was one point, however, on which agreement was not reached at Dumbarton Oaks. It involved the procedure of voting in the security council.

At the Crimean conference, the Americans made a proposal on this subject which, after full discussion, was unanimously adopted by the other two nations.

It is not yet possible to announce the terms of that agreement publicly, but it will be in a very short time.

When the conclusions reached at the Crimean conference with respect to voting in the Security Council are made known, I believe you will find them a fair solution of this complicated and difficult problem. They are founded in justice, and will go far to assure international co-operation in the maintenance of peace.

A conference of all the United Nations of the world will meet in San Francisco on April 25, 1945. There, we all hope, and confidently expect, to execute a definite charter of organization under which the peace of the world will be preserved and the forces of aggression permanently outlawed.

This time we shall not make the mistake of waiting until the end of the war to set up the machinery of peace. This time, as we fight together to get the war over quickly, we work together to keep it from happening again.

I am well aware of the constitutional fact—as are all the United Nations—that this charter must be approved by two-thirds of the Senate of the United States—as will some of the other arrangements made at Yalta.

The Senate of the United States, through its appropriate representatives, has been kept continuously advised of the program of this Government in the creation of the international security organization.

The Senate and the House of Representatives will both be represented at the San Francisco conference. The Congressional delegates to the San Francisco conference will consist of an equal number of Republican and Democratic members. The American delegation is—in every sense of the world—bi-partisan.

When our republic was threatened, first by the Nazi clutch for world conquest in 1940, and then by the Japanese treachery of 1941, partisanship and politics were laid aside by nearly every American; and every resource was dedicated to our common safety. The same consecration to the cause of peace will be expected by every patriotic American and by every human soul overseas.

Structure of Peace International

The structure of world peace cannot be the work of one man or one party, or one nation. It cannot be an American peace, or a British, a Russian, a French, or a Chinese peace. It cannot be a peace of large nations—or of small nations. It must be a peace which rests on the co-operative effort of the whole world.

It cannot be a structure of complete perfection at first. But it can be a peace—and it will be a peace—based on the sound and just principles of the Atlantic Charter—on the conception of the dignity of the human being—on the guaranties of tolerance and freedom of religious worship.

Liberated Areas a Joint Problem

As the Allied armies have marched to military victory, they

have liberated peoples whose liberties had been crushed by the Nazis for four years, and whose economy had been reduced to ruin by Nazi despoilers.

There have been instances of political confusion and unrest in these liberated areas—as in Greece and Poland and Yugoslavia and other places. Worse than that, there actually began to grow up in some of them vaguely defined ideas of "spheres of influence" which were incompatible with the basic principles of international collaboration. If allowed to go unchecked, these developments might have had tragic results.

It is fruitless to try to place the blame for this situation on one particular nation or another. It is the kind of development which is almost inevitable unless the major Powers of the world continue without interruption to work together and to assume joint responsibility for the solution of problems which may arise to endanger the peace of the world.

We met in the Crimea, determined to settle this matter of liberated areas. I am happy to confirm to the Congress that we did arrive at a settlement—a unanimous settlement.

The three most powerful nations have agreed that the political and economic problems of any area liberated from the Nazi conquest, or of any former Axis satellite, are a joint responsibility of all three governments. They will join together, during the temporary period of instability after hostilities, to help the people of any liberated area, or of any former satellite state, to solve their own problems through firmly established democratic processes.

They will endeavor to see to it that interim governing authorities are as representative as possible of all democratic elements in the population, and that free elections are held as soon as possible.

Responsibility for political conditions thousands of miles overseas can no longer be avoided by this great nation. As I have said, it is a smaller world. The United States now exerts a vast influence in the cause of peace throughout all the world. It will continue to exert that influence, only if it is willing to continue to share in the responsibility for keeping the peace. It would be our own tragic loss were we to shirk that responsibility.

Final decisions in these areas are going to be made jointly; and therefore they will often be a result of give-and-take compromise. The United States will not always have its way 100 per cent—nor will Russia nor Great Britain. We shall not always have ideal solutions to complicated international problems, even though we are determined continuously to strive toward the ideal. But I am sure that—under the agreements reached at Yalta—there will be a more stable political Europe than ever before.

Of course, once there has been a free expression of the peoples' will in any country, our immediate responsibility ends—with the execution only of such action as may be agreed upon in the international security organization.

The United Nations must also soon begin to help these liberated areas adequately to reconstruct their economy so that they are ready to resume their places in the world. The Nazi war machine has stripped them of raw materials and machine tools and trucks and locomotives. They have left their industry stagnant and much of their agriculture unproductive.

To start the wheels running again is not a mere matter of relief. It is to the national interest of all of us to see that these liberated areas are again made self-supporting and produc-

(Continued on page 1080)

The Crimean Conference

A Successful Effort: Roosevelt

(Continued from page 1079)

tive so that they do not need continued relief from us.

Agreement on Poland

One outstanding example of joint action by the three major Allies in the liberated areas was the solution reached on Poland. The whole Polish question was a potential source of trouble in post-war Europe, and we came to the conference determined to find a common ground for its solution. We did.

Our objective was to help create a strong, independent, and prosperous nation, with a government ultimately to be selected by the Polish people themselves.

To achieve this objective, it was necessary to provide for the formation of a new government much more representative than had been possible while Poland was enslaved. Accordingly, steps were taken at Yalta to reorganize the existing provisional government in Poland on a broader democratic basis, so as to include democratic leaders now in Poland and those abroad. This new, reorganized government will be recognized by all of us as the temporary government of Poland.

However, the new Polish provisional government of national unity will be pledged to hold a free election as soon as possible on the basis of universal suffrage and a secret ballot.

Throughout history, Poland has been the corridor through which attacks on Russia have been made. Twice in this generation, Germany has struck at Russia through this corridor. To insure European security and world peace, a strong and independent Poland is necessary.

The decision with respect to the boundaries of Poland was a compromise, under which, however, the Poles will receive compensation in territory in the north and west in exchange for what they lose by the Curzon line. The limits of the western boundary will be permanently fixed in the final peace conference. It was agreed that a large coast line should be included.

It is well known that the people east of the Curzon line are predominantly White Russian and Ukrainian; and that the people west of the line are predominantly Polish. As far back as 1919, the representatives of the Allies agreed that the Curzon line represented a fair boundary between the two peoples.

I am convinced that the agreement on Poland, under the circumstances, is the most hopeful agreement possible for a free independent and prosperous Polish state.

Position of France

The Crimean conference was a meeting of the three major military Powers on whose shoulders rest the chief responsibility an burden of the war. Although, for this reason, France was not a participant in the conference, no one should detract from the recognition there accorded of her role in the future of Europe and the world.

France has been invited to accept a zone of control in Germany, and to participate as a fourth member of the Allied Control Council of Germany.

She has been invited to join as a sponsor of the international conference at San Francisco.

She will be a permanent member of the International Security Council together with the other four major Powers.

And, finally, we have asked that France be associated with us in our joint responsibility over the liberated areas of Europe.

Agreement was also reached on Yugoslavia, as announced in

the communique; and is in process of fulfillment.

Quite naturally, the Crimean conference concerned itself only with the European war and with the political problems of Europe—and not with the Pacific war.

Pacific War Plans

At Malta, however, our combined British and American staffs made their plans to increase the attack against Japan.

The Japanese war lords know that they are not being overlooked. They have felt the force of our B-29s and our carrier planes; they have felt the naval might of the United States and do not appear very anxious to come out and try it again.

The Japs know what it means to hear that "the United States Marines have landed." And we can add, having Iwo Jima in mind: "The situation is well in hand."

They also know what is in store for the homeland of Japan now that Gen. MacArthur has completed his magnificent march back to Manila, and Admiral Nimitz is establishing his air bases right in the backyard of Japan itself—in Iwo Jima.

It is still a tough, long road to Tokyo. The defeat of Germany will not mean the end of the war against Japan. On the contrary, America must be prepared for a long and costly struggle in the Pacific.

But the unconditional surrender of Japan is as essential as the defeat of Germany—if our plans for world peace are to succeed. For Japanese militarism must be wiped out as thoroughly as German militarism.

On the way home from the Crimea I made arrangements to meet personally King Farouk of Egypt, Haile Selassie, Emperor of Ethiopia, and King Ibn Saud of Saudi Arabia. Our conversations had to do with matters of common interest. They will be of great mutual advantage because they gave us an opportunity of meeting and talking face to face, and of exchanging views in personal conversation instead of formal correspondence.

On my voyage I had the benefit of seeing our Army and Navy and Air Force at work.

All Americans will feel as proud of our armed forces as I am, if they could see and hear what I did.

Against the most efficient professional soldiers and sailors and airmen of all history, our men stood and fought—and won.

This is our chance to see to it that the sons and grandsons of these gallant fighting men do not have to do it all over again in a few years.

U. S. Responsibility for Collaboration

The conference in the Crimea was a turning point in American history. There will soon be presented to the Senate of the United States and to the American people a great decision which will determine the fate of the United States—and of the world—for generations to come.

There can be no middle ground here. We shall have to take the responsibility for world collaboration, or we shall have to bear the responsibility for another world conflict.

I know that the word "planning" is not looked upon with favor in some quarters. In domestic affairs, tragic mistakes have been made by reason of lack of planning; and on the other hand, many great improvements in living, and many benefits to the human race, have been accomplished as a result of adequate, intelligent planning—recla-

Crimea Conference Vital to America: FDR

Sees Good Start on Road to World Peace

Terming the Conference in the Crimea as "a turning point in American history," President Roosevelt in his report on the conference to Congress on March 1 stated that "there will soon be presented to the Senate of the United States and to the American people a great decision which will determine the fate of the United States—and of the world—for generations to come." The President added "there can be no middle ground here. We shall have to take the responsibility for world collaboration, or we shall have to bear the responsibility for another world conflict."

The President's report to Congress on the "Big Three" Crimea Conference, held last month near Yalta in the Black Sea area, was made the day after his return to Washington on Feb. 28. The conference, to which reference was made in our issue of Feb. 15, page 740, was participated in by President Roosevelt, Premier Stalin of Russia and Prime Minister Churchill of Great Britain. In Associated Press accounts from Washington Feb. 28 it was stated that "Mr. Roosevelt came ashore at an East Coast port last night and reached Washington this morning by special train. He left here January 22 for eight days of momentous talks on war and peace in the old summer palace of the Czars at Yalta. The only other stops on the round trip were in Malta, Egypt and Algiers. In Egypt, the President conferred with King Farouk and with the rulers of Ethiopia and Saudi Arabia."

Also from the same Associated Press advices we quote: "Back from a five-week, 14,000-mile journey to Russia by cruiser and plane, Mr. Roosevelt planned, in addition to his report in person to Congress and the country tomorrow: "An appearance at a United Nations conference opening in San Francisco, April 25. As offi-

mations of desert areas, development of whole river valleys, provision for adequate housing. The same will be true in relations between nations. For a second time, this generation is face to face with the objective of preventing wars. To meet the objective, the nations of the world will either have a plan or they will not. The groundwork of a plan has now been furnished, and has been submitted to humanity for discussion and decision.

No plan is perfect. Whatever is adopted at San Francisco will doubtless have to be amended time and again over the years, just as your own Constitution has been.

No one can say exactly how long any plan will last. Peace can endure only so long as humanity really insists upon it, and is willing to work for it—and sacrifice for it.

Twenty-five years ago, American fighting men looked to the statesmen of the world to finish the work of peace for which they fought and suffered. We failed them then. We cannot fail them again, and expect the world again to survive.

The Crimean conference was a successful effort by the three leading nations to find a common ground for peace. It spells the end of the system of unilateral action and exclusive alliances and spheres of influence and balances of power and all the other expedients which have been tried for centuries—and have failed.

We propose to substitute for all these, a universal organization in which all peace-loving nations will finally have a chance to join.

I am confident that the Congress and the American people will accept the results of this conference as the beginnings of a permanent structure of peace upon which we can begin to build, under God, that better world in which our children and grandchildren—yours and mine, the children and grandchildren of the whole world—must live.

cial host, Mr. Roosevelt probably will welcome and address the delegates.

Another of his periodic meetings with Mr. Churchill, after the San Francisco parley has finished its work. The British frequently have suggested that the President visit London.

At a news conference aboard ship, as his cruiser zig-zagged toward American shores, Mr. Roosevelt already had reviewed the Crimean conference and spoken of his aspirations for future world security.

He disclosed to reporters, who met him in Algiers and traveled home with him, that the original plan for occupation of Germany was for Russia to take over the eastern area, Britain the west and northwest and the United States the south. This country was to have the area below the bend of the Rhine at Mainz, including the provinces of Baden, Bavaria and Wurttemberg, with a supply corridor to the sea at Bremen on the north.

The arrangement is subject to change, particularly in the proposed British and American zones, because of a decision to offer France an opportunity to keep a thumb on part of the Reich.

The President was not ready to say how long American troops might remain in Germany.

Mr. Roosevelt viewed the conference at Yalta as one of a series of steps toward a better world. Almost with exultation, he said the American public and press were quite right in saying with virtual unanimity that the parley was a great achievement.

He said that he believed the United Nations organization will develop into the best method ever devised for stopping war and eradicating some of its causes.

The President's report to Congress on March 1 was presented at a joint session of the House and Senate in the House chamber. Instead of speaking from the Speaker's rostrum in the House chamber, where all other Presidents have stood when they addressed Congress, Mr. Roosevelt spoke from the well of the House.

In the Associated Press it was reported: "As he was wheeled onto the floor by an aide he halted momentarily to shake hands with Representatives Cross (D.-Ohio) and Cochran (D.-Mo.), who also were in wheel chairs.

After transferring to the plush armchair, Mr. Roosevelt began his first personal address to Congress since January, 1943, by asking his listeners to pardon him for sitting down. It was a relief, he said, not to have ten pounds of steel around the bottom of his legs—the braces he must wear to stand erect the length of time required for a speech of this nature.

In the diplomatic gallery were the Ambassadors of the other four of the "big five"—Halifax of Britain, Gromyko of Russia, Bonnet of France and Wei of China. Mrs. Roosevelt was accompanied in another section of the gallery by her daughter, Mrs. Anna Boettiger—who was her father's companion on the trip to Yalta—and the Crown Prince and Princess of Norway.

In addressing Congress the President said: "I come from the Crimean conference, my fellow Americans, with a firm belief that we have made a good start on the road to a world of peace."

"There were," he said, "two main purposes at the Crimean conference. The first was to bring

defeat to Germany with the greatest possible speed and with the smallest possible loss of Allied men. That purpose is now being carried out in great force." "The second purpose," he noted, "was to continue to build the foundation for an international accord which would bring order and security after the chaos of war, and which would give some assurance of lasting peace among the nations of the world. Toward that goal also, a tremendous stride was made."

With reference to the coming United Nations Conference the President stated that:

"For a second time, this generation is face to face with the objective of preventing wars. To meet the objective, the nations of the world will either have a plan or they will not. The groundwork of a plan has now been furnished, and has been submitted to humanity for discussion and decision.

"No plan is perfect. Whatever is adopted at San Francisco will doubtless have to be amended time and again over the years, just as your own Constitution has been.

"No one can say exactly how long any plan will last. Peace can endure only so long as humanity really insists upon it, and is willing to work for it—and sacrifice for it."

The Associated Press referring to the President's remarks had the following to say:

Departing from his prepared text in discussing the April 25 United Nations conference in San Francisco, Mr. Roosevelt expressed a hope that the Senate "will approve the charter of the United Nations when they all come together in San Francisco next month."

"As you know I've always been a believer in a document known as the Constitution of the United States," he went on. "I've spent a good deal of time educating the leaders of two other nations about the Constitution of the United States."

He tossed in that remark just after reading, from his prepared text, the sentence that he and the other United Nations are aware that the United Nations charter "must be approved by two-thirds of the Senate of the United States."

Mr. Roosevelt looked away from his manuscript frequently to emphasize points—and once he embarked on a long anecdote about how high Nazi officers had hoped to make the villas of Yalta their private homes after the war.

"When the Russians took over and drove them out, these villas were looted (by the Nazis) and bombs placed in their foundations," he said.

By several references the President stressed the role of Congress in the coming world peace plans.

He called the voting arrangements on the projected security council a "complicated and difficult problem," and observed: "I'd almost say it is a legislative problem."

"We will straighten that voting matter out," he added, "by the time the United Nations conference opens in San Francisco."

Mr. Roosevelt drew a round of applause from both sides of the party aisle when—in stressing the bi-partisan nature of the United States delegation to San Francisco—he observed: "Republicans want peace as well as Democrats."

In discussing the Big Three's Polish agreement, he expanded his prepared remarks to explain that Poland will obtain "quite a large slice of Germany" in return for territory east of the Curzon line, which will go to Russia.

Dropping his voice to a conversational tone, the President said most of East Prussia will go to Poland which he remarked wasn't a country at all before 1919.

He said the abdomy of the free city of Danzig would be abol-

ished and Poland would embrace that territory. His explanation was similar to that given previously by Prime Minister Churchill to the British House of Commons.

The Polish agreement, Mr. Roosevelt said, was "frankly a compromise—I didn't agree with all of it by any means."

The President's address consumed fifty-five minutes. Spectators remarked that he read more slowly than usual, made many additions to his text.

Speaking "in all frankness" the President said that whether the momentous parleys with Prime Minister Churchill and Marshal Stalin are to be "entirely fruitful or not lies to a great extent in your hands." He linked "the fate of the United States—and of the world—for generations to come" on the Dumbarton Oaks and other agreements soon to be submitted for Senate ratification.

"For unless you here in the halls of the American Congress—with the support of the American people—concur in the decisions reached at Yalta, and give them your active support," he said, "the meeting will not have produced lasting results."

For Germany, the President voiced again an emphatic ultimatum of "unconditional surrender" and indicated simultaneously that general surrender by the Nazi Government was not expected.

Gen. Watson Dies

The death of Major-Gen. Edwin M. Watson, President Roosevelt's Secretary and military aide was made known in advices from Washington on Feb. 27, which reported that he had died en route home from the "Big Three" Conference at Yalta. It was stated in special Washington advices to the New York "Times" that although the official announcement gave no details, dispatches from news service correspondents with the Presidential party said that General Watson became ill on Feb. 11, the closing day of the Yalta conference, just as the President and his staff were preparing to leave Russia by air. The advices added:

"Despite his illness, he flew with the President to Egypt, where he boarded a United States cruiser, on which he died of a cerebral hemorrhage on Feb. 20. He had suffered heart attacks at the Teheran conference, 14 months ago, and at the Quebec conference last autumn."

A statement by the President, released through correspondents, said:

"The whole trip coming back from the Mediterranean was greatly saddened for me and all the members of the party by the death of General Watson. This comes as a great personal sorrow to me. He had been by military aide for 12 years and my Secretary for five years, and, aside from our joint work, he has been my close friend and associate.

"His death came very unexpectedly. He was in excellent spirits on the trip over and at the Crimean conference, and was ill for only a few days. Fortunately he suffered little, if at all.

"I shall miss him almost more than I can express. So will his host of friends in and out of Washington—for one of General Watson's outstanding characteristics was his ability to make close friends, and to retain their friendship.

"He deserves every tribute that can be given, both as a close friend and as an officer of the United States Army. He had been on almost every previous trip with me during the past 12 years, and though he had been ill for a short period about a year ago, it was his sense of duty and determination to see the war through that made him insist on taking this trip with me."

From Associated Press advices

The State of Trade

(Continued from page 1074)

Feb. 24, 1945, daily output averaged 4,755,550 barrels.

Reports from refining companies indicate that the industry as a whole ran to stills (on a Bureau of Mines basis) approximately 4,803,000 barrels of crude oil daily and produced 15,500,000 barrels of gasoline. Kerosene output totaled 1,715,000 barrels, with distillate fuel oil placed at 4,958,000 barrels and residual fuel oil at 9,084,000 barrels during the week ended Feb. 24, 1945. Storage supplies at the week-end totaled 50,953,000 barrels of civilian grade gasoline, 45,019,000 barrels of military and other gasoline; 7,514,000 barrels of kerosene; 28,753,000 barrels of distillate fuel oil, and 46,723,000 barrels of residual fuel oil.

Lumber Production—Lumber production for the week ended Feb. 24, 1945, was 10.2% below that for a like week one year ago, while shipments reflect a decline for the past week of 6.9% and orders by 22.3%, according to reports from the National Lumber Manufacturers Association.

A comparison of weekly statistics in thousands of board feet for the week ended Feb. 24, 1945, with that of Feb. 26, 1944, places production at 206,793 against 230,269; shipments at 224,571 against 241,146, and orders at 209,983 against 270,083.

Paper Production—Paper production for the week ended Feb. 24 was 89.7% of capacity, as against 91% 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. 26, last year, was 87.7% of capacity. As for paperboard, production for the same period was reported at 97% of capacity, against 92% in the preceding week and 93% in the week ended Feb. 26, 1944.

Silver—The London market was unchanged at 25½d per fine ounce for silver. The New York Official for foreign silver continued at 44¼c. and 70¼c. for domestic silver.

Preliminary figures for November place Canada's production of silver at 1,192,007 ounces, against 1,054,463 ounces in October. Pro-

from Washington Feb. 27, we take the following:

Gen. Watson, 61 years old and a native of Eufaula, Ala., suffered a heart attack a year ago and took several months off from his White House duties to recuperate. He served as military aide to President Wilson from 1915 to 1917 and was junior aide to the World War I President at Paris during the peace conference that followed the last World War. Later he was in charge of arrangements of President Wilson's visits to foreign countries during 1918-20.

"He was graduated from West Point in 1908 and advanced through the grades to the rank of Brigadier-General in 1939 and was made a Major-General a year later. He saw service in the Philippines from 1912 to 1915 and was a Major in the Twelfth Field Artillery during the Toulon-Troyon, Aisne, Aisne-Marne and St. Mihiel campaigns in 1918. Later that year he participated in the St. Mihiel and Meuse-Argonne offensives as a Lieutenant-Colonel with the Fifteenth Field Artillery, Seventy-seventh Division."

Gen. Watson was buried in Arlington National Cemetery on Feb. 28; President Roosevelt, whose cruiser brought the body of his aide to Washington from the Mediterranean on Feb. 28, was present at the burial service. Members of the Supreme Court and Cabinet joined a throng of Army, Navy and civilian government officials at the grave.

duction in the January-November period of 1944 totaled 12,318,945 ounces, against 16,081,630 ounces in the first 11 months of 1943, the Dominion Bureau of Statistics reports.

Business Failures—Commercial and industrial failures in the week ended March 1 advanced to 18, compared with 14 in the previous week and 24 a year ago, Dun & Bradstreet, Inc., reported.

The increase occurred entirely among large failures involving liabilities of \$5,000 or more. They were twice their number of a week ago—12 against 6. Last year there were 17. Small failures dipped from eight in the prior week to six, but were about the same as last year. Only minor fluctuations appeared in industry groups. Retail failures remained at last week's level, construction failures fell off one, and other groups reported gains of one or two failures. Concerns failing in the Middle Atlantic States numbered eight, a sharp rise from two in the previous week. The East North Central was the only region in which failures in the week just ended exceeded those in the same week a year ago. Four Canadian failures were reported, as compared with none last week and two in the corresponding week of 1944.

Wholesale Food Price Index—The wholesale food price index compiled by Dun & Bradstreet, remained steady the past week following a slight easing in the previous period. The index for Feb. 27 held at \$4.10, which compared with \$4.02 for the same date last year, or a rise of 2.0%. Among the advances noted for the week were oats, steers, sheep and lambs, while declines were registered in rye, eggs and potatoes. The index represents the sum total of the price per pound of 31 foods in general use.

Commodity Price Index—The general commodity price level turned slightly upward the past week. At 176.28 on Feb. 27, the daily wholesale commodity price index, compiled by Dun & Bradstreet, marked a new war-time peak, comparing with 176.11 a week previous and with 172.08 on the corresponding date last year.

Leading grain markets were irregular, with wheat and corn holding steady, while rye, oats and barley declined under considerable selling pressure. Wheat showed independent strength, aided by substantial buying mills. Country offerings of corn were larger, with most of the grain going to industries. Crops reports indicated good conditions for small grains generally, with wheat making favorable growth in the South, where both temperatures and rainfall were high.

Cotton prices during the past week maintained the firm tone noted in the preceding period, with movements narrow and irregular. Spot quotations recorded slight net gains for the week. Export demand improved as inquiries for large amounts from France, Switzerland and Belgium put in an appearance.

In the Boston wool market, new buying of spot domestic wools remained very light last week. Heavy deliveries, however, continued to be asked for purchases made last December, and many mills were reported again placing options on domestic wools required to fill Government orders. Business in foreign wools was also slow, reflecting a paucity of spot offerings. Considerable uncertainty was noted throughout the woolen and worsted industries as a result of order M-388 by WPB, which seeks to channel 80% of the cloth output to low-priced articles of clothing.

Retail and Wholesale Trade—

Brisk consumer buying this week was responsible for the slight gain in retail volume over the previous week. There was a steady demand for available merchandise, especially in men's and women's apparel and furnishings, cosmetics, jewelry, household needs, piece goods, and food items. Dun & Bradstreet reports in its weekly review of trade.

Retail inventories reflect a generally lower level, with consumers buying cautiously, often postponing purchases in order to secure desired items. Sales of women's apparel and specialties held at an exceptionally high level and higher-priced apparel showed much popularity. Interest in winter merchandise has subsided, while sales of spring lines have taken a spurt. Millinery is in heavy demand and the volume compared favorably with that of a year ago. Handbags and gloves sold very well. Jewelry stores reported moderate increases in sales volume, emphasis being on costume jewelry. Fur sales have declined slightly below a year ago and last month.

Ration-free shoes moved briskly but assortments were very limited. In piece goods departments the volume was tremendous, while in men's wear a steady demand obtained.

Although some grades of furniture are almost impossible to secure, furniture dealers report increased sales in occasional pieces. Household aids, miscellaneous housewares, drapery and reupholstery materials, and rugs were in constant demand. However, sales were well below a year ago.

Retail food volume was slightly above a week earlier, but dipped about 5% below a year ago. Scant meat shipments continued to hinder sales. Ration deadlines of some commodities stimulated food distribution where supplies permitted.

Retail volume for the country was estimated 12% to 16% over a year ago. Regional percentage increases were: New England, 7 to 10; East, 11 to 16; Middle West, 12 to 17; Northwest, 6 to 9; South, 10 to 13; Southwest, 15 to 19; Pacific Coast, 13 to 17.

While reports of wholesale trade indicated a somewhat spotty condition in many markets last week, there was slight improvement in some lines. Calls were numerous for spring and summer goods. Merchandise stocks continue low as deliveries lag. Backlogs of orders are accumulating for children's wear, sheeting, pillow cases and underwear. Wholesale food volume rose slightly above the previous week.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index, were 20% ahead of a year ago for the week ended Feb. 24, 1945. This compared with 24% in the preceding week. For the four weeks ended Feb. 24, 1945, sales increased 19%, and for the year to date by 15%.

There was a further growth in sales in retail trade here in New York the past week. The volume in all lines showed a perceptible increase. Pre-Easter selling has caused much concern for retailers seeking deliveries of apparel and accessories. The WPB order M-388 continued a factor affecting future market plans, and strong opposition to its provisions is looked for by trade groups at the hearings now being held in Washington.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Feb. 24, 1945, increased by 17% over the same period of last year. This compared with an increase of 23% in the preceding week. For the four weeks ended Feb. 24, 1945, sales rose by 18%, and for the year to date by 13%.

From Washington Ahead Of The News

(Continued from first page)

the operators for having worked out some demands which stay within the celebrated "fringe" class of the Little Steel formula, a device which the hold-the-line fellows have worked out to keep from admitting the Little Steel formula has been broken. This is highly embarrassing to Lewis' New Deal traducers, and about all they can say is "smart guy, eh." But admiration for him or no admiration, the coal operators can't figure just what that 10% royalty demand means.

Well, here is the origin of it. Several weeks ago we ran into what we thought was a good story—the co-op medical set-up of the Appalachian fields. Notwithstanding that there is currently a lot of excitement about co-op medicine, with the doctors unbending in an effort to head off Federalized medicine, these coal miners have had a co-op set-up for some 60 years. We investigated and came up with the thought that here was the most elaborate example of co-op medicine in the country and it was nothing new at all. Then we ran across a report rendered to the United Mine Worker in 1939 by a group which made a study with funds supplied by the Twentieth Century and Good Will funds. These students, all group medicine, if not Federalized medicine advocates, came up with about as devastating a report as one could read. Briefly, they said that the pattern was here but its operation constituted one of the greatest mass exploitations in the country. That was six years ago. We were gleefully given this report at UMW headquarters. Naturally we were a little chagrined because it seemed to knock our story down. Then, the more we read the report, the more apparent it became that notwithstanding it had been made for the UMW it was as much an indictment against them as anybody else. Why did they permit these conditions. They had a closed shop at these mines. Just what purpose did the union serve? We asked these questions. Rather feebly, we were told, that the UMW had been engaged all this time in "getting food into the shrinking bellies of the miners," but that they were getting around to doing something about the medical set-up.

Out of this discussion came the 10% royalty demand, a thing that utterly floored the operators because something the UMW has expressed very little or no interest at all in the past has been the medical set-up.

What makes it all funnier is that the UMW doesn't seem to have a very clear idea even now about just what it would do with the \$60,000,000 fund if it gets it. As near as we can learn, it has no intention of taking over the score of hospitals or the local doctors which the miners support by a check-off. It does have in mind rather vaguely doing some research to improve the miners' health.

We aren't discussing the merits of the demand, simply how it developed. It will be interesting to see what becomes of it in the give and take of the negotiations.

Switching over to an entirely different subject, the anti-Wallace senators breathed a greater sigh of relief over the appointment of Judge Vinson as the Federal loan administrator, than they have breathed for many a day. They were afraid it was going to be Henry Kaiser whom they dreaded as much as Wallace and whom they would have had an awful time knocking down. Having become as openly allied with the New Deal as he has, however, he can expect some rough-riding in Washington politics in the future.

How To Make Every Nation Rich

(Continued from first page)

are what make it rich or poor. No one would want to deny the importance of resources. If a country has great resources, it may be easier for it to become a rich country. But do resources make a country rich? Of all the countries in the world, I think I would be inclined to rate Colombia, South America, at the head of the list as far as resources are concerned. It has millions of acres of soil equal to anything on earth; it has great mineral resources, and timber in large quantities. Enormous reserves of oil are in the ground. The climate in many sections of the country is superb; one might almost say eternal spring. Some of the lowest-cost power on earth is available. Still in general the standard of living is not high; as a matter of fact in many places, it is low. Much of the detailed technical information is lacking in how to use the resources. Where that condition exists you will always find low income. Colombia is taking steps to raise that technical level and just as fast as they succeed in doing so, the income will rise.

I would like to take you to another section of the world, to northwest Europe; to a small country almost without resources. It is a country that has no mineral resources. It has almost no forest land. It has an extremely short growing season. It has essentially no native sources of power. The land is almost without natural fertility. Surely if in any place on earth we would look for a low income, it would be in this country, and still it has one of the highest incomes in the world.

I would like to give you another set of comparisons between two other countries. One, our neighbor and good friend just to the south of us, Mexico. This is a land of great resources and unlimited promise. It has enormous resources of minerals. It has much good land. It is true that irrigation is needed in many places and drainage is necessary in many others. The country has an amazing range of climate. Many of my friends say that Mexico City has the best climate of any large city on earth, and I can well agree. The forest resources are large; so are the resources of oil and power. Mexico has not yet developed the mass of her people to the point that they have the technical skill and technique to adequately capitalize on these resources. It takes detailed technical knowledge on the part of the farmers in the high dry lands of Mexico to farm that land properly. Their farmers are still desperately short of that technical knowledge. The farmers in the low lands are short on the technical knowledge they need also. The Mexican Embassy in Washington told me just last week that there are plans underfoot to add to the competence of the mass of people. I have seen many evidences of this myself, both in the city and country districts in Mexico. When it is done adequately, a great rise in the standard of living will take place.

Half way around the world we find another country with good resources; the little country of New Zealand. It has good land, forests, power, and a good climate. But it in turn has for its agricultural population, perhaps, the second highest technically trained agricultural population in the world. This high competence plus good resources has led to one of the highest standards of living known. Some recent authorities have estimated the highest in the world.

Next I would like to very briefly contrast two of the great nations of the world—Brazil and the United States. Brazil has great resources; much land; great reserves of minerals; some of the largest forests on earth; almost unbelievable resources of power,

but the level of technical training and competence in Brazil, and the average income, is relatively low. New plans are under way to increase this competence of the people, and if these plans materialize great increase in income will follow.

There are those who would want to tell us that the climate in Brazil is a positive handicap to a high level of living. If these people do not know enough to take salt tablets and large quantities of vitamin "C", of course, they are going to feel listless. Salt and Vitamin "C" are water soluble and wash out of the human body, and unless they are replaced, there is no alternative but that you slow down or the body will be in trouble. The people who have sufficient technical skill and knowledge can deal with these climatic factors. What condition would the people of Canada be in if they did not know how to make clothes to keep them warm, or build houses, or make fires to help them deal with the cold weather?

Brazil is now one of the great countries of the world, and some day will be one of the high-income countries. This will happen just as soon as the people have the technical skill to use their advantages. Nothing we can give them in the way of money or resources would appreciably change this picture. Here we have a perfect case of where people must help themselves. Brazil still has relatively little education and technical training, and consequently it still has a relatively low income for the mass of the people.

The United States is well supplied with resources. No one would want to claim that adequate resources do not make it easier for a country to get a high income, but the facts are crystal clear that there are many countries that have the resources and do not have the income. There are many spots and sections in the United States that have relatively low incomes. The most important thing to do to raise the income in these low sections of our own country is to encourage the people to develop their technical skill and competence. No amount of relief and assistance will make any appreciable difference to the problem. Billions of dollars can be dumped down a rat hole by this process and scarcely show any result. What the low income sections of this country need and want is to develop a technically skilled population.

The mountainous sections of the Appalachians must learn how to handle mountain agriculture. Land in the southern Appalachian can be plowed up and washed away in a single decade. Large sums of money have been collected in New York to give to the people in the southern Appalachians. That is not what these people need; they need clean cut scientific information on how to handle their mountain sides. The Swiss people get a very high income out of a much less promising environment. With the help of the Alfred P. Sloan Foundation we are carrying on certain experiments in low income communities in the United States to see if these communities can improve their conditions if they have the information. It is much too early to give any comprehensive results, but all indications point to the fact that great improvement takes place as soon as people have the specific information regarding what they can do to improve their conditions.

I would like to direct your attention to two other countries abroad. If we compare Yugoslavia and Norway, we find very much the same thing as in our other pairs of countries. Yugoslavia has fair resources; very poor technical training of its peo-

ple, and very low income. Norway has incredibly poor resources; extremely poor soil; a very bad climate; short growing season; few minerals, but Norway has an unusually high level of technical education and extremely high income.

Rumania and Switzerland tell exactly the same story. Rumania has great resources; fertile land; forests; oil; good climate; satisfactory rainfall. But the country has a very limited educational system, and inadequate technical training for its population. The net result is a low income.

Switzerland on the other hand, has very poor soil; limited land fit for agriculture; severe climate; few minerals. Switzerland, however, has an amazingly good educational system, and one of the most highly trained industrial populations on earth. Some authorities would say the people of Zurich are the most highly skilled industrial workers of the entire world.

Around the world there seem to be no way to account for these differences of income in terms of resources. Certainly mineral supplies will not do it. Climate is not an adequate explanation. People with the right technical knowledge can very largely deal with climatic problems today. There is too much variation among people to say it is the type of person. This argument is proven by the fact that when we look at the situation in Denmark a hundred years ago the country had a low income in relation to the rest of the world, and now has a high one. The native capacity of the people clearly has not changed in that hundred years. But in those ten decades, they have developed perhaps the most skilled agricultural population on earth.

Sources of power are important. Obviously any country to have a high income today, must use a great deal of mechanical power. Skilled populations seem to be able to get it, however. Unskilled ones cannot use it even if it is in their backyards. It is clear to any student of the problem that rapidly increased amounts of capital are also necessary, but a skilled population will have sense enough to see that one of the first things it will do is to make provisions for rapid and continued expansion of its capital equipment. Highly skilled management is crucial, but that is just a specialized part of the broader problem of higher skill for everyone.

So far as we can see, there is one and only one way to make every country rich. You can't give them riches; you can't even force them to take it. Only by a great and continuous expansion of the technical skill of its population can any country become wealthy, and by this means any nation can become rich.

Dewey To Sign Anti-Bias Labor Bill

The Ives-Quinn bill establishing in New York State the nation's first official commission to combat racial and religious discrimination in the field of employment was approved by the State Senate on March 5 and sent to Governor Thomas E. Dewey for his signature. In announcing his determination to sign the measure, the Governor observed as follows:

"Passage of the Ives-Quinn bill to combat racial and religious discrimination in employment is a historic step. I am happy indeed that our State has led the entire nation in this great social advance which will assure equality of opportunity for all our people, regardless of race, color, creed or national origin.

"I congratulate the leaders of the Legislature and its members on the passage of New York State's employment bill of rights."

Senate Committee Decides to Defer Action on Constitutional Amendments Until After War

The Senate Judiciary Committee decided on Feb. 27 against action on all Constitutional Amendments for the duration of the war, according to Associated Press accounts from Washington on Feb. 27, which also said:

The decision effectively blocks any immediate Senate consideration of pending proposals to give the House a part in treaty ratifications and to limit White House tenure.

Noting that the prohibition amendment was proposed during the last war, Senator Ferguson (R.-Mich.) told reporters: "The millions of men and women in the service should have a part in any future constitutional decisions."

Senator McCarran (D.-Nev.) said no formal vote was taken but "it was the consensus of the committee at a closed session yesterday that no constitutional issue be submitted to the States by Congress until the boys come home."

From special Washington advices to the New York "Times" Feb. 27 we take the following:

The committee decision, if the policy holds, will have the effect of pigeon-holding indefinitely, nearly a dozen resolutions looking to constitutional revisions. Among them are measures which would regulate the terms of the President and Vice-President; permit the President to veto specific items in appropriation measures without moving to kill an entire bill; give the District of Columbia representation in Congress; impose geographical considerations in the appointment of Cabinet members; guarantee the freedom of a man to work without joining a labor union, and provides for the nomination and election of the President and Vice-President by popular vote.

Lend-Lease Reaches Over \$35 Billion

On Feb. 20 Congress was told officially that lend-lease aid has reached \$35,382,000,000, but that its importance in civilian shortages here at home has been "greatly overstated in numerous false rumors." Reporting this, Associated Press accounts from Washington stated that Leo T. Crowley, Foreign Economic Administrator, sent up the 18th report on lend-lease operations at the direction of President Roosevelt. He denied that lend-lease shipments caused the cigarette and beef shortages and, said these advices, disclosed that:

"1. Lend-lease goods and services totaled \$15,400,000,000 in 1944, compared with \$11,700,000,000 the year before. Munitions increased very little from 1943 to 1944, but all other kinds of aid nearly doubled. Eighty-four per cent of munitions production during the war has been kept for United States forces.

"2. Lend-lease reached an all-time high in the first half of 1944 (in preparation of D Day in Normandy and the great Soviet winter offensive) then it fell off sharply because of lack of shipping when we were sending great quantities of munitions to our own forces in both Europe and the Pacific. But in December, lend-lease aid again rose to \$1,319,000,000, highest month since last July.

"3. Soviet armies, with fast-lengthening supply lines, had received a total of 362,000 motor vehicles through Dec. 1, 1944, compared with Britain's 80,000, and 12,000 planes compared with Britain's 8,500. On some parts of the eastern front, 'American vehicles are carrying more than one-half the supplies moving up to the Soviet troops.' Britain, however, has received 43.3% of all lend-lease aid with Russia getting 28.4%.

"4. 'China can look forward to a steadily increasing stream of supplies,' now that the Ledo Road is open. The most urgent need

is for a military transportation system in China itself, for 'it has been estimated that there are not more than 6,000 trucks in all free China today and that half of these are approaching collapse.'

"Therefore a fleet of 15,000 American trucks will be delivered to China, and when this transportation system is established 'the combined forces of the United Nations will be able to mount new and greater offensives from China.'

"5. The impressive Allied victories around the world are to be explained this way:

"'An effective fighting partnership and a system of combined war supply.' Lend-lease will continue to be used for one purpose only, 'to speed the day of final victory.'"

Stating that, as for civilian shortage, the Associated Press noted that Mr. Crowley said the three main factors have been (1) actual war-induced shortages of materials, plants or man power; (2) requirements of our armed forces; (3) abnormal domestic civilian demand, caused by greatly increased consumer incomes. The advices added:

"He said lend-lease has been a fourth factor but its importance has been exaggerated.

"Mentioning rumors that lend-lease has caused the cigarette shortage, Mr. Crowley said the fact is that in 1944, lend-lease took only 1/4% of our cigarette production. Furthermore, all lend-lease cigarettes have gone to Allied military forces, none to civilians, and they have not been standard American brands.

"The report said the greatest meat shortage in this country has been in beef, yet lend-lease exports of beef in 1944 were only 7/10ths of 1% of our supply. In 1943 they were 1.7%.

"The last lend-lease report issued Nov. 23, gave total lend-lease aid as \$28,270,000,000 through June 30. Today's report brought the total forward to \$35,382,000,000 through Dec. 31.

"Mr. Crowley said reverse lend-lease was \$3,938,123,000 to Oct. 1, 1944."

Japan May Fall Apart Any Time: McCain

Vice-Admiral John S. McCain, Commander of the 2nd Carrier Task Force, said in San Diego on March 1 that American forces may be able to invade the Japanese mainland sooner than anyone expects, or Japan may fall apart at any time, it was disclosed in a United Press dispatch from San Diego on March 1, which gave other remarks of Admiral McCain, as follows:

He [Admiral McCain] also revealed that his flyers have cut the enemy's shipping lines to such an extent that Japanese vessels now have to sneak along close to the China coast and travel mostly at night.

Admiral McCain returned to the United States on March 1 for 30 days' leave, after turning his task force over to Vice-Admiral Marc Mitscher, on Jan. 26.

During the period from Oct. 29 to Jan. 26, the 2nd Carrier Task Force, operating as a unit of Admiral Halsey's 3rd Fleet, destroyed or damaged 2,962 Japanese planes, 2,453 on the ground, Admiral McCain said. It also sank or damaged 697 enemy vessels for a total of 1,162,500 tons. Of these, 101 were warships and 298 were large merchant ships.

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

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

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
Adams Express Company, The, common	1,113,899	1,114,199
American Snuff Company, preferred	739	None
Associates Investment Company, 5% cumulative preferred	899	73 (5)
Common	45,443	45,106
Atlas Corporation, common	77,233	79,585
Borden Company, The, common	167,958	176,558
Budd Wheel Company, common	25,417	5,417
Cooper-Essexer Corporation, \$3 prior preference	1,700	None (1)
Copperwell Steel Company, 5% cumulative conv. preferred	11,449	12,466
Cuban-American Sugar Company, The, common	18,500	None
5 1/2% preferred	42,039	None
7% cumulative preferred	5,620	5,630
International Minerals & Chemical Corporation, common	125,159	115,584
Jewel Tea Co., Inc., common	2,359	2,261
Preferred	1,760	1,920
Johnson & Johnson, common	38,736	36,692 (2)
Preferred	1,710	1,601 (2)
General Motors Corporation, common	86,914	89,614 (3)
National Cylinder Gas Company, common	5,539	2,119 (4)
Newport News Shipbuilding & Dry Dock Corp.—		
5% cumulative convertible preferred	37,000	37,400
Norfolk and Western Railway Co., adj. 4% preferred	9,967	10,147
Peoples Drug Stores, common	None	100,943 (6)
Plymouth Oil Company, common	1,839	2,499
Purity Bakeries Corporation, common	31,267	30,869
Safeway Stores, preferred	100	109
Sheaffer, W. A., Pen Co., common	2,304	2,243
Sinclair Oil Corporation, common	954,130	954,133
Seib & Sons, common	4,394	4,042
Twentieth Century-Fox Film Corp., \$1.50 preferred	67,031	67,550
Universal Laboratories, Inc., preferred	None	70
Wilson & Co., common	13	20
Preferred	3,425	3,426

NOTES

- (1) Retired as of Jan. 1, 1945.
- (2) Decrease represents shares delivered under Employees Extra Compensation Plan.
- (3) The 86,914 shares of common stock represent a decrease of 10 shares from the previous report due to purchases in December, 1944, being 10 shares less than the figure reported.
- (4) 4,800 shares purchased and 8,220 shares issued to Employees as additional compensation.
- (5) 889 shares cancelled during December and 73 shares purchased during January.
- (6) Purchased from the estate of the late Mr. Malcolm G. Gibbs.

The New York Curb Exchange made available on Feb. 17 the following list of issuers of fully listed securities which have reported changes in their holdings of reacquired stock:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
Air Investors, Inc., convertible preference	335	45
American Cities Power & Light Corp. conv. A opt. div. ser.	None	50
American General Corp., common	417,035	417,776
Crown Central Petroleum Corp., common	602	604
Hearn Department Stores, Inc., 6% preferred	25,654	25,704
International Utilities Corp., common	None	223
Paramount Motors Corp., common	103,741	103,850
Pharis Tire and Rubber Co., capital	None	10,000
Root Petroleum Company, \$1.20 convertible preference	8,117	8,717
Sterchi Bros. Stores, Inc., 5% 2nd preferred	400	None
Trutz, Inc., common	19,795	19,825
United Cigar-Whelan Stores Corp., common	12,278	14

Steel Operations Higher—Order Volume Still At a High Level—Civilian Supply Reduced

"As expected the difficult job of unraveling tangles in the steel delivery situation was underway this week, following WPB's request to steel mills to eliminate orders invalidated by adjustments in war programs," states "The Iron Age" in its issue of today (March 8), which further says: "This move bears considerable resemblance to the house cleaning which took place some time ago when the WPB changed over from the priority system to the Controlled Materials Plan on steel orders."

"Despite the attempt now underway to clear mill order books of orders which are not considered urgent in view of current events, directives although slightly lower in volume than a month ago, were still this week reaching mills in substantial quantities. Judging from past experience the straightening out of order books so that carryovers are reduced and so that delivery promises really mean something to the consumer, will be no small task and may take considerable time. Until this move is carried to completion a certain amount of confusion will probably have to be accepted with patience by the WPB, the steel industry and its consumers."

"The announcement that second quarter allotments to the Office of Defense Transportation would be cut by 30% and that heavy cuts would be made in other civilian programs, has as yet not been felt on steel mill schedules for that period. Mills in some districts holding a heavy volume of railroad orders have thus far received no cancellations, reflecting the cut in allotments. It is expected that the latter will be made official at the fabricating level in the near future."

"While the steel industry faces more tangles before the decks are finally cleared on the delivery situation, the spectre of reduced

finishing steel operations, because of manpower shortage, is rapidly becoming a fact. In recent weeks headway has been made in stepping up raw steel output but this laudable achievement is now threatening some mills with a surplus of ingots because finishing mills cannot keep up with the primary mills' space.

"Order volume continued this past week at a high level, which was close to the record-breaking average maintained since the start of the year. Most companies were receiving new business at a rate substantially above shipments—this being partly due to the heavy influx of new and upgraded directives. Some companies were reporting orders coming in at a rate of from 35% to 50% greater than shipments. With this situation prevailing, it is significant that WPB has frozen, for its own assignment, any open space on sheet and strip mill schedules arising from cancellations."

The American Iron and Steel Institute on March 5 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 95.9% of capacity for the week beginning March 5, compared with 94.6% one week ago, 87.9% one month ago and 93.8% one year ago. The operating rate for the week beginning March 5, 1945 is equivalent

to 1,756,500 tons of steel ingots and castings, compared to 1,732,700 tons one week ago, 1,610,800 tons one month ago, and 1,769,800 tons one year ago.

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

"Reduction of steel allotments for second quarter by about 15% below requests by claimant agencies has affected all consumers in the effort to spread steel production to best advantage."

"In the effort to provide as much steel as possible for this reduced program Washington agencies are exerting increasingly rigid control over directives, because of their disruptive effect on mill schedules. Further review of surplus stocks is being undertaken, special instructions having been issued to all shippers to make every effort to utilize such excess materials as they have."

"With 16,900,000 tons allocated for second quarter, civilian requirements have been hardest hit, especially considering their already restricted quotas. Consumer durable goods manufacturers, almost 60 classifications, long since greatly limited, are scheduled to average a further cut of more than 23%. In addition, railroads, oil operators and other large consuming groups have been

advised of substantial reductions. Meanwhile, restrictions on the spot reconversion program have been extended for another 90 days."

"A new navy program is developing, including aircraft carriers, cruisers and a large number of destroyers. More than 27,000 tons of plates, shapes and bars are being placed for four cruisers to be built by the New York Shipbuilding Co., Camden, N. J., which will also require a substantial tonnage of special steels. A 27,000-ton carrier placed with Philadelphia Navy Yard, will take an estimated 13,000 tons. Other ship contracts are being covered in New England and other yards."

"Industry in general, especially the steel industry, awaits with concern results of wage negotiations in the coal mining area, mine work stoppage under present conditions being certain to shut down much steel producing capacity almost immediately."

"Delivery of practically all steel products is being further delayed and demand continues heavy, some requests being made for contracts running into next year. On material urgently needed for war products directives are the only answer, in spite of the effort to limit further application of this instrument."

Electric Output for Week Ended Mar. 3, 1945 Increased 0.2% 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 Mar. 3, 1945, was approximately 4,472,110,000 kwh., which compares with 4,464,686,000 kwh. in the corresponding week a year ago, and 4,473,962,000 kwh. in the week ended Feb. 24, 1945. The output of the week ended Mar. 3, 1945, was 0.2% in excess of that in the same week last year.

Major Geographical Divisions—	PERCENTAGE INCREASE OVER PREVIOUS YEAR			
	Week Ended			
	Mar. 3	Feb. 24	Feb. 17	Feb. 10
New England	+1.1	0.9	+0.0	+1.9
Middle Atlantic	+3.4	+1.9	+4.0	+3.7
Central Industrial	2.8	3.5	1.5	1.6
West Central	9.1	8.8	6.0	9.2
Southern States	6.5	6.9	5.1	4.9
Rocky Mountain	+8.7	+9.8	+11.9	+11.5
Pacific Coast	+5.2	+6.2	+5.5	+4.5
Total United States	0.2	0.7	+0.9	+0.6

*Decrease under similar week in previous year.

Week Ended—	DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)					
	1945	1944	% Change over 1944	1943	1932	1929
Jan. 6	4,427,281	4,567,959	—	3,952,587	1,602,482	1,733,810
Jan. 13	4,614,334	4,539,083	+ 1.7	3,952,479	1,598,201	1,736,721
Jan. 20	4,588,214	4,531,662	+ 1.2	3,974,202	1,588,967	1,717,315
Jan. 27	4,576,713	4,523,763	+ 1.2	3,976,844	1,588,853	1,728,203
Feb. 3	4,538,552	4,524,134	+ 0.3	3,960,242	1,578,817	1,726,161
Feb. 10	4,505,269	4,532,730	— 0.6	3,939,708	1,545,459	1,718,304
Feb. 17	4,472,293	4,511,562	— 0.9	3,948,749	1,512,158	1,699,250
Feb. 24	4,473,962	4,444,939	+ 0.7	3,892,796	1,519,679	1,706,719
March 3	4,472,110	4,464,686	+ 0.2	3,946,630	1,538,452	1,702,570
March 10	4,425,630	4,425,630	—	3,944,679	1,537,747	1,687,229
March 17	4,400,246	4,400,246	—	3,946,826	1,514,553	1,683,262
March 24	4,409,159	4,409,159	—	3,928,170	1,480,208	1,679,589
March 31	4,408,703	4,408,703	—	3,889,858	1,465,076	1,633,291

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

Subscriptions and Allotments to Offering of 7/8% Treasury Certificates for Maturing Notes

Secretary of the Treasury Morgenthau announced on Feb. 18 the offering, through the Federal Reserve Banks, of one-year 7/8% Treasury Certificates of Indebtedness of Series B-1946, the offering being limited in exchange for 0.90% Treasury Notes of Series D-1945, maturing March 1, 1945; 3/4% Treasury Notes of Series A-1945, maturing March 15, 1945, and 1 1/4% Treasury Notes of Series C-1945, maturing March 15, 1945, to the amounts tendered and accepted.

On March 1 Secretary Morgenthau announced that subscriptions and allotments with respect to the offering were divided among the several Federal Reserve Districts and the Treasury as follows:

Federal Reserve District—	Series D-1945 Notes Exchanged	Series A-1945 Notes Exchanged	Series C-1945 Notes Exchanged	Total Exchanges
Boston	\$84,510,000	\$13,713,000	\$46,055,000	\$144,278,000
New York	935,494,000	312,865,100	883,614,900	2,131,974,000
Philadelphia	53,596,000	5,148,000	42,717,000	101,461,000
Cleveland	89,598,000	8,951,000	56,247,000	154,796,000
Richmond	44,570,000	794,000	25,375,000	70,739,000
Atlanta	55,589,000	6,931,000	37,655,000	100,175,000
Chicago	306,013,000	53,011,300	190,174,700	549,199,000
St. Louis	22,632,000	18,730,800	37,167,200	78,530,000
Minneapolis	51,437,000	3,876,000	42,584,000	98,197,000
Kansas City	76,215,000	10,395,000	33,069,000	120,679,000
Dallas	51,632,000	4,285,000	35,185,000	91,102,000
San Francisco	276,568,000	52,845,000	107,070,000	436,483,000
Treasury	495,000	780,000	2,906,000	4,181,000
Total	\$2,108,139,000	\$492,395,200	\$1,546,139,800	\$4,146,674,000

In announcing the offering on Feb. 18, Mr. Morgenthau stated that there were then outstanding \$2,126,898,000 of the Series D-1945 notes, \$718,011,200 of the Series A-1945 notes, and \$1,636,204,500 of the Series C-1945 notes. Mr. Morgenthau on Feb. 19 made known that the subscription books for the 7/8% Treasury certificates Series B-1946, open to the holders of Treasury notes of three maturing series, Series D-1945, Series

A-1945 and Series C-1945, would close at the close of business on Feb. 21, except for the receipt of subscriptions from holders of \$100,000 or less of the maturing notes. The subscription books closed for the receipt of subscriptions of the latter class at the close of business Feb. 24.

The new certificates will be dated March 1, 1945, and will bear interest from that date at the rate of seven-eighths of one per cent per annum, payable semi-annually on Sept. 1, 1945, and March 1, 1946. They will be issued in bearer form only, in denominations of \$1,000, \$5,000, \$10,000, \$100,000 and \$1,000,000. The Treasury announcement also said:

"Pursuant to the provisions of the Public Debt Act of 1941, interest upon the certificates now offered shall not have any exemption, as such, under Federal tax Acts now or hereafter enacted."

Subscriptions were received at the Federal Reserve Banks and Branches, and at the Treasury Department, Washington.

Vinson Named Federal Loan Administrator

Fred M. Vinson was named on March 5 by President Roosevelt as Federal Loan Administrator, to succeed Jesse H. Jones. The appointment of Mr. Vinson, which the Senate seemed ready to confirm quickly, completed the division of the jobs from which Mr. Roosevelt displaced Jesse Jones, to make room for Henry A. Wallace, it was noted in Associated Press advices from Washington March 5, which further observed that the Federal Loan Administrator is head of the multi-billion dollar Reconstruction Finance Corporation and its giant subsidiaries. Mr. Vinson has been Economic Stabilization Director since James F. Byrnes left the post to become War Mobilization Director.

Senate confirmation of the nomination of Mr. Vinson came on March 6, on a voice vote, without debate, after the Senate Banking Committee had earlier in the day unanimously approved the appointment.

With the assumption of office by Mr. Wallace as Secretary of Commerce on March 2, President Roosevelt disclosed that Mr. Jones would no longer exercise the powers with which he was previously invested as head of the loan agencies, even though they had been divorced from the Department of Commerce. As to this the Associated Press accounts from Washington March 2, said:

In response to news conference questions, the President said, and repeated, that Mr. Jones is now the ex-Secretary of Commerce.

"Then he is no longer Loan Administrator?" a reporter asked.

That, the President said, is right. He added that he planned to name a new Loan Administrator soon.

Mr. Jones, commenting on Mr. Vinson's appointment on March 5, said:

"I regard Judge Fred Vinson an excellent appointment for the position of Federal Loan Administrator. He is a man of sound judgment, and I am sure will make a good administrator."

Secretary Wallace also praised the appointment. Mr. Vinson, he said, "has had a most distinguished public record, and I am confident that in his new position he will render the people of the United States a great service."

Mr. Vinson is a former member of Congress from Kentucky and a former Justice of the United States Circuit Court for the District of Columbia.

Daily Average Crude Oil Production for Week Ended Feb. 24, 1945, Decreased 2,700 Barrels

The American Petroleum Institute estimates that the total daily average gross crude oil production for the week ended Feb. 24, 1945, was 4,777,970 barrels, a decrease of 2,700 barrels from the preceding week.

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,803,000 barrels of crude oil daily and produced 15,500,000 barrels of gasoline; 1,715,000 barrels of kerosine; 4,958,000 barrels of distillate fuel, and 9,084,000 barrels of residual fuel oil during the week ended Feb. 24, 1945; and had in storage at the end of that week; 50,953,000 barrels of civilian grade gasoline; 45,019,000 barrels of military and other gasoline; 7,514,000 barrels of kerosine; 28,753,000 barrels of distillate fuel, and 46,723,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS) Table with columns for State, Actual Production, Change, 4 Weeks Ended, and Week Ended.

*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.

†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.

CRUDE OIL RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED FEB. 24, 1945

Table showing production and stocks of gasoline, gas oil, and distillate fuel. Columns include % Daily Crude Runs, Production, Stocks, and Gasoline Stocks.

*Includes aviation, military, solvents and naphthas, and gasoline blending stocks currently indeterminate as to ultimate use, and 12,185,000 barrels of unfinished gasoline, this week, compared with 11,480,000 barrels a year ago.

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) Table with columns for Date, U.S. Govt. Bonds, Corporate Ratings, and Corporate by Groups.

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

MOODY'S BOND YIELD AVERAGES Table with columns for Date, U.S. Govt. Bonds, Corporate Ratings, and Corporate by Groups.

*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.

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

Supreme Court Holds Wage-Hour Administrator May Bar Home Work to Enforce Minimum Wage

A 7-to-2 ruling that the Wage-Hour Administrator has authority to prohibit home work to enforce a minimum wage order for the embroidery industry, was handed down by the United States Supreme Court on Feb. 26.

labor competes with the labor of factory workers, within the same establishment, between establishments, and between regions where the industry is concentrated.

Justice Rutledge said the evidence showed that the great majority of home workers will transfer the scene of their work from the home to the factory as the result of the ruling.

In dissenting, Justice Roberts said the court "essays to read into the law what its words, fairly construed, do not import."

Justice Frankfurter said to deny that the power to fix minimum wages carries with it the "subsidiary power to forbid and to prevent evasion of wages so fixed" would disregard the authority given by Congress.

Bonus Regulations Relaxed by WLB

The National War Labor Board on Feb. 28 amended its General Order No. 10, to permit the payment of year-end bonuses by security underwriting, distributing, and brokerage companies without WLB approval, if the amount would not exceed 6% of the aggregate annual payroll of all employees of the company under the jurisdiction of the WLB.

"It was provided, however, that the total bonus must be 'distributed equitably and in such a manner as to avoid the creation of intra-company inequities.' Companies paying bonuses of less than 6% for the years 1943 and 1944 are permitted to increase their payments up to the maximum without Board approval.

"Companies wishing to pay bonuses of more than 6% must submit their requests to the Board for approval, regardless of their past practices or of previous rulings of the Board.

"The bonus year was defined as the year in which the bonus was earned and not the year in which it is paid.

"General Order No. 10 concerns the general policy of the Board in regard to the payment of bonuses under the wage stabilization program. Under this order year-end bonuses may be paid without Board approval if the total amount during the current bonus year does not exceed total paid for like work during the preceding bonus year or, if computed on a percentage, incentive or similar basis, the rate and method of computation are not changed in the current bonus year so as to yield a greater amount than that in the preceding bonus year."

Moody's Daily Commodity Index

Table showing Moody's Daily Commodity Index for various dates from Feb. 27, 1945, to Jan. 24, 1945.

Trading on New York Exchanges

The Securities and Exchange Commission made public on Feb. 28 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. 10, 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. 10 (in round-lot transactions) totaled 2,325,102 shares, which amount was 12.96% of the total transactions on the Exchange of 8,965,500 shares. This compares with member trading during the week ended Feb. 3 of 2,746,100 shares, or 14.65% of the total trading of 9,372,790 shares. On the New York Curb Exchange, member trading during the week ended Feb. 10 amounted to 699,620 shares, or 12.36% of the total volume on that exchange of 2,828,219 shares. During the Feb. 3 week trading for the account of Curb members of 808,280 shares was 12.98% of total trading of 3,113,030.

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

WEEK ENDED FEB. 10, 1945		
A. Total Round-Lot Sales:	Total for week	%
Short sales.....	241,170	
†Other sales.....	8,724,330	
Total sales.....	8,965,500	
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.....	590,320	
Short sales.....	97,100	
†Other sales.....	551,800	
Total sales.....	648,900	6.91
2. Other transactions initiated on the floor—		
Total purchases.....	284,410	
Short sales.....	16,500	
†Other sales.....	298,790	
Total sales.....	315,290	3.34
3. Other transactions initiated off the floor—		
Total purchases.....	203,913	
Short sales.....	31,340	
†Other sales.....	250,929	
Total sales.....	282,269	2.71
4. Total—		
Total purchases.....	1,078,643	
Short sales.....	144,940	
†Other sales.....	1,101,519	
Total sales.....	1,246,459	12.96

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

WEEK ENDED FEB. 10, 1945		
A. Total Round-Lot Sales:	Total for week	%
Short sales.....	33,805	
†Other sales.....	2,795,414	
Total sales.....	2,829,219	
B. Round-Lot Transaction for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases.....	156,340	
Short sales.....	14,430	
†Other sales.....	184,825	
Total sales.....	199,255	6.28
2. Other transactions initiated on the floor—		
Total purchases.....	56,025	
Short sales.....	3,950	
†Other sales.....	56,460	
Total sales.....	60,410	2.06
3. Other transactions initiated off the floor—		
Total purchases.....	74,040	
Short sales.....	7,400	
†Other sales.....	146,150	
Total sales.....	153,550	4.02
4. Total—		
Total purchases.....	286,405	
Short sales.....	25,780	
†Other sales.....	387,435	
Total sales.....	413,215	12.36
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales.....	0	
†Customers' other sales.....	91,884	
Total purchases.....	91,884	
Total sales.....	77,065	

*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."

National Fertilizer Association Commodity Price Index Unchanged

The weekly wholesale commodity price index, compiled by the National Fertilizer Association, made public on March 5, remained unchanged at 139.8 in the week ending at March 3, 1945, the same as in the preceding week. A month ago the index stood at 140.0, and a year ago at 136.8, based on the 1935-1939 average as 100. The Association's report continued as follows:

Two of the composite groups of the index declined during the week and one advanced. The foods index again declined for the sixth week out of the past seven consecutive weeks; in the other week it was unchanged. The quotations for eggs and potatoes were lower and more than offset the rise in the price for dressed chickens. The farm products group showed a slight decline. The cotton subgroup index advanced for the fourth consecutive week and is now back to the same level of the first week of the year. However, this rise was not sufficient to offset the decline in the livestock subgroup which resulted from substantially lower prices for eggs and only small increases in the quotations for calves, sheep, lambs and live

poultry. The only other group to show any change was the textiles group and it advanced because of higher prices for raw cotton.

During the week seven price series in the index advanced and three declined; in the preceding week there were eight advances and three declines; in the second preceding week there were five advances and four declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association
1935-1939=100*

Group	Latest Preceding		Month Ago	Year Ago
	Week	Week		
% Each Group Bears to the Total Index	25.3	23.0	17.3	10.8
Food.....	1945	1945	1945	1944
Fats and Oils.....	141.2	141.7	142.9	138.0
Cottonseed Oil.....	145.3	145.3	144.9	146.1
Farm Products.....	163.1	163.1	161.8	159.6
Cotton.....	165.3	165.6	165.0	156.3
Grains.....	207.2	206.3	202.9	198.3
Livestock.....	163.7	163.7	161.8	164.8
Fuels.....	159.4	159.8	160.3	146.8
Miscellaneous Commodities.....	130.4	130.4	130.4	130.1
Textiles.....	133.4	133.4	133.4	131.4
Metals.....	156.1	155.9	155.4	151.4
Building Materials.....	104.7	104.7	106.4	104.6
Chemicals and Drugs.....	154.1	154.1	154.1	152.4
Fertilizer Materials.....	125.4	125.4	125.4	127.7
Fertilizers.....	118.3	118.3	118.3	117.7
Farm Machinery.....	119.9	119.9	119.9	119.7
	104.8	104.8	104.8	104.2
100.0 All groups combined.....	139.8	139.8	140.0	136.8

*Indexes on 1926-1928 base were: March 3, 1945, 108.9; Feb. 24, 1945, 108.9, and March 4, 1944, 106.6.

Non-Ferrous Metals—Zinc Allocation Starts April 1—Copper Active—Quicksilver Unsettled

"E. & M. J. Metal and Mineral Markets," in its issue of March 1, states: "The Tin-Lead-Zinc Division, WPB, issued an amendment to Order M-11 on Feb. 27, placing zinc under allocation, effective April 1. This action, fully expected in zinc circles, should result in the orderly distribution of grades now in tight supply. Consumers in a position to use Regular High Grade instead of Special High Grade will be requested to do so by the zinc division. Copper demands remain huge, with manpower shortages the chief obstacle in making deliveries. Stocks of refined lead in the hands of domestic refineries increased during January, which was viewed as a favorable development. Quicksilver was offered more freely from various foreign sources, and prices last week were a little unsettled." The publication further went on to say in part as follows:

Copper

If copper on hand can be moved promptly, the tonnage that will be shipped to consumers during March should equal or exceed the record, the trade believes. The bottleneck is manpower. WPB announced that manufacturers of consumer durable goods will have to curtail their copper needs for the second quarter by 10%.

The latest statistics of the fabricating division of the domestic copper industry indicate that 149,538 tons of refined copper were consumed during January, against 142,149 tons in December and a monthly average of 138,004 tons for 1944. Stocks of refined copper in the hands of fabricators at the end of January amounted to 330,397 tons, which compares with 334,017 tons a month previous.

The Dominion Bureau of Statistics estimates that Canada produced 22,057 tons of copper during November, 1944, against 23,752 tons in November of the preceding year. Production for the Jan.-Nov. period of 1944 was estimated at 252,017 tons, against 263,724 tons in the same period of 1943.

Dr. Alan B. Bateman, Director of the Metals and Mineral Division, Foreign Economic Administration, recently said that Government foreign procurement, combined with private transactions, now accounts for the purchase of copper at the rate of more than 1,000,000 tons a year. He disclosed that 80% of our imported copper is purchased on the basis 11.75c. per pound, and 20% at prices above the ceiling, resulting in a current average of 12.40c. per pound for all imported copper.

Lead

The January statistics of domestic lead refineries showed an increase in stocks of 8,202 tons. This was a reflection of curtailment that grew out of the restrictions imposed by WPB. Though Washington officials feel that the lead order needs further strengthening, members of the industry

believe that the time has been too short to draw definite conclusions. Sales in the domestic market last week involved 5,101 tons, against 8,727 tons in the preceding week.

Zinc

Effective April 1, slab zinc will be under allocation control. Producers were relieved on learning that they will not be required to indorse certificates. On shipments to be made prior to April 30, 1945, applications should be filed before March 12. Exporters are included under the amendment to General Preference Order M-11. The Metals Reserve Co., the order states, may accept zinc deliveries for stockpiling or for redistribution without change in form.

Consumers may accept deliveries of less than 20 tons per month from dealers without allocation certificates, if the consumer has not applied to WPB for allocation of zinc for the month during which he accepts a dealer delivery.

Tin

The movement of tin concentrates from Bolivia increased during January, probably reflecting more favorable shipping conditions. Exports of concentrates in the first month of the year amounted to 4,092 tons of tin contained, against 3,499 tons in December.

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

	March	April	May
February 22.....		Holiday	
February 23.....	52.000	52.000	52.000
February 24.....	52.000	52.000	52.000
February 25.....	52.000	52.000	52.000
February 26.....	52.000	52.000	52.000
February 27.....	52.000	52.000	52.000
February 28.....	52.000	52.000	52.000

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

Quicksilver

The price situation was described in most quarters as being a little on the easy side, particularly in reference to forward metal. Spot and nearby quicksilver is in moderate supply and business was transacted during the last week at prices ranging from \$165 to \$168 per flask. Mexican metal was available for shipment at roughly \$159 per flask, duty paid, but consumers showed little or no interest in such offerings. Spanish quicksilver was nominally unchanged at \$155 to \$160 per flask, March shipment, the inside figure obtaining on lots of 250 flasks or more. Trade authorities believe that between 1,500 and 2,000 flasks of Spanish metal have been sold in this market so far.

In view of the high prices prevailing in the United States market, plus the import duty of \$19 per flask, consumers are puzzled over the cry of "dumping" that has been raised by domestic producers. Most operators see a heavy demand ahead, calling for fairly large importations.

Silver

Preliminary figures for November place Canada's production of silver at 1,192,007 oz., against 1,054,463 oz. in October. Production in the Jan.-Nov. period of 1944 totaled 12,318,945 oz., against 16,081,630 oz. in the first eleven months of 1943, the Dominion Bureau of Statistics reports.

The London silver market was unchanged last week at 25½d. per fine ounce. The New York Official continued at 44¼c. for foreign metal and at 70¾c. for domestic.

U. S. to Send Equipment for Reorganizing Greek Army

It was made known in Associated Press advices from Athens on Feb. 22 that the United States Government has decided to send to Greece equipment necessary to reorganize the Greek Army, in accordance with decisions reached at the Yalta conference, War Under-Secretary Spahis announced. It was added that the equipment will be sent on a lend-lease agreement between the American and Greek Governments reached two years ago when King George and Emmanuel Tsouderos, then Premier, went to Washington.

Carlin Honored

Dr. Walter Jeffreys Carlin, Chairman of the Board of Lafayette National Bank of Brooklyn, N. Y., has been awarded the Orders of Juan Pablo Duarte and Christopher Columbus on behalf of President Trujillo of the Dominican Republic. The presentation was made by the Hon. R. Compress Perez on the occasion of the 101st anniversary of the Republic's independence. Dr. Carlin has recently completed a study of the educational system of the Dominican Republic.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Feb. 28 a summary for the week ended Feb. 17 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. 17, 1945	
Odd-Lot Sales by Dealers (Customers' purchases)	Total for Week
Number of orders.....	29,390
Number of shares.....	884,549
Dollar value.....	\$34,371,010
Odd-Lot Purchases by Dealers—(Customers' sales)	
Number of Orders:	
Customers' short sales.....	225
Customers' other sales.....	29,469
Customers' total sales.....	29,694
Number of Shares:	
Customers' short sales.....	7,766
Customers' other sales.....	827,338
Customers' total sales.....	835,104
Dollar value.....	\$29,497,534
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales.....	140
†Other sales.....	186,190
Total sales.....	186,330
Round-Lot Purchases by Dealers:	
Number of shares.....	245,000
*Sales marked "short exempt" are reported with "other sales."	
†Sales to liquidate customers' odd-lot orders, and sales to offset a long position which is less than a round lot are reported with "other sales."	

Wholesale Prices for Week Ended Feb. 24, Down 0.2%, Labor Department Reports

"Seasonally lower prices for fruits and vegetables and for eggs brought the Bureau of Labor Statistics' index of commodity prices in primary markets for the week ended Feb. 24 down 0.2% from the level reached the middle of February," the U. S. Labor Department reported on March 1. The Board added that "there were no important changes in industrial commodity markets during the week. At 104.8% of the 1926 average the all-commodity index was 0.1% higher than for the corresponding week of January and 1.2% higher than at this time last year," said the Board, whose advices added:

"Farm Products and Foods"—Average prices for farm products at the primary market level declined 0.6% during the week. Eggs declined seasonally by more than 2%. Sharp declines were reported in prices for lemons and oranges, for onions and potatoes and for apples in western markets. Quotations for sheep were off about 1.5%. A slight increase, 0.1%, was recorded in the grain markets. Wheat and corn rose less than one half of 1% and rye advanced 1.3%. Higher prices were also reported for calves and for cotton, hay and sweet potatoes. In the past four weeks average prices for farm products have risen 0.5% to a point nearly 2% higher than at the end of February a year ago.

"Led by a decline of 3.9% in prices for fresh fruits and vegetables and lower prices for eggs, foods at the primary market level dropped 0.7% during the week. Slightly higher prices were reported for flour at certain mills. Food prices have declined 0.3% since the end of January and were 0.5% lower than at this time last year.

"Industrial Commodities"—Aside from an increase of 0.2% for cement, which reflects increased ceiling prices in certain areas, there were no changes reported in prices for industrial commodities."

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) indexes for the principal groups of commodities for the past three weeks, for January 27, 1945 and Feb. 26, 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. 17, 1945 to Feb. 24, 1945.

Commodity Groups—	2-24 1945				2-17 1945				2-10 1945				2-3 1945				Percentage change to Feb. 24, 1945 from—			
	1945	1945	1945	1945	1945	1945	1945	1945	1945	1945	1945	1945	1945	1945	1945	1945	1945	1945		
All commodities	104.8	105.0	104.9	104.7	104.6	104.6	104.6	104.6	104.6	104.6	104.6	104.6	104.6	104.6	104.6	104.6	104.6	104.6		
Farm products	126.4	127.2	126.8	125.8	124.2	124.2	124.2	124.2	124.2	124.2	124.2	124.2	124.2	124.2	124.2	124.2	124.2	124.2		
Foodstuffs	104.1	104.8	104.9	104.4	104.6	104.6	104.6	104.6	104.6	104.6	104.6	104.6	104.6	104.6	104.6	104.6	104.6	104.6		
Hides and leather products	118.0	118.0	118.0	117.9	117.5	117.5	117.5	117.5	117.5	117.5	117.5	117.5	117.5	117.5	117.5	117.5	117.5	117.5		
Textile products	99.1	99.1	99.1	99.0	97.2	97.2	97.2	97.2	97.2	97.2	97.2	97.2	97.2	97.2	97.2	97.2	97.2	97.2		
Fuel and lighting materials	83.8	83.8	84.0	83.9	83.7	83.7	83.7	83.7	83.7	83.7	83.7	83.7	83.7	83.7	83.7	83.7	83.7	83.7		
Metals and metal products	104.3	104.3	104.2	104.3	103.8	103.8	103.8	103.8	103.8	103.8	103.8	103.8	103.8	103.8	103.8	103.8	103.8	103.8		
Building materials	116.9	116.9	116.7	116.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7		
Chemicals and allied products	94.9	94.9	94.9	94.9	95.1	95.1	95.1	95.1	95.1	95.1	95.1	95.1	95.1	95.1	95.1	95.1	95.1	95.1		
Housefurnishing goods	106.2	106.2	106.2	106.1	106.2	106.2	106.2	106.2	106.2	106.2	106.2	106.2	106.2	106.2	106.2	106.2	106.2	106.2		
Miscellaneous commodities	94.1	94.1	94.1	94.0	93.3	93.3	93.3	93.3	93.3	93.3	93.3	93.3	93.3	93.3	93.3	93.3	93.3	93.3		
Raw materials	115.7	116.2	116.0	115.3	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7	113.7		
Semimanufactured articles	94.8	94.8	94.8	94.8	93.5	93.5	93.5	93.5	93.5	93.5	93.5	93.5	93.5	93.5	93.5	93.5	93.5	93.5		
Manufactured products	101.6	101.6	101.6	101.6	100.6	100.6	100.6	100.6	100.6	100.6	100.6	100.6	100.6	100.6	100.6	100.6	100.6	100.6		
All commodities other than farm products	100.1	100.1	100.1	100.0	99.2	99.2	99.2	99.2	99.2	99.2	99.2	99.2	99.2	99.2	99.2	99.2	99.2	99.2		
All commodities other than farm products and foods	99.3	99.3	99.3	99.3	98.3	98.3	98.3	98.3	98.3	98.3	98.3	98.3	98.3	98.3	98.3	98.3	98.3	98.3		

Commodity	Percentage Change
Increases	
Cement	0.2
Grains	0.1
Decreases	
Fruits and vegetables	3.9
Other farm products	1.4
Other foods	0.4

Civil Engineering Construction \$38,982,000 for Week

Civil engineering construction volume in continental United States totals \$38,982,000 for the week. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 1% lower than in the corresponding 1944 week, but is 30% higher than the previous four-week moving average volume, and exceeds the \$16,301,000 reported to "Engineer News-Record" for the holiday-shortened preceding week. The report issued on March 1, continued as follows:

Public construction tops the week last year by 24% as a result of the 80% climb in Federal work. Private construction is down 52% compared with a year ago, and State and municipal construction is 83% lower.

The current week's construction brings 1945 volume to \$236,691,000 for the nine-week period, a decrease of 24½% from the \$313,807,000 reported for the nine weeks in 1944. Private construction, \$67,212,000, is 1½% above a year ago, but public construction, \$169,479,000, is down 31%. Federal work, \$143,269,000, is 36% under the total for the 1944 period, but State and municipal construction, \$26,210,000, is 9% higher.

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

	Mar. 2, 1944 (five days)	Feb. 22, 1945 (four days)	Mar. 1, 1945 (five days)
Total U. S. Construction	\$39,411,000	\$16,301,000	\$38,982,000
Private Construction	12,984,000	9,482,000	6,276,000
Public Construction	26,427,000	6,819,000	32,706,000
State and Municipal	9,151,000	3,236,000	1,553,000
Federal	17,276,000	3,583,000	31,153,000

In the classified construction groups, gains over the 1944 week are in waterworks, bridges, commercial buildings, and public buildings. Increases over the holiday-shortened preceding week are in waterworks, commercial buildings, public buildings, streets and roads, and unclassified construction. Subtotals for the week in each class of construction are: waterworks, \$600,000; sewerage, \$223,000;

bridges, \$580,000; industrial buildings, \$2,630,000; commercial building and large-scale private housing, \$2,625,000; public buildings, \$24,095,000; earthwork and drainage, \$216,000; streets and roads, \$287,000; and unclassified construction, \$7,726,000.

New capital for construction purposes for the week totals \$1,072,000, and is made up entirely of state and municipal bond sales. The current week's financing brings 1945 volume to \$197,544,000, a total of 23% above the \$159,953,000 reported for the opening nine weeks of 1944.

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 bituminous coal in the week ended Feb. 24, 1945, is estimated at 11,925,000 net tons, an increase of 340,000 tons, or 2.9%, over the preceding week. Output in the corresponding week of 1944 amounted to 12,575,000 tons. For the calendar year to Feb. 24, 1945, soft coal production totaled 93,445,000 tons, a decrease of 8.8% when compared with the 102,475,000 tons produced in the calendar year to Feb. 26, 1944.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended Feb. 24, 1945, was estimated at 1,135,000 tons, a decrease of 4,000 tons (0.4%) from the preceding week. When compared with the output in the corresponding week of 1944 there was a decrease of 211,000 tons, or 15.7%. The calendar year to date shows a decrease of 21.7% 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. 24, 1945, showed an increase of 17,900 tons when compared with the output for the week ended Feb. 17, 1945; but was 30,900 tons less than for the corresponding week of 1944.

	Week Ended			Jan. 1 to Date	
	Feb. 24, 1945	Feb. 17, 1945	Feb. 26, 1944	Feb. 24, 1945	Feb. 26, 1944
Bituminous coal & lignite	11,925,000	11,585,000	12,575,000	93,445,000	102,475,000
Total, including mine fuel	11,925,000	11,585,000	12,575,000	93,445,000	102,475,000
Daily average	1,988,000	1,931,000	2,095,000	1,963,000	2,104,000

*Revised. †Subject to current adjustment. ‡Average based on six working days, although some coal was mined on Sunday, Feb. 18, in Coal Act Districts 7 and 8.

	Week Ended			Calendar Year to Date		
	Feb. 24, 1945	Feb. 17, 1945	Feb. 26, 1944	Feb. 24, 1945	Feb. 26, 1944	Feb. 27, 1944
Penn. anthracite	1,135,000	1,139,000	1,346,000	8,056,000	10,290,000	7,907,000
Total incl. coll. fuel	1,135,000	1,139,000	1,346,000	8,056,000	10,290,000	7,907,000
Commercial produc.	1,090,000	1,093,000	1,292,000	7,734,000	9,878,000	7,512,000
Beehive coke	124,900	107,000	155,800	834,300	1,291,900	565,700
United States total	124,900	107,000	155,800	834,300	1,291,900	565,700

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

State	Week Ended		
	Feb. 17, 1945	Feb. 10, 1945	Feb. 19, 1944
Alabama	354,000	373,000	400,000
Alaska	7,000	7,000	5,000
Arkansas and Oklahoma	106,000	108,000	94,000
Colorado	167,000	171,000	186,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	1,553,000	1,554,000	1,552,000
Indiana	545,000	581,000	575,000
Iowa	53,000	63,000	58,000
Kansas and Missouri	182,000	180,000	184,000
Kentucky—Eastern	1,033,000	1,157,000	925,000
Kentucky—Western	358,000	361,000	335,000
Maryland	36,000	35,000	36,000
Michigan	3,000	2,000	6,000
Montana (bitum. & lignite)	105,000	102,000	113,000
New Mexico	33,000	33,000	36,000
North & South Dakota (lignite)	60,000	66,000	61,000
Ohio	600,000	675,000	686,000
Pennsylvania (bituminous)	2,670,000	2,573,000	2,990,000
Tennessee	146,000	162,000	165,000
Texas (bituminous & lignite)	5,000	4,000	3,000
Utah	146,000	149,000	136,000
Virginia	378,000	437,000	404,000
Washington	32,000	34,000	33,000
West Virginia—Southern	2,050,500	2,450,500	2,218,000
West Virginia—Northern	755,000	802,000	992,000
Wyoming	206,000	200,000	195,000
Other Western States	1,000	1,000	1,000
Total bituminous & lignite	11,585,000	12,280,000	12,390,000

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

*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.

Small Business Committee Proposals for Post-War Taxation Opposed by Ways & Means Com.

A summary of proposals for post-war taxation, including a graduated corporation income tax with lower rates for small enterprises was released on Feb. 20 by the House Small Business Committee.

Simultaneously, it was stated, Chairman Patman announced that the Committee would open public hearings on March 13 on small business tax relief proposals. Advices in the matter, as given in Associated Press accounts from Washington Feb. 20 added:

The summary issued, he explained, was made up from approximately 350 letters from small businesses. The "digest" of proposals said:

"The corporate income tax, with rates adjusted to post-war budgetary needs, should provide for a scale of graduated rates applied to all corporations. (The corporation combined normal and surtax now is 40%.)

"Suggestions vary with a tax rate of 15% on taxable corpora-

tion income under \$20,000 up to 40% on income more than \$100,000.

"Such graduation is designed to permit smaller enterprises having no access to the capital markets to expand and build reserves from earnings in a period of necessarily heavy taxation. Special exemptions for low-income corporations will not be necessary if the graduated scale is made effective, it is alleged."

After the Washington hearings, Mr. Patman said, a subcommittee

headed by Representative Keogh will take further testimony in New York City, Cleveland, St. Louis and Springfield, Ill. Mr. Patman explained that the committee then would submit a report to the House Ways and Means Committee, which originates all tax bills.

It was further said in the press advice that a digest of other suggestions from the letters was released as follows:

1. With the first important cut-back in Government war expenditures, probably following the cessation of active European hostilities, excess profits tax rates should be sharply reduced to a maximum of 60% without postwar refund. (The excess profits rate now is 95%, with 10% to be refunded after the war.)

2. Also after V-E day, the specific exemption from the excess profits tax, which is now \$10,000, should be raised. (Majority of letters on this point suggest raising exemption limit to \$50,000.)

3. As soon as possible after complete cessation of hostilities, the excess profits tax should be completely repealed.

4. The present double taxation of corporate income—once to the earning corporation, and again on the stockholders' income from dividends—should be eliminated as soon as revenue needs permit.

5. The capital stock tax and declared value excess profits tax should be repealed immediately. (Majority of letters declare that these taxes are based upon "guesswork" and raise very little real revenue.)

6. The loss carry-back principle should be incorporated in the Renegotiation Act for a period extending back to April 28, 1942, to continue until the transition period is completed. (Many small manufacturers allege they have suffered more through arbitrary renegotiation procedures than from the excess profits tax.)

Advices to the New York "Herald Tribune" from Washington Feb. 21 by Samuel W. Bell stated that the Democratic leadership in the House, acting upon protests of the House Ways and Means Committee, turned down on that day the proposal of Representative Patman to use his Small Business Committee as a vehicle for holding hearings, on a post-war tax program particularly adapted to the requirements of small business. Quoting from Mr. Bell's account, Representative Patman's announcement brought an immediate complaint from Representative Robert L. Doughton, Democrat, of North Carolina, Chairman of the Ways and Means Committee. In part these advices said:

After direct intervention of Speaker Sam Rayburn, Representative Patman reluctantly agreed to withdraw his plan to formulate a tax program independent of the Committee specifically created by the House for that purpose.

Meanwhile, it was learned that the House Republican Tax Study Committee, recently reorganized for the present Congress, had decided on the basis of memorandums placed before it, to approach post-war tax revision with a view to formulating a long-range stable tax system.

France to Draft More Men

Meeting on Feb. 27, the French Cabinet passed a motion proposed by Andre Diethelm, Minister of War, for mobilizing three new classes (1940, 1941 and 1942) beginning April 1, according to a report issued by the Minister of Information, in Paris on Feb. 27, who also said:

Rene Mayer, Minister of Public Works and Transportation, proposed a motion for increasing the wages of railway employees.

Revenue Freight Car Loadings During Week Ended Feb. 24, 1945, Decreased 11,895 Cars

Loading of revenue freight for the week ended Feb. 24, 1945 totaled 771,843 cars, the Association of American Railroads announced on March 1. This was a decrease below the corresponding week of 1944 of 9,141 cars, or 1.2%, and a decrease below the same week in 1943 of 11,078 cars or 1.4%.

Loading of revenue freight for the week of February 24, decreased 11,895 cars, or 1.5% below the preceding week.

Miscellaneous freight loading totaled 381,559 cars, a decrease of 8,424 cars below the preceding week, but an increase of 14,897 cars above the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 101,475 cars, a decrease of 1,572 cars below the preceding week, and a decrease of 796 cars below the corresponding week in 1944.

Coal loading amounted to 170,317 cars, an increase of 3,710 cars above the preceding week, but a decrease of 6,818 cars below the corresponding week in 1944.

Grain and grain products loading totaled 40,464 cars, a decrease of 2,572 cars below the preceding week and a decrease of 7,620 cars below the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of Feb. 24, totaled 25,577 cars, a decrease of 1,624 cars below the preceding week and a decrease of 7,472 cars below the corresponding week in 1944.

Livestock loading amounted to 12,892 cars, a decrease of 1,071 cars below the preceding week and a decrease of 2,756 cars below the corresponding week in 1944. In the Western Districts alone loading of live stock for the week of Feb. 24, totaled 9,382 cars, a decrease of 790 cars below the preceding week, and a decrease of 2,075 cars below the corresponding week in 1944.

Forest products loading totaled 37,466 cars, a decrease of 2,349 cars below the preceding week and a decrease of 5,090 cars below the corresponding week in 1944.

Ore loading amounted to 12,191 cars, a decrease of 347 cars below the preceding week and a decrease of 1,131 cars below the corresponding week in 1944.

Coke loading amounted to 15,479 cars, an increase of 730 cars above the preceding week, and an increase of 173 cars above the corresponding week in 1944.

All districts reported decreases compared with the corresponding week in 1944 except the Pocahontas, Southern, and Centralwestern. All districts reported decreases compared with 1943 except the Centralwestern.

	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
Week of February 24	771,843	780,994	782,921
Total	6,051,241	6,312,816	5,966,363

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Feb. 24, 1945. During this period 54 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. 24

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Eastern District—					
Ann Arbor	297	246	321	1,655	1,565
Bangor & Aroostook	2,501	2,619	2,396	542	232
Boston & Maine	6,499	6,523	6,711	16,665	15,995
Chicago, Indianapolis & Louisville	1,237	1,547	1,316	2,311	2,239
Central Indiana	32	34	43	45	33
Central Vermont	1,007	963	994	3,174	2,456
Delaware & Hudson	4,501	5,065	6,210	15,211	14,614
Delaware, Lackawanna & Western	7,225	7,623	7,500	11,057	10,916
Detroit & Mackinac	165	228	242	154	137
Detroit, Toledo & Ironton	1,775	1,759	1,893	2,921	1,743
Detroit & Toledo Shore Line	253	293	305	1,851	3,621
Erie	11,877	12,897	12,393	18,811	19,418
Grand Trunk Western	4,043	3,683	3,654	9,567	9,346
Lehigh & Hudson River	154	184	170	4,475	3,876
Lehigh & New England	1,959	2,142	1,983	1,161	1,659
Lehigh Valley	7,250	8,845	7,728	12,958	16,258
Maine Central	2,427	2,290	2,555	4,248	4,040
Monongahela	5,678	6,216	5,498	286	401
Montour	2,260	2,660	2,325	25	18
New York Central Lines	48,781	47,600	47,303	53,363	58,816
N. Y., N. H. & Hartford	10,292	10,133	10,157	20,354	21,287
New York, Ontario & Western	949	1,035	1,058	2,874	3,297
New York, Chicago & St. Louis	6,776	6,384	7,397	18,024	17,758
N. Y., Susquehanna & Western	493	461	417	2,059	2,979
Pittsburgh & Lake Erie	7,353	7,883	7,848	8,239	8,587
Pere Marquette	5,038	4,833	4,872	9,185	8,804
Pittsburgh & Shawmut	816	905	704	25	13
Pittsburgh, Shawmut & North	289	341	350	284	277
Pittsburgh & West Virginia	678	985	843	3,635	2,574
Rutland	260	381	312	948	998
Wabash	5,905	5,751	5,419	13,855	12,869
Wheeling & Lake Erie	5,725	4,999	5,181	5,528	4,587
Total	152,557	157,507	156,999	245,494	251,421
Allegheny District—					
Akron, Canton & Youngstown	759	745	751	1,603	1,343
Baltimore & Ohio	38,853	41,062	38,825	32,133	27,956
Bessemer & Lake Erie	2,728	1,925	3,114	1,698	1,505
Buffalo Creek & Gauley	†	†	333	†	†
Cambria & Indiana	1,647	1,814	1,936	21	8
Central R. R. of New Jersey	6,153	7,242	6,729	21,364	20,699
Cornwall	432	619	562	62	84
Cumberland & Pennsylvania	166	232	258	8	11
Ligonier Valley	119	148	99	64	56
Long Island	1,345	1,211	930	3,525	4,035
Penn.-Reading Seashore Lines	1,800	1,504	1,655	2,393	2,805
Pennsylvania System	77,021	79,631	77,039	66,008	69,135
Reading Co.	14,998	13,721	13,654	30,641	31,153
Union (Pittsburgh)	19,626	20,720	20,687	4,345	4,566
Western Maryland	4,068	3,927	3,951	16,282	14,566
Total	169,815	174,502	170,533	180,147	176,615
Pocahontas District—					
Chesapeake & Ohio	29,936	28,558	30,597	13,638	12,133
Norfolk & Western	22,278	22,140	23,911	11,095	8,225
Virginian	4,786	4,713	5,143	2,601	1,940
Total	57,000	55,411	59,651	27,334	22,298

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Southern District—					
Alabama, Tennessee & Northern	378	265	311	360	391
Atch. & W. P.—W. R. R. of Ala.	864	812	858	2,490	2,401
Atlanta, Birmingham & Coast	963	719	704	1,614	1,594
Atlantic Coast Line	14,550	14,189	15,780	13,058	11,792
Central of Georgia	3,742	3,870	4,297	5,744	5,557
Charleston & Western Carolina	371	352	489	1,873	1,784
Clinchfield	1,762	1,645	1,785	3,676	3,367
Columbus & Greenville	225	264	333	304	254
Durham & Southern	115	139	124	729	1,071
Florida East Coast	3,768	3,200	3,604	4,663	2,142
Gainesville Midland	35	31	47	171	146
Georgia	811	1,084	1,655	2,453	2,456
Georgia & Florida	398	531	499	831	872
Gulf, Mobile & Ohio	4,388	4,125	4,034	3,971	4,230
Illinois Central System	27,828	28,901	27,742	17,439	17,762
Louisville & Nashville	26,619	24,390	26,336	12,305	13,009
Macon, Dublin & Savannah	190	190	191	926	933
Mississippi Central	381	237	235	575	617
Nashville, Chattanooga & St. L.	3,340	3,403	3,107	5,029	5,142
Norfolk Southern	839	941	1,296	1,652	1,759
Piedmont Northern	463	377	359	1,455	1,602
Richmond, Fred. & Potomac	400	423	469	11,723	11,727
Seaboard Air Line	10,404	10,866	10,840	9,445	8,887
Southern System	23,905	22,147	23,225	27,795	26,237
Tennessee Central	664	759	506	813	1,090
Winston-Salem Southbound	131	138	99	1,643	989
Total	127,534	123,965	128,925	129,737	127,811
Northwestern District—					
Chicago & North Western	14,590	15,507	15,186	14,091	14,752
Chicago Great Western	2,243	2,765	2,278	3,572	3,830
Chicago, Milw., St. P. & Pac.	20,570	20,303	17,618	10,572	11,335
Chicago, St. Paul, Minn. & Omaha	3,133	3,542	3,477	4,201	4,366
Duluth, Missabe & Iron Range	1,271	1,342	1,374	277	559
Duluth, South Shore & Atlantic	605	818	572	525	559
Elgin, Joliet & Eastern	8,970	8,839	9,263	12,769	12,744
Ft. Dodge, Des Moines & South	259	377	417	107	131
Great Northern	9,354	11,699	10,667	5,738	5,321
Green Bay & Western	447	490	539	887	958
Lake Superior & Ishpeming	200	303	227	60	54
Minneapolis & St. Louis	1,890	2,110	1,924	2,550	2,527
Minn., St. Paul & S. S. M.	3,728	4,958	4,521	3,066	3,775
Northern Pacific	8,638	10,287	9,239	6,183	5,573
Spokane International	258	109	88	448	600
Spokane, Portland & Seattle	2,463	2,325	1,836	3,897	3,050
Total	78,617	85,814	79,226	68,883	69,850
Central Western District—					
Atch., Top. & Santa Fe System	22,366	20,860	21,801	14,485	12,535
Alton	3,338	2,896	2,975	4,692	4,403
Bingham & Garfield	436	560	648	48	80
Chicago, Burlington & Quincy	18,128	19,035	18,565	11,844	12,215
Chicago & Illinois Midland	3,065	2,979	3,105	891	755
Chicago, Rock Island & Pacific	10,978	11,251	12,684	13,109	12,778
Chicago & Eastern Illinois	2,704	2,701	2,401	4,129	6,029
Colorado & Southern	672	710	756	2,372	2,040
Denver & Rio Grande Western	3,770	3,278	3,105	5,822	6,052
Denver & Salt Lake	568	695	951	23	5
Fort Worth & Denver City	697	762	810	1,262	1,315
Illinois Terminal	2,198	2,095	1,745	2,080	1,925
Missouri-Illinois	859	903	907	677	517
Nevada Northern	1,353	1,768	2,144	103	121
North Western Pacific	662	674	832	771	795
Peoria & Pekin Union	24	27	16	0	0
Southern Pacific (Pacific)	28,342	26,302	25,942	14,124	12,994
Toledo, Peoria & Western	305	457	312	2,361	2,245
Union Pacific System	15,859	14,732	13,407	16,539	16,397
Utah	565	681	579	6	0
Western Pacific	1,983	1,525	1,656	4,399	3,578
Total	118,876	114,897	115,341	99,786	96,785
Southwestern District—					
Burlington-Rock Island	319	300	649	261	325
Gulf Coast Lines	6,191	7,290	6,754	2,208	2,596
International-Great Northern	2,295	1,665	2,176	3,550	3,885
Kansas, Oklahoma & Gulf	223	248	333	909	898
Kansas City Southern	4,653	5,404	4,948	2,803	3,223
Louisiana & Arkansas	3,117	2,634	3,761	3,033	2,587
Litchfield & Madison	359	368	352	1,322	1,050
Midland Valley	478	625	667	417	448
Missouri & Arkansas	131	193	165	538	463
Missouri-Kansas-Texas Lines	6,743	5,136	6,353	5,003	5,172
Missouri Pacific	15,420	16,150	16,859	17,507	19,632
Quanaq Acme & Pacific	64	123	76	286	341
St. Louis-San Francisco	8,523	8,354	8,626	8,498	9,402
St. Louis Southwestern	3,322	2,823	3,302	6,873	6,692
Texas & New Orleans	10,644	12,674	12,136	5,495	5,525
Texas & Pacific	4,845	4,790	4,958	8,232	7,826
Wichita Falls & Southern	82	85	91	30	34
Weatherford M. W. & N. W.	35	26	30	33	22
Total					

Items About Banks, Trust Companies

At the regular meeting of the board of directors of City Bank Farmers Trust Co. of New York on March 6, Charles C. Parlin, formerly with the firm of Wright, Gordon, Zachry, Parlin & Cahill, and since Feb. 10, 1945, a member of the firm of Shearman & Sterling & Wright, was elected a director. Following graduation from Harvard Law School, Mr. Parlin entered the employ of Simpson, Thacher & Bartlett, and in 1925 went to Cotton & Franklin, becoming a member of that firm in 1930. The firm name was changed to incorporate his name in 1936 as Wright, Gordon, Zachry & Parlin. Mr. Parlin has specialized in matters of taxation and corporate finance. His home is in Englewood, N. J., where he is active in civic affairs, being a member of the board of directors of The Citizens National Bank & Trust Co. of Englewood, and Chairman of the board of directors of the Englewood Community Chest.

E. Chester Gersten, President of The Public National Bank & Trust Co. of New York, announced on Feb. 8 the election of Thomas M. Keefe as Vice-President, effective March 1. Mr. Keefe was formerly connected with the New York Trust Co. and was an active credit officer at the 40th Street and Madison Avenue office of that institution. He goes to the Public National with long experience in the banking field, and was also associated, for a period, with a prominent New York commercial paper house.

Mr. Gersten also announced on March 5 the election of Major Joseph Singer as Vice-President of the Public National Bank & Trust Co., effective March 15. Major Singer returns to the Public National Bank after having served, for over two years, in the Adjutant General's Department and the Finance Department, U. S. Army, and will resume his former activities at the Broadway and 24th Street office.

Continental Bank & Trust Co. of New York announces the inauguration of two new common trust funds. Its First Legal Common Trust Fund was established as an investment channel for estates and trusts in the bank's care which are confined to securities on the so-called "legal" list of the State of New York. For estates and trusts not so restricted the bank has established its First Discretionary Common Trust Fund. Continental points out that it is the first bank in New York State to extend the principle of the common trust fund to both types of trusts.

The bank stated, in announcing these funds, that participation was available only to bona fide trusts created by will or agreement, and that under present regulations participations are permitted up to \$25,000.

"We look upon the common trust fund as a valuable aid to the trustee," said Frederick E. Hasler, Chairman of the board, "in seeking the combined benefits of wide diversification, economy of operation, and efficient review and supervision for the small or medium sized trust fund. Hitherto it has been difficult, if not impossible, to provide these advantages in the same degree to which the larger trusts receive them. Consequently there has been a widespread feeling that trust service was of advantage only to the very wealthy. We believe that our common trust funds will be of decided benefit to many people of moderate means who want their funds to receive experienced and conservative but alert and enterprising attention."

The filing of a certified copy of an order, granted at a special term, Part I, of the Supreme Court of the State of New York, held in and for the County of New York, at the Court House thereof, Borough of Manhattan, City and State of New York, on Feb. 17, declaring The Clinton Bank dissolved and its corporate existence terminated was made known by the New York State Banking Department on Feb. 20.

The New York State Banking Department announced on Feb. 5 the filing of a certified copy of an order, granted at a special term, Part I, of the Supreme Court of the State of New York, held in and for the County of New York, at the Court House thereof, on Feb. 2, 1945, declaring The Midtown Bank of New York, N. Y., dissolved and its corporate existence terminated.

Edward F. Barrett, President of the Long Island Lighting Co., has been elected a director of the Nassau County Trust Co. of Mineola, L. I. Mr. Barrett has had extended experience in the metropolitan banking field, and at the present time is First Vice-President and a trustee of the East River Savings Bank of New York and a director of the Public National Bank & Trust Co. He is also a director of the Utilities Mutual Insurance Co.

At a meeting of the executive committee of the State Street Trust Co. of Boston, on March 2, J. Robert Bentley, Manager of the Copley Square office, was promoted to Assistant Vice-President. Mr. Bentley, a resident of Arlington, became associated with the bank in 1914 and has been an Assistant Secretary for nearly 25 years. He will continue in charge of the Copley Square office.

It is learned from the Boston "News Bureau" of March 3 that Oliver G. Kelley of Newton, Mass., President and director of the O. G. Kelley Co., lead-burning contractors, and President and director of the A. T. Stearns Lumber Co., has been elected President of Everett National Bank of Everett, Mass. He succeeds Gen. E. Leroy Sweetser, now Chairman of the board.

Harry L. Neilsen has joined the staff of the National Newark & Essex Banking Co. of Newark, N. J., as Auditor, according to the Newark "News" of March 1, which states that he was associated with the Savings Investment & Trust Co. of East Orange in the same capacity. Mr. Neilsen is a graduate of the American Institute of Banking and is chief consul of its Essex County Chapter. He is also a member of the National Association of Auditors and Controllers.

The Palisades Trust & Guaranty Co. of Englewood, N. J., has announced that Kernell A. Wood has been appointed Treasurer of the bank. Mr. Wood has heretofore served as Assistant Treasurer since 1940.

Elmer T. Sloan, who recently severed his 20-year connection with the Peoples-Pittsburgh Trust Co. of Pittsburgh, after serving the past five years as Vice-President in charge of investments, died on March 2. The Pittsburgh "Post Gazette" states that:

"Born Dec. 10, 1889, in Philadelphia, Mr. Sloan attended grammar and high schools there and was graduated in 1910 from the University of Pennsylvania. After acting as statistician and accountant for brokerage and manufacturing firms, he was appointed in 1925 as Assistant Manager of the investment depart-

ment of the Peoples-Pittsburgh Trust Co. Subsequently he became Manager and then Vice-President."

George E. Fleischmann, a retired Vice-President of the First Wisconsin National Bank of Milwaukee, Wis., died on March 1. Mr. Fleischmann, who was born in Milwaukee, worked for the South Side Savings Bank and the H. Rolfs Cigar Manufacturing Co. before starting as a messenger at the First National Bank in 1894, said the Milwaukee "Journal," which also stated:

"He later became Assistant Cashier, and held that position when the bank merged with the Wisconsin National Bank in 1919. In 1922 Mr. Fleischmann became Assistant Vice-President of the First Wisconsin National Bank. He was elected a Vice-President in 1928 and headed one of the bank's loan divisions. He retired in 1943."

The Mercantile-Commerce Bank & Trust Co. of St. Louis will call a special stockholders' meeting for the purpose of increasing its capital stock from \$10,000,000 to \$12,500,000, said the St. Louis "Globe Democrat" of March 2, which further stated:

"A stock dividend of 25% on the present stock would be distributed. It is contemplated that the \$2,500,000 increase be transferred to capital from undivided profits, which have been increased by approximately \$1,500,000 from profits realized from the recent sale of securities and from departmental earnings. It is presently contemplated the annual dividend rate of 7% be continued. The regular quarterly of \$1.75, payable April 1 to holders of record on March 20 was declared. Sixty days' notice is required for the stockholders' meeting."

Announcement was made Feb. 28 by the First National Bank in Palm Beach, Fla., that the interest rate on savings accounts from \$5,000 to \$10,000 would be increased from 1/2% to 1 1/2% on March 1, 1945. Therefore, the current savings interest of the bank is now 1 1/2% on accounts from \$1 to \$10,000 and 1/2% on balances over \$10,000. This, it is announced, is in line with the Government's plan to encourage the public to do more pre-arranged saving. An intensive newspaper and direct mail advertising campaign has been instituted by the bank for savings business. Special advertisements in the local papers and the distribution of blotters, booklets and letters to over 12,000 names seek as the objective an increase in savings accounts and balances, it is said.

L. W. Craig, C. A. Rude and C. T. Wienke, Vice-Presidents of Security-First National Bank of Los Angeles, Calif., have been elected to the bank's managing committee, thereby enlarging the top management group to six members, the other three members being J. F. Sartori, veteran Chairman of the board; George M. Wallace, President, and James E. Shelton, Chairman of the Executive Committee. With resources of more than \$1,400,000,000, Security-First National is now, it is stated, the nation's twelfth largest bank. It has 116 offices and branches in Southern California. Mr. Craig joined the bank in 1922, after entering the banking business in 1907 at the Central Savings Bank & Trust Co. of Monroe, La. Later he held executive positions in banks in Illinois and Texas, and for a brief period was an examiner with the California State Banking Department. He is Chairman of the bank's central credit committee, and a member of the executive and real estate committees, and

UNRRA Plans Emergency Relief to Suffering Areas in France, Belgium, Etc.

Emergency relief to specially suffering areas in France, Belgium, Luxembourg, the Netherlands and Norway by the United Nations Relief and Rehabilitation Administration was authorized on Feb. 28 by a unanimous vote of the organization's Central Committee, said special advices on that date from Washington to the New York "Times" in which it was stated that Herbert H. Lehman, Director General, in making the announcement, said that the action allowed UNRRA to operate with limited supplies in areas where hitherto its activities were barred under restrictions confining it to non-paying countries. The emergency program's success will be contingent, he added, especially on co-operation of the armed forces and of the Governments furnishing and receiving supplies. Continuing the advices to the "Times" said:

The step follows a resolution adopted by UNRRA's Council for Europe Feb. 13 emphasizing the grave situation which had arisen in certain liberated areas, and the need for emergency action in advance of programs for civilian relief which had been delayed because of lack of shipping space and other obstacles.

No formal requests had been made to UNRRA for this emergency assistance, Mr. Lehman said.

"It must be emphatically pointed out," he asserted, "that we shall fail unless we are implemented by supplies, ships and inland transport. We have no ships and no supplies of our own. UNRRA is not a super-state. It is a creature of the governments which created it. We cannot commandeer ships; we cannot demand supplies. We can only hope that means will be found to enable us to carry out this urgent work."

Supplies, he continued, must be contributed by the United States, the United Kingdom and the other United Nations having stockpiles, and the armed forces must release vessels. It was to be foreseen, he added, that the supplies must in a large measure travel on the ships already allocated to the countries where they would be sent.

Governments able to pay in foreign exchange will be expected to do so, but the question of payment was left for arrangement between the Director General and the governments concerned.

also is a director of Pacific Southwest Realty Co. and Security-First Co. Mr. Craig is also a prominent Western cattleman and an authority on cattle financing.

Mr. Rude began his banking career in Montana in 1919, after serving overseas with the United States Army in World War I. He joined Security-First National Bank in 1930, following a period of service with the Federal Reserve Bank of Portland and the Citizens National Trust & Savings Bank of Los Angeles. He is Vice-Chairman of the central credit committee and a member of the executive committee. Mr. Rude is also a director of the Pacific Southwest Realty Co. and the Los Angeles Trust & Safe Deposit Co. He is a Past President of the California Bankers Association and Robert Morris Associates.

Mr. Wienke entered the banking business in 1915 at Utica, N. Y., where he became Assistant to the President of the Citizens Trust Co., predecessor of the First Bank & Trust Co. Previously he had spent several years in the railroad business. Mr. Wienke became associated with Security-First National Bank in 1923. He was elected Auditor in 1926, General Auditor in 1929, and Vice-President in 1934. He is a member of the executive committee and central credit committee. He is also Vice-President and director of Pacific Southwest Realty Co. and Los Angeles Trust & Safe Deposit Co. and a director of Security-First Co.

Supplies sent by UNRRA will be distributed by the government of the country being aided, but UNRRA officials will be allowed to observe the distribution.

Stockpiles of supplies are known to exist in several countries, and Mr. Lehman indicated UNRRA's intention of endeavoring to obtain release of goods, limited in quantity and kind from these stockpiles as the swiftest means of procurement.

One aspect of the shipping problem was that some vessels for this work might have to be taken from those already allocated for UNRRA's activities in other countries. Supplies now are ready for loading for Poland and Czechoslovakia, and stockpiles accumulated for other countries. But these countries have offered their cooperation in the emergency measures, it was learned.

Guaranty Trust Co. Reopens Paris Office

The reopening of the Paris Office of the Guaranty Trust Company of New York was announced on March 2, by J. Luther Cleveland, President of the company. The branch again occupies its pre-war quarters at 4 Place de la Concorde in the historic building known as the Hotel de Coislin, one of the group of 18th Century buildings adjoining the American Embassy and fronting on the famous square.

Vice-President Robert F. Lorie, head of the Company's Foreign Department, and former American official of the Paris Office who came to New York during the period of German occupation, have been in Paris in recent months making arrangements to reestablish operations there, with a view to serving again not only the U. S. Government and armed forces, but also the many former clients of the office there and others. In advising by cable that the office is again open for business, Mr. Lorie emphasized that business conducted by the branch at this time is, of course, subject to licensing, exchange control, and other regulations of the United States and France. The trust company in making known the reopening of the Paris offices said:

"The Guaranty Trust Company has maintained an office in Paris since 1917. During the last war it served as a depository for the United States Treasury for the payment of expenses of the American Army, and continued to serve the American and Allied Governments in many financial capacities throughout the war. In the years of peace that followed, the office served a large clientele of American and foreign commercial interests and individuals.

"When the occupation of Paris by the Germans became imminent in 1940, the principal business of the Guaranty branch was first transferred to Vichy and subsequently suspended until the present reopening. During the occupation the company was out of touch with its Paris staff, but through the State Department it was learned that the bank's Paris premises were requisitioned by the German occupation forces and out to their own military uses. The interior of the building was undamaged, however, and during the street fighting in the Place de la Concorde at the time of the liberation of Paris the exterior suffered only slight bullet scars in the stonework of the facade."