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The Financial Situation

It is to be hoped that the controversy which broke out in Washington late last week about "the decline in war production" in the automobile plants will bring sharply again to the attention of the American people a situation which they can not afford to overlook or neglect. It is asserted that production is down at least 25% and it may have declined double that much. It is not clear from the press accounts whether the comparison is between prewar and present production rates, or whether the reduction in efficiency has occurred within a more recent period. Nor is it clear whether the decline is in output per man hour of labor, or in production due in part perhaps to man hours of labor lost needlessly. Both official statistics and consensus among those who live through these things are, however, agreed that productive efficiency in many places in this country leaves much to be desired—indeed may well pose one of our most trying post-war problems. The situation is the more serious by reason of the fact that wages meanwhile have greatly increased, and are still moving upward despite all the talk about this or that "formula."

Many Industries Involved

There can be no doubt whatever that the situation is one which touches not only the automobile industry but virtually every industry in the land. It is next to impossible to compare present output per man hour with that of peacetime in those industries which are making things quite different from those manufactured prior to the war. There are other limitations on statistics bearing on such a subject. One may be excused for maintaining a certain skepticism about statistics of this sort. But there is absolutely no reason to doubt the testimony of official figures to the effect that in prac-

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From Washington Ahead of the News

By CARLISLE BARGERON

This is really a society article because it has to do with Washington's being agog, as the expression goes, about the forthcoming meeting of the peace-loving nations at San Francisco on April 25. This is only the middle of March and there are likely to be a lot of people hereabouts discomfited, if not actually suffering, from fuel shortage between now and the date of that fashionable gathering on the Pacific Coast. But like the sturdy people of France and Yugoslavia, it is pretty hard to get our spirits down when in the offing we have such a delightful conclave to look forward to.



Carlisle Bargeron

Out in the hinterlands, one might think that we are deeply engrossed these days in purely mundane things such as the manpower bill, the bill to perpetuate the Fair Employment Practices Committee, the scandal in the Commodity Surplus Corporation, the fact, just admitted by the War Food Administration, that the many agencies grabbing for food for other peoples are duplicating their efforts and causing an awful mess with the home front food supply; one might think that these purely practical and serious matters are holding our attention, but it is not so. The members of Congress

concerned with these matters are unhappy; their wives are asking them why they do not go into the more interesting study of international affairs; it is difficult for them to get publicity on their work.

The Washington papers are filled day after day, particularly the society columns which have so much more influence on human behavior here than elsewhere, with who is going to the San Francisco conference, who is going to give a cocktail party, what one intends to wear. The Washington correspondents are mostly taking time off from their usual work to sell their editors on the proposition that this is the biggest of all things and that they really won't be able to hold up their heads in the future unless they are on the scene.

Some of my acquaintances and friends in Congress, who are a pain in the neck to their wives and daughters because they won't "Just quit thinking and get in on the parade," are asking without getting any intelligent responses, just what will be fundamentally different in the world after San Francisco from what it has been

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American World Policy for Peace and Progress

By COMMANDER HAROLD E. STASSEN*

Delegate to the San Francisco United Nations Conference,
Ex-Governor of Minnesota

Prominent Republican Statesman Lays Down Seven Cardinal Points for World Peace; Comprising (1) the Recognition of "One World"; (2) the Abandonment of Extreme Nationalistic Sovereignty; (3) the Merging of Our Own Peace and Welfare With That of Other Nations; (4) the Advancement of Other Nations; (5) the Freedom of Information for All; (6) the Maintaining of a Strong Military and Naval Force to Suppress Aggressions; (7) the Maintenance and Protection of Our Democracy Based on Private Capital and Free Enterprise, While Allowing Others to Decide on Their Own Form of Government. Says There Is "Room for All Peoples" and Urges Action to Spread Ideals of Freedom and Justice.

Governor Thye, President Coffey, Friends and Fellow Citizens:

In these last three years, America, with her allies, has won a

long series of brilliant, historic victories in this war. The names stand out as grim markers of our march toward victory, from Guadalcanal and Casa Blanca to Iwo Jima and the Rhine.

For generations, these battles will be symbols of how Americans, who love peace, can and will fight when they must.



Harold E. Stassen

fight when they must.

The superb productive power of our country has played a heavy part in these victories and has contributed to the strength of the other United Nations. American labor, management, capital and agriculture are entitled to high commendation for their performance. The flow of supplies and munitions and ships and

*An address by Commander Stassen at the University of Minnesota, sponsored by the Minnesota United Nations Committee and broadcast by the Columbia Broadcasting Company, March 7, 1945.

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planes and guns has been nothing short of a miracle.

The victories have been actually won by the unbelievably heroic and effective fighting of those wise-cracking, good-natured, beloved American sons of yours on the battlefronts of the world.

They take off from rolling carrier decks, or advanced airfields, penetrate thick, soupy weather, fight their way to enemy strongholds and deal devastating blows. They wade into beaches in wave after wave regardless of the whirr of machine guns, the wham of mortars and the blast of bombs. They slog and worm their way up to blast and burn pillboxes and caves. They stand by their guns and pour out their fire in

the face of diving planes or roaring counter fire or charging tanks. They take their guns, their planes, their tanks, their ships, their subs, their small boats, anywhere and everywhere to strike an enemy or support a pal. They die doing these things. They die, and others like them take their places.

With splendid military leadership from the Commander-in-Chief, and from Generals like Marshall, Eisenhower, MacArthur and Arnold, and Vandegrift, and from Admirals like King, Leahy, Nimitz and Halsey—they have brought us within sight of the final victory.

That final victory must be our No. 1 aim until the last enemy has surrendered. Nothing must divert us from following through

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Low Interest Rates No Stimulant To Building Activity, Says Mahan

Private Enterprise Needs No Subsidy In Post-War Building

Private enterprise needs no Federal subsidy of any kind to carry out even the most optimistic estimate of postwar construction, L. E. Mahan, St. Louis, President of the Mortgage Bankers Association of America, told members of the Mortgage Bankers Association of New Jersey at their meeting in New York on March 8 at the Hotel New Yorker. More than 150 mortgage bankers from Northern New Jer-



Lawrence E. Mahan

sey and metropolitan New York attended the dinner. Mr. Mahan quoted statistics to show that there is ample capital available in all groups of mortgage lenders, including insurance companies, banks and other investors, to adequately finance the postwar building expansion. He said it is a myth to say that "private interest won't be able to do the job so the government must step in." Another myth in the real estate financing field, Mr. Mahan said, is some of the current thinking about interest rates. He stated that "experience will not support the contention that lower interest rates will stimulate building. The

cost of carrying a 4½% mortgage, as contrasted to a 3½% interest rate, on a \$5,000 loan is so slight that it does not, in my opinion, materially affect the real estate market. It is far more important that the rate be kept at that level which will induce capital investments in the field.

"Consider the experience in the farm loan field. Government entry into that field, with rates far below current levels, drove capital away and credit facilities available to the farmer now are not as adequate as they were 25 years ago. If there is any class of people in the country which should be demanding better housing it is the American farmers—but remember that the government has been active in this field since 1917, the inception of the Federal Farm Loan Act."

Mr. Mahan said another myth is that the government has already taken over most of the mortgage business. This contention is not true, he said, and declared that statistics which he had com-

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Aid to Veterans

Roger W. Babson Discusses G. I. Loans and Education

BABSON PARK, FLA.—I am astonished by figures just released. These show that over 3,600,000 draftees have been turned down because of



Roger W. Babson

poor physical condition and over 1,600,000 discharged; while the average intelligence of the entire army equals only that of a 13-year-old boy. Loans and Education Yet, politicians pretend that this situation can be remedied by loaning each returning soldier from \$2,000 to \$10,000, or by giving him \$500 per year plus \$50 per month to get some kind of a diploma! I am glad to have veterans receive these gifts; but they must not think the loan or the diploma will enable them to operate a business successfully or even to hold a good job.

It would be far better for the Government to help these men develop self-mastery and constructive thinking—to use themselves as a laboratory instead of tothering with some college laboratory. The truth is that their brains have been in a concentration camp for the past few years. The veterans' future depends upon the use of their brains, in hard constructive thinking under expert guidance.

Your Boys' Brains

Without doubt the United States will enjoy a few years of "prosperity" following World War II. Certainly this will last until the people spend the money which—since 1940—they have been accumulating. What will happen thereafter will depend upon the thinking powers of the returning soldiers. G. I. loans and free education will not keep people employed. In fact, why should any man expect any other man to employ him? Why should not all have initiative and originality enough to create their own jobs?

The answer to the above question is that very few people have been taught to do original and constructive thinking. This is a basic cause of unemployment and one which must be rectified. Here

are matters of great importance to every parent: Has your boy a definite goal in life? Has he self-control and self-mastery? Has he imagination, energy and stick-to-it-iveness? Has he been "born again" spiritually? Is he returning from the war more or less thoughtful—with better habits? The answer to these questions by honest mothers will determine whether the United States' debts will be paid or repudiated as well as our post-war employment situation.

Great Discoveries Ahead

At the Adult Conferences to be held at the Babson Institute in April and May these questions will frankly be discussed. Parents will then be given definite help by experts. The first step is to realize that body, mind and soul are one, and that a truly spiritual rebirth is the most effective foundation for a useful, healthy and happy life. But those attending these courses will learn of other methods of stimulating men which have untold and unlimited possibilities.

The future of your boys after the war will not depend upon money or college diplomas but upon self-mastery and brains. Neither of these needed assets is secured by reading books or by listening to the radio. They will come only through self-development, hard thinking and bitter experience unless some entirely new methods are discovered. Personally, I believe such discoveries will take place. Hence, I am optimistic as to the future. There should be hundreds of thousands of Edisons, Einsteins and Fords!

Encourage Employers

Heretofore, brain surgeons and psychiatrists have worked only with the insane or those who are broken-down nervously. In the new era following World War II, I believe they will work with normal boys to stimulate their thinking and personal powers. You see immediately that this has tremendous possibilities and could completely revolutionize educational methods as well as religious work. We will have more and better employers. Let every reader encourage the employers which are now carrying the burdens of the war and are preparing for the new tasks of the peace years ahead.

Rationing the Having of Babies!

Webber College Speaker Says This Is the Real Purpose Of Unconditional Surrender

"Most of the published methods for preventing World War III is the bunk. Stalin knows what should be done; but Churchill and Roosevelt dare not now mention it. They fear the Catholic and other churches. Perhaps it was concerning this one and only solution to the German menace that Harry Hopkins recently went to Rome to see the Pope." With this sentence, Col. J. J. Kerrigan, late Assistant to the U. S. Ambassador to Russia, opened his speech on Feb. 23 at Webber College, Babson Park, Florida. Col. Kerrigan is a statistician rather than a politician. He traced both World Wars I and II to the forced birth rates of Germany, Japan and Italy. He insists that only by restricting these birth rates for a reasonable period can the curse of militarism be eliminated. Continuing, he said:

"It is a joke to talk about re-educating these Huns; education must come from within not from without. Certainly you can't force it upon people who don't want it. Hanging the Nazi leaders to sour

apple trees may satisfy our hate but it will be wasted effort. Dividing up Germany into spheres of influence will only plant seeds for more trouble later. Reparations that can be collected will be a mere flea bite. Unless the German, Japanese and Italian birth rates are regulated the Dumbarton Oaks program will completely fail and there will be another World War 25 years hence."

Col. Kerrigan then explained the hair-raising details of how the United Nations can regulate these birth rates at minimum cost and with a tiny police force. Briefly, it would consist of rationing the pregnancy of women in the above three countries to the average annual rate enjoyed by the United Nations. Said Col. Kerrigan:

"The rationing of having babies could be easily and fairly accomplished through the following three laws: (1) Any unmarried

woman allowing herself to become pregnant shall be sterilized on the first offense. (2) The husband of any married woman who exceeds her ration allowance of babies shall be locked up for three months on the first offense and sterilized on the second offense. (3) The governments of the defeated nations shall give free and full contraceptive instructions and materials to all married persons."

Col. Kerrigan claims that it is commonly recognized by most diplomats that this is the only practical and fair solution to the problem which the United Nations are facing and that they said so 25 years ago. He further believes that population experts have preached this to the League of Nations and that it was discussed at the Dumbarton Oaks Conference. Yet, owing to the influence of the military and the churches it has been kept under cover and out of the newspapers. "The fact nevertheless remains," concluded the Colonel, "that unless the birth rate of these three enemy nations is systematically restricted for many years to come this war will have been fought in vain."

There were several other able speakers at the Conference. Dr. Spangenberg forecasted two or three good business years after the war, followed by a severe depression after 1950. Dr. Mooney stated that Florida is headed for another boom. William Less is sure that oil is to be found in Florida in vast quantities sufficient to pay all the State's running expenses and eliminate the necessity of all State taxes. Mr. Babson spoke on investments and especially recommended the good merchandising stocks. Dr. W. Brewer Eddy closed the Conference appealing that only a spiritual awakening can save the post-war world.

Norway's Central Bank Credit Agreement

Norges Bank, London, through its resident representative, has made arrangements with a group of New York banks, headed by The National City Bank of New York as agent, for a credit line of \$16,000,000 available to Norges Bank upon liberation of Norway, subject to review of political and economic conditions at that time. It is announced that the credit is revolving, running for a period of three years from the effective date, with interest at 2% per annum for loans up to two years and 2½% per annum thereafter until the expiration date. The terms also provide for a commitment commission of ½% per annum after the effective date on the unused portion of the credit. No pledge of assets is involved. It is further announced:

"The funds may be drawn upon as direct cash advances or by the opening of letters of credit. The purpose of the credit line is to facilitate the financing of essential requirements of Norwegian industry and trade during the post-war period. It will, through Norges Bank, be available to Norwegian commercial banks enabling the latter to resume active relations with their banking correspondents in the United States.

"Norway is not affected by the Johnson Act as no foreign loan on record has ever been in default.

"The participants in the banking group are: The National City Bank of New York, The Chase National Bank of the City of New York, Guaranty Trust Company of New York, Chemical Bank & Trust Company, J. P. Morgan & Co., Inc., Brown Brothers, Harriman & Company, The New York Trust Company, Bank of the Manhattan Company, Bankers Trust Company, Irving Trust Company and J. Henry Schroder Banking Corporation."

The State of Trade

The destruction of life and property presently taking place in Europe and other parts of the world will entail for the peoples and governments of those countries, so affected by a devastating war, a vast program of rehabilitation. There is little that can be done by a united world to restore the lives that have been snuffed out in the struggle, aside from implementing the will for permanent peace by positive action. The task, however, of rebuilding war-torn areas to some semblance of their former habitable and productive state, while tremendous, is not near so difficult to achieve.

Up to the present time, Russia, France, Czechoslovakia, Belgium, Greece, and Yugoslavia have expressed the desire that post-war loans or credits be extended to them. The amount requested by Soviet Russia alone in the form of a post-war credit stands at \$6,000,000,000.

In seeking these funds which are entirely apart from lend-lease, which is limited to the prosecution of the war and according to schedule terminates with the end of hostilities, their purpose is understood to be the rehabilitation and reconstruction of the war-torn industries, transportation systems, public utilities, and cities and towns of Europe, and in the case of Soviet Russia and China, the development of natural resources.

From the news coming out of Germany in recent weeks, no matter what one's personal feeling in the matter may be, she too, will need much assistance along similar lines to help ward off internal revolution and promote greater tranquility in the world.

These government-to-government loans would be extended for use during the transitional and post-war period, on a long-term, low-interest basis. According to "Business Action," a weekly organ of the Chamber of Commerce of the United States, "One of the favorable results anticipated from the extension of post-war credits is an expansion of foreign trade. Instead of credits for non-productive projects, it is expected that the loans will be made for production developments and self-repayment enterprises. This, of course, raises the consideration of ultimate competitive effect on the world markets." The matter of repaying these loans must be given major consideration and since the United States has an abundance of gold, it is felt that imports would very likely be the chief means of repayment other than gold.

"Business Action" observes that prosperity in the United States is the basis for a large and increasing volume of foreign trade and rounds out its point by saying, "If the United States is to operate its existing productive capacities expanded during the war, not only will it need prosperous home markets in which to sell those products on a larger scale than before the war but it will need broader foreign markets."

To accomplish this objective the United States will need to make investments abroad to inject new life into the economies of our customers and increase ability to buy and improve their living standards. Our country in the past has been endowed with an excess of merchandise exports over imports, "Business Action" notes, and many of our industries have had to seek a foreign outlet for their surplus production and by so doing have lessened the problems of employment at home.

The interest of the United States in foreign trade, asserts the organ, is greater than wholly economic considerations alone suggest, since in view of its tremendous economic resources, in relation to the world economy, it must bear a greater burden in assisting world prosperity through a larger and stable volume of foreign trade and foreign investments than before the war.

New Capital Flotations in February—Corporate issues brought

out during the month of February aggregated \$188,257,290 as compared with \$315,020,703 in January and \$158,761,995 in February, 1944. The February total with the exception of the \$132,785,499 reported in December, last, during part of which the Sixth War Loan Drive was conducted was the smallest since June, 1944, when \$120,377,691 was recorded. Of the February total, \$26,925,290, or 14.4%, was for new capital purposes and \$161,332,000, or 85.6%, for refunding.

In this respect the month's financing follows the trend of the previous 13 months, during which refunding operations accounted for the greater portion of the financing.

It should be noted that railroad issues made up the bulk of the month's emissions, the total being \$109,577,000, with utilities taking \$60,000,000, investment trusts \$9,232,000, and other industrial and manufacturing \$9,448,290.

Issues placed privately during February aggregated \$29,600,000, comprising four issues and representing 15.7% of the total. This compares with \$56,414,000 so placed in January, accounting for 17.9% of that month's total. The greater part of the February total comprised the private placement of the \$25,000,000 Shawinigan Water & Power Company bonds.

Steel Industry—Following the WPB's request to steel mills to eliminate orders invalidated by adjustments in war programs, the difficult job of unraveling tangles in the steel delivery situation got underway the past week. 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, states "The Iron Age," in its current review of the steel market.

Directives although slightly lower in volume than a month ago, continued the past week to reach mills in substantial quantities, notwithstanding the effort now being made to clear mill order books of orders now considered not urgent. This effort to reduce carryovers so that delivery promises really mean something to the consumer, will be no small task and may take considerable time, the magazine points out. In the interim 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 ODT would be cut by 30% followed by heavy cuts in other civilian programs, has as yet not been felt on steel mill schedules for that period. Some mills 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.

One difficulty carbuilders will encounter in accepting the cut for second quarter car construction from 13,500 to 7,500 units will be the question of which cars are to be eliminated. Unless such notification is soon forthcoming, April rolling schedules will be so firmly crystallized that difficulty will be met in lifting out eliminated tonnages and replacing them with material of a different sort.

Reflecting the complications in the reshuffling of steel deliveries for the second quarter, is the (Continued on page 1186)

Production, Not Laws, the Key

"The Inter-American Conference resolves:

"(1) To consider of international public interest the enacting by all the American republics of social legislation that will protect the working class and that will embody guarantees as well as rights on a scale not inferior to the one recommended by the International Labor Organization.

"(2) To establish in all countries of the hemisphere a minimum living wage, computed in accordance with the living conditions pertaining to the geography and economy of each American country; that this salary be elastic and related to the increase in prices, so that its remunerative capacity protects and increases the purchasing power of the worker.

"(3) To develop the application of social insurance for illness, old age, disablement, death, maternity and unemployment.

"(4) To provide for services of preventive medicine, protection of women and children, nutrition and enactment of necessary legislation to establish adequate means of hygiene, industrial insurance and professional risks."—From a resolution of the Inter-American Conference on Problems of War and Peace.

Hard work, close and constant attention to effective production, and not "social legislation," "social insurance" and the rest have the power to provide these things.

Shall we never learn this simple fact?

The Guaranteed Annual Wage

First National Bank of Boston Upholds Its Desirability but Points Out That in Many Industries It Would Be Impractical and Have Disastrous Effects on Business.

The "New England Letter" of the First National Bank of Boston of Feb. 28 discusses the implications of the proposal for a guarantee of annual wages to employees, which it states, "may well become the dominating issue championed by Major Labor Groups in 1945."

"The proposal of providing a guaranteed annual wage for factory workers," it is remarked, "has taken the form of a nationwide campaign. It is presented at this time on the contention that the Government has given guarantees for immediate post-war security to both agriculture and industry; to agriculture in the commitment to keep farm prices at 90% of parity for two years following the war's end; and to industry in the carry-back and carry-forward provisions of the income tax law. The National War Labor Board was unsympathetic toward the steel workers' arguments along this line, nevertheless agitation for the guarantee of annual wages continues and it may well become the dominating issue championed by major labor groups in 1945."

"Since this issue," continues the article, "has such far-reaching consequences, far transcending surface indications, it is of the utmost importance that a searching analysis be made of the implications involved in the adoption of such a measure. The problem should be approached with sympathetic understanding in order that any decision may be made on the merits of the case.

"As to objectives, practically all fair-minded persons would agree in principle that it would be highly desirable if factory workers could be assured of an annual income, the same as given to the majority of white-collared employees and the key workers and officers of industrial firms. Stabilized employment would enable these workers to plan ahead, to have a sense of security, and not to be subject to periodic and unpredictable layoffs. Management would benefit by reductions in labor turnover and in absenteeism, and by more contented labor. Furthermore, it might serve as a spur to management to operate more efficiently, to iron out fluctuations in production schedules, to develop new products, and to establish more scientific control over costs. It obviously would

also greatly benefit any community to have its industries provide steady employment."

Objectives Laudable

"While the objectives of stabilized employment are undeniably laudable," states the letter, "the question naturally arises as to its practical application. The idea of an assured annual wage is not a new conception. Plans embodying modification of this idea have been tried by some companies with varying degrees of success ever since the 1920's. These earlier plans originated with management and were at first opposed by labor groups, but they have since become won over and are now its ardent advocates.

"Most of the plans guaranteeing an annual wage are confined to companies in consumer goods, service and distribution industries. In March, 1944, fifty-seven such plans were on file with the Wage and Hour Division of the Department of Labor. The majority were instituted by management although some of the most recent were started as the result of labor initiation. The setup of the several plans differs. Of forty-three giving guarantees on an annual basis, six were for from fifty to fifty-two weeks unconditionally, while nine others for the same period contained escape clauses for the company. Practically all of these plans have been started gradually, not including all employees at the outset. Some require a minimum term of employment before a worker can be included, while others depend on the cooperation of the workers to make up their pay in slack periods by working longer hours in busy periods, just as the farmhand gets the same pay the year round in spite of the seasonal nature of his work.

"So far the plans have proved successful in the case of a mere handful of companies in consumer goods lines turning out standardized products for which demand is steady and whose annual production can be fairly well anticipated. In some instances it was necessary to revamp the sales organization and to eliminate the

marked seasonal industrial production. In these lines, however, it is possible to produce for inventory as the output is absorbed in the course of the year."

When Proposal Would Fail

Following this argument it is pointed out that "when it comes to the extension of this plan to most types of durable goods and consumer goods subject to frequent style changes, formidable obstacles arise. In the heavy goods industries, such as steel, the storage space for the continued high level of production in slack times and the financing of this non-earning inventory would make impossible the adoption of such a measure. What would happen under such a situation has been clearly brought out by a study made by a leading steel firm. The survey covered 1937, the best representative year for the purpose of this proposal, and found that if the company had kept a full force and continued maximum operations the year round, costs would have been 582 million dollars more than what would have been received from customers, and in addition six million tons of inventory would have been on hand at the end of the year. If production had been curtailed to avoid piling up unwieldy inventory but workers paid while not working, costs would have been 281 million dollars above receipts from customers.

"The situation would be even worse, in some respects, however, in the case of the durable goods industries subject to swift technological changes, customer specifications, and extreme fluctuations in demand for products such as locomotives, machine tools, electrical and textile machinery, farm implements and the like. Consumers goods subject to frequent style changes would also be seriously affected. In some of the foregoing lines, the piling up of inventory would not only tie up huge amounts of funds in non-income producing goods, but would involve the risk of accumulating unwanted goods that would have to be scrapped. The inevitable outcome of forcing manufacturers to institute guaranteed wage plans when unable to carry such a load would be either bankruptcy or the Government would be forced to come to the rescue with huge Federal subsidies that would be passed on to the taxpayers."

Small Firms would Be Hit

"Such a proposal," it is stated, "would hit hardest the small firms that do not have the reserve to draw on for slack periods, nor the credit standing for making commitments involving tying up funds in non-profitable inventories. In this connection it is well to emphasize the fact that 35% of all firms in the country employ less than 50 workers. At a time when so many proposals are being made to help small firms, it would be most unfortunate should they be compelled to adopt a plan that would drive them out of business.

"The most serious objection to such a measure would be the disastrous effects it would have upon new business enterprises. Since the 1930's, even under the most favorable conditions, there has not been much incentive to embark upon new ventures because the prospective returns have not been commensurate with the hazards involved. To impose this heavy and unpredictable commitment would be like placing a stone wall in the path of the would-be enterprisers. This would be particularly unfortunate since many of the returning veterans are planning to start their own factories. To resort to baseball parlance, they would have two strikes on them before they came to bat.

"Should legislation embodying this proposal for guaranteed annual wages on a nation-wide basis be imposed, it would have catas-

trophic consequences. It would automatically increase prices to the consumer, reduce consumption, and, if production were not curtailed in line with lowered demand, inventories would be increased to menacing proportions. This would result in a downward pressure on prices and usher in a depression. In order to guarantee an annual wage system in this country it would be necessary for the Government to guarantee national income. This in turn would involve absolute Federal control not only over production, wages and prices but also over consumption, including dictation about the kind and amount of goods that consumers can buy. In other words, the logical sequence of this proposal is the creation of a Frankenstein that would destroy private enterprise and also trade unions, and out of the wreckage there would emerge a totalitarian state. Under such a regime, wages could be guaranteed but they would provide a mere subsistence, and even such a standard would be accompanied by the disappearance of individual freedom.

The crux of the problem involving the proposal for an annual wage is, therefore, the inability to control demand under our American system which has been built up and continues to revolve around the principle of the freedom of consumers' choice at the market place. The issue, there-

fore, narrows down to whether this choice shall be exercised by consumers as freemen or as serfs under dictation by the bureaucrats of an all-powerful state."

In concluding the arguments against the proposal the statement is made that "this does not mean that serious consideration should not be given to the extension of the annual wage plan on a sound basis whenever it is possible to do so. It can be set up with modifications as a goal for certain sections of our economy that lend themselves to this proposal. In only a few cases, if any, however, could these guarantees be established as quickly or as completely as the current demand of labor leaders would seem to indicate.

"Above all, in formulating plans for the betterment of the factory workers we should beware of high-sounding slogans that arouse false hopes and incite class conflicts, but the pursuit of which can lead only to disaster.

"It would seem that the wisest course to follow would be for management and labor through cooperative and voluntary action to explore the field and then strive to apply the proposal for a guarantee of annual wages to those areas of our economy where it can be done effectively, for to take any drastic steps in this direction would be fraught with gray perils to all, and particularly to labor."

Allies and Swiss Reach Accord on Foreign Trade Document Provides for Regulation of Switzerland's Trade With Belligerents and Use of Country's Transport Facilities

Allied and Swiss delegations, matters concerning Switzerland's signed a document at Bern, Switzerland, on March 8 regulating Swiss trade with belligerents and transport facilities across Switzerland, it was announced officially, said Associated Press advices from Bern, which as given in the New York "Herald Tribune" also added:

The British and American delegations left for Paris, well pleased at the outcome of the negotiations.

The Anglo-American representatives went to Switzerland with the intention of stopping Swiss exports to Germany and the rail traffic across Switzerland between Germany and northern Italy. One of their strongest trading points was the Swiss need of food and raw materials from overseas, which must pass over Allied territory to reach Switzerland.

Terms of the agreement reached were not disclosed, but an official statement at conclusion of the negotiations and the tone of statements by the heads of the Anglo-American mission indicated results were quite satisfactory to the Allies.

Lauchlin Currie, special assistant to President Roosevelt and head of the American delegation, said that the Swiss would share in the Allied victory. Dingle M. Foot, head of the British delegation, promised that the Swiss would participate in expanded world trade expected after the war.

Walther Stucki, member of the Swiss delegation, said that Switzerland was unable to accept some of the Allied demands, "which, however, was fully recognized by the Allied delegations," and emphasized that "Swiss neutrality remains unimpaired."

Currie received from Edouard Von Steiger, President of the Swiss Confederation, a letter for President Roosevelt. At a press conference for Swiss and Allied correspondents, in the presence of the heads of the three delegations, this statement was read:

"Negotiations by Swiss and Allied delegations have ended. Complete agreement was reached on all matters under discussion. The negotiations were carried on in an atmosphere of the greatest good will. The Allied governments

reaching complete agreement on "unique position as a neutral,"

fully understand Switzerland's unique position as a neutral, which they always respected. There has been give and take by both sides.

"The subjects on which agreement was reached include Switzerland's foreign trade with both belligerents, transport of goods by Swiss railways, the export of Swiss electricity, steps which have been or will be taken by the Swiss government to prevent the concealment of looted property in Switzerland, the supply of food and raw materials from overseas to Switzerland and transit across France.

"It is particularly satisfactory to the Allied delegations that they were able to reach an amicable understanding with the Swiss on the use of transit facilities across Switzerland and the export of goods and electricity. Early in the negotiations they noted appreciatively the action of the Swiss government in blocking German funds and the prohibition of dealings in foreign currencies. Other measures have been agreed upon.

"A great part of the time was spent in discussing the practical problem of how goods of which there is a world scarcity can be made available to Switzerland and how these can be transported by sea and land. The Allied delegations fully realized this is a vital matter for Switzerland and made every effort to insure that a fair share of world supplies is available to Switzerland and that as far as circumstances allow they actually will reach the Swiss frontier."

Spring Meetings Cancelled

The United States Savings and Loan League has cancelled, in response to the ODT request, two regional spring meetings of savings and loan association executives, the North Central Savings and Loan Conference held in Chicago the past 13 years, and the Southeastern Group Conference which has, in past years, rotated among various southern cities. The announcement is made by W. M. Brock, Dayton, Ohio, president of the League.

The Financial Situation

(Continued from first page)

tically all industries output per man hour has increased very much less than hourly wages—indeed, that in a substantial number of industries where it is relatively simple to measure productivity, output per man hour has not increased at all, but declined during the war period.

Any decline in productivity or even failure to show marked and relatively constant increases in man hour productivity in existing circumstances must be taken very, very seriously. The steadily rising wage scales, the greatly abbreviated work week, and the steadily mounting investment required to maintain employment for one man—these and allied developments of the past decade or more make it imperative that man hour productivity mount rapidly and relatively steadily if stagnation or rapidly rising prices are to be avoided in the post-war years. Economists have got into the habit of describing the great increase in production which followed most of the wars of the 19th century, and which tended relatively quickly to heal the injuries sustained during them. What many of them have not realized, or at all events have not always made clear to their readers, is the fact that this increase in production was in very substantial part the result of steady and at time rapid growth in populations.

Post-War Productivity

The rate of growth of the population in the United States has been declining for many decades, and has now reached a relatively low figure. Most students of the subject expect population to cease to grow at all in another 25 or 30 years. They can predict with a large degree of certainty that with this decline in the rate of increase of the population, the average age of the American people will become greater with the result that an appreciably smaller proportion of the people will be in those age groups when productivity is at the highest. If we are to have a rapidly rising total production, in the years that are ahead, per capita production (which is obviously something quite different from output per man hour) must increase a good deal faster than it has been during the past two or three decades. With the shorter work week which has apparently now grown to be a part of our "mores," this can mean only one thing. That is that output per man hour must be greatly enlarged after the war.

When, however, we study the situation, it is not always easy to feel a great deal of encouragement on this score.

Of course, the pressure for constant improvement of process and mechanism—what is known as technological progress—will continue to be tremendous. Whether human ingenuity can continue to offset—indeed much more than offset—as it must to meet the requirements—the reduction of human effort men appear willing to devote to production is a question which must give us all our moments of deep uneasiness. Returning to the automobile industry, take this factual account—which apparently is not seriously contested, probably could not be—of what is happening in the shops of these corporations. According to the New York "Times" such instances as these were described as "daily occurrences":

One hundred and thirty-eight workers parading through an automotive plant in "protest" because management wanted the State safety laws obeyed.

Tank-test drivers refusing to test their tanks because the test track was too dusty; after wetting, because it was too wet.

A worker who grabbed a foreman by the throat and brandished a knife.

Two workers throwing a foreman out of the door because he had been told by management to replace another foreman held incompetent.

Three hundred "howling" workers beating up a small group of labor-relations men and plant guards, destroying an office, including furniture and records.

Six girls threatening to beat up another girl if she did not "quit working so hard."

A drunken worker striking a superintendent.

A shop committeeman telling an inspector: "I'm telling you and the inspectors they (the workers) can go anywhere they want to and smoke" in violation of shop rules and contract provisions.

A crew of welders striking six times in four days to force the ouster of another welder.

The threat of a strike because the union wanted an inexperienced girl on the seniority list to take the place of "a worker who learned her job too well."

Start of a strike to prevent promotion of a production worker to a foremanship.

A union shop committeeman refusing to cooperate when a foreman requests workers to work overtime and make up for production lost through a breakdown.

Stoppage resulting when a worker is disciplined for making a knife in the furnaces during working hours.

Labor leadership is almost incredibly short-sighted and utterly without any real sense of responsibility, even to the welfare of its own groups, if it supports or even condones such behavior as this. If it is really unable to put a halt to it then we must conclude that the wage-earners concerned are no longer willing to submit to that measure of discipline (self imposed or otherwise) that is essential to collective productive effort of first class effectiveness.

The disinterestedness of labor leaders generally in productive efficiency, their readiness to do many things

Mortgage Prepayment Dividends Announced

Approximately 13,000 home buyers who paid off in full mortgages insured by the Federal Housing Administration during 1944 will receive mortgage prepayment dividends in the next 60 to 90 days, FHA Commissioner Abner H. Ferguson announced on Feb. 24. These it is indicated are the first such payments to mortgagors from the Mutual Mortgage Insurance Fund established by Congress under Section 202 of the National Housing Act. "For the past five years," Mr. Ferguson said, "the FHA has paid all expenses and losses out of income under this section of the Act and now has approximately \$33,000,000 in the Mutual Mortgage Insurance Fund to pay future losses. We are now in a position to begin making mortgage prepayment dividends." The advices also state:

"The 13,000 persons who have paid off their mortgages in advance and who will receive these dividends were in group accounts which on Jan. 1, 1944, had a credit balance and they will receive anywhere from \$1.81 per \$1,000 of the face value of the mortgage to \$19.83 per \$1,000, depending upon the credit balances in the groups involved. In these groups, the home buyer with a typical \$5,000 mortgage will receive a payment ranging from \$9 to more than \$99, and on a \$10,000 mortgage from \$18 to \$198. The total amount available for the current distribution is \$288,000."

Reports Banks Active In "Planned Spending And Saving" Program

Banks of the nation are actively cooperating in the "Planned Spending and Saving" educational program sponsored jointly by the American Bankers Association, the Office of Economic Stabilization, the Office of War Information, and the War Advertising Council, with the cooperation of the Treasury Department. The ABA reports that 1,200 banks are already sponsoring the campaign in their own communities and have requested more than 12,000 pieces of advertising material, which was prepared by the War Advertising Council for use in local newspapers.

This material was offered to all the banks in the nation in an advertising copy campaign book, which was mailed through Association channels. It includes mats of advertisements to appear in newspapers, as well as suggestions for advertising by direct mail and for counter distribution. "The Planned Spending and Saving" educational program is endorsed by W. Randolph Burgess, President of the American Bankers Association, who is also Vice-Chairman of the board of The National City Bank of New York, New York. He said, "We must somehow stimulate and encourage savings—the planning of spending and saving by the people. These advertisements seem to us well adapted to use . . . they are designed to help us do our share in keeping the dollar sound and avoiding inflation."

which hamper it, the greatly swollen money supply, and the quite evident tendency of the day to concoct all sorts of schemes whereby loose credit and money management will seek to offset want of productive performance certainly do not, when taken in conjunction, offer a promising post-war picture.

U. S. Supreme Court Rules on Taxation of Gifts

Overrules Lower Court Decision In Case Involving Stock Transfer

Taking the widest possible view of the scope of "gifts" subject to the Federal gift tax law, the United States Supreme Court on March 5 defined that tax as applying to "all the protean arrangements which the will of man can devise that are not business transactions within the meaning of ordinary speech."

This is indicated in advices to the New York "Journal of Commerce" from its Washington bureau; it is pointed out in these advices that, rejecting a lower court ruling by which gifts would be limited to transfers where there is a "donative intent," the Supreme Court said "Congress intended to use the term 'gifts' in its broadest and most comprehensive sense."

The advices from which we quote continued:

The opinion of the Supreme Court was delivered by Justice Frankfurter in a case involving the taxability of a stock transfer, made by William H. Wemyss. Valued at \$149,465, the stock was transferred by Mr. Wemyss after an agreement made with Mrs. Wemyss before their marriage. He made the agreement to compensate her for loss of trust income which would follow upon her marriage.

The Supreme Court both held that the transfer was subject to the gift tax and that it did not come within the special provision which permits only partial taxation of such transfers where there is present some "consideration" although "less than adequate and full consideration."

In overruling the lower court,

the Supreme Court followed the reasoning of the Tax Court which had said that the Federal tax law is not limited by any common law "technical notions" about consideration. Hence, while recognizing that marriage was a valuable consideration to support a contract, the Tax Court had held that for purposes of the gift tax law it was not reducible to money value. Hence, provisions permitting the partial taxation of transfers where less than full consideration was present were held not to apply.

In a companion case to the Wemyss decision, the Supreme Court held taxable as a gift a transfer amounting to \$300,000, made in the form of an irrevocable trust. The trust was set up by Charles E. Merrill, resident of Florida, and was made prior to his marriage. In return, the prospective wife had released all rights that she might acquire as wife or widow in Mr. Merrill's property, except the right to maintenance and support.

On their gift tax return for the year of the agreement, Merrill and Mrs. Merrill reported creation of the trust but claimed no tax was due. It was urged that relinquishment of marital rights constituted "full and adequate consideration." The Supreme Court sustained the position of the tax collector that the transfer should be taxed as a gift.

Importance of Belgian Congo Products to War Efforts of United Nations Stressed at Forum

Contrary to the popular concept of "darkest Africa," the Belgian Congo, Central Africa was depicted on March 7 by the speakers on the Business Forum Radio Broadcast as one that definitely invites the interest and attention of U. S. business men, a country that has been making vast strides toward modernization, and is rapidly raising its standards of living, its educational and health facilities. This picture of the Belgian Congo as a market for American trade and a resort for the American post-war tourist, was painted at the Forum of the Commerce and Industry Association. Counselor of the Belgian Congo Government, Dr. Max Horn, who is also head of the Belgian Congo Purchasing Commission in New York; D. T. Bloodgood of Balfour, Guthrie & Company, Ltd., and Dr. Paul H. Brutsaert, head of the State Laboratory of Tropical Medicine at Leopoldville, Belgian Congo, were the speakers, with Gerald LeVine, Association Director and Chairman of the Foreign Trade Committee, as moderator.

"As regards Belgian Congo's imports," Dr. Horn declared, "the United States has become its largest single source of supply. In 1944 American exports to the Congo reached about \$30,000,000, as against less than \$6,000,000 worth of goods, mainly automotive vehicles and mineral oil products in 1938." As an importer from the United States, he said the Congo last year shipped more than one-third, or \$80,000,000 worth, to this country. Both Dr. Horn and Mr. Bloodgood stressed the vital importance of Congo products to the war effort of the United Nations. "The entire population of the Congo, white and negro," said Dr. Horn, "has exercised its utmost efforts towards supplying the needs of the United Nations." Its output, for example, in copper, tin, cobalt, zinc, manganese, uranium, radium, industrial diamonds and palm oil, was shown to have been far beyond what seemed possible only a few years ago.

Expansion of U. S.-Congo com-

mercial relations after the war would be the natural result, Dr. Horn believed, of the wartime trade. "The Congo Government," he said, "is convinced that a policy of free trade is most conducive to the welfare of its people. Congo importers have become familiar with American makes, and Congo exporters have learned to adjust the grading of various products to the especial requirements of the American market. The Belgian Congo Government has consistently favored private enterprise." Mr. Bloodgood emphasized the importance of palm oil, one of the Congo's chief exports, to our manufacturers of wartime metal goods. Due to the thoroughness of the Congo oil producers, he indicated, U. S. steel mills have a full year's supply on hand.

Canada Extends \$15 Million Credit to Czech Govt.

Under date of March 2, Associated Press advices from Ottawa stated:

Finance Minister J. L. Ilsley announced today that an agreement had been signed to provide \$15,000,000 in credits to the Czechoslovak Government. It was signed yesterday by Mr. Ilsley and Dr. Frantisek Pavlasek, Czechoslovak Minister.

The credits are to be used for purchase in Canada of supplies for rehabilitation and reconstruction of Czechoslovak economy as soon as possible after liberation.

The loan will bear interest at the rate of 2½% and is for five to nine years, repayable in five annual instalments.

Insurance Business Exempt From Anti-Trust Laws Until Jan., 1948; Bill Signed by President

Following the adoption by the House and Senate of the Conference report on the bill exempting insurance business from the anti-trust laws until Jan. 1, 1948, President Roosevelt signed the bill on March 9. The Conference report was adopted by the House on Feb. 23, while the Senate by a vote of 68 to 8 accepted the report on Feb. 27. With the House approval of the report Representative Francis E. Walter, Democrat, of Pennsylvania, author of the legislation, said the Senate conferees agreed on the House-approved extension of the moratorium date from June 1, 1947, to Jan. 1, 1948.

In offering his signature to the bill President Roosevelt issued a statement saying:

"I have given my approval to S. 340, the insurance bill, which passed the Congress last week. This bill grants the insurance business a moratorium from the application of the anti-trust laws and certain related statutes, except for agreements to boycott, coercion, or intimidation, or acts of boycott, coercion, or intimidation, until Jan. 1, 1948. The purpose of this moratorium period is to permit the States to make necessary readjustments in their laws with respect to insurance in order to bring them into conformity with the decision of the Supreme Court in the Southeastern Underwriters Association case.

"After the moratorium period, the anti-trust laws and certain related statutes will be applicable in full force and effect to the business of insurance except to the extent that the States have assumed the responsibility, for the regulation of whatever aspect of the insurance business may be involved. It is clear from the legislative history and the language of this act, that the Congress intended no grant of immunity for monopoly or for boycott, coercion or intimidation. Congress did not intend to permit private rate fixing, which the Anti-Trust Act forbids, but was willing to permit actual regulation of rates by affirmative action of the States.

"The bill is eminently fair to the States. It provides an opportunity for the orderly correction of abuses which have existed in the insurance business and preserve the right of the States to regulate in a manner consonant with the Supreme Court's interpretation of the anti-trust laws."

In advice from its Washington bureau, the New York "Journal of Commerce" on Feb. 27 reporting the acceptance of the Conference report by the Senate said:

Opposition to the conference report was raised by Senator Claude Pepper (Dem., Fla.), who asserted that the proposal invalidated the decision handed down last April by the Supreme Court holding that insurance is in inter-State commerce.

Senator Pepper contended that permitting States to regulate and tax insurance and granting a moratorium on application of Federal laws while the States perfect their laws would completely nullify the effects of the Supreme Court decision.

Senators who voted against the conference report were Mr. Pepper, Sheridan Downey (Dem., Calif.), Theodore F. Green (Dem., R. I.), Joseph F. Guffey (Dem., Pa.), Harley M. Kilgore (Dem., W. Va.), Lister Hill (Dem., Ala.), James E. Murray (Dem., Mont.), and John H. Overton (Dem., La.).

The conference report was defended by Senators Pat McCarran (Dem., Nev.), Homer Ferguson (Rep., Mich.) and Joseph C. O'Mahoney (Dem., Wyo.), members of the conference committee.

The conference bill grants a moratorium on application of the Sherman and Clayton Anti-Trust acts, the Federal Trade Commission Act and the Robinson-Patman Anti-Discrimination Act to the insurance business until Jan. 1, 1948.

It also provides that the Sher-

man, Clayton and Federal Trade Commission acts may be applied after that date if States have not adjusted their laws to provide for regulation and taxation of insurance.

Acts or agreements of boycott, coercion or intimidation may be prosecuted under the Sherman Act.

In noting the House action on the report, the Washington account Feb. 23 to the "Journal of Commerce" had the following to say regarding the bill:

In its final form the bill (S. 340) provides for a moratorium on application of the Sherman and Clayton Anti-Trust acts, the Federal Trade Commission Act and the Robinson-Patman Act to the business of insurance until Jan. 1, 1948.

It also provides specially after that date the Sherman Act, the Clayton Act and the Federal Trade Commission Act shall be applicable to the insurance business "to the extent that such business is not regulated by State law."

These two provisions represent a distinct compromise between the Senate and House versions of insurance legislation which the conference committee was appointed to resolve.

Original legislation had provided for permanent exemption of insurance from the Federal Trade Commission Act and the Robinson-Patman Anti-Discrimination Act. The Senate had sought to end the moratorium on application of the Sherman Act to insurance on June 1, 1947.

It was believed the conference committee report would be adopted as routine by the Senate. Observers regarded the bill in its final form as acceptable to the Department of Justice and there was little doubt that it would be signed by President Roosevelt.

The text of the bill follows: "Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that the Congress hereby declares that the continued regulation and taxation by the several States of the business of insurance is in the public interest, and that silence on the part of the Congress shall not be construed to impose any barrier to the regulation or taxation of such business by the several States.

"Sec. 2. (a) The business of insurance, and every person engaged therein, shall be subject to the laws of the several States which relate to the regulation or taxation of such business.

"(b) No act of Congress shall be construed to invalidate, impair, or supersede any law enacted by any State for the purpose of regulating the business of insurance, or which imposes a fee or tax upon such business, unless such act specifically relates to the business of insurance: *Provided*, that after Jan. 1, 1948, the Act of July 2, 1890, as amended, known as the Sherman Act, and the Act of Oct. 15, 1914, as amended, known as the Clayton Act, and the Act of Sept. 26, 1914, known as the Federal Trade Commission Act, as amended, shall be applicable to the business of insurance to the extent that such business is not regulated by State law.

"Sec. 3. (a) Until Jan. 1, 1948, the Act of July 2, 1890, as amended, known as the Sherman Act, and the Act of Oct. 15, 1914, as amended, known as the Clayton Act, and the Act of Sept. 26, 1914, known as the Federal Trade Com-

mission Act, as amended, and the act of June 19, 1936, known as the Robinson-Patman Anti-Discrimination Act, shall not apply to the business of insurance or to acts in the conduct thereof.

"(b) Nothing contained in this act shall render the said Sherman Act inapplicable to any agreement to boycott, coerce, or intimidate, or act of boycott, coercion, or intimidation.

"Sec. 4. Nothing contained in act shall be construed to affect in any manner the application to the business of insurance of the Act of July 5, 1935, as amended, known as the National Labor Relations Act, or the Act of June 25, 1938, as amended, known as the Fair Labor Standards Act of 1938 or the Act of June 5, 1920, known as the Merchant Marine Act, 1920.

"Sec. 5. As used in this act, the term 'State' includes the several States, Alaska, Hawaii, Puerto Rico and the District of Columbia.

"Sec. 6. If any provision of this act, or the application of such provision to any person or circumstances, shall be held invalid, the remainder of the act, and the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected."

Reference was made in our issue of Feb. 22, page 861 to earlier House and Senate action on the bill.

Treasury Ends Ban on Business Communications With Greece

The Treasury Department on March 5 removed its ban on commercial and business communications with Greece and on March 6 postal and cable communication service with that country was restored, thus removing Greece from the category of "enemy country." Associated Press advices from Washington March 5 also stated:

Treasury licenses will no longer be required for exchange of financial and commercial information and establishment of business contacts.

In addition, as soon as necessary banking arrangements can be made, support remittances not exceeding \$500 a month, it is reported, may be sent to individuals in Greece through banking channels.

Treasury licenses will still be required to send instructions or authorizations to effect financial or property transactions.

The action does not affect the status of Greek assets in the United States.

Treasury officials said they are considering resumption of communications with other Balkan areas. Business communications have already been restored with liberated Italy, France, Belgium, Poland, Finland and the Baltic region stretching between Poland and Finland.

\$7,500 Limit on Insurance Sold by N. Y. State Savings Banks Proposed in Bill

A bill now before the New York State Legislature would increase from \$3,000 to \$7,500 the maximum amount of life insurance that could be sold to an individual by savings banks in the State. The legislation was introduced by State Senator Pliny W. Williamson and Assemblyman Harry A. Reoux and would amend the statute of 1938 permitting the banks to write over-the-counter life insurance, up to a limit of \$3,000. According to a statement issued by the Savings Bank Life Insurance Council of New York, 49 savings banks throughout the State now offer this service and over \$45,000,000 in life insurance is now in force on the lives of more than 40,000 persons.

NAM Program Designed to Help Congress Curb Nonessential Government Spending

In a 7-point program designed to help Congress curb nonessential government spending, the National Association of Manufacturers on March 2 called for a re-examination of the whole government structure to "plan the most immediate method for eliminating outworn, wasteful and unnecessary functions." The Association's "Industry's View," outlining the program, emphasizes that "there can be no criticism of dollars spent to win the war," and urges Congress to employ an adequate staff of experts to police the appropriation applications prepared by the swarming personnel of government departments and approved by the Budget Bureau—working directly under the President.

Headed by Lewis A. Dibble, President of the Risdon Manufacturing Co. of Naugatuck, Conn., the 30-man NAM Government Spending Committee developed the 7-point program after coast-to-coast meetings with Government finance and tax groups. The recommendations were approved by the NAM Board of Directors.

Pointing out that under the present arrangement, the Appropriations Committees of the House and Senate together had a staff of fewer than 25 persons, including stenographers and messengers, to examine today's \$100,000,000,000 budgets, "Industry's View" said:

"The Budget Bureau in practice is not a spending critic. Its power of review is confined generally to the phases of legality of functions and their conformity to administration policy. . . . It is more obvious that the seven experts guiding each Appropriations Committee in the House and Senate cannot in a few months critically review a year's work of the entire Budget Bureau and the department planners."

The National Association of Manufacturers specifically recommended:

"1. That Congress employ an expert staff, adequate for making a critical examination of all applications for appropriation.

"2. That a joint committee of Congress immediately be empowered to direct the whole financial operation of Government, with full powers to relate Government expenditures to its revenues.

"3. That an orderly retirement of the national debt and the im-

mediate cessation of deficit spending should now be planned in anticipation of the end of the war.

"4. That the present ambiguous methods of Federal accounting and budgeting should be discontinued, and a system of accurate and standardized classifications installed in Government budget procedure.

"5. That lump-sum appropriations should be eliminated; that Congress should require itemized reports from all spending agencies.

"6. That each year's spending should be segregated, and complete information given Congress, with each appropriation request, on all unexpended balances from previous years.

"7. That Congress, in the interest of national solvency and the integrity of the nation's credit, should begin now to re-examine the whole Government structure and plan the most immediate method for eliminating outworn, wasteful and unnecessary functions."

"Industry's View" stressed the need for "cutting away war agencies as they become unnecessary and social agencies remaining from the depression . . . there is great danger that many such growths appended to the Government structure will become a recognized part of the system." It concluded:

"Even in established government, practices are being continued beyond the age of usefulness, either by reason of duplication or national progress. In the interests of economy, the whole of Government must have a 'streamlining.' In the interests of democracy, much of Government must be brought under legislative controls.

"Now is the time to catalog and mark for pruning the wasteful or non-essential phases of Government spending."

RFC Acts to Assure Small Business Credit—Will Take Up to 75% of Loans Through Credit Pool

The Reconstruction Finance Corporation announced on March 1 a far-reaching change in its lending operations designed "to assure ample credit for business and industry, particularly small business for reconversion." In addition to its established lending procedures, the corporation will co-operate with regional credit pools which the banks are organizing throughout the country, it was indicated in Associated Press accounts on that date from Washington which also had the following to say:

RFC will take up to 75% of such loans made through the credit pools, when the pool managers wish.

That is, if a credit pool undertakes to make a \$10,000 loan, the RFC, if requested by the pool managers, will supplement the amount by \$30,000, for a total \$40,000 loan.

Procedure for "automatic participation" by RFC with credit pool members will be made available through the RFC's 31 loan agencies. The new plan goes in effect immediately.

The RFC, which has borrowing authority of around \$14,000,000,000, has been accused by some critics of not making enough loans to small businesses.

The agency has just been divorced from the Commerce Department by Congress. Charles B. Henderson is Chairman of the Board.

The change in policy apparently strikes a blow against the several proposals for other governmental agencies to lend money—or guarantee private loans—to small businesses.

There is a bill in Congress to

give the Smaller War Plants Corp. broad lending powers, and another to extend into the reconversion period powers of the Federal Reserve banks to guarantee loans.

RFC announced that it will charge 4% interest on its portion of the loans and will allow the credit pool banks to charge up to 6% for their participation.

It is stated that on March 5 the RFC advised Congress that it will require about \$1,498,000,000 for the next fiscal year to carry on subsidies which it is financing. Washington Associated Press advices March 5 reporting this, said:

John D. Goodloe, counsel for the RFC, told the Senate Banking Committee this was an increase of approximately \$255,000,000 over expenditures in the current fiscal year, ending on June 30. He asked Congressional approval of legislation which would authorize subsidy expenditures in the twelve months after June 30 up to these ceilings:

Foreign purchases other than rubber, \$70,000,000; rubber, \$60,000,000; meat, \$600,000,000; butter, \$100,000,000; flour, \$190,000,000; petroleum, \$290,000,000; copper and other minerals, \$88,000,000; and miscellaneous, \$100,000,000.

American World Policy for Peace And Progress

(Continued from first page)

to early, complete winning of the war. Each new quota of supplies and munitions and men to meet the fluctuating needs of the shifting types of battle must be promptly met. We must not listen to the siren call of reconversion until we can reconvert together in peace. Each new battle must be fought with vigor and with skill.

We Must Think of Peace

But it is right and proper and urgent that we in service, when the opportunity presents itself, and you at home, proceed to think through the world policy of America for peace, lest we lose much of what we are fighting for.

As you know, the President has invited me to serve as a member of the United States delegation to the San Francisco Conference of the United Nations, and I have accepted.

It will be my endeavor to study and to learn as much as possible of the information, ideas and viewpoints of the people of America on the questions coming up at this Conference. I have consulted and will consult with leaders of our government and of my Republican party; of church, of labor, agriculture and business; of women, of youth and of veterans. But I will not seek to, nor claim to represent any of them as special groups at San Francisco. I will consider it my duty to represent my country as a whole as I see its best welfare, and to be individually responsible for my actions. It will be my aim to assist in securing a result of this crucial conference which will be supported by the overwhelming majority of the people of America and by substantially all of the other United Nations. This means, of course, that the result will not be, and cannot be, entirely in accord with any nation's or any person's individual views. But I cannot say too emphatically that the alternative to finding the broad areas of agreement is to do nothing at all. And nothing at all would start us on our way along the short road of inaction, to worldwide depressions and to the next and most tragic world war.

That is not an acceptable alternative.

It is of tremendous importance that the principles which will guide our actions in the years to come be formulated and clarified and tempered in the heat of free discussion now, so that they may be clearly and definitely set before the world.

Cardinal Points of World Policy

To stimulate this search, speaking only for myself, I state frankly what I consider should be the seven cardinal points of our future world policy.

First: That as a nation we will join with our present allies at San Francisco to build a definite continuing organization of the United Nations of the World, based on justice and law, and insured by force. That we will seek to develop gradually a new and higher level of government, with legislative, judicial and executive functions, and with worldwide jurisdiction, for the future peace, progress and well-being of mankind. That we are and will continue to be interested in what happens in every other part of the globe. That this is one world.

Nor can I speak those last two words without pausing to pay a tribute to him who made them mean more than mere words, more than a symbol, the veritable keystone to a living cause and hope for mankind—Wendell Willkie.

Second: That we do not subscribe to the extreme view of na-

tionalistic sovereignty, that we realize that neither this nation, nor any other nation can be a law unto itself in the modern world, and that we are willing to delegate a limited portion of our national sovereignty to our United Nations organization, so that it may be effective in the tasks we expect it to accomplish. That we hold that true sovereignty rests in the people, and that there is and must be a law of humanity above and beyond the narrow rule of nationalistic, absolute sovereignty. That man is in truth and in fact endowed, not by the nation but by the Creator, with certain "inalienable rights."

Third: That we consider that the future welfare and peace and happiness of the people of America is inseparably intertwined with the future welfare and peace and happiness of the men and women and children of the world.

Fourth: That we will use the enormous productive capacity of America and the reservoirs of capital and credit and technical skill to contribute to the gradual advancement of the standards of living of the peoples of the world, not as recipients of charity, but as self-respecting men and women of dignity and of pride.

Fifth: That we believe in the freedom of information through press and radio and school and forum as a vital factor in the peace and progress of the world and in the fulfillment of the dignity of man.

Sixth: That those who were aggressors in this war shall be stripped of all means to make war and shall remain so stripped. That we propose to remain strong on land, at sea and in the air, and will join with Russia and Great Britain, China and France and the other United Nations in furnishing police power in the world.

Seventh: That we are and propose to remain a democracy of free citizens with an economic system of private capital and individual enterprise. That we will seek constantly to improve the functioning of our system, both as to freedom and equality of our citizens and as to the success and adequacy of our economy. That we will explain our system to the world but will leave it to the peoples in each nation to decide for themselves their own form of government so long as they do not trample on basic human rights, or threaten the peace of the world, or transgress upon their neighbors. That we will permit our own citizens to learn of any other form of government they wish to study, but will not permit any other government to seek actively to undermine our own.

Obviously, each of these cardinal points could well be the subject of a major address. Within the limits of my time, this evening, I will discuss them in turn. It is very generally agreed now that an international organization should be formed and that the United Nations should be the basis of such an organization.

World Organization Requires a Set Form

I am not one of those who feel that the organization must take some certain detailed, exact form. I believe there are many forms that would be a definite step forward and would make a constructive contribution.

I hope that it will include some method of developing basic world-wide law. It should make possible the future enactment of a fundamental code of human rights. The beginning may be very small. But even if we started with the enactment of one law, a law that no country, in

time of peace, shall execute a human being without just trial, it would be a significant step. We sometimes fail to realize that there is no such world law today. The Nazi stormtroopers and Gestapo who dragged civilians from their houses in Germany and summarily shot them were violating every moral code we know of, but they were not violating any international law, because there is none to protect a human being within a nation. This silhouettes starkly the tragic slowness of the development of society on the world level.

We know full well that Nazi aggression actually started, not when Hitler marched across his borders, but rather when he first ruthlessly trampled the rights of men within Germany.

From small beginnings, gradually the rights of freedom of worship, of fair trial, of freedom of speech and press, the right of the worker to organize and the prevention of discrimination should be developed. With it should be stated the world-wide laws or rules against aggression, for the flight of aircraft, for the use of ports and canals, the restriction of armaments, the availability of resources, the advancement of health and education and the prevention of unjust confiscation of property.

Obviously, if we are to have laws we must have a court to administer these laws. Clearly then, a United Nations Court of some type with world-wide jurisdiction is essential.

Police Force Mandatory

It is equally clear that a police force of some nature is mandatory to enforce the decisions of the court if order and justice is to be respected and maintained. This definitely does not mean an all-powerful international police force of a super state.

Let us clarify our thinking.

If either the United States, or Russia, or Great Britain decide in the next 25 years to make war, then there will be another world war, and no organization, or league, or union, or treaties will stop it. But I do not believe any of these countries will want to make war. Each knows the horrors of war. Each has so much to gain by not making war. Each has a great future in the peaceful development of its peoples, its resources and its standing in the world.

They will not always see problems alike. They will not always please each other. But in the main, they must and should work out their differences of views and find the way for joint action. The Yalta Conference was a very important indication that this can and will be done. Clearly, then, our policies should be based on the development of the world with these three nations desiring peace.

A note of caution should also be sounded, however, that we should definitely envisage a system of laws and justice and a moral code supported by police force, and must not permit the development of a continuing system of world power and force without law.

National Trusteeships

The United Nations should also develop an effective and just method of trusteeships for use in governing territories that for reasons of extreme military importance, or inability of self-government, or peculiar economic position, or seizure from an enemy, can best be held in a form of joint United Nations title rather than in the title of any individual nation. The enlightened interest of the world and the human rights of the people concerned should both be safeguarded carefully. The trustee may be either one of the United Nations or the United Nations organization itself.

Let us also make it clear that the United Nations organization

does not mean breaking up any of the stable associations of nations and peoples now in existence. It is definitely not adverse to the British Commonwealth of Nations, nor to the Union of Soviet Republics, nor to the United States of America, nor to the various associations of nations through treaties and friendships. On the contrary, we seek to build on these cornerstones of stability a world-wide beginning for order and justice and peace in place of chaos and tragedy and war.

Tremendous steps have been taken in recent months toward the fulfillment of this first cardinal point of our world policy.

With the background of the Atlantic Charter and the commitments of Secretary Hull's Conference at Moscow, the declaration of Teheran, the proposals of Dumbarton Oaks, the decisions at Yalta, the President's excellent message to Congress last week, and the never-ending wholesome study and discussion throughout America have brought us to the eve of the San Francisco Conference for the drafting of a definite framework for continuing United Nations action in peace, with the overwhelming support of the people of the country and of the United States Senate for the steps proposed.

San Francisco Conference a "Beachhead"

We should look, therefore, upon the San Francisco Conference as a golden opportunity to win a beachhead in the battle for a just and lasting peace.

The beachhead is of crucial importance and requires many sacrifices and unlimited determination. And also, the beachhead is not the final goal, but only the jumping off place for the long hard drive toward victory.

So it will be, and so it must be recognized, at San Francisco. The results of a successful conference will be of incalculable importance, but they will not be the final answer to our world problems for peace. They will only be the first step. Continuing interest of the American people, continuing devotion of our government, the approval and support of the proposals by the Senate and then the steady growth and development of the United Nations organization, responsive to changing world conditions, will be essential if we are to have anything more than a precarious beachhead. We must never lose sight of the fact that a static, unchanging peace cannot serve a dynamic, changing world.

In a discussion of the development of a new and higher level of government you frequently hear the rejoinder, yes, that would be a good step but it would violate the rule of absolute nationalistic sovereignty.

Extreme Nationalism Gone

Let us meet this issue squarely. I do not want my country to face another generation of youth marching off to the horrors of war and say, "We could have prevented the development of this conflict but we had to cling to the extreme principle of absolute, nationalistic sovereignty." That will not be an acceptable answer.

There may be many diplomats who do not know it; there may be many political leaders who are afraid to admit it; there may be many people who do not understand it, but the extreme principle of absolute, nationalistic sovereignty is of centuries gone by and it is dead. It died with the arrival of the airplane, the radio, the rocket and the robomb.

In its place we must develop the new principle of the rights, duties and responsibilities of each nation to the other nations and of each man and each woman to the other people of the world.

No nation has any right in the modern world to do as it pleases without regard to the effects of its actions upon the peoples of

other nations. True sovereignty rests in the people and the people know that for their own future welfare they must exercise a portion of that sovereignty on a world level in place of the nationalistic level.

Just as each free man must limit his liberty of action so that he does not injure his neighbor, so each nation must limit its action so that it does not injure its neighbor. And in one world today, the nations of the world are all neighbors.

U. S. Productive Capacity for World Use

One of the most striking facts which has been demonstrated in this war is the enormous productive capacity of America. It has been a huge power for destruction and for victory.

It can be an equally great power for world construction and progress after the war if we but lift our eyes to its opportunities and responsibilities and take the necessary steps for world stability.

This will require increased investments by American capital in the resources and facilities of other nations and increased trade with lower tariffs throughout the world. We must explode the narrow view that if we develop production in other parts of the world we will preempt our own markets. We will create markets as we develop means to produce. Producers are consumers. The capacity of the human race to consume is just as great as the capacity of the human race to produce. Of course there are and will be acute problems of distribution. But we can either fight over a shrinking wealth or work together to participate in an expanding production and the wealth of the future.

Vast sums of charitable assistance will be needed in the immediate post-war period, but this should be definitely separated from the careful investment of capital in the long-term development of other nations. It is better that American capital be invested and reinvested in various countries of the world to assist in raising their standards of living and indirectly develop jobs in America in the process than that it be sterile and stagnant in America.

This does not mean a Santa Claus role. Most of the peoples of the world do not want charity beyond the war emergency conditions. They want to be self-reliant. They want to rebuild their own homes and develop their own economy. It is healthy and wholesome for them and for the world that they should.

But it will mean long-term investments and reinvestments.

Nor is this all just an idealistic dream. Never did a country for its own sake more need to clear the cobwebs from its thinking. Never did a country for its own sake more need to appraise the value and the purpose of its great productive strength.

If it does not lift its eyes and use its brain and its brawn for progress of the world, it will wither and deteriorate in petty, internal struggles over the division of a shrinking economy.

But if it contributes to the progress of the world it will itself share in that progress in high standards of living, a richer life and peace.

This is also true of other peoples. Any attempt to profit by one nation at the expense of other peoples will fail. If it meets with temporary success it will soon be lost in either the whirlpool of depression or the cauldron of war. We cannot have continued economic warfare and continued military peace.

Room For All Peoples

The world must advance together and there is room in the world for all the peoples who live in it.

World opinion is almost unani-

mous that the Germans and the Japanese must be stripped of their means of making war. This can best be done by joint action of the victorious nations through the United Nations organization with a continuing joint occupation and inspection.

Under that military rule all indemnities and penalties and reparations should take place. Then and only then the gradual development of self-government should be permitted to arise. It should begin in the localities and in the schools and slowly develop as the capacity and desire for non-aggressive, peaceful and successful administration is demonstrated.

Freedom of information to the citizens of these countries must be a fundamental rule. Open to the children of Germany and Japan and Italy the full access to the radios and publications and books of the world, and if we are right in our basic concepts in America, and I believe we are, in a generation or two we will have a different Germany and a different Japan. When the change is demonstrated, they should be permitted to become self-governing and be granted membership in the World organization, but even then there is no reason why they should be permitted to re-arm, and there is every reason to prevent them from re-arming. We will be saying in effect to the conquered nations, "We will permit you to rise again as successful, self-governing, constructive nations, if you so desire, but we will not permit you to rise again as a military power, whatever may be your protestations of intention."

We Should Remain Strong

We, ourselves, should remain strong. We should maintain a powerful, modern navy. We should keep an alert, up-to-date airforce, we should constantly train an efficient land force.

We should do this to fulfill the police force responsibility which will be ours in enforcing and supporting the world code of justice and the United Nations Organization, and also to assure our own future security and progress. We should make it plain that much as we want peace, much as we hate war, we will fight again and will fight anyone who basically violates world justice and seeks to flout our policies and tries to substitute might for right. This position, I am convinced, is more likely to maintain peace than an announced policy of making ourselves weak and of not fighting even though provoked.

To those who scoff at thoughts like these expressed tonight as abstract idealism, I simply ask that you look out upon the world-wide tragedy of war today. When the terror of war has reached the grand scale that it has today, it is time for some thinking for peace on a grand scale. And I add that I will work with you with just as much hard-shelled realism on the emergency of today and with just as much down-to-earth practicalism on the problems of tomorrow.

Our Ideals Require Action

But our ideals will determine the all-important question of the basic course that we take.

We need not scoffers today. We need men. Men to assault the pillboxes of lethargy—the emplacements of prejudice—the spitting furs of intolerance. Men who are willing to fall in the assault so that others may carry the day. It will take that to build the world. It will take that to raise the standards of mankind—to make freedom and liberty and peace living symbols to men and women and children, and not mere words in speeches or in charters.

Our fighting men want America to have a world policy for peace that is as big as infinite and as

successful as has been our strategy for war.

It will take time and it will cost.

But the alternative makes it worth the cost. In fact, my countrymen, there is no alternative for a just, a free and a brave people.

They do not want you to surrender before the counter-attacking assault waves of cynicism this best hope of enduring peace on earth.

Some people say that our democracy is not perfect and that there is discrimination and inequality and apathy and corruption. They are right. Some say that our economic system has not functioned perfectly and that there are maladjustments and sufferings and faulty distributions. They are right.

But neither of these facts is any reason for waiting for the correction of these imperfections before we step forward to fulfill the world leadership which it is mandatory that we exercise.

We must advance on both the world front and the domestic front at the same time. In fact, they are in large measure interdependent.

I speak not of a Utopia. I speak not of a human race suddenly turned angelic.

There will be selfishness and greed and corruption and narrowness and intolerance in the world tomorrow and tomorrow's tomorrow. But, pray God, we may have the courage and the wisdom and the vision to raise a definite standard that will appeal to the best that is in man and then strive mightily toward that goal.

President Visits Hyde Park (N.Y.) Home

Following a four-days' visit to his home at Hyde Park, N. Y., President Roosevelt returned to Washington on March 8, where he conferred immediately with Democratic Congressional leaders. Those calling at the White House, said the Associated Press (Washington advices) were Vice-President Truman, Speaker Rayburn, Senate Leader Barkley and House Leader McCormack. From the same advices we quote:

The President still wants the best manpower control but he can get as soon as possible. Senator Barkley reported after the conference.

"That's so we can get some men and some power," the Senator added.

A full day of engagements was announced by Jonathan Daniels, administrative assistant, with 12 Rangers who took part in the capture of the Cabanatuan Prison Camp in the Philippines being presented to the Chief Executive after the Congressional conference.

The Rangers came with Capt. Joseph Stilwell, chief of the Army Ground Forces.

Announcement that the President had returned from Hyde Park, where he arrived by special train last Sunday morning, marked a change of policy. Rarely since the war began has his return from visits of that sort been made public. When asked the reason for the change today, Mr. Daniels said:

"We felt that where security is not involved, security should not be invoked.

"As we go along through the war we come to a point where experience has shown that, without endangering the President, there can be some relaxation of rules that seemed essential before we had the experience."

Mr. Daniels added, however, that the policy of not announcing Presidential trips in advance would be continued.

Pan-American Solidarity Pact

The Inter-American Conference at Mexico City Promulgates "the Act of Chapultepec Which Provides for Solidarity Among American Nations in Resisting Aggression on Any One of Them." Extends Principles of Monroe Doctrine to Relations of Nations Within Western Hemisphere.

On March 3, the Inter-American Conference on War and Peace, assembled at Chapultepec Palace in Mexico City, adopted a declaration to be known as "the Act of Chapultepec," in which it is stated "that every attack of a State against the integrity or the inviolability of territory, or against the sovereignty or political independence of an American State shall be considered as an act of aggression against the other States," and that in case an act of aggression shall occur, the signatory states will consult among themselves "in order to agree upon measures they think it may be advisable to take." The full text of the Declaration follows:

Declaration on reciprocal assistance and American solidarity by the Governments represented at the Inter-American Conference on War and Peace.

Whereas:

1. The peoples of the Americas, animated by a profound love of justice, remain sincerely devoted to the principles of international law;

2. It is their desire that such principles, notwithstanding the present difficult circumstances, may prevail with greater force in future international relations;

3. The Inter-American Conferences have repeatedly proclaimed certain fundamental principles, but these must be reaffirmed and proclaimed at a time when the juridical bases of the community of nations are being established;

4. The new situation in the world makes more imperative than ever the union and solidarity of the American peoples, for the defense of their rights and the maintenance of international peace;

5. The American States have been incorporating in their international law, since 1890, by means of conventions, resolutions and declarations, the following principles:

(A) The proscription of territorial conquest and the non-recognition of all acquisitions made by force. (First International Conference of American States, 1890.)

(B) The condemnation of intervention by a State in the internal or external affairs of another. (Seventh International Conference of American States, 1933, and Inter-American Conference for the Maintenance of Peace, 1936.)

(C) The recognition that every war or threat of war affects directly or indirectly all civilized peoples, and endangers the great principles of liberty and justice which constitute the American ideal and the standard of its international policy. (Inter-American Conference for the Maintenance of Peace, 1936.)

(D) The procedure of mutual consultation in order to find means of peaceful cooperation in the event of war or threat of war between American countries. (Inter-American Conference for the Maintenance of Peace, 1936.)

(E) The recognition that every act susceptible of disturbing the peace of America affects each and every one of them and justifies the initiation of the procedure of consultation. (Inter-American Conference for the Maintenance of Peace, 1936.)

(F) That any difference or dispute between the American nations, whatever its nature or origin, shall be settled by the methods of conciliation, or unrestricted arbitration, or through the operation of international justice. (Inter-American Conference

for the Maintenance of Peace, 1936.)

(G) The recognition that respect for the personality, sovereignty and independence of each American State constitutes the essence of international order sustained by continental solidarity, which historically has been expressed and sustained by declarations and treaties in force. (Ninth International Conference of American States, 1938.)

(H) The affirmation that respect for and the faithful observance of treaties constitutes the indispensable rule for the development of peaceful relations between States, and treaties can only be revised by agreement of the contracting parties. (Declaration of American Principles, Eighth International Conference of American States, 1938.)

(I) That in case the peace, security or territorial integrity of any American republic is threatened by acts of any nature that may impair them, they proclaim their common concern and their determination to make effective their solidarity, coordinating their respective sovereign will by means of the procedure of consultation, using the measures which in each case the circumstances may make advisable. (Declaration of Lima, Eighth International Conference of American States, 1938.)

(J) That any attempt on the part of a non-American State against the integrity or inviolability of the territory, the sovereignty or the political independence of an American State shall be considered as an act of aggression against all the American States. (Declaration of the Second Meeting of the Ministers of Foreign Affairs, Havana, 1940.)

6. The furtherance of these principles, which the American States have practiced in order to secure peace and solidarity between the nations of the continent, constitutes an effective means of contributing to the general system of world security and of facilitating its establishment;

7. The security and solidarity of the continent are affected to the same extent by an act of aggression against any of the American States by a non-American State, as by an American State against one or more American States.

PART I

DECLARATION

First—That all sovereign States are juridically equal amongst themselves.

Second—That every State has the right to the respect of its individuality and independence, on the part of the other member of the international community.

Third—That every attack of a State against the integrity or the inviolability of territory, or against the sovereignty or political independence of an American State, shall, conformably to Part III hereof, be considered as an act of aggression against the other States which sign this declaration. In any case, invasion by armed forces of one State into the territory of another, trespassing boundaries established by treaty and marked in accordance therewith, shall constitute an act of aggression.

Fourth—That in case that acts of aggression occur or there may be reasons to believe that an ag-

gression is being prepared by any other State against the integrity or political independence of an American State, the States signatory to this declaration will consult amongst themselves in order to agree upon measures they think that it may be advisable to take.

Fifth—That during the war and until treaty arrangements recommended in Part II hereof, the signatories of this declaration recognize such threats and acts of aggression as indicated in Paragraphs Third and Fourth above, constitute an interference with the war effort of the United Nations, calling for such procedures, within the scope of their general constitutional and war powers, as may be found necessary, including:

Recall of chiefs of diplomatic missions;

Breaking of diplomatic relations;

Breaking of consular relations;

Breaking of postal, telegraphic, telephonic, radio-telephonic relations;

Interruption of economic, commercial and financial relations;

Use of armed force to prevent or repel aggression.

Sixth—That the principles and procedure contained in this declaration shall become effective immediately, inasmuch as any act of aggression or threat of aggression during the present state of war interferes with the war effort of the United Nations to obtain victory. Henceforth, and with the view that the principles and procedure herein stipulated shall conform with the institutional principles of each republic, the respective Governments shall take the necessary steps to perfect this instrument in order that it shall be in force at all times.

PART II

RECOMMENDATION

The Inter-American Conference on Problems of War and Peace recommends:

That for the purpose of meeting threats or acts of aggression against any American republic following the establishment of peace, the Governments of the American republics should consider the conclusion, in accordance with their constitutional processes, of a treaty establishing procedures whereby such threats or acts may be met by:

The use, by all or some of the signatories of said treaty thereto, of any one or more of the following measures:

Recall of chiefs of diplomatic missions;

Breaking of diplomatic relations;

Breaking of consular relations;

Breaking of postal, telegraphic, telephonic, radio-telephonic relations;

Interruption of economic, commercial and financial relations; use of armed force to prevent or repel aggression.

PART III

This declaration and recommendation provide for a regional arrangement for dealing with matters relating to the maintenance of international peace and security as are appropriate for regional action in the Western Hemisphere and said arrangements and the activities and procedures referred to therein shall be consistent with the purposes and principles of the general international organization when formed.

This declaration and recommendation shall be known by the name of Act of Chapultepec.

Sees Tax Changes Needed To Aid Reconversion

Guaranty Trust Company Holds Excess Profit Refunds and the "Carry-Back" Provisions of the Income Tax Require Amendments to Place Business Concerns in Position to Finance Reconversion. Asserts These Relief Measures, Together With the "Amortization" Allowances on War Facilities, Cannot be Utilized in Time to Help Concerns Meet Post-War Financial Requirements.

The Feb. 27 issue of "The Guaranty Survey" published by the Guaranty Trust Company of New York calls attention to certain shortcomings in the provisions in the present tax laws which are primarily aimed at aiding in the reconversion financing of industry from a wartime to a peacetime economy. It suggests certain changes in the tax laws relating to these provisions which will afford greater post-war relief and be more effective in carrying out their objectives.

"The Federal revenue laws," the survey contends, "contain a number of provisions designed to aid war industries in meeting their financial needs during the transition period. It is very doubtful whether these provisions, as they stand, will accomplish the desired result. With certain simple and quite feasible changes, however, they could be made really effective instruments for cushioning the financial impact of reconversion. The amounts that might be made promptly available to industry in this way cannot be estimated with precision, but it appears that the aid would be very substantial and would be of particular value to small business concerns and to those enterprises, perhaps originally small, which have been greatly expanded by war demands, that without such aid might find themselves unable to survive the critical period of transition."

"One of the means by which Congress has attempted to provide financial relief to corporations after the war," the article points out, "is the partial refund of excess profits taxes. Every corporation paying such a tax receives a post-war credit equal to 10% of the amount paid. The credit may be taken at the time the tax returns are filed in an amount up to 40% of the net reduction in the corporation's indebtedness during the year for which the return is made. It is estimated that about 30% of the total amount of post-war credits has been currently taken on account of debt retirement during the calendar years 1942-1944."

Excess Profits Tax Refund Bonds

Regarding the tax refund bonds, the article states:

"The remaining post-war credit evidenced by non-interest-bearing bonds issued, in most cases, within three months after the tax is paid in full. The net post-war refunds accrued during the calendar years 1942-1944, evidenced by bonds issued or to be issued, are estimated at nearly \$2 billion.

"For taxes paid in 1941 and 1942, the bonds mature two years after the end of the emergency as declared by the President or Congress. For taxes paid in 1943, 1944 and 1945, the bonds mature three, four and five years, respectively, after the end of the emergency. The bonds become transferable and negotiable only on or after the date of cessation of hostilities, as fixed by proclamation of the President or concurrent resolution of Congress; or, in case hostilities with the enemy governments do not cease at the same time, 'such date as may be so fixed as an appropriate date' for the purposes of the law. After such date, the Government may call the bonds for redemption on

three months' notice. These provisions for redemption and transferability, which are purely optional with the Government, give business no assurance that the funds will be forthcoming when most needed.

"It is evident that, as the law now stands, manufacturers whose war contracts are cancelled at the end of the fighting in Europe cannot rely on obtaining any benefit from such bonds during the subsequent year or two in which they will face their reconversion problem. These post-war credits should be made immediately available, either as an offset to the payment of current taxes or as a negotiable obligation of the Government, of fixed amount and with a definite maturity date."

Carry-Back Provisions

With reference to the "carry-back" provisions to cover post-war losses, it is stated:

"A second intended measure of post-war relief is the provision of the law permitting refunds of previously paid taxes as a result of carry-backs of losses and unused excess profits tax credits during the reconversion period. These benefits, however, can be obtained only by the filing of a claim for refund. Such a claim cannot be filed until the end of the fiscal year in which the loss is sustained or the unused excess profits tax credit occurs; and experience indicates that the refund is likely not to be paid until several years later. Yet, in a year during which a loss or an unused excess profits tax credit is incurred, taxpayers may be obliged to pay taxes based on operations in the preceding year. Taxpayers are not allowed to offset the accruing refunds against assessed tax liabilities or to postpone the payment of taxes until the amounts of the refunds have been determined and paid. On the contrary, they must pay interest at the rate of 6% per annum on any taxes not paid when due but are entitled to no interest on the amounts of the refunds.

"Amounts recoverable under these provisions, largely depending on possible losses and unused excess profits tax credits after the war, cannot be closely estimated. Even if a major business crisis should occur, losses could be absorbed if refunds were made promptly, since aggregate corporate deficits in 1932, the largest deficit year on record, amounted to only \$7.8 billion, which is not a large figure in comparison with total corporate earnings during the war. It is estimated that, if corporation incomes in the transition period should equal those in the period immediately preceding the war, between \$2 billion and \$3 billion in carry-back refunds would be made available.

"While waiting for such payments, however, taxpayers might be forced out of business by lack of operating funds. This situation should be corrected through the provision of an adequate method by which taxpayers might offset against current tax payments the reasonably estimated amounts of tax refunds based on carry-backs

of operating losses and unused excess profits tax credits."

Amortization of Facilities

"A third potentially important source of relief," it is contended, "is contained in the provisions of law permitting acceleration of 60-month amortization of war production facilities constructed under certificates of necessity when the facilities are determined to have lost their emergency value before the end of the 60-month period. If the amount of amortization in prior years is so increased, a refund of taxes paid for such years may be obtained.

"Refunds resulting from this shortening of the amortization period will be substantial, the exact amounts depending on the duration of the war and the promptness with which certificates of non-necessity are issued. The total value of privately financed emergency facilities for which certificates of necessity were issued is about \$4.5 billion. The major part of the program of construction of war facilities was completed by the end of 1942, and the issuance of certificates of necessity virtually ceased in October, 1943. It was estimated in 1944 that, if the termination of the emergency should be proclaimed at the end of the year, about \$3 billion of these facilities would remain unamortized, and refunds payable to corporations would amount to approximately \$2.3 billion.

"Refunds of taxes based on acceleration of amortization of facilities subject to certificates of necessity may, like the other classes of refunds, come too late to afford the relief that is intended. Manufacturers have encountered considerable delay in obtaining certificates of non-necessity when contracts were terminated and specific facilities thereby released from war production work. Moreover, the President cannot be expected to proclaim the end of the emergency for purposes of generally accelerating amortization until it is abundantly clear that a substantial portion of the emergency facilities is no longer required in the interest of national defense. The law should provide an adequate method by which taxpayers might offset against current tax payments the reasonably estimated amounts of tax refunds based on acceleration of the amortization period, but in the absence of such a modification in the law administrative changes should be promptly effected to speed-up the granting of certificates of non-necessity in specific instances."

A Serious Reconversion Problem

After referring to other tax relief measures, the "Survey" concludes:

"Business cannot furnish jobs during the reconversion period with cash to be received years later from tax refunds and post-war bonds. It is imperative that this faulty timing be corrected if industry is to prosper and make its maximum contribution to employment and national income after the war. Moreover, with the situation as it exists today, a gross distortion can occur in the position of the Treasury if moneys rightfully belonging to private corporations and eventually returnable to them are siphoned off and appropriated temporarily for the uses of government. A drain of this character upon the working capital of private industry could not possibly be worse in its timing than immediately following the conclusion of the war."

Resources of N. Y. Commercial Banks Increased 17.8% In 1944—Gain In Net Operating Earnings

Total resources of all state-chartered commercial banks in New York State, reflecting chiefly their large purchases of Government securities, increased \$3,329,271,000 in 1944, or 17.8%, to a record high of \$22,052,833,000 at the year end, according to a study made public on March 6 by Elliott V. Bell, Superintendent of Banks. In helping to finance the war effort these institutions, he said, bought \$2,734,303,000 more Government securities in the year, raising their total holdings to \$13,366,479,000.

Earnings of these institutions benefited from the rise in their earning assets, said Mr. Bell. Net current operating earnings amounted to \$136,371,000, against \$112,693,000 in 1943, a rise of 21%. Mr. Bell pointed out, however, that the larger current operating expenses and income taxes, together with lower non-operating income, cut the net profits for the year to \$125,594,000, a gain of 5% over the figure for 1943. His advice further said:

"Deposits of the 275 State-chartered institutions engaged largely in commercial banking increased \$3,203,356,000 in the year to a total of \$20,315,765,000. The huge accumulation of Government deposits during the War Loan Drive late in the year accounted for most of the overall rise in deposits. Government deposits represented \$2,861,672,000 of the total gain in deposits. Demand deposits of individuals,

partnerships and corporations were higher by \$298,006,000, while time deposits of such depositors increased \$220,411,000.

"While Government securities of these institutions were increasing by 25.8% to \$13,366,479,000, or 60.7% of total resources, loans and discounts were rising \$735,941,000 to \$4,127,840,000. Commercial and industrial loans increased \$71,357,000 to a total of \$1,734,919,000. The demand for loans on securities was so strong as to make for an increase of \$693,330,000 in the year in these loans to an aggregate of \$1,750,288,000.

"Mr. Bell said the improvement in bank earnings resulted largely from the expansion in the securities portfolios of the banks. Net interest and dividends received on securities increased to \$156,466,000 from \$129,093,000. The following table sets forth the principal items in the earnings showing of the State banks and trust companies in 1944:

	1943	1944
Current operating earnings	\$253,640,000	\$287,646,000
Current operating expenses	140,947,000	151,275,000
Net current operating earnings	112,693,000	136,371,000
Net other income	29,824,000	24,526,000
Profits before income taxes	142,517,000	160,897,000
Taxes on net income	22,974,000	35,303,000
Net profits	119,543,000	125,594,000
Interest and dividends on debentures, pfd. stock, etc.	2,212,000	2,033,000
Dividends on common stocks	41,300,000	42,611,000
Net profits after interest and dividends on capital	76,031,000	80,890,000

"Of the 266 institutions in the compilation, 197 paid or declared dividends on their common stock in 1944.

"During the year total deposits increased by 16% in the institutions in New York City and by 14.2% in those outside New York City. Demand deposits of individuals, partnerships and corporations in banks in New York City increased by only 2.1% and in institutions outside New York City by 9.2%. These represented substantial reductions in the last few years in the rate of growth of private demand deposits. Private time deposits, on the other hand,

increased by 13% and 16%, respectively, in New York City and outside New York City, representing the largest increase in these funds in the last five years.

"The banking institutions in New York City showed a rise in holdings of Government securities of \$2,326,674,000 to a total of \$11,631,039,000. These banks reduced their investments in Governments at both ends of the maturity scale, with Treasury bills and bonds maturing in less than five and more than 10 years falling sharply. Bonds maturing in five to 10 years, and certificates and notes, were purchased."

Veteran Loans by U. S. Savings & Loan League

By the start of this year more than 10,000 veterans or their families had had interviews with savings and loan associations and co-operative banks about G. I. home loans, and 1,054 had filed applications for loans totalling \$4,689,057, the United States Savings and Loan League reported on March 3.

This nationwide organization has just completed a survey of the experience of the thrift and home lending institutions during the first six weeks after the forms had been released from home loans under the Servicemen's Readjustment Act of 1944. Replies from 1,536 institutions with 46% of the savings and loan assets of the country showed that existing lending institutions, through which the law provides for all of the G. I. loans to be processed, may expect to have their hands full as the program gains momentum. The League further says: "Under terms of the Act, the Veterans Administration will guarantee portions of loans made by existing lending institutions in order to encourage the making of no-down-payment home loans to veterans of World War II. Such guaranteed loans must be at no more than 4% interest, have not more than 20 years to run, and must be on properties priced at 'their reasonable, normal value,' as determined by an appraiser in the locality designated by the Veterans Administration.

"During the first six weeks of the program, i. e., up to December 31, 1944, the reporting savings and loan associations closed 37 loans for a total amount of \$194,055," Morton Bodfish, Chicago, Execu-

tive Vice-President of the United States Savings and Loan League, said. He indicated that during the first two months of 1945, for which no data have yet been collected from the associations, the volume of loans has undoubtedly multiplied many times.

"The designation 'loans closed' means that they have been completely processed by the Veterans Administration, the guaranty has been placed on the paper by the government agency, and the lending institution has started to pay out the money to the veteran to buy or build a new home," he explained. Mr. Bodfish estimates that several hundred of the 1,054 loans which the savings and loan associations list as having been applied for by January 1, have by now gone through the Veterans Administration and are already financing a new home for a veteran.

"Many of them, on the other hand, have been withdrawn at the suggestion of the lending institution anxious to save the veteran the time and expense of putting a loan through the process only to have the appraiser turn it down as being above 'reasonable, normal value of the property.'"

N. Y. Stock Exchanges Issue New Margin Rules

No Margin Accounts Permitted on Shares and Bonds Selling Below \$10. Minimum Margin of \$1,000 Required. Method of Margin Computation Prescribed.

In line with the policy of the administrative authorities of both the New York Stock and the Curb exchanges, to keep securities speculation within bounds, a directive was issued by the Board of Governors of the New York Stock Exchange, and followed by a similar announcement of the Curb Exchange, effective March 5th, that prohibits the margining of accounts for stock selling at or under \$10 per share, and fixing the minimum margin requirement of an account at \$1000. A similar ruling was made on bond purchases. The aim of the new rulings which lays down strictly the methods to be followed in computing margin deposits on accounts, was announced by President Emil Schram of the New York Stock Exchange last week when, in an address to the New York Customers Brokers, he strongly urged them to use their influence to keep the market within proper bounds. The Federal Reserve Board has already taken similar action by raising margin requirements to 50% on stock selling at \$10 or above, but the new margin rule of the Stock Exchange would have the effect of fixing the minimum margin on any stock at \$10 per share, so that any stock selling at or below \$20 would require a deposit of at least \$10.

The text of the order (M. F. Circular No. 233 issued by the Department of Member Firms of the New York Stock Exchange follows:

"To the Members and Member Firms:

"The Department of Member Firms invites your attention to Rule 550 of the Board of Governors, as amended. The initial requirements of this Rule are effective at the opening of business March 5, 1945. The changes in the maintenance requirements are effective as to new accounts at the opening of business March 5, 1945, and as to old accounts at the opening of business April 2, 1945.

"A copy of the amended Rule is attached.

"Paragraph (a), of the amended Rule, among other things, establishes an initial margin requirement of 100% of the market value for each stock long in the account selling at or below 10, plus \$10 per share for each stock long in the account selling above 10, for the purpose of effecting:

- "1. New securities transactions and commitments.
- "2. Withdrawals of cash.
- "3. Withdrawals of any stock selling above \$10 per share.

"Only the margin required on the new security transaction need be obtained, assuming the account has the maintenance margin required by Paragraph (b) of the rule.

"Any amount of initial margin required by the provisions of Paragraph (a) of the Rule can be met by the deposit of cash or securities having a suitable value for margin purposes, or by the liquidation of securities in the account. When securities under 10 are sold the full proceeds may be applied against the requirement. When liquidating securities selling over 10 sufficient securities must be sold to bring the condition of the account up to the initial margin requirements.

"Any margin account which effects a new security transaction must have an equity of at least \$1,000. However, the customer need not deposit more than the cost of the security purchased.

"The deposit of a security selling at or below 10 will not satisfy a margin call resulting from a new security transaction or commitment. However, such deposit will satisfy the amount of the call

made to bring the equity in the account up to \$1,000.

"When depositing securities selling over 10 in answer to a margin requirement resulting from a new security transaction, \$10 per share must be considered as margin on the deposited security in order to determine whether it has sufficient value to meet the margin requirement. However, the securities deposited must also meet the maintenance requirement.

"When computing the margin required to be maintained in the account, all securities are to be given full value, subject to the provisions of Paragraphs (d) (1) and (2).

"No withdrawal of cash or securities selling over 10 may be made from any margin account if after such withdrawal the equity in the account is less than \$1,000.

"In order to determine whether a customer can withdraw cash or stock selling over \$10, margin must be computed as follows:

- "1. 100% of market value on securities at 10 or below, plus
- "2. \$10 per share on stock above 10, plus.
- "3. the margin on any short positions in the account.

"After such withdrawal, however, the account must contain the maintenance margin or an equity of \$1,000, whichever is greater.

"Securities selling at 10 or below may be withdrawn provided the account contains the maintenance margin after the withdrawal, and the equity is \$1,000. An outstanding New York Stock Exchange margin call due to a new transaction would not prevent such a withdrawal.

"In the event a security is sold at or below 10, the net proceeds may be withdrawn on the same day regardless of the provisions of Paragraph (a), provided the account contains the minimum maintenance margin after the withdrawal, giving full value to all securities in the account in accordance with the other provisions of the Rule.

"Interest and dividends credited to an account may be withdrawn within a reasonable period of time.

"The Rule does not prohibit the acceptance of an account from another broker if there is no outstanding margin call.

"The initial margin requirements do not apply to the accounts of specialists which are used solely for their transactions as specialists, or to special omnibus accounts.

Maintenance Margin

"Paragraph (b) of the Rule sets forth the maintenance margin requirements.

"On 'long' securities positions the margin has been changed from 30% of the debit balance to 25% of the market value.

"The margin requirements on 'short' positions remain unchanged.

Other Provisions

"Paragraph (d) (1) of the Rule has been changed by the removal of the language relating to the use of securities having a market value below 5 in determining the value of securities for margin purposes.

"Paragraph (d) (2) of the Rule, relating to Puts, Calls and Other Options, remain substantially unchanged. However, members are reminded that the margin required as a result of the firm issuing or guaranteeing a put, call or option may in some cases be

From Washington Ahead Of The News

(Continued from first page) in the past. The pontifical explainers of Dumbarton Oaks are now explaining that, of course, if in the future, any major nation wants to go to war, there will be no way of stopping her, not under Dumbarton Oaks, San Francisco or any other convention that may be drawn up. Russia has insisted, so we are told, and the impression is that Britain and this country were in pretty solid agreement, that when the question of applying sanctions or taking action against any one of these major nations comes up, the offending nation can veto any concerted action against it. It does not mean, for example, that if Britain and this country should decide that some action against Russia is necessary, they may not take that action. But they do not do it under the terms of Dumbarton Oaks, of San Francisco, or whatever international organization is to be set up. They just do it. Which is something they can do now.

This international organization, however, will be a deterrent against smaller nations. Of course, there has never been a time when one or two of the major nations could not be a deterrent against a smaller nation. The trouble has been in the major nation or major nations making up its or their minds as to what they would do. This was the case when the Japs went into Manchuria, when Italy went into Ethiopia, in the matter of the Spanish Civil War.

It was not a case of the major nations not being in a security organization, or on a commission, or members of a league or what-not, they simply couldn't decide what to do, notwithstanding they communicated with each other quite audibly on the subject.

The question of an international police force has fascinated many of us. It has caused some so-called isolationists to see red. Indeed, this whole international pageantry has caused them to see red, and caused them to attack it as something entangling us in foreign alliances. They could do a much better service, it would seem, by pointing out that it is all the bunk.

About this international police force, we are now told, that, of course, it doesn't mean that we would contribute our armed forces to an international pool to be stationed at Geneva, a place in Asia or anywhere else. It simply means that we have our armed forces as we have in the past; Britain has hers, Russia has hers, etc.

But we would have a highly social organization known as the United Nations, Inc., or something of the sort, a far more fashionable thing than we ever had in the League of Nations. A small country acted up. The United Nations, Inc., would meet amid great fanfare. There would be the question of voting what to do. Under-Secretary Grew has publicly explained that this country's delegate would have to vote in accordance with the instructions he got from our government. This is what the delegates of the other nations would have to do. This

increased due to the initial margin requirements set forth in Paragraph (a) of the Rule.

"Paragraphs (d) (3) (a) and (b) of the Rule, relating to 'when issued' and 'when distributed' securities in margin accounts, have been changed by the addition of the words 'transaction or', thus making the provisions of this paragraph also subject to the initial margin requirements of Paragraph (a) of the Rule. Investment trusts have been added to those which need not make deposits in cash accounts or be called for 'marks to market'.

Low Interest Rates Will Not Stimulate Building Activity, Says MBA President

(Continued from first page) piled show that the Federal agencies—despite their great activity in the past 15 years—still hold only a tenth of the mortgages outstanding. According to Mr. Mahan's data, the total mortgage debt today is somewhere in the neighborhood of \$34,375,000,000.

Mr. Mahan pictured life insurance companies as heavy investors in mortgages after the war and said that based upon his own statistics, it appeared that there must be around 10½ billion dollars in these institutions which could logically go into mortgage investments. Actually, he said, the life insurance companies alone

could almost finance the postwar building expansion, to say nothing of the great hordes of idle capital in banks and other institutions.

Turning to other current developments, Mr. Mahan said there is no need whatsoever for bringing commercial properties under rent control. He added, however, that there are some factors operating today which, unless carefully watched and checked, will produce disastrous inflation. Among them he cited the tendency to boost appraisals of properties higher than is economically sound from a long-term viewpoint.

Duty of Supreme Court to Maintain Balance Of Power Between Federal and Local Govts.

Declaring that it is the duty of the Supreme Court, bolstered by an alert public opinion, to maintain the balance of power between the Federal Government and the State and local regimes, George Wharton Pepper, former Senator from Pennsylvania, and a leader of the American bar, warned on March 7 against the conversion of our political system into a highly organized central government with little regard for local self-rule. His remarks, it was reported by the New York "Herald Tribune," were made at a luncheon meeting of the Municipal Bond Club of New York. The paper indicated further quoted Mr. Pepper as follows:

Subordination of State and local government to Washington would lead, he said, to an unrepresentative national parliament and a revival of the age-old struggle between the monarch and the parliament, under appropriately different names.

Mr. Pepper lauded the refusal of the Supreme Court, early this year, to review lower court opinions holding State and local government bonds exempt by statute from Federal income taxation.

Every gain of this nature toward a sound distribution of functions between the Federal and State governments should be "capitalized," he said.

Renewed attacks on the ability of the State and local regimes to finance without interference by the Federal Government will follow, he predicted. The States have not been without blame, Mr. Pepper said, owing to their growing tendency to finance proprietary functions, as well as ordinary governmental measures.

He appealed to the municipal bond men to scan closely, from such a viewpoint, proposals for revenue-bond flotations placed before them, and asked them to re-

present a sort of voting could take place by the heads of the governments talking to each other on the telephone or through our present system of ambassadors.

Well, regardless of the procedure and assuming the national heads can get together for once, action against Bulgaria is agreed upon, for example. Then the troops to be used would be those closest to Bulgaria. If it is action against a Latin American country, the troops of this country would be used. This is just as it has been in the past, and in the past our Government has always consulted with Britain.

It is an amazing pageantry that the people are being given. You naturally wonder what is its motive. One deep thinking congressman said to me:

"Our leaders are always tremendously ashamed as we come out of a war such as the one we are now in. They seek to do something to appeal to the yearnings of the people that it will never happen again. They, themselves, get a certain solace out of doing this."

Business Failures in Feb.

Business failures in February were lower in number and amount of liabilities involved than in January, 1945, and February, 1944. Business insolvencies in February, according to Dun & Bradstreet, Inc., totaled 66 and involved \$1,557,000 liabilities, as compared with 80 in January, involving \$5,883,000 liabilities and 132 involving \$3,108,000 in February a year ago.

The wholesale and commercial service groups were the only groups showing more failures in February than in January; the retail service group had the same number, while the remaining groups had fewer failures in February than in the previous month. When the amount of liabilities involved is considered, it is seen that the only group having larger liabilities is the wholesale group.

Manufacturing failures in February numbered 17, involving \$301,000 liabilities, compared with 34 in January with \$2,128,000 liabilities. Wholesale failures numbered two, against four in January, and liabilities were \$64,000 against \$24,000 in January. In the retail trade section insolvencies numbered 26 in February, the same as in January, but liabilities were down to \$142,000 in February from \$254,000 in January. In the construction group insolvencies decreased to eight from 10, and liabilities to \$241,000 in February from \$855,000 in January. Commercial service failures rose to 11 with \$809,000 liabilities in February from eight with \$2,622,000 liabilities in January.

When the country is divided into Federal Reserve Districts, it is found that only the Cleveland, Atlanta and Chicago Reserve Districts had more failures in February than in January; the Boston and St. Louis Reserve Districts had the same number, while the remaining districts had fewer failures in February than in January. The Minneapolis Reserve, Kansas City and Dallas Reserve Districts were distinguished by not having any failures. When the amount of liabilities involved is considered it is seen that only the Cleveland, Atlanta and St. Louis Reserve Districts had more liabilities involved in February than in January, while the remaining districts had less liabilities involved.

The State of Trade

(Continued from page 1178)

problem of steel users who have placed advanced orders for certain types of material to dovetail with material from inventory in order to carry out a long-ranged program laid out many months ago. Actual tonnage received may be sufficient to produce a specified number of product units, but some of the material may be entirely unsuited for the purpose in mind.

In recent weeks headway has been made in stepping up raw steel output, the magazine reports, but this progress is now threatening some mills with a surplus of ingots because finishing mills cannot keep up with the primary mills' pace.

One mill with greater finishing than ingot capacity last year acquired substantial tonnages of purchased ingots for further conversion into finished products. Insufficient labor, "The Iron Age" pointed out, caused this practice to be abandoned. Now it appears that a dwindling labor supply will make it impossible for this mill to finish all the raw steel from its own furnaces. The experience of this company is indicative of a similar trend at other steel plants.

Some steel mills are fearful of the possibility of the finishing department bottleneck causing them to be unable to fill, on schedule, the sharp increase expected in shell steel output. In the case of some major producers a set-up aimed to bring June shell steel rollings 80% above January levels has been ordered by the WPB.

Order volume continued at a high rate the past week, approaching the record breaking average maintained since the start of the year. New business of most companies was at a rate substantially above shipments. This was partly due to the heavy influx of new and upgraded directives. Some companies reported 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 announced last Tuesday that the operating rate of steel companies (including 94% of the industry) will be 94.5% of capacity for the week beginning March 12, compared with 95.9% one week ago. This week's operating rate represents a drop of 1.4 points from last week's rate, and is equivalent to 1,730,900 net tons of steel ingots and castings, compared to 1,756,500 net tons last week and 1,775,200 tons one year ago.

Electric Production—The Edison Electric Institute reports that the output of electricity increased to approximately 4,472,110,000 kwh. in the week ended March 3, 1945, from 4,473,962,000 kwh. in the preceding week. Output for the week ended March 3, 1945, was 0.2% above that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 177,900,000 kwh. in the week ended March 4, 1945, comparing with 215,900,000 kwh. for the corresponding week of 1944, or a decrease of 17.6%.

Local distribution of electricity amounted to 174,800,000 kwh., compared with 207,000,000 kwh. for the corresponding week of last year, a decrease of 15.5%.

Railroad Freight Loading—Carloadings of revenue freight for the week ended March 3, 1945, totaled 785,264 cars, the Association of American Railroads announced. This was an increase of 13,421 cars, or 1.7% above the preceding week this year, but a decrease of 1,629 cars, or 0.2% below the corresponding week of

1944. Compared with a similar period of 1943, an increase of 36,338 cars, or 4.9%, 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 March 3, 1945, at 11,350,000 net tons, a decrease of 575,000 tons, or 4.8% from the week previous. Production in the corresponding week of 1944 amounted to 12,115,000 tons.

According to the U. S. Bureau of Mines, output of Pennsylvania anthracite for the week ended March 3, 1945, was estimated at 1,116,000 tons, a decrease of 19,000 tons, or 1.7% from the preceding week. When compared with the corresponding week in 1944, a decrease of 288,000 tons, or 20.5%, is reflected.

Beehive coke for the week ended March 3, 1945, showed an increase of 6,400 tons above the previous week, but was 17,300 tons less than for the similar week of 1944.

Crude Oil Production—Daily average gross crude oil production for the week ended March 3, as estimated by the American Petroleum Institute, was 4,765,120 barrels. This represented a decrease of 12,850 barrels per day below the preceding week, but was however, 8,320 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 352,395 barrels per day higher. For the four weeks ended March 3, 1945, daily output averaged 4,765,950 barrels.

Reports from refining companies indicate that the industry as a whole ran to stills (on a Bureau of Mines basis) approximately 4,753,000 barrels of crude oil daily and produced 14,704,000 barrels of gasoline. Kerosene output totaled 1,554,000 barrels, with distillate fuel oil placed at 5,026,000 barrels and residual fuel oil at 8,585,000 barrels during the week ended March 3, 1945. Storage supplies at the week-end totaled 52,589,000 barrels of civilian grade gasoline, 45,014,000 barrels of military and other gasoline; 7,334,000 barrels of kerosene; 28,110,000 barrels of distillate fuel oil, and 45,021,000 barrels of residual fuel oil.

Lumber Shipments—The National Lumber Manufacturers Association reports that lumber shipments of 465 reporting mills were 9.4% above production for the week ended March 3, 1945, while new orders for these mills were 1.0% more than production. Unfilled order files amounted to 100% of stocks.

For the year-to-date, shipments of reporting identical mills exceeded production by 11.5% and orders ran 18.0% above output.

Compared to the average corresponding week of 1935-39, production of reporting mills was 29.7% greater, shipments 19.9% greater, and orders 19.4% greater.

Paper Production—Paper production at present is greater than it was in 1942, notwithstanding the fact that the mills are operating with 10% fewer employees than heretofore. Output for the week ended March 3, 1945, was 89.3% of capacity, as against 89.7% of capacity for the preceding week, the American Paper and Pulp Association's index of mill activity disclosed. The rate for the corresponding week of last year was 87.0% of capacity. As for paperboard, production for the same period was reported at 96% of capacity, against 97% in the preceding week and 95% in the week ended March 5, 1944.

Silver—The London market was quiet and unchanged at 25½d. per fine ounce for silver. The New York Official for foreign silver

continued at 44½c. and 70½c. for domestic silver.

The import flow of foreign silver, reports E. & M. J. Metal and Mineral Markets, has steadied down to a point sufficient to permit revision of some lists of essential war products that may be made from the lower-priced foreign metal, the WPB announced on Feb. 28, last.

Certain products that are now required to be made from higher-priced Treasury or domestic silver (71c. per oz.) would, under the proposed changes, be shifted to List A of Order M-199 and permitted to be made from lower-priced foreign silver (45c. per oz.).

Supplies as reviewed by the Miscellaneous Minerals Division reveal that the total available supply of all silver in 1944 totaled 124,000,000 ounces, compared with regulated demand for 120,000,000 ounces. Imports for 1945, officials believe, will hold closely to 1944 levels.

Business Failures Increase—Continuing to rise for the second consecutive week, commercial and industrial failures in the week ending March 8 exceeded the number in the comparable week of the previous year for the first time since the spring of 1942. Dun & Bradstreet, Inc., reports 21 concerns failing against 18 last week and 17 in the same week of 1944.

The increase was concentrated in failures of small retailers. Failures involving liabilities of less than \$5,000 were twice their number a week ago and over four times their number in the corresponding week of the prior year, while concerns failing with liabilities of \$5,000 or more dropped from 12 last week to eight in the week just ended and were a little over half the 14 a year ago. Concerns failing were higher than in the same week of 1944 in the New England, Middle Atlantic, West North Central and West South Central States.

Canadian failures numbered two, unchanged from the corresponding week of last year, but were only half the number a week ago.

Wholesale Food Price Index—Continued firmness in farm commodities held the Dun & Bradstreet index at \$4.10 for the third straight week. This represented a rise of 1.7% over last year's \$4.03, and was slightly higher than the \$4.09 recorded two years ago. Moving upward during the week were rye, oats, steers, sheep, and lambs, with declines registered in 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 continued to edge upward the past week. At 176.49 on March 7, the daily wholesale commodity price index, compiled by Dun & Bradstreet, reached a new war-time peak, comparing with 176.23 a week previous and with 172.49 on the corresponding date last year.

Leading grain markets exhibited considerable strength near the close last week under excellent demand as an acute shortage of box cars tended to curtail the movement of all grain to terminal markets. Reports of a huge government buying program for relief distribution in war liberated areas had a good effect on wheat futures and they spurted sharply higher. Flour purchases by the army in the week were large, but regular trade buying was only moderate. Pending definite action on extension of the subsidy beyond June 30, mills gave evidence of a reluctance to make offerings. Hog values in the week remained at their ceilings.

Cotton prices moved within a narrow range, but the undertone was steady and additional moderate gains were noted in the face of favorable war news and the uncertainty prevailing over price control legislation.

Further curtailing has occurred

in leather supplies as has been the case for some time past, due to increasing military demands and the further channeling of stocks to more essential uses. This has resulted in a cut for civilian shoe manufacturers. Confronted as they are, with large backlogs of old orders still on hand, these manufacturers generally, were reported to be refusing new business because of their inability to make reasonably prompt deliveries.

Domestic wool sales in the Boston market last week reflected a slow rate. The exercising of wool options bought last December also showed a great falling off in the week. Where early shipments could be assured, foreign wools enjoyed a ready sale. At the supplementary auction of stockpile wools held in Boston last week, bidding registered a slow pace. Out of total offerings for the week of 19,436,983 pounds, only 1,536,298, or 8%, were sold.

Post-War Jewelry Trade Prospects—The marriage boom which started with the draft in 1940 and reached its peak two years later, is now gathering momentum in a downhill dip which is not likely to stop until V-E Day, states the "Jewelers' Circular-Keystone," in setting forth the results of its sixteenth annual marriage survey in its March issue.

A poll of marriage license bureaus in the 50 largest cities in the country showed a drop in 1944 of 9.2% from the 1943 rate. The magazine estimates that the overall total in marriages during 1944 reached approximately 1,500,000. The downward trend can clearly be seen when this figure is compared with the 1,758,000 marriages of 1942. A continued decline is looked for by the magazine, followed by two sharp upward spurts—one immediately following V-E Day, another after the complete cessation of hostilities.

Approximately 3,200,000 newly married men are now serving Uncle Sam, according to estimates made by marriage license clerks especially for this survey since 1940. This has resulted in a lot of postponed homes, the magazine points out, adding that "the silverware and dishes and toasters and rugs and vacuum cleaners that these couples will buy will be the cushion that will ease the jolt back to peace time economy for retailers and manufacturers."

January Hardware Sales Gained Over 1944—Sales of independent retail hardware dealers and wholesale hardware distributors for January showed very good gains over the same month of 1944. "Hardware Age" reports, in its latest every-other-week market summary. Based on reports from 1,101 independent retail hardware dealers sales showed a 10% gain over last year. Wholesale hardware distributors, in all parts of the United States, reported an average dollar volume increase of 11% over January, 1944. The percentage of collections on accounts receivable was slightly under January of last year. Inventories of wholesalers had a dollar value 2% greater, as of the end-of-the-month, than those on hand in January, 1944, and showed a like gain over December, 1944, stocks.

Retail and Wholesale Trade—Further expansion was noted in almost all lines of retail trade the past week for the country as a whole. Spring merchandise was especially in demand. The month of February witnessed a gain of about 15 to 20% in business above that of a year ago. Despite complaints of retailers concerning slow deliveries, sufficient shipments arrive from day-to-day to permit of a high retail volume. House furnishing sales exhibited a lagging tendency, while food distribution, according to Dun & Bradstreet, moved well. Preference continues to remain high for quality goods.

An excellent demand obtained in seasonal apparel lines for the week and men's stores reported

moderate gains in volume over both last week and a year ago. As for inventories, estimates place them at about 10% below last year.

Women's spring wear reflected a high volume as coats, dresses and sportswear attracted most interest.

Specialty shops enjoyed a good week, while higher-priced dresses, blouses, millinery and shoes enjoyed good demand. In accessories such as handbags and gloves, the pace was much slower. Lingerie sales were high, but retailers experienced difficulty in their efforts to replenish stocks. Business in children's wear departments also held up well.

A scarcity of merchandise was noted the past week in piece goods as demand ruled high and many retailers endeavored to limit purchases. In drapery and upholstery fabrics a dearth of goods has forced consumers to purchase whatever is available in the market. In the house furnishing line, sales were about even or a little below one year ago, with furniture volume hampered by low stocks on hand.

Food volume is about 5% above a year ago. Shortages, even in meats, do not appear to hold down sales. Canned goods, frozen foods, and confectionery are selling in large quantities.

Retail volume for the country was estimated 13 to 17% over a year ago. Regional percentage increases were: New England, 10 to 14%; East, 15 to 19%; Middle West, 14 to 17%; Northwest, 8 to 11%; South, 12 to 16%; Southwest, 13 to 17%; Pacific Coast, 11 to 15%.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index, were 19% ahead of a year ago for the week ended March 3, 1945. This compared with 21% (revised figure) in the preceding week. For the four weeks ended March 3, 1945, sales increased 21%, and for the year to date 16%.

Activity marked retail trade here in New York last week. Main floor, apparel and accessory departments attracted much attention, but wholesale markets were subjected to great pressure by retailers on pre-Easter deliveries of merchandise. So heavy has retail demand been that producers are finding it very difficult to cope with the sharply increased orders on hand.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to March 3, 1945, increased 23% over the same period of last year. This compared with an increase of 17% in the preceding week. For the four weeks ended March 3, 1945, sales rose by 21% and for the year to date by 14%.

Ill. Trust Division Cancels Meeting

The Ninth Annual Meeting of the Trust Division of the Illinois Bankers Association has been cancelled. Plans had been made to hold this meeting in Decatur, Ill., April 5. In keeping with the pledge made by the bankers of Illinois on Dec. 8, 1941, that they would cooperate wholeheartedly in every way possible to bring this war to a speedy and successful conclusion, the Executive Committee of the Division at a special meeting decided that the plans for the Annual Meeting should be abandoned and that the officers of the Division should continue in office for another year. The officers of the Trust Division who will remain in their offices are: President John L. Sunde, Pioneer Trust & Savings Bank, Chicago; Vice-President Arthur C. Boeker, Edwardsville National Bank and Trust Co., Edwardsville; Secretary Harry C. Hausman and Assistant Secretary Kirk E. Sutherland.

Weekly Coal and Coke Production Statistics

The Solid Fuels Administration, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended March 3, 1945, is estimated at 11,350,000 net tons, a decrease of 575,000 tons, or 4.8%, from the preceding week. Output in the corresponding week of 1944 amounted to 12,115,000 tons. For the calendar year to March 3, 1945, soft coal production totaled 104,795,000 net tons, a decrease of 3.8% when compared with the 114,964,000 tons produced in the calendar year to March 4, 1944.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended March 3, 1945, was estimated at 1,116,000 tons, a decrease of 19,000 tons (1.7%) from the preceding week. When compared with the output in the corresponding week of 1944 there was a decrease of 238,000 tons, or 20.5%. The calendar year to date shows a decrease of 21.6% when compared with the corresponding period of 1944.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended March 3, 1945, showed an increase of 6,400 tons when compared with the output for the week ended Feb. 24, 1945; but was 17,300 tons less than for the corresponding week of 1944.

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

	Week Ended			Jan. 1 to Date		
	Mar. 3, 1945	Mar. 3, 1944	% Change	1945	1944	% Change
Bituminous coal & lignite—	11,350,000	12,115,000	-6.2	104,795,000	114,964,000	-9.7
Total incl. mine fuel—	1,116,000	1,348,000	-17.2	10,683,000	12,766,000	-16.4
Daily average—	1,892,000	1,988,000	-5.3	1,955,000	2,102,000	-6.5

*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.

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

	Week Ended			Calendar Year to Date		
	Mar. 3, 1945	Mar. 3, 1944	% Change	1945	1944	% Change
Penn. anthracite—	1,116,000	1,348,000	-17.2	10,683,000	12,766,000	-16.4
*Total incl. coll. fuel—	1,071,000	1,348,000	-19.8	10,300,000	12,226,000	-15.7
†Commercial produc.	1,071,000	1,348,000	-19.8	10,300,000	12,226,000	-15.7
Beehive coke—	132,100	125,700	5.2	1,441,300	1,441,300	0.0

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

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

State—	Week Ended			Feb. 26, 1944
	Feb. 24, 1945	Feb. 24, 1944	% Change	
Alabama	350,000	354,000	-1.1	373,000
Alaska	7,000	7,000	0.0	8,000
Arkansas and Oklahoma	85,000	106,000	-20.8	97,000
Colorado	170,000	167,000	1.8	187,000
Georgia and North Carolina	1,565,000	1,553,000	0.8	1,609,000
Illinois	554,000	545,000	1.6	576,000
Indiana	54,000	53,000	1.9	63,000
Iowa	155,000	182,000	-14.8	176,000
Kansas and Missouri	1,033,000	1,033,000	0.0	998,000
Kentucky—Eastern	345,000	358,000	-3.6	365,000
Kentucky—Western	35,000	36,000	-2.8	43,000
Maryland	9,000	9,000	0.0	4,000
Michigan	95,000	105,000	-10.5	85,000
Montana (bitum. & lignite)	32,000	30,000	6.7	37,000
New Mexico	60,000	60,000	0.0	56,000
North & South Dakota (lignite)	595,000	600,000	-0.8	644,000
Ohio	2,690,000	2,670,000	0.8	3,022,000
Pennsylvania (bituminous)	148,000	146,000	1.4	157,000
Tennessee	4,000	5,000	-20.0	3,000
Texas (bituminous & lignite)	153,000	146,000	4.9	160,000
Utah	415,000	378,000	9.8	413,000
Virginia	32,000	32,000	0.0	26,000
Washington	2,248,000	2,050,000	9.7	2,247,000
West Virginia—Southern	845,000	755,000	10.7	1,033,000
West Virginia—Northern	190,000	205,000	-8.3	211,000
Wyoming	11,925,000	11,585,000	3.0	12,593,000
Other Western States	11,925,000	11,585,000	3.0	12,593,000

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

Current Steel Output Off 1 1/2% - Deliveries Continue Tight - Manpower Shortages Serious

"March, the proverbial month for steel production peaks, will see substantial improvement in the steel operation picture when compared to recent periods, but the betterment will not lessen the tightness in steel deliveries," states "The Iron Age" in its issue of today (March 15), which further adds in part: "Already there are some signs that steel ingot output has had to be gaged closer to restricted finishing mill operations which have suffered because of manpower shortages.

"The manpower shortages in the steel industry are more serious than being just a matter of so many employees needed. The real shortage is in certain types of skilled and unskilled labor at spots where the lack of such help eats into output. While ingot production has been bettered recently the processing of steel into finished products has slowed down, thus causing raw steel in some cases to be in excess of finishing mill needs. With the draft making more inroads in steel mill forces and with the present manpower in the most skilled jobs bordering close on the point of exhaustion after three years of record breaking activity, the immediate outlook for significant increases in steel output is not promising.

"While the steel industry was satisfied to see an ending of severe weather conditions but was

still struggling with manpower deficiencies, the heavy volume of steel orders and directives were such as to confound even the best efforts to solve the problem of better distribution. Carryovers this week were still heavy and one major producer reported those in February to be the largest in the history of the company. In that month carryovers generally ran as high as 33% to 40% of total order commitments.

"An analysis of some delayed shipments shows that from 10% to 15% of the total carryovers recently involved material for which January or earlier delivery had been indicated. Despite pleas by WPB that customers cancel advance orders for which authorization was nullified by severe cuts in second quarter CMP allotments, mills report cancellations the lowest in months. Unless action is taken soon, April rolling schedules will be so firmly en-

trenched that revision can be made only with great difficulty.

"Further complicating the steel delivery situation is the heavy demand for shell steel. About 10% of the entire second quarter steel output appears to be earmarked for shells and rockets. Some sources believe that this substantial program might be trimmed down when Germany collapses, but this remains problematical. The allocation which may amount to about 1,500,000 tons in the second quarter does not include components of bombs, but involves only shell and rocket bodies.

"Although electric furnace steel output in February showed the best gain on a percentage of operation basis since last May, considerable capacity is still idle. Some steel users are ordering carbon steel made in electric furnaces because deliveries are easier than those involving open hearth steel. Such consumers are willing to pay the electric furnace differential in order to obtain the steel more quickly. Tonnages involved in such practice constitute only a small proportion of total steel production."

The American Iron and Steel Institute on March 12 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 94.5% of capacity for the week beginning March 12, compared with 95.9% one week ago, 91.4% one month ago and 99.1% one year ago. The operating rate for the week beginning March 12 is equivalent to 1,730,900 tons of steel ingots and castings, compared to 1,756,500 tons one week ago, 1,673,900 tons one month ago, and 1,775,200 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on March 12 stated in part as follows: "Although heavy directives have done much since the first of the year to crowd less important tonnage from nearby mill schedules recent action by War Production Board in requesting consumers to cancel orders for steel which for any reason they no longer need is expected to eliminate still further tonnage and thus provide space for important requirements.

"Meanwhile, more rigid rules are being laid down for issuance of directives and closer control is being exerted over cancellations, mills not being allowed to fill gaps without definite approval from Washington. Some cancellations are appearing as a result of this appeal and a new cutback is being applied to programs for which it is clear that sufficient steel will not be available over first half.

"January pig iron output showed effects of weather conditions in that month and totaled 4,945,018 net tons, compared with 4,998,757 tons in December and 5,275,852 tons in January, 1944. With the exception of November, 1944, the January total was smallest since June, 1943. January production was at 86.5% of capacity.

"Deliveries are further deferred, plates in May and June, shapes in June and July, sheets in September with several large producers out of the market for third quarter, large bars September to the end of the year." On large bars over 7 1/2 inches little can be done until 1946."

Money in Circulation

The Treasury Department in Washington has issued its customary monthly statement showing the amount of money in circulation after deducting the money held in the U. S. Treasury and by Federal Reserve Banks and agents. The figures this time are those of Jan. 31, 1945, and show that the money in circulation at that date (including, of course, that held in bank vaults of member banks of the Federal Reserve System) was \$25,290,209,-

Consumer Credit Outstanding Down In January

The Board of Governors of the Federal Reserve System announced on March 1 that consumer credit outstanding at the end of January was estimated at \$5,482 million dollars, representing a decline of nearly \$305 millions during the month. About two-thirds of this reduction was in charge accounts receivable, but other major types of consumer indebtedness also showed customary seasonal declines.

The Board's report continued: "Instalment loans outstanding declined about 1% during January, but at the end of the month were nearly 7% above those of the corresponding date last year.

"Instalment credit outstanding on automobile sales showed a further small decline in January but at the end of the month was approximately 14% larger than a year ago. Other instalment sale credit decreased somewhat more than is customary in January. For the second consecutive month these accounts were in about the same volume as a year earlier.

"Charge-account indebtedness declined seasonally from the high level prevailing during the latter part of 1944 but was nearly one-fifth above the amount outstanding on Jan. 31 of that year."

CONSUMER CREDIT OUTSTANDING

(Short-term credit. In millions of dollars. Figures estimated)	Increase or decrease from:		
	Jan. 31, 1945	Dec. 31, 1944	Jan. 31, 1944
*Total consumer credit—	5,482	-304	+453
Instalment sale credit:			
Automobile	192	-8	+23
Other	574	-61	-2
†Instalment loans	1,228	-17	+75
‡Charge accounts	1,546	-212	+252
§Single-payment loans	1,210	-10	+65

*Includes service credit not shown separately. †Includes insured repair and modernization loans.

National Bank Assets \$76.950 Billion Dec. 30, Comptroller of Currency Reports

The assets of national banks on Dec. 30 last totaled \$76,950,000,000, it was announced on March 6 by Comptroller of the Currency, Preston Delano. Returns from the call covered 5,031 active National banks in the United States and possessions. The assets reported were \$6,549,000,000 greater than the total reported for the 5,042 active banks on June 30, 1944, the date of the previous call, and an increase of \$12,418,000,000 over the amount reported by the 5,046 active banks on December 31, 1943. Comptroller Delano also reports that the deposits of national banks on December 30, 1944 totaled \$72,129,000,000, an increase of \$6,296,000,000 since June, 1944, and an increase of \$11,973,000,000 since December, 1943. From the Comptroller's advices we also quote:

"Included in the current deposit figures are demand and time deposits of individuals, partnerships and corporations of \$36,321,000,000 and \$12,655,000,000 respectively; United States Government deposits of \$11,167,000,000; deposits of States and political subdivisions of \$3,070,000,000; postal savings of \$5,000,000; certified and cashiers' checks, etc., of \$853,000,000, and deposits of banks, excluding reciprocal balances, of \$8,058,000,000.

"Loans and discounts were \$11,498,000,000, an increase of \$268,000,000, or 2.39%, since June, and an increase of \$1,364,000,000, or 13.46%, since December, 1943. The percentage of loans and discounts to total deposits on December 30, 1944 was 15.94, in comparison with 17.06 on June 30, 1944, and 16.85 on December 31, 1943. "Investments by the banks in United States Government obligations, direct and guaranteed, as of December 30, 1944 aggregated \$43,478,000,000, which was greater by \$4,688,000,000, or 12%, than the amount reported for June, 1944, and an increase of \$9,300,000,000, or 27%, over the amount reported for December the year previous. The direct and guaranteed obligations held on December 30 last were \$42,836,000,000 and \$642,000,000, respectively. Other bonds, stocks and securities held totaling \$3,544,000,000, including obligations of States and political subdivisions of \$2,057,000,000, showed an increase since June of \$46,000,000, and an increase of \$218,000,000 in the year.

"Cash of \$904,000,000, balances with other banks, excluding reciprocal balances, of \$7,448,000,-

New York Stock Exch. Borrowings Decrease In Month of February

The New York Stock Exchange announced on March 3, 1945, that the total of money borrowed as reported by Stock Exchange member firms as of the close of business Feb. 28 was \$890,544,258, a decrease of \$22,450,543 from the Dec. 30 total of \$912,994,801.

The following is the Stock Exchange's announcement:

"The total of money borrowed from banks, trust companies and other lenders in the United States, excluding borrowings from other members of national securities exchanges, (1) on direct obligations of or obligations guaranteed as to principal or interest by the United States Government, \$314,707,715, (2) on all other collateral, \$575,836,543, reported by New York Stock Exchange member firms, as of the close of business Feb. 28, 1945, aggregated \$890,544,258.

"The total of money borrowed, compiled on the same basis, as of the close of business Jan. 31, 1944, was (1) on direct obligations of or obligations guaranteed as to principal or interest by the United States Government, \$348,613,498; (2) on all other collateral, \$564,381,303; total, \$912,994,801."

\$31 as against \$25,307,152,635 on Dec. 31, 1944, and \$20,529,050,611 on Jan. 31, 1944, and compared with \$5,698,214,612 on Oct. 31, 1920. Just before the outbreak of the first World War, that is, on June 30, 1914, total was \$3,459,434,174.

Market Value of Stocks on New York Stock Exchange Higher on Feb. 28

The New York Stock Exchange announced on March 7 that as of the close of business Feb. 28, there were 1,256 stock issues, aggregating 1,497,831,560 shares listed on the New York Stock Exchange, with a total market value of \$59,680,085,110. This compares with 1,256 issues aggregating 1,495,547,375 shares; total market value \$56,585,846,293 on Jan. 31.

In making public the figures for Feb. 28 the Stock Exchange also said:

As of the close of business Feb. 28, New York Stock Exchange member total net borrowings amounted to \$890,544,258, of which \$575,836,543 represented loans which were not collateralized by U. S. Gov't. issues. The ratio of the latter borrowings to the market value of all listed stocks, on that date, was, therefore, 0.96%. As the loans not collateralized by U. S. Gov't. issues include all other types of member borrowings, these ratios will ordinarily exceed the precise relationship between borrowings on listed shares and their total market value.

In the following table listed stocks are classified by leading industrial groups with the aggregate market value and average price for each:

Group	Feb. 28, 1945		Jan. 31, 1945	
	Market Value	Average Price	Market Value	Average Price
Amusement	675,796,820	29.17	645,075,148	27.84
Automobile	5,259,143,014	42.89	4,944,272,202	40.32
Aviation	799,693,845	20.58	729,014,370	19.77
Building	742,107,057	31.17	700,987,495	32.28
Business and Office Equipment	517,104,983	39.72	493,694,568	37.93
Chemical	6,859,741,032	70.54	6,549,419,042	67.54
Electrical Equipment	1,390,145,839	47.31	1,840,144,250	43.76
Farm Machinery	868,694,016	62.23	861,977,757	60.49
Financial	1,167,009,124	24.32	1,098,270,916	22.89
Food	3,727,960,053	42.31	3,646,169,540	41.41
Garment	52,493,066	31.43	50,303,430	30.12
Land & Realty	44,181,462	9.14	42,343,357	8.76
Leather	283,964,690	33.34	273,633,945	32.13
Machinery & Metals	2,290,586,400	31.22	2,160,383,293	29.49
Mining (excluding iron)	1,795,179,129	28.55	1,654,723,096	26.32
Paper & Publishing	701,709,143	29.42	666,725,406	27.98
Petroleum	7,164,117,807	34.98	6,697,391,224	32.70
Railroad	5,060,368,111	46.88	4,729,954,894	43.79
Retail Merchandising	3,235,467,872	43.50	3,104,491,704	41.80
Rubber	740,162,176	69.77	700,823,802	66.06
Ship Building & Operating	126,611,783	22.96	119,467,642	21.86
Shipping Services	23,624,278	13.70	21,764,840	12.62
Steel, Iron & Coke	2,667,502,494	52.80	2,537,023,534	50.18
Textiles	695,196,412	42.01	665,978,550	40.25
Tobacco	1,452,100,692	53.31	1,377,537,122	50.59
Utilities:				
Gas & Electric (Operating)	2,676,197,950	31.00	2,586,848,380	29.97
Gas & Electric (Holding)	1,500,974,868	15.77	1,409,531,062	14.81
Communications	4,006,540,810	93.06	3,893,190,582	90.84
Miscellaneous Utilities	154,265,878	26.13	144,337,001	24.45
U. S. Cos. Operating Abroad	998,755,356	29.37	972,084,310	28.59
Foreign Companies	1,116,641,072	26.99	993,941,466	24.02
Miscellaneous Businesses	288,047,758	32.74	274,342,365	31.18
All Listed Stocks	59,680,085,110	39.84	56,585,846,293	37.84

We give below a two-year compilation of the total market value and the average price of stocks listed on the Exchange:

Year	Market Value	Average Price	Year	Market Value	Average Price
1943			1944		
Jan. 30	41,410,585,043	28.16	Feb. 29	48,494,092,518	32.51
Feb. 27	43,533,661,753	29.61	Mar. 31	49,421,855,812	33.12
Mar. 31	45,845,738,377	31.20	Apr. 29	48,670,491,772	32.59
Apr. 30	46,192,361,639	31.45	May 31	50,964,039,424	34.14
May 29	48,437,700,647	32.96	June 30	53,067,698,691	35.55
June 30	48,876,520,886	33.27	July 31	52,488,254,469	35.07
July 31	47,577,939,240	32.17	Aug. 31	53,077,487,308	35.40
Aug. 31	47,710,472,858	32.04	Sept. 30	52,929,771,152	35.75
Sept. 30	48,711,451,018	32.82	Oct. 31	53,086,843,093	35.84
Oct. 30	48,178,040,869	32.44	Nov. 30	53,591,644,063	36.14
Nov. 30	45,101,778,943	30.33	Dec. 30	55,511,963,741	37.20
Dec. 31	47,607,294,582	31.96			
1944			1945		
Jan. 31	48,396,650,695	32.47	Jan. 31	56,585,846,293	37.84
			Feb. 28	59,680,085,110	39.84

Electric Output for Week Ended Mar. 10, 1945 Increased 0.5% 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. 10, 1945, was approximately 4,446,136,000 kwh., which compares with 4,425,630,000 kwh. in the corresponding week a year ago, and 4,472,110,000 kwh. in the week ended Mar. 3, 1945. The output of the week ended Mar. 10, 1945, was 0.5% in excess of that in the same week last year.

Major Geographical Divisions	PERCENTAGE INCREASE OVER PREVIOUS YEAR			
	Week Ended			
	Mar. 10	Mar. 3	Feb. 24	Feb. 17
New England	+0.5	+1.1	0.9	+0.0
Middle Atlantic	+2.8	+3.4	+1.9	+4.0
Central Industrial	1.7	2.3	3.5	1.5
West Central	7.3	0.1	8.8	6.0
Southern States	6.3	6.5	6.9	5.1
Rocky Mountain	+5.6	+8.7	+9.8	+11.9
Pacific Coast	+2.1	+0.2	+6.2	+5.5
Total United States	0.5	0.2	0.7	+0.9

*Decrease under similar week in previous year.

Week Ended	DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)				
	1945	1944	% Change over 1944	1943	1929
Jan. 16	4,427,281	4,567,959		3,952,587	1,733,810
Jan. 13	4,614,334	4,539,083	+ 1.7	3,952,479	1,736,721
Jan. 20	4,588,214	4,531,662	+ 1.2	3,974,202	1,737,315
Jan. 27	4,576,713	4,523,763	+ 1.2	3,976,844	1,728,203
Feb. 3	4,538,552	4,524,134	+ 0.3	3,960,242	1,726,161
Feb. 10	4,505,269	4,532,730	- 0.6	3,939,708	1,718,304
Feb. 17	4,472,293	4,511,562	- 0.9	3,948,749	1,699,250
Feb. 24	4,473,962	4,444,939	+ 0.7	3,892,796	1,706,719
March 3	4,472,110	4,464,686	+ 0.2	3,946,630	1,702,570
March 10	4,446,136	4,425,630	+ 0.5	3,944,679	1,687,229
March 17		4,400,246		3,946,826	1,683,262
March 24		4,409,159		3,928,170	1,679,589
March 31		4,408,703		3,889,858	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.

Moody's Bond Prices And Bond Yield Averages

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

1945— Daily Averages	MOODY'S BOND PRICES (Based on Average Prices)									
	U. S. Govt. Bonds	Ave. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*			
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.	
Mar. 13	122.39	114.85	120.63	118.40	114.66	106.21	110.88	114.46	119.41	
12	122.42	114.85	120.63	118.60	114.66	106.21	110.88	114.46	119.41	
10	122.47	114.85	120.63	118.60	114.66	106.21	110.88	114.46	119.41	
9	122.53	114.85	120.63	118.60	114.46	106.21	110.88	114.46	119.41	
8	122.50	114.85	120.63	118.60	114.46	106.21	110.88	114.27	119.41	
7	122.42	114.85	120.63	118.60	114.46	106.21	110.88	114.27	119.41	
6	122.28	114.85	120.63	118.60	114.66	106.21	110.70	114.27	119.41	
5	122.11	114.85	120.63	118.60	114.66	106.21	110.70	114.27	119.41	
4	122.05	114.66	120.43	118.60	114.46	106.21	110.70	114.27	119.41	
3	122.03	114.85	120.63	118.60	114.66	106.21	110.70	114.27	119.41	
2	121.92	114.66	120.02	118.60	114.46	106.04	110.52	114.08	119.41	
1	121.97	114.46	120.02	118.60	114.27	105.69	110.15	114.08	119.41	
Feb. 23	121.58	114.27	119.82	118.40	114.08	105.69	109.97	114.08	119.20	
22	121.33	114.08	119.82	118.00	113.89	105.34	109.60	114.08	118.80	
Jan. 26	120.88	113.89	119.41	118.00	113.70	105.17	109.24	113.89	118.60	
19	121.09	113.70	119.20	118.00	113.70	105.00	108.88	113.70	118.60	
12	121.25	113.70	119.00	118.00	113.50	104.83	109.06	113.70	118.40	
5	120.66	113.50	119.00	117.80	113.50	104.66	108.70	113.89	118.20	
High 1945	122.53	114.85	120.63	118.60	114.66	106.21	110.88	114.46	119.61	
Low 1945	120.55	113.50	118.80	117.80	113.31	104.48	108.52	113.70	118.20	
1 Year Ago	120.23	111.25	118.20	116.41	111.25	100.65	104.48	113.70	116.22	
2 Years Ago	116.87	109.42	117.80	115.43	110.52	95.77	100.32	112.93	115.63	

1945— Daily Averages	MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices)									
	U. S. Govt. Bonds	Ave. Corpo- rate*	Corporate by Ratings*				Corporate by Groups*			
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.	
Mar. 13	1.66	2.91	2.62	2.73	2.92	3.38	3.12	2.93	2.68	
12	1.66	2.91	2.62	2.72	2.92	3.38	3.12	2.93	2.68	
10	1.66	2.91	2.62	2.72	2.92	3.38	3.12	2.93	2.68	
9	1.66	2.91	2.62	2.72	2.92	3.38	3.12	2.93	2.68	
8	1.65	2.91	2.62	2.72	2.93	3.38	3.12	2.93	2.68	
7	1.65	2.91	2.62	2.72	2.93	3.38	3.12	2.94	2.68	
6	1.66	2.91	2.62	2.72	2.93	3.38	3.12	2.94	2.67	
5	1.67	2.91	2.62	2.72	2.92	3.38	3.13	2.94	2.67	
4	1.68	2.91	2.62	2.72	2.92	3.38	3.13	2.94	2.68	
3	1.69	2.92	2.63	2.72	2.93	3.38	3.13	2.94	2.67	
2	1.69	2.91	2.62	2.72	2.92	3.38	3.13	2.94	2.67	
1	1.69	2.92	2.65	2.72	2.93	3.39	3.14	2.95	2.68	
Feb. 23	1.69	2.92	2.65	2.72	2.94	3.41	3.16	2.95	2.68	
16	1.72	2.94	2.66	2.73	2.95	3.41	3.17	2.95	2.69	
9	1.73	2.95	2.66	2.75	2.96	3.43	3.19	2.95	2.71	
Jan. 26	1.77	2.96	2.68	2.75	2.97	3.44	3.21	2.96	2.72	
19	1.75	2.97	2.69	2.75	2.97	3.45	3.23	2.97	2.72	
12	1.74	2.97	2.70	2.75	2.98	3.46	3.22	2.97	2.73	
5	1.79	2.98	2.70	2.76	2.98	3.47	3.24	2.96	2.74	
High 1945	1.80	2.98	2.71	2.76	2.99	3.48	3.25	2.97	2.74	
Low 1945	1.65	2.91	2.62	2.72	2.92					

Trading on New York Exchanges

The Securities and Exchange Commission made public on Mar. 7 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Feb. 17, 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. 17 (in round-lot transactions) totaled 2,277,101 shares, which amount was 12.47% of the total transactions on the Exchange of 9,127,470 shares. This compares with member trading during the week ended Feb. 10 of 2,325,102 shares, or 12.96% of the total trading of 8,965,500 shares. On the New York Curb Exchange, member trading during the week ended Feb. 17 amounted to 545,839 shares, or 9.44% of the total volume on that exchange of 2,891,124 shares. During the Feb. 10 week trading for the account of Curb members of 699,620 shares was 12.36% of total trading of 2,823,219.

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

WEEK ENDED FEB. 17, 1945			
A. Total Round-Lot Sales:	Total for week	%	
Short sales.....	248,940		
†Other sales.....	8,878,530		
Total sales.....	9,127,470		
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.....	618,670		
Short sales.....	105,530		
†Other sales.....	512,700		
Total sales.....	618,230	6.78	
2. Other transactions initiated on the floor—			
Total purchases.....	268,710		
Short sales.....	15,100		
†Other sales.....	271,780		
Total sales.....	286,880	3.04	
3. Other transactions initiated off the floor—			
Total purchases.....	188,671		
Short sales.....	40,020		
†Other sales.....	255,920		
Total sales.....	295,940	2.65	
4. Total—			
Total purchases.....	1,076,051		
Short sales.....	160,650		
†Other sales.....	1,040,400		
Total sales.....	1,201,050	12.47	

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

WEEK ENDED FEB. 17, 1945			
A. Total Round-Lot Sales:	Total for week	%	
Short sales.....	37,975		
†Other sales.....	2,853,149		
Total sales.....	2,891,124		
B. Round-Lot Transaction for Account of Members:			
1. Transactions of specialists in stocks in which they are registered—			
Total purchases.....	177,130		
Short sales.....	19,755		
†Other sales.....	50,804		
Total sales.....	70,559	4.28	
2. Other transactions initiated on the floor—			
Total purchases.....	64,950		
Short sales.....	2,700		
†Other sales.....	70,445		
Total sales.....	73,145	2.39	
3. Other transactions initiated off the floor—			
Total purchases.....	51,390		
Short sales.....	8,500		
†Other sales.....	100,165		
Total sales.....	108,665	2.77	
4. Total—			
Total purchases.....	293,470		
Short sales.....	30,955		
†Other sales.....	221,414		
Total sales.....	252,369	9.44	
C. Odd-Lot Transactions for Account of Specialists—			
Customers' short sales.....	0		
†Customers' other sales.....	178,650		
Total purchases.....	178,650		
Total sales.....	88,376		

*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."

Wholesale Prices Up 0.2% for Week Ended March 3, Labor Department Reports

"The Bureau of Labor Statistics' index of commodity prices at the primary market level rose 0.2% during the week ended March 3 to equal the high level reached in mid-February," said the U. S. Department of Labor in its report of March 8, which went on to say:

"A sharp upturn in the fresh fruit and vegetable markets together with higher prices for livestock reversed the decline of the preceding week and again brought the all-commodity index to 105.0% of the 1926 average. In the past four weeks the all-commodity index has risen 0.3% to a point 1.5% higher than at the same time last year."

The department's announcement continued: "Farm Products and Foods. With an increase of 0.6% during the week average prices of farm products rose to the highest point since the summer of 1943. Higher prices were reported for steers and sheep, for cotton, for lemons, oranges, white potatoes at Chicago, and for apples at Portland, Oreg. Eggs continued to decline season-

ally and grains were off slightly, with rye down nearly 2% and wheat 0.1%. In addition, quotations were lower for apples and onions at Chicago and white potatoes at Boston and New York. Since the end of January average prices for farm products have risen 1.2% and were more than 3% higher than for the week of March 4, 1944. Led by an increase of 3.1% for fruits and vegetables, average prices for foods in primary markets rose 0.4% during the week. Quotations were lower for rye flour, for eggs, and for apples, onions and potatoes in certain markets. Although food prices in primary markets were 0.2% higher than at this time last month they were at the same level a year ago.

"Industrial Commodities. Industrial commodity markets remained fairly steady during the week. Higher prices for sheepskins brought the index for hides and leather products up 0.1%. The index for textile products also rose 0.1% as a result of an increase of 1¢ per pound in manufacturers ceilings on cotton rope and twine. Minor increases were reported for Western pine lumber. Bichromate advanced nearly 7% as a result of OPA action in allowing higher ceilings for chromium chemicals in order to restore industry earnings to pre-war levels. A decline of 2.5% occurred in prices for mercury."

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 February 3, 1945 and March 4, 1944, and the percentage changes from a week ago, a month ago, and a year ago, and (2) percentage changes in subgroup indexes from February 24, 1945 to March 3, 1945:

Commodity Groups—	(1926=100)											
	WHOLESALE PRICES FOR WEEK ENDED MARCH 3, 1945						Percentage change to Mar. 3, 1945 from—					
	3-3 1945	2-24 1945	2-17 1945	2-3 1945	3-4 1944	2-24 1945	2-3 1945	3-4 1944	1945	1945	1944	1944
All commodities.....	105.0	104.8	105.0	104.7	103.4	+0.2	+0.3	+1.5				
Farm products.....	127.2	126.4	127.2	125.7	123.2	+0.6	+1.2	+3.2				
Foods.....	104.5	104.1	104.8	104.3	104.5	+0.4	+0.2	0				
Hides and leather products.....	118.1	118.0	118.0	117.9	117.6	+0.1	+0.2	+0.4				
Textile products.....	99.2	99.1	99.1	99.1	97.3	+0.1	+0.1	+2.0				
Fuel and lighting materials.....	83.8	83.8	83.8	84.0	83.7	0	-0.2	+0.1				
Metals and metal products.....	104.3	104.3	104.3	104.2	103.8	0	+0.1	+0.5				
Building materials.....	116.9	116.9	116.9	116.7	113.7	0	+0.2	+2.8				
Chemicals and allied products.....	94.9	94.9	94.9	94.9	95.1	0	0	-0.2				
Housefurnishing goods.....	106.2	106.2	106.2	106.2	105.9	0	0	+0.3				
Miscellaneous commodities.....	94.3	94.1	94.1	94.1	93.3	+0.2	+0.2	+1.1				
Raw materials.....	116.2	115.7	116.2	115.3	113.2	+0.4	+0.8	+2.7				
Semimanufactured articles.....	94.9	94.8	94.8	94.8	93.5	+0.1	+0.1	+1.5				
Manufactured products.....	101.6	101.6	101.6	101.6	100.6	0	0	+1.0				
All commodities other than farm products.....	100.1	100.1	100.1	100.1	99.2	0	0	+0.9				
All commodities other than farm products and foods.....	99.4	99.3	99.3	99.3	98.3	+0.1	+0.1	+1.1				

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM FEB. 24, 1945 TO MARCH 3, 1945		
Increases		
Fruits and vegetables.....	3.1	Livestock and poultry..... 0.4
Other farm products.....	1.0	Iron and steel..... 0.1
Hides and skins.....	0.6	Lumber..... 0.1
Decreases		
Other foods.....	0.2	Grains..... 0.1

National Fertilizer Association Commodity Price Index Registers Small Decline

The weekly wholesale commodity price index, compiled by The National Fertilizer Association and made public on March 12, declined slightly to the lowest point registered by the index this year to 139.7 in the week ending March 10, 1945, from 139.8 in the preceding week. A month ago the index stood at 140.1, the all-time peak of the index, and a year ago at 137.0, based on the 1935-1939 average as 100. The Association's report continued as follows:

Prices of commodities included in the index were unusually stable during the latest week causing changes in only two of the composite groups in the index. The farm products group was slightly lower due to declines in the prices for raw cotton. Rye prices also declined slightly and lamb quotations showed a small gain. The foods index remained the same with the advance in the price for flour offsetting declining quotations for potatoes. The only other group in the index to change was the textile group and it showed only a small decline.

During the week 3 price series in the index declined and only 2 advanced; in the preceding week there were 3 declines and 7 advances; in the second preceding week there were 3 declines and 8 advances.

WEEKLY WHOLESALE COMMODITY PRICE INDEX						
Compiled by The National Fertilizer Association						
1935-1939=100*						
% Each Group Bears to the Total Index	Group	Latest Week	Preceding Week	Month Ago	Year Ago	
		Mar. 10, 1945	Mar. 3, 1945	Feb. 10, 1945	Mar. 11, 1944	
25.3	Food.....	141.2	141.2	142.9	137.8	
	Fats and Oils.....	145.3	145.3	145.3	146.1	
	Cottonseed Oil.....	163.1	163.1	163.1	159.6	
23.0	Farm Products.....	165.2	165.3	165.0	157.4	
	Cotton.....	206.1	207.2	203.4	199.8	
	Grains.....	163.7	163.7	162.7	164.8	
	Livestock.....	159.4	159.4	159.9	148.2	
17.3	Fuels.....	130.4	130.4	130.4	130.1	
10.8	Miscellaneous Commodities.....	133.4	133.4	133.4	131.4	
8.2	Textiles.....	155.9	156.1	155.5	151.9	
7.1	Metals.....	104.7	104.7	106.4	104.4	
6.1	Building Materials.....	154.1	154.1	154.1	152.4	
1.3	Chemicals and Drugs.....	125.4	125.4	125.4	127.7	
.3	Fertilizer Materials.....	118.3	118.3	118.3	117.7	
.3	Fertilizers.....	119.9	119.9	119.9	119.7	
.3	Farm Machinery.....	104.8	104.8	104.8	104.2	
100.0	All groups combined.....	139.7	139.8	140.1	137.0	

*Indexes on 1926-1928 base were: March 10, 1945, 108.8; March 3, 1945, 108.8; and March 11, 1944, 106.7.

Conversion of "A" Bonds Owned by Men Overseas

Secretary Morgenthau announced on March 10 the adoption of a plan whereby maturing series A United States savings bonds owned by men and women on the fighting fronts may be converted into series E bonds at the request of a near relative of an owner. The announcement says:

"This special procedure was established in recognition of the fact that, in most cases, servicemen outside the continental United States will not be in a position to request payment of the A bonds as they mature, beginning this month, and should not, because of their war service, be deprived of the benefit of continued interest on their investment.

"Near relatives having possession of maturing series A bonds registered in the name of a serviceman, whether as owner, co-owner or surviving beneficiary, may present them to a Federal Reserve Bank or branch or to the Treasury Department with a request for payment during the month in which they mature, provided the entire proceeds, so far as possible, be applied to the purchase of series E bonds registered in the name of the serviceman only.

"However, a co-owner or beneficiary may be named on the E bonds, either at the time of original issue or subsequently by re-issue, if satisfactory evidence is submitted in the form of a V-mail letter or a letter by ordinary mail, together with the envelope in which it came, indicating the serviceman's intent to name a co-owner or a beneficiary.

"Any proceeds from the redemption over and above the issue price of the new series E bonds will be paid by check drawn to the order of the serviceman and delivered, together with the bonds, to the relative who requested redemption. If the bonds are held in safekeeping by the Treasury or by any Federal Reserve Bank or branch, the new bonds will be returned to safekeeping for the owner's account."

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Mar. 7 a summary for the week ended Feb. 24 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. 24, 1945	
Odd-Lot Sales by Dealers (Customers' purchases)	Total for Week
Number of orders.....	27,746
Number of shares.....	823,054
Dollar value.....	\$32,231,166
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales.....	191
*Customers' other sales.....	26,757
Customers' total sales.....	26,948
Number of Shares:	
Customers' short sales.....	6,671
*Customers' other sales.....	738,500
Customers' total sales.....	745,171
Dollar value.....	\$27,109,731
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales.....	130
†Other sales.....	174,500
Total sales.....	174,630
Round-Lot Purchases by Dealers:	
Number of shares.....	229,180
*Sales marked "short exempt" are reported with "other sales."	
†Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."	

Daily Average Crude Oil Production for Week Ending March 3, 1945 Decreased 12,850 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended March 3, 1945, was 4,765,120 barrels, a decrease of 12,850 barrels per day from the preceding week. The current figure, however, was an increase of 352,395 barrels per day over the corresponding week of last year and exceeded by 8,320 barrels the daily average figure recommended by the Petroleum Administration for War for the month of February, 1945. Daily production for the four weeks ended March 3, 1945, averaged 4,765,950 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,753,000 barrels of crude oil daily and produced 14,704,000 barrels of gasoline; 1,554,000 barrels of kerosine; 5,026,000 barrels of distillate fuel, and 8,585,000 barrels of residual fuel oil during the week ended March 3, 1945; and had in storage at the end of that week 52,589,000 barrels of civilian grade gasoline; 45,014,000 barrels of military and other gasoline; 7,334,000 barrels of kerosine; 28,110,000 barrels of distillate fuel, and 45,021,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)						
	*P. A. W. Recommendations Feb. 1, 1945	*State Allowables Begin. Feb. 1, 1945	Actual Production Week Ended Mar. 3, 1945	Change from Previous Week	4 Weeks Ended Mar. 3, 1945	Week Ended Mar. 4, 1944
Oklahoma	360,000	360,500	1,368,600	+ 100	366,750	327,600
Kansas	274,000	269,400	1,244,400	-28,450	260,350	272,800
Nebraska	1,000	1,900	50	- 50	900	1,300
Panhandle Texas						
		88,000			88,000	96,750
North Texas						
		148,800			148,800	141,450
West Texas						
		464,300			464,300	349,150
East Central Texas						
		150,300	+ 6,100		145,700	116,700
East Texas						
		392,000			392,000	376,000
Southwest Texas						
		347,000			347,000	290,550
Coastal Texas						
		562,100			562,100	515,000
Total Texas	2,140,000	2,143,749	2,152,500	+ 6,100	2,147,900	1,885,600
North Louisiana						
		69,800	+ 1,000		68,900	76,500
Coastal Louisiana						
		234,800			234,800	263,650
Total Louisiana	360,000	396,800	364,600	+ 1,000	363,700	360,150
Arkansas						
	80,000	80,317	81,100	- 1,000	81,750	79,300
Mississippi						
	53,000		53,400	+ 1,950	50,800	43,600
Alabama						
	300		250		250	25
Florida						
			20		50	50
Illinois						
	198,000		207,350	+ 1,400	205,900	218,300
Indiana						
	12,000		12,500	- 200	12,700	13,100
Eastern (Not incl. Ill., Ind., Ky.)						
	68,200		61,550	+ 300	61,050	74,800
Kentucky						
	32,000		29,900	- 2,200	30,850	23,050
Michigan						
	47,000		46,800	+ 2,300	46,900	52,500
Wyoming						
	100,000		100,450	- 300	100,400	93,100
Montana						
	23,000		20,650	+ 950	19,900	20,800
Colorado						
	9,500		10,300	+ 850	9,850	8,250
New Mexico						
	105,000	105,000	103,950		103,950	112,900
Total East of Calif.	3,863,000	3,859,220	3,859,220	-17,250	3,863,950	3,587,225
California	893,800	893,800	905,900	+ 4,400	902,000	825,500
Total United States	4,756,800	4,753,020	4,765,120	-12,850	4,765,950	4,412,725

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

†Oklahoma, Kansas, Nebraska, figures are for week ended 7:00 a.m. March 1, 1945.

‡This is the net basic allowable as of Feb. 1 calculated on a 28-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 2 to 14 days, the entire state was ordered shut down for 6 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 6 days shutdown time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED MARCH 3, 1945

(Figures in thousands of barrels of 42 gallons each)

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

District	% Daily Refining Capacity	Crude Runs to Still	Gasoline Production at Ref. Inc. Nat. Blended	Stocks of Gas Oil Fuel Oil	Stocks of Residual Fuel Oil	Gasoline Stocks	Other Stocks
East Coast	99.5	698	88.2	1,782	5,951	5,151	7,019
Appalachian							
District No. 1	76.8	101	69.2	306	309	207	1,264
District No. 2	81.2	58	116.0	193	145	191	626
Ind., Ill., Ky.	87.2	822	95.9	3,072	3,617	2,150	6,469
Okla., Kans., Mo.	78.3	380	81.0	1,432	1,702	1,201	1,707
Inland Texas	59.8	242	73.6	969	357	748	1,260
Texas Gulf Coast	89.3	1,169	94.5	3,510	5,022	7,354	10,606
Louisiana Gulf Coast	96.8	235	90.4	691	1,688	1,346	2,880
No. La. & Arkansas	55.9	76	60.3	231	733	293	941
Rocky Mountain							
District No. 3	17.1	11	84.6	35	15	27	20
District No. 4	72.1	102	64.2	404	308	576	504
California	85.5	859	85.4	2,079	8,263	25,777	11,718
Total U. S. B. of M. basis March 3, 1945	85.5	4,753	87.5	14,704	28,110	45,021	45,014
Total U. S. B. of M. basis Feb. 24, 1945	87.5	4,803	97.8	15,500	28,753	46,723	45,019
U. S. Bur. of Mines basis March 4, 1944		4,376		13,153	33,278	51,586	35,538

*Includes aviation, military, solvents and naphthas, and gasoline blending stocks currently indeterminate as to ultimate use, and 11,977,000 barrels of unfinished gasoline this week, compared with 12,130,000 barrels a year ago. †Stocks at refineries, at bulk terminals, in transit and in pipe lines. ‡Not including 1,554,000 barrels of residual fuel oil produced during the week ended March 3, 1945, which compares with 1,715,000 barrels, 4,958,000 barrels and 9,084,000 barrels, respectively, in the preceding week and 1,341,000 barrels, 4,583,000 barrels and 8,575,000 barrels, respectively in the week ended March 4, 1944.

Note—Stocks of kerosine at March 3, 1945 amounted to 7,334,000 barrels, as against 7,514,000 barrels a week earlier and 7,182,000 barrels a year before.

Civil Engineering Construction \$41,893,000 for Week

Civil engineering construction volume in continental United States totals \$41,893,000 for the week. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 7% higher than in the preceding week, and 19% above the previous four-week moving average, but is 6% below the volume reported to "Engineering News-Record" for the corresponding 1944 week. The report, made public on March 8, went on to say:

Private construction gains 319% over last week, and is 83% above the 1944 week due to the increased industrial building activity. Public construction, however, is 52 and 48% lower, respectively, than a week ago and a year ago. State and municipal volume is 133% higher than last week, and 128% above last year, but federal work is down 61% compared with last week, and 58% under last year and is responsible for the decreased public volume.

The current week's construction brings 1945 volume to \$278,584,000 for the ten-week period, a decrease of 22% from the \$385,386,000 reported at this time last year. Private work, \$93,482,000, is 16% above the 1944 period, but public construction, \$185,102,000, is down 33% as a result of the 38% drop in federal work. State and municipal volume for the ten weeks is 16% higher than a year ago.

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

	Mar. 9, 1944	Mar. 1, 1945	Mar. 8, 1945
Total U. S. Construction	\$44,579,000	\$38,982,000	\$41,893,000
Private Construction	14,335,000	6,276,000	26,270,000
Public Construction	30,244,000	32,706,000	15,623,000
State and Municipal	1,592,000	1,553,000	3,622,000
Federal	28,652,000	31,153,000	12,001,000

In the classified construction groups, gains over the preceding week are in waterworks, sewerage, industrial buildings, earthwork and drainage, and streets and roads. Increases over the corresponding 1944 week are in bridges, industrial buildings, earthwork and drainage, and streets and roads. Subtotals for the week in each class of construction are: waterworks, \$644,000; sewerage, \$292,000; bridges, \$509,000; industrial buildings, \$24,748,000; commercial building and large-scale private housing, \$1,357,000; public buildings, \$6,523,000; earthwork and drainage, \$2,601,000; streets and roads, \$2,751,000; and unclassified construction, \$2,468,000.

New capital for construction purposes for the week totals \$1,873,000, and is made up entirely of state and municipal bond sales. The current week's new financing brings 1945 volume to \$199,417,000, a total 15% above the \$173,861,000 reported for the ten-week 1944 period.

Non-Ferrous Metals - High Copper Tonnage for March Delivery - Quicksilver Price Lowered

"E. & M. J. Metal and Mineral Markets," in its issue of March 8, states: "Though the price situation in major metals remains unchanged, unsettlement continues in some of the minor items. During the last week quicksilver prices eased further, with sales of prompt at \$163 per flask. Indium was reduced sharply under severe price competition growing out of enlarged production. FEA confirmed the upward revision in the settlement

where other grades than Prime Western may have to be used for this purpose. The situation in Special High Grade also remains critical.

Indium

Competition for business in indium has weakened the price structure to the point where quotations on quantity business appear to be largely a matter of negotiation. Producers who have been quoting \$7.50 per ounce try now admit that \$4 is being named and wholesale lots can be purchased on that basis without much shopping around. The reason for the sharp drop in price is "too much indium." Production has expanded in recent years and stocks of the once "precious" metal have been accumulating. Expansion in use of indium has been moderate, even under the war program.

Copper

Producers have earmarked more copper for March shipment to fabricators than in any month since the war started. Whether 175,000 tons or more can be delivered this month depends on manpower and transportation. The warehouse situation, which has hampered the movement of copper in recent months, has improved.

Lead

The lead supply situation remains about unchanged. WPB officials are watching the flow of metal with a view toward controlling consumption still further, if necessary. Experts have been studying the lead order for several weeks to improve the document. The stockpile is expected to drop to around 65,000 tons by the end of March.

Sales of lead during the last week amounted to 11,287 tons. Primary unrefined lead production in Canada during November was estimated by the Dominion Bureau of Statistics as 17,839 tons, a sharp increase over the 9,184 tons produced in October.

Zinc

A fair volume of business was booked in zinc during the last week, but metal was purchased chiefly by consumers who feel certain that they will obtain allocation certificates from WPB. Producers believe that galvanizing has expanded to the point

in the statement of a premium of 1 1/2c a pound.

There were no price developments here. The quotations continued at 52c a pound for Straits quality tin, with forward metal nominally as follows:

	March	April	May
March 1	52.000	52.000	52.000
March 2	52.000	52.000	52.000
March 3	52.000	52.000	52.000
March 5	52.000	52.000	52.000
March 6	52.000	52.000	52.000
March 7	52.000	52.000	52.000

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

Quicksilver

Demand for quicksilver was moderate throughout the last week. Business was placed in nearby metal on the basis of \$163 per flask, whereas spot brought \$165 and even higher. Forward shipment quicksilver from domestic sources was available at \$160 to \$163 per flask. Mexican metal was offered for shipment on the basis of \$158, New York, duty paid, with Spanish at \$155 to \$160, depending on quantity. Estimates on probable consumption of quicksilver this year remain extremely high, owing chiefly to the "Tropical" dry cell program.

Silver

The import flow of foreign silver has steadied down to a point sufficient to permit revision of some lists of essential war products that may be made from the lower-priced foreign metal, the War Production Board announced Feb. 28. Possible changes in essential use lists on order M-199 were considered at a recent joint meeting of the Silver Producers and Silver Distributors Industry Advisory Committees.

Certain products that are now required to be made from higher-priced Treasury or domestic silver (71c per oz.) would, under the proposed changes, be shifted to List A of Order M-199 and permitted to be made from lower-priced foreign silver (45c per oz.)

Supply and requirements were reviewed at the meeting and officials of the precious metals section of the Miscellaneous Minerals Division reported that the total available supply of all silver in 1944 totaled 124,000,000 oz., compared with regulated demands for 120,000,000 oz.

Imports of silver from most countries declined slightly in 1944, WPB officials said, as a result of heavy coinage demands, a worldwide labor shortage, and some increase in foreign industrial consumption. The officials said they believed that imports in 1945 will hold closely to the 1944 levels.

The London silver market was quiet and unchanged at 25 1/2d. The New York Official for foreign silver continued at 44 3/4c, with domestic metal at 70 3/4c.

New Mutual Savings Directory Reflects All-Time Top Figures

Imposing results of war-time savings are reflected in the 1945 Directory issued by the National Association of Mutual Savings Banks, which notes an over-all increase of deposits in 1944 amounting to \$1,624,785,582, a total of \$13,331,810,630. Mutual savings bank assets approximated about the same increase, gain for 1944 being \$1,769,819,529, the total becoming \$14,812,651,197. At the year-end depositors numbered more than 16 millions. Each account probably represented the welfare of at least two persons, or about one-fourth of the population, says the Association, which points out that the Directory shows in detail informative statistics concerning mutual savings banks, which include rates of interest-dividends paid, the individual institutions operating Christmas Clubs, school savings accounts, safe deposit and life insurance departments. A number of changes in official staffs are indicated.

Revenue Freight Car Loadings During Week Ended March 3, 1945 Increased 13,421 Cars

Loading of revenue freight for the week ended March 3, 1945 totaled 785,264 cars, the Associated of American Railroads announced on March 8. This was a decrease below the corresponding week of 1944 of 1,629 cars, or 0.2%, but an increase above the same week in 1943 of 36,333 cars or 4.9%.

Loading of revenue freight for the week of March 3, increased 13,421 cars, or 1.7% above the preceding week.

Miscellaneous freight loading totalled 389,391 cars, an increase of 7,332 cars above the preceding week, and increase of 13,414 cars above the corresponding week in 1944.

Loading of merchandise less than carload lot freight totalled 107,030 cars, an increase of 5,555 cars above the preceding week, and an increase of 2,119 cars above the corresponding week in 1944.

Coal loading amounted to 162,693 cars, a decrease of 7,624 cars below the preceding week, and a decrease of 8,434 cars below the corresponding week in 1944.

Grain and grain products loading totalled 41,380 cars, an increase of 916 cars above the preceding week but a decrease of 6,901 cars below the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of March 3, totalled 26,685 cars, an increase of 1,108 cars above the preceding week but a decrease of 5,526 cars below the corresponding week in 1944.

Livestock loading amounted to 13,995 cars, an increase of 1,103 cars above the preceding week but a decrease of 1,064 cars below the corresponding week in 1944. In the Western Districts alone loading of livestock for the week of March 3, totalled 10,323 cars, an increase of 941 cars above the preceding week, but a decrease of 525 cars below the corresponding week in 1944.

Forest products loading totalled 41,069 cars, an increase of 3,603 cars above the preceding week but a decrease of 2,111 cars below the corresponding week in 1944.

Ore loading amounted to 14,394 cars, an increase of 2,203 cars above the preceding week and an increase of 919 cars above the corresponding week in 1944.

Coke loading amounted to 15,312 cars, a decrease of 167 cars below the preceding week, but an increase of 429 cars above the corresponding week in 1944.

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

	1945	1944	1943
4 Weeks of January	3,001,544	3,158,700	2,910,638
4 Weeks of February	3,049,697	3,154,116	3,055,725
Week of March 3	785,264	786,893	748,926
Total	6,836,505	7,099,709	6,715,289

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended March 3, 1945. During this period 61 roads showed increases when compared with the corresponding week a year ago.

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

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1945	1944	1943	1945	1944	1943
Eastern District—						
Ann Arbor	284	279	256	1,571	1,662	1,662
Bangor & Aroostook	2,700	2,477	2,309	609	264	264
Boston & Maine	7,426	6,641	6,176	15,843	17,111	17,111
Chicago, Indianapolis & Louisville	1,278	1,482	1,295	2,211	2,432	2,432
Central Indiana	37	33	55	42	35	35
Central Vermont	991	987	1,092	2,540	2,494	2,494
Delaware & Hudson	4,927	5,026	6,076	15,169	14,667	14,667
Delaware, Lackawanna & Western	7,129	7,666	7,353	11,751	10,808	10,808
Detroit & Mackinac	186	229	142	142	129	129
Detroit, Toledo & Ironton	1,624	1,763	1,617	2,370	1,776	1,776
Detroit & Toledo Shore Line	446	307	299	4,534	3,972	3,972
Erie	12,498	13,356	12,309	18,459	18,796	18,796
Grand Trunk Western	4,035	3,966	3,562	10,010	9,965	9,965
Lehigh & Hudson River	160	189	169	4,298	3,433	3,433
Lehigh & New England	1,741	1,944	1,916	1,356	1,479	1,479
Lehigh Valley	7,917	9,154	6,907	14,772	16,157	16,157
Maine Central	2,621	2,476	2,495	4,938	4,151	4,151
Monongahela	5,761	5,906	6,289	304	362	362
Monrovia	2,371	2,624	2,421	17	22	22
New York Central Lines	48,459	48,230	46,356	55,400	57,784	57,784
N. Y. N. H. & Hartford	11,057	10,818	9,463	20,284	21,819	21,819
New York, Ontario & Western	870	1,147	862	3,140	3,547	3,547
New York, Chicago & St. Louis	6,726	6,396	6,724	18,746	17,271	17,271
N. Y., Susquehanna & Western	506	503	432	2,803	2,927	2,927
Pittsburgh & Lake Erie	7,450	7,635	7,522	7,797	8,028	8,028
Pere Marquette	5,208	4,726	4,416	9,471	8,771	8,771
Pittsburg & Shawmut	683	762	827	26	23	23
Pittsburg, Shawmut & North	279	336	341	234	225	225
Pittsburg & West Virginia	833	970	811	3,928	2,659	2,659
Rutland	384	400	323	1,117	1,182	1,182
Wabash	6,059	5,987	5,467	13,613	12,839	12,839
Wheeling & Lake Erie	6,212	5,083	4,955	5,379	4,566	4,566
Total	158,858	159,498	151,336	252,634	251,376	251,376
Allegheny District—						
Akron, Canton & Youngstown	806	699	681	1,578	1,264	1,264
Baltimore & Ohio	40,271	42,208	38,576	33,256	27,772	27,772
Bessemer & Lake Erie	3,127	2,061	2,876	1,705	1,384	1,384
Buffalo Creek & Gauley	†	†	258	†	†	†
Cambria & Indiana	1,665	1,757	1,938	11	2	2
Central R. R. of New Jersey	6,497	7,085	6,540	21,842	20,649	20,649
Cornwall	501	637	598	44	71	71
Cumberland & Pennsylvania	156	201	282	14	8	8
Ligonier Valley	104	108	130	59	40	40
Long Island	1,527	1,215	806	3,916	4,006	4,006
Penn-Reading Seashore Lines	1,764	1,643	1,568	2,553	2,751	2,751
Pennsylvania System	78,427	78,232	70,830	66,113	66,958	66,958
Reading Co.	15,060	15,749	14,124	31,321	31,002	31,002
Union (Pittsburgh)	18,824	19,374	20,621	5,090	3,260	3,260
Western Maryland	3,842	3,993	4,004	16,546	14,520	14,520
Total	172,571	174,962	163,832	184,078	173,687	173,687
Pocahontas District—						
Chesapeake & Ohio	26,859	27,189	29,132	12,794	11,211	11,211
Norfolk & Western	20,833	21,231	22,888	10,505	7,895	7,895
Virginian	4,399	4,279	4,726	2,608	2,248	2,248
Total	52,091	52,699	56,746	25,907	21,354	21,354

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections		
	1945	1944	1943	1945	1944	1943
Southern District—						
Alabama, Tennessee & Northern	384	317	236	359	413	413
Atl. & W. P.—W. R. R. of Ala	881	886	841	2,537	2,616	2,616
Atlanta, Birmingham & Coast	1,073	724	606	1,629	1,871	1,871
Atlantic Coast Line	14,482	14,237	14,364	12,550	11,987	11,987
Central of Georgia	4,264	3,921	4,045	6,369	5,139	5,139
Charleston & Western Carolina	429	417	469	1,834	1,772	1,772
Clinchfield	1,627	1,758	1,658	3,307	3,192	3,192
Columbus & Greenville	235	313	312	319	280	280
Durham & Southern	108	118	117	581	746	746
Florida East Coast	3,734	3,716	3,577	1,614	2,059	2,059
Gainesville Midland	56	51	51	130	121	121
Georgia	1,251	1,201	1,064	2,565	2,809	2,809
Georgia & Florida	429	500	340	850	916	916
Gulf, Mobile & Ohio	4,488	3,737	3,342	4,159	4,114	4,114
Illinois Central System	26,988	28,107	24,352	17,732	18,570	18,570
Louisville & Nashville	25,788	23,890	23,880	12,600	13,300	13,300
Macon, Dublin & Savannah	217	168	157	1,017	999	999
Mississippi Central	333	278	221	524	620	620
Nashville, Chattanooga & St. L.	3,091	3,250	2,938	4,753	5,109	5,109
Norfolk Southern	961	957	1,098	1,798	1,673	1,673
Piedmont Northern	544	445	391	1,324	1,377	1,377
Richmond, Fred. & Potomac	503	375	397	11,805	11,746	11,746
Seaboard Air Line	11,202	11,316	10,403	9,487	9,570	9,570
Southern System	24,094	22,656	20,970	28,150	25,430	25,430
Tennessee Central	623	611	539	813	979	979
Winston-Salem Southbound	134	157	120	1,829	1,031	1,031
Total	127,838	124,148	116,488	130,635	128,449	128,449
Northwestern District—						
Chicago & North Western	14,219	15,712	14,700	14,761	14,708	14,708
Chicago Great Western	2,373	2,570	2,389	3,536	3,708	3,708
Chicago, Milw., St. P. & Pac.	21,150	19,978	19,353	11,140	10,822	10,822
Chicago, St. Paul, Minn. & Omaha	3,351	3,837	3,757	4,328	4,392	4,392
Duluth, Missabe & Iron Range	1,446	1,862	1,665	244	245	245
Duluth, Shore & Atlantic	697	834	595	626	510	510
Elgin, Joliet & Eastern	8,751	8,788	9,050	13,391	12,343	12,343
Ft. Dodge, Des Moines & South	356	407	421	102	122	122
Great Northern	10,430	12,618	10,762	6,169	5,427	5,427
Green Bay & Western	447	457	469	987	955	955
Lake Superior & Ishpeming	210	300	245	70	55	55
Minneapolis & St. Louis	1,886	2,121	2,130	2,820	2,401	2,401
Minn., St. Paul & S. S. M.	4,376	5,320	4,559	3,616	4,061	4,061
Northern Pacific	8,946	10,235	8,898	6,169	5,608	5,608
Spokane International	250	84	79	426	569	569
Spokane, Portland & Seattle	2,595	2,429	2,135	3,416	2,827	2,827
Total	81,493	86,982	80,807	71,701	68,793	68,793
Central Western District—						
Atch., Top. & Santa Fe System	22,953	21,417	19,837	15,075	12,199	12,199
Alton	3,382	3,033	2,798	4,543	4,132	4,132
Bingham & Garfield	341	517	472	70	99	99
Chicago, Burlington & Quincy	19,070	19,676	18,983	12,659	12,267	12,267
Chicago & Illinois Midland	3,139	2,952	3,014	989	1,030	1,030
Chicago, Rock Island & Pacific	11,065	11,025	12,416	14,166	12,420	12,420
Chicago & Eastern Illinois	2,700	2,641	2,375	4,137	5,693	5,693
Colorado & Southern	758	766	747	2,406	2,188	2,188
Denver & Rio Grande Western	3,782	3,385	3,612	6,638	6,256	6,256
Denver & Salt Lake	663	751	834	17	12	12
Fort Worth & Denver City	836	647	838	1,396	1,942	1,942
Illinois Terminal	2,145	2,126	1,787	2,396	1,667	1,667
Missouri-Illinois	913	964	908	586	486	486
Nevada Northern	1,302	1,764	2,047	98	113	113
North Western Pacific	738	708	766	712	739	739
Peoria & Pekin Union	7	18	36	0	0	0
Southern Pacific (Pacific)	29,384	28,163	26,094	16,028	13,773	13,773
Toledo, Peoria & Western	313	471	345	2,218	2,034	2,034
Union Pacific System	16,863	15,469	13,529	16,967	17,096	17,096
Utah	545	639	571	1	6	6
Western Pacific	1,949	1,511	1,880	4,241	3,935	3,935
Total	122,848	118,644	113,969	105,343	98,087	98,087
Southwestern District—						
Burlington-Rock Island	339</					

Items About Banks, Trust Companies

At the regular meeting of the directors of the National City Bank of New York on March 13 Charles V. Sheehan was appointed Vice-President. He joined the National City organization in 1909 and since 1913 has been associated in various official capacities with the Overseas Division of the bank and prior to his return to Head Office spent considerable time in Rio de Janeiro, Brazil, and later in London, England.

It is also announced that at the same meeting of the directors of the National City Bank Louis Fenn Sperry was appointed Assistant Vice-President. He has resigned as Vice-President and Treasurer of the Bell Aircraft Corp. to go with the National City on April 1. Mr. Sperry reenters the banking business in which he spent many years prior to going with Bell Aircraft, where his main assignment had to do with financial planning. He was formerly with the Guaranty Trust Company; Vice-President of the National Bank of Auburn, in Auburn, N. Y.; First Vice-President of the National Bank of New Jersey, in New Brunswick, and was Treasurer of the Panhandle Eastern Pipeline Company.

Announcement has been made of the election of Charles C. Joyce as Treasurer of the East River Savings Bank. Mr. Joyce, who has been with the bank since 1920, was formerly Comptroller. Joseph A. Duddy, formerly Assistant Comptroller of the bank, was elected Comptroller. Mr. Duddy is President of the Auditors and Comptrollers Forum of the Savings Banks Association of New York.

Succeeding the late Russel G. Fessenden, J. Reed Morss, heretofore Vice-President of the Boston Five-Cents Savings Bank, Boston, Mass., has been elected President of that institution. Boston "Herald" advices of March 7 said:

"Mr. Morss has been Vice-President and Trustee of the bank, the largest savings institution in New England, since November, 1932. Previously he had been Vice-President of the First National Bank of Boston, with which he became associated on his graduation from Harvard in 1921."

An offering of 8,000 shares of stock of the First National Bank of Boston, at \$56.50 per share, was made on March 7 by F. S. Moseley & Co., Estabrook & Co., Coffin & Burr, Inc., and Kidder, Peabody & Co.

Ward E. Smith, retired Vice-President of the Industrial Trust Co., Providence, R. I., died on March 6 at 79 years of age. Before his retirement in 1943 Mr. Smith had been connected with the bank for 53 years.

The First National Bank and Trust Co. of Bridgeport, Conn., at a stockholders' meeting on March 9, voted to issue 120,000 shares of common stock at \$5 a share. The income from the sale of the common shares will be used to retire \$600,000 in preferred stock, it was stated in the Bridgeport "Telegram," which said that it was also voted to allow the present shareholders to subscribe to the new stock share for share at par value of \$5 a share. The "Telegram" also reported:

In commenting on the action of the stockholders, Lewis A. Shea, President, said: "This plan was presented as the initial step in a program for the elimination of the preferred capital stock of the bank which was issued in 1934 and 1935 to provide additional capital funds required by the exigencies of the depression. This method was the economical and feasible method of obtaining new capital at that time."

"The action taken by the stockholders yesterday was recommended by the board of directors and the Comptroller of the Currency has indicated his desire to have preferred stock of banks eliminated," added Mr. Shea.

Capitalization of the National Bank of Germantown & Trust Company of Philadelphia has been increased to \$500,000 from \$400,000, it was announced today by Glenn K. Morris, President, it is learned from the Philadelphia "Evening Bulletin" of March 8, which added:

"The announcement said the increase was effected through the sale of 10,000 additional shares of \$10 par value stock at \$30 a share. The balance of \$200,000 received from the sale of these shares was added to surplus."

The Pittsburgh "Post Gazette" reported on March 8 that "the liquidating agent is paying a \$6 per share dividend to the stockholders of the closed Bank of Pittsburgh, indicating that collections on remaining assets took an upward turn last year." The item also said:

"Stockholders received \$3.25 a share in 1943 and \$3 a share in 1944, making a total \$12.24 per share so far. The latest dividend is not called a final, either. All the depositors of the bank were paid off some years ago, and the stockholders became entitled to what was left."

According to the Louisville "Courier-Journal" of March 9 the Southern Trust Co. on the preceding day purchased from the Metropolitan Life Insurance Co. the old Louisville National Bank Building, northeast corner of Fifth and Market. L. A. McLean, President of the trust company, announced that the ground floor will be remodeled for occupancy by the trust company by about June 1. The paper quoted said, in part:

"The five-story brick structure, originally known as the Bull Building, at one time was among the show places along Louisville's waterfront. For many years it was the home of the Louisville National Bank, which in 1928 became a part of the Louisville Trust Co. It was acquired by Metropolitan Life in 1933.

"Mr. McLean said the new office, to be known as the Southern Trust Co., provides needed space for anticipated post-war growth."

This month the Liberty State Bank of Dallas, Texas, with more than \$30,000,000 resources, observes its 25th anniversary. The Dallas "Times Herald," in reporting this, said:

"In the little more than seven years since removal to its present quarters resources of the Liberty State Bank have increased from \$4,739,981.31 at the close of 1937 to \$31,208,338.29 at the end of 1944. No celebration or festivities are planned for the occasion. The bank opened for business on March 1, 1920; it moved to its present location, the Liberty Bank Building, in January, 1937. DeWitt T. Ray, President, was called to the Liberty State Bank in 1943 from the First National Bank of Houston."

The election of Norman J. Hanks to the position of Cashier of the United States National Bank, Portland, Ore., was announced on March 2 by the "Oregonian" (Portland) which went on to say:

"Mr. Hanks has been a member of the United States National Bank's staff since 1925 and has successively held positions, as bookkeeper, Teller in the savings department, Manager of the savings department, and as assistant

\$977,000,000 Goods Sent Australia From U. S. Under Lend-Lease

Australia received \$977,000,000 worth of goods and materials from the United States under lend-lease up to Jan. 31, 1945, R. V. Keane, Customs Minister, told the Senate at Canberra, Australia, on March 1, it is learned from Associated Press accounts from there on that date, which further reported:

Since the inception of reciprocal aid to the same date, Australia supplied America with goods and services valued at 223,000,000 Australian pounds (about \$709,140,000).

Reporting on his recent mission to the United States, Mr. Keane said that he had reached an agreement under which Australia would continue to receive the most liberal possible lend-lease aid.

Negotiations were proceeding, he said, for the bulk purchase of American machine tools. Mr. Keane announced that America had agreed to release Australia from all financial responsibility for goods from refugee ship cargoes valued at \$30,000,000, which were distributed to United States forces, and for goods valued at \$34,000,000, which were used by Australia in the war effort and which came within the lend-lease category.

New York To See Aviation Exhibit

Aircraft manufacturers and suppliers, air transport lines and producers of airport equipment who are setting their sights toward continued employment in postwar, will contribute many interesting exhibits of aircraft and airport development to the Airport Development Clinic meeting to be held under the auspices of the Aviation Section, New York Board of Trade, on Friday, March 16, at the Pennsylvania Hotel. One highlight will be an elaborate model of the new Westchester County Airport; other dioramas will show seadromes and airports with relation to proximity of cities and towns, and navigable waterways. A cut-away scale model of one of the projected air-transporters for use in regular post-war passenger and cargo service will be shown. The exhibits will be on display in conjunction with the all-day Airport Clinic study. Officials of the Civil Aeronautics Administration, transport and personal airplane designers and manufacturers will contribute their thoughts to the meeting, and leading airport engineers and municipal officials will also speak. A feature will be an address by Jennings Randolph, Congressman from West Virginia, a foremost exponent of airport development throughout America.

in the new checking accounts section."

A. G. Clifton-Brown, a partner in the firm of Brown, Shipley & Co., has been appointed a director of Westminster Bank, Ltd., according to advices from London under date of Feb. 20.

The New York agency of the Swiss Bank Corporation (head office Basle) states that the bank in its statement of condition as of Dec. 31, 1944, showed net profit of 10,510,496 Swiss francs, compared with 10,241,943 Swiss francs for 1943, and total assets of 1,540,016,463 Swiss francs as against 1,473,255,671 Swiss francs. Capital and reserves remained the same, namely, 192,000,000 Swiss francs. Total deposits (including sight, time and fixed) were 1,316,785,841 Swiss francs, as against 1,255,811,460 Swiss francs a year ago.

Seventh War Loan Drive For \$14 Billion; Quota Of \$1,134,000,000 Assigned to New York State

An individual quota of \$1,134,000,000, an amount unprecedented in any previous campaign, has been assigned by the Treasury Department to New York State for the forthcoming Seventh War Loan drive, it was announced on March 5 by Frederick W. Gehle who, at the invitation of Henry Morgenthau, Jr., Secretary of the Treasury, is again serving as State Chairman of the War Finance Committee for New York. Mr. Gehle, Vice-

President of the Chase National Bank, has been on loan to the Treasury Department since the Fifth War Bond drive. The corporation quota for the State was announced on March 8 as \$2,825,000,000, which with the quota of \$1,134,000,000 for individual subscriptions, brings the State's goal to \$3,959,000,000 or 28.3% of the nation's \$14,000,000 objective. The Treasury announcement regarding the goal of \$14,000,000,000 in the forthcoming War Loan drive was referred to in our March 8th issue, page 1077.

Mr. Gehle in his advices March 5 stated that an "advance" campaign devoted largely to Payroll Savings will begin on April 9, with the big push for individual bonds getting underway on May 14. The over-all drive will extend through July 7 with the corporation campaign commencing on June 18. Thus, the drive will be divided into three phases:

1. The Payroll Savings campaign extending from April 9 through July 7.
2. The drive for individual purchases of those not on Payroll Savings extending from May 14 through June 30.
3. And participation of corporations, savings banks and insurance companies from June 18 through June 30.

The great emphasis of the Seventh War Loan, Mr. Gehle pointed out, will be placed on individual sales, particularly of E-Bonds with a quota of \$460,000,000—the largest ever assigned. He added:

"Compared with other loans, the E-Bond quota for the Seventh drive is:

	QUOTAS		
	E Bonds	Other Issues to Individuals	Total Individual
	(In millions)	(In millions)	(In millions)
Seventh War Loan	\$460	\$674	\$1,134
Sixth War Loan	295	505	800
Fifth War Loan	367	374	1,041
Fourth War Loan	384	527	911
Third War Loan	366	430	796

"Final sales to individuals in New York State in the last four bond drives were \$1,010,000,000 in the Sixth; \$899,000,000 in the Fifth; \$841,000,000 in the Fourth, and \$849,000,000 in the Third.

"There are to be only two War Loans in 1945 as against three last year," Mr. Gehle said, "which is the reason for the increase in the Seventh War Loan's individual quota. Also, because the income of the American people in the first six months of 1945 is expected to be fully as large, if not larger than ever before, the Treasury Department is planning to secure as much as possible of excess earnings in the two drives in 1945 as it did last year in three drives."

He noted that the national individual quota has been increased for the Seventh War Loan to \$7,000,000,000 from \$5,000,000,000 in the Sixth, the big increase being in E-Bonds, in which the national quota is raised to \$4,000,000,000 from \$2,500,000,000. For E-Bonds, Mr. Gehle explained, this is an increase of 60% for the nation. The increase for New York is slightly less than the rest of the country, or 56%. In the Sixth War Loan, he said, New York State was assigned 11.8% of the national E-Bond goal, as against 11.5% of the \$4,000,000,000 target in the Seventh.

Mr. Gehle further said: "In order to insure the achievement of its greatly enlarged quotas for the Seventh the Treasury Department is starting an 'advance' campaign which is to be concentrated on increasing participation and allotments under the Payroll Savings Plan, as well as intensifying

War Bond buying in schools and in farm communities."

Mr. Gehle stated that the Payroll Savings Division, under J. P. Stevens, Jr., as State director, already is well organized for the task and has started its program of setting quotas for the thousands of firms, factories, plants and other business organizations throughout the State. Each concern, whether large or small, Mr. Gehle said, will be assigned its own quota, based on the average earnings of its employees, and will be asked to achieve this in the manner best suited to itself. The employee will be asked to make extra War Bond investments in 12 weekly installments, starting April 9 so that the bonds purchased will be issued prior to July 7. Bonds purchased under the Payroll Savings Plan will not be limited to E's but will also include F and G Bonds.

"What has been assigned to the people of New York State for this greatest of all War Loans," Mr. Gehle declared, "is a fitting challenge to the home-front to match the exceptionally brilliant achievements on land, on the sea and in the air during these early months of 1945. Our boys have provided a magnificent inspiration to us at home to show that we, too, have victory at heart. Even without the rest, it seems to me that what happened on Iwo Jima should be sufficient to spur us over the top in our historic task in the Seventh War Loan."

China Concurs With Security Parley Aims

The Chinese Government looks forward to the adoption by the San Francisco conference of a satisfactory instrument of international organization, Dr. Wang Shih-Chieh, Minister of Information, declared in a statement released at a press conference, it was reported from Chungking March 8 (Chinese News Service), according to the New York "Times," March 9, which went on to say:

His statement said: "China concurred speedily in the decision of the three-power meeting at Yalta regarding the convening of the San Francisco conference, and has sent out invitations as one of its sponsors. The Chinese Government looks forward to the adoption by the conference of a satisfactory instrument of international organization.

"By way of explanation I would like to point out that our speedy concurrence was prompted mainly by two considerations. First, China regards the time element as all important and has consistently maintained that the Allies should establish a peace and security organization prior to the end of the war. The proposed conference in San Francisco to give immediate realization of such an organization is in accord with our views.

"Second, in the matter of international organization, China believes that the spirit of cooperation surpasses in importance the letter of any instrument. As the Yalta conference clearly demonstrated that the will to cooperate prevails among the conferees, China decided to reciprocate and strengthen such spirit by pledging her own support and cooperation."