

# The Commercial and FINANCIAL CHRONICLE

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## The Financial Situation

One fact is emerging with clarity and emphasis from what we must suppose to be the closing days of Hitler's Germany. That is that the Reich will be left with about as nearly no industry, no homes and no transportation or utility system as it is possible for a country of comparable size to be. There can be no question that the degree in which that country has been able to continue production and transport of war materials, and to nourish its civilian population during the past year is almost incredible. There is no reason to doubt that in a degree never before conceived of German productive mechanism must have "gone underground." The capacity for quick repair of damage to essential "installations"—to employ a military term in a broader meaning—is plainly remarkable. But even when full allowance is made for all this and other similar phenomena, the fact remains quite clear and unmistakable from evidence daily spread on the pages of the press of the world that Germany is in ruins—horrible ruins—and most certainly will be even more so when the fighting finally ceases.

### Vast Significance

To thoughtful men who have not permitted their emotions to get out of hand this situation is one fraught with vast significance. If we accept the economic philosophy so constantly expounded by some of the pseudo-economists of the New Deal menage, that economic welfare is measured by economic need, it would not be particularly difficult to arrive at the conclusion that Germany, by reason of her lack of almost every kind of economic good, has the brightest post-war outlook of any country in the world. Similarly it would be possible to develop a good deal of enthusiasm about the gains likely to accrue to us as a result of re-establishing the

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## Is the Profit Motive Immoral?

By HON. FRED L. CRAWFORD\*  
U. S. Congressman from Michigan

Representative Crawford, Referring to Article Entitled "A Theory of Interest," by Alden A. Potter, in the "Chronicle," Calls Attention to the International Difficulties and Permanent Peace Possibilities Due to Conflicting Views of National Economists Regarding the Nature of Interest and the Morals of Profits. He Refutes the Keynesian Theory That "the Ideal State of Capital Development Calls for a Disappearance of the Rate of Interest" and Holds That "Without Profit and Interest on Investment There Can Be No Wealth."

Our Government is today deeply involved in the future of the American system of freedom in competitive, private enterprise. The size of the direct interest-bearing Federal debt, and the return, or rate of interest, which shall govern original and refunding issues and private paper, all have a bearing on the number of people who will be employed and listed on private industry payrolls, as against those citizens who will have to be supported by checks issued by the Federal Treasury.



F. L. Crawford

it relates to these problems. Economists, scientists, inventors, and others who contribute articles to leading magazines and publications which cover these fields are having their say. What is spoken over the radio and the statements which appear in newspapers and professional magazines and publications of various natures, help to broaden the public's knowledge of such questions and contribute to the better understanding of what occurs behind the scenes. Without such understanding it will be difficult to meet modern problems by changes that will not destroy the principles of competitive industry so essential to economic justice and freedom.

Among such contributions I find one on "A Theory of Interest," in the "Commercial and Financial Chronicle" for Dec. 14, last year, which I feel calls for no little con-

\*Extension of remarks by Representative Crawford in the House of Representatives, Feb. 27, 1945. (Continued on page 1407)

## "There Is Confidence In the Air"

By EMIL SCHRAM\*

President of the New York Stock Exchange

Pleading That We Must All Share in the Struggle Against Complacency, Mr. Schram Asserts "There Is Confidence in the Air"; That the Country Has Immense Reservoirs of Capital; and That There Will Be Full Restoration of Peacetime Economy. Admits the Seeds of Inflation Have Been Sown, but Maintains the Danger Can Be Reduced by Going to the Roots of the Causes, and That the Government Should Take Steps Toward This End. Says the Stock Exchange Must Maintain an Orderly, Clean and Efficient Market With Values Based on Factual Information and That Those Unable or Unwilling to Judge Values or Take Risks Should Stay Out of the Market.

In the short time I am going to allow myself, I propose to talk plainly about certain matters which are of the deepest concern to all of us. We are preoccupied with these matters to the exclusion of almost everything else. Manufacturers and banker, merchant and business men of all kinds grapple with them grimly, as hard-working individuals and as cooperating groups in a great democracy at war.



Emil Schram

With evidence increasing in Europe and Asia that victory is approaching, business men, I find, have firm confidence that any additional requisitions upon their skills, ingenuity and physical capacity will be met successfully notwithstanding the pessimism that exists in some quarters.

Industry's confidence in its ability to hold up its end until our enemies succumb has grown out of long, harsh experience in the costliest war in history. But in the midst of intense preoccupation with current demands, another vital problem intrudes itself. Is industry's confidence equally as

great with respect to its ability to convert itself, and all that depends upon it, back to peace?

This question looms large, in every stratum of our working society. Upon the answer will depend the well-being of millions of people, not only at home but abroad as well. Upon the answer will be charted the course of America's economy for many years to come.

The impact of this war has been felt by every family and every individual in the United States. We have willingly given up our sons and daughters to the fighting forces in order that the menace of tyranny, oppression and conquest may be forever removed. As Americans and as fathers, we are interested:

First, in winning this war decisively and at the earliest possible date;

Second, in establishing the peace on such a basis that it will endure; in seeing to it that our posterity is not exposed to the horror of a world war every generation, as we have been;

Third, we are interested in seeing that the United States is cast in the role of a realistic creditor nation as we assist in the rehabilitation of world commerce and in the huge task of reconstruction which awaits us after the war has been won. On this basis alone can we look for a lasting peace.

I am not going to make any forecast as to when the Nazi and Japanese barbarians will be conquered, but all of us are feeling

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## From Washington Ahead of the News

By CARLISLE BARGERON

The most dangerous attitude prevailing among the bureaucrats of Washington today is that little or no attention is paid to the fact that regardless of what pursuits men may be engaged in, whether it be gambling, distilling, operating night clubs, filling stations or whatnot, they are trying to make a living for themselves and families. If one wants to get really realistic, we would suppose that perhaps 80 or 90% of our activities are unnecessary to essential living. For example, the animals make a living and their wives do not buy hats and fur coats. Before this war and its accompanying hysteria started, we were accustomed to read in the periodicals and other opportunities of learning that the women had come to control most of the wealth of the country because their husbands had worked hard and left their wealth to them.



Carlisle Bargeron

There has never been any doubt in our mind that we men could get by without ties, a coat or a vest; that we could, indeed, get by with a sarong, and on food which we could manage somehow to forage. The modern man, with the exceptions of those who are knockouts in bathing suits, has dreaded any such raiment as this. We can't all be Johnny

Weissmullers, and the majority of us, certainly at middle age, are definitely not. Any suggestion that we do away with ties and other adornments to the masculine tie frightens us and reduces our manpower effort to the war. It reduces our manpower effort period. And inasmuch as everything is in terms of war these days, it reduces that effort to the war. Our guess is that naked soldiers would not fight heartily in the presence of WACS, and there are WACS in our home front presence.

We have gone into this subject at length with a view to showing that the overwhelming percentage of business in this country is admittedly what might be called nonsense but which from the vanities of either women or men has come to be definitely established in our society. Men have worked out their livings on this basis. The pursuit goes back to the bedrocks. We have not the slightest doubt but that many a man, turning fifty, has asked himself: What have I accomplished for mankind by the manufacturing of panties? What have I accomplished for mankind by the selling of beer and whiskey, the

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## FDR Asks Congress to Authorize Further Tariff Reductions

Wants Right to Cut by One-Half Rates Already Reduced by 50% Below 1934 Level. Says Reducing of Trade Barriers Is Fundamental to Full Employment and Improvement of Living Standards. Calls for Renewal of Reciprocal Trade Agreements Act Expiring on June 1.

President Roosevelt, in a special message to Congress on March 26, requested that Congress, in authorizing an extension of the Reciprocal Trade Act of 1934 which expires June 1

grant the Executive the power to reduce further, by 50% the rates established in existing reciprocal trade agreements, which under existing law have already been cut one half below the levels laid down by the Hawley-Smoot Tariff Act. In asking for this authority, the President pointed out that it is but one of several steps proposed to remove existing trade barriers, and was a part of "the kit of tools" for post-war international cooperation. He stated that reduction of existing barriers to the expansion of international trade is fundamental to full employment and the improvement of living standards throughout the world, and he urged that to accomplish this "we move forward aggressively."

The text of the message as reported by the Associated Press follows:

To the Congress of the United States:

The coming victory of the United Nations means that they, and not their enemies, have power to establish the foundations of the future.

On April 25 their representatives will meet in San Francisco to draw up the charter for the general organization of the United Nations for security and peace. On this meeting and what comes after it our best hopes of a secure and peaceful world depend.

At the same time we know that we cannot succeed in building a peaceful world unless we build an economically healthy world. We are already taking decisive steps to this end. The efforts to improve currency relationships by the International Monetary Fund, to encourage international investments and make them more secure by the International Bank for Reconstruction and Development, to free the air for peaceful flight by the Chicago civil aviation arrangements, are part of that endeavor. So, too, is the proposed food and agriculture organization of the United Nations.



President Roosevelt

Secretary Hull Praised

We owe it to the vision of Secretary Hull that another of the essential measures we shall need to accomplish our objective has been tested and perfected by ten years of notably successful experience under his leadership. You are all familiar with the Trade Agreements Act, which has been on the books since 1934 and which on three occasions, since that time, the Congress has renewed. The present law expires in June of this year. I recommend that it again be renewed so that the great work which Secretary Hull began may be continued.

Under him the reciprocal trade agreement program represented a sustained effort to reduce the barriers which the nations of the world maintained against each others' trade. If the economic foundations of the peace are to be as secure as the political foundations, it is clear that this effort

must be continued, vigorously and effectively.

Trade is fundamental to the prosperity of nations, as it is of individuals. All of us earn our living by producing for some market, and all of us buy in some market most of the things we need. We do better, both as producers and consumers, when the markets upon which we depend are as large and rich and various and competitive as possible. The same is true of nations.

We have not always understood this, in the United States or in any other country. We have tried often to protect some special interest by excluding strangers' goods from competition. In the long run everyone has suffered.

The Reciprocal Agreements

In 1934 this country started on a wiser course. We enacted into law a standing offer to reduce our tariff barriers against the goods of any country which would do the same for us. We have entered into reciprocal trade agreements with twenty-eight countries.

Each one of these agreements reduced some foreign barriers against the exports of this country, reduced our barriers against some products of the other party to the bargain and gave protection against discrimination by guaranteeing most-favored nation treatment to us both. Each agreement increased the freedom of business men in both countries to buy and sell across national frontiers. The agreements have contributed to prosperity and good feeling here and in the other contracting countries.

The record of how trade agreements expand two-way trade is set forth in the 1943 report of the Committee on Ways and Means. This record shows that between 1934-35 and 1938-39 our exports to trade-agreement countries increased by 63%, while our shipments to non-agreement countries increased by only 32%. Between these same periods our imports from agreement countries increased by 22%, as compared with only 12% from non-agreement countries. The disruptions and dislocations resulting from the war make later comparisons impossible.

The record published in 1943 is, nevertheless, as valid today as it was then. We know, without any doubt, that trade agreements build trade and that they will do so after the war as they did before. All sections of our population, labor, farmers, businessmen, have shared and will share in the benefits which increased trade brings.

Unfortunately, powerful forces operated against our efforts in the years after 1934. The most powerful were the steps of our present enemies to prepare themselves for the war they intended to let loose upon the world. They did this by subjecting every part of their business life and especially their foreign trade to the principle of guns instead of butter. In the face of the economic warfare which they waged, and the fear and counter-measures which their conduct caused in other countries, the success of Secretary Hull and his inter-departmental associates in scaling down trade barriers is all the more remarkable.

Opportunity for Economic Cooperation

The coming total defeat of our enemies, and of the philosophy

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## Station WOV Cannot Drop Seven Unneeded Musicians, WLB Rules

Thomas L. Norton, chairman of the regional office of the National War Labor Board, on March 21 announced that this office has denied the request of radio station WOV in New York City for an order reducing the quota of musicians to be hired according to its contract with the American Federation of Labor, Local 802, by ordering the station to keep on its payroll seven musicians which the latter said it did not need and who do no work.

In addition, the board unanimously ordered a 15% increase in the wage scales of these seven and five other musicians, retroactive for one year in accordance with the Little Steel Formula, since they have had no raise in pay since Jan. 1, 1941.

The station's counsel said he would petition the National War Labor Board in Washington, D. C., for a review of the regional board's decision.

The board's order, signed by Mr. Norton and Walter L. Gellhorn, vice-chairman, argued that the board had no authority to change the number of musicians required to be employed under the station's agreement with the union, and that that could only be done by voluntary arrangement by the two parties or by legislation.

FHA Prepares for Fuel Shortages Next Winter

The Federal Housing Administration in anticipation of short supplies of fuels during the winter months of 1945-46 on March 24 announced renewal for the third year of its "Summer Plan" for insured-financing of installations to conserve fuel through prevention of heat losses.

Under the plan, the first payment on FHA-insured loans made during the spring and summer for this purpose may be deferred until fall.

In announcing the renewal of the plan, FHA Commissioner Abner H. Ferguson said FHA is acting in cooperation with other Federal agencies charged with the responsibility for effecting the maximum conservation of heating fuels.

The FHA has notified the 5,000 private lending institutions authorized to operate under its Title I program that initial payments on loans made on and after April 2 may be deferred until Nov. 1, 1945, providing the entire proceeds are used for the application of insulation, storm sash, weatherstripping and other fuel conserving measures set forth in the Amendment to FHA Title I Regulations.

"The FHA's objective, in making this liberalization of its Title I loan terms, is to encourage home owners to undertake fuel conservation work during the warm weather season and thus prevent a heavy congestion of this type of work next fall," Mr. Ferguson said.

Home owners having funds available should undertake fuel conservation work on a cash basis, he added. The Title I plan, however, is available for assistance of those unable to pay for such work in one lump sum.

Under Title I, loans for heating conservation measures are available through lending institutions in amounts up to \$2,500 and are payable in monthly installments over as long as 36 months. The Board of Governors of the Federal Reserve System has exempted loans for these purposes from its restrictions on consumer credit. Generally, installations of the type involved may be undertaken without authorization from the War Production Board.

## Preparedness in Peace as Well as in War Urged by Alfred P. Sloan, Jr. in G-M Report

General Motors stands ready to do its part in support of any constructive and equitable plan of action that contemplates maintaining in peace as well as in war a high technical standard of defense equipment, Alfred P. Sloan, Jr., chairman of General Motors, declares in a statement released on March 25, in advance of his forthcoming annual report to stockholders. Mr. Sloan asserts in his



Alfred P. Sloan, Jr.

report to stockholders: "It has been well said time and again that we must win not only the war but the peace. The winning of the peace might be defined as the development of ways and means to insure over the years to come our economic, political and personal freedoms. The elimination of armed conflict is fundamental in such a concept. How successfully that objective can be accomplished we do not know, but we must strive with all our power to that end. If we are to face the realities and not take another chance on being caught 'too late with too little', we must learn from present experience and reverse our pre-war concept as to the importance of military preparedness.

"During the war the evolution of war products has involved progress in three fields: (1) continuous changes in design to facilitate production, reduce man-hours, save materials and lower costs; (2) continuous advance in technological standards to improve the quality of combat equipment; and (3) development of new military implements.

"In cooperation with military technicians, outstanding progress has been made and will continue to be made in each of these fields. After the war, if we are to win the peace, we must continue to move forward by maintaining preparedness equally close liaison between the armed services and industry. This calls for unceasing application of the day-today developments of science and industry to the improvement of war materiel and methods of manufacture, so that American industry shall ever be ready to set in motion quickly, if needed, its vast powers of mass production for war with minimum changes in plant and machinery.

"Modern warfare on the material side is in a sense a conflict between opposing standards of technology. Technical superiority and quantity of war materials are both essential. But in general it may be said that technical superiority will go far in offsetting numerical quantity in almost all classes of military equipment.

"Pre-war, there was relatively little organized liaison between industry and our armed forces. The technical staffs of industry were little acquainted with military equipment. The various war products that were to be needed in great quantities and in record time had not been designed for manufacture on a mass production basis. As a nation in peacetime we had little interest in anything pertaining to war. Billions were made available for other purposes, but adequate resources for military preparedness were denied. The cost of the war, in human life and also in material values, might have been importantly reduced and the war shortened if we had been better prepared.

"With the war's end, public interest in war problems will diminish. Demands for the development and production of civilian goods and services will require an all-out effort. On the other hand, to translate the lessons of war into any advanced type of military ap-

paratus, such as a tank for instance, is just as great if not a greater task than to design and produce a modern automobile. The money costs of such military development work are not large, relatively. The problem lies in stimulating and maintaining in peacetime the necessary program and in devoting the necessary technical effort to its accomplishment. Under the emotionalism of war, many things are possible that in peace become psychologically most difficult. Moreover, as time passes, the danger from inaction increases and the realization of the danger decreases."

## President's Committee To Study Guaranteed Annual Wage

Eric Johnston, President of the Chamber of Commerce of the United States, announced on March 25 that the special committee, to conduct the inquiry to determine whether a guaranteed annual wage is feasible for all American wage-earners, which was requested by President Roosevelt, would hold its first meeting in Washington on March 26, according to United Press advices from that city on March 25, which added:

Mr. Johnston was appointed Chairman by O. Max Gardner, head of the Advisory Board to James F. Byrnes, Director of War Mobilization. Mr. Roosevelt authorized this board to undertake the study recommended by the War Labor Board.

The other committeemen are Philip Murray, President of the Congress of Industrial Organizations; Albert Goss, master of the National Grange, and Mrs. Anna Rosenberg, New York State War Manpower Director.

The first job of the committee will be the creation of a permanent staff and employment of economists to assemble facts. It will have at hand a Labor Department survey of 8,000,000 workers in unionized plants. This survey shows that only 42,500 of the employees are guaranteed annual pay and 30,000 of those are in consumer goods industries.

The demands for a guaranteed wage by the CIO's United Steel Workers, of which Mr. Murray is also President, led directly to the investigation. The WLB denied the demand in deciding the USW-CIO case against 86 steel companies but recommended that the President create an independent group to look into the subject on a national basis.

The WLB also told Mr. Roosevelt that labor's search for the security of a guaranteed wage was partly responsible for the intensive effort to break present wage stabilization policies, including the Little Steel Formula.

FIG Banks Place Debs.

A successful offering of an issue of debentures for the Federal Intermediate Credit Banks was concluded March 20 by Charles R. Dunn, New York, fiscal agent for the banks. The financing consisted of \$25,475,000 0.90% consolidated debentures dated April 2, 1945, due Jan. 2, 1946. The issue was placed at par. Of the proceeds, together with \$400,000 cash funds were used to retire \$25,875,000 debentures due April 2, 1945. As of April 2, 1945, the total amount of debentures outstanding was \$281,060,000.

# Federal Reserve Board on Bretton Woods Ratification

**Holds Plan Would Stabilize Exchange, Help Foreign Trade and Contribute to World Recovery. Urges a Provision for an Advisory Council to Guide U. S. Representatives on Fund and Bank to Interpret to Them Our International and Financial Policies.**

The Board of Governors of the Federal Reserve System, on March 21, issued a formal statement announcing it is convinced "that the ratification of the Bretton Woods Agreements would be an important step in the restoration of World Trade and in safeguarding the interests of the United States in the post-war world." In addition to presenting arguments in support of the proposals, the "Board is strongly in favor of the addition of a provision for the establishment of a Council or a Committee to provide the necessary direction and guidance to the representatives of the United States in the governing bodies of the Fund and the Bank and to interpret to them the International Financial and Monetary Policies of the United States."

The full statement of the Board follows:

The Board of Governors of the Federal Reserve System is convinced that ratification of the Bretton Woods Agreements would be an important step in the restoration of world trade and in safeguarding the interests of the United States in the post-war world.

### I.

Without the institutions proposed by these Agreements we would be confronted with disrupted currency conditions and with trade and exchange policies and practices which foreign countries might be forced to adopt in self-preservation but which would nevertheless have disastrous effects on world trade. In rebuilding the machinery of international finance after the war it will be vital to avoid the recurrence of practices which developed after the first World War, and to eliminate abuses which were prevalent in international lending. Effective action in these fields would form a counterpart to essential programs of domestic reconstruction. The greatest contribution to international prosperity and stability that the United States can make is to maintain full employment and a rising standard of living at home. In order to establish international trade on a sound and enduring foundation, it must be based upon a balanced exchange of goods and services. On such a basis it will contribute an important steady influence to our domestic economy.

The International Monetary and Financial Conference of representatives of 44 nations held last summer in Bretton Woods resulted in agreements for the creation of two new international financial institutions, the International Monetary Fund and the International Bank for Reconstruction and Development. The International Monetary Fund would exert an influence toward exchange stability and thus reduce the exchange risks for exporters and importers. It would require member countries to maintain established exchange rates and would provide machinery for making in an orderly manner by mutual agreement such changes in exchange rates as may be necessary. Members undertake to eliminate as soon as possible monetary practices which interfered with the flow of world trade before the war, such as discriminatory exchange restrictions, multiple currency arrangements, and bilateral clearing agreements. It would help to give assurance to member countries that the proceeds of sales to any country could be used for the purchase of goods in any other country.

For the purpose of assisting member countries in maintaining

their exchange rates, once they have been established, without resorting to harmful restrictions on trade, the Fund would have resources in gold and various currencies which would be available for temporary use by members. It would afford member countries faced with heavy payments abroad a breathing spell during which to make necessary adjustments in their economies with a view to restoring equilibrium in their trade with the world. The Fund would not be in essence a lending institution but a mechanism for converting local currencies contributed by members into a pool of international reserves, on which each country could draw in proportion to its contribution. While temporary shortages of foreign exchange could be met through use of the Fund, members would be under pressure to restore the exchange to the Fund as soon as possible in order to maintain its ability to serve other members.

As a companion institution to the Fund, the Bank for Reconstruction and Development would be a lending institution to promote the international flow of long-term capital. It would make loans for productive and developmental purposes out of its own capital or out of funds borrowed in the market and would guarantee such loans offered to private investors. It is intended to make or guarantee such loans as would in the long run increase the borrower's ability to balance its international accounts. It would help to restore economies destroyed or disrupted by war, to reconvert their productive facilities to peacetime needs and to develop the resources of less developed countries.

The Bank would have a stabilizing influence on interest rates and other conditions for international loans and would tend to eliminate practices in international investment that have in the past resulted in excessive costs to borrowers and in losses to lenders. It would handle only loans that could not be obtained on reasonable terms without its support and would, therefore, in no way interfere with the flow of private funds into international investments. At the same time it would make it possible for countries greatly in need of foreign resources to obtain necessary capital which might not otherwise be available to them on reasonable terms. The agreement provides that loans made or guaranteed by the Bank must have the approval of the lending country. Consequently, the loans can and should be so timed as to diminish either inflationary or deflationary pressures and to contribute to the maintenance of economic stability in this country.

### II.

From the point of view of the Board of Governors the establishment of the Fund and the Bank would be desirable because they would contribute to world recovery and to the maintenance of economic stability at a high level, which is the main objective of the Board's policy. The monetary and credit structure of this country is continually and seriously affected by international transactions. In the past this country's monetary authorities have had to meet difficult situations when our banking system was called upon to absorb an excessive amount of foreign

# NYSE Short Interest To March 15

The New York Stock Exchange announced on March 20, that the short interest as of the close of business on the March 15 settlement date, as compiled from information obtained by the New York Stock Exchange from its members and member firms, was 1,520,384 shares, compared with 1,582,647\* shares on February 15, 1945, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of the March 15, 1945, settlement date, the total short interest in all odd-lot dealers' accounts was 42,927 shares, compared with 34,055 shares on February 15, 1945.

The Exchange's report added:

"Of the 1,257 individual stock issues listed on the Exchange on March 15, 1945, there were 65 issues in which a short interest of 5,000 or more shares existed, or in which a change in the short position of 2,000 or more shares occurred during the month."

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

1944—	
Jan. 31	847,335
Feb. 28	960,617
Mar. 31	1,028,480
Apr. 29	1,090,581
May 31	1,181,293
June 30	1,287,970
July 31	1,327,641
Aug. 31	1,283,555
Sept. 29	1,275,709
Oct. 31	1,373,540
Nov. 30	1,436,271
Dec. 29	1,390,713
1945—	
Jan. 31	1,475,441
Feb. 15	1,582,647
Mar. 15	1,520,384

\* Corrected figures.

funds arising out of surplus commodity exports and capital movements from foreign countries. The adoption of the proposed Agreements should help to moderate these disturbing influences.

### III.

In connection with the enabling legislation now before Congress, the Board is strongly in favor of the addition of a provision for the establishment of a council or committee to provide the necessary direction and guidance to the representatives of the United States on the governing bodies of the Fund and the Bank and to interpret to them the international financial and monetary policies of the United States. Members of this council or committee should consist of the heads of the appropriate agencies of the Government to be designated by the President. It should be a small group, comprising not more than five members. Since the proposed institutions are to be permanent, it would be advisable to have the council provided by law rather than by executive order or informal arrangement. The council would not only advise the American governors and directors on the Fund and the Bank of its views with respect to the financial monetary policies of the United States but would also be authorized to act for the United States in matters which require approval under the agreements, except in cases in which the right to decide will be retained by Congress. Establishment of such a council would assure reasonable continuity in the interpretation of American International financial policy to this country's representatives on the Bank and the Fund. Provision for such a council in the enabling legislation would not call for any change or modification of the Articles of Agreement of the Fund or Bank.

# Dean Gildersleeve Warns Not To Expect Millennium From San Francisco Conference

Dean Virginia Gildersleeve of Barnard College and an American delegate to the San Francisco Conference, at a dinner on March 22 given in her honor, warned not to expect the millennium from the forthcoming conference at San Francisco, said the New York "Times" of March 23, which gave other remarks of Dean Gildersleeve as follows:



Dean Gildersleeve

"The conference can only lay the foundations and design the machinery for future cooperation between nations."

Miss Gildersleeve thought that the American delegates to the conference felt greatly strengthened by the lifting of the world organization, which the conference will seek to establish, above party politics; by the agreement of the two main political parties on the general idea and on the Dumbarton Oaks proposals as a good foundation.

Miss Gildersleeve considered it important to make people understand that the conference will not be a peace conference in the old sense but will be called upon to draw a charter or constitution for the new world organization, the United Nations.

"It will not deal with boundaries, or the immediate treatment of the defeated enemy countries, or similar subjects," she stressed. "Those will be handled, as I understand, by a series of separate treaties or agreements winding up this war; or some of them may be dealt with later by appropriate

agencies and procedures of the new world organization after it begins to function. At San Francisco we are to try to set up the framework for this new order. That will be a sufficiently large and difficult task. At San Francisco we shall be concerned first of all with security. It is primarily a security conference designed to set up machinery to avoid war."

Miss Gildersleeve stressed also the peculiar interest of women in the task of the conference and the specific contribution they can make to the realization of its aim.

She expressed the belief that women may find it easier to accept "the inevitable limitations upon our country's freedom of action required by any effective world organization."

"Perhaps at some moment in the long process of achieving security women's profound instinct for conserving and developing life may markedly influence the course of history," Miss Gildersleeve added. "As through the months and years the United Nations develop their helpful cooperation in solving international economic, social and other humanitarian problems all women will certainly follow them with a very special interest, and many women will, I am sure, play an active part in the work."

Miss Gildersleeve also spoke of the intense interest being exhibited by the student youth of the land in the problems of international relations and the task of averting war, and expressed the hope that "something of the generosity of youth, its confidence in tackling the apparently impossible, its faith in the vision of a better world" would find expression at the conference.

# Employment Dependent on Sound Tax Laws and Incentive for Venture Capital—Heimann Declares

Suggesting that the slogan "full employment of normal work week" be substituted for definite post-war employment figures such as those which are commonly bandied about, Henry H. Heimann, Executive Manager of the National Association of Credit Men, states in his Monthly Business Review released March 15 that no one knows whether full employment in the post-war period will involve 50 or 60,000,000 people. "The danger," he says, "is that if we speak of the employment of 60,000,000 people in the immediate postwar era instead of full employment at normal hours, business will be chargeable with a discrepancy as to whatever extent we fall short of the definite figures. Unfortunately too many people think of employment as being wholly confined to industry. This computation overlooks a large number employed in the fields of agriculture, public service, professions, service trades, etc. Industry was never more determined to discharge its employment responsibilities, but the possibilities of its doing so is dependent upon many factors beyond its control."

He named sound tax laws, proper incentive for venture capital and a better working arrangement between management and labor. He also pointed out that greater freedom for business operations would be conducive to better employment.

"No business man expects that tax rates can be drastically lowered," Mr. Heimann said, "for the debt structure of this nation is such as to necessitate a high tax rate, but business does hope that the burden will be equitably distributed and the tax structure will be such as not to destroy incentive."

Mr. Heimann reported that the National Association of Credit Men was seeking to bring about a further expansion of the par clearance of checks. Since checks constitute our principal form of

currency they should be redeemed at par. At present most of the banks do clear their checks at par, the total number being 11,555 against 2,245 which do not clear their checks at par. On the volume of clearance the percentage is even greater since most of the non par banks are the smaller banking institutions. During the past year there has been a reduction of 84 in the non par list of banks. Distinguishing between non-par clearance and service charges, Mr. Heimann said:

"Credit executives not only do not object to service charges but they feel that banks must have earnings and that service charges are necessary, in these times, to provide banks with the necessary income to have a satisfactory earning. In one of the western States legislation has been introduced against service charges and while the credit executives throughout the country are on a determined campaign to effect the clearance of checks at par, they are not supporting any legislation that seeks to regulate the service charges of banks. Service charges are subject to free competition and, when excessive, correct themselves, whereas the levying of an exchange charge by not clearing a check at par amounts to a discount of our currency. The one, namely, bank service charges, is necessary and justifiable, while the discounting of checks, it is held by the credit fraternity, is unsound in economics and in principle."

## FDR Asks Congress to Authorize Further Tariff Reductions

Wants Right to Cut by One-Half Rates Already Reduced by 50% Below 1934 Level. Says Reducing of Trade Barriers Is Fundamental to Full Employment and Improvement of Living Standards. Calls for Renewal of Reciprocal Trade Agreements Act Expiring on June 1.

President Roosevelt, in a special message to Congress on March 26, requested that Congress, in authorizing an extension of the

Reciprocal Trade Act of 1934 which expires June 1 grant the Executive the power to reduce further, by 50% the rates established in existing reciprocal trade agreements, which under existing law have already been cut one half below the levels laid down by the H a w l e y - Smoot Tariff Act. In asking for this authority, the President pointed out that it is but one of several steps proposed to remove existing trade barriers, and was a part of "the kit of tools" for post-war international cooperation. He stated that reduction of existing barriers to the expansion of international trade is fundamental to full employment and the improvement of living standards throughout the world, and he urged that to accomplish this "we move forward aggressively."

The text of the message as reported by the Associated Press follows:

To the Congress of the United States:

The coming victory of the United Nations means that they, and not their enemies, have power to establish the foundations of the future.

On April 25 their representatives will meet in San Francisco to draw up the charter for the general organization of the United Nations for security and peace. On this meeting and what comes after it our best hopes of a secure and peaceful world depend.

At the same time we know that we cannot succeed in building a peaceful world unless we build an economically healthy world. We are already taking decisive steps to this end. The efforts to improve currency relationships by the International Monetary Fund, to encourage international investments and make them more secure by the International Bank for Reconstruction and Development, to free the air for peaceful flight by the Chicago civil aviation arrangements, are part of that endeavor. So, too, is the proposed food and agriculture organization of the United Nations.

Secretary Hull Praised

We owe it to the vision of Secretary Hull that another of the essential measures we shall need to accomplish our objective has been tested and perfected by ten years of notably successful experience under his leadership. You are all familiar with the Trade Agreements Act, which has been on the books since 1934 and which on three occasions, since that time, the Congress has renewed. The present law expires in June of this year. I recommend that it again be renewed so that the great work which Secretary Hull began may be continued.

Under him the reciprocal trade agreement program represented a sustained effort to reduce the barriers which the nations of the world maintained against each others' trade. If the economic foundations of the peace are to be as secure as the political foundations, it is clear that this effort



President Roosevelt

must be continued, vigorously and effectively.

Trade is fundamental to the prosperity of nations, as it is of individuals. All of us earn our living by producing for some market, and all of us buy in some market most of the things we need. We do better, both as producers and consumers, when the markets upon which we depend are as large and rich and various and competitive as possible. The same is true of nations.

We have not always understood this, in the United States or in any other country. We have tried often to protect some special interest by excluding strangers' goods from competition. In the long run everyone has suffered.

### The Reciprocal Agreements

In 1934 this country started on a wiser course. We enacted into law a standing offer to reduce our tariff barriers against the goods of any country which would do the same for us. We have entered into reciprocal trade agreements with twenty-eight countries.

Each one of these agreements reduced some foreign barriers against the exports of this country, reduced our barriers against some products of the other party to the bargain and gave protection against discrimination by guaranteeing most-favored nation treatment to us both. Each agreement increased the freedom of business men in both countries to buy and sell across national frontiers. The agreements have contributed to prosperity and good feeling here and in the other contracting countries.

The record of how trade agreements expand two-way trade is set forth in the 1943 report of the Committee on Ways and Means. This record shows that between 1934-35 and 1938-39 our exports to trade-agreement countries increased by 63%, while our shipments to non-agreement countries increased by only 32%. Between these same periods our imports from agreement countries increased by 22%, as compared with only 12% from non-agreement countries. The disruptions and dislocations resulting from the war make later comparisons impossible.

The record published in 1943 is, nevertheless, as valid today as it was then. We know, without any doubt, that trade agreements build trade and that they will do so after the war as they did before. All sections of our population, labor, farmers, businessmen, have shared and will share in the benefits which increased trade brings.

Unfortunately, powerful forces operated against our efforts in the years after 1934. The most powerful were the steps of our present enemies to prepare themselves for the war they intended to let loose upon the world. They did this by subjecting every part of their business life and especially their foreign trade to the principle of guns instead of butter. In the face of the economic warfare which they waged, and the fear and counter-measures which their conduct caused in other countries, the success of Secretary Hull and his inter-departmental associates in scaling down trade barriers is all the more remarkable.

### Opportunity for Economic Cooperation

The coming total defeat of our enemies, and of the philosophy (Continued on page 1408)

## Station WOV Cannot Drop Seven Unneeded Musicians, WLB Rules

Thomas L. Norton, chairman of the regional office of the National War Labor Board, on March 21 announced that this office has denied the request of radio station WOV in New York City for an order reducing the quota of musicians to be hired according to its contract with the American Federation of Labor, Local 802, by ordering the station to keep on its payroll seven musicians which the latter said it did not need and who do no work.

In addition, the board unanimously ordered a 15% increase in the wage scales of these seven and five other musicians, retroactive for one year in accordance with the Little Steel Formula, since they have had no raise in pay since Jan. 1, 1941.

The station's counsel said he would petition the National War Labor Board in Washington, D. C., for a review of the regional board's decision.

The board's order, signed by Mr. Norton and Walter L. Gellhorn, vice-chairman, argued that the board had no authority to change the number of musicians required to be employed under the station's agreement with the union, and that that could only be done by voluntary arrangement by the two parties or by legislation.

## FHA Prepares for Fuel Shortages Next Winter

The Federal Housing Administration in anticipation of short supplies of fuels during the winter months of 1945-46 on March 24 announced renewal for the third year of its "Summer Plan" for insured-financing of installations to conserve fuel through prevention of heat losses.

Under the plan, the first payment on FHA-insured loans made during the spring and summer for this purpose may be deferred until fall.

In announcing the renewal of the plan, FHA Commissioner Abner H. Ferguson said FHA is acting in cooperation with other Federal agencies charged with the responsibility for effecting the maximum conservation of heating fuels.

The FHA has notified the 5,000 private lending institutions authorized to operate under its Title I program that initial payments on loans made on and after April 2 may be deferred until Nov. 1, 1945, providing the entire proceeds are used for the application of insulation, storm sash, weatherstripping and other fuel conserving measures set forth in the Amendment to FHA Title I Regulations.

"The FHA's objective, in making this liberalization of its Title I loan terms, is to encourage home owners to undertake fuel conservation work during the warm weather season and thus prevent a heavy congestion of this type of work next fall," Mr. Ferguson said.

Home owners having funds available should undertake fuel conservation work on a cash basis, he added. The Title I plan, however, is available for assistance of those unable to pay for such work in one lump sum.

Under Title I, loans for heating conservation measures are available through lending institutions in amounts up to \$2,500 and are payable in monthly installments over as long as 36 months. The Board of Governors of the Federal Reserve System has exempted loans for these purposes from its restrictions on consumer credit. Generally, installations of the type involved may be undertaken without authorization from the War Production Board.

## Preparedness in Peace as Well as in War Urged by Alfred P. Sloan, Jr. in G-M Report

General Motors stands ready to do its part in support of any constructive and equitable plan of action that contemplates maintaining in peace as well as in war a high technical standard of defense equipment, Alfred P. Sloan, Jr., chairman of General Motors, declares in a statement released on March 25, in advance of his forthcoming annual report to stockholders. Mr. Sloan asserts in his



Alfred P. Sloan, Jr.

report to stockholders: "It has been well said time and again that we must win not only the war but the peace. The winning of the peace might be defined as the development of ways and means to insure over the years to come our economic, political and personal freedoms. The

elimination of armed conflict is fundamental in such a concept. How successfully that objective can be accomplished we do not know, but we must strive with all our power to that end. If we are to face the realities and not take another chance on being caught 'too late with too little', we must learn from present experience and reverse our pre-war concept as to the importance of military preparedness.

"During the war the evolution of war products has involved progress in three fields: (1) continuous changes in design to facilitate production, reduce man-hours, save materials and lower costs; (2) continuous advance in technological standards to improve the quality of combat equipment; and (3) development of new military implements.

"In cooperation with military technicians, outstanding progress has been made and will continue to be made in each of these fields. After the war, if we are to win the peace, we must continue to move forward by maintaining for preparedness equally close liaison between the armed services and industry. This calls for unceasing application of the day-to-day developments of science and industry to the improvement of war materiel and methods of manufacture, so that American industry shall ever be ready to set in motion quickly, if needed, its vast powers of mass production for war with minimum changes in plant and machinery.

"Modern warfare on the material side is in a sense a conflict between opposing standards of technology. Technical superiority and quantity of war materials are both essential. But in general it may be said that technical superiority will go far in offsetting numerical quantity in almost all classes of military equipment.

"Pre-war, there was relatively little organized liaison between industry and our armed forces. The technical staffs of industry were little acquainted with military equipment. The various war products that were to be needed in great quantities and in record time had not been designed for manufacture on a mass production basis. As a nation in peacetime we had little interest in anything pertaining to war. Billions were made available for other purposes, but adequate resources for military preparedness were denied. The cost of the war, in human life and also in material values, might have been importantly reduced and the war shortened if we had been better prepared.

"With the war's end, public interest in war problems will diminish. Demands for the development and production of civilian goods and services will require an all-out effort. On the other hand, to translate the lessons of war into any advanced type of military ap-

paratus, such as a tank for instance, is just as great if not a greater task than to design and produce a modern automobile. The money costs of such military development work are not large, relatively. The problem lies in stimulating and maintaining in peacetime the necessary program and in devoting the necessary technical effort to its accomplishment. Under the emotionalism of war, many things are possible that in peace become psychologically most difficult. Moreover, as time passes, the danger from inaction increases and the realization of the danger decreases."

## President's Committee To Study Guaranteed Annual Wage

Eric Johnston, President of the Chamber of Commerce of the United States, announced on March 25 that the special committee, to conduct the inquiry to determine whether a guaranteed annual wage is feasible for all American wage-earners, which was requested by President Roosevelt, would hold its first meeting in Washington on March 26, according to United Press advices from that city on March 25, which added:

Mr. Johnston was appointed Chairman by O. Max Gardner, head of the Advisory Board to James F. Byrnes, Director of War Mobilization. Mr. Roosevelt authorized this board to undertake the study recommended by the War Labor Board.

The other committeemen are Philip Murray, President of the Congress of Industrial Organizations; Albert Goss, master of the National Grange, and Mrs. Anna Rosenberg, New York State War Manpower Director.

The first job of the committee will be the creation of a permanent staff and employment of economists to assemble facts. It will have at hand a Labor Department survey of 8,000,000 workers in unionized plants. This survey shows that only 42,500 of the employees are guaranteed annual pay and 30,000 of those are in consumer goods industries.

The demands for a guaranteed wage by the CIO's United Steel Workers, of which Mr. Murray is also President, led directly to the investigation. The WLB denied the demand in deciding the USW-CIO case against 86 steel companies but recommended that the President create an independent group to look into the subject on a national basis.

The WLB also told Mr. Roosevelt that labor's search for the security of a guaranteed wage was partly responsible for the intensive effort to break present wage stabilization policies, including the Little Steel Formula.

## FIC Banks Place Debs.

A successful offering of an issue of debentures for the Federal Intermediate Credit Banks was concluded March 20 by Charles R. Dunn, New York, fiscal agent for the banks. The financing consisted of \$25,475,000 0.90% consolidated debentures dated April 2, 1945, due Jan. 2, 1946. The issue was placed at par. Of the proceeds, together with \$400,000 cash funds were used to retire \$25,875,000 debentures due April 2, 1945. As of April 2, 1945, the total amount of debentures outstanding was \$281,060,000.

# Federal Reserve Board on Bretton Woods Ratification

**Holds Plan Would Stabilize Exchange, Help Foreign Trade and Contribute to World Recovery. Urges a Provision for an Advisory Council to Guide U. S. Representatives on Fund and Bank to Interpret to Them Our International and Financial Policies.**

The Board of Governors of the Federal Reserve System, on March 21, issued a formal statement announcing it is convinced "that the ratification of the Bretton Woods Agreements would be an important step in the restoration of World Trade and in safeguarding the interests of the United States in the post-war world." In addition to presenting arguments in support of the proposals, the "Board is strongly in favor of the addition of a provision for the establishment of a Council or a Committee to provide the necessary direction and guidance to the representatives of the United States in the governing bodies of the Fund and the Bank and to interpret to them the International Financial and Monetary Policies of the United States."

The full statement of the Board follows:

The Board of Governors of the Federal Reserve System is convinced that ratification of the Bretton Woods Agreements would be an important step in the restoration of world trade and in safeguarding the interests of the United States in the post-war world.

**I.**

Without the institutions proposed by these Agreements we would be confronted with disrupted currency conditions and with trade and exchange policies and practices which foreign countries might be forced to adopt in self-preservation but which would nevertheless have disorganizing effects on world trade. In rebuilding the machinery of international finance after the war it will be vital to avoid the recurrence of practices which developed after the first World War, and to eliminate abuses which were prevalent in international lending. Effective action in these fields would form a counterpart to essential programs of domestic reconstruction. The greatest contribution to international prosperity and stability that the United States can make is to maintain full employment and a rising standard of living at home. In order to establish international trade on a sound and enduring foundation, it must be based upon a balanced exchange of goods and services. On such a basis it will contribute an important steadying influence to our domestic economy.

The International Monetary and Financial Conference of representatives of 44 nations held last summer in Bretton Woods resulted in agreements for the creation of two new international financial institutions, the International Monetary Fund and the International Bank for Reconstruction and Development. The International Monetary Fund would exert an influence toward exchange stability and thus reduce the exchange risks for exporters and importers. It would require member countries to maintain established exchange rates and would provide machinery for making in an orderly manner by mutual agreement such changes in exchange rates as may be necessary. Members undertake to eliminate as soon as possible monetary practices which interfered with the flow of world trade before the war, such as discriminatory exchange restrictions, multiple currency arrangements, and bilateral clearing agreements. It would help to give assurance to member countries that the proceeds of sales to any country could be used for the purchase of goods in any other country.

For the purpose of assisting member countries in maintaining

their exchange rates, once they have been established, without resorting to harmful restrictions on trade, the Fund would have resources in gold and various currencies which would be available for temporary use by members. It would afford member countries faced with heavy payments abroad a breathing spell during which to make necessary adjustments in their economies with a view to restoring equilibrium in their trade with the world. The Fund would not be in essence a lending institution but a mechanism for converting local currencies contributed by members into a pool of international reserves, on which each country could draw in proportion to its contribution. While temporary shortages of foreign exchange could be met through use of the Fund, members would be under pressure to restore the exchange to the Fund as soon as possible in order to maintain its ability to serve other members.

As a companion institution to the Fund, the Bank for Reconstruction and Development would be a lending institution to promote the international flow of long-term capital. It would make loans for productive and developmental purposes out of its own capital or out of funds borrowed in the market and would guarantee such loans offered to private investors. It is intended to make or guarantee such loans as would in the long run increase the borrower's ability to balance its international accounts. It would help to restore economies destroyed or disrupted by war, to reconvert their productive facilities to peacetime needs and to develop the resources of less developed countries.

The Bank would have a stabilizing influence on interest rates and other conditions for international loans and would tend to eliminate practices in international investment that have in the past resulted in excessive costs to borrowers and in losses to lenders. It would handle only loans that could not be obtained on reasonable terms without its support and would, therefore, in no way interfere with the flow of private funds into international investments. At the same time it would make it possible for countries greatly in need of foreign resources to obtain necessary capital which might not otherwise be available to them on reasonable terms. The agreement provides that loans made or guaranteed by the Bank must have the approval of the lending country. Consequently, the loans can and should be so timed as to diminish either inflationary or deflationary pressures and to contribute to the maintenance of economic stability in this country.

**II.**

From the point of view of the Board of Governors the establishment of the Fund and the Bank would be desirable because they would contribute to world recovery and to the maintenance of economic stability at a high level, which is the main objective of the Board's policy. The monetary and credit structure of this country is continually and seriously affected by international transactions. In the past this country's monetary authorities have had to meet difficult situations when our banking system was called upon to absorb an excessive amount of foreign

## NYSE Short Interest To March 15

The New York Stock Exchange announced on March 20, that the short interest as of the close of business on the March 15 settlement date, as compiled from information obtained by the New York Stock Exchange from its members and member firms, was 1,520,384 shares, compared with 1,582,647\* shares on February 15, 1945, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of the March 15, 1945, settlement date, the total short interest in all odd-lot dealers' accounts was 42,927 shares, compared with 34,055 shares on February 15, 1945.

The Exchange's report added:

"Of the 1,257 individual stock issues listed on the Exchange on March 15, 1945, there were 65 issues in which a short interest of 5,000 or more shares existed, or in which a change in the short position of 2,000 or more shares occurred during the month."

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

1944—	
Jan. 31	847,335
Feb. 28	960,617
Mar. 31	1,028,480
Apr. 29	1,090,581
May 31	1,181,293
June 30	1,287,970
July 31	1,327,641
Aug. 31	1,283,555
Sept. 29	1,275,709
Oct. 31	1,373,540
Nov. 30	1,436,271
Dec. 29	1,390,713
1945—	
Jan. 31	1,475,441
Feb. 15	1,582,647
Mar. 15	1,520,384

\* Corrected figures.

funds arising out of surplus commodity exports and capital movements from foreign countries. The adoption of the proposed Agreements should help to moderate these disturbing influences.

**III.**

In connection with the enabling legislation now before Congress, the Board is strongly in favor of the addition of a provision for the establishment of a council or committee to provide the necessary direction and guidance to the representatives of the United States on the governing bodies of the Fund and the Bank and to interpret to them the international financial and monetary policies of the United States. Members of this council or committee should consist of the heads of the appropriate agencies of the Government to be designated by the President. It should be a small group, comprising not more than five members. Since the proposed institutions are to be permanent, it would be advisable to have the council provided by law rather than by executive order or informal arrangement. The council would not only advise the American governors and directors on the Fund and the Bank of its views with respect to the financial monetary policies of the United States but would also be authorized to act for the United States in matters which require approval under the agreements, except in cases in which the right to decide will be retained by Congress. Establishment of such a council would assure reasonable continuity in the interpretation of American International financial policy to this country's representatives on the Bank and the Fund. Provision for such a council in the enabling legislation would not call for any change or modification of the Articles of Agreement of the Fund or Bank.

## Dean Gildersleeve Warns Not To Expect Millennium From San Francisco Conference

Dean Virginia Gildersleeve of Barnard College and an American delegate to the San Francisco Conference, at a dinner on March 22



Dean Gildersleeve

given in her honor, warned not to expect the millennium from the forthcoming conference at San Francisco, said the New York "Times" of March 23, which gave other remarks of Dean Gildersleeve as follows:

"The conference can only lay the foundations and design the machinery for future cooperation between nations."

Miss Gildersleeve thought that the American delegates to the conference felt greatly strengthened by the lifting of the world organization, which the conference will seek to establish, above party politics; by the agreement of the two main political parties on the general idea and on the Dumbarton Oaks proposals as a good foundation.

Miss Gildersleeve considered it important to make people understand that the conference will not be a peace conference in the old sense but will be called upon to draw a charter or constitution for the new world organization, the United Nations.

"It will not deal with boundaries, or the immediate treatment of the defeated enemy countries, or similar subjects," she stressed. "Those will be handled, as I understand, by a series of separate treaties or agreements winding up this war; or some of them may be dealt with later by appropriate

agencies and procedures of the new world organization after it begins to function. At San Francisco we are to try to set up the framework for this new order. That will be a sufficiently large and difficult task. At San Francisco we shall be concerned first of all with security. It is primarily a security conference designed to set up machinery to avoid war."

Miss Gildersleeve stressed also the peculiar interest of women in the task of the conference and the specific contribution they can make to the realization of its aim.

She expressed the belief that women may find it easier to accept "the inevitable limitations upon our country's freedom of action required by any effective world organization."

"Perhaps at some moment in the long process of achieving security women's profound instinct for conserving and developing life may markedly influence the course of history," Miss Gildersleeve added. "As through the months and years the United Nations develop their helpful cooperation in solving international economic, social and other humanitarian problems all women will certainly follow them with a very special interest, and many women will, I am sure, play an active part in the work."

Miss Gildersleeve also spoke of the intense interest being exhibited by the student youth of the land in the problems of international relations and the task of averting war, and expressed the hope that "something of the generosity of youth, its confidence in tackling the apparently impossible, its faith in the vision of a better world" would find expression at the conference.

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he says, "is that if we speak of the employment of 60,000,000 people in the immediate postwar era instead of full employment at normal hours, business will be chargeable with a discrepancy as to whatever extent we fall short of the definite figures. Unfortunately too many people think of employment as being wholly confined to industry. This computation overlooks a large number employed in the fields of agriculture, public service, professions, service trades, etc. Industry was never more determined to discharge its employment responsibilities, but the possibilities of its doing so is dependent upon many factors beyond its control."

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## The Financial Situation

(Continued from first page)

German economy—or at any rate taking a large part in such restoration.

But no sensible man will waste much time with such foolish ideas—even if some of the Washington day dreamers are applying precisely this line of reasoning, if not to the German situation, then certainly to that obtaining in a number of other countries in substantially the same situation as Germany—and, *mutatis mutandis*, to our own problems. We must not, however, for that reason suppose that this titanic destruction in Germany is of limited significance—and a matter for the Germans only to consider. If we do, we shall live to regret it.

First of all, it seems to us that for one thing revenge will have been inflicted in almost incredible degree before the war is over. Whatever the sins of the Fuehrer, and whatever the shortcomings, or worse, of the great rank and file of the German people, they have already been paid for dearly in blood and destruction. Punishment of proportions and of intensity far surpassing anything that any of us would have had the heart to inflict even upon Germany after "unconditional surrender" will have been meted out to her before the last shot is fired. Whatever else the winners of this war may determine to do in respect of a stricken and prostrate Germany should not be governed by any spirit of revenge.

### A Helpless Germany

A second thought which we commend to our readers is this: No nation or people in the economic position of the Germans when this war is over can in the very nature of the case make good (within the length of time any of the peoples affected could be expected to wait) a tithe of the damage the Germans have inflicted upon virtually all of Europe. Whatever our impulses may be in the matter we must, if we are to be realists, to say nothing of being humanists, permit the German people in the post-war years to supply themselves with at least the minimum requirements of food, shelter and clothing. Else some other people or peoples will be obliged to do so—or run the risk of the development of chaos or worse in the very heart of Europe. A policy, by whatever name we may call it, by which the German people are forced into slow starvation and disintegration is no more feasible than that of simply shooting them down. This elementary truth must be borne in mind, and permitted its due weight

when the fiendishness of German destruction is weighed against its restoration.

Another fact should be obvious. The situation as it will emerge in Germany at the end of this war is not an inviting field of foreign investment. We permitted ourselves to be convinced that the state of affairs obtaining in that country during the twenties constituted such an opportunity. We have now had an opportunity to learn how wrong we were then. The state of affairs which will follow this war will be much less inviting to any realist with funds to invest. This is, we fear, almost equally true of a number of the other countries against whom we have no ill will, but it is particularly true of Germany. This means among other things that whatever we feel disposed to do to relieve human suffering or even to restore economic systems in Europe should be scrutinized with great care, and unless there is good reason to believe what we are doing will in time bring normal economic returns, we had better not proceed on the basis of "loans" or the like, but by means of something akin to grants-in-aid. In other words, we may feel inclined to gloss over charity with inoffensive verbiage, but it should not carry the implication that return payments are expected—and least of all should we permit ourselves to expect them when there is not the slightest basis for such an expectation.

### Destruction Elsewhere

In considering what has happened to Germany we must, of course, not forget the destruction that has been visited upon other parts of Europe—Holland, Belgium, England, parts of France, and vast areas in Russia. These areas of death and ruin will be restored only in the sweat of the brows of men and women working long hours—and in all probability years will elapse before the world, particularly that part of the world, can get back to the point it occupied when all this began in 1939. This is a time in world history perhaps less inviting than any other to the theories of economics of the day—which for the most part appear to be searching for a way to get something for nothing, or at the least to get much with working as little as may be. Most of the "reforms" of the day—social security, shorter hours, featherbedding work restrictions and all the rest of it—are at best luxuries which only those with substantial wealth and surplus production power can afford—if they can. It would be a "ghastly jest" indeed if

## N.A.S.S. To Hold Regional Conferences

In cooperation with the endeavors of ODT to limit civilian travel to a minimum, NASS directors recently cancelled their 1945 Spring Conference scheduled for Cleveland, Ohio, in May. In its place will be held seven Regional Conferences, followed by a "Convention by Mail." These meetings will be held about the first part of June.

The purpose of the Association is to provide industry a means of exchanging data on Employee Suggestion Systems and to assist firms with their Suggestion System problems. Heretofore the Association has held two National Conferences each year. The planned Regional meetings coupled with the "Convention by Mail" are intended to provide the membership with a thorough coverage on what has been accomplished by industry with Employee Suggestion Systems during the first half of 1945.

Following is a list of subjects assigned for specific discussion by the various Regional groups. Papers developed in these subjects by the Regional meetings will later be consolidated by the Association for the "Convention by Mail" distribution:

1. Building a Suggestion System
2. Anonymity
3. Eligibility
4. Awards
5. Problems
6. Publicity
7. Management Cooperation
8. Records
9. Procedure for Investigation
10. Procedure for Committee Action
11. Promotion of Employee Participation

these grim conditions throughout much of the world were to stimulate policies clearly and certainly best designed to prolong the difficulties and hardships of the day.

And, finally let us steel ourselves against that insidious doctrine which seems to bring some of us to the point of exuberant anticipation of the wealth we shall acquire restoring the destroyed economies of the world and in "industrializing" the remainder of the globe. We could profit—that is, in any direct economic sense—from the restoration of the destroyed countries of Europe or elsewhere only if those regions once restored could produce sufficient surplus to pay us for our work and our materials, and we can profit by industrializing the remainder of the world only if the resulting economy is able to produce the goods with which to pay us a return on what we have put into it. These requisites must at all time be kept constantly in mind.

Let us never forget that destruction is destruction—and not some sort of economic blessing in disguise.

By way of a post script it may, moreover, be suggested that what with the destruction in Germany and the "hard peace" planned for that country the projected revised League of Nations should have no great difficulty keeping Germany helpless.

## President Asks Congress to Join World Food Body

Proposes Adoption of Plan Drawn Up by United Nations Conference at Hot Springs, Va. Holds World Food Organization Will Foster Cooperation in Food and Agriculture, and Will Not Interfere With Our Complete Freedom of Action in Determining Our Own Policies.

On March 26, President Roosevelt submitted to Congress a special message urging the enactment of legislation which would permit the United States to join the proposed world food and agriculture organization, as drawn up by the United Nations Conference on Food and Agriculture at Hot Springs, Va., two years ago. The President pointed out that the plan "is in no sense a relief organization," and that its budget will be \$2,500,000 in the first year, of which \$625,000 is to be borne by the United States.

The full text of the message, as reported by the Associated Press, follows:

To the Congress of the United States:

I am sending herewith for the information and consideration of the Congress the first report to the governments of the United Nations by the interim commission on food and agriculture. Appended to this report is the constitution of the food and agriculture organization of the United Nations, which the United Nations Conference on Food and Agriculture at Hot Springs, Va., requested the interim commission to formulate and recommend.

The interim commission has done its work well. It has prepared a plan for a permanent international organization through which governments can pool and extend their knowledge and collaborate with each other in raising the standards of nutrition of their peoples and in establishing and maintaining an expanding prosperity for agriculture in all countries.

I recommend that the Congress authorize the acceptance of the constitution and the participation of the United States in the work of the food and agriculture organization.

The United Nations have already made much progress in setting up an organization for international security. But our collaboration for peace must be on a broader basis than security alone. We must strive to correct the conditions that predispose people toward war or make them the ready tools and victims of aggressors. We shall need also to work together as nations toward achieving freedom from want. Our participation in the food and agriculture organization will be an essential step in this collaboration.

The organization will seek its ends through the provision of international services in agriculture and nutrition which have heretofore been either lacking or inadequate. Among other things it will provide the means for bringing together from all parts of the world the results of research in all the fields of agriculture and nutrition and for disseminating ideas and advice on how the available information can be of greatest usefulness.

Improved standards of nutrition, increased levels of farm incomes, avoidance of agricultural surpluses—these are among the important objectives that the food and agriculture organization will assist the nations of the world in achieving. The organization will seek to better conditions in food and agriculture by fostering international cooperation in developing the optimum use of the resources of land, labor and science. One of its important jobs will be to help in improving the marketing of agricultural products throughout the world so that farmers can find good markets here and abroad and continue to produce as fully as is consistent with sound conservation practices.

The constitution of the organization provides that it shall include fisheries and forests within the scope of its work, and that in agriculture it shall cover both food and non-food products. The work of the food and agriculture organization will be primarily technical and advisory. Its staff will be small; its budget will be small, \$2,500,000 for the first year—with \$625,000 as the share to be borne by the United States—and about twice that amount in succeeding years. It is in no sense a relief organization.

In becoming a member of the food and agriculture organization, we will retain complete freedom of action in determining our national agricultural policies. Under its constitution, the organization will have no powers of direction or control over any nation. It will recommend agricultural policies and advise nations on their food and agricultural problems, but it will have no power to coerce or command. The constitution provides that all member nations shall have equal representation in the conference of the organization, each being entitled to one vote. Our responsibilities in joining the organization are of the same nature as those Congress has heretofore authorized in approving our participation in the Pan-American Union.

I therefore recommend that the Congress approve our active participation in the food and agriculture organization of the United Nations, in accordance with its proposed constitution as set forth in appendix I of the attached report, and authorize annual appropriations of our share of the budget of the organization.

FRANKLIN D. ROOSEVELT.  
The White House, March 26, 1945.

## Daniels to be White House Secretary

President Roosevelt said on March 24 that Jonathan Daniels will become the White House Secretary in charge of press relations, according to Associated Press advices from Washington on March 24, which added:

Mr. Roosevelt is asking Stephen Early, who held the press job for years, to stay on as a White House Secretary temporarily, pending the choice of a Secretary in charge of appointments. General E. M. Watson, who had the appointments assignment, died on the return trip from the Yalta conference.

Mr. Roosevelt said in a statement: "I hope to be able, by early June, to name a permanent Secretary in charge of appointments. At that time Steve will be free to enter private employment, in accordance with the wishes he has expressed to me."

Mr. Daniels, 42 years old, is a former Raleigh, N. C., newspaper man. He was in charge of press relations while Mr. Early undertook a press relations assignment to armies in France. He is a son of Josephus Daniels, former Cabinet officer.

William D. Hassett, who has been handling appointments since General Watson's death, now will return to his own secretaryship. He handles correspondence and research for the President, among other things.

## The State of Trade

The home economy gave evidence this week of having reached the point where some action must be taken in the immediate future to save it from total disintegration brought on by over-emphasis of the war effort without due regard for that important factor so necessary for ultimate victory.

Shortages of civilian goods have been developing by leaps and bounds and are now at a serious stage and the prospects will probably grow worse through April, May and June. This tightening in the home supply situation poses a direct threat to our war effort, since workers soon will experience difficulty in obtaining such essential items such as tires, shoes and clothing, especially work clothing, so necessary in producing for war.

Much of the trouble goes back to the closing months of 1944 when the armed forces indulged in the practice of cutbacks and cancellation of war contracts encouraged by the thought that the close of the European war was not far off. The German counter-offensive in the early days of last December radically altered the picture and there followed a mad scramble to reinstate war contracts and to add greatly to them.

In so doing, industry was taxed beyond the limits of its capacity to produce by these sudden demands of the services and could not meet them. Much criticism of industry on the part of the military followed in their endeavor to shift responsibility for the poor supply situation. However, the lack of supplies was had enough, but not content with proven methods for attaining maximum production with a minimum of lost motion through the medium of the Controlled Materials Plan, military directives entered the picture and threw the smooth working system of war production out of adjustment by nullifying the good results achieved by allotments and priorities. One official of the WPB speaking in favor of the CMP before an electrical manufacturers group admitted that the plan can only be saved by "something providential."

The root causes of these shortages rest heavily upon the head of government itself, since internal conditions within the government engendered by conflicting and overlapping authority have produced a situation out of which great confusion has sprung. Thus, rivalry and competition between the various administrative agencies has brought about such a chaotic state of affairs in our supply situation that tires, according to reports are months behind minimum needs for the lack of one ingredient, carbon black; shoe inventories are said to be about one-half of estimated needs, with 1945 production estimated at less than that of 1944; store and factory inventories too, reflect a marked decline and so it runs through the whole gamut of civilian requirements necessary to equip the home front for the job of greater war production to satisfy the demands of the European and Pacific war.

One encouraging note, however, looms in the rather gloomy situation and that is the recent report to the effect that the WPB has finally asserted itself on the question of civilian as against military control on the home front. It has been stated that in the future military demands will be "screened" more thoroughly, even to the extent of having the Army reveal its textile stockpiles, if that is possible.

In taking this stand it is felt the WPB intends to re-adopt the original pattern of apportioning available supplies through the Production Requirements Committee of the WPB, and thus assure civilians an adequate share of goods.

**Steel Industry**—There was no abatement the past week in the heavy influx of steel orders which has been apparent for some time. Some steel producers find that

new business in the first half of March was running almost twice the volume of shipments. The trend of orders has resulted in a further increase in product carryovers to such an extent that those involving galvanized sheets constitute almost a full month's production. Adding to the woes of the steel industry, cancellations the past week were at the lowest point in many months, according to "The Iron Age," in its weekly summary of the steel trade. Galvanized sheet deliveries are now being promised for February and March of 1946, while cold rolled sheets exhibiting heavy carryovers are not available before September of this year. Because of this condition deliveries may soon be extended further into the future.

An analysis of some mill books, states "The Iron Age," shows sheet capacity so overloaded that schedules calling for April production are as much as 145% of theoretical maximum output. Additional sheet tonnage, much of it for landing mats, may raise the overload another 20% unless corrective measures are applied in May and June. So far advanced are sheet deliveries that mills report a reluctance on the part of customers to place orders. The point has now been reached where the WPB is reported to have stepped in to prevent bookings being placed too far into the future by withholdings allotments for the fourth quarter of 1945 and the first quarter of 1946.

Structural steel demand is exceptional with the volume of new business for this product mounting. Structural steel carryovers in many cases are presently running almost as heavy as a half a month's output. Reinforcing bar allocations for the second quarter, on the other hand, are exceptionally low as WPB has cut back sharply on allotments for this type of steel.

A summary of railroad car production slated for Russia, through the War Department, this year on which construction will start in July, embraces 5,000 56-ton flats; 500 40-ton dump cars; 400 40-ton tank cars and an additional 265 tank cars.

During the past week it was apparent that future production of rails, alloy bars, reinforcing bars and possibly some structural steel might be affected somewhat by an increase in April shell steel production. On the other hand, however, J. A. Krug, WPB head, told "The Iron Age" that Army and Navy requirements for the second quarter might be reduced as much as 200,000 tons. These returned allotments, Mr. Krug said, would be replaced by orders for railroad material, petroleum industry requirements, and steel for repairs. However, when and if these orders are scheduled, they will have to take their chance on the already tight and extended steel mill delivery setup.

The American Iron and Steel Institute announced last Tuesday that the operating rate of steel companies (including 94% of the industry) will be 96.6% of capacity for the week beginning March 26, compared with 96.9% one week ago. This week's operating rate represents a decline of 0.3 points from last week's rate, and is equivalent to 1,769,400 net tons of steel ingots and castings, compared to 1,774,900 net tons last week and 1,775,200 tons one year ago.

**Electric Production**—The Edison Electric Institute reports that the output of electricity decreased to approximately 4,397,529,000 kwh. (Continued on page 1411)

## New ABA Booklet on Home Loans To Vets.

Orders for more than 250,000 copies of "Home Loans to Veterans," received by the Advertising Department of the American Bankers Association in the first three weeks after its publication, reflect the desire of American banks to render a lasting service to returning veterans when they grant a home loan under provisions of the GI Bill of Rights. This booklet was prepared in cooperation with the Association's Committee on Service for War Veterans and the Legal Department for distribution by banks, and is designed to present facts about home loans in an orderly, simple, and easy-to-understand manner to aid the veteran.

A first printing was exhausted in the first week that "Home Loans to Veterans" became available and as a result of the demand for a quarter of a million copies already received, a second edition reflecting revised regulations is now being distributed. John B. Mack, Jr., Manager of the ABA Advertising Department, said that the booklet will be kept up to date by continuously incorporating in to new editions changes as they occur in laws and regulations.

The booklet will be useful to individual veterans in supplying them with facts about home loans they may wish to make under the GI Bill, or to families and friends who wish to send information to some one still in the service. It is also being used by veterans' organizations in advising returning veterans.

Banks using the booklet are enabled to render a wider patriotic service in their communities. The booklet does not encourage reckless buying, but rather encourages the veteran to exercise care to make certain that his loan money buys a property representing full and lasting value. This attitude is helpful to the bank in building goodwill for the future and in developing sound new loan business.

The Advertising Department of the ABA recommends to banks that this information be widely distributed to the public. "Almost everybody," Mr. Mack said, "has some relative or close friend in the armed services who will welcome information about loans which can be made to veterans under the Servicemen's Readjustment Act of 1944."

## Billion Dollar Increase In N. Y. Savings Bk. Deposits

A net gain of \$90,766,087 in the deposits of New York State savings banks during February brought their total increase for the past 12 months to over a billion dollars, it was reported on March 21 by the Savings Banks Association of the State of New York for its 131 member institutions. The February gain, says the Association, was almost two and one-half times the growth in the corresponding month last year, and the increase for the 12 months ending Feb. 28, was \$1,036,463,135. This was the first time in their history that New York savings banks gained as much as a billion dollars in one year. The Association added:

"Total deposits were \$7,294,864,724 at the end of February. Open accounts showed a net gain of 34,546 for the month, bringing the total to 6,474,420. This was 197,653 more accounts than on Feb. 29 last year.

"New York State savings bank depositors are making steady progress, with increasing momentum, while at the same time buying their share of war bonds," said Myron S. Short, President of the Savings Banks Association. "Most of the increase in deposits is being invested by the banks in United States Government bonds."

## SEC Exempts From Registration, Shares of Mining Corporations to Maximum of \$100,000

The Securities and Exchange Commission announced on March 23 the adoption of a new simplified form, Form S-11, for the registration of shares of exploratory mining corporations under the Securities Act of 1933. The adoption of a new rule, Rule 240 under Section 3(b) of the Act, for the exemption from registration of assessable shares of mining corporations, to a maximum of \$100,000 in one year, also was announced. The advices of the SEC state:

The form is for the use of mining corporations that have not engaged in active ore production and have no mining property developed beyond the exploratory stage. The use of the form is limited to corporations that have not been involved in recent successions and are without important subsidiaries. These limitations on the use of the form have permitted considerable simplification over previous forms. At the same time, it is believed that a large part of the registrants making primary mine securities offerings will be able to use the form.

The form also involves several innovations. It dispenses with the requirement for certifications of financial statements by independent accountants, since the type of corporation eligible to use the form will generally have had few important financial transactions. In addition, a booklet has been designed for use in connection with the form and to aid registrants in preparing registration statements. This booklet, designated as "Supplement to Form S-11 under the Securities Act of 1933," contains quotations of the various sections of the Act and the rules thereunder which are referred to in the form. It also contains a digest of certain views taken from the Commission's formal opinions which bear on problems which may arise under the Act in connection with primary mine financing. This compilation of applicable provisions of the Act, rules, and administrative decisions should greatly

facilitate the preparation of registration statements on Form S-11.

The new Rule 240 is intended to provide an exemption from registration for offerings of assessable shares of mining corporations to a maximum of \$100,000 in one year. The adoption of such a rule had been urged by various members of the mining field. Under the rule, a prospectus must be used in connection with the offering of assessable shares; and a statement of prescribed information must accompany each assessable notice.

The Commission benefited from the suggestions of various mining men, mining organizations, attorneys, accountants, and others who were furnished draft copies of the form and rule for review and criticism. Where the desirability of the registration form as a whole was commented upon, the reaction was almost entirely in favor of such a form. In the case of the rule, however, a number of objections were raised on the basis that such a rule was contrary to the public interest. In view of this problem, we are not without some misgivings in adopting the rule; and we therefore adopt it on a trial basis. If abuses develop under the rule to a point where it appears to the Commission that the public interest is adversely affected, action will be taken to rescind or modify the rule.

Copies of the form and booklet may be obtained by sending a request to the Publications Unit, Securities and Exchange Commission, Philadelphia 3, Pennsylvania. It is expected that they will be available by April 7, 1945.

## Senators to Go to Europe to Make Intensive Survey of War-End Problems

An intensive survey of military operations and economic conditions in Europe, so as to be able to furnish first-hand information on war-end problems to the Senate, will be made next month by a half a dozen Senators, according to an Associated Press dispatch from Washington, on March 26, from which we have also taken the following regarding the survey:

The principal objective of the group, members said today, would be to find out what the Army intends to do with the billions of dollars' worth of equipment and supplies in Europe when the Germans' resistance collapses and the full weight of our war is shifted against the Japanese.

Tentative arrangements have been made for Senators Russell, Democrat of Georgia; Hill, Democrat of Alabama; Chandler, Democrat of Kentucky; Maybank, Democrat of South Carolina, and Bridges, Republican of New Hampshire, to make the trip. Traveling by Army transport, the group will start in about two weeks and be gone for almost a month. Senator Revercomb, Republican of West Virginia, may be added to the list or may replace Mr. Bridges if the latter is unable to go. Senator Pepper, Democrat of Florida, also wants to go along in the party.

Jointly, the group will represent the Appropriations, Military Affairs and Foreign Relations Committees.

Senator Hill told a reporter that it was his understanding the group will interest itself primarily in what the Army plans to do about the transferring of men, equipment and supplies from the European to the Pacific fronts when the Germans are beaten.

The War Department is on record that as much equipment and

as large a volume of supplies as possible would be shipped to the Japanese fighting zone.

Mr. Hill said further that the group would endeavor to find out what equipment is suitable for the Pacific. It would inquire also, he said, into the relative merits of American and German tanks, planes, guns and other war materiel.

Complaints by soldiers that American tanks are inferior to the German armor in firepower, and in some other respects, have occupied the attention of the military committee in the past. The War Department has said that American tanks were the best for such tactical purposes as to which they were put.

The group, Senator Hill added, also will look into complaints that this country has lagged behind the Nazis in the production and battle use of jet-propulsion planes.

In addition, the Alabama Senator said the group probably would confer with British and French Government representatives on post-war economic needs and the plans of those countries.

Later the Senators will go into Germany to survey conditions. Committee members are hoping that by the time they get there Berlin itself will be in Allied hands. They expect to visit the Italian front, but have no plans to see the Russians in action.

## Small Business Bank Credit Groups Climb to \$500,000,000 Mark

Banking's new credit reservoirs—bank credit groups—already have set up supplementary sources of bank credit amounting to \$500,000,000 for post-war small business enterprise, it was revealed on Mar. 26 by Robert M. Hanes, Chairman of Post-War Small Business Credit Commission of the American Bankers Association in a report to the banks of the country covering the progress of the Commission. Suggested by the Commission last July as part of a 5-point plan of action for meeting credit needs in the reconversion and post-war periods, bank credit groups have sprung up in 27 districts of the nation, according to the report. Many more such groups are now in the process of organization and it was estimated that the chartered banking system will provide a source of credit far in excess of \$600,000,000 through credit groups.

Bank credit groups, Mr. Hanes explained, have been formed to implement and augment existing sources of credit when and where local banks believe such a need may develop. They signify a third credit source within the banking system, with local banks and correspondent banks providing the primary and secondary sources of credit. There has been no widespread demand as yet upon bank credit groups, it was declared, because the amount of loan demand which has existed has been met by the individual banks either alone or in cooperation with their correspondents in larger cities. Commenting on the bank credit group movement, Mr. Hanes declared that banking's action has fulfilled the pledge initiated last summer that "if the individual banks cannot grant the credit, the bankers pledge to stay with the applicant and see that he gets the money from some other bank or group of banks. American banking will see that small business lives and is given the opportunity to grow and prosper."

Reiterating the credit policy promulgated by the Commission, Mr. Hanes declared that "every competent man, firm or corporation in the United States that needs bank credit will get it if the money is to be used for some constructive purpose that will serve the private enterprise economy of this country."

Mr. Hanes asserted that these banks have put that policy into action in four additional ways: (1) applying the term loan to the needs of small business; (2) establishment of small business loan departments; (3) expansion of correspondent banking relationships, and (4) a program of education for banks and credit information for the public. Citing these results as proof of banking's unity, Mr. Hanes declared, "Banking has the ability and the desire to meet the credit needs of private enterprise in the post-war period—and to meet them without Government guarantee or Government insurance."

Stressing the performance of individual banks, the report revealed that many banks have established small business loan departments to see that the varied needs of this type of enterprise receive specialized and expert attention. Smaller banks have designated experienced officers to handle this work.

Much progress has been made in adapting the term loan principle to the needs of small business, the report announced. These loans, operating over periods of one to ten years, are tailor-made to fit the need of each particular enterprise. Encouraged by manuals, discussion groups and demonstration, banks of all sizes are making term loans in increasing numbers to small business enterprises. Other forms of specialized credit such as field warehousing, accounts receivable and various types of consumer credit have been stressed by spokesmen for the Commission.

As for the results in the correspondent banking system, the report reveals that there has taken place a revitalization of corres-

pondent banking. Where a local bank cannot extend either all or part of the credit needed, it is encouraged to use its correspondent banks to see that the money is made available, or an attempt is made to make the application suitable for bank consideration, according to Mr. Hanes. Banks in the larger cities have held meetings and forums to explain the handling of lending procedure and have given country banks an opportunity to obtain information regarding the policies of correspondent banks and the scope of their services. These meetings have provided for the exchange of ideas regarding effective ways in which banks can work together for the benefit of the community and business enterprise.

Commenting on education and publicity, the fifth phase of the Commission's outline of action, Mr. Hanes declared, "The story of banking's credit policy and program, particularly its provision for the competent man, has caught the imagination of the American people as has not any other program sponsored by any group in recent years." It was revealed that the Commission enjoys the cooperation of leaders in industrial and merchants' associations, Chambers of Commerce, as well as organized small business.

Special post-war credit committees already have been appointed by 25 state associations and 30 states have some form of organized post-war Small Business Credit program, as the result of the Commission's education campaign, it was declared. State bank associations are carrying the Commission's credit program for small business to the grass roots through group meetings, county association gatherings and clearing house sessions.

Commenting on the report, Mr. Hanes declared that, "Free Americans in the post-war world will find that banking is ready to supply their credit needs, and thereby is ready to strengthen our system of individual enterprise, spark-plug of American democracy."

## Franklin Inst. Makes Cresson Medal Awards

Selection of Stanford Caldwell Hooper, Rear Admiral, USN (retired), and Lewis F. Moody, of Princeton University, as winners of the Elliott Cresson Gold Medals in 1945 was announced on March 12 by Dr. Henry Butler Allen, secretary and director of The Franklin Institute, Philadelphia. Since the founding of the Cresson Medal in 1848, it has been awarded by the Institute "for discovery or original research, adding to the sum of human knowledge, irrespective of commercial value" to such scientists as Professor Madame Curie, Rudolf Diesel, Tolbert E. Lanston, Nikola Tesla, Tinius Olsen and Roger Adams. Admiral Hooper, received the award this year "in consideration of his pioneering leadership and practical utilization of discovery in the field of radio for the U. S. Navy."

Professor Moody's award is given this year "in consideration of the leading part he has taken in the design and development of hydraulic turbines and pumps, the many patents issued to him, which have been widely used in practice, due to improvements in efficiencies, higher speeds and better operating characteristics, and his valuable contributions to the theory of design in this field of engineering."

## From Washington Ahead of The News

(Continued from first page)

operation of a night club, the selling of groceries, the running of a railroad train? The solace to this fellow has always been that he made a living for his family. All of these pursuits were recognized endeavors of American civilization. The pursuit of raising and supporting a family used to be recognized as a most laudable one.

Our Washington bureaucrats, an increasing number of whom have become irritated at the little woman, and who in the glittering of Washington have taken on another one, do not realize this. Just as the little pigs were destroyed in the early days of the New Deal, so they would now destroy men.

For example, the last people in the world for whom we would have any concern as to their right would be the night club operators. But, after all, those men have an investment in their establishments. It is the way they make a living and support families.

It has become quite clear that Jimmy Byrnes issued the edict crucifying them upon hearing a prediction from a columnist that that was what he was likely to do next, after his manpower decree. It so happens that the columnist has during the war brought his income up to \$90,000 a year by urging that people "work, fight and give to make democracy live." Making democracy live under the circumstances he prescribed has been most profitable to him.

We have it on most reliable authority that Jimmy, upon hearing this broadcast, said in effect: "That's not a bad idea. Any man who can't get drunk before midnight should not be considered."

That same theory, of course, runs through the legislation pending in Congress and which has been enacted in New York State, providing that no worker can be discriminated against because of race, creed or color. The penalties provided in the pending National legislation and that already enacted in New York State, are based upon the philosophy that everybody else is without bias except the employer. This runs wholly counter, of course, to the agitation in recent years that the employer had brought into the country every nationality he could think of in order to get employees, which was a fact. The average employer trying to get some one to work for him to help him make money would never, circumstances being equal, stand back on any racial or religious bias. Yet the legislation assumes that he would.

The legislation overlooks also the fact that men have been elected to political office, have even been named to the Supreme Court BECAUSE they were of a certain religion or race.

Any one who has had any experience in politics knows that candidate slates are made up in States on the basis of a man's racial or religious background, according to the racial or religious composition of the State.

We shall never forget the agitation which went on in the pre-Pearl Harbor days against the automobile and steel industries because "they wouldn't reconvert for war." These industries had no Government orders or expressions of desire on which to reconvert. The agitation was directed at the "big industrialists." Yet there were thousands of smaller dealers all around the country trying to raise families who were affected. The attitude here is, and has been, to do something to somebody, if you are not on their side of the fence. It is a vicious system, and it is doubtful if anything more serious has existed in Germany. The effect over there may have been worse, not the intentions.

## Bill Easing New York State Unemployment Tax Approved

Among the measures approved by the New York Legislature on March 24, closing day of the 1945 session, was a bill setting up a new formula governing the amount of unemployment insurance tax to be paid by employers in the State. Instead of the fixed 2.70% of annual payrolls that has been required, the new statute sets up a system of merit or experience rating in determining employers' contributions to the fund.

The measure, as passed, reportedly represented a compromise between the Young-Demo and Falk-Gugino bills that had been before the legislature for some time. Neither of these measures could command sufficient support in both branches of the legislature, with the result that the so-called "harmonizing" measure was drafted and finally approved.

This measure is said to have been favored by Governor Thomas E. Dewey and is expected to receive his signature as soon as possible. Its adoption is viewed as constituting a victory for labor and, according to Albany press advices, the measure embodies most of the features of the labor-endorsed Falk-Gugino bill and little of the Young-Demo proposal which was apparently favored by business and industry in the State.

Aside from providing a graduated scale of payments by employers on the basis of various factors concerning stability of employment and volume of payrolls, the bill increases the maximum unemployment benefits to wage earners from the present figure of \$18 a week to \$21. It also reduces the waiting time for such benefits to begin from two weeks to one and extends the duration of the benefits from 20 to 26 weeks.

In discussing the measure insofar as it pertains to employers,

an Albany dispatch of March 24 to the New York "Times" of the following day noted as follows:

Under the provisions of the "harmonizing" bill, which generally followed the lines of the Falk-Gugino measure, employers will receive rebates of unemployment insurance taxes amounting to about \$80,000,000 in the fiscal year that starts July 1. These rebates will be graduated on the basis of stability of employment, taking into account the number of years that a firm has been in business, the changes in payroll volume quarter by quarter over the last three years and the changes in annual payroll volume.

The rebates will be given in the form of "credits" against payroll taxes due next year, but they will have the effect of reducing the effective tax for the current year. The use of the "credit" system will bar any rebates to companies that go out of business.

As the bill went to Governor Dewey, whose approval is regarded as certain, it would have the effect of reducing the effective unemployment taxes of employers with the most favorable experience from the 2.7% of covered payrolls provided by existing law to 1.6%. For others the effective rate would vary from 1.6% up to 2.7%, based on their experience.

## ABA Survey Finds Consumer Credit Powerful Factor in Post-War Business

Consumer credit may become a powerful factor in American business after the war ends by distributing the inflationary pressure represented by the present large accumulation of savings over a term of "adjustment years," according to Walter B. French, Deputy Manager of the American Bankers Association, in charge of its Bank Management Commission, State Bank Division, Post-War Small Business Credit Commission, and Sec-

retary of its Credit Policy Commission. Speaking before the Boston Chapter of the American Institute of Banking, Mr. French said that the Committee on Consumer Credit of the A. B. A., of which Carl M. Flora, vice-president of the First Wisconsin National Bank, Milwaukee, Wis., is chairman, has made a national survey as to what banks of the country plan in the consumer credit field when the war ends. "Ten thousand, six hundred and six banks located in every community in the U. S. reported that they are actively preparing to expand their services by making available adequate credit to their customers in the form of consumer instalment loans, either direct to the purchaser or indirect through dealers and suppliers, as soon as war needs relax sufficiently to allow resumption of manufacturing of civilian products," Mr. French said. Continuing, he said:

"Not all banks will make all types of consumer loans. For instance, 9,908 will make personal loans; 7,366 will make direct loans for time sales of equipment, and 6,543 will also make indirect loans for time sales; 8,950 banks will make direct loans to prospective automobile buyers, and 7,017 will also make indirect loans; 7,300 banks have indicated that they will be prepared to make direct loans for modernization of homes, and properties, and 3,057 banks will also make indirect loans through suppliers; 4,629 banks will make direct Federal Housing Administration Title I loans, and 2,843 will make indirect loans." These figures are a considerable expansion over present operations.

"Most banks have set up definite plans for the post-war era

and are making proper preparations now to make consumer instalment loans just as soon as the market for consumer goods returns. Consumer credit may then become a powerful factor, a catalyst of production and employment, and the important key to the distribution bottleneck."

"The large potential production force that the war has shown to be ours might never be realized in peacetime without consumer credit playing an important role. The tendency to spend when the war (or part of it) is over," he continued, "will have the strength of powerful forces behind it. The psychology of replenishment following a period of sacrifice will be accelerated through the large accumulation of savings. The patriotism motive for limited spending, now so powerful, will have largely lost its effect. To aid banks in a maximum effort the Committee on Consumer Credit of the A. B. A. has under consideration the advisability of a national educational campaign to urge the conservation of savings immediately after the war through use of consumer credit as one means of lessening the trend towards inflation."

"The Committee on Consumer Credit already has prepared for distribution to banks material on various types of lending, including Airplane Financing, Analysis of Soldiers' and Sailors' Civil Relief Act of 1940—as amended, Bank Manual on Automobile Financing—Dealer Plan, Home Appliance Financing, Bank Manual on Personal Loans, Operating Cost Manual for Consumer Credit Departments of Banks, and Rebate of Instalment Loan Charges," Mr. French said.

# "There Is Confidence In the Air"

(Continued from first page)

a great glow of hope just now as the might of our army, navy and air forces and that of our allies are being exerted with such devastating effect, both in Europe and in the Far East.

In bridging the gap between war and peace at the end of the European phase of the conflict, Mr. Roosevelt and Mr. Churchill have the leadership responsibility of keeping the people of the two great democratic countries war-minded and fight-conscious. We must all share in the struggle against complacency for we know that a great many people are complacent by nature. I fully realize the difficulties which confront our Government as we see the end of the war approaching. But the Government's difficulties are no greater than those which the masses of our people face.

We are now compelled, as never before, to address ourselves to the problems incident to peace. Our interests abroad, with the end of this war, will be entwined with our interests at home. Our foreign position can be no stronger than we are, as a nation, strong internally.

We can condense our general objectives into a few words:

Great production which shall quickly take up the slack when Government, which is now absorbing upwards of 40 per cent of factory and farm products, shall taper down its buying.

Adequate opportunities for employment for members of the armed forces when they return and of civilians currently employed in larger numbers than ever before in our history.

Maintenance of the credit of the United States government and, thus, the protection of the integrity of the American dollar.

An adequate national income without resort to artificial stimulation which I firmly believe to be unnecessary.

And, above everything else, we must see to it that these objectives are attained within the framework of our free enterprise system.

All branches of government, and particularly Congress, are interested in these vital objectives since they have to do with the well-being of every man, woman and child in this country.

Considering what is happening today, not only on the battlefronts but in our national legislature, I cannot understand how we can take anything but a confident attitude toward the future of this country. There is confidence in the air—

Confidence in the fact that we are going to conclude the war victoriously;

Confidence in the belief that our leaders, at the insistence of the masses, will secure and maintain the peace;

Confidence in the further belief that we will function as a true creditor nation on a practical basis;

Confidence in the business, industrial and legislative leadership of this country which is reasserting itself in the interest of our political and economic life;

Confidence, too, that this leadership will meet the problems of reconversion promptly and intelligently.

Confidence in recovery following the end of the war;

Confidence in the knowledge that there is no need for a revival of the spending-lending controversy.

As I see it, we are in a trend that marks a genuine revival of confidence in our institutions and what they symbolize.

Senator Walter George said to me, not long ago: "We went into this war a democracy, and we are

going to come out of it a democracy." That statement means, as we all know, that though we have granted certain powers, we have not surrendered the means of taking them back. We have not put our necks into a noose.

Our industrial and commercial enterprises approach the end of this war with colors flying. They have made a magnificent production record. They have responded eagerly and patriotically to the enormous demands put upon them in this war. They have gained the respect of the public and the public will, in my judgment, protect them in the future from the demagogues in our midst who in the past used them as whipping boys. In the post-war period, the profit motive will have to be recognized as a necessary force. I make this statement unhesitatingly. In the face of our enormous Federal debt and budgetary requirements, adequate profits are essential to adequate Federal revenue and no false leaders can alter this fact.

The country has immense reservoirs of capital. This condition, in part, is the result of our vast governmental expenditures incident to the prosecution of the war. As a people we have saved. The country is wealthy. There may be superficial indications of wastefulness by our people, but the truth is that they have not dissipated their savings or their earnings. We hear much about extravagance on the part of persons with swollen war wages, but it is obvious that they are the exception rather than the rule.

Now a word about the fear of inflation. If the money factor, coupled with scarcity of goods, should threaten to undermine the integrity of our currency, we must be prepared to act boldly and courageously. As an exponent of sound money, I have no patience with a weak-kneed attitude toward this question which involves the success and happiness of our people. We all realize that the seeds of inflation have been sown. It makes no sense to suggest that restrictions be applied to those segments of our economy which merely register the apprehensions of our people. We must go to the root causes. It was, of course, inevitable that the Government, in the prosecution of a global war, would have to contribute to the inflationary potential; but the Government can also take steps to reduce the danger. But the approach should be realistic and should be directed toward the cause and not the symptom.

I am honored to be President of the New York Stock Exchange, the largest free market in the world. It is also the best regulated market in the world, and it is, thank God, a living symbol of our enterprise system. It is a market place where 1,256 issues of stock and 722 bond issues of our most successful enterprises are dealt in. We have been proud of the fact that it has weathered the storm throughout this war and it is a credit to our Government that there has been no interference with its free functioning. Where the totalitarian countries have suppressed their markets because of their dread that they would reflect the defeat which was in store for them, the American government has been courageous in keeping its markets open, being completely unafraid. Someone has said that when free markets vanish, all other freedoms vanish. I agree with that view.

The New York Stock Exchange has already adopted certain measures to prevent the misuse of its market facilities and, no doubt, will adopt other measures. In cooperation with the Securities and Exchange Commission and the

## Nation Saving More For Home Financing

The nation's increasing aggregate of private capital for home building and home ownership purposes is emphasized in the record inflow of savings and investments into thrift and home financing institutions this past year. The United States Savings and Loan League points out. Net savings receipts of \$874,677,000 in 1944 set a new high in the memory of savings and loan and cooperative bank executives, W. M. Brock, Dayton, Ohio, President of the League, says. It represents a 42% increase over net receipts the previous year and is more than double the margin of new money over withdrawals for the year the war broke out in Europe.

Altogether, Mr. Brock indicates, the institutions had \$1,993,347,000 of lendable funds last year, since the borrowers kept up their five-year record of increasing their loan repayments ahead of schedule and the money flowing back on monthly installments and extra payments reached \$1,118,670,000 in 1944, 13% more than it had been the year before.

The savings picture was such last year that the savings and loan institutions, while selling \$385,000,000 of war bonds to the public, still took in a larger proportion of savings in relation to normal withdrawals than they have since before the depression, the League President reported. For each \$1 which a saver or investor took out of the institution, \$1.85 was put in by either a new or seasoned investor. Last year the new money was \$1.67 for each \$1 withdrawn and in 1942 it was only \$1.50.

The high payrolls and employment of war years plus the greater acquaintanceship of people generally with the 114-year-old thrift institution known as the savings and loan, or cooperative bank, generally account for the record figures being piled up.

Federal Reserve Board, it is prepared to meet its responsibilities.

I cannot attempt to make any appraisal of values or say whether securities are over-valued or under-valued in our market. Prices are established on the New York Stock Exchange by a world consensus; in other words, by the buying and selling orders of a multitude of persons. We must see to it that our market is orderly, clean and efficient. There is always a danger that the facilities of a free market may be misused, but we continually seek to prevent such misuse. Moreover, we are, day in and day out, emphasizing to the public and to our members and member firms the principle that securities should be bought and sold on the basis of factual information; that those who are unable or unwilling to judge values on that basis, or who cannot afford to take risks, should stay out of the market.

I go back now to my statement that we are in a confidence trend. It is natural that our people should wish to own property—War Bonds, farms, homes and an interest in our vast industrial capacity. Out of such a desire has sprung the greatness of this country. We must save and keep on saving. We must encourage the orderly creation of wealth. This applies, as never before in our history, for in servicing the foreseeable debt of this country, we must broaden the base of values from which our national income and, in turn, the revenue of our Government, is derived.

That is the picture as I see it. Large responsibilities from this point forward face the industrial and political leaders of this country. The challenge is clear.

## Is the Profit Motive Immoral?

(Continued from first page)

consideration because of its positive questioning of the widely accepted views of Lord Keynes, of England, on savings and investment, including his approval of the doctrine that the ideal state of capital development calls for a disappearing rate of return, that is, of interest on capital investments and loans. Being well acquainted with the author of this article, I know the great amount of time and energy which he has devoted to study and discussion of these problems.

In submitting this study to the readers of the "Record" it seems worth while to dwell briefly on the relation of its argument to international difficulties and permanent peace possibilities, for nations to day can hardly be insulated from each other ideologically now that they cannot be isolated from each other geographically. We cannot afford to ignore the form of government which is established in other nations, however friendly we may feel toward them as a people and disposed to respect their right to choose their own political leaders. As plainly stated by the President in his recent message to Congress on the admittedly dubious Bretton Woods financial proposals, "international political relations will be friendly and constructive only if solutions are found to the difficult economic problems we face today." Political arrangements conceived in the isolation of nationalistic self-determination can be little more than power politics, attempting in vain to make right out of might. Nothing but disillusionment can await the organization of peace between nations who condemn each other's institutions as "bourgeois capitalism" and "totalitarian collectivism." International cooperation to promote trade can hardly be maintained for long between peoples who do and do not believe in private property and free, competitive enterprise.

Since the President has asserted that the cornerstone for international economic cooperation is in the field of monetary arrangements, it may be well to note how ancient man's money troubles are. The Greeks had long anticipated St. Paul's remark to Timothy that "the love of money is the root of all evil." Unfortunately, certain theologians have distorted this plain statement so as to condemn "greed" for wealth as the root of all evil; and even when the distinction between money and wealth is pointed out they cling to their notion by asserting that money may be involved in some evils but we need not worry about them if we but follow these vicars into a Utopia where there is abundance for all—freedom from want—because there is no greed and everyone is his brother's keeper. It is such inept misconstruction of biblical wisdom that has laid the groundwork for the familiar Russian rejection of religion as an "opiate of the people" calculated to lull the masses into a false assurance as to the generous impulses of their ruling class. Hence the Marxian idea of the inevitability of a class war.

The falsity of the Russian position is simply that of substituting their own Communist Utopia for that of our misguided theologians. That Communism is just another pot full of illusions which is calling black our "bourgeois" kettle full of gold seems clear from recent revelations of the official teaching of Russia's economic ideology. We have had the translation of the article by Leontiev—and others see Teaching of Economics in the Soviet Union in the "American Economic Review" for September, 1944; also the Dunayevskaya criticism of this New Revision of Marxian Economics in

the same number. Of even greater interest to Americans, however, is the presence in our own Office of Strategic Services of Paul A. Baran, educated in Moscow and Breslau as a specialist, I am informed, in Russian and German "planning," who in the current—December, 1944—issue of the "Review," raises his Russian eyebrows at the idea that there are "New trends in Russian economic thinking."

Comrade Baran explains that—The impossibility . . . of providing members of the Soviet society at its present stage of development with goods and services in quantities which would satisfy all their needs is not an economic law. It is a limitation resulting from a scarcity which may (and certainly will) be overcome in the future Communist society, but which has to prevail under conditions of only inadequately developed productive resources. The compulsion, furthermore, to keep the standard of living of the masses on a rather low level in order to be able to devote a considerable share of the national product to purposes of investment is another case in which it is misleading to speak of an economic law. It simply is a statement of the elementary physical fact that one cannot have one's cake and eat it too.

But is capital formed by saving, that is, by sacrifice of present for the sake of future consumption? Is this cake-eating alibi for the failure of Communism to live up to its promises valid? Capital is a speculative, not an accumulative, value, says Mr. Potter, whose paper is offered here for consideration. Costs, it is held, cannot determine economic value at all, much less in the class of capital values which must be computed, not by adding up the contributions of savers but by "capitalizing" the net productivity of investment, regardless of cost. It is not when consumption is deferred, but rather when it can be and is increased under the stimulus of the private-profit-and-loss motive, that capital can be and is formed. Without profit—interest on investment—there can be no wealth; and the competitive distribution of wealth to those whose energy and intelligence have created it is essential to stability of incentive in any human society.

### Actuaries Cancel Meeting

Cancellation of the 1945 annual meeting of the Actuarial Society, scheduled to be held in May, was recently approved by the Council of the Society, Wilmer A. Jenkins, Secretary of the Society, has announced.

In 1943 one of the usual two meetings of the society was held, but in 1944 both meetings were cancelled at the request of the Office of Defense Transportation. The 1945 spring meeting was cancelled in compliance with the recent ODT order forbidding conventions, meetings, etc.

The presidents and two vice-presidents of the society serve, by custom, for two one-year terms. The present principal officers having taken office in 1942, they would have retired in 1944 according to this custom, but in absence of a meeting and election last year they were continued in office.

In view of the unprecedented situation due to the war the President of the society, J. B. Maclean, Vice-president and Actuary of the Mutual Life Insurance Company of New York, recommended to the Council that an election should now be held by mail. The Council approved the recommendation and a committee has been appointed to conduct the mail ballot.

## FDR Asks Congress to Authorize Further Tariff Reductions

(Continued from page 1402)

of conflict and aggression which they have represented, gives us a new chance and a better chance than we have ever had to bring about conditions under which the nations of the world substitute cooperation and sound business principles for warfare in economic relations.

It is essential that we move forward aggressively and make the most of this opportunity. Business people in all countries want to know the rules under which the post-war world will operate. Industry today is working almost wholly on war orders, but once the victory is won, immediate decisions will have to be made as to what lines of peacetime production look most profitable for either old or new plants.

In this process of reconversion, decisions will necessarily be influenced by what businessmen foresee as Government policy. If it is clear that barriers to foreign trade are coming down all around the world, businessmen can and will direct production to the things that look most promising under those conditions. In that case a real and large, and permanent expansion of international trade becomes possible and likely.

But if the signs are otherwise, if it appears that no further loosening of barriers can be expected, everyone will act very differently. In that event we shall see built up in all countries new vested interests in a system of restrictions and we shall have lost our opportunity for the greater prosperity that expanding trade brings.

### Asks Further Tariff Reductions

I have urged renewal of the Trade Agreements Act. In order to be fully effective the act needs to be strengthened at one important point. You will remember that, as passed in 1934, it authorized reductions in our tariff up to 50% of the rates then in effect. A good many of those reductions have been made, and those rates cannot be reduced further. Other reductions, smaller in amount, leave some remaining flexibility. In other cases, no reductions have been made at all, so that the full original authority remains.

You will realize that in negotiating agreements with any foreign country what we can accomplish depends on what both parties can contribute. In each of the agreements we have made, we have contributed reductions on products of special interest to the other party to the agreement and we have obtained commensurate contributions in the form of concessions on products of special interest to us.

As to those countries, much of our original authority under the act has been used up. We are left in this situation: Great Britain and Canada, our largest peacetime customers, still maintain certain high barriers against our exports, just as we still have high barriers against theirs. Under the act as it now stands we do not have enough to offer these countries to serve as a basis for the further concessions we want from them. The same situation confronts us, although in a lesser degree, in the case of the other countries with whom we have already made agreements. These include France, the Netherlands, Belgium, Turkey, Sweden, Switzerland and most of the American republics.

I therefore recommend that the 50% limit be brought up to date by an amendment that relates it to the rates of 1945 instead of 1934. Then we shall have the powers necessary to deal with all our friends on the basis of the existing situation.

The bill which the Chairman of

the Ways and Means Committee has introduced in the House of Representatives, H.R. 2652, would accomplish the objectives I have in mind and has my support.

### Essential to Greater Exports

This legislation is essential to the substantial increase in our foreign trade which is necessary for full employment and improved standards of living. It means more exports and it also means more imports. For we cannot hope to maintain exports at the levels necessary to furnish the additional markets we need for agriculture and industry—income for the farmer and jobs for labor—unless we are willing to take payments in imports.

We must recognize, too, that we are now a creditor country and are destined to be so for some time to come. Unless we make it possible for Americans to buy goods and services widely and readily in the markets of the world, it will be impossible for other countries to pay what is owed us. It is also important to remember that imports mean much more than goods for ultimate consumers. They mean jobs and income at every stage of the processing and distribution channels through which the imports flow to the consumer.

By reducing our own tariff in conjunction with the reduction by other countries of their trade barriers, we create jobs, get more for our money and improve the standard of living of every American consumer.

This is no longer a question on which Republicans and Democrats should divide. The logic of events and our clear and pressing national interest must override our old party controversies. They must also override our sectional and special interests. We must all come to see that what is good for the United States is good for each of us, in economic affairs just as much as in any other.

We all know that the reduction of government-created barriers to trade will not solve all our trade problems. The field of trade has many fronts, and we must try to get forward on each of them as rapidly and as wisely as we can.

I shall continue, therefore, to explore the possibility also of reaching a common understanding with the friendly nations of the world on some of the other international trade problems that confront us.

### Will Consult Congress on Trade Problems

The appropriate committees of the Congress will be fully consulted as that work progresses. The purpose of the whole effort is to eliminate economic warfare, to make practical international cooperation effective on as many fronts as possible, and so to lay the economic basis for the secure and peaceful world we all desire.

When this trade agreements legislation and the other legislation I have recommended to this Congress are adopted and when the general organization of the United Nations and their various special agencies including one on trade, have been created and are functioning, we shall have made a good beginning at creating a workable kit of tools for the new world of international cooperation to which we all look forward. We shall be equipped to deal with one great over-riding question of security and with the crucial questions of money and exchange international investment, trade, civil aviation, labor and agriculture.

As I said in my message of Feb. 12 on the Bretton Woods proposals:

"The point in history at which

## FDR Proclaims April Cancer Control Month

President Roosevelt on March 26 proclaimed April as Cancer Control Month and invited doctors, the press and all other agencies and persons interested in a national campaign for cancer control to "unite in a program for the dissemination of information about the early symptoms of cancer, clinics for early diagnosis, and other health facilities available for the control of cancer."

Associated Press advices from Washington on March 26 gave the text of the President's proclamation as follows:

"Whereas good physical health is a vital factor in building the sound and peaceful world to which we all ardently look forward; and

"Whereas the disease of cancer is one of the most important problems of physical health and welfare; and

"Whereas science has developed the essential diagnosis that can prevent a large part of the tragic waste and suffering caused by cancer; and

"Whereas every individual in his private capacity should avail himself of these known resources of early diagnosis and in his public capacity should lend all the support within his power to an active program of popular education in methods and means available for the control of this disease; and

"Whereas by public resolution 82, Seventy-fifth Congress, approved March 28, 1938 (52 Stat. 148), the President is authorized and requested to issue annually a proclamation setting apart the month of April of each year as cancer control month:

"Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, do hereby set apart the month of April, 1945, as cancer control month and do invite similar action on the part of the Governors of the several States, Territories, and possessions of the United States.

"I also invite the medical profession, the press, and all other agencies and individuals interested in a national campaign for the control of cancer to unite in a program for the dissemination of information about the early symptoms of cancer, clinics for early diagnosis, and other health facilities available for the control of cancer."

## Two Week Easter Vacation For Members of House

Members of the House of Representatives received permission on March 23 to take a two weeks' Easter vacation, it was disclosed in the "Washington Post" of March 24, which also had the following to say about the arrangement:

Majority Leader McCormack (D., Mass.) said that while an official recess will not be taken, no legislative business will be transacted from March 28 to April 10.

Sessions will be held every three days during this period but only non-controversial matters will be considered.

Senators will have to keep working. Majority Leader Barkley (D., Ky.) has announced that regular sessions will continue, with the proposed Mexico-United States water treaty due for consideration.

We stand in full of promise and of danger. The world will either move toward unity and widely shared prosperity or it will move apart into necessarily competing economic blocs. We have a chance, we citizens of the United States, to use our influence in favor of a more united and cooperating world. Whether we do so will determine, as far as it is in our power the kind if lives our grandchildren can live."

## President Requests Study of Annual Guaranteed Wage Plan Be Made

A study of the question of a proposed annual wage for American workers—the plan calling for a guaranteed schedule of wages—has been ordered by President Roosevelt, who in a letter to James F. Byrnes, Director of the Office of War Mobilization and Reconversion, has asked that such a study be made by Mr. Byrnes' Advisory Board.

The President in his letter states that "the inquiry, recommended by the National War Labor Board, is closely connected with the problems of reconversion and the transition from a war economy to a peace economy." The recommendation, said the Associated Press, was made by the WLB that "the whole question of guaranteed wage plans and the possibility of their future development in American industries as an aid in the stabilization of employment and the regularization of production should now be comprehensively studied on a national scale." The Associated Press advices from Washington March 20, as given in the New York "Herald Tribune," also stated:

With his letter to Mr. Byrnes, Mr. Roosevelt released another he received Dec. 1 from William H. Davis, then Chairman of the WLB. The Davis letter noted that WLB had declined, in steel cases just concluded, to grant a demand of the Congress of Industrial Organizations' United Steelworkers of America for a guaranteed annual wage, but recommended a study by a special commission.

The WLB also sent to Mr. Roosevelt a report which said there appeared to be only 50 or 60 plans of this type in existence, although an undetermined number had been tried and discontinued. All but a few of the programs, it said, had been limited to consumer goods or retail trades, in which a relatively steady demand prevails.

"A guaranteed annual wage," the report asserted, "is one of the main aspirations of American workers."

Mr. Roosevelt told his press conference that this is something that he has been talking about for 10 years. He said Mr. Byrnes' Advisory Board would examine into the experience of industry and labor with guaranteed wage plans and would have available a considerable volume of material already amassed by the Labor Department.

An annual wage is simple for some industries, Mr. Roosevelt commented, but exceedingly difficult in others. It has been only lately, he added, that unions have become deeply interested in the question.

The President's letter to Mr. Byrnes follows:

"Dear Justice Byrnes:

"I enclose a copy of a letter addressed to me by the Chairman of the War Labor Board under date of Dec. 1, 1944, suggesting the appointment of a commission to inquire into the whole question of guaranteed wage plans, and a copy of a brief report submitted therewith explaining the reasons for the board's recommended action.

"The board's recommendations were:

"1. That the whole question of guaranteed wage plans and the possibility of their future development in American industries as an aid in the stabilization of employment and the regularization of production should now be comprehensively studied on a national scale;

"2. That such study should be conducted by a specially appointed commission charged with the duty of examining into the experience which industry and labor have thus far had with these plans, and of reporting the facts for the benefit of the country together with recommendations regarding any further steps in this direction which may seem practicable and desirable.

"3. That such a body would be best able to perform its nationally important tasks if created in-

dependently of the War Labor Board by the President, and

"4. That the President appoint a commission for these purposes." "The inquiry recommended by the National War Labor Board is closely connected with the problems of reconversion and the transition from a war economy to a peace economy. For that reason and in line with your suggestion, I think the advisory board appointed by me under Section 102 of the war mobilization and reconversion act of 1944 is particularly qualified and suited to undertake the recommended study. I wish, therefore, that you would ask the advisory board to undertake this inquiry and report its finding and recommendations to you and to me.

"The Secretary of Labor has made some investigation of this subject and I know she will gladly advise with the board.

"Sincerely yours,

"FRANKLIN D. ROOSEVELT."

## Senate Approves Debt Limit of \$300 Billion

The Senate on March 26 passed legislation to raise the national debt limit from \$260,000,000,000 to \$300,000,000,000 and sent the measure which had already been approved by the House to President Roosevelt. This action was reported in Associated Press advices from Washington on March 26, which also had the following to say about the legislation:

Passage of the bill was accompanied by a demand from Senator Robert A. Taft, Republican, of Ohio, for an immediate Administration survey of post-war financing. He said that post-war inflation can be stopped only by getting back to a balanced budget "just as quickly as possible." He declared that half of the departments "are demanding more money to spend to prevent depression" and the other half "are warning us against inflation."

In presenting the bill, Walter F. George, Democrat, of Georgia, Chairman of the Finance Committee, expressed hope that an early end of the war in Europe will cut war spending and make possible the reduction of appropriations previously made and now held by the Treasury as unexpended balances.

## W. K. Harrison Appointed

President Roosevelt on March 24 named Wallace K. Harrison, of Huntington, L. I., as Director of Inter-American Affairs, it was made known in an Associated Press dispatch from Washington on March 24, which also added:

Mr. Harrison has been acting executive officer of the agency since Nelson A. Rockefeller was named Assistant Secretary of State. His new post pays \$10,000 a year.

Mr. Harrison will operate under the direction of the President and in accordance with the foreign policies as defined by the State Department and administered through the Assistant Secretary of State in charge of Inter-American Affairs, the office now held by Mr. Rockefeller. Thus, Mr. Rockefeller will keep a finger on the agency as far as policy-making goes.

In an executive order the President changed the name of the agency from the Office of Coordinator of Inter-American Affairs to simply the Office of Inter-American Affairs. Mr. Rockefeller was its first chief.

## Need New Treaties to Guard Foreign Investments

Austin T. Foster, of National Foreign Trade Council Holds Existing Treaties Are Inadequate to Protect Against Expropriation and National Discrimination.

Protection of foreign trade operations by establishing a series of modernized treaties of friendship and commerce as a basis upon which the International Court of Justice proposed at Dumbarton Oaks could reach its decisions is proposed by Austin T. Foster, Chairman, Committee on Treaties of Friendship and Commerce of the National Foreign Trade Council, and counsel, Socony-Vacuum Oil Co., Inc.

The text of his proposal was distributed on March 26 in a bulletin to members of the Council. Existing treaties of friendship and commerce, the statement says, are now frequently inadequate in varying degrees because of the swiftness with which conditions have changed in recent years. The bulletin states that the views set forth are those of the Committee Chairman, and asks for comments from the general membership of the Council.

"The need for American investments in foreign countries is often stressed," Mr. Foster's statement says, "by representatives of foreign governments and by spokesmen for foreign business interests. Yet in many foreign countries the trend toward expropriation and nationalization of property by government and toward discriminatory practices favoring domestic enterprises has also been marked. Some countries, in certain industries and businesses, require participation of local capital and local management to a degree often excluding Americans and other foreigners.

"It is not to be expected if properties are to be expropriated or discriminatory practices followed that a program of American investments can be long maintained. It is suggested that treaties of friendship and commerce, in addition to giving assurance against uncompensated expropriation, might also define those industries in which governments

may operate and in which nationals may be given any degree of preference so that investment plans in regard to other types of industry can be made and carried out by free private enterprise with some degree of security."

Discussing the range of business to which treaties of friendship and commerce are valuable, the statement points out that "when a foreign government takes action which seems unjust to a foreign trader, the latter is likely to find that he has no redress under the laws of the foreign country, and his last resort will be a treaty between that country and his own. The term 'foreign trader' applies to the smallest exporter or importer, to the largest corporation, and to all sizes of business in between.

"From the American viewpoint it is of vital importance to the expansion of foreign trade and international investment that the fullest possible measure of protection by treaty be afforded business men engaged in these international activities."

Attention is called in the statement to the Economic and Social Council and the International Court of Justice as two of the major bodies through which the international organization proposed at Dumbarton Oaks is designed to function. The opinion is expressed that the United States will in all likelihood join other nations in forming an association along lines laid down at Dumbarton Oaks.

One of the first services which the Economic and Social Council could profitably perform, the statement says, would be to recommend and encourage negotiations for a multilateral treaty of friendship and commerce.

## MBA Courses for Mortgage Lenders

The two first schools of adult education ever held in this country directed to studying the problems of mortgage lenders will be established this year by the Mortgage Bankers Association of America, according to an announcement on March 17 by L. E. Mahan, St. Louis, Association President. The first will be held at New York University, New York City, from June 4 to 8 under the direction of Dr. Paul A. McGee and will be devoted to problems of lenders on city real estate. The second will be held June 25 to 30 at Purdue University, Lafayette, Indiana, under the direction of Dr. E. L. Butz and Dr. E. C. Young and will be concerned with problems of farm mortgage lending. The New York course will consist of late afternoon and evening sessions, while the Purdue course will include morning sessions as well.

They are the first adult study courses ever offered mortgage bankers and represent the first step in a comprehensive program which the Association is planning preparatory to the extensive volume of mortgage lending expected in the post-war era. The principal part of the program, however, will be the eventual establishment of similar courses in other schools for young men who want to enter the field of financing of real estate, Mahan said. This development must of necessity wait until the veterans return home, he explained.

Both programs are planned and are being set up under the direction of the organization's educational committee which includes E. D. Schumacher, Memphis, General Chairman; Frank L. Wilkinson, Kansas City, Chairman of the city loan section, and J. D. Corley, Des Moines, Chairman of the farm loan section. Others are H. C. Peiker, Springfield, Mass.; C. Arnel Nutter, Camden, N. J.; Edward D. Auer, Fort Wayne, Ind., and W. D. Davis, Kansas City.

## Resigns As India Envoy

The resignation of William Phillips as personal representative of President Roosevelt to India, with the rank of Ambassador, was made known by the President on March 17. In Associated Press advices from Washington on that date it was stated:

Mr. Phillips was once criticized in some British quarters for his advocacy of independence for India in secret reports to President Roosevelt, but diplomatic officials said today that his resignation was without any political significance in itself.

The statement said he was going on retired status with the understanding that he can be called back to active service at any time the department or the President desired to give him an assignment.

He had not been in India for almost two years.

The present political representative of the United States at New Delhi is George R. Merrell, who has the personal rank of Minister.

national committee was pointing its efforts toward the 1946 Congressional elections as "our important objective," stating that "we intend to offer to the members of the Senate and House every possible co-operation between now and the next election.

"We have created the post of Congressional aid," he said, "to the end that all efforts at the national level may be thoroughly co-ordinated. I am particularly gratified that former Senator Danaher has consented to assume the duties of this new post."

## No Agreement at Yalta on Aggression by Any of Three Powers Says Churchill

The statement that no action on aggression by any of the three great powers was taken at Yalta was attributed to Prime Minister Winston Churchill in the House of Commons on March 15, Associated Press accounts from London reporting him as having said in the House that "there was axiomatic truth" in a member's statement that under the Yalta agreement on world security "there is nothing at all" to deal with aggression by the

great Powers. These press advices as given in the New York "Sun" also had the following to say: Rhys Davies, a Laborite, drew the Prime Minister out with the observation that the new international organization agreed upon at Yalta envisaged action to prevent aggression by the smaller Powers.

"It is not clear that similar action could be invoked to prevent aggression by the great Powers," Davies added. "Are we not entitled to ask that our delegates at San Francisco will bear this important point in mind when discussing the problem?"

"No, sir," was Mr. Churchill's direct answer. "As far as we are concerned we made a perfectly voluntary agreement with other great Powers that were gathered at Yalta and that does prescribe for a differentiation between the treatment of the greatest Powers in these matters and of the smallest Powers.

"We may deplore, if we choose, that there is a difference between the great and small, between the strong and the weak in the world. There is undoubtedly such a difference and it would be foolish to upset the good arrangements proceeding on a broad front for the sake of trying to attain immediately to what is a hopeless ideal."

The Polish Government in London protested in notes to the British, United States and Chinese governments today against its commission from the San Francisco World Security Conference.

The Polish Government contended that it was the "sole legal and independent representatives of the Polish State" and "emphatically insist on their indisputable right to take part in the World Security Conference."

It was also noted in the press advices that the Prime Minister upheld "the Crimea conference's Polish settlement today as embodying 'just and right' Soviet territorial claims, disclosed the Big Three had agreed to give Poland Danzig and upper Silesia, along with other territory, at German expense, and defended vigor-

ously the good faith of Marshal Stalin and the Soviet regime."

The previous month (on Feb. 27) Mr. Churchill announced in the House that the three Powers were completely prepared for the collapse of Germany, declared that the proposed Polish frontier would not sow the seeds of future wars, and gave his personal assurance of Russia's good faith in plans for the peace. He also demanded a vote of confidence on the Crimea plans for a peaceful world, challenging in particular those who have criticized the Polish decisions.

Associated Press advices from which we quote, also said:

Opening a three-day debate on foreign policy, Mr. Churchill plunged right into a showdown with these critics. He declared his Government had a right to know where it stood in parliamentary opinion on the Yalta conference. He added: "A strong expression of support by the House will strengthen our position among our Allies." On the following day (Feb. 28) the Associated Press, London accounts said: The House of Commons by an overwhelming vote of 396 to 25 late today defeated a motion of protest against the Big Three's plan for the future of Poland.

The vote came after Foreign Secretary Anthony Eden declared the plan would make postwar Poland "as strong, or stronger," than in 1939, and after he denied vigorously that Britain had ever guaranteed Poland's prewar frontiers.

Mr. Eden took the floor to fight off a challenge by a rebellious, out-numbered Conservative group against full-fledged support of the Big Three's Crimea charter decisions.

An open bid for Russian participation in the war against Japan was voiced by Maj. G. E. P. Thorneycroft, Conservative, who said:

"We cannot compel the Russians to share the burden of that campaign, but if cooperation means anything, the greatest co-operation we could ask for would be that of Russia in that war."

## President Stresses Giving to Red Cross; "Need Never Was Greater," He Says

In calling upon the American people "to oversubscribe the 1945 Red Cross War Fund," President Roosevelt stated on March 20 that "this year we give in necessity—necessity for our own." "The need," he said, "never was greater." The President's message stressing the urgency in giving to the Red Cross funds was broadcast from Washington; introduced by Basil O'Connor, Chairman of the Red Cross, the President said:

"There was a time when you and I gave to the Red Cross largely in a feeling of aid to others. That was a giving in humanity and in decency. This year we give in necessity—necessity for our own. The need never was greater. It will not soon be less.

"As your President I have never indulged myself or the American people in the pastime of predicting the advent of peace. I do not know when victory will come. I do know that tonight there are over seven and a half million Americans overseas or fighting afloat in this great war. I know that there are nearly 70,000 Americans in enemy prison camps. And I know there is nothing unpredictable about their need.

"We can be proud of all that the Red Cross has meant to them. From personal observation abroad I can testify to the usefulness of the Red Cross in the battle zones.

"It has reached through the barbed wire of enemy prison camps with millions of parcels of food and clothing and medical supplies.

"It has collected for the Army and Navy vast quantities of precious blood plasma which has saved thousands of American lives.

"It has supplied refreshment, entertainment and good cheer. It has served as a link between the fighting man and his loved ones

here at home. Never, in the annals of voluntary service to humanity has an agency performed so many tasks so well.

"This is no call for charity. This is our chance to serve those who serve us.

"As their Commander in Chief I call upon you, my fellow Americans, to oversubscribe the 1945 Red Cross war fund. We cannot give too much to those who have given us the heroic hazard of their lives."

## John Danaher Appointed "Congressional Aid" by Republican Nat'l Com.

Herbert Brownell, Jr., Chairman of the Republican National Committee, announced on March 25 that John A. Danaher, former United States Senator, had been appointed the Committee's "Congressional aid," a post created by the Committee at its meeting on Jan. 22, said the New York "Herald Tribune" of March 26, from which the following has also been taken:

At the same time Mr. Brownell disclosed that plans for a permanent and continuous organization of the committee's activities have been prepared. These are to be submitted to the executive committee at a meeting in Washington Tuesday.

Mr. Brownell explained that the

## Nations Selecting Delegates to 'Frisco Parley

On March 22 Prime Minister Churchill announced the members of the British delegation to the United Nations International Conference to be held at San Francisco, beginning April 25. The delegation is to be headed by Anthony Eden, Foreign Minister of Great Britain, and will include the Earl of Halifax, at present British Ambassador to the United States; Lord Cranborne, Dominions Secretary; Clement Atlee, Laborite Deputy

Prime Minister; George Tomlinson, Parliamentary Secretary to the Ministry of Labor; Dingle Foot, Parliamentary Secretary to the Ministry of Economic Warfare and William Mabane, Parliamentary Secretary to the Food Ministry. In addition, two women were named: Ellen Wilkinson, veteran Labor party member of the House of Commons, and Florence Horsbrugh, Parliamentary Secretary to the Health Ministry. The make-up of the delegation comprises four Conservatives and three Labor party members.

The Belgian Council of Ministers announced on March 24 the composition of the Belgian delegation to the United Nations' conference at San Francisco, the Associated Press reported in a dispatch from Brussels. It will comprise Paul Henri Spaak, Foreign Minister and head of the delegation; Frans van Gauwelaert, President of the Chamber of Deputies; Albert Marteaux, Minis-

ter of Health; Charles de Visscher, former Minister without portfolio; Victor de Lavallye, former Minister of Education; Fernand de Houve, First Secretary of the Ministry of Works; Fernand van Langenhove, Secretary General for Foreign Affairs, and Walter Loridan, First Secretary to M. Spaak.

From New Zealand, according to cable advices to the New York "Times" of March 24, it was announced that Prime Minister Peter Fraser, New Zealand High Commissioner in London William J. Jordan, and the Commonwealth's Minister to Washington Carl A. Berendsen will represent the Dominion at Empire talks in London before the San Francisco conference.

The Administration has not yet announced the representatives at San Francisco, but, it is stated that Mr. Fraser would lead the New Zealand delegation and Mr. Berendsen would also be a member.

## Unprecedented Productive Activity in Canada in 1944 Reported by Bank of Montreal

More complete statistics now available from official sources confirm earlier pronouncements as to the unprecedented productive activity reached in 1944 in Canada, says the Bank of Montreal in its "Business Summary" issued Feb. 22, in which it states that "they show also that the downward trend which had been in evidence for some months during the year was checked in December when the index of the physical volume of business moved up from 227.9, the November figure, to 233.0. The full-year average was 236.8, as compared with 235.9 in 1943, and the national income increased from \$8,724,000,000 to a tentative total of \$9,186,000,000, exceeding all previous records." The Bank also has the following to say in part:

"The year ended on what the Dominion Bureau of Statistics calls 'an optimistic note.' The foreign trade of Canada, gold excluded, reached a value of \$5,242,000,000 during the calendar year, a figure never before attained and exceeding that of the previous year by \$506,000,000. Domestic exports were at a new maximum of \$3,440,000,000, as compared with \$2,971,000,000, while commodity imports advanced from \$1,735,000,000 to \$1,759,000,000, the largest purchases from any one country being from the United States.

"So far this year the upward trend of 1944 in the external trade of Canada has not been maintained, the January total of domestic merchandise exports having declined from \$242,011,000 in January, 1944, to \$230,498,000. There were increases in exports of meats, newsprint, fibres and textiles, planks and boards and

motor vehicles and parts, but shipments of basic war materials during the month were down in value from \$118,878,000 to \$114,898,000. All exports to the United Kingdom and to the United States receded during the month, as compared with January last year, while exports to British India, Italy and some other countries were higher.

"The supreme efforts now being made by the Allies to force the Germans to unconditional surrender will necessitate heavy expenditures of munitions until this objective is accomplished and it is expected the demand for more shells, particularly of the heavy type needed to blast German fortifications, will keep Canadian shell plants busy for some months ahead. Arrangements to enlarge and speed up their operations have been so successful that the aggregate tonnage of shells produced in February promises to be larger than in any previous month, although some other months may have shown a larger numerical output of shells. The upward revision of the munitions program has been reflected in the primary iron and steel industries, in which there had been a certain recession of activity."

## Costs Outstrip Productivity in Civilian Manufacturing

The tremendous rise in output per man hour and the sharp decline in unit labor costs in recent years in war industries have not been paralleled in civilian industry, where there were no significant gains and some declines in productivity while unit labor costs rose, according to a study of "Trends in Unit Labor Costs" appearing in the current Conference Board Business Record. These trends, according to the study, constitute a serious, but little-discussed, threat to the post-war price structure.

Wage costs per unit of product for all manufacturing are found to have mounted steadily since 1941, and in 1944 stood 39% higher than in 1939. The cost of raw materials used by manufacturers rose 60% in the same period. Meanwhile, as price controls were steadily broadened, prices of finished manufactured goods were stabilized and in 1944 were only 25.4% higher than in 1939.

Between 1939 and 1943, manufacturing payrolls more than tripled, production rose about two and a half times, while the number of man hours worked fell a little short of doubling.

Preliminary estimates for 1944 indicate that payrolls continued to increase, although production and man hours declined.

Gains in productivity were greater than the rise in payrolls in industries producing war materials, so that unit labor costs were reduced. For example, in aircraft manufacturing the cost of a light bomber was reduced from \$11 a pound of airframe to \$5.10 between January, 1941, and January, 1944.

The study finds that the situation has been far different in civilian industry: "In all the twenty-five civilian industries for which data are available, unit labor costs were higher in 1943 than in 1939.

An example is cited in the manufacture of flour and other grain products, where labor costs per unit increased 60% in the four war years. But rises of 40% to 50% were also found in the fertilizer industry, in cotton goods, woolen and worsted goods, primary smelters and refineries of

nonferrous metals, paper and pulp, chewing and smoking tobacco and snuff, and canned and cured fish. Unit labor costs rose from 30% to 40% in ten industries and sub-groups, including boots and shoes, cement, slaughtering and meat packing, and lumber and timber products.

With the prices of finished goods virtually stable, and with labor costs per unit and raw materials prices advancing sharply, the study finds that a serious threat to the post-war price structure is being ignored in current discussion.

The "deterioration in the relationship of wage costs to prices in manufacturing has high inflationary potentials."

"Public attention has been largely directed to the demand aspects of the inflationary situation, emphasizing primarily the excess of purchasing power in the hands of consumers as compared with a stable or dwindling volume of consumer goods. Relatively little attention has been directed to the influence of higher costs of production, including higher basic wage costs, upon the post-war price structure."

Two recent examples are cited. First, the report of the public members of the War Labor Board stressed the maintenance of purchasing power and the retention of wartime gains in wage rates rather than the influences of such wage rates upon the price structure under which post-war purchases will be made. Second, Administrator Bowles of O.P.A. in his statement of February 27, once more stressed the record of price control and the demand pressures on the price structure arising from excess purchasing power and from the backlog of savings.

## Results of Treasury Bill Offering

The Secretary of the Treasury announced on March 26 that the tenders of \$1,300,000,000 or thereabouts of 91-day Treasury bills to be dated March 29 and to mature June 28, 1945, which were offered on March 23, were opened at the Federal Reserve Banks on March 26.

The details of this issue are as follows:

Total applied for, \$2,022,045,000.

Total accepted, \$1,313,993,000 (includes \$60,025,000 entered on a fixed price basis at 99.905 and accepted in full).

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

Range of accepted competitive bids:

High, 99.910, equivalent rate of discount approximately 0.356% per annum.

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

(60% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on March 29 in the amount of \$1,202,262,000.

## Diez of Colonial Trust To Visit Bank's Latin Amer. Correspondents

Mario Diez, vice-president in charge of the foreign division of Colonial Trust Company, of New York, left on March 24, to visit the bank's correspondents in Mexico, Guatemala, El Salvador, Costa Rica, Venezuela, Columbia, Ecuador, Bolivia, Peru and Chile. In announcing Mr. Diez' departure, Arthur S. Kleeman, president of the bank, stated: "Mr. Diez will on this trip undertake what we believe to be a new and patriotic service both to Latin and North American business interests. In addition to visiting those banks which carry accounts with us, Mr. Diez will survey import potentialities for many of our clients who wish to buy raw materials and certain finished products from our southern neighbors. He will be aided in his search for such possibilities by the banks in each country he visits, for all of our Latin American correspondents share the Colonial viewpoint that the United States must buy more from Central and South America if we wish to export in volume to those parts of the world."

For the purpose of making this survey, Mr. Diez will remain in Latin America for three months.

## Wheeler Says U. S. Should Be Independent of World Communications Monopoly

Senator Burton K. Wheeler, Democrat, of Montana, contended on March 25 that facilities for bringing in foreign news to the American press should operate independently of any post-war international communications monopoly, according to Associated Press dispatches from Washington on the same day, from which the following was also taken:

The Chairman of the Senate Interstate Commerce Committee asserted that preservation of Press Wireless, Inc., is essential to American policy in the field of communications. His committee began hearings last week with a view to laying the groundwork for a legislative program. Sessions will resume Tuesday.

Senator Wheeler added that he was personally opposed to a Navy proposal calling for a private communications corporation with five of its 20 directors drawn from the Cabinet, with inclusion of

## Bretton Woods Agreements Backed By Eleven Philadelphia Bankers

The heads of eleven of Philadelphia's major banks forwarded to Congress on March 22, a memorandum recommending the authorization of the Bretton Woods agreements setting up an international monetary fund and an international bank for reconstruction and development, it was said in an Associated Press dispatch from Philadelphia on March 22, from which we have also taken the following:

The banks who signed as individuals rather than as the heads of their institutions, said the Bretton Woods proposals "in our judgment give reasonable promise of avoiding the major financial errors committed after the last war."

"We believe the agreements provide a fair basis for effective financial collaboration among the United Nations as a counterpart of collective security in the political sphere," the memorandum continued.

The memorandum was signed by William Fulton Kurtz, of the Pennsylvania Company for Insurance on Lives and Granting Annuities; David E. Williams, of the Corn Exchange National Bank; Howard A. Loeb, chairman of the Tradesmen's National Bank; James E. Gowen, of the Girard Trust Company; Isaac W. Roberts, of the Philadelphia Savings Fund Society; Archie D. Swift, of the Penn Central-Penn National Bank; P. Blair Lee, of the Western Savings Fund Society; W. Logan MacCoy, of the Provident Trust Company; R. Livingston Sullivan, of the Market Street National

Bank; Percy C. Madeira, Jr., of the Land Title Bank and Trust Company, and Evan Randolph, of the Philadelphia National Bank.

Other high lights of the memorandum included:

"The success of any international monetary and financial plan dealing with long-term lending, exchange rates, exchange controls and other aspects of world post-war problems will largely depend upon the mutual understanding and willingness by participating countries, first to undertake and then to carry out the obligations assumed.

"The monetary chaos and the resulting social distress after the first world war have clearly demonstrated the urgency for mutual action.

"The United States now has opportunity to exert leadership in developing a more united and co-operative world. Even though such leadership involves substantial dollar cost, we might well be the gainers through the restoration of reasonable international stability."

## David Lloyd George Dies at 82

Britain's Prime Minister in World War I Had Served 54 Years in Parliament. One of the Big Four at Versailles Peace Treaty.

Earl Lloyd George of Dwyfor, who as David Lloyd George was Great Britain's Prime Minister during and immediately following the first World War, died at his estate in Caenarvonshire, North Wales, on March 26, at the age of 82. He had been a member of the Liberal party in Parliament for 54 years, and only on last New Year's Day accepted an Earldom from the British king.

With the exception of Vittorio Orlando, who represented Italy, Lloyd George is the last of the Premiers of the four Great Powers who drafted the Treaty of Peace at Versailles, France, which ended the first World War. After the war he continued as Prime Minister, and was instrumental in settling the Irish question in Britain by the creation of the Irish Free State. In 1922, with the defeat of the Liberal party in the elections, Lloyd George was replaced as Prime Minister by Bonar Law, leader of the Conservatives. He continued active as a member of the House of Commons on the Opposition bench and maintained his interest in public affairs until stricken by influenza in February of this year. He published six volumes of his war memoirs, and also in 1932 a book entitled "War Debts and Reparations."

## Asks Funds For Work On Missouri Valley Plan

An appropriation of \$4,480,000 to prepare plans for developing the Missouri River Valley was asked by President Roosevelt on March 20 in a request to Congress. The money, it is stated, would go to the Interior Department, which would prepare plans and specifications for initial works authorized by a Flood Control

Press Wireless in the vast American monopoly.

"Press Wireless was set up as a non-profit organization to handle news for the newspapers of this country," Senator Wheeler told a reporter. "A continuation of its independent service is important to our freepress."

Act. It also would permit continuing investigations for working out the general plan approved by the same act.

In his request to Congress the President said:

"This estimate includes funds only for the work preliminary to actual construction of projects and must be performed irrespective of whether construction of the projects in the basin is accomplished by a valley authority or other agencies. In my judgment, the proposed work will not interfere with the conduct of the war."

Associated Press advices from Washington March 20 stated:

The largest portion of the funds is for the Reclamation Bureau. But provision is made for related work by the National Park Service, General Land Office, Grazing Service, Fish and Wild-Life Service, Office of Indian Affairs and the Geological Survey.

Provision is being made in a War Department appropriation act to let the Army engineers start work on detailed plans and specifications for the engineers' share of the project authorized by the 1944 Flood Control Act.

Budget Director Harold Smith, in recommending the appropriation to the President, said that mapping, stream gaging, and other field investigations must precede any plans and specifications drawn so as to prepare the Missouri Valley region for inclusion in a postwar Federal construction program.

Work of this type, Smith said, will facilitate "the rapid establishment of the Missouri Valley authority as a going concern should the Congress determine to bring the authority into existence."

In effect, the President recommended a Missouri Valley setup similar to the Tennessee Valley Authority.

# The State of Trade

(Continued from page 1405)

in the week ended March 17, 1945, from 4,446,136,000 kwh. in the preceding week. Output for the week ended March 17, 1945, was 0.1% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 171,600,000 kwh. in the week ended March 18, 1945, comparing with 206,200,000 kwh. for the corresponding week of 1944, or a decrease of 16.8%.

Local distribution of electricity amounted to 167,700,000 kwh., compared with 203,400,000 kwh. for the corresponding week of last year, a decrease of 17.6%.

**Railroad Freight Loading**—Carloadings of revenue freight for the week ended March 17, 1945, totaled 815,789 cars, the Association of American Railroads announced. This was an increase of 49,499 cars, or 6.5% above the preceding week this year, and an increase of 30,504 cars, or 3.9% above the corresponding week of 1944. Compared with a similar period of 1943, an increase of 47,655 cars, or 6.2%, is shown.

**Coal Industry**—The Solid Fuels Administrator, U. S. Department of the Interior, in its latest report places total production of soft coal in the week ended March 17, 1945, at 11,825,000 net tons, an increase of 940,000 tons from the week previous. Production in the

corresponding week of 1944 amounted to 12,070,000 tons.

According to the U. S. Bureau of Mines, output of Pennsylvania anthracite for the week ended March 17, 1945, was estimated at 1,214,000 tons, an increase of 107,000 tons, or 9.7% from the preceding week. When compared with the corresponding week in 1944, a decrease of 17,000 tons, or 1.4% is reflected.

Beehive coke for the week ended March 17, 1945, showed a decrease of 1,600 tons below the previous week, and was 21,900 tons less than for the similar week of 1944.

**Crude Oil Production**—Daily average gross crude oil production for the week ended March 17, as estimated by the American Petroleum Institute, was 4,773,915 barrels. This represented an increase of 5,900 barrels per day over the preceding week, but was, however, 19,435 barrels less than the daily average figure recommended by the Petroleum Administration for War for the month of March, 1945. When compared with the corresponding week last year, crude oil production was 388,640 barrels per day higher. For the four weeks ended March 17, 1945, daily output averaged 4,771,250 barrels.

Reports from refining companies indicate that the industry

as a whole ran to stills (on a Bureau of Mines basis) approximately 4,773,000 barrels of crude oil daily and produced 14,481,000 barrels of gasoline. Kerosene output totaled 1,652,000 barrels, with distillate fuel oil placed at 4,527,000 barrels and residual fuel oil at 9,042,000 barrels during the week ended March 17, 1945. Storage supplies at the week-end totaled 53,411,000 barrels of civilian grade gasoline, 45,471,000 barrels of military and other gasoline; 6,852,000 barrels of kerosene; 26,483,000 barrels of distillate fuel oil, and 43,718,000 barrels of residual fuel oil.

**Lumber Shipments**—The National Lumber Manufacturers Association reports that lumber shipments of 483 reporting mills were 2.4% above production for the week ended March 17, 1945, while new orders for these mills were 9% more than production. Unfilled order files amounted to 103% of stocks.

For the year to date, shipments of reporting identical mills exceeded production by 8.1% and orders ran 13.6% above output.

Compared to the average corresponding week of 1935-39, production of reporting mills was 22.3% greater, shipments 14.6% greater, and orders 19.4% greater.

**Paper Production**—After giving effect to normal seasonal factors the output of ratio increased somewhat during the week ended March 17. The effect of the severe winter storms on the two previous weeks' production has been overcome, although the production ratio of both paper and paperboard was below the corresponding week of 1944. Output for the week ended March 17, 1945, was 89.4% of capacity, as against 87.7% of capacity for the preceding week, the American Paper and Pulp Association's index of mill activity disclosed. As for paperboard, production for the same period was reported at 95% of capacity, against 94% in the preceding week.

**Silver**—The London market was quiet and unchanged at 25½d. per fine ounce for silver. The New York Official for foreign silver continued at 44¼c. and 70¾c. for domestic silver.

**Business Failures Continue Low**—Commercial and industrial failures showed a small decline in the week ending March 22. Dun & Bradstreet, Inc., reports 14 failures as compared with 16 in the previous week and 30 in the same week of 1944.

Large failures doubled their number a week ago and came close to their total in the comparable week last year, while small failures fell off sharply from last week and amounted to only one-fifth those in the same week of 1944. Concerns failing with liabilities over \$5,000 numbered 11 against 5 in the prior week and 15 a year ago.

Manufacturing and wholesale trade were the only industry groups registering a decline in failures the past week. Slight increases occurred in construction and commercial service with the largest gain in retailing where concerns failing were three times the number last week. New England and the East North Central States were the only regions to report an increase in failures and also the only regions in which failures equalled last year's number. Decreases appeared in the Middle Atlantic and Pacific States, while the five other regions reported no failures.

There was one Canadian failure, the same as last week and the corresponding week of 1944.

**Commodity Price Index**—The general commodity price level continued to move in a narrow range at a comparatively high level the past week. The index closed at 176.48 on March 20, the daily wholesale commodity price index compiled by Dun & Bradstreet revealed, comparing with

176.46 a week previous and with 173.05 on March 20, 1944.

Uncertainty characterized the grain markets last week with a falling off in trading activity also noted. Ceilings in cash wheat were maintained, but irregularity prevailed in futures with the undertone strong, reflecting continued tightness in the box situation and the huge Army export wheat and flour program. Reports coming to hand indicate that winter grains pulled through the winter with very little damage and moisture conditions at present are reported adequate for good growth. Domestic flour buying was only fair but Army purchases last week totaled more than 2,000,000 sacks.

Hog values adhered to ceilings as active demand readily absorbed small receipts. Cattle receipts were moderate at steady to higher prices and sheep and lamb prices also gave evidence of a slightly higher trend.

A firm tone prevailed in the cotton markets most of the week and daily price changes held to a narrow range. Traders reflected a cautious attitude pending the outcome of price control legislation. In spot markets, inquiries improved, but offerings were limited. Sales volume was moderate and slightly under the same period a year ago.

The Boston wool market was hesitant with trading mostly on a fill-in basis, reflecting the uncertainty surrounding the date of some contract terminations. Greasy and scoured foreign wools were in good demand but the volume was limited by the lack of offerings of lots with nearby shipping dates. Purchasing in foreign wools markets was slow although shipping conditions from Argentine and Montevideo were reported much improved.

**Food Price Index Unchanged**—For five weeks past there has been no change in the wholesale food price index, compiled by Dun & Bradstreet, Inc. Standing at \$4.10 on March 20, the current figure reflects a rise of 1.5% over last year's \$4.04, but it is slightly under the \$4.11 recorded on the corresponding date two years ago. Flour and steers moved higher during the week, while rye, potatoes and lambs declined.

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

**Retail and Wholesale Trade**—An exceptionally high level was attained in retail trade the past week with gains noted chiefly in women's and misses' apparel, Dun & Bradstreet, Inc., currently reports. The early advent of Easter and nice weather worked in favor of the week's volume. Compared with one year ago stocks were described as in fair condition. There were, however, limitations to contend with since higher priced goods are more in demand than was the case last year and shortages are apparent in some furniture, home furnishings, and cotton and woolen lines. As for deliveries, they have been reported as reasonably good in the past few weeks.

In seasonal apparel lines, the best showing was made in the week's retail volume. Leading in sales for the week were suits with coats following closely. Heavy selling was also noted in accessory lines such as handbags, lingerie, and hosiery with shoe sales on a par with last year. Cotton dresses reflected lower stocks than a year ago but sales have continued to increase. In misses' and children's apparel sales were up to those in women's lines. In the lower priced groups of suits and coats stocks were reported inadequate. In men's wear departments, notwithstanding low inventories, increases were above a year ago and ranged up to 25%.

With respect to foods the situation in meats, poultry, and dairy products was still unsatisfactory in some retail markets, neverthe-

less, the food volume held steady with last week and was moderately above that of last year.

Retail volume for the country was estimated from 17 to 21% above last year. Regional percentage increases were: New England, 18 to 20%; East, 17 to 22%; Middle West, 20 to 25%; Northwest, 12 to 16%; South, 18 to 22%; Southwest, 20 to 25%; Pacific Coast, 15 to 18%.

In the matter of wholesale trade, the volume compared favorably with the previous week. Most stress was placed upon securing additional merchandise for the Easter trade and keeping those stocks well rounded out to meet the heavy retail demand. Merchandise is growing more difficult to obtain, making for many unfilled reorders. Demand in all lines was strong the past week, but with the inability of retailers to get ample stocks from manufacturers, inventories are currently described as being at a very low level.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index, were 23% ahead of a year ago for the week ended March 17, 1945. This compared with 28% in the preceding week. For the four weeks ended March 17, 1945, sales increased 23%, and for the year to date by 18%.

The pre-Easter peak in retail trade was reached here in New York last week with a heavy consumer demand noted in apparel, accessory and main floor departments. Trade activity among specialty shops was especially marked. Demand in the week was running ahead of the receipt of fresh goods and merchants extended their efforts to speed shipments of seasonal merchandise on order. In turn manufacturers were clearing their books of orders they found it impossible to fill. The prospects of obtaining staple and better grade merchandise in the immediate future are growing more remote each day.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to March 17, 1945, increased 28% over the same period of last year. This compared with an increase of 29% in the preceding week. For the four weeks ended March 17, 1945, sales rose by 25% and for the year to date by 17%.

## Williams Rejected as Head of REA by Senate

President Roosevelt's nomination of Aubrey Williams as Rural Electrification Administrator was rejected on March 23 by the Senate, said Associated Press dispatches from Washington on March 23, which added:

The vote was 52 to 36 against confirmation.

The Senate's action came two months and a day after the President submitted the name of the former National Youth Administrator for director of a lending program which opponents said soon may reach the proportions of a billion dollars.

Some Southern Democrats joined with Republicans to defeat the 54-year-old Williams, an ardent New Dealer.

It was the first senatorial rejection of a presidential appointee other than a postmaster, since June, 1939, when a nominee for United States attorney for Nevada was turned down. Some other nominations were withdrawn, however.

Supporters contended that Williams was falsely accused of communist leanings. Opponents said he was not fitted for the job.

Majority Leader Barkley, pleading for confirmation shortly before the vote was taken, called Williams a champion of the underprivileged.

## 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 17, 1945 is estimated at 11,825,000 net tons, an increase of 940,000 tons over the preceding week. Output in the corresponding week of 1944 amounted to 12,070,000 tons. For the calendar year to March 17, 1945, soft coal production totaled 127,435,000 tons, a decrease of 8.5% when compared with the 139,337,000 tons produced in the calendar year to March 18, 1944. Better weather conditions in the Eastern and Midwestern Bituminous coal producing regions and a much improved railroad car supply accounted for the increase in output for the week ended March 17, 1945.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended March 17, 1945, was estimated at 1,214,000 tons, an increase of 107,000 tons (9.7%) over the preceding week. When compared with the output in the corresponding week of 1944 there was a decrease of 17,000 tons, or 1.4%. The calendar year to date shows a decrease of 18.9% when compared with the corresponding period last year.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended March 17, 1945 showed a decrease of 1,600 tons when compared with the output for the week ended March 10, 1945; and was 21,900 tons less than for the corresponding week of 1944.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

	Week Ended			Calendar Year to Date		
	Mar. 17, 1945	Mar. 10, 1945	Mar. 14, 1944	Mar. 17, 1945	Mar. 18, 1944	Mar. 20, 1937
Penn. anthracite—	1,214,000	1,107,000	1,231,000	11,493,000	14,175,000	10,924,000
*Total incl. coll. fuel	1,214,000	1,107,000	1,231,000	11,493,000	14,175,000	10,924,000
†Commercial prod.	1,165,000	1,063,000	1,182,000	11,033,000	13,608,000	10,378,000
Beehive coke—						
United States total	127,200	128,800	149,100	1,227,000	1,739,000	802,700

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

ESTIMATED WEEKLY PRODUCTION OF BITUMINOUS COAL BY STATES

State	Week Ended		
	Mar. 10, 1945	Mar. 3, 1945	Mar. 11, 1944
Alabama	373,000	365,000	393,000
Alaska	7,000	7,000	10,000
Arkansas and Oklahoma	83,000	63,000	96,000
Colorado	164,000	165,000	178,000
Georgia and North Carolina	1,000	1,000	
Illinois	1,482,000	1,503,000	1,617,000
Indiana	482,000	520,000	563,000
Iowa	54,000	58,000	58,000
Kansas and Missouri	150,000	173,000	182,000
Kentucky	1,182,000	1,327,000	1,311,000
Maryland	35,000	33,000	40,000
Michigan	3,000	4,000	2,000
Montana	107,000	104,000	95,000
New Mexico	34,000	32,000	40,000
North & South Dakota	56,000	60,000	47,000
Ohio	478,000	577,000	620,000
Pennsylvania	2,420,000	2,540,000	2,907,000
Tennessee	130,000	137,000	152,000
Texas	2,000	4,000	3,000
Utah	134,000	141,000	148,000
Virginia	343,000	366,000	480,000
Washington	32,000	31,000	34,000
West Virginia	2,935,000	2,882,000	3,223,000
Wyoming	198,000	187,000	184,000
Other Western States			
Total	10,885,000	11,280,000	12,300,000

\*Less than 1,000 tons.

### Wholesale Prices Unchanged for Week Ended March 17, Labor Department Reports

The Bureau of Labor Statistics' index of commodity prices at the primary market level remained unchanged during the week ended March 17 at 105.1% of the 1926 average, said the U. S. Department of Labor announcement issued March 22, which continued: "Minor increases in prices for a few agricultural products and for sheepskins and brick did not affect the all-commodity index which stands 0.1% higher than for the corresponding week of February. Prices for most commodities have moved within a narrow range during the past year. The general index was 1.4% higher than in mid-March 1944."

The announcement further said: "Farm Products and Foods—Average prices for farm products in primary markets rose 0.2% during the week. Livestock prices advanced 0.2% with calves up over 3% and sheep up about 1.5%. Grains increased slightly by 0.1% as a result of a rise of 1.6% for rye and fractionally higher prices for wheat. Advancing prices were also reported for eggs in some markets, for apples at Chicago, for lemons and oranges and for new white potatoes at New York. The cotton market weakened under heavy liquidation, and tobacco, onions and potatoes at Boston and Chicago also declined. In the past four weeks average prices for farm products have risen 0.2% to a point 2.3% higher than at this time last year.

"Industrial Commodities — There were very few price changes reported in industrial commodities. Sheepskins advanced 1.3% under strong demand. Common building brick rose 0.5%. Higher sales realizations for gas accounted for an increase of 0.1% in the fuel and lighting materials group index."

The following notation was included in the Labor Department's 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 Feb. 17, 1945 and March 18, 1944, and the percentage changes from a week ago, a month ago, and a year ago and (2) percentage changes in subgroup indexes from March 10, 1945 to March 17, 1945.

WHOLESALE PRICES FOR WEEK ENDED MARCH 17, 1945 (1926=100)

Commodity Groups—	3-17			2-17			3-10			Percentage change to March 17, 1945 from—				
	1945	1945	1945	1945	1945	1945	1945	1945	1945	1945	1945	1945	1945	1945
All commodities	105.1	105.1	105.0	105.0	103.6	0	+0.1	+1.4						
Farm products	127.4	127.1	127.2	127.2	124.5	+0.2	+0.2	+2.3						
Foods	104.6	104.5	104.5	104.8	104.6	+0.1	-0.2	0						
Hides and leather products	118.2	118.1	118.1	118.0	117.6	+0.1	+0.1	+0.5						
Textile products	99.2	99.2	99.2	99.1	97.3	0	+0.1	+2.0						
Fuel and lighting materials	83.9	83.8	83.8	83.8	83.6	+0.1	+0.1	+0.4						
Metals and metal products	104.3	104.3	104.3	104.3	103.8	0	0	+2.7						
Building materials	116.9	116.9	116.9	116.9	113.8	0	0	-1.0						
Chemicals and allied products	94.9	94.9	94.9	94.9	95.0	0	0	+0.3						
Housefurnishing goods	106.2	106.2	106.2	106.2	105.9	0	0	+0.2						
Miscellaneous commodities	94.4	94.4	94.3	94.1	93.3	0	+0.3	+1.3						
Raw materials	116.3	116.2	116.2	116.2	113.9	+0.1	+0.1	+2.1						
Semimanufactured articles	94.9	94.9	94.9	94.8	93.5	0	+0.1	+1.5						
Manufactured products	101.8	101.8	101.6	101.6	100.6	0	+0.2	+1.2						
All commodities other than farm products	100.3	100.3	100.1	100.1	99.2	0	+0.2	+1.1						
All commodities other than farm products and foods	99.4	99.4	99.4	99.3	98.2	0	+0.1	+1.2						

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM MARCH 10, 1945 TO MARCH 17, 1945

Increases	March 10, 1945 to March 17, 1945	
	1945	1945
Hides and skins	0.3	0.1
Livestock and poultry	0.2	0.1
Fruits and vegetables	0.1	0.1

### Electric Output for Week Ended Mar. 24, 1945 0.2% Below That for 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. 24, 1945, was approximately 4,401,716,000 kwh., which compares with 4,409,159,000 kwh. in the corresponding week a year ago, and 4,397,529,000 kwh. in the week ended Mar. 17, 1945. The output of the week ended Mar. 24, 1945, was 0.2% lower than that in the same week last year.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended			
	Mar. 24	Mar. 17	Mar. 10	Mar. 3
New England	3.7	+0.1	+0.5	+1.1
Middle Atlantic	+3.0	+3.5	+2.8	+3.4
Central Industrial	1.8	0.9	1.7	2.8
West Central	5.3	5.9	7.3	9.1
Southern States	3.6	4.9	6.3	6.5
Rocky Mountain	+10.0	+7.5	+5.6	+8.7
Pacific Coast	+2.1	+0.1	+2.1	+5.2
Total United States	+0.2	+0.1	0.5	0.2

\*Decrease under similar week in previous year.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1945	1944	% Change over 1944	1943	1932	1929
Jan. 6	4,427,281	4,567,959		3,952,587	1,602,482	1,733,810
Jan. 13	4,614,334	4,539,083	+ 1.7	3,952,479	1,598,201	1,736,721
Jan. 20	4,588,214	4,531,662	+ 1.2	3,974,202	1,588,967	1,717,315
Jan. 27	4,576,713	4,523,763	+ 1.2	3,976,844	1,588,853	1,728,203
Feb. 3	4,538,552	4,524,134	+ 0.3	3,960,242	1,578,817	1,726,161
Feb. 10	4,505,269	4,532,730	- 0.6	3,939,708	1,545,459	1,718,304
Feb. 17	4,472,293	4,511,562	- 0.9	3,948,749	1,512,158	1,699,250
Feb. 24	4,473,962	4,444,939	+ 0.7	3,892,796	1,519,679	1,706,719
March 3	4,472,110	4,464,686	+ 0.2	3,946,630	1,538,452	1,702,570
March 10	4,446,136	4,425,630	+ 0.5	3,944,679	1,537,747	1,687,229
March 17	4,397,529	4,400,246	- 0.1	3,946,836	1,514,553	1,683,262
March 24	4,401,716	4,409,159	- 0.2	3,928,170	1,480,208	1,679,589
March 31		4,408,703		3,889,858	1,465,076	1,633,291

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

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

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

1945—	U. S. Govt. Bonds	Avg. Corporate rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Mar. 27	122.11	114.85	121.04	118.40	114.85	106.21	111.25	114.27	119.41
26	122.16	115.04	121.04	118.60	114.85	106.21	111.25	114.27	119.41
24	122.19	115.04	121.04	118.40	114.85	106.39	111.44	114.27	119.41
23	122.19	115.04	121.04	118.60	114.85	106.21	111.44	114.27	119.41
22	122.19	114.85	120.84	118.60	114.85	106.21	111.25	114.27	119.20
21	122.19	114.85	120.84	118.60	114.85	106.21	111.25	114.27	119.41
20	122.20	115.04	120.84	118.60	114.85	106.21	111.25	114.46	119.41
19	122.20	115.04	120.84	118.60	114.85	106.39	111.25	114.46	119.41
17	122.25	115.04	120.84	118.80	114.66	106.39	111.07	114.46	119.61
16	122.25	115.04	120.84	118.80	114.66	106.39	111.07	114.46	119.41
15	122.28	114.85	120.63	118.60	114.66	106.21	110.88	114.46	119.41
14	122.36	114.85	120.63	118.60	114.85	106.39	110.88	114.46	119.61
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
11	122.47	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	119.61
6	122.29	114.85	120.63	118.60	114.66	106.21	110.70	114.27	119.61
5	122.11	114.85	120.63	118.60	114.66	106.21	110.70	114.27	119.41
3	122.05	114.66	120.43	118.60	114.46	106.21	110.70	114.27	119.61
2	122.03	114.85	120.63	118.60	114.66	106.21	110.70	114.27	119.61
1	121.92	114.66	120.02	118.60	114.46	106.04	110.52	114.08	119.41
Feb. 23	121.97	114.46	120.02	118.60	114.66	106.21	110.88	114.46	119.41
16	121.58	114.27	119.82	118.40	114.08	105.69	109.97	114.08	119.20
9	121.33	114.08	119.82	118.00	113.89	105.34	109.60	114.08	118.80
2	121.33	114.08	119.82	118.00	113.89	105.34	109.60	114.08	118.80
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	115.04	121.04	118.80	114.85	106.39	111.44	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	119.70	111.44	118.20	116.61	111.44	100.81	104.66	113.89	116.41
2 Years Ago	116.96	109.60	117.80	115.43	110.70	96.23	100.65	113.12	115.63

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

1945—	U. S. Govt. Bonds	Avg. Corporate rate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Mar. 27	1.66	2.91	2.60	2.73	2.91	3.38	3.10	2.94	2.68
26	1.65	2.90	2.60	2.72	2.91	3.38	3.10	2.94	2.68
24	1.65	2.90	2.60	2.73	2.91	3.37	3.09	2.94	2.68
23	1.65	2.90	2.60	2.72	2.91	3.38	3.09	2.94	2.68
22	1.65	2.91	2.61	2.72	2.91	3.38	3.10	2.94	2.69
21	1.65	2.91	2.61	2.72	2.91	3.38	3.10	2.94	2.68
20	1.65	2.90	2.61	2.72	2.91	3.38	3.10	2.93	2.68
19	1.65	2.90	2.61	2.72	2.91	3.37	3.10	2.93	2.68
17	1.65	2.90	2.61	2.71	2.92	3.37	3.11	2.93	2.67
16	1.65	2.90	2.61	2.71	2.92	3.37	3.11	2.93	2.68
15	1.64	2.91	2.62	2.72	2.92	3.38	3.12	2.93	2.68
14	1.66	2.91	2.62	2.72	2.92	3.38	3.12	2.93	2.67
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	2.67
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	2.68
3	1.68	2.91	2.62	2.72	2.92	3.38	3.13	2.94	2.67
2	1.69	2.92	2.63	2.72	2.93	3.38	3.13	2.94	2.67
1	1.69	2.91	2.62	2.72	2.92	3.38	3.13	2.94	2.67
Feb. 23	1.69	2.92	2.65	2.72	2.93	3.39	3.14	2.95	2.68
16	1.69	2.93	2.65	2.72	2.94	3.41	3.16	2.95	2.68
9	1.72	2.94	2.66	2.73	2.95	3.41	3.17	2.95	2.69
2	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		

### Trading on New York Exchanges

The Securities and Exchange Commission made public on Mar. 21 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Mar. 3, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended March 3 (in round-lot transactions) totaled 2,964,005 shares, which amount was 15.17% of the total transactions on the Exchange of 9,776,340 shares. This compares with member trading during the week ended Feb. 24 of 2,068,186 shares, or 12.87% of the total trading of 8,033,840 shares. On the New York Curb Exchange, member trading during the week ended March 3 amounted to 753,360 shares, or 13.41% of the total volume on that exchange of 2,808,485 shares. During the Feb. 24 week trading for the account of Curb members of 653,708 shares was 14.67% of total trading of 2,827,100.

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

WEEK ENDED MARCH 3, 1945		
<b>A. Total Round-Lot Sales:</b>	<b>Total for week</b>	<b>%</b>
Short sales.....	380,580	
†Other sales.....	9,385,760	
<b>Total sales.....</b>	<b>9,766,340</b>	
<b>B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:</b>		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases.....	680,540	
Short sales.....	104,770	
†Other sales.....	615,630	
<b>Total sales.....</b>	<b>720,400</b>	<b>7.17</b>
2. Other transactions initiated on the floor—		
Total purchases.....	333,980	
Short sales.....	22,900	
†Other sales.....	346,510	
<b>Total sales.....</b>	<b>369,410</b>	<b>3.60</b>
3. Other transactions initiated off the floor—		
Total purchases.....	259,243	
Short sales.....	159,200	
†Other sales.....	441,232	
<b>Total sales.....</b>	<b>600,433</b>	<b>4.40</b>
4. Total—		
Total purchases.....	1,273,763	
Short sales.....	286,870	
†Other sales.....	1,403,372	
<b>Total sales.....</b>	<b>1,690,242</b>	<b>15.17</b>

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

WEEK ENDED MARCH 3, 1945		
<b>A. Total Round-Lot Sales:</b>	<b>Total for week</b>	<b>%</b>
Short sales.....	27,690	
†Other sales.....	2,780,795	
<b>Total sales.....</b>	<b>2,808,485</b>	
<b>B. Round-Lot Transaction for Account of Members:</b>		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases.....	195,460	
Short sales.....	15,575	
†Other sales.....	191,155	
<b>Total sales.....</b>	<b>206,730</b>	<b>7.16</b>
2. Other transactions initiated on the floor—		
Total purchases.....	69,000	
Short sales.....	1,600	
†Other sales.....	86,065	
<b>Total sales.....</b>	<b>87,665</b>	<b>2.79</b>
3. Other transactions initiated off the floor—		
Total purchases.....	77,105	
Short sales.....	5,600	
†Other sales.....	111,800	
<b>Total sales.....</b>	<b>117,400</b>	<b>3.46</b>
4. Total—		
Total purchases.....	341,565	
Short sales.....	22,775	
†Other sales.....	389,020	
<b>Total sales.....</b>	<b>411,795</b>	<b>13.41</b>
<b>C. Odd-Lot Transactions for Account of Specialists—</b>		
Customers' short sales.....	0	
†Customers' other sales.....	93,548	
<b>Total purchases.....</b>	<b>93,548</b>	
<b>Total sales.....</b>	<b>93,548</b>	

\*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†In calculating these percentages the total of members' purchases and sales is compared with twice the total round-lot volume on the Exchange for the reason that the Exchange volume includes only sales.

‡Round-lot short sales which are exempted from restriction by the Commission's rules are included with "other sales."

§Sales marked "short exempt" are included with "other sales."

### Civil Engineering Construction Volume \$23,559,000 For Week

Civil engineering construction volume in continental United States totals \$23,559,000 for the week. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding is 42% lower than in the preceding week, 28% under the total for the corresponding 1944 week, and 35% below the previous four-week moving average as reported to "Engineering News-Record". The report issued on Mar. 22 went on to say:

Private construction is down 49% compared with a week ago, but is 65% higher than in the week last year. Public work is 40 and 39% lower, respectively, than last week and last year as a result of the decline in federal volume. State and municipal construction gains 108% over the preceding week, and is 38% above the 1944 week.

The current week's volume brings 1945 construction to \$342,906,000 for the 12 weeks, a decrease of 19% from the \$420,710,000 reported for the period in 1944. Private construction, \$109,277,000, is 24% higher than last year, but public work, \$233,629,000, is down

30% due to the 34% drop in federal. State and municipal construction tops the 1944 period's total by 12%.

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

	Mar. 23, 1944	Mar. 15, 1945	Mar. 22, 1945
Total U. S. Construction.....	\$32,909,000	\$40,763,000	\$23,559,000
Private Construction.....	3,236,000	10,457,000	5,338,000
Public Construction.....	29,673,000	30,306,000	18,221,000
State and Municipal.....	2,299,000	1,527,000	3,181,000
Federal.....	27,374,000	28,779,000	15,040,000

In the classified construction groups, gains over the preceding week are in waterworks, sewerage, bridges, earthwork and drainage, streets and roads, and unclassified construction. Increases over the 1944 week are in waterworks, sewerage, bridges, and industrial and commercial buildings. Subtotals for the week in each class of construction are: waterworks, \$636,000; sewerage, \$468,000; bridges, \$573,000; industrial buildings, \$3,621,000; commercial building and large-scale private housing, \$1,489,000; public buildings, \$11,369,000; earthwork and drainage, \$222,000; streets and roads, \$1,644,000; and unclassified construction, \$3,537,000.

New capital for construction purposes for the week totals \$41,578,000. It is made up of \$25,144,000 in corporate security issues, \$13,800,000 in RFC loans for private industrial expansion, and \$2,634,000 in state and municipal bond sales.

New construction financing for 1945 to date totals \$245,031,000, a volume 38% above the \$177,233,000 reported for the opening 12 week period in 1944.

### Steel Output Slightly Lower—Cancellations Effecting Backlogs—Orders Exceed Shipments

"The secondary steel order peak of the war appears to have passed this week; as for the first time this year some mills reported reductions of backlogs," states "The Iron Age" in its issue of today (March 29), which further says in part: "An over-all improvement in the steel production picture is contributing with some cancellations to this backlog reduction. Improvement in the railroad car situation, the end of cold weather, and in some cases better local operating conditions, have combined to put both ingot and finished steel production on a higher plane."

"Preliminary production reports for March indicate that, although few wartime records will be set, output will be the highest for several months. Chicago's operating rate this week, 103, is the highest in 11 months and operations in Pittsburgh have assumed a more "normal" character for the first time in nearly two and a half months.

"Cancellations, which are having an important effect on backlogs this week, are largely from customers who have had their second quarter CMP allotments cut, rather than from schedule changes or curtailments. One company reported that the cancellations totalled approximately 25% of new bookings. There is still a marked reluctance on the part of many civilian manufacturers to remove from mill books tonnage for which second quarter authorization has been revoked and the mills take the attitude that it is not their responsibility to police the validity of authorizations which have been handed them.

"Some Eastern mills last week were reported to be seeking plate business for May delivery. Although no announcement has been made, it is conjectured that cutbacks in the tanker construction program may have created spot openings. This reported cutback may be offset somewhat by renewal of contracts held by Midwestern landing craft builders. Over-all Maritime Commission plate requirements appear to be making their off-romored slide, and by July seem destined to be less than 40% of the July, 1944, level.

"Warehouse stocks have expanded somewhat as a direct result of the improved situation at the mills, which have been able to catch up on deliveries because of higher production and additional available freight cars. Finished materials that have been stacked around the mills since the period of inclement weather and freight embargoes is at last getting under way. Order volume is being dictated closely by available stocks, and March orders will be higher. Delay in shipment of CMP orders by mills continues to throw a larger than usual proportion of production business to the warehouses. Threatened cuts by the WPB, now in the discussion stage, in steel allotted to warehouses for the third quarter are considered by some as too re-

mote to cause immediate worry. Some sources indicate that warehouses will get additional galvanized sheets in the future.

"Galvanized and cold-rolled sheet production continues below its peak because of manpower shortages, while new business in these lines continues to be heavy. "Despite the receding order volume, it is apparent that war business will hold up strong, past the close of the European phase of the war, in line with the Army's anxiety not to repeat 1944's mistake of overconfidence. Extreme pressure has already been applied to steel orders to build up supplies for the Pacific War as early as possible, and this pressure is likely to continue as long as it is thought practicable. One unfortunate result, apparently now unavoidable, is that when the war does end American industry will be heavily occupied in war business."

The American Iron and Steel Institute on March 26 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 96.6% of capacity for the week beginning March 26, compared with 96.9% one week ago, 94.6% one month ago and 99.1% one year ago. The operating rate for the week beginning March 26 is equivalent to 1,769,400 tons of steel ingots and castings, compared to 1,774,900 tons one week ago, 1,732,700 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 26, stated in part as follows: "Steel buying continues at a high level, although somewhat less than the peak attained early this year, with orders still larger than shipments.

"This is reflected most notably in further extension of deliveries on sheets and bars, tubular goods and some wire items. Shell and ammunition requirements generally still require largest quantities of steel and are disrupting schedules on other products indirectly by diverting steel from usual uses. Requirements are more diversified by attention now being given to parts replacements, such buying now being at a new high, with a heavier program in the offing.

"Because of the flood of directives and other operating handicaps of the past winter many producers are still far behind on delivery schedules, in some cases two or three months. Recent re-

strictions on use of directives, with better weather and improved transportation have allowed some improvement. In plates, demand for which is tapering, some producers believe they will be caught up by the end of April at the latest.

"Tin plate production is at a high rate but inability to obtain box cars in sufficient number" has caused makers to store finished material until storage facilities are practically exhausted and other type cars are being used where possible. Tin plate consumers have been forced to use other specifications than their usual requirements to keep up production.

"With six more blast furnaces blowing March 1 than on Feb. 1 consumption of Lake Superior iron ore in February totaled 6,370,504 gross tons, compared with 6,982,619 tons in January, a longer month. In February, 1944, consumption was 7,207,342 tons. For two months this year total ore smelted was 13,353,123 tons, against 14,688,995 tons in the comparable period last year. Ore stocks at furnaces and Lake Erie docks March 1 were 24,576,589 tons. A year earlier they were 28,909,576 tons. With lake navigation scheduled to start early in April reserves are ample for all needs."

### NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on March 21 a summary for the week ended Mar. 10 of complete figures showing the daily volume of stock transactions for odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE N. Y. STOCK EXCHANGE

Week Ended March 10, 1945		
<b>Odd-Lot Sales by Dealers (Customers' purchases)</b>	<b>Total for Week</b>	
Number of orders.....	36,575	
Number of shares.....	1,070,895	
Dollar value.....	\$42,255,728	
<b>Odd-Lot Purchases by Dealers (Customers' sales)</b>		
Number of Orders:		
Customers' short sales.....	289	
Customers' other sales.....	34,147	
<b>Customers' total sales.....</b>	<b>34,436</b>	
Number of Shares:		
Customers' short sales.....	10,184	
Customers' other sales.....	962,855	
<b>Customers, total sales.....</b>	<b>973,039</b>	
Dollar value.....	\$36,619,940	
<b>Round-Lot Sales by Dealers</b>		
Number of Shares:		
Short sales.....	250	
†Other sales.....	230,080	
<b>Total sales.....</b>	<b>230,330</b>	
<b>Round-Lot Purchases by Dealers:</b>		
Number of shares.....	324,930	

\*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."

### Living Costs Down In Feb.

Living costs for the average family of wage earners and lower-salaried clerical workers in the United States fell 0.2% from January to February, according to the National Industrial Conference Board's report recently issued, which went on to say:

"The Board's index stood at 105.5 (1923=100), 22.7% above that of January, 1941, base month of the Little Steel formula.

"A decline of 0.8% in the cost of food more than offset the increases of 0.1% in clothing, 0.3% in fuel and light, and 0.2% in sundries. Living costs in February were 1.9% higher than a year ago.

"Purchasing power of the dollar, in terms of 1923 goods, was 94.8 cents in February. A year ago it was 96.6 cents."

### Daily Average Crude Oil Production for Week Ended March 17, 1945 Increased 5,900 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended March 17, 1945, was 4,773,915 barrels, a gain of 5,900 barrels per day over the preceding week and an increase of 388,640 barrels per day over the corresponding week of 1944. The current figure, however, was 19,435 barrels less than the daily average figure recommended by the Petroleum Administration for War for the month of March, 1945. Daily production for the four weeks ended March 17, 1945, averaged 4,771,250 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 4,773,000 barrels of crude oil daily and produced 14,481,000 barrels of gasoline; 1,652,000 barrels of kerosine; 4,527,000 barrels of distillate fuel, and 9,042,000 barrels of residual fuel oil during the week ended March 17, 1945, and had in storage at the end of that week 53,411,000 barrels of civilian grade gasoline; 45,471,000 barrels of military and other gasoline; 6,852,000 barrels of kerosine; 26,483,000 barrels of distillate fuel, and 43,718,000 barrels of residual fuel oil.

#### DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations March	*State Allowables Begin. Mar. 1	Actual Production Week Ended Mar. 17, 1945	Change from Previous Week	4 Weeks Ended Mar. 17, 1945	Week Ended Mar. 18, 1944
Oklahoma	363,000	363,000	1,368,950	- 250	368,800	329,400
Kansas	274,000	259,600	1,271,300	+ 19,850	260,000	284,150
Nebraska	1,000		1950	+ 50	900	1,350
Panhandle Texas			88,000		88,000	92,850
North Texas			149,300		149,050	142,600
West Texas			477,400		470,850	340,900
East Central Texas			146,700		147,000	116,600
East Texas			381,000		386,500	365,100
Southwest Texas			352,150		349,600	291,500
Coastal Texas			564,450		563,250	513,800
<b>Total Texas</b>	<b>2,160,000</b>	<b>2,150,675</b>	<b>2,159,000</b>		<b>2,154,250</b>	<b>1,863,350</b>
North Louisiana			70,150	- 500	69,850	76,200
Coastal Louisiana			295,650		295,250	283,950
<b>Total Louisiana</b>	<b>360,000</b>	<b>401,800</b>	<b>365,800</b>	- 500	<b>365,100</b>	<b>360,150</b>
Arkansas	80,000	80,317	80,300	- 900	81,200	79,700
Mississippi	53,000		51,500	+ 1,050	51,700	38,700
Alabama	300		250		250	25
Florida			15			50
Illinois	198,000		181,950	- 19,350	199,150	207,700
Indiana	12,000		10,300	- 2,000	11,950	11,850
<b>Eastern—</b>						
(Not Incl. Ill., Ind., Ky.)	68,200		66,800	+ 7,400	62,250	72,150
Kentucky	32,000		14,200	- 13,050	25,850	19,100
Michigan	47,000		50,100	+ 3,800	46,950	53,750
Wyoming	100,000		105,600	+ 3,750	102,150	94,500
Montana	23,000		20,650	- 2,350	20,400	20,800
Colorado	9,500		9,900	+ 350	10,000	7,900
New Mexico	105,000	105,000	103,850	- 100	103,900	112,850
<b>Total East of Calif</b>	<b>3,886,000</b>		<b>3,861,415</b>	- 600	<b>3,864,800</b>	<b>3,557,475</b>
California	907,350	907,350	912,500	+ 6,500	906,450	827,800
<b>Total United States</b>	<b>4,793,350</b>		<b>4,773,915</b>	<b>+ 5,900</b>	<b>4,771,250</b>	<b>4,385,275</b>

\*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 15, 1945. ‡This is the net basis allowable as of March 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 2 to 15 days, the entire state was ordered shut down for 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 17, 1945

(Figures in thousands of barrels of 42 gallons each)

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

District	% Daily Crude Runs Refining to Stills Capacity Daily	% Operating age	% Op-erated	\$Gasoline		Stocks		Gasoline Stocks	Other	villan Grade
				Production at Ref. & Dist. Blended Fuel Oil	Inc. Nat. & Dist. Fuel Oil	of Resi-	Stocks			
East Coast	99.5	752	95.1	1,980	5,200	5,163	6,290	7,470		
Appalachian—										
District No. 1	76.8	101	69.2	316	358	225	1,309	1,209		
District No. 2	81.2	62	124.0	205	107	156	608	902		
Ind., Ill., Ky.	87.2	785	91.6	2,804	3,226	1,973	6,864	17,139		
Okl., Kans., Mo.	78.3	391	83.4	1,418	1,620	1,143	1,760	7,868		
Inland Texas	59.8	223	67.8	904	304	615	1,230	1,904		
Texas Gulf Coast	89.3	1,151	93.0	3,307	4,912	6,654	11,098	5,476		
Louisiana Gulf Coast	96.8	276	106.2	762	1,779	1,420	2,599	2,463		
No. La. & Arkansas	55.9	69	54.8	195	797	289	945	2,219		
Rocky Mountain—										
District No. 3	17.1	12	92.3	36	15	27	20	64		
District No. 4	72.1	124	78.0	366	304	579	476	1,959		
California	85.5	827	83.2	2,188	7,861	25,474	12,272	4,738		
<b>Total U. S. B. of M.</b>										
basis March 17, 1945	85.5	4,773	87.9	14,481	26,483	43,718	45,471	53,411		
<b>Total U. S. B. of M.</b>										
basis March 10, 1945	85.5	4,777	87.9	14,557	27,001	44,150	44,586	52,724		
<b>U. S. Bur. of Mines</b>										
basis March 18, 1944	4.488			13,155	31,620	51,716	33,894	50,794		

\*Includes aviation, military, solvents and naphthas, and gasoline blending stocks currently indeterminate as to ultimate use, and 11,860,000 barrels of unfinished gasoline this week, compared with 11,869,000 barrels a year ago. †Stocks at refineries, at bulk terminals, in transit and in pipe lines. ‡Not including 1,652,000 barrels of kerosine, 4,527,000 barrels of gas oil and distillate fuel oil and 9,042,000 barrels of residual fuel oil produced during the week ended March 17, 1945, which compares with 1,666,000 barrels, 4,887,000 barrels and 9,752,000 barrels, respectively, in the preceding week and 1,606,000 barrels, 4,637,000 barrels and 9,325,000 barrels, respectively, in the week ended March 18, 1944.

Note—Stocks of kerosine at March 17, 1945, amounted to 6,852,000 barrels, as against 6,976,000 barrels a week earlier and 6,855,000 barrels a year ago.

### National Fertilizer Association Commodity Price Index Advances to Previous Week

The weekly wholesale commodity price index, compiled by The National Fertilizer Association, and made public on March 26, showed a moderate rise, advancing to the previous all-time peak of 140.1 in the week ending March 24, 1945, from 139.8 in the preceding week. Prices have remained practically horizontal during 1945 with the index fluctuating within only four fractional points during the entire 12 weeks. A month ago the index stood at 139.8, and a year ago at 137.2, based on the 1935-1939 average at 100. The report continued as follows:

Higher quotations in the farm products group were largely responsible for the advance. This group index reached its previous high point, (reached Oct. 28, 1944) which is 4.2% higher than its 1944 average. Cotton prices advanced for the third consecutive week. Grains were fairly steady with a small advance registered for rye. The livestock sub-group was higher because of higher prices for cattle, calves, and lambs. There was an upturn in the foods index; the index has either moved downward or remained the same during the past nine weeks. Higher prices for flour and oranges more than offset the lower prices for potatoes. The textiles index showed a fractional rise. All remaining groups in the composite index were unchanged.

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

#### WEEKLY WHOLESALE COMMODITY PRICE INDEX

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

Each Group Bears to Total Index	Group	Latest Preceding		Month Ago	Year Ago
		Week Mar. 24, 1945	Week Mar. 17, 1945		
25.3	Food	141.6	141.0	141.7	137.9
	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	166.1	165.4	165.6	157.0
	Cotton	207.3	206.4	206.3	202.1
	Grains	163.7	163.6	163.7	164.8
	Livestock	160.3	159.5	159.8	147.1
17.3	Fuels	130.4	130.4	130.4	130.1
10.8	Miscellaneous Commodities	133.4	133.4	133.4	132.2
8.2	Textiles	156.1	156.0	155.9	152.2
7.1	Metals	104.7	104.7	104.7	104.4
6.1	Building Materials	154.2	154.2	154.1	152.4
1.3	Chemicals and Drugs	125.4	125.4	125.4	127.7
.3	Fertilizer Materials	118.3	118.3	118.3	117.7
.3	Fertilizers	119.9	119.9	119.9	119.7
.3	Farm Machinery	104.8	104.8	104.8	104.2
100.0	All Groups combined	140.1	139.8	139.8	137.2

\*Indexes on 1926-1928 base were: March 24, 1945, 109.1; March 17, 1945, 108.9, and March 25, 1944, 106.9.

### Non-Ferrous Metals—WPB Sees Deficit in 1945 Long-Term Supply Situation—Zinc Quiet

"E. & M. J. Metal and Mineral Markets," in its issue of March 22, states: "Deliveries of major non-ferrous metals during the first quarter of the year have been so high that WPB officials are getting uneasy over the long-term supply situation. Last week WPB issued a requirements-supply report on copper that points to a deficiency of more than 200,000 tons in the tonnage available in 1945 to meet the heavy demands. Consumers, on the other hand, are following military developments in Europe more closely than ever and wondering whether the requirements estimates projected over the remainder of the year are not too high. WPB announced that it plans to dip into the stockpile of lead in April to bolster essential civilian needs. Zinc was quiet. Quicksilver was available at \$152 per flask, duty paid, April shipment from Spain, a reduction of \$3." The publication further went on to say in part as follows:

**Copper**  
Except that estimates on March deliveries are still rising, with requests for April copper also high, the position of the market remains about unchanged. The stockpile is expected to drop sharply over the next month.  
WPB has reduced its estimates on probable supply of refined copper available for 1945 and now holds that the requirements-supply outlook points to a deficit of some 208,000 tons for the year. Evidently the Copper Division expected larger importations, as well as increased domestic production, based on at least some improvement in manpower conditions at mines, mills, smelters, and refineries. Estimates on recovery of copper from secondary sources also have been lowered. In the industry, increased supplies were not thought likely until the second quarter gets well under way.

**Zinc**  
Until allocation certificates begin to move out of Washington, new business in zinc involving April shipment metal is likely to remain inactive. From present indications the requests for zinc from consumers have been for smaller tonnages than in recent months. There is growing apprehension among buyers over the

1945 to bolster essential civilian requirements. This action would increase amounts of lead previously allocated for civilian storage batteries by 14,000 tons; cable covering by 6,300 tons; tetraethyl lead by 4,500 tons; and collapsible tubes by 1,100 tons. However, the requirements committee has definitely authorized increased allocations only for April. These definite authorizations include 4,666 tons for batteries; 2,100 tons for cable covering; 500 tons for tetraethyl, and 370 tons for collapsible tubes. Definite authorizations for the remainder of the second quarter will be considered around the middle of April. It was stated that a reduction in the stockpile will be offset by increased production from primary and secondary sources.

The Government has asked mining companies to increase output of lead. In the annual report of St. Joseph Lead, Clinton H. Crane, President, states that his company "has agreed to curtail development work and to continue to operate its mines beyond their economic limits."  
Sales of lead during the last week amounted to 6,107 tons, against 11,577 tons in the preceding week.

**Lead**  
WPB announced that 25,910 tons of lead would be tentatively allocated in the second quarter of

outlook, due chiefly to the encouraging war news from Europe.

#### Tin

Exports of tin concentrates from Bolivia during February amounted to only 2,230 metric tons of tin contained, against 4,092 tons in January and 2,906 tons in February a year ago. The decline in shipments was expected and does not reflect a change in the trend.

In 1944 National Lead Co. disposed of its entire holdings of shares of Patino Mines & Enterprises, according to the annual report to stockholders. It also sold 191,040 shares of General Tin Investments, Ltd.

The price continued at 52¢ a pound for Straits quality tin, with forward metal nominally as follows:

	March	April	May
March 15	52.000	52.000	52.000
March 16	52.000	52.000	52.000
March 17	52.000	52.000	52.000
March 19	52.000	52.000	52.000
March 20	52.000	52.000	52.000
March 21	52.000	52.000	52.000

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

#### Quicksilver

With March shipment metal from Spain now afloat, interest has shifted to the April position, which was offered at prices ranging from \$152 to \$155 per flask, New York, duty paid, depending on seller and quantity involved. There are at least three importers soliciting for business in Spanish quicksilver, which is interpreted in trade circles as signifying that the Spanish producers are no longer operating through a single sales agency.

The domestic market for quicksilver was about unchanged. The moderately lower price named for foreign metal was not reflected in quotations named in New York or on the Pacific Coast. Metal for April shipment from the Coast was maintained at \$160 per flask, New York. Spot, New York, held at \$163 to \$165 per flask.

The Bureau of Mines estimated January consumption of quicksilver at 5,200 flasks, against 3,900 flasks in December.

#### Silver

The London market for silver was quiet and unchanged at 25½d. The New York Official for foreign silver continued at 44¾¢, with domestic metal at 70¾¢.

Latest Canadian statistics place estimated production of silver for December at 1,226,960 ounces, making the total for last year 13,545,905 ounces. The figures are subject to revision.

### Brazil Convention to Create Coffee Bank

From Rio de Janeiro, March 16 a wireless message to the New York "Times" said: "Continuation of the present coffee policy with financial aid to growers, abolition of the National Coffee Department and creation of the Coffee Bank were the main measures approved by the National Coffee Convention, which closed today.

"The proposed Coffee Bank would give financial aid to growers. The National Coffee Department will cease operations in June, 1946."

In Associated Press accounts from Rio de Janeiro, on the same date it was stated:

It was reported reliably today that the National Coffee Convention had voted favorably on a Government subsidy plan under which coffee exports would go to the United States at United States ceiling prices.

Under the plan the Government will subsidize coffee now held by exporters at 36 cruzeiros (\$1.80) a sack, paying varying subsidies to planters on their coffee. These would range from 65 cruzeiros a sack in the State of Sao Paulo to 15 cruzeiros in Bahia and Pernambuco.

## Revenue Freight Car Loadings During Week Ended Mar. 17, 1945 Increased 49,499 Cars

Loading of revenue freight for the week ended March 17, 1945 totaled 815,789 cars, the Association of American Railroads announced on March 22. This was an increase above the corresponding week of 1944 of 30,594 cars, or 3.9%, and an increase above the same week in 1943 of 47,655 cars or 6.2%.

Loading of revenue freight for the week of March 17, increased 49,499 cars, or 6.5% above the preceding week.

Miscellaneous freight loading totaled 405,052 cars, an increase of 21,394 cars above the preceding week, and an increase of 27,991 cars above the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 108,380 cars, an increase of 10,728 cars above the preceding week and an increase of 2,270 cars above the corresponding week in 1944.

Coal loading amounted to 169,570 cars an increase of 12,445 cars above the preceding week, and an increase of 1,471 cars above the corresponding week in 1944.

Grain and grain products loading totaled 44,067 cars, an increase of 3,423 cars above the preceding week but a decrease of 891 cars below the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of March 17, totaled 28,822 cars, an increase of 1,870 cars above the preceding week but a decrease of 1,248 cars below the corresponding week in 1944.

Livestock loading amounted to 14,335 cars an increase of 1,068 cars above the preceding week but a decrease of 252 cars below the corresponding week in 1944. In the Western Districts alone loading of live stock for the week of March 17, totaled 10,875 cars, an increase of 922 cars above the preceding week, and an increase of 146 cars above the corresponding week in 1944.

Forest products loading totaled 41,905 cars a decrease of 538 cars below the preceding week and a decrease of 3,642 cars below the corresponding week in 1944.

Ore loading amounted to 17,080 cars an increase of 525 cars above the preceding week and an increase of 3,387 cars above the corresponding week in 1944.

Coke loading amounted to 15,400 cars an increase of 454 cars above the preceding week, and an increase of 260 cars above the corresponding week in 1944.

All districts reported increases compared with the corresponding week in 1944 except the Pocahontas and Northwestern. 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
Week of March 10	766,290	780,265	769,045
Week of March 17	815,789	785,195	768,134
Total	8,418,584	8,665,169	8,252,468

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended March 17, 1945. During this period 76 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 17

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
<b>Eastern District—</b>					
Ann Arbor	309	244	248	1,676	1,536
Bangor & Aroostook	2,945	3,018	2,777	659	258
Boston & Maine	7,224	6,890	6,274	17,169	15,822
Chicago, Indianapolis & Louisville	1,259	1,480	1,349	2,755	2,342
Central Indiana	38	49	28	41	38
Central Vermont	1,161	1,060	1,033	2,357	2,894
Delaware & Hudson	4,954	4,590	6,119	14,681	14,778
Delaware, Lackawanna & Western	8,092	7,389	7,542	13,072	12,844
Detroit & Mackinac	250	233	216	143	129
Detroit, Toledo & Ironton	1,971	1,800	1,884	2,327	1,592
Detroit & Toledo Shore Line	429	318	341	4,443	3,490
Erie	13,341	13,018	12,923	18,816	18,805
Grand Trunk Western	4,235	3,945	3,468	10,068	9,711
Lehigh & Hudson River	172	173	172	4,149	3,089
Lehigh & New England	2,073	1,882	1,868	1,606	1,588
Lehigh Valley	8,213	8,688	6,699	13,810	16,251
Maine Central	2,612	2,335	2,584	4,921	4,349
Monongahela	6,220	6,209	6,225	356	411
Montour	2,644	2,524	2,512	15	31
New York Central Lines	50,619	47,097	50,578	58,071	59,261
N. Y., N. H. & Hartford	11,605	10,178	10,038	21,142	20,680
New York, Ontario & Western	992	1,223	1,074	3,288	3,638
New York, Chicago & St. Louis	7,769	6,532	6,365	18,187	17,396
N. Y., Susquehanna & Western	513	471	361	2,579	2,598
Pittsburgh & Lake Erie	8,079	7,991	7,798	8,111	7,959
Pere Marquette	5,289	4,711	4,629	9,786	8,734
Pittsburgh & Shawmut	736	712	629	16	14
Pittsburgh, Shawmut & North	264	295	328	250	229
Pittsburgh & West Virginia	1,013	970	840	3,310	2,649
Rutland	401	358	351	1,270	1,117
Wabash	6,118	5,857	5,032	14,038	12,738
Wheeling & Lake Erie	6,218	4,771	4,975	5,377	4,584
Total	167,828	157,001	157,720	258,489	251,555

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
<b>Allegheny District—</b>					
Akron, Canton & Youngstown	*795	715	840	*1,411	1,340
Baltimore & Ohio	43,291	31,752	40,065	31,193	29,331
Bessemer & Lake Erie	3,196	2,878	3,167	1,822	1,384
Buffalo Creek & Gauley	†	†	225	†	†
Centria & Indiana	1,634	1,753	1,971	10	12
Central R. R. of New Jersey	7,085	6,725	6,846	22,637	21,781
Cornwall	518	479	636	71	67
Cumberland & Pennsylvania	178	191	290	6	13
Ligonier Valley	112	123	133	55	62
Long Island	1,437	1,280	843	4,090	4,162
Penn.-Reading Seashore Lines	1,952	1,602	1,631	2,719	2,603
Pennsylvania System	83,948	78,443	76,935	68,215	65,127
Reading Co.	15,357	14,830	14,504	32,461	30,526
Union (Pittsburgh)	19,333	20,144	20,601	4,687	4,002
Western Maryland	3,919	4,377	3,996	14,866	13,169
Total	182,755	175,292	172,833	184,343	173,579
<b>Pocahontas District—</b>					
Chesapeake & Ohio	27,768	28,355	28,757	15,220	12,434
Norfolk & Western	20,491	21,596	22,921	10,758	7,544
Virginian	4,455	4,599	4,804	3,159	2,442
Total	52,714	54,550	56,582	29,137	22,420

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
<b>Southern District—</b>					
Alabama, Tennessee & Northern	497	374	265	408	359
Atl. & W. P.—W. R. R. of Ala.	900	834	781	2,670	2,462
Atlanta, Birmingham & Coast	1,071	778	611	1,664	1,619
Atlantic Coast Line	14,160	14,513	15,592	13,243	11,659
Central of Georgia	4,071	4,132	4,140	6,264	5,479
Charleston & Western Carolina	491	398	423	2,096	2,036
Clinchfield	1,597	1,571	1,725	4,015	3,557
Columbus & Greenville	276	253	324	286	254
Durham & Southern	224	130	121	761	1,005
Florida East Coast	3,792	3,996	3,227	1,548	2,089
Gainesville Midland	57	62	45	151	150
Georgia	1,065	1,296	1,148	2,632	2,778
Georgia & Florida	445	545	377	814	842
Gulf, Mobile & Ohio	4,523	4,207	3,500	4,298	4,632
Illinois Central System	27,329	27,897	25,643	18,333	18,690
Louisville & Nashville	25,649	24,246	25,136	11,965	12,614
Macon, Dublin & Savannah	184	212	188	975	1,073
Mississippi Central	338	268	201	482	702
Nashville, Chattanooga & St. L.	3,394	3,449	3,180	5,371	4,965
Norfolk Southern	1,078	996	1,241	1,648	1,800
Piedmont Northern	437	411	343	1,274	1,465
Richmond, Fred. & Potomac	497	430	430	11,659	11,834
Seaboard Air Line	11,920	11,111	10,883	9,791	9,444
Southern System	24,869	24,041	22,690	27,600	24,999
Tennessee Central	678	751	560	961	989
Winston-Salem Southbound	136	140	121	2,032	1,015
Total	129,678	127,051	122,895	132,941	128,311

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
<b>Northwestern District—</b>					
Chicago & North Western	14,904	14,921	13,275	13,454	14,591
Chicago Great Western	2,352	2,816	2,187	3,659	3,082
Chicago, Milw., St. P. & Pac.	20,797	20,014	18,266	10,734	10,863
Chicago, St. Paul, Minn. & Omaha	3,692	3,334	2,836	4,645	4,037
Duluth, Missabe & Iron Range	1,170	1,106	1,013	267	217
Duluth, South Shore & Atlantic	675	751	451	631	563
Elgin, Joliet & Eastern	9,324	8,645	9,057	12,698	12,761
Ft. Dodge, Des Moines & South	347	385	399	79	105
Great Northern	11,168	12,623	8,731	6,105	5,205
Green Bay & Western	*456	464	466	*960	952
Lake Superior & Ishpeming	285	281	181	68	62
Minneapolis & St. Louis	2,030	1,778	1,837	2,825	2,223
Minn., St. Paul & S. S. M.	4,502	5,236	3,557	3,663	3,736
Northern Pacific	9,059	9,641	8,177	5,544	5,547
Spokane International	246	107	91	476	535
Spokane, Portland & Seattle	2,244	2,466	1,852	3,718	2,874
Total	83,241	84,568	72,376	69,526	67,353

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
<b>Central Western District—</b>					
Atch., Top. & Santa Fe System	24,425	21,083	22,452	14,739	12,669
Alton	3,693	2,964	2,833	6,450	4,399
Bingham & Garfield	378	557	515	71	91
Chicago, Burlington & Quincy	20,185	18,136	18,536	12,742	12,427
Chicago & Illinois Midland	2,847	3,057	3,302	967	994
Chicago, Rock Island & Pacific	11,829	10,989	11,427	14,217	13,490
Chicago & Eastern Illinois	2,719	2,554	2,435	5,678	6,520
Colorado & Southern	826	746	696	2,107	2,052
Denver & Rio Grande Western	3,630	3,235	3,127	6,709	5,880
Denver & Salt Lake	554	670	681	31	13
Fort Worth & Denver City	855	698	1,115	1,448	1,430
Illinois Terminal	2,478	2,063	1,866	2,140	2,181
Missouri-Illinois	920	1,037	945	889	611
Nevada Northern	1,157	1,762	2,112	110	139
North Western Pacific	714	766	976	887	767
Peoria & Pekin Union	10	15	35	0	0
Southern Pacific (Pacific)	28,630	29,783	26,582	16,020	14,166
Toledo, Peoria & Western	270	402	213	2,267	1,906
Union Pacific System	17,485	14,703	13,716	16,600	16,177
Utah	535	617	612	4	6
Western Pacific	1,774	1,853	1,966	4,740	4,003
Total	125,914	117,760	116,137	108,816	100,227

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
<b>Southwestern District—</b>					
Burlington-Rock Island	677	553	799	240	317
Gulf Coast Lines	3,729	6,067	5,520	2,778	2,450
International-Great Northern	2,854	1,778	2,216	4,056	4,347
Kansas, Oklahoma & Gulf	289	255	321	1,191	1,089
Kansas City Southern	5,133	5,850	4,608	3,144	2,717
Louisiana & Arkansas	3,434	3,028	3,181	2,739	2,635
Litchfield & Madison	352	317	336	1,284	1,030
Midland Valley	646	654	699	459	473
Missouri & Arkansas	144	194	117	398	482
Missouri-Kansas-Texas Lines	7,175	5,601	6,184	4,863	4,893
Missouri Pacific	16,697	15,361	16,574	19,979	20,807

## Items About Banks, Trust Companies

Lt. Howard C. Sheperd, Jr., son of Howard C. Sheperd, senior Vice-President of The National City Bank of New York, and Mrs. Sheperd of Bronxville, New York, was killed in action on Feb. 27 serving with the 21st Regiment of the Third Marine Division. Lt. Sheperd, who was 23 years old, enlisted in the Marine Corps Reserve in March of 1942 and entered active service at Parris Island in July, 1943. He was commissioned at Quantico in November, 1943, and went overseas in March, 1944.

Guaranty Trust Co. of New York announced on March 22 the appointment of J. Arthur McKaig as an Assistant Trust Officer.

The Manufacturers Trust Co., 55 Broad Street, New York City, was authorized on March 23 by the New York State Banking Department to open a branch at 46-25 Queens Boulevard, Queens, N. Y., on or after May 1.

Charles Somlo has been elected a Vice-President of Sterling National Bank & Trust Co. of New York. He is a former Vice-President of Manufacturers Trust Co. and more recently served with the foreign funds control of the Treasury.

For the first time in modern financial history, it is stated, a private banking firm offers the group thinking of executives of diverse business experience in taxes, reconversion, merchandising, marketing and other current or post-war problems to business men without charge. Walter E. Heller, President of Walter E. Heller & Co., says of the Heller Business Clinic: "We invite businesses and business men to make appointments and to bring us their troubles to see if a solution can be found through group thinking." Mr. Heller went on to say that there would be no obligations or solicitations of those who take advantage of this counseling service unless the company was specifically requested to go beyond the consultation stage. He also added that he expected that advice would be given, in a large number of cases where businesses would not need financing and that where the necessary financing could be obtained through regular banking channels, the Heller Business Clinic would so advise.

Wallace W. Tune, manager of business loans in the City Mortgage Department of the Equitable Life Assurance Society of the United States, has been elected a trustee of the Lincoln Savings Bank of Brooklyn, N. Y.

John K. O'Connor, President of the Oswego County National Bank, Oswego, N. Y., died on March 22 at the age of 58, after several weeks' illness.

Mr. O'Connor was President of the First National Bank of Oswego in 1929 until it was merged with the Second National Bank. He continued as President of the Oswego National Bank, formed by this merger.

At a meeting of the directors of the State Street Trust Co., Boston, held on March 19, William S. Trowbridge, Vice-President, Boston & Maine RR., was elected to the Board.

An increase in the quarterly dividend from 60 to 75 cents of the Harvard Trust Co., Cambridge, Mass., was recently announced by the bank, beginning with the dividend payable April 2.

The Boston "Herald" reported on March 21 that at a meeting of the Board of Directors of Old Colony Trust Co. of Boston, Mass., Samuel S. Hall, Jr., Financial Vice-President of New England

Mutual Life Insurance Co., and Daniel J. Lyne, member of the firm of Lyne, Woodworth & Evarts and former President of the Bar Association of the City of Boston, were elected directors. William F. Keesler was appointed Vice-President.

Oliver Kinsey Badgley, President of the Caldwell National Bank, Caldwell, N. J., died on March 20 at 66 years of age. Newark "News" advices of March 20 state:

Mr. Badgley, who was also Executive Chairman of the West Essex Red Cross Chapter, was elected a director of the Caldwell National in 1934 and became First Vice-President in 1936, succeeding to the Presidency three years later.

National Bank of Detroit has called a special shareholders' meeting for April 2 to consider a directors' proposal to increase the capital by issuance of 250,000 shares of \$10 par value, said a special dispatch to the New York "Herald Tribune" on March 23, which added:

The new stock is to be offered at the rate of one for each four shares held.

General Motors Corp. owns 51% of the outstanding 1,000,000 common shares, but is reported contemplating sale of some of its holdings to the public through investment bankers, which would be a separate and distinct transaction from the capital increase to be voted on April 2.

## Treasury to Grant Licenses Against Blocked Accounts

The Treasury Department announced on March 26, that it is prepared, in appropriate cases, to grant licenses for payments from blocked accounts in this country to creditors of business organizations and individuals in France, Belgium, and other liberated countries of Europe with which postal communications have been restored.

It was stated that, in general, an application for such a license should be supported by a payment instruction or other acknowledgment by the debtor executed after the date when the restrictions of General Ruling No. 11 were completely lifted on communications with the country where the debtor is located. If an application is based on a court judgment, evidence should be submitted that the debtor has received actual notice of the proceedings and has had a reasonable opportunity to appear.

Today's announcement does not apply to claims on persons in any country against which the United States has declared war.

## Construction Contracts Awarded in February

A slight increase in the dollar volume of construction contracts awarded in the 37 States east of the Rocky Mountains during February as compared with the corresponding month of last year was reported by F. W. Dodge Corporation on March 23. The total was \$146,957,000 last month as compared with \$137,246,000 in February, 1944.

Substantial increases in non-residential building, especially structures used for manufacturing purposes, hospital and institutional building, and commercial structures, were reported during the month.

Residential building construction continued at a very low ebb, contracts last month for such purpose amounting to only \$19,300,

## Congress To Inquire Into Food Situation

### President Opposes Move

In both the Senate and House on March 19, moves were made for an investigation into the food situation. President Roosevelt, however, on March 20, made known that he did not favor Congressional inquiries into the matter, and according to advices to the Wall Street Journal from its Washington bureau, posed the question whether Congress could develop anything that is not already known about the matter. These advices added: "While disclaiming any intention to criticize Congress, the President said he would be very glad if Congressional committees should bring out some facts that are not already known. The public ought to know what has happened in food, he added, saying that he expected to have something further to say about this situation by Friday, (Mar. 23)."

In reporting that the Senate voted unanimously on March 19 for an investigation of food shortages, Associated Press accounts from Washington on that date stated: "Proposed in an effort to find a solution to tightened supplies of meat and other commodities, the resolution was approved by voice vote without debate. It provides \$5,000 to finance hearings by a Senate Agriculture subcommittee.

A similar group inquired into food problems last year, Senator Lucas (D.-Ill.) said, in recommending quick acceptance of the proposal.

In the House too there was a swift reaction to the food situation and two members proposed investigations. Representative Anderson (D.N.M.) asked the creation of a special committee to look into the food situation generally, and to check specifically into lend-lease shipments, foreign stockpiles, the government's order cutting civilian meat supplies 12% after April 1 and reported black markets in meat.

Representative Andresen (R.-Minn.) sought authority for the House Agriculture Committee to make a broad investigation and report its findings by April 1.

The Senate subcommittee to inquire into the food situation was named on March 20, and consists of Chairman Thomas, of the Senate Agriculture Committee as chairman; Senators Wheeler (Mont.) and Stewart (Tenn.), Democrats, and Aiken (Vt.) and Bushfield (S.D.) Republicans.

On March 20 Republican demands were made for single centralized food control, as to which we quote the following (Associated Press):

"We have no partisan desire in this matter," said Representative Jenkins of Ohio, chairman of the Republican Congressional Food Study Committee, as he and other members of the group issued their call for centralized control. It is the only way, they contended, to solve the problem of increasing food shortages and prevent greater ones from developing.

In the House, Representative Sabath (D.-Ill.), chairman of the Rules Committee, promised speedy consideration of three different proposals for investigations. Representatives Rees (R.-Kan.) and Andresen (R.-Minn.) proposed the agriculture committee be directed to make full inquiry of food supplies and demands.

000 in the States east of the Rockies.

The New England States, Ohio and Kentucky areas, southern Michigan, Minnesota and the Dakotas, and Texas showed marked increases as compared with the corresponding month of last year, the Dodge Corporation reported.

## National Foreign Trade Council Favors Adoption Of Bretton Woods "Substantially as Drafted"

Its Board of Directors Passes Resolution to This Effect, but Maintains "No Sound Appraisal Can Be Given to a Post-War International Program When Presented Piecemeal and Unrelated to the Whole." Holds Changes at This Late Date Involve Greater Risks Than Immediate Adoption.

The Board of Directors of the National Foreign Trade Council, at its meeting on March 20, adopted the following resolution concerning the Bretton Woods Agreements:

"The National Foreign Trade Council recognizes the need for extending aid and assistance to those foreign economies which have been devastated or disrupted by war. The welfare of the United States depends vitally upon the welfare of the world as a whole and our aid and assistance in restoring and increasing the world's productivity is motivated, therefore, by considerations of enlightened self-interest.

"The Council believes that this enlightened self-interest demands urgently the development of a sound and comprehensive foreign economic policy on the part of the American Government which will give account not only to the need for a healthy economy abroad, but also to the current and continuing needs of the American economy itself. We cannot prosper in a world impoverished; but in helping to put the world back on its feet we must not risk the dissipation of our own substance. Only if the American people are convinced that these considerations are held in proper balance, to the end of conserving America's resources and substance for the longer term, will confidence in the Government's intentions in the foreign economic field prevail.

"It may be argued that it is not desirable to make public such a comprehensive policy in all its essential details at the present time. Regardless of the validity of any such argument, the Council believes that the Government should declare itself unequivocally regarding the many elements which are inextricably bound together as part and parcel of our foreign economic policy. The Council further believes that it is desirable and quite practicable for the Government to indicate the global financial limits required to implement such a policy. Until many more of the elements of our foreign economic program are known and the magnitude of their impact on our domestic economy can be determined, no sound appraisal can be given to any single element in the program presented piecemeal and unrelated to the whole of which it is inevitably a part.

"It is against the background of these convictions that the National Foreign Trade Council is called upon to pass judgment on the Bretton Woods proposals. These proposals are incorporated in articles of agreement drafted after prolonged negotiations by the representatives of 44 nations, in line with an expression of purposes, as set forth in the agreement which are deserving of unqualified support as objectives. The agreements have now been submitted to the Congress of the United States for its approval, in the form of a bill entitled the 'Bretton Woods Agreements Act.'

"Despite the reservations held by many of the individual members of the Council with respect to technical and other shortcomings in the proposals themselves, and despite the reluctance of the Council in passing judgment on a single measure which lacks coordination and integration with a broader pattern, the Council favors the adoption of this proposed legislation substantially as drafted. Rejection of the Act would involve prolonged delays in pursuit of the broad objectives sought and would lay the United States open to the charge of failing to cooperate internationally at

a time when such cooperation is of vital importance not only to the world at large but also to the United States itself. Any modifications of the Act which would require renegotiation of the terms of the Bretton Woods agreements at this late date would involve risks greatly exceeding whatever risks may be involved in adopting them promptly and substantially as drafted in the proposed legislation.

"The Council believes, furthermore, that the possibility of failure of the Act to assist in accomplishing the expressed purposes of the agreements is minor when compared with the possibility of such failure from causes arising out of the many other factors which must be encompassed in the over-all program required for successful international cooperation. On this score, it is reiterated that the Bretton Woods Agreements Act is but a part of a complex pattern, many elements of which have not yet been exposed by the Government. Banking and monetary measures by themselves cannot provide the solution to the broad problems of post-war reconstruction and development, and the endorsement that is given herein to the Bretton Woods Agreements Act can be validated, as stated previously, only against the background of a forthright and comprehensive statement by intentions in these other and closely related fields.

"Such a statement should embrace the policies to be pursued on tariffs and other trade barriers; subsidies; Government bulk purchases; private and governmental international cartels; Lend-Lease operations and settlements; the Export-Import Bank; and governmental relief and credit operations of any nature. Until this whole broad program is exposed, the endorsement given herein to the Bretton Woods Agreements Act can have no other meaning or justification than the motive previously suggested—which is to avoid slamming the door on international cooperation at a crucial point in our relations with the rest of the world. And until the program is exposed, the Council will be reluctant to lend its support to any other single proposal which may meanwhile be advanced as a piecemeal and unrelated consideration.

"It is equally essential, of course, for the Governments of other nations to declare themselves with respect to their policies and programs in the field of international trade and finance. Only when these programs are known, and only when our own Government has made clear its over-all policy with respect to the nature and extent of international cooperation and collaboration, can intelligent and realistic appraisal be made of the opportunities for the expansion of international production and trade and the part to be played in such expansion by such institutions as those called for in the Bretton Woods Agreements Act."

## Flynn Sees Pope Again

Pope Pius XII received Edward J. Flynn today for a second audience since the former Democratic National Chairman arrived in Italy. The audience, which lasted 15 minutes, was attended also by Myron C. Taylor, President Roosevelt's personal representative to the Vatican, according to Associated Press dispatches from Rome on March 24.