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The Financial Situation

Few if any of the many unsettling developments of the day give the thoughtful man more concern than the assiduousness with which the art of flim-flamming the public has been cultivated during recent years and the "planned" utilization made of it in national political affairs. Of course, the professional politician has long been, perhaps has always been, something of an actor and a pretender. He is usually good at cajoling his constituency and in pulling the wool over its eyes. There are many tricks in the art of doing so, and he is usually master of most of them—if he is long successful.

Political palaver and trickery tend often to send grossly incompetent men to places of power and influence in public life. But all this is as a child's wayward play compared with the injury being inflicted upon the world by experts in flim-flamming now in public life in various quarters of the globe, but particularly in Washington, D. C., who have made it their life's work to perfect and employ the art of flim-flamming for two purposes. One purpose is to keep themselves and their own in office and in control indefinitely, and the other is to effect changes in our way of living so profound as to amount to making this country over, perhaps making the world over, to comply with their own ideas and ideals.

That these groups are highly skilled in their art is obvious from the length of time that the New Deal has remained in Washington, and in the degree in which its basic ideas have spread across oceans and plains in other

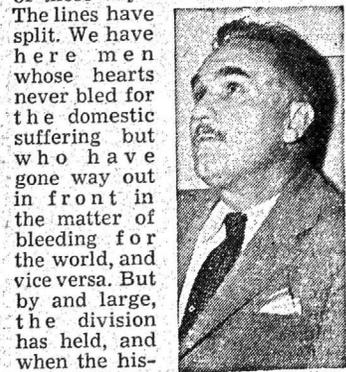
lands. Upon reflection it is about as evident from the success they have already had in changing the face and form of our economy. A dozen years is a short time to conjure up and install all the strange mechanisms of control and direction which have sprung up and flourished since President Roosevelt first went to Washington as President presumably bound by promises to restore and to preserve sanity, real sanity of domestic vintage, in our na-

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From Washington Ahead of the News

By CARLISLE BARGERON

In Washington these days the official and semi-official population, which means, more or less, the officeholders and the newspapermen, are divided into two distinct classes: the world do-gooders and the non-world do-gooders, or the people, who like ostriches, have their heads in the sand. They sprang, each class, from the domestic do-gooders of the early New Deal and the non-domestic do-gooders of those days.



Carlisle Bargeron

The lines have split. We have here men whose hearts never bleed for the domestic suffering but who have gone way out in front in the matter of bleeding for the world, and vice versa. But by and large, the division has held, and when the history of the period is written, it will turn out that of all the profitable industries which American ingenuity has ever devised, the most profitable of all was the business of bleeding not only for domestic impoverishment, but impoverishment and travail all over the world.

With this background, we want to present a current Washington spectacle which is baffling all students of human behaviour, and

particularly of Washington behaviour. One of our most erudite national commentators has just returned from a junket over Europe. Incidentally, the junketing season is now wide open. If you have been in good with the New Deal there is no reason why you should not have an excursion abroad, and be able to tell of the wonders of how you can leave here at noon and be in Paris the next day at the same hour.

This most erudite of our commentators had a delightful trip. But he couldn't enjoy it. He couldn't enjoy it because over there, in Italy, just one of the countries he visited, he observed a soldier reading the "Stars and Stripes," one of the official Army newspapers. Our commentator friend wondered what this boy was finding in this publication, so he subsequently got hold of it to read. And, lo and behold, he saw the story of the near fist-fight on the floor of the House of Representatives several weeks ago between Representatives Rankin of Mississippi and Hook of Michigan. This worried our commen-

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Byrnes Reports on War Production, Reconversion

Holds More Manpower for War Production Still Needed and Urges More Government Economy After V-E Day. Calls for Continuation of Price and Production Controls. Predicts Less Favorable Food Situation and Housing Shortage in 1945. Warns Against Pressure for Public Works in Reconversion Period. Resigns Office and Is Succeeded by Fred M. Vinson.

Director of War Mobilization and Reconversion James F. Byrnes made public on March 31 his second report to the President and the Congress, which he has submitted in accordance with the War Mobilization and Reconversion Act. Text of the official summary of Mr. Byrnes' report follows:



James F. Byrnes

The report points out the accelerated progress of the war since the submission of the first report on Jan. 1, 1945. It is submitted "with high hope for early victory in Europe mixed with profound sorrow at the sacrifices which must be made to accomplish this victory and to defeat Japan."

[On March 24, a few days after filing his report for the year 1944, Mr. Byrnes submitted to the President his resignation as Director of the Office of War Mobilization, stating that he was retiring because "I think VE-Day is not far distant." President Roosevelt announced on April 2 the acceptance of the resignation "with regret" and requested that Mr. Byrnes continue in his office until the Senate confirms the appointment of Judge Fred M. Vinson, the present Director of the Office of Economic Stabilization, who was nominated for Mr. Byrnes' post.]

The report points out that coordinated, concentrated efforts by the production and procurement

agencies have accomplished much in bringing critical war programs into increased production. However, while the output in critical items was increased 11% in January over December and 9% in February over January, actual output was still 4% below schedule in January and 6% below schedule in February.

War Production

Moreover, the gain in critical programs was made somewhat at the expense of other items of munitions, as munitions production, as a whole, was lower in February than for some time.

This production has to be accomplished with a civilian labor force which was dropped in the last three years by 1,800,000, despite the addition of 4,400,000 women workers. Labor shortages not only affect plants making fin-

ished munitions, but also those providing equipment components and materials, and essential services, such as transportation.

Lagging production has made it necessary for various conservation measures to be placed into effect to include a reduction in travel, the suspension of racing, a reduction in the use of electricity in night lighting and the closing of places of entertainment. Temperatures were reduced in public buildings, and our people were asked to save coal in their houses. The response of the public to these measures has been heartening.

These measures are of an emergency nature, and, with the exception of the travel measure, should be withdrawn on VE-day.

Other measures taken to relieve manpower shortages have included the tightening of draft regulations, the stricter issuance of state-

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Post-War Runaway Prices Feared

Allen Sproul, President of Federal Reserve Bank of New York, Urges Continuation of Price Controls. Says Post-War Full Employment Will Require Increase of Private Investment and a 40% Expansion of Consumption. Urges Taking Advantage of Interval Between End of War in Europe and in Pacific to Accomplish an Orderly Transition.

In the thirtieth annual report of the Federal Reserve Bank of New York, Allen Sproul, President



Allen Sproul

of the Bank, calls attention to the dangers of inflation that will face this nation in the immediate post-war period, and advocates retention of price controls in the transition period. He also points out the need for both greater private investment and higher levels of consumption if full employment is to be accomplished in the years following the war.

Conceding that "comparative stability of prices during the war is one of the favorable factors bearing on the post-war period," Mr. Sproul says, "some other features of our wartime economy, raise difficult questions for the future. Last year was again characterized by financial and monetary expansion. The Federal debt rose another 62 billion dollars, commercial bank assets expanded more than 22 billion, and the money supply—the total of bank deposits and currency in circulation—was enlarged by an additional 28 billion. Though civilian consumption reached a new high peak, the volume of

money incomes again exceeded consumption by a wide margin, and the liquid assets of individuals and of business again substantially increased. At the same time the deferred demand for consumer durable goods and presumably also for civilian capital goods not now available continues to pile up.

"What these wartime facts portend for the post-war period is a complex question. Placed on top of an already high level of national income and employment, such as we have at present, such a volume of deferred demand for civilian goods and services, backed up by the large wartime savings and the greatly expanded money supply, would indeed suggest post-war inflation; and it must be borne in mind, at any rate as a possibility, that any large-scale cashing-in of its holdings of Government securities by the public would force these securities into the banks and thus still further expand the supply of money. If such a wave of private expenditure should come before reconversion from war to peacetime production had gone far enough to match it with an expanding supply of goods, there might well develop a runaway rise of prices and all the other disorderly manifestations of an inflationary boom."

"There is," adds Mr. Sproul, "at least enough plausibility in this

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US Chamber of Commerce Endorses Bankers' Stand on Bretton Woods

Approves Report of Robert M. Hanes, Chairman of Its Finance Department, Recommending That Action Be Deferred on the Fund, but Upholding U. S. Participation in the International Bank. Advocates the Bank Undertake Currency Stabilization Function.

Participation by the United States in the proposed International Bank for Reconstruction and Development and deferment of action

upon the proposed International Monetary Fund awaiting a study by the Bank are recommended in a report of the Finance Department Committee of the United States Chamber of Commerce. The report was made public on March 24, with the endorsement of the board of directors of the Chamber.



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Robert M. Hanes

The committee expressed complete agreement with the objectives of the Bretton Woods Conference and favored collaboration with other nations in a program of monetary stabilization, but raised questions as to methods under the proposed Monetary Fund.

In recommending deferment of action on the Fund, the committee suggested that the board of governors of the Bank prepare a program for monetary stabilization upon which the nations can agree, the Bank meanwhile taking the leadership in stabilization activities, including agreements and loans. The Bank was held to have sufficient authority to proceed along these lines under its general powers and under a clause permitting loans and guarantees in special circumstances for purposes other than specific projects of reconstruction and development.

The Finance Department Committee, which is headed by Robert M. Hanes of Winston-Salem, N. C., a former President of the American Bankers Association, acted after consultation with subcommittees of the Chamber's Foreign Commerce Committee and with its Committee on International Post-War Problems.

The recommendations were as follows:

"I. That the United States participate in the International Bank for Reconstruction and Development.

"II. That the board of governors of the Bank make a study of the question of monetary stabilization with a view to submission of recommendations to the nations concerning (a) any necessary broadening of its powers to include the negotiation of stabilization agreements and arrangements for stabilization loans, (b) the International Monetary Fund, or (c) some other mechanism, with operations of the Fund or other agency properly integrated with those of the Bank.

"III. That the Bank assume such interim stabilization activities, including agreements and loans, as may be permitted by its Articles of Agreement, which give definite authorization for loans and guarantees in special circumstances for purposes other than specific projects of reconstruction and development.

"IV. That Congress defer action on the participation of the United States in an International Monetary Fund pending submission of recommendations by the board of governors of the Bank with regard to the stabilization of exchanges."

In elaborating its recommendations, the committee said:

"Both in the field of long-term

credits and otherwise, the Bank could be of assistance in stabilization of currencies. Indeed, emergency loans for stabilization purposes would seem to be possible under a provision of the Articles of Agreement permitting loans and guarantees in special circumstances for purposes other than specific projects of reconstruction and development. The stated powers of the Bank appear to be sufficiently broad to warrant attention to the general problem of currency stabilization.

"The committee has serious doubts as to the advisability or necessity of immediate action by Congress on the plan for an International Monetary Fund. It is of the opinion that further study of this and alternative methods of currency stabilization is desirable. The board of governors of the proposed International Bank would be well fitted to make such a study and to report its recommendations to the nations.

"The committee is not impressed by the argument that any action other than approval of both the Fund and the Bank would require another world conference, with probable failure of the entire program. The only change in the Articles of Agreement for the Bank which would be necessitated by establishment of the Bank in advance of action on the Fund is the elimination of a clause making membership in the Bank contingent on membership in the Fund. No general conference of the nations should be needed to obtain consent to this slight amendment to the Articles of Agreement.

"Establishment of the Bank should be accomplished more speedily under this program than if immediate action by the nations on both institutions were needed. Sentiment with respect to the Bank is favorable in other countries as well as in the United States. Serious doubts as to the Fund have been expressed elsewhere, as in this country. Such recommendations as might be made by the board of governors of the Bank with respect to a permanent stabilization program would carry weight in all the nations.

"The committee's conclusion that action on the Monetary Fund should be deferred is based, first, on various objections appropriate for further study by the board of governors of the Bank, such as are involved in differences of interpretation and opinion with respect to changes in exchange rates, credit rights of the nations, and continuance of exchange controls and bilateral agreements; second, on the apparent recognition that little would be expected of the Fund during a transitional period of from three to five years; and third, on the desirability of awaiting certain highly necessary adjustments in domestic and international policies before setting up an institution in which the process of granting credits might be regarded as somewhat automatic.

"The objections advanced against the Fund are such as to make it impossible for the committee at present to view the plan as meeting the criteria of the Chamber's position on monetary policy.

"Authority for the continuance of exchange controls in the early years of the Fund, limitations

with respect to the use of its resources for relief, rehabilitation and war indebtedness, and the unlikelihood of immediate attainment of certain essential prerequisites, combine to negative any argument for urgency.

"The highly necessary adjustments, which should take place before the Fund could be effective, include the adoption of proper commercial policies and other measures favorable to an expansion of world trade, toward which the Chamber consistently has directed its efforts.

"The committee believes that a deferment of action on the Fund need not prevent the development of a practical program for the post-war stabilization of currencies. On the contrary, it is its belief that such a deferment would lead to a sounder initial valuation of currencies, with an ultimately greater chance for permanent stability.

"The very substantial cost of the Bretton Woods program has not been a determining factor in the recommendations of the committee. There should, however, be full disclosure of proposed post-war loans and other international financial undertakings of the United States as a means of gaining a proper perspective. It is likely that such undertakings will be of considerable magnitude.

"The committee is impressed with the importance of sound management of experienced officials, if an international institution, whether intended for monetary stabilization or long-term credits, is to be successful. With proper management, the nations could have assurance that whatever powers were granted would be exercised with caution. Without such management, incalculable harm might be done.

"Effective management of two world institutions would require a careful integration of their operations. There is a serious question with respect to possible operations of the Fund and the Bank at cross purposes, due to different regulations applicable to them. This is an additional reason for further study of the stabilization program before final action is taken upon it."

In support of its recommendation for deferment of action on the Fund pending a study by the board of governors of the Bank, the committee cited some of the criticisms against the monetary stabilization mechanism.

The committee referred to apprehension expressed in some quarters that the extreme flexibility in exchange rates, together with the authorized continuance of exchange controls and bilateral agreements during the post-war transition period, would result in further instability of currencies and that stability would not be obtained. Widely differing interpretations of the plan in the United States and the United Kingdom, it was stated, provide basis for doubt as to what may be expected.

The committee, in calling attention to a widespread opinion that adequate safeguards in credit extensions are lacking, cited the possibility of excessive borrowing which might lead to collapse of the Fund and adverse consequences to the world economy. It was pointed out that the inference is being drawn that members would consider themselves entitled to the amounts of their quotas and would expect no refunds.

The success of any scheme for world currency stabilization was asserted to be too important to be jeopardized by commencing operations at too early a date. Until domestic and world conditions are more favorable, gradual development of a program under the leadership of the Bank was held to be desirable.

Questions with respect to the

Presents Four-Point Program for Reconversion

Economists Committee on Reconversion Problems Proposed: (1) Elimination of Wartime Controls, (2) Freedom to Establish New Enterprises, (3) a Tax Structure That Will Preserve the Profit Motive, and (4) Enforcement of the Anti-Trust Laws, Without Attacks on Mere Size.

A four-point program to assure the nation of the benefits of free competition in the reconversion of industry from war to peace after victory in Europe was offered today by the Economists Committee on Reconversion Problems.

At the same time the Committee warned that competition cannot provide the stimulus necessary to secure the high level of production and employment essential to future prosperity unless industry is freed from the shackles of government controls and is encouraged to expand output and lower prices.

The Committee, of which Dr. Ivan Wright, professor of economics of Brooklyn College, is secretary, asserted in a statement that only by the adoption of the following measures at the war's end can the powerful spur of competition be secured to accelerate reconversion and assure its success:

1. Restrictive production, distribution and price controls must be terminated immediately at the end of the war, so that output can be expanded by manufacturers, and merchants can be provided with more goods to sell.

2. No obstacles must be placed in the way of new enterprises that wish to enter an industry, and compete with those already established therein, except where public interest calls for reasonable limitations as in air transportation and other public utilities.

3. The tax structure must be reformed so that it will not tend to destroy the profit motive as the mainspring of the national

powers which might be exercised by the Fund, including pressures which could be exerted upon member nations with respect to domestic policies, were stated to require careful study.

Commenting upon the proposed International Bank, the committee said:

"As against the ultraliberal conditions applying to credits through the Fund the proposed International Bank would operate on a strictly business basis. The Bank's outstanding guarantees, participations and direct loans would be limited to a maximum of 100% of unimpaired subscribed capital, reserves and surplus. Loan projects would be investigated and approved only on the basis of a favorable report by a competent committee. Arrangements would be made to ensure that proceeds of loans were used only for purposes intended, with due attention to consideration of efficiency and economy, and without regard to political or other non-economic influences. Consideration would be given to the prospect of repayment. Loans to private borrowers would be guaranteed by a governmental agency. A member nation would have a veto power with respect to loans in its currency. Loans would be made only when not obtainable from private sources.

"The safeguards written into the Articles of Agreement for the Bank tend to minimize the possibility of losses. The policies of the institution would be directed toward the support of rather than encroachment upon private enterprise.

"The Bank, with its broad international representation, would be in a favorable position to study and develop for approval of the nations ways and means of currency stabilization and to bring about the introduction of these plans when they appeared to be feasible and desirable."

economy. Managements should know that if they sell more goods and cut costs, they can retain a sizeable part of the larger earnings that result.

4. The anti-trust laws must be enforced to prevent monopoly and unreasonable trade restraints, except in the public utility fields whereby regulatory agencies with broad control powers exist. But the enforcement of competition and prevention of monopoly should not be confused with attacks on enterprises which have become larger in size because of efficiency.

Such cumbersome wartime devices as production controls and price ceilings are wholly unnecessary and mischievous in peacetime, for competition accomplishes the same purpose more satisfactorily, said the Committee, which has been studying the basic problems that will confront American business in the reconversion to a civilian economy.

"Under a free competitive economy, each businessman makes his own decisions," the Committee stated, "and his own enterprise is the chief sufferer from the consequences of mistakes. Under a controlled economy, a government official makes managerial decisions for an entire industry, or for the economy as a whole. All suffer if he makes an error.

"Government controls over the quantity and quality of production, over distribution and selling prices, will make for higher costs, reduced sales and less employment. Competition, by contrast, compels manufacturer and distributor alike to operate efficiently so as to reduce costs, lower prices and thus expand sales in a competitive market.

"It will be unfortunate indeed, if, during the war, the nation becomes so habituated to government regulations that it will continue to rely upon such controls in peacetime rather than the automatic forces of free competition. Reconversion, following victory in Europe, will provide the test."

UNRRA to Supply Yugoslavia

Herbert H. Lehman, Director of the United Nations Relief and Rehabilitation Administration and Marshal Tito's government in Yugoslavia have come to an agreement which permits Tito's government to distribute supplies, furnished by the UNRRA.

Washington advices to the N. Y. "Herald Tribune" of March 28, discussed the agreement as follows:

UNRRA representatives are, however, to be afforded an opportunity of observing distribution in Yugoslavia "at all stages," it was provided by the conditions. They were signed in Belgrade by Nikola Petrovic, Minister of Commerce, and Roy F. Hendrickson, a deputy director general for UNRRA.

No request for payment is to be made. The director general was disclosed to have "determined that Yugoslavia is not at this time in position to pay with suitable means of foreign exchange for relief and rehabilitation."

The United Nations agency announced that Alan Hall of Australia, acting chief of the UNRRA mission to Yugoslavia, will soon establish headquarters in Belgrade.

Warns Against Reliance on Credit To Foster Foreign Trade

Guaranty Trust Holds That Solution of Credit Problem Does Not Lie in the Proposed International Monetary Fund. Sees Abuses if Operations Are Contrary to Accepted Principles of Credit and Foreign Exchange.

The March issue of "The Guaranty Survey," published by the Guaranty Trust Company of New York, contains an analysis of the post-war foreign trade outlook for the United States. Pointing out that both exports and imports have risen "to levels far exceeding anything in the past," the "Survey" maintains this is no indication that these levels will be maintained after the war, and that if efforts are made to swell foreign markets by too great a reliance upon credit, there are grave dangers ahead.

"Too great reliance upon credit as a means of swelling foreign markets for American products is certainly to be avoided," the article states. "Capital exports undoubtedly can and will be made. Their volume should be determined, however, strictly from the long-term investment point of view, with due weight given to their probable broad economic effects and the prospects of repayment. There will be a strong temptation to use credit as it was used after the last war, as a means of stimulating merchandise exports without considering that in the end imports and services must pay for both the loans and our exports. If such practices should be adopted again, they would probably end, as they did before, in a general international collapse of credit and trade, resulting in heavy losses to American investors."

Referring to the International Monetary Fund as a factor in post-war trade, it is stated:

"Most emphatically, we believe the solution of the credit problem does not lie in the establishment of an International Monetary Fund of the sort contemplated in the Bretton Woods proposals. Much more effective as a means of providing such credit as may be needed to promote exchange availability and finance rehabilitation would be the proposed International Bank for Reconstruction and Development. Such a bank, under proper management, could be of real service in supplying credit of types not suitable for private investors."

Turning to the dangers of the Monetary Fund, the "Survey" continues:

"The Monetary Fund could perform no useful function that the International Bank could not perform as well or better; and it would expose the world, and the United States in particular, to a number of very serious dangers. Its methods of operation would be contrary to all accepted principles both of credit and foreign exchange. They would not prevent countries from adopting inflationary policies at home while continuing to exchange their currencies for others at fictitious parities. They would make possible credit abuses far exceeding those that occurred after the last war."

"In practice, such abuses would be principally at the expense of the United States, since this country would supply a large proportion of the Fund and its currency will probably be most in demand after the war. The United States would, in fact, be placed in the position of agreeing in advance to accept foreign currencies at certain values and to lend foreign countries large sums of money without an opportunity to examine the values of those currencies, the amounts or terms of the loans, or the financial position of the borrowers."

"If the proposals offered prospects of lasting currency stabilization,

its costs, even though large, might be accepted as no more than a reasonable price to pay for such a desirable objective. But the plan would do little or nothing to promote true stabilization, and it might have exactly the opposite effect. Currency stability comes not from exchange-pegging agreements or lavish extensions of credit but from sound economic, monetary and fiscal conditions in individual countries. Balanced budgets, sound money, stable domestic prices, active and prosperous industry—these are the factors that make for stability of currencies. When they exist, no elaborate international mechanisms are needed to stabilize exchange rates. When they do not, such mechanisms are worse than useless.

"One thing seems certain: The optimistic estimates of post-war foreign trade volumes will not be realized if the world allows itself to drift back into the system of prohibitive tariffs, quotas, exchange controls, bilateral clearing arrangements and multiple-currency practices that prevailed during the pre-war decade. These barriers have been subordinated, for the time being, to war-time controls, the need for which will pass with the coming of peace. The post-war transition will present the world with a rare opportunity to rid itself of these restrictions. The process, however, will not be easy, as the reluctance of some of the delegations at Mexico City to consent to tariff reductions has shown; and it probably cannot be accomplished at all without general international agreement. Efforts to reach such an agreement should be directed exclusively at the question of trade barriers, which should be considered on its own merits and should not be made more difficult than necessary by the injection of such highly controversial issues as the Bretton Woods proposals.

"The United States, as the nation with the greatest stake in the restoration and expansion of foreign markets, would be the most logical initiator of such a movement. Our heavy industries, with capacities greatly increased by war demands, probably face drastic curtailment unless large opportunities can be found in supplying capital equipment for the development of new industrial areas in foreign countries. Such opportunities certainly exist, and the principal obstacles to their full realization lie not so much in foreign competition as in the possibility of Government regulations, cartel arrangements, subsidies and other forms of artificial and uneconomic interference. If such restraints can be prevented or discouraged by international understanding at the outset, our foreign trade after the war may bear out the more hopeful forecasts, with immeasurable benefits both to ourselves and others."

New South Wales Tenders

The Chase National Bank of the City of New York, as successor fiscal agent, is inviting tenders for the sale to it of an amount of external 5% sinking fund gold bonds due April 1, 1958; of State of New South Wales, Australia, sufficient to exhaust the sum of \$241,436.63 now held in the sinking fund. Tenders will be opened at 12 o'clock noon on April 9,

Payments in Excess of Ceiling Prices Not Tax Deductible

Joseph D. Nunan, Jr., Commissioner of Internal Revenue said March 29 that dealers in commodities subject to price controls who pay prices above the ceilings established by the Office of Price Administration, cannot have such excess payments considered as deductions in determination of their taxable income. In the audit of income tax returns, he stated, such an excess payment will not be allowed either as cost of goods sold or as an item of expense for deduction from gross income.

Commissioner Nunan called attention to the provisions of the Emergency Price Control Act providing that it is unlawful for any person, under circumstances recited in the Act, "to sell or deliver any commodity, or in the course of trade or business to buy or receive any commodity", in violation of any regulation or order, or in violation of any price schedule, issued in pursuance of the provisions of the Act.

He also referred to various Federal court decisions holding, in effect, that a deduction from Federal income tax should not be allowed where the result is to allow a tax advantage to flow from an illegal expenditure and thus frustrate a sharply defined public policy. He added, to allow an amount paid in excess of the established ceiling price as cost of goods sold, or to allow such an item to be otherwise deductible for purposes of the Federal income tax, would be to allow violators of the Price Control Act to distort the true nature of the payments made and to encourage the consequent disregard of the anti-inflationary policies established by that Act.

Savs. in Ill.-Wisc. Bldg. & Loan Assns.

The rate of increase of savings and investments in insured savings, building and loan associations in Illinois and Wisconsin continued upward in the last half of 1944, and the \$45,222,222 net gain in private shares rolled up a new record, A. R. Gardner, President of the Federal Home Loan Bank of Chicago, reported on March 29. He said that in the 303 such institutions in this district, people had \$453,718,417 invested on Dec. 31, 1944, a gain of 11.7% from June 30.

Maintenance of average reserves and undivided profits at approximately the same ratio to total assets as at mid-years, despite the phenomenal gains in new money flowing in, was reported in a further analysis by Mr. Gardner of the balance sheets of associations which have their shares insured. This is the only group of savings and loan institutions for which these full data are yet available, it was pointed out.

While the total amount of mortgage loans outstanding increased during the last half of 1944, the ratio of such loans to total assets declined from 69.11 to 67.2%. The increasing percentage of assets not finding an outlet in the mortgage loan field is accounted for by rapidly enlarging portfolios of Government bonds and increased cash, both phenomena of the wartime economy.

Mr. Gardner said that the total assets of the associations in these two states which have their share accounts insured by the Federal Savings and Loan Insurance Corporation, went over the half billion mark for the first time as of Dec. 31, 1944.

1945, at the Corporate Trust Department of the bank, 11 Broad St., New York City 15, N. Y.

The State of Trade

Of much significance the past week was the news of the "New Charter for Labor and Management," embracing the principles upon which labor and capital will work for greater harmony and progress between employee and employer, which in turn will promote the common good of the nation as a whole.

The agreement recognizes the rights and responsibilities of both groups and through it labor and management will strive to cope successfully with the big problem of employment and production when our country again returns to an economy of peace.

There are undoubtedly some who will look upon such an agreement as fraught with so many generalities that its failure to go to the heart of the problem of industrial conflict will prove it to be impotent in the promotion of greater unity among men.

One of the root causes of much industrial strife is the lack of true understanding on the part of both groups of each other's problems. In the period of early medieval guilds a just balance between the economic interests of their own members and the common good of society had in a high degree been reached. As wide an opportunity for industrial independence as could well be possible had then been attained. Today, the radical change in our industrial set-up occasioned by the departure over the years in methods of production and the greater use of machinery, of necessity, makes the skilled artisan as well as the unskilled worker more than ever dependent upon business and industry to sustain him.

In seeking to attain security of job and well-being of family, some workers turn to labor organizations as the best means to this end. On the opposite side of the picture we find business and industrial groups such as the United States Chamber of Commerce, the National Association of Manufacturers and like trade groups established in the interests of business and industry. One can find no quarrel with such associations so long as they remain mindful of the common good of society in their administration. Such is the intent and purpose of the new labor and management code recently arrived at.

The new charter of labor and industry has the endorsement of the President and leading industrialists and bankers and was signed by Eric Johnston, President of the Chamber of Commerce of the United States; William Green, President of the AFL, and Philip Murray, President of the CIO. One objection raised against the charter was that of Ira Mosher, President of the NAM, who stated that it was good "as far as it goes but it doesn't go far enough." This objection of Mr. Mosher is not likely to preclude the possibility of cooperation on the part of the association he heads, since two of its officers were signatories to the agreement.

Some insight may be afforded those interested in the charter from the following excerpts of the text which embraces seven principles:

"We in management and labor firmly believe that the end of this war will bring the unfolding of a new era based upon vastly expanded economy and unlimited opportunities for every American.

"This peacetime goal can only be attained through the united effort of all our people. Today we are united in national defense, tomorrow we must be united equally in national interest.

"Management-labor unity, so effective in lifting war production to unprecedented heights, must be continued in the post-war period. To this end, we dedicate our joint efforts for a practical partnership within this code of principles."

The code calls for wages assuring a steadily advancing standard of living, free competition, the right of management to direct operations, the right of labor to organize and bargain collectively,

protection of the individual against unemployment, expanded foreign trade free of subsidized competition, and an enduring peace.

Finally, the charter called for a national committee of business and labor representatives which "will seek to promote an understanding and sympathetic acceptance of this code of principles and will propose such national policies as will advance the best interests of our nation."

Steel Industry—The secondary steel order peak of the war to all appearances has passed this week, since some mills for the first time this year have reported reductions of backlogs. Cancellations have contributed to the overall improvement in the steel production picture. 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, states "The Iron Age" in its currently weekly survey of the steel trade.

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 the past week, 103, was 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 had an important effect on backlogs the past week and were largely from customers who have had their second quarter CMP allotments cut rather than from schedule changes or curtailments. Many civilian manufacturers display a marked reluctance to remove from mill books tonnage for which second quarter authorization has been revoked. As for the mills, their attitude is 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, the conjecture being that cutbacks in the tanker construction program may have created spot openings. Renewal of contracts held by mid-western landing craft builders may offset to a degree this reported setback. Overall Maritime Commission plate requirements give evidence of their oft-rumored slide and by July seem destined to be less than 40% of the July, 1944, level, according to the magazine.

Some plate mills are in active search of business for the third quarter. As an indication of this, one producer stated the past week that his mill will take orders for plates for any month after August. The feeling exists that Maritime reservations of plates will be completely abandoned shortly thereafter.

Expansion of warehouse stocks has occurred as a direct result of the improved situation at the mills made possible by higher production and additional available freight cars. Order volume is being dictated closely by available stocks and March orders will run higher. Delay in shipment of CMP orders by mills continues to throw a larger than usual proportion of production business to the warehouses, "The Iron Age" points out. Some sources indicate that warehouses will get additional galvanized sheets in the future.

Production of galvanized and cold-rolled sheets continues below its peak, because of manpower shortages, while new business in

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The Financial Situation

(Continued from first page)

tional government. The coterie of huge corporations and agencies functioning under, through and with the support of the Reconstruction Finance Corporation; the Securities and Exchange Commission and the half dozen laws under which it now functions on a broad front; the Federal Deposit Insurance Corporation, the several mortgage corporations, the whole system of home loan financing, the several laws and innumerable executive orders concerning employer-employee relationships, the complete turn-about in ideas concerning sound fiscal finance and banking—these are but a partial list. There are many more.

Planning More of the Same

No one who follows Washington developments with reasonable attentiveness supposes for a moment that the elements in Washington and elsewhere who are responsible for all this are as yet stated. Neither is there any reason to suppose that, whatever the protestations now, a determined effort will not be made by these groups to continue permanently after the war is over many of the controls, restrictions and other devices to which the war years have given rise. The intentions and the maneuvers of these day-dreamers are not infrequently portrayed as having dark designs upon us all—indeed of having large, well-developed horns or tusks, or both, and waiting only the opportunity to employ them. It is, however, not necessary to suppose that such is the general rule in order to foresee extensive and very serious damage to the America which we have all known and intended always to have. Many of these individuals are doubtless as sincere as any of the rest of us. They hold certain opinions which Americans as a rule certainly have not held in the past, and we think do not now hold. They would make changes in the American system which, so we believe, would not be countenanced if the people understood what was taking place or what was being planned. If these changes were to be made they would be just as harmful as though those who effected them had evil designs in doing so.

Lack of Candor

The complaint against these so-called reformers is not that they are not sincere, or that they are undertaking changes which they know will hurt rather than help the country, but rather that they are not candid with the public about what they really are trying to do. Were they to lay out a blue print of their master plans and present them to the public in full frankness,

there can be but little question what would happen. Their schemes would be rejected promptly and decisively. But it is not in keeping with the art of flim-flamming the public to call a spade a spade or to tip one's hand prematurely. Even Hitler was far too wise to do any such thing. Little by little, one scheme at a time presented as though it were an isolated and highly special case and supported with ad hominem arguments—that is the technique of the flim-flammers. The program grows little by little with the appearance of apparently unrelated parts, each appealing to some particular element or contingent in the population. Only slowly does the pattern of the scheme become evident—and by that time all but the most alert and independent minded have become so accustomed to much of what has been done, and so many vested interests have been developed that it is difficult if not impossible to do anything about it all.

Propaganda!

Meanwhile the growing stream of propaganda is all but suffocating the public. In Germany, Hitler had his "Propaganda Minister" frankly so labeled. We have them by the dozen, but they carry no official title that would for a moment suggest propaganda. Such machinery called by some other name is a necessary part of the equipment of the flim-flammers, and they know only too well how to use it. By such means the public is gradually led around to the acceptance of a program which is at the same time developing. Slogans and "smear" phrases are coined and put into circulation. They aid greatly in getting the public to accept almost anything without inquiring too pointedly what it is, and in preventing what has been accepted from appearing too shocking to the public once its nature is realized.

Let no one doubt that a program as un-American almost as Nazism is being formulated (or has been formulated) for adoption in the United States once the war is over, or that all these arts of flim-flamming are being arrayed in its support. The plans are bad enough, but they would be relatively harmless were it not for the degree in which the art of flim-flamming the public has been developed within recent years. It is of the utmost importance to find a way to combat the latter. The real problem is to get the facts clearly and calmly before the people. Once that is done—and the flim-flamming exposed—most of the danger of New Dealism would disappear.

Job Relations Inst. Planned for April

Three institutes for instructors, who will conduct job relations programs for the American Institute of Banking in their home chapters, are being planned for April, according to William C. Way, President of the Institute, who is also trust officer of the Central National Bank, Cleveland, Ohio. The AIB is the educational section of the American Bankers Association.

The three April job relations institutes planned for Dallas, Texas; Detroit, Michigan, and Cleveland, Ohio respectively, bring the total number of institutes to nine since the beginning of this year. Institutes already completed were held in New York City, Chicago, Columbus, Seattle, and San Francisco. At Boston, an institute for bank representatives from Portland, Maine chapter, Concord, Massachusetts chapter, Providence, Rhode Island, chapter and Boston chapter is now in progress with William G. Barry, assistant branch office manager of The First National Bank of Boston, as conductor.

During the week of April 2 an institute will be held at Dallas, Texas, with Robert C. Rutherford, assistant to the national AIB secretary, as conductor to train chapter instructors for Houston, Fort Worth, and Dallas, Texas, and Oklahoma City, Oklahoma. Mr. Rutherford is also scheduled to conduct an institute to be held in Detroit for the Michigan area during the week of April 16. Tentative plans have been made for another institute for Cleveland, Ohio during the month.

Institutes for job relations instructors are limited to 10 persons, in order that each of the chapter conductors may be given a maximum amount of individual training and help during the intensive 40-hour course. The job relations program of the AIB is designed to stimulate qualities of leadership among bank people employed in supervisory positions, and to provide them with practical demonstrations of techniques they can use in successfully directing the activities of persons working in their own bank departments.

House Inquiry to Be Made on Immigration, Veterans

Bringing its investigating activities to a probable all time high, the House of Representatives on March 27 submitted for inquiry the post-war problems of immigration and future administration of veterans' affairs.

New York "Herald Tribune," Washington advices of March 27 said:

The inquiry into the immigration laws, their administration and the possibility of revising the quota act after the war, was approved by a record vote of 182 to 113.

The resolution was introduced by the Chairman of the Committee, Representative Samuel Dickstein, Democrat, of New York.

The investigation into the activities of the Veterans' Administration, provided for in a resolution sponsored by Representative John E. Rankin, Democrat, of Mississippi, Chairman of the House World War Veterans Committee, was adopted by a vote of 256 to 4.

FDR Returns From Hyde Park

President Roosevelt returned from his home in Hyde Park, N. Y., after a four-day vacation. Washington Associated Press advices also stated: Upon his return the President went into conference with the British Ambassador, Lord Halifax, and Sir Oliver Lytton and Col. J. J. Llewellyn, who are in the United States to study the food supply situation.

Items About Banks, Trust Companies

The statement of condition of Guaranty Trust Co. of New York as of March 31, 1945, shows total resources of \$3,483,800,314 against \$3,826,161,882 on Dec. 31, 1944, and total deposits of \$3,144,252,438 compared with \$3,441,036,641 three months ago, and holdings of U. S. Government obligations of \$2,159,912,429 against \$2,362,481,367 at the end of the year.

Capital and surplus remain unchanged at \$90,000,000 and \$170,000,000, respectively, and undivided profits total \$45,148,336 as compared with \$42,222,571 at the time of the last published statement, Dec. 31, 1944.

The National City Bank reported as of March 31, 1945, total deposit of \$4,163,630,113 and total assets of \$4,440,199,932 compared respectively with \$4,205,072,012 and \$4,469,686,465 on Dec. 31, 1944. Capital and surplus were unchanged at \$77,500,000 and \$122,500,000, respectively, and undivided profits were \$30,382,534 against \$28,610,465 at the end of December.

The City Bank Farmers Trust Co., the stock of which is owned beneficially by the shareholders of the bank, reported as of March 31, 1945, deposits of \$215,038,166 and total resources of \$245,204,897 compared with \$159,973,276 and \$189,490,753, respectively, on Dec. 31, 1944. Capital and surplus were unchanged at \$10,000,000 each and undivided profits were \$6,556,673 as compared with \$6,332,967 at the end of the year.

The total of deposits for the bank and the trust company together, as of March 31, 1945, amounted to \$4,378,668,279 and the total of assets to \$4,685,404,829 as compared with a corresponding total at the end of the year of \$4,365,045,288 and \$4,659,177,218, respectively.

Net current operating earnings of the National City Bank of New York and of the City Bank Farmers Trust Company combined, for the first quarter of 1945, after provision for taxes, depreciation and amortization were \$4,224,559 compared with \$3,438,297 for the same period in 1944. This represents 68 cents per share in the current quarter and 55 cents per share for the same period in 1944 on the 6,200,000 shares outstanding.

Total earnings, including operating earnings and profits from sales of securities net of taxes, were \$7,046,436, or \$1.14 per share and for the same period in 1944 were \$5,328,111, or 86 cents per share. Security profits, together with recoveries, were transferred directly to reserves.

The Chemical Bank & Trust Company reported as of March 31, 1945, deposits of \$1,224,334,794 and total assets of \$1,327,370,079, compared, respectively, with \$1,398,753,587 and \$1,500,836,755 on Dec. 31, 1944. Cash on hand and due from banks amounted to \$205,637,461 compared with \$252,018,057; holdings of United States Government securities to \$736,400,527 against \$836,557,275; bankers' acceptances and call loans to \$69,513,385 against \$77,035,291; and loans and discounts to \$159,404,148 against \$198,159,376.

Net operating earnings for the quarter amounted to \$2,000,656 as compared to \$1,752,053 for the same period a year ago. Net profits and recoveries on securities amounted to \$975,071, against \$78,145 for the first quarter of 1944.

Capital and surplus were unchanged at \$20,000,000 and \$60,000,000, respectively, and undivided profits were \$11,443,756 against \$10,598,346 at the end of December. The indicated net earnings on the bank's 2,000,000 shares (par \$10) amount to \$0.87 per share for the first quarter of 1945 as compared with \$0.71 per share a year ago.

The Commercial National Bank & Trust Company of New York reported as of March 31, 1945, total deposits of \$224,092,155.24 and total assets of \$248,125,431.10 compared, respectively, with \$244,089,649.95 and \$268,004,596.65 on Dec. 31, 1944. The bank held cash on hand and due from banks of \$46,670,071.41 compared with \$44,263,008.35 on Dec. 31, 1944; investments in United States Government securities of \$160,915,430.64 compared with \$178,102,283.34 on Dec. 31, 1944. Loans and discounts of \$35,250,635.33 compared with \$40,897,678.93 on Dec. 31, 1944.

The bank's capital account was unchanged at \$7,000,000 and its surplus and undivided profit account increased to \$11,378,732.15 from \$11,148,851.37 at Dec. 31, 1944, after payment of the regular dividend. Net earnings per share for the quarter were \$1.06.

Total assets of Clinton Trust Company of New York as of March 31, 1945, increased to \$22,131,330 from \$21,376,233 on Dec. 31, 1944, and \$18,161,884 a year ago, according to the bank's statement of condition at the end of the first quarter of 1945. Deposits on March 31, 1945, amounted to \$20,733,027 compared with deposits of \$20,050,698 three months earlier and \$16,979,875 last year. Surplus and undivided profits of the bank totaled \$573,697 compared with \$514,664 on Dec. 31, 1944, and \$472,563 a year ago.

Loans and discounts as of March 31, 1945, totaled \$2,901,663 compared with \$2,922,011 on Dec. 31, 1944, and \$3,008,258 on March 31, 1944. Holdings of U. S. Government securities totaled \$11,345,874 and municipal bonds \$912,515 against combined holdings of U. S. Government and municipal bonds of \$11,029,605 on Dec. 31, 1944, and \$9,092,382 on March 31, 1944. Cash on hand and due from banks on March 31, 1945, was \$4,629,489 compared with \$4,541,036 three months earlier and \$3,638,708 a year ago.

The Public National Bank & Trust Co. of New York reported as of March 31, 1945, total deposits of \$422,786,360 and total assets of \$448,418,898, compared, respectively, with \$415,525,107 and \$441,608,844 on Dec. 30, 1944. Cash on hand and due from banks on March 31 amounted to \$80,525,666, against \$75,955,645; holdings of United States Government securities to \$253,268,726, against \$257,941,964, and loans and discounts to \$101,579,619, against \$96,041,908. Capital was increased to \$7,700,000 while surplus remained unchanged at \$9,000,000, and undivided profits March 31 were \$4,117,374, after allowing for \$165,000 dividend payable April 2, 1945, against \$4,508,040 at the end of September.

The Irving Trust Co. of New York announced in its statement of condition as of March 31, 1945, that total resources are \$1,188,200,127, compared with \$1,262,589,365 on Dec. 31, and \$1,142,500,005 on March 31, 1944, while total deposits are \$1,066,240,406, against \$1,141,041,213 three months ago and \$1,027,501,094 a year ago. Loans and discounts are now \$214,494,615, against \$267,469,810 and \$213,230,746 while U. S. Government securities at the latest date stand at \$722,085,717, compared with \$747,793,042 and \$680,118,603 last year; the capital is unchanged at \$50,000,000, while surplus and undivided profits are shown as \$108,968,615, March 31, 1945, against \$108,303,328, Dec. 31, 1944, and \$106,881,865, March 31, 1944.

Bank of the Manhattan Company reported as of March 31, 1945, total deposits of \$1,072,419,495 and total assets of \$1,137,014, (Continued on page 1532)

A New Deal Salesman?

"The report looks ahead after the defeat of Japan. It foresees a tremendous demand for materials for reconversion and to restore inventories of consumer goods in this country. There will also be a huge demand from abroad, where destroyed homes and factories must be rebuilt. Foreign trade is essential to our own post-war prosperity. Foreign countries have expanded their gold and dollar assets by more than \$8,000,000,000 since 1940. However, their resources are not unlimited and we must be prepared to make loans to those countries where there is reasonable prospect of repayment.

"The report recommends favorable consideration by Congress of a broad foreign policy, to include the extension and strengthening of the Trades Agreement Act; the establishment of the International Monetary Fund; approval for the establishment of the International Bank for Reconstruction and Development; the extension of the authority of the Export-Import Bank to finance our foreign trade, and the repeal of the Johnson Act, prohibiting loans to governments in default on their obligations to the United States. An active foreign trade is necessary if trade at home is to prosper.

"Production for this war has stimulated new developments in industry and trade. Free enterprise will have its opportunity in utilizing these developments in peace to prove it can provide full employment. Anti-trust laws must be enforced vigorously to prevent monopolies and to protect small producers. Vigorous steps must be taken to stop international cartels designed to maintain price structures at high levels."—From the official summary of the second report of the Director of War Mobilization and Reconversion.

Much more of the same general order, some good, some bad, is included in this remarkable document. It begins to appear that it is a part of the duties of the Director of War Mobilization and Reconversion to "sell" New Deal post-war ideas to the public!

Announce a Management-Labor Code

Labor Organization Heads and Eric Johnston of U. S. Chamber of Commerce Agree on Seven Point Program. Mosher of NAM Holds Provisions Not Specific Enough. Code Praised by President Roosevelt.

On March 28, "A New Charter for Labor and Management" was announced jointly by William Green, President of the American Federation of Labor, Philip Murray, President of the Congress of Industrial Organizations, and Eric Johnston, President of the Chamber of Commerce of the United States. The so-called "Code" contains seven points, upholding the inherent right of management to direct the operations of an enterprise and the fundamental right of labor to collective bargaining. It maintains the principle of "the highest degree of production and employment at wages assuring a steadily advancing standard of living." The following is the full text of the proposed charter:

We in management and labor firmly believe that the end of this war will bring the unfolding of a new era based upon a vastly expanding economy and unlimited opportunities for every American. This peacetime goal can only be attained through the united effort of all our people. Today we are united in national defense. Tomorrow we must be united equally in the national interest.

Management-labor unity, so effective in lifting war production to unprecedented heights, must be continued in the post-war period. To this end, we dedicate our joint efforts for a practical partnership within the framework of this code of principles:

1. Increased prosperity for all involves the highest degree of production and employment at wages assuring a steadily advancing standard of living. Improved productive efficiency and technological advancement must, therefore, be constantly encouraged.
2. The rights of private property and free choice of action, un-

der a system of private competitive capitalism, must continue to be the foundation of our nation's peaceful and prosperous expanding economy. Free competition and free men are the strength of our free society.

3. The inherent right and responsibility of management to direct the operations of an enterprise shall be recognized and preserved. So that enterprise may develop and expand and earn a reasonable profit, management must be free as well from unnecessary governmental interference or burdensome restrictions.

4. The fundamental rights of labor to organize and to engage in collective bargaining with management shall be recognized and preserved, free from legislative enactments which would interfere with or discourage these objectives. Through the acceptance of collective bargaining agreements, differences between management and labor can be disposed of between the parties through peaceful means, thereby discouraging avoidable strife through strikes and lockouts.

5. The independence and dignity of the individual and the enjoyment of his democratic rights are inherent in our free American society. Our purpose is to cooperate in building an economic system for the nation which will protect the individual against the hazards of unemployment, old age and physical impairments beyond his control.

6. An expanding economy at home will be stimulated by a vastly increased foreign trade. Arrangements must therefore be

perfected to afford the devastated or undeveloped nations reasonable assistance to encourage the rebuilding and development of sound economic systems. International trade cannot expand through subsidized competition among the nations for diminishing markets, but can be achieved only through expanding world markets and the elimination of any arbitrary and unreasonable practices.

7. An enduring peace must be secured. This calls for the establishment of an international security organization, with full participation by all the United Nations, capable of preventing aggression and assuring lasting peace.

We in management and labor agree that our primary duty is to win complete victory over Nazism and Japanese militarism. We also agree that we have a common joint duty, in cooperation with other elements of our national life and with Government, to prepare and work for a prosperous and sustained peace. In this spirit we agree to create a national committee, composed of representatives of business and labor organizations. This committee will seek to promote an understanding and sympathetic acceptance of this code of principles and will propose such national policies as will advance the best interests of our nation.

In a letter to Eric Johnston, dated March 9, Ira Mosher, the President of the National Manufacturers Association, expressed general approval of the proposed code "as far as it goes," but called for "a more specific statement." According to the New York "Times," Mr. Mosher, in support of his view, wrote:

"The proposed statement of principles is premature. To obtain wide acceptance, such a statement should be the result of deliberations by a larger and more representative group. Such a group could give consideration as to how the purposes of the statement might be implemented before issuance, which would lend great strength to the words. Otherwise, instead of promoting unity between labor and management, a statement couched in such general terms could easily breed further misunderstanding between them and really not materially assist in formulating sound public policies."

Continuing Mr. Mosher stated: "If we're going to prevent strife in the rapidly approaching post-war period, management and labor are going to have to get down to cases. The seven principles that make up the so-called charter are generalities on which there is already wide agreement. What the people of America want to know is what is going to be done about making them work. This is a job for the Congress, with labor and management furnishing all the practical help that is within their power."

"Furthermore, we must not forget that labor and management are not the only parties involved. All consumers — farmers, housewives, professional people — the whole public are the ones who pay the price. They must have their interests recognized."

In a press conference, Mr. Johnston said that Mr. Mosher had attended one meeting on the plan, but had not responded to two other invitations to conferences, and to this statement, Mr. Mosher has replied "that he was confronted on short notice with ready made proposals."

The "charter" was highly praised by Henry J. Kaiser, prominent industrialist and shipbuilder, who called it a clearcut document, "very heartening and encouraging at this time."

Following the drafting of the "code," a joint letter was sent to President Roosevelt by Messrs. Murray, Green and Johnston, announcing the principles adopted.

7th War Loan to Prompt Sales to Individuals

Secretary of the Treasury Henry Morgenthau on March 20 made public the following letter in part which he has addressed to banking institutions throughout the country:

"The Treasury will open the Seventh War Loan Drive on May 14, 1945, with a goal of \$14 billion. One of the primary objectives of this Drive will be the sale of \$7 billion of Government securities to individuals. This is the largest quota that has ever been set for individuals in a War Loan Drive. As a part of the campaign to raise this amount, an intensive program for the sale of Series E bonds in the plants and factories of the country will begin on April 9.

"The Seventh War Loan will be a continuation of the Treasury's intensified war bond sales program. It is clear that Federal expenditures are going to remain at a high level for some time to come. It is also apparent that funds in the hands of non-bank investors will continue to increase sharply under present conditions. It is highly desirable to channel as much of these funds as possible into Government security investment, and to put them to work in the prosecution of the war.

"To the extent that this objective can be accomplished, the amount of money obtained from the commercial banking system can be reduced. The basket of securities selected for the Seventh War Loan Drive is designed to accomplish maximum investment of non-banking funds, and to hold indirect participation of commercial bank funds to a minimum. With this in mind, the following changes in the pattern and procedure followed in previous drives have been made:

(a) The corporation quota has been reduced from the \$9 billion that was assigned in the Sixth Loan to \$7 billion. This will reduce State and county quotas in proportion and will cut down excessive subscriptions previously entered for speculative or quota-making purposes.

(b) The basket of securities offered to corporations does not contain the 1½% bond that will be available to individuals dur-

"For the first time in the history of our country," the letter stated, "representatives of management and labor have worked out a code of principles which they are prepared to recommend to their respective organizations. We realize that it will have to be improved from time to time to meet practical situations.

"As you will see in the attached copy of this code of principles, we agree to establish a national committee to effectuate the dual objective of cooperation in industry and national prosperity. It is our hope that eventually this committee will include not only management and labor but other segments of our national life.

"The very act of the drafting of this charter is proof positive that free Americans, acting on their own initiative, can unite for peace as well as war. We wish to assure you that we will be happy to keep you advised of what progress we are making."

The President, in reply stated that he was "very pleased to learn of your plans to organize a committee of representatives of industry and organized labor to insure the continued close cooperation between labor and management to win the war and the peace.

"The close cooperation between labor and management during the war has made possible our great and unexcelled achievements in war production. That close cooperation must be continued to make possible the full employment of labor and capital under our system of free competitive enterprise when hostilities cease.

"I hope that you will press forward with your plans and report to me from time to time the progress achieved. I shall be happy to cooperate with you in every way possible."

ing the Drive. It was in the corporate basket and on issues of this type that speculative subscriptions were entered in previous war loans, and substantial purchases of these issues were made with the proceeds of the sale of securities already owned.

(c) Non-bank investors have been requested to refrain from selling securities now owned solely for the purpose of obtaining funds with which to subscribe for the securities offered in the Seventh War Loan Drive. This request is not intended to preclude normal portfolio adjustments.

"I earnestly request your cooperation in the coming drive, (1) in declining to make loans for the speculative purchase of Government securities; (2) in declining to accept subscriptions from your customers which appear to be entered for speculative purposes; and (3) in declining to make loans for the purpose of acquiring the Drive securities later for your own account. If you have any doubt as to the propriety of accepting a subscription for a marketable issue presented through your bank, please submit the circumstances and all available information to the Federal Reserve Bank of your District. That bank, in its capacity as fiscal agent of the United States, will advise you as to the disposition to be made of the subscription.

"I further request your cooperation in declining to purchase outstanding securities from non-bank investors on the understanding or condition that a subscription for a substantially like amount of Treasury securities offered during the Drive will be made through your bank with payment to be made through the War Loan Account."

Previous information concerning the Seventh War Loan Drive appeared in the "Chronicle" of March 15, page 1192.

Redeem Argentine Bonds

Holders of Argentine Republic Ten Year Sinking Fund External Loan 4½% Bonds, due November 1, 1948 are being notified that \$1,311,000 principal amount of the bonds have been drawn for redemption on May 1, 1945 out of moneys in the sinking fund. Upon presentation and surrender on the redemption date at the office of J. P. Morgan & Co. Incorporated, New York, or at the principal office of The National City Bank of New York, or at the principal office of The First National Bank of Boston, payment will be made of the principal amount of the bonds. Interest on the drawn bonds will cease on the redemption date.

On March 27, 1945, \$198,500 principal amount of the bonds previously called for redemption had not been presented for payment.

Swedish Bonds Called

Holders of Kingdom of Sweden 3½% State Loan Bonds of November 1, 1933 are being notified that these Bonds have been called for redemption on July 1, 1945 at 100% and accrued interest, and that from and after the redemption date, interest on the bonds shall cease. The bonds, with November 1, 1945 and subsequent coupons attached, may be presented on the redemption date at The National City Bank of New York, 55 Wall Street, New York City.

Reports of 1942 Income Tax Returns

Treasury's Statement Shows Over 20 1/2 Million Individual Returns With Total Net Income of Almost 79 Billions. Total Tax Liability Was Approximately \$9 Billions or 128% Increase Over 1941.

Secretary of the Treasury Morgenthau on March 31 made public data from "Statistics of Income for 1942, Part 1," compiled from individual income tax returns and taxable fiduciary income tax returns. These data are prepared from the returns for the income year 1942, under the direction of Commissioner of Internal Revenue Joseph D. Nunan, Jr.

The total number of returns filed for the income year 1942 is 36,700,729 an increase of 10,745,928, or 41% over the number filed for the income year 1941. The returns for 1942 comprise 20,513,207 individual returns, Form 1040, an increase of 31%; 16,106,039 optional returns, Form 1040A, for individuals with certain gross income of \$3,000 or less, an increase of 57%; and 81,483 taxable fiduciary returns, Form 1041, a decrease of 4%.

The total net income reported is \$78,889,361,656, a net increase of \$20,021,336,262, or 34% over the previous year. Included in the net income is \$25,715,974,137 gross income reported on Form 1040A which does not provide for reporting the amount of net income. Nearly 64% of the total net increase in net income is accounted for in the income classes under \$3,000.

Taxable returns for 1942 number 27,718,534 and show a net income of \$67,060,861,503, thereby reflecting increases of 58% in number and 46% in net income as compared with 1941.

The number of nontaxable returns for 1942 is 8,982,195 of which 8,819,059 show net income of \$11,828,500,153 (nontaxable because exemptions and credits exceed net income) and 163,136 show a deficit of \$198,598,196. The net income reported on nontaxable returns is 9% less than last year although the number of nontaxable returns with net income increased by 7%.

The total tax liability for 1942 is \$8,926,711,923, an increase of \$5,018,760,922 or 128% over 1941. The tax increase results from the increased normal and surtax rates, the lowered personal exemptions, the increase in the number of returns filed, and also from the generally higher incomes received by taxpayers. The alternative tax decreased because it is no longer applicable when there is a net loss from sales of capital assets.

The average tax for the taxable returns is \$322 as compared with \$222 for 1941 and the effective tax rate is 13.3% as compared with 8.5% for 1941.

The amount and percent of increase or decrease in number of returns, net income, deficit, and taxes for 1942 over 1941 are as follows:

Individual returns and taxable fiduciary returns, 1942 and 1941: Number of returns, net income, deficit and taxes (Money figures in thousands of dollars)

	1942	1941	Increase or Decrease—	
			Number	Percent
Total individual and taxable fiduciary returns:				
Number of returns	36,700,729	25,954,801	10,745,928	41.40
*Net income	78,889,362	58,868,025	20,021,336	34.01
†Deficit	198,598	292,023	-93,424	-31.99
‡Total tax	8,926,712	3,907,951	5,018,761	128.42
Taxable individual and fiduciary returns:				
With net income:				
Number of returns	27,718,534	17,587,471	10,131,063	57.60
*Net income	67,060,862	45,902,894	21,157,978	46.09
†Tax	8,926,712	3,905,625	5,021,087	128.56
‡Normal tax	1,445,042	556,019	889,023	159.89
§Surtax	5,720,130	1,927,715	3,792,415	196.73
¶Alternative tax	\$443,593	1,092,261	-648,668	-59.39
‡‡Defense tax		1,150	-1,150	---
‡‡‡Optional tax	1,317,947	328,479	989,468	301.23
With no net income (Individual returns):				
Number of returns		297	-297	---
††Deficit		7,573	-7,573	---
‡‡‡Alternative tax		2,326	-2,326	---
Nontaxable individual returns:				
With net income:				
Number of returns	8,819,059	8,267,502	551,557	6.67
†Net income	11,828,500	12,965,141	-1,136,641	-8.77
With no net income:				
Number of returns	163,136	99,531	63,605	63.90
†††Deficit	198,598	284,449	-85,851	-30.18

*Net income is the sum of (1) net income on Form 1040A, and (2) in tables including fiduciary returns, Form 1041, the net income taxable to the fiduciary.

†Returns with no net income (deficit) are those wherein total deductions equal or exceed total income. For 1942, these data are based on a sample and not on a complete tabulation as in prior years.

‡Total tax is the aggregate of normal tax, surtax, alternative tax, and the optional tax on Form 1040A, paid in lieu of normal tax and surtax.

§The alternative tax is reported on returns showing an excess of net long-term capital gain over net short-term capital loss, but only if such tax is less than the combined normal tax and surtax computed on net income which includes the net gain from sales or exchanges of capital assets. For 1942, the alternative tax is the sum of a partial tax (normal tax and surtax) computed on net income reduced for this purpose by the excess of net long-term capital gain over the net short-term capital loss, and 50% of such excess.

¶Nontaxable returns with net income on which personal exemption, credit for dependents, and earned income credit exceed net income.

Among the changes in the Internal Revenue Code as amended by the Revenue Act of 1942, which affect the comparability of the income and tax data for individual and fiduciary returns with taxable years beginning on or after January 1, 1942, with data for the previous year are:

(a) The minimum amount of gross income for which a return is required to be filed is reduced from \$1,500 to \$1,200 for a married person living with husband or wife for the entire taxable year and from \$750 to \$500 for a single person, a married person not living with husband or wife for any part of the taxable year, an estate, and a trust.

(b) The personal exemption is reduced from \$1,500 to \$1,200 for a person who, during the entire year, was head of a family, or was married and living with husband or wife; and from \$750

to \$500 for a single person, a married person not living with husband or wife any part of the taxable year, and an estate. The credit on Form 1040, for a dependent is reduced from \$400 to \$350.

(c) The normal tax rate is increased from 4% to 6%, and the surtax rate of 6% of the first \$2,000 of surtax net income, progressing to 77% of surtax net income in excess of \$5,000,000, is increased to 13% of the first \$2,000 of surtax net income, progressing to 82% of surtax net income in excess of \$200,000.

(d) The optional return, Form 1040A, is no longer permitted to be used by a taxpayer receiving rent and royalty income. The deduction on Form 1040A, for a dependent is reduced from \$400 to \$385 and the marital status is determined as of July 1, instead of the last day of the taxable

year. The optional tax is increased to reflect the changes in rates for normal tax and surtax.

(e) Personnel below the grade of commissioned officer in the military or naval forces of the United States, exclude from gross income salary received for active service in such forces to the extent of \$250 if single and not the head of a family, or \$300 if married or the head of a family. The filing of returns is automatically postponed for all members of the military or naval forces serving outside the continental United States.

(f) Amortizable bond premium is a deduction against interest received; and medical expenses paid during the taxable year not compensated for by insurance or otherwise are allowed as a deduction from gross income to the extent that such expenses exceed 5% of net income computed without regard to the medical expense. However, the medical expense deduction is limited to \$2,500 in the case of husband and wife who file a joint return, or the head of a family, and to \$1,250 for all other individuals.

(g) Real estate used in trade or business is removed from the definition of capital assets. The meaning of short-term is changed from 18 months or less to 6 months or less and that of long-term from more than 18 months to more than 6 months. Only 50% of the gain or loss recognized upon the sales or exchanges of capital assets held more than 6 months is taken into account in computing net income; formerly, 66 2/3% of the gain or loss from sales of capital assets held more than 18 months but not more than 24 months, and 50% of the gain or loss from such sales held more than 24 months, were taken into account. Losses from sales or exchanges of capital assets are allowed as a deduction only to the extent of the gains from such sales or exchanges, plus the net income computed without regard to such gains or losses, or \$1,000, whichever is smaller. Formerly, the short-term capital loss was allowed only to the extent of short-term gain; and long-term capital loss was allowed to the extent of long-term capital gain and to the extent of other income which included the net short-term capital gain.

(h) In the computation of alternative tax, the rate applicable to long-term gains from sales or exchanges of capital assets is changed from 30% of the net long-term capital gain to 50% of the excess of net long-term gain over net short-term capital loss. There is no alternative tax in the case of a net loss from sales or exchanges of capital assets, but the deduction for such a net loss is limited as described in (g) above.

The returns included in this report are returns for the calendar year 1942, a fiscal year ending within the period July 1942 through June 1943, and a part year with the greater part of the accounting period in 1942. Returns for which statistics are tabulated are Forms 1040, 1040A, 1040B, and 1041. Tentative returns and amended returns are excluded. Statistics are taken from the returns as filed by the taxpayer, prior to revisions that may be made as a result of audit by the Bureau of Internal Revenue.

Data for individual returns, Form 1040, with net income of \$5,000 and over, and for taxable fiduciary returns regardless of the amount of net income, are completely tabulated from each return. This procedure is followed also with respect to individual returns, Form 1040, with net income under \$5,000 where business receipts equal or exceed \$25,000, while the data for the remainder of such returns and for individual returns, Form 1040A, as well as individual returns, Forms 1040, with no net income are estimated from samples.

The optional return, Form 1040A, which may be filed by an

Industrial Activity Increased Slightly in February Fed. Reserve Board Reports

According to a summary of general business and financial conditions in the United States, based upon statistics for February and the first half of March, issued March 26 by the Board of Governors of the Federal Reserve System, "industrial activity continued to increase slightly in February and the early part of March. Value of department store sales was one-fifth greater than in the same period last year. Wholesale commodity prices generally showed little change." The Board's report went on to say:

Industrial Production

"The Board's seasonally adjusted index of industrial production was 235% of the 1935-39 average in February, as compared with 234 in January and 232 in the last quarter of 1944.

"Steel production, which declined further in the first part of February as a result of continued severe weather conditions, showed a substantial increase at the end of the month and in the first three weeks of March. Average output of open hearth steel during February was 2% above the January rate, while electric steel production increased 7%. Output of nonferrous metals continued to rise slightly in February, largely reflecting increased military demands. Activity in the machinery and transportation equipment industries was maintained at the level of the preceding month; a decline in shipbuilding offset a slight increase in output of most other munitions industries. Production of lumber and stone, clay, and glass products in February was at about the January level.

"Production of most nondurable goods showed little change in February. Output of cotton goods and shoes, however, rose 5% from the preceding month to a level slightly above that of a year ago. Output of explosives and small-arms ammunition showed further large gains. Activity at meat-packing establishments continued to decline, as pork and lard production dropped further and was 50% below the peak level reached a year ago. In March it was announced that supplies of meat available for civilians in the second quarter of 1945 would be 12% less than in the first quarter. Activity in rubber products industries in January and February was 6% above last autumn, reflecting chiefly a sharp increase in production of military truck tires.

"Minerals output rose slightly in February, reflecting increased output of anthracite and a further

individual whose gross income is not more than \$3,000 and is wholly from salary, wages, dividends, interest, and annuities, does not provide for reporting the amount of net income, therefore such returns are not distributed by net income classes. The gross income is tabulated both as total income and net income. The personal exemption shown in the tables is determined from the taxpayer's status as indicated on the return and the earned income credit shown is estimated at 9.4% of the gross income.

The net income used for tabulation and classification of the fiduciary returns is the net income taxable to the fiduciary, that is, after deducting the amount distributable to beneficiaries.

Income from the various sources is the excess of gross receipts over deductions as reported in the schedules on the returns, and the aggregate tabulated for each source is the sum of the net amounts of income from that source, except that income tabulated from the optional returns, Form 1040A, is gross income. Negative amounts reported under income on Forms 1040 and 1041, are transferred in tabulation to deductions, and are included in the amounts tabulated for a specified deduction or in other deductions.

gain in crude petroleum production. Anthracite production recovered in February and the first two weeks of March from a large decline during January. Bituminous coal production showed little change in February from the January level and declined slightly in the early part of March.

Distribution

"Department store sales in February, which usually show little change from January, increased considerably this year. Value of sales in February and the first half of March was 22% larger than in the corresponding period a year ago, reflecting the earlier date of Easter this year and continuation of the freer spending in evidence since the middle of 1944.

"Freight carloadings, which had declined at the end of January and the early part of February owing to severe weather conditions, have increased since that time. Shipments of miscellaneous freight were in larger volume in the 5-week period ending March 17 than in the corresponding period of 1944, while loadings of most other classes of freight were less.

Bank Credit

"Treasury expenditures during February and the first half of March continued to increase the total volume of deposits and currency held by the public. Adjusted demand deposits at weekly reporting banks in 101 cities increased 1.4 billion dollars and time deposits rose about 200 million dollars during the four-week period ended March 14. Currency in circulation increased 350 million dollars over the same period, but declined somewhat in the week following. To meet the resulting increase in required reserves as well as the currency drain, Federal Reserve Bank holdings of the United States Government securities increased 395 million dollars in the four weeks ended March 14, while reductions in non-member and in Treasury deposits at the Reserve Banks supplied 450 millions of reserve funds to member banks. Excess reserves have remained at an average level of about a billion dollars.

"The increase in Federal Reserve holdings of Government securities roughly paralleled the decline in commercial bank holdings. Reporting banks reduced their portfolios by 260 million dollars in the four weeks. Holdings of Treasury notes declined by 1.7 billion dollars while certificate holdings increased by 1.4 billion dollars, reflecting the March 1 Treasury exchange offer. Bill holdings were reduced by 210 million dollars. Bond holdings, however, continued to increase. Total loans for purchasing and carrying Government securities declined by 230 million dollars and commercial loans by 185 million."

War Dept. Appropriations

President Roosevelt on April 2 signed a bill appropriating \$112,450,940 to finance War Department civil functions for the year starting July 1. Associated Press advices from Washington reported on April 2. The bill which passed the Senate on March 21 carries \$44,508,000 for rivers and harbors, \$24,172,000 for general flood control, \$30,000,000 for flood control on the tributaries of the Mississippi and \$2,050,000 for flood control on the Sacramento River, California.

SEC Reports on Individual Savings in 1944

Liquid Savings Estimated at \$40 Billions, Accounted for Mostly by Cash, Bank Deposits and Government Bonds.

The public's latent purchasing power in the form of liquid saving increased by the unprecedented sum of \$40 billion during the year 1944, the Securities and Exchange Commission reported in releasing its quarterly analysis of the volume and composition of saving by individuals in the United States.* This rate of saving was ten times as large as that of 1940, the latest full year prior to our entry into the War. Since the beginning of the war production program in 1940, the liquid resources of American individuals have increased approximately \$120 billion. The proportion of income saved increased rapidly up to the middle of 1942 but has remained relatively constant since that time.

Cash and deposits and U. S. Government securities have accounted for the greater part of current saving during the War period. For the past two and one-half years individuals have been saving close to 25% of their income after taxes in these two forms. At the time of our entry into the war at the end of 1941, accumulated saving in cash and deposits and U. S. Government securities was already at the highest point in history. In the comparatively short period since that time, such accumulated saving has shown an increase of 125%. As of Dec. 31, 1944, individuals' holdings of cash and deposits and U. S. Government securities amounted to the extremely large totals of \$95 billion and \$53 billion, respectively. Of the total of cash and deposits \$22 billion was in currency, \$39 billion in time deposits, and \$34 billion in demand deposits. Individuals' holdings of U. S. Government securities were mainly concentrated in U. S. savings bonds, amounting to \$29 billion in Series A-E bonds and \$8 billion in F and G bonds, with other U. S. Government securities accounting for \$16 billion.

During 1944 individuals added \$17.0 billion to their currency and bank deposits, \$15.5 billion to their holdings of U. S. Government bonds, \$4.4 billion to their equity in Government insurance, \$3.3 billion to their equity in private insurance, mostly life insurance, and \$900 million to their investment in savings and loan associations. At the same time individuals increased their consumer indebtedness by \$300 million and reduced their holdings of securities other than U. S. Government by \$700 million.

The composition of saving in 1944 was similar to that in the preceding year. Cash on hand and in banks was again the largest component of individuals' saving, with U. S. Government securities a close second. The substantial growth in individuals' cash and deposits during 1944 reflected a very large increase in time and savings deposits amounting to an all-time high of roughly \$7.1 billion as contrasted to a rise of \$4.4 billion in 1943. On the other hand, the \$4.7 billion increase in currency and the \$5.2 billion rise in demand deposits in 1944, though large, were actually somewhat smaller than the comparable figures for 1943. The increase in U. S. Governments reflected a \$11.8 billion increase in U. S. savings bonds, and a \$3.7 billion increase in other U. S. Government securities. Both of these figures were moderately above the 1943 level.

One of the more significant developments in the composition of individuals' saving in 1944 was the increase in consumer indebtedness other than mortgages,

amounting to \$300 million.† This may be compared with the reduction in consumer indebtedness of \$1.0 billion in 1943 and \$2.9 billion in 1942. This change from repayment of old debt to incurrence of new debt reflects the fact that the bulk of installment debt previously incurred for the purchase of automobiles and other durable consumers' goods has already been paid off.

As in prior years, the growth in insurance and pension reserves formed an important part of total saving. The increase in individuals' equity in private insurance in 1944, amounting to \$3.3 billion, was \$200 million higher than in 1943, while the increase in Government insurance, amounting to \$4.4 billion, was \$600 million higher than in the previous year. The increase in Government insurance in 1944 reflected a marked rise in the National Service Life Insurance Fund, amounting to \$1.0 billion, as well as a record \$2.7 billion increase in Social Security funds, and \$600 million increase in various Civil Service and Railway retirement funds.

Of the remaining components of individuals' saving in 1944, only the extremely large increase in investment in savings and loan associations, amounting to \$900 million, and the fairly considerable decline in securities other than U. S. Government, amounting to \$700 million, were particularly important. The decrease in individuals' holdings of securities other than U. S. Government was due to a variety of factors including declines in outstanding corporate, foreign, quasi-Government, and municipal issues and an increase in loans for the purpose of purchasing or carrying such securities.

The pattern of individuals' saving in the fourth quarter of 1944 was not much different from saving in previous quarters. Total liquid saving in this final quarter, amounting to \$11.8 billion, was at a new high, reflecting the higher level of income after taxes.‡ In the fourth quarter of 1944 individuals added \$5.4 billion to their cash and deposits and made net purchases of \$4.5 billion of U. S. Government bonds, in large part a result of the Sixth War Loan Drive. This may be compared with the third quarter when individuals increased their cash and deposits by \$6.2 billion and their holdings of U. S. Government bonds by \$2.2 billion. Individuals' indebtedness arising from the purchase of consumer goods rose by \$400 million in the fourth quarter, the largest such increase since the beginning of the War.

*This does not include the change in consumer's indebtedness to unincorporated business, which is estimated to have increased by close to \$100 million in 1944 contrasted with a \$200 million decline in 1943.

†A considerable part of the increase in such income from the preceding quarter was attributable to the postponement of fourth quarter income tax payments to January, 1945.

Irish Free State Bonds In Amount of \$14,000 Called

Holders of Irish Free State (Saorstát Eireann) external sinking fund 5% gold bonds, due November 1, 1960, are being notified that \$14,000 principal amount of these bonds outstanding have been called for redemption through the sinking fund on May 1, 1945, at par. Payment may be obtained at the head office of the National City Bank of New York, American Fiscal Agent, 55 Wall Street, New York.

N. Y. Factory Employment Drops Again in February

Employment in aircraft, shipbuilding, and ordnance plants in New York State dropped sharply in February, accounting for more than one-third of the total loss in factory employment. Civilian goods industries also reported decreases in employment, notably food, textiles, chemicals and many branches of the apparel group. Industrial Commissioner Edward Corsi announced Mar. 19 that manufacturing employment dropped 0.5% between January and February. The advices also stated:

Payrolls declined 0.3%. Outside New York City, the net drop in payrolls was 1.5%. In New York City, however, there was a net rise in payrolls due mainly to gains in most of the apparel industries but partly also to a sharp increase at one war plant.

Compared with February of last year, employment was 8.9% lower while payrolls were 3.4% smaller. Average weekly earnings were \$50.06 in February, \$50.07 in the previous month, and \$47.26 in February 1944. These figures are based on preliminary tabulations of reports from 2,824 factories throughout the State, collected and analyzed by the Division of Research and Statistics under the direction of Meredith B. Givens.

From the Commissioner's advices we also quote:

Further layoffs in aircraft and ordnance plants in February were accompanied by heavy losses in payrolls and hours. For the metals and machinery group as a whole, employment decreased 0.4% while payrolls dropped 1.4%. Employment losses in shipyards were accompanied by higher payrolls because of increased activity at one plant and premium rates paid to men who worked on February 12.

Additional workers were hired in the machinery, electrical equipment, and non-ferrous metals industries. Many steel mills also reported increases.

Industries in the apparel group which normally report seasonal expansion in the month of February are men's tailoring and neckwear, women's dresses, suits and coats, millinery and children's wear. While payrolls were higher in all of these branches, employment dropped in the men's clothing and women's dress industries. Declines in both employment and payrolls occurred in fur goods, accessories, and fabricated textile products. For the apparel group as a whole, employment decreased 0.7%, while payrolls advanced 3.4%.

In the food group, meat packers reported a sharp cut in payrolls with a smaller reduction in employment. Beverage industries also reduced activity. Grain mills and sugar refineries reported increases in employment and payrolls. Every branch of the textile industry had fewer workers except hats, where employment remained at the January level. In the printing industry, newspapers and periodicals reported a moderate decrease in employment which was partially offset by gains in book and job printing. Payrolls, however, dropped 3.3% because many firms were closed on Feb. 12.

In New York City employment decreased 0.7% while payrolls rose 1.5%. The men's clothing and women's dress industries reported losses in employment although seasonal gains are usually expected in February. The declines in these industries were largely responsible for a 0.8% decrease for the apparel group as a whole.

The metals and machinery firms in New York City reduced employment 0.6% but payrolls were 2.3% higher. In the transportation equipment industry heavy employment losses in shipbuilding were partially offset by gains in aircraft. Employment in most of the other war industries changed very little.

Bulk of United Nations Have Agreed to Attend San Francisco Security Conference

France Will Send Delegates, as Well as Syria and Lebanon. Nations Attending May Reach 48. Argentina and Poland Not Yet Invited. Russia and United States Each Ask Three Votes in the International Assembly.

Thirty-seven governments have formally accepted the invitation to send representatives to the Conference of the United Nations on International Organization at San Francisco on April 25, the State Department announced on March 30.

According to a Washington despatch of that day to the New York "Times," the Department also disclosed that Syria and Lebanon, at the suggestion of France, were invited to attend. These countries were under French mandate before the present war but have been given a more independent status since.

The State Department, together with the British Foreign Office, has refused the Russian request that the Lublin-installed Polish Government be invited to attend, holding that in accordance with the Yalta Agreement the rival Polish provisional governments should first come to an agreement in establishing a new regime. Argentina, which recently declared war on the Axis powers, also has not yet been invited to send delegates.

In addition to the delegations already named by Great Britain, New Zealand and Belgium, as reported in last week's "Chronicle," delegations have been named by Australia, Czechoslovakia, Egypt and the Union of South Africa. Russia has announced that Foreign Commissar Molotov will not attend the Conference and that its delegation will be headed by the present Russian Ambassador to the United States, Andrei A. Gromyko.

The Australian delegation will comprise Francis Michael Forde, Deputy Prime Minister, and Herbert Vere Evatt, Minister for External Affairs, who will be accompanied by Sir Frederic Eggleston, Minister in Washington; Lieut. Gen. Sir John Lavarack, head of the Australian Military Mission in the United States; Air Marshal Richard Williams, head of the Australian Air Mission; Comdr. S. H. K. Spurgeon, Naval Attache, and P. E. Coleman, Assistant Secretary of the Department of Defense, and by Senator George McLeay, Liberal Party; Senator R. H. Nash, Labor Party; J. McEwen, Country Party; R. J. Pollard, Labor Party; H. A. M. Campbell, editor of "The Age" newspaper; J. F. Walsh, Federal President of the Australian Labor Party; C. D. A. Odberg, President of the Australian Council of Employers Federation; Dr. Roland Wilson, Secretary, Department of Labor and National Services; W. McMahon Ball, head of the Department of Political Science, University of Melbourne; E. V. Raymond, General Secretary, Returned Soldiers and Sailors Association, and Mrs. Jessie Street, leading member of the Australian Women's Organization, as assistants to the delegation.

The Czechoslovak delegation will consist of Dr. Jan Masaryk, Foreign Minister. John Sophianopoulos, Foreign Minister, will head the Greek delegation. The Indian delegation will be composed of Sir Ramaswami Mudaliar, Sir Firoz Khan Noon, Sir V. T. Krishnamachari, K. P. S. Menon, Secretary, Capt. T. E. Brownson, Deputy Secretary, and John Bartley, legal adviser. Amir Faisal, Viceroy of the Hejaz and Foreign Minister, will head the Saudi Arabian delegation.

The head of the Union of South Africa delegates will be Field Marshal Jan Christiaan Smuts. The Union's Minister in Washington, Dr. S. F. N. Gie, will be a co-delegate.

Prime Minister Mahmoud Fahmy El-Nokrashy Pasha will

lead the Egyptian delegation. He will be assisted by the Minister for Foreign Affairs, Abdel Hamid Badawi Pasha, and by Mohamed Hussein Heikal Pasha, President of the Senate; Ismail Sedky Pasha, ex-Prime Minister; Abdel Fattah Yehia Pasha, ex-Prime Minister; Makram Ebeid Pasha, Minister of Finance; Hafez Ramadan Pasha, Minister of Justice; Wassef Boutros Ghali Pasha, ex-Minister of Foreign Affairs; Aly El-Chamsy Pasha, Director of the National Bank, and Hafez Afifi Pasha, Director of the Bank Misr.

The Vote Question

It was disclosed on March 29 that, as a result of a secret agreement at the Yalta Conference, Russia and the United States will ask three votes each in the Assembly of the projected Security Organization as an offset to the six votes which will be controlled by the British Commonwealth of Nations.

According to a correspondent of the New York "Herald Tribune," Senator Arthur H. Vandenberg, who is a delegate to the San Francisco Conference, "angrily lined up strongly" against the proposal, but it was supported by Congressman Sol Bloom, Chairman of the House Committee on Foreign Affairs, and also a delegate to the Conference. Mr. Vandenberg is reported to have stated:

"I would deeply disagree with any voting proposal, if made, which would destroy the promised 'sovereign equality' of nations in the peace league's assembly as previously proposed at Dumbarton Oaks. This applies to extra votes for us just as much as to extra votes for any one else. This Assembly must continue to be tomorrow's free and untrammelled 'town meeting of the world.' The voice of the great powers will be amply protected in the Council."

In taking an opposite stand, Representative Bloom made the following comment:

"Great Britain would have six votes, including herself, Australia, Canada, India, New Zealand and the Union of South Africa. This arrangement would make it, then, three for Russia, three for us and six for Great Britain. I think it should be six, six and six. We ought to have as big a representation as any one else. In general, we are entitled to get what is proposed in the understanding, and I can't see any reason why it shouldn't be done. If a fellow offered you a million dollars, what would you say?"

Secretary of State Edward R. Stettinius, in his press conference on March 29, stated that the secret pact on the voting quota would not endanger the success of the United Nations Conference, but he refused to go further in an amplification of the statement.

L. K. Garrison Named to WLB

Lloyd K. Garrison, on March 24 was named Vice-Chairman of the War Labor Board, succeeding George W. Taylor, who was recently advanced to Chairman of the Board.

Washington United Press advices in reporting this said:

Mr. Garrison, who is on leave from his post as dean of Wisconsin law school, joined the board in 1942 as general counsel, and was one of the public members of the board at the time of his appointment.

*In this analysis individuals' saving includes unincorporated business saving of types specified in the attached table. Corporate and Government saving are not included. The change in individuals' equity in Government insurance is, however, considered as part of individuals' saving.

Byrnes Reports on War Production and Reconversion

(Continued from first page)

ments of availability and increased efforts to divert workers to higher priority jobs. Procedures have been developed to reduce the extent of contracts in effect in tight labor areas.

The employment ceiling program has been pushed. However, the necessary resort to cumbersome procedures in applying the indirect sanctions available to Government prevents this program from being effective promptly in placing workers where needed.

More Manpower Needed

Turnover continues excessive. It is clear that we do not have a comprehensive, efficient manpower system.

Without such a system, production agencies cannot meet their responsibilities. The need for manpower legislation continues. Controls are necessary not only for war production but also for the production of essential civilian goods; and later, to facilitate reconversion.

In the field of governmental organization, the report refers to the requirement in the War Mobilization and Reconversion Act for a report on the reorganization and consolidation of agencies in the manpower field. It recognizes the need but states that specific recommendations will not be submitted until after Germany is defeated. Any reorganization in this field now would divert from the war effort.

Consolidation of Government Agencies

The need for the consolidation of Government agencies is recognized. The report recommends that the President be authorized, in addition to the powers he now has under the Second War Powers Act, to consolidate and transfer Government agencies as war functions decrease. Such consolidation and transfers would be permanent unless disapproved by Congress within thirty days after they are made.

The report points out that 45 per cent of our total productive output in 1944 was for war. To obtain this proportion, essential civilian programs were reduced to a level which demands an even more delicate balancing of military needs against those requirements which must be met if we are not to impair our war effort.

The Office of War Mobilization and Reconversion has required continuing reviews to be made of all military procurement programs to maintain this balance. In February, 1944, the Secretary of War announced that such reviews had reduced military procurement programs by \$12,800,000,000.

Recently the director, after conference with the commander of the fleet, in the absence of the Secretary of the Navy, and with the approval of the President, took steps to stop the construction of seventy-two naval vessels which did not appear absolutely essential to the prosecution of the war against Japan and were being constructed as an insurance measure.

The director has also stopped the proposed construction of 142 additional Liberty ships and certain high octane gasoline plants which would not come into production until well in 1946. As a result of the reduction of the high octane program, he has requested the cancellation of orders for forty tankers. The Joint Chiefs of Staff have been asked to fix an earlier date than presently used beyond which it will be unnecessary to create new production for a two-front war.

At the request of the director the Army Service Forces have made

a careful review of their requirements for the war against Japan. Reduction in deliveries of finished munitions will be from 15 to 20 per cent in the first three months following V-E day and 40 per cent by the end of a twelve-month period.

The Army proposes to utilize all usable equipment in Europe in the Pacific. This equipment must be repackaged and recreated. While plans have been made to expedite this movement, deliveries from the United States will be needed to support operations in the Pacific until the pipeline from Europe to the Pacific has been filled. Then the need for deliveries from United States production will decrease rapidly.

Reconversion Policies

The report emphasizes the actions which have been taken to coordinate the activities of the several Government agencies having reconversion responsibilities.

When Germany is defeated, our total release of resources from munitions production will be about 20 percent in the first quarter, an additional 5 per cent in the second quarter and still another 5 percent in the third quarter.

Unemployment problems following the defeat of Germany will be temporary in nature. The tremendous backlog of civilian demand, with savings, including war bond holdings, at a total of 140 billion dollars, should quickly provide employment.

The temptation to embark in large public works and other programs designed to provide employment in this period must be resisted, as these programs would interfere with war production and reconversion.

The report points out that production controls must be released as promptly as possible to encourage private enterprise to reconvert with maximum dispatch. The War Production Board plans to relax controls, first through the increased use of "spot" authorizations, secondly through the discontinuance of the Controlled Materials Plan at an early date with the substitution of a simple priorities plan, and thirdly the "open-ending" of CMP while it is continued.

Limitation orders will be released except as required by continuing shortages such as in textiles, paper and pulp, lumber, leather, containers and chemicals. The War Production Board is prepared to take prompt actions to prevent the building of excess inventories and to protect small business. War Manpower Commission controls will be continued in all tight labor areas.

More Attention to Economy

When Germany is defeated we must devote more attention to economy in government. The report states:

"What is necessary to win the war we will do, and as a Christian, humane people, we will gladly do our part to relieve suffering and distress in a war-torn world. However, we must give consideration also to the people who will pay the bills."

The report reviews the basic machinery for partial reconversion on V-E day. It points out that a sound policy governing the placing of cutbacks is now in effect, that experienced personnel is available to settle contracts rapidly and that contractors have also provided trained staffs for this purpose. War Department settlements in February required an average of only 3.4 months as compared with 4.2 months in December. The Navy cut its settlement time from 9.9 months to 6.4 months in the same period.

While the Surplus Property Board was not established until

January, the procedure developed previously by the administrator enabled the responsible agencies to gain valuable experience. The Surplus Property Act is complicated to administer. However, more experience is necessary under the act before specific recommendations can be made to the Congress for its modification.

Much attention has been given to making space available for the quick storage of termination inventory and 15,000,000 square feet will be ready by June in fifty-six centers to meet emergency requirements.

The report points out that the sale of war plants is desirable even before these plants have become surplus if they are to be converted to civilian production quickly. The director has asked the Department of Justice to work with the Surplus Property Board and the Reconstruction Finance Corporation to develop procedures for giving an opinion on such proposed sales under the anti-trust laws. The director recommends that the Surplus Property Board be removed from the direct supervision of the Office of War Mobilization and Reconversion.

Continuation of Price Controls

In discussing economic stabilization, the report emphasizes the necessity for continuing price, wage and rationing controls after V-E Day. So far, economic stabilization has kept the cost of living from rising excessively. In World War I it rose 62 per cent in fifty-two months, whereas in this war it has gone up only 29 per cent in sixty-six months.

The recommendation in the January report that Congress grant the War Labor Board statutory power to make its decisions enforceable is renewed.

The report states that the Director of Economic Stabilization and the Price Administrator have developed a program which is designed after Germany is defeated, to keep prices in check; to keep consumer buying power under control; to keep corporation earnings under control; to hold wages in check, and at the same time to establish prices on newly manufactured goods so as to facilitate reconversion.

Wage Adjustments

The Office of War Mobilization and Reconversion has asked that a special study be made to determine those industries in which hourly wage rates have increased substantially less than the cost of living and hence any sharp decline in hours worked per week would lower the standard of living. The purpose of this study is to determine the adjustments which can be made in these industries in the framework of stabilization policies.

Other than in such instances, we must wait until we know how much of our war productivity has been carried over into peacetime production before wage rates can be increased. Take-home pay in peace equal to take-home pay now being received must have as a foundation a volume of production and consumption of civilian goods equal to our present production and consumption.

The report points out the magnificent job being accomplished by our railroads. However, the tax on transportation will continue until Japan is defeated and unnecessary travel must still be avoided.

The Interagency Deferment Committee, at the suggestion of the Director, has granted a high percentage of deferments to men between 26 and 29 employed in transportation.

VE-Day will provide no immediate relief in either truck or passenger-car transportation. However, a small increase in the basic gasoline ration appears feasible.

Food Supply and Housing

The report points out that a decrease in food supply in the face of increasing demands makes

our situation less favorable in 1945 than 1944. We will not eat as well. However, we will not be hungry and our diet will not be deficient. We must tighten our belts a little. At the same time, we must again call on our farmers for an all-out effort.

In this way we will be able to provide some relief for stricken areas throughout the world without weakening our own military effort and without impairing the health of our civilian population. A proposed reduction in the quantity or quality of the soldiers' ration has been disapproved by the Director.

In discussing construction and public works, the report recommends that private construction be permitted to go ahead before public construction unless the latter is required to support the war against Japan. Lumber will remain scarce for some months and will prevent large-scale production of private housing.

Local unemployment will develop pressure for large public works programs. These should be resisted until Japan is defeated. There is a backlog of \$4,500,000,000 in authorized Federal projects and a total backlog, including private projects, which will reach \$7,000,000,000. The governmental construction agencies should be given funds to prepare plans and specifications in sufficient detail to permit projects being placed under construction rapidly following the defeat of Japan.

Private construction, particularly private housing, should progress rapidly when lumber becomes available. Our loan institutions are in excellent position to finance such a program and Federal authority is available to insure such loans in the amount of approximately \$2,000,000,000.

Federal and State aided low-rent housing programs and rural housing should receive favorable consideration by the Congress.

The director also urges that the Federal Works Administration be provided with the \$35,000,000 approved by the Senate for advance to local authorities to stimulate planning now for projects to be built when Japan is defeated.

Veterans' Reemployment

The report points out the procedures established under the retraining and re-employment administration to aid veterans and released workers. Re-employment committees are available at each of 6,500 local draft boards to help veterans in obtaining their old jobs; 1,500 local offices of the USES are equipped to help veterans find jobs and 27,000 institutions have been approved to furnish education to veterans. Adequate hospital facilities are being provided. State unemployment compensation offices will furnish the veteran with readjustment allowances if he is unemployed. Arrangements have been made to facilitate loans provided for in the G. I. Bill.

The report points out that the section of the Selective Training and Service Act which provides re-employment rights for veterans requires clarification. A special committee appointed by General Hines is studying this problem. The report of this committee will be given full consideration and submitted to the Congress if further legislation appears to be necessary.

The war time facilities of the USES will be retained to find employment for displaced war workers. Provisions have been made for unemployment compensation to care for these war workers while temporarily unemployed. However, these provisions are inadequate. Previous recommendations for their broadening by the Congress are renewed with a note of urgency.

Position of Small Business

The section of the report on small business points out that small manufacturers should be able to reconvert more quickly

than large manufacturers. The War Production Board will see that small business has adequate access to materials. The adoption by the Congress of the Wagner-Spence Bill to amend Section 13B, Federal Reserve Act, to stimulate loans to small business and the extension of the life of the Smaller War Plants Corporation to Dec. 31, 1946, are recommended.

The report reminds us that we will still be fighting a coalition war in the Pacific which must continue to receive lend-lease support. Some of our allies depend almost entirely on certain specific items of military equipment produced in this country. Moreover, they must continue to receive repairs and spare parts for the military equipment which has been furnished them in the past. The volume of lend-lease will decline rapidly, and in fact has already dropped 25 per cent since the Normandy invasion.

Rehabilitation and Foreign Trade

We must provide assistance in liberated countries. Stable Governments cannot develop where people are hungry. A strong world economy is essential to world peace and to a healthy economy at home.

When we assume controls in one or the other zones into which Germany is to be divided, the people of America will not desire to let the women and children under our care starve. Congress should consider at an early date the extent to which funds and aid will be made available for this purpose.

The committee set up to coordinate foreign shipments under the chairmanship of Administrator Crowley of the Foreign Economic Administration will develop a sensible balance sheet.

The report looks ahead after the defeat of Japan. It foresees a tremendous demand for materials for reconversion and to restore inventories of consumer goods in this country. There will also be a huge demand from abroad, where destroyed homes and factories must be rebuilt. Foreign trade is essential to our own post-war prosperity. Foreign countries have expended their gold and dollar assets by more than \$8,000,000,000 since 1940. However, their resources are not unlimited and we must be prepared to make loans to those countries where there is reasonable prospect of repayment.

The report recommends favorable consideration by Congress of a broad foreign policy, to include the extension and strengthening of the Trades Agreement Act; the establishment of the International Monetary Fund; approval for the establishment of the International Bank for Reconstruction and Development; the extension of the authority of the Export-Import Bank to finance our foreign trade, and the repeal of the Johnson Act, prohibiting loans to governments in default on their obligations to the United States. An active foreign trade is necessary if trade at home is to prosper.

Free Enterprise and Cartels

Production for this war has stimulated new developments in industry and trade. Free enterprise will have its opportunity in utilizing these developments in peace to prove it can provide full employment. Anti-trust laws must be enforced vigorously to prevent monopolies and to protect small producers. Vigorous steps must be taken to stop international cartels designed to maintain price structures at high levels.

The report points out the necessity for a tax structure designed to help business. It urges that the reports of the Joint Committee on Revenue, Taxation and the Treasury be presented to and receive the consideration of Congress at the earliest possible date.

Specifically, the Director renews his recommendations for the acceleration of depreciation allowances; to make available to cor-

porations immediately after VE-Day a part of the post-war refund of their excess-profits tax and the corresponding reduction in the compulsory savings provisions in the excess-profits tax; and an increase in the exemption in this tax from the present \$10,000 to \$25,000.

In discussing agriculture, the report refers to the action which Congress has already taken to continue support prices for two years after the first Jan. 1 following the end of the war. It recommends that Congress authorize appropriate administrative agencies to make payments in lieu of support prices when it is determined that such prices are resulting in the accumulation of surpluses.

The enactment of legislation to bring about an orderly expansion of the present school lunch program so that all grade and high school children can participate within the next two or three years is recommended.

The report points out the need for soil conservation and urges that Congress give consideration to this problem. Several agencies within the Department of Agriculture are now authorized to undertake programs of assistance under specific and separate acts of Congress. One program would be better.

Expenditures After VE-Day

The report urges that the Government start reducing expenditures for administrative purposes as part of the process of readjustment as soon as Germany is defeated. It recommends that the Director of the Budget be given authority to determine those agencies in which cuts in administrative expenses may be made and the amounts to be covered back into the Treasury.

The Director of War Mobilization and Reconversion has had an unusual opportunity to become familiar with the operations of our War and Navy Departments. These operations have been conducted with a high degree of unity because of the outstanding character of military and naval leadership and its readiness to compromise and reach agreements in the common interest.

However, procurement supply programs under a unified system could have saved not only dollars but also manpower and materials. Therefore the report recommends that Congress should, at an early date, give consideration to legislation establishing a single department of national defense to become effective when Japan is defeated.

The report refers to the counsel received from the Advisory Board created under the act establishing the Office of War Mobilization and Reconversion and the benefits which have resulted to the Director in his associations with the Board.

In concluding the report, the Director states:

"I know that the American people will continue their full support of our war effort until the military might of both Germany and Japan has been utterly destroyed. They will recognize that the quickest way to ultimate victory lies in the use of overwhelming forces in the air, on the sea, and on the ground, until these forces are no longer capable of armed resistance."

He points out his confidence in the future because "America is still a land of opportunities where our system of free enterprise makes the most of each of these opportunities."

Newsprint Ceiling Raised

The manufacturers' ceiling price of newsprint was increased by \$3 a ton by the Office of Price Administration on March 29. This boost in the price, which is effective immediately, was attributed to the increased costs in the production of pulpwood.

The OPA, in making the third

Post-War Runaway Prices Feared

(Continued from first page)

kind of analysis of possible post-war developments to indicate the paramount necessity of maintaining wartime controls until we can be sure they are no longer needed. But in an over-all view the deflationary implications of our present situation may be more serious. The largest single fact about the post-war period is that there will be a huge decline in military expenditures. It will represent the greatest loss of market in our history. War expenditures will decline from some 80 billion dollars a year to perhaps 6 to 8 billion, and total Government expenditures (including State and local) will fall from over 100 billion dollars to perhaps 30 billion. Government deficits, now of the order of magnitude of 50 billion dollars a year, must be replaced, according to the ideas of many, by a balanced budget (or even by a surplus), while even those who stress the need of further Government expenditures to take the place of the present military program as a means of providing high employment, talk only of relatively modest deficits of perhaps 3 billion dollars a year. How to bring about such a change in Government finances and still provide jobs for all, or nearly all, will surely be one of our major post-war problems."

In discussing post-war economic conditions, Mr. Sproul states that the "one important fact to bear in mind is that with the return to normal conditions it will not be necessary to maintain the wartime level of national income. A large part of what we now produce is not intended to serve any economic purpose, in the usual sense. By reconverting our resources to peacetime uses we can increase both our consumption and our capital equipment even though total production

is declining; and by the resumption of a normal work-week and the voluntary withdrawal from employment of many women and old and young workers who would not normally be employed, we can considerably reduce the dimensions of the employment problem.

"But whether such adjustments, by themselves, will be adequate to solve the problem, particularly after the wave of deferred demand has run its course, seems doubtful. If we are to attain, for example, such a level of post-war national income as the full-employment estimate of 140 billion dollars so widely used in current discussions, we shall need to have not only a great increase of private investment but (what is far more important in terms of comparative magnitudes) an expansion of consumption by at least 40% beyond any level previously known in time of peace and substantially above the current (civilian) wartime level, which is the highest in our history. How this is to be brought about in ways consistent with the preservation of free enterprise, and what measures of cooperation between Government and business it will require are questions deserving the most intensive study."

In conclusion, Mr. Sproul observes that "no one wants to defer the final peace because the new problems it will bring will be hard, but it still seems probable that the war will end in two stages rather than abruptly. We should be able to take advantage of the interval between the end of the war in Europe and the end of the Pacific war not only to make a more orderly transition from a war to a peace economy but also to prepare ourselves for the much more fundamental long-run problems which appear to lie ahead."

N. Y. Stock Exchange Annual Financial Report Shows Net Profit of \$673,758 in 1944

Emil Schram, President Indicates Second Successive Profit Year

In presenting to the members of the New York Stock Exchange the annual financial report of the exchange and affiliated companies, Emil Schram, President, said: "The operations of the exchange showed a net profit of \$673,758 in 1944, compared with \$676,508 in 1943. Although the total share volume on the exchange in 1944 was about 5% lower than in 1943, and although tax expense increased substantially, the net profit was maintained at the previous year's level, due, principally, to improvement in income. The exchange was thereby able to strengthen its cash position for the post-war period which lies ahead and to restore necessary reserves, depleted by the years of attrition and depression through which this business has passed."

The following table was included in Mr. Schram's report:

Net earnings for 1944 compare with the earnings and deficits since 1937 as follows:

Year	Consolidated Net Profit or Loss*	Year	Consolidated Net Profit or Loss*
1944	\$673,758.93	1940	\$981,348.37*
1943	676,508.89	1939	1,149,373.23*
1942	815,972.26*	1938	1,548,417.24*
1941	2,229,560.63*	1937	140,376.73*

Regarding the income and expenses of 1944 Mr. Schram said:

Income

"Total income for 1944 was \$5,465,072, an increase of \$238,224

price ceiling increase, since newsprint came under its control in March, 1942, said that this action would cost American newspaper publishers about \$10,000,000 annually.

United Press Washington advised on March 29 in reporting this also said:

About 25% of the newsprint used in this country is produced in the United States, the remainder coming from Canada and Newfoundland.

over total income for 1943, which was \$5,226,848. Listing fees, which amounted to \$741,759 in 1944, compared with \$583,146 in 1943, were responsible for the larger part of the improvement in total revenue. Interest and discounts showed an increase of \$21,800 during the year, reflecting increased purchases of United States Government securities by the exchange and its affiliated companies. The largest single item of income, receipts from the charge of 1% on net commissions retained by members and member firms from transactions effected on the exchange, totaled \$1,009,155 in 1944, a decrease of approximately \$58,600 from 1943."

Expenses

"Total expenses for 1944 were also higher, being \$4,255,921, compared with \$4,012,091 in 1943, an increase of approximately \$244,000. This increase is accounted for in the following items:

	Increase
Federal Income Tax	\$102,719
Miscellaneous Taxes	84,247
Salaries and Wages	44,980
Printing, Stationery, etc.	21,455
Rents and Accounts Charged off	14,652
	\$268,053

"Other expense items showed a net decrease of \$24,223.

"Federal Income taxes for 1944 are after giving effect to a 'net operating loss carryover' from 1942 of approximately \$546,000,

which reduced the income tax liability for 1944 by approximately \$229,000. The major portion of the increase in Miscellaneous Taxes was due to revisions in the New York State Franchise Tax law changing the privilege period for which such taxes were payable.

"The item of salaries and wages includes a 4% bonus paid to employees in December, 1944. In March, 1945, an additional 2% bonus for 1944 was paid, as permitted under a revised bonus policy adopted by the War Labor Board applicable to the securities brokerage industry.

"The increase in printing, stationery and office supplies reflects larger purchases and higher cost of such items. The rents and accounts charged off were items of many years' standing on the books of the Building Company which were determined during the year to be uncollectible.

"The ordinary expenses of the exchange have been maintained at the levels of the last several years. Although the exchange will continue, in view of the fluctuating nature of its business, to avoid commitments resulting in fixed overhead charges, it will be required to incur larger expenses in certain categories in the next few years."

As to the Gratuity Fund, President Schram said:

"The statement of condition of the gratuity fund shows that the net worth of the fund was \$1,051,920 as of Dec. 31, 1944, a decrease of \$242,167 from a year ago. During the year the Trustees appropriated out of the principal of the fund, pursuant to Section 7 of Article XVI of the Constitution, \$309,150 as a credit against assessments on the deaths of fifteen members during the year. The principal of the fund will continue to be used for this purpose and there will be no net gratuity fund assessments until its net worth is reduced to \$500,000."

It is also noted that the Exchange has supported the sale of war bonds in all of the six war loan drives, and has backed up the statement that "government bonds are the world's best investment" by investing 70% of its total assets in them.

The report also includes, consolidated balance sheets of the New York Stock Exchange and affiliated firms, which are, New York Stock Exchange Building Company, New York Quotation Company and Stock Clearing Corporation, for 1944 and comparative figures for the previous year. Other tables in the announcement are statements of income and expenses, analysis of changes in capital investment and statement of condition and operations of the gratuity fund.

Nine New 4 Star Generals

The Senate confirmed on March 28 nine Army lieutenant generals to be full generals, raising to 11 the number of four star generals on active duty.

United Press Washington Bureau on March 28 in reporting this said:

Five of the new generals hold the permanent rank of major general in the regular Army. They are Brehon B. Somervell, Commander of the Army Service Forces; Joseph T. McNarney, Deputy Supreme Allied Commander in the Mediterranean; Omar N. Bradley, Commander of the Twelfth Army Group in Europe; Walter Krueger, Commander of the Sixth Army in the Southwest Pacific; and Carl Spaatz, Commander of the United States Strategic Air Forces in Europe.

The others, who hold permanent rank as brigadier generals, are George C. Kenny, Commander of the Far East Air Forces; Mark W. Clark, Commander of the Fifteenth Army Group in Italy; Jacob L. Devers, Commander of the Sixth Army Group in Europe; and Thomas D. Handy, Deputy Chief of Staff.

ABA Has Twenty-Seven New Member Banks

Twenty-seven banks were secured as new members of the American Bankers Association during the month of Feb. 1945, as a result of activities of its Organization Committee, according to R. L. Dominick, Chairman of the committee, who is also Vice-President of Traders Gate City National Bank, Kansas City, Missouri.

The new member banks include:

California—Bank of Berkeley, Berkeley.

Florida—Florida National Bank at Coral Gables, Coral Gables.

Illinois—First National Bank, Manlius, Palatine National Bank, Palatine.

Iowa—Farmers Savings Bank, Boyden, Ionia Savings Bank, Iona, Iowa Falls State Bank, Iowa Falls, Farmers Savings Bank, Remsen, Wellman Savings Bank, Wellman.

Kentucky—Hyden Citizens Bank, Hyden.

Maryland—Exchange & Savings Bank, Berlin.

Ohio—Adelphi Banking Company, Adelphi, Central National Bank at Cambridge, Cambridge, Peoples Bank Company, Fort Recovery, Bank of Galena Company, Galena, Iron Bank, Jackson, Millersport Bank Company, Millersport, The Miami Valley Bank, Quincy, The Farmers Bank, Sedalia, First National Bank, Sycamore.

Oregon—Commercial Bank of Tillamook; Tillamook.

Texas—First National Bank, Byers, First National Bank, Bynum, First State Bank, Jarrell, First National Bank, Richland, Harlandale State Bank, San Antonio.

Puerto Rico—Roig Commercial Bank, Humacao.

Un-American Acts Analyzed by Brookings Institution

The Brookings Institution of Washington, which had been requested by the House Committee on "Un-American Activities," headed by Congressman Martin Dies to digest the numerous replies which the Committee has received regarding un-American activities, has formulated four separate acts which would be included in this category. These, according to the Associated Press are:

"1. It is un-American for any individual or group by force, intimidation, deceit, fraud or bribery to prevent or seek to prevent any person from exercising any right or privilege which cannot constitutionally be denied to him either by the Federal Government or by a State government.

"2. It is un-American for any individual to advocate, to conspire or to attempt to bring about a change in the form of government in the United States without following the processes prescribed for that purpose by the Constitution.

"3. It is un-American for any person (secretly) to conspire by any methods, constitutional or otherwise, to overthrow or attempt to overthrow a government of law and to substitute therefore a government vested with complete discretionary power.

"4. It is un-American for any person with the primary intent to advance the interests of a foreign nation or association to take action clearly and definitely against the interests of the United States.

"5. In time of war or threatened war, it is un-American for any person with the intent to interfere with the successful preparation for or prosecution of war."

Year Book of New York Stock Exchange Issued

The annual "Year Book" of the New York Stock Exchange which has recently been released shows that during 1944, 717 of the 864 common stock issues listed on the New York Stock Exchange paid cash dividends aggregating \$2,222,612,000 and 341 of the 395 listed preferred stock issues made cash disbursements aggregating \$369,437,000, a total of \$2,592,049,000. During 1943, 687 common stocks paid dividends amounting to \$2,063,411,000, and 339 preferred issues paid \$344,577,000, a total of \$2,407,988,000. As a result of 1944 disbursements, dividend paying common and preferred stocks listed on the New York Stock Exchange showed a typical yield of 5.0% and 4.7% respectively, based on year-end prices.

A record of common stocks listed on the Exchange which have paid cash dividends consecutively for 25 to 97 years is contained in the report. The Pennsylvania Railroad Company, which made its first payment in 1848, heads the list while the Continental Insurance Co. (N. Y.) and the Corn Exchange Bank Trust Co. with payments of their first distribution in 1854, are next in seniority.

With respect to the number of member firms of the Exchange it is shown that these firms totaled 562 on Jan. 1, 1945, compared with 540 on Jan. 1, 1944; the number of branch offices rose during the year from 773 to 797 on Jan. 1, 1945, and non-member correspondents which maintained direct wire connections with members rose slightly from 2,051 at the beginning of 1944 to 2,057 at the start of this year. Branch offices (797) of member firms on Jan. 1, 1945 were located in 325 cities in 46 states, two territories and five foreign countries.

From the "Year Book" we take the following table showing the number of members of the Exchange, the number of Stock Exchange firms and the number of general and special partners of member firms, as of Jan. 1, 1945:

Members of the Exchange:	
New York	1,163
Out-of-Town	185
Total	1,348
Stock Exchange Firms:	
New York	417
Out-of-Town	145
Total	562
Partners of Stock Exchange Firms:	
Members of the Exchange:	
General Partners	819
Special Partners	24
General and Special Partners	2
Total	845
Other Partners:	
General (Allied Members)	2,078
Special	306
General and Special (Allied Members)	11
Total	2,395
Grand Total	3,240

*27 Memberships held in the names of deceased members.

As of Jan. 1, 1945, says the "Year Book," 811 members of the Exchange had been members for more than ten years. Of these, 284 had been members for more than twenty years; 49 for more than forty years and 6 had held their memberships for more than fifty years.

During 1944, the "Year Book" further reports, 174 applications to list 158 stock and 64 bond issues on the New York Stock Exchange were approved by the Exchange. Of these, 23 applications for 26 stock issues and 1 issue of bonds were by companies not previously represented on the Exchange's list. During 1944, seventy-three special offerings involving 973,694 shares, with a market value of \$32,352,118, were announced. Sixty-three of these offerings, embracing 847,324 shares, with a market value of \$27,205,331, were distributed and ten were withdrawn. Of these latter offerings, 90,862 shares, valued at \$3,681,097, were distributed.

A table in the book compares the solvency record of New York Stock Exchange members with that of all banks in the United States, national banks, and commercial houses. The figures represent percentages of solvency during the indicated calendar years

to the total number of Stock Exchange members, banks, etc., as of June 30th of each year. The solvency record of the New York Stock Exchange members in a summary of 45 year averages was 99.69%, against 98.35% of all U. S. Banks, 99.05% for National Banks, and 99.16% for commercial houses.

The "Year Book" of the Stock Exchange for last year was referred to in our issue of Mar. 30, 1944, page 1337.

Results Of Treasury Bill Offering

The Secretary of the Treasury announced on April 2 that the tenders of \$1,300,000,000 or thereabout of 91-day Treasury bills to be dated April 5 and to mature July 5, 1945, which were offered on March 30, were opened at the Federal Reserve Banks on April 2.

The details of this issue are as follows:

Total applied for \$1,842,559,000.
Total accepted, \$1,316,815,000 (includes \$45,724,000 entered on a fixed price basis at 99.905 and accepted in full).

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

Range of accepted competitive bids:

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

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

(39% of the amount bid for at the low price was accepted.)

There was a maturity of 7/8% certificates of indebtedness on April 1 in the amount of \$4,876,729,000.

Savings & Loan League Appoint Vaile as New Field Service Manager

Douglas C. Vaile, formerly Director of Education of the American Savings and Loan Institute, has been appointed Manager of Field Service of the National Savings and Loan League, trade organization of the savings and loan business, it was announced on March 31 by Arthur G. Erdmann of Chicago, President of the League.

For the past nine years, Mr. Vaile directed the nationwide educational program of the Institute for savings and loan personnel, doubled the Institute membership, established special personnel programs and services for staffs of savings and loan associations, and developed a system of regional conferences for the study and discussion of modern home-financing procedures.

In conjunction with Northwestern University at Evanston, Ill., Mr. Vaile organized the Graduate School of Savings and Loan in 1939, and served as its first dean. In addition to being widely known as a speaker and adviser on training methods and personnel management, Mr. Vaile is the author of the "Handbook of Savings and Loan," and of "Office Procedures and Customer Relations".

President Erdmann said that Mr. Vaile, in his new position with the National Savings and Loan League, will give special assistance to managers of savings and loan associations in cooperation with the government program for veterans' home loans.

Asks Tighter Curbs on Bank Holding Companies

Chairman Eccles of FRB Writes of House Banking Committee to Confine Business of These Concerns to Operation of Subsidiary Banks Only. Measure to This Effect Already Pending in Senate.

The New York "Journal of Commerce" on March 28 published a Washington dispatch stating that Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System has written a letter to Congressman Brent Spence of the House Banking and Currency Committee urging the passage of a bill to tighten the curbs on bank holding companies.

In his letter to Mr. Spence, Chairman Eccles stated that since the board's 1943 annual report was published, "numerous individual banks have importuned the board to offer the precise form of a bill which would carry out the board's recommendations to lend its support to other forms of suggested bills."

"Representatives in Congress have made similar requests. There has been neither improvement nor change in the situation since the report was made which causes the board to feel any less concern, and the abuses described in the report continue unabated and uncontrolled."

Under the proposed legislation as stated by the "Journal of Commerce" bank holding companies would be prohibited from purchasing any more bank stock, except in order to protect existing minority interests who might otherwise have no market for their shares of stock, moreover, the prohibition would not apply to a situation where the holding company already owns more than

50% of the stock of such bank, provided that the same offer to purchase is made to all minority holders. The bill would require bank holding companies within two years to divest themselves of bank stocks acquired after the beginning of 1943.

Accordingly, under the new bill, no holdings in additional bank shares could be made by present holding concerns. It is also proposed to strengthen the present controls over the operations of bank holding companies, by prohibiting "upstream loans" and inter-company sales of securities except under special authorization of the Reserve Board. Managerial fees would be regulated so as to prevent unreasonable charges, as well as dividends not paid from current income. Holding companies would be required to make reports similar to those demanded of the banks which they control.

These recommendations have been made previously by Mr. Eccles in the Annual Report of the Board of Governors of the Reserve System in 1943, and Senator Robert Wagner, Chairman of the Senate Banking and Currency Committee has already introduced a measure in the Senate to amend the Federal Reserve Act to carry out the proposals.

The State of Trade

(Continued from page 1519)

these lines continues to be heavy. Deliveries in 1946 quoted on galvanized sheets are now being approached by fourth quarter quotations on cold-rolled sheets. The most recent development has been the attempt to place a substantial tonnage of galvanized sheets with producers for delivery to France.

New orders to take up the slack made by cancellations are in the main for shell and powder containers. A lack of labor to fabricate more steel than is being received, plus a reliance on inventories appears to be responsible.

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, states the magazine. 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.

There are some indications that mills are watching the war trends carefully in placing orders for iron and steel scrap. No longer are orders placed in a high, wide, and handsome manner in order to encourage shipments. Moreover, mills are carefully scrutinizing incoming shipments, particularly of turnings, and faint grumblings about rejections are being heard.

The American Iron and Steel Institute announced last Tuesday that the operating rate of steel companies (including 94% of the industry) will be 96.9% of capacity for the week beginning April 2, compared with 96.6% one week ago. This week's operating rate represents an increase of 0.3 points from last week's rate, and is equivalent to 1,774,900 net tons of steel ingots and castings, compared to 1,769,400 net tons last week and 1,782,300 tons one year ago.

Business Failures Increase

Commercial and industrial failures in the week ending March 29, reached the highest number of any week in 1945. Dun & Bradstreet, Inc., reports 28 concerns failing against 14 last week and 21 in the corresponding week of 1944. This is only the second time since the spring of 1942 that failures have exceeded those in the comparable week of the preceding year.

The increase among small failures was the sharpest, involving liabilities under \$5,000 where the number of concerns failing was four times that of a week ago. Large failures with liabilities of \$5,000 or more numbered 16 as compared with 11 for the previous week and 10 a year ago.

All industry and trade groups except wholesale trade and commercial service showed an increase from the previous week. Compared with the corresponding week of last year, retail and commercial service remained at the same level while manufacturing failures jumped to over three times those a year ago. Geographically, failures were less concentrated than a week ago. Increases were reported in six regions, with sharp gains over last week occurring in the Middle Atlantic, East North Central and Pacific States.

Two Canadian failures were reported against one in the previous week and two in the comparable week of 1944.

Retail and Wholesale Trade

The volume of all seasonal lines received a good lift the past week for the country as a whole as a result of the exceptionally warm weather. Retail sales were moderately above those of a week ago with shoppers favoring apparel and accessories in the week before Easter. Sales in the above items were at a record level. Retailers reported their inventories lower than usual at this time due in part to increased sales and the difficulty encountered in obtaining sufficient goods. Spring clothing sold exceptionally well with specialty shops and department

stores enjoying a very favorable week. Demand was strong in dresses, suits, coats, blouses and hosiery. Millinery volume was described as excellent and retail shoe stores too, enjoyed a good week with interest largely confined to women's unrationed varieties. A heavy demand was also noted in children's clothing. In men's wear, stores in some areas reflected gains of 20 to 30% over the corresponding week last year.

Hardware and the usual seasonal garden and farm supplies showed a healthy increase over previous weeks and a year ago. A scarcity of selection worked against a very heavy volume of gift, novelty, housefurnishings, and furniture sales the past week.

A slightly higher increase was noted in food volume, although insufficient supplies of meats and other commodities held a trifle under that of last year. Florists reported doing an excellent business.

Retail volume for the country was estimated from 16 to 21% above the high level last year. Regional percentage increases were: New England, 19 to 22%; East, 21 to 26%; Middle West, 15 to 19%; Northwest, 13 to 17%; South, 17 to 21%; Southwest, 22 to 26%; Pacific Coast, 9 to 14%.

Wholesale volume last week continued at a high level with slight gains registered both for the week and over the corresponding period a year ago. The demand was steady and strong in all goods. Soft line sales moved slightly upward in the week and were above those of last year; textile items continue to be scarce. Wholesalers in hard lines report a steady volume compared with previous weeks and a year ago, housefurnishings remain the leading items. Some seasonal lines of hardware were in heavy demand but orders were difficult to fill.

Little or no change was reflected in wholesale grocery and beverage volume from the previous week and last year; supplies of meats and poultry remain below the heavy demand, while trading in fresh fruits and vegetables was fairly active. The demand for canned goods continued large.

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

Climaxing the Easter trade, retail sales showed marked activity for the past week here in New York. The completion of apparel buying saw consumer interest turn to accessories, main floor items, flowers, candy and novelties. Extreme tightness characterized the wholesale market and few buyers were in evidence. The uncertainty surrounding the fate of M-388 and its accompanying maximum average price order worked against fall preparations.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to March 29, 1945, increased 27% over the same period of last year. This compared with an increase of 29% (revised figure) in the preceding week. For the four weeks ended March 24, 1945, sales rose by 27% and for the year to date by 18%.

Food Price Index Unchanged

For six weeks past there has been no change in the wholesale food price index, compiled by Dun & Bradstreet, Inc. Standing at \$4.10 on March 27, the current figure represents a rise of 1.7% over last year's \$4.03, and is identical with that recorded on the corresponding date two years ago.

Only two changes occurred during the week, rye advanced while sheep declined.

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

Steel Operations Increased—Shell and Navy Programs Cut, but Backlogs Still Very Heavy

"Order volume in the steel industry this week was still relatively heavy with some steel companies continuing to report an excess in orders over shipments," states "The Iron Age" in its April 5 issue which further says in part: "Throughout the trade, however, there was this week a definite feeling that the March peak in war orders—perhaps the highest monthly volume in steel history—was beginning to change its shape into a plateau, poised for sharp descent when military cutbacks become numerous after Germany collapses.

"For the first time in many months steel ordering trends were not uniform in all districts. This is partly accounted for by the nature of the steel orders which predominate certain areas or certain companies. In the Chicago district fresh steel business continued to roll in at a high volume, but cancellations were beginning to appear as a result of the cut in second quarter allotments. The bulk of these adjustments, however, is yet to come even though the second quarter has begun.

"At Pittsburgh, the flow of orders has eased somewhat, but one mill reports that its booking were still somewhat ahead of shipments. Cancellations at Pittsburgh are on the upgrade, the result being that monthly carryovers have improved although they still represent a definite production problem.

"Probably indicative of events to come, even before Germany collapses, was the cutback this week in the shell program involving a contract at a plant of the Jones & Laughlin Steel Corp. The Navy cutback on ship construction last week was reflected in rather substantial openings on plate mill schedules.

"It is believed that the Armed Services are actively studying the feasibility of going forward with those cancellations which would not necessarily have to wait until the final blow at Germany succeeds. While there was still some confusion in many official circles this week as to what magnitude the cutbacks would be on VE-Day and as to the speed with which they would be put into operation, general belief was that the Army would take a gradual course in order to mitigate a possible chaotic steel order and production condition in the industry. Nevertheless, there are many who feel just as strongly that cutbacks will reach the mills with such an impact after VE-Day that confusion will, at least temporarily, be the order of the day.

"Steel backlogs were still exceptionally heavy this past week and there was little to indicate that anything but a small dent would be made in them, until military cutbacks made their appearance in much greater volume. Much of this unfilled tonnage, however, will probably never be shipped, as many of the delivery promises on some of these products are extended as far as the fourth quarter of this year and the first quarter of next year. Despite the prospect for heavy inroads being made in steel order volume and backlogs after VE-Day, any decline in the entry of new business and in the production of steel will be due to the necessity for readjusting mill schedules rather than due to lack of demand.

"Plate producers are currently interested in a new gas pipeline project to run from Oklahoma to Detroit, a distance of nearly 1,300 miles. Because of the tightness in the seamless tube picture, it is expected that the line will be made from welded pipe and will require about 250,000 tons of steel. Plans presently call for construction to begin May 1. The order will consist of about 65 miles of 20 inch, 300 miles of 22 inch, and 900 miles of 26 inch welded pipe.

"It is reported that 875 railroad cars have been authorized and scheduled for construction by WPB this past week.

"The expected steel price adjustment by OPA on steel prod-

ucts in addition to those announced on Jan. 11, seemed early this week to have struck a snag. Steel sources had expected that new price adjustments would probably be permitted by at least April 1. Further conferences on the problem may be necessary and it is hinted in Washington circles that final action by OPA on steel price adjustments may be held in abeyance until after VE-Day. However, on the basis of past history definite conclusions as to what OPA will or will not do, or if they will do it, or when they will do it, must remain purely within the realms of speculation."

The American Iron and Steel Institute on April 2 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 96.9% of capacity for the week beginning April 2, compared with 96.6% one week ago, 95.9% one month ago and 99.5% one year ago. The operating rate for the week beginning April 2 is equivalent to 1,774,900 tons of steel ingots and castings, compared to 1,769,400 tons one week ago, 1,756,500 tons one month ago, and 1,782,300 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on April 2, stated in part as follows: "Cutback in the new Navy program from 84 to 12 combat ships caught the steel and shipbuilding industries by surprise and is causing heavy steel order cancellations, some of which will affect rolling schedules as early as April.

"With this curtailment also came indications that at the suggestion of the Navy the Maritime Commission may cancel orders for 40 tankers, requiring about 4,500 tons of steel each, half of which were to be built by Sun Shipbuilding & Dry Dock Co., Chester, Pa. The 12 ships remaining on the program will be built on the Pacific Coast by Kaiser and Todd yards. Cause of the decision to eliminate so many ships is said to be that naval losses have been much lower than had been expected.

"Despite removal of this large tonnage the War Production Board has not slackened its pressure for steel, in spite of indications that the European phase of the war may be near its end. Special efforts are being made to screen second quarter requirements closely. Allotments in some cases are being cut further to make room for more important work. The board is following up reductions to assure that affected consumers do not delay in advising mills of withdrawal of their validations.

"Hot-rolled pickled sheets and strip are in particularly critical situation, as pickling facilities are inadequate to meet demand for most urgent war requirements, including the Navy bomb program. As a result, warehouse stock orders for these products validated for second quarter have been cut to half, in addition to recent order to jobbers to reduce warehouse load on hot-rolled pickled for third quarter by 50%. Second quarter reduction, it appears, will cut orders of all distributors by half but the third quarter cut will apply less evenly, apparently. It is the interpretation of some producers that warehouses which have placed orders for third quarter will receive full requirements until mill load is absorbed, leaving those whose orders were not entered early with-

From Washington Ahead of The News

(Continued from first page)
tator friend tremendously because undoubtedly the doughboy had read it and what would he think of the home front. Our commentator came back terribly dissatisfied with the home front. We are not making the necessary sacrifices.

The question naturally arises as to what this doughboy, assuming he is so sensitive as to our home front doings, is wondering about the blow-up of Jimmy Byrnes. That it was sudden, there seems to be no doubt. His resignation, made public on April 2, was dated March 24. But on Saturday, March 31, he assured a press conference that, regardless of his own desires, he intended to stick to his job until the war's end in Germany.

The fact that he had been chafing at the bit ever since he got the runaround in his Vice-Presidential ambitions at Chicago, has been well known. He seems to have been burned up ever since that time. Because of this, he seems to have set out to make himself as hard-boiled, deliberately, as a man could. First, he espoused the manpower legislation. The funny thing about that was that he didn't exactly espouse it. He said, in his periodical report to Congress several months ago, that the manpower draft was what we should have, but he realized that no such thing was possible with Congress, therefore he was not recommending it. On top of his words, the President, who had never shown any vigor for a manpower bill, came out wholeheartedly for it and a manpower bill in Congress evolved. And it became known as the Byrnes Manpower Bill. He had never recommended it, just said that it was what we should have.

As he became more and more to be identified as the author of the bill, he seems to have taken the attitude that, o. k., if the Administration, which had double-crossed him at Chicago, wanted to be hard-boiled, he would show it how to be. In quick succession he came up with the ban on racing and subsequently the curfew. The squeals from patriots and dogooders really increased.

The well-grounded impression as this is written, is that Jimmy, being held in his job against his will pretty much ever since the Chicago Convention, was out to make the Administration just as unpopular as he could. What was his experience? He was being blamed alone. He was being blamed for the manpower bill which he did not recommend. In New York, the Roosevelt-supporting night-club operators said they were quite sure their hero knew nothing about his curfew.

Then on last Saturday Jimmy, who has been the darling of Washington newspapermen and politicians, announced that the curfew and the racing ban would be lifted after VE-Day. But we needed the manpower bill, he said, for reconversion as well as war. On the Hill, the friends of the bill hit the ceiling and announced that with such foolish statements the bill was dead. Jimmy, who has never let himself in for so much unpopularity in all his life, whose whole career has been based on his popularity, decided quickly, irrespective of the date of his resignation, that it was time to quit.

Even more disconcerting than this confusion on our home front to the doughboy of our commentator's acquaintance, however, should be what is happening to the great Dumbarton Oaks pageantry. The amazing thing about

out any tonnage. Third quarter nail shipments to warehouses are also cut to 50% of former allocation."

Draft Extended Another Year

The House Military Committee on March 22 unanimously approved a one-year extension of the present draft law, while the Senate Military Affairs Committee also extended the law on March 28. The present draft law, passed in 1940, would have expired on May 15, and is now extended until May 15, 1946, but can be cut short if the war ends before then.

At first it was believed that the House committee would demand an amendment to the present law, which defined a definite training period before a draftee could be sent into the battle area. Major General Idwal Edwards, in charge of training, who was heard in support of the present bill, along with Major General Stephen G. Henry, in charge of personnel, said that the current need for replacements had resulted in a policy by which the physically fit men were sent into combat within five months of their induction, regardless of their age.

There has been a case, General Edwards said, of a man being killed in action five months and nine days after induction.

Major General Lewis B. Hershey, Director of Selective Service, was also waiting to testify in support of the bill, but was not called.

In the Senate Military Affairs Committee Senator Chapman

Revercomb, Republican of West Virginia, also tried unsuccessfully to win approval of two amendments to the Selective Service bill. One would have forbidden combat assignments of boys under 19. The other would have set the age limit at 18 years and six months. However, the extension was passed unanimously in this committee also.

Following the House committee's extension of the law the White House announced that draft calls may drop an average of 31% after July 1.

President Roosevelt, sending up a request to Congress for \$54,500,000 to finance selective service for another fiscal year, said this contemplated an average draft call of 93,000 a month.

This compares with a figure of 135,000 which Major General Stephen Henry told the House committee is the expected average from now until June.

James M. Cox Optimistic on World Peace

Democratic Presidential Candidate in 1920 and Supporter of Old World League, Says Present Peace Structure Is Based on Principles Enunciated by Woodrow Wilson.

In an interview granted the Associated Press in Miami, Fla., and published in the New York "Times" on March 31, James M. Cox, who was the Democratic presidential candidate in 1920, and who supported the adherence of the United States to the League of Nations, expressed optimism regarding the prospects for a long continued international peace.

"A new age opens before us. That shouldn't be alarming," began Mr. Cox. "Every generation has a new world to face. We confront swifter change than in past times, but we have better means of adjusting ourselves. Man's life has been an age-long struggle to rise to larger stature. Some have succeeded in the adjustment and have gone forward progressively. Others have missed the mark and vanished from the race.

"A constant evolution has been going on. It has taken ages to develop our civilization and there are ages yet to go. All this tells us we must be patient, yet everlastingly at the present pressing task."

Regarding the future Mr. Cox remarked, "We enter into the strange new day in the midst of widespread grief and desolation, yet with every prospect of new and better things ahead. There is promise of long continued and

this is that it is not those ostrich-in-the-sand people, those evil-doers, who are trying to blow this up, who are trying to torpedo it. It was not they who dug up the fact that Russia demanded at Yalta that she have three members of the assembly of this great peace tribunal of tomorrow. You would expect these evil-doers to be jumping on something like this, to be jumping, also, on the fact that Stalin intends to send only his Ambassador instead of his Foreign Minister to the San Francisco Conference, or to appear himself. You would expect the ostrich-in-the-sand people to be shouting to the heavens.

But the fact is that it is not they. The do-gooders are the ones that are screaming; it is they who are demanding that the San Francisco Conference be postponed. Their opponents have never been much concerned, assuming it was the bunk in the first place. Is it possible that the do-gooders and broad-minded people are becoming disillusioned over the world leadership which they have followed?

perhaps permanent international peace. The world has been punished and in a chastened spirit has come to its senses at last.

"We shall have the benefits of scientific achievements. The mysteries of nature are one by one being solved and the material way of life, if we manage well, will be easier and happier. We have won many battles against disease and shall win many more. Because of this, we shall be a happier people, for health brings happiness. A healthy body, moreover, promotes that wholesome state of mind which begets understanding and harmony among men and nations."

When questioned as to the rejection of the old League by the United States as leading to the present war, Mr. Cox is reported to have said, "This war did not need to be. The conviction of that fact will grow as we demonstrate that an outlaw nation cannot run at large, and that disputes can be settled without resort to war. Time will reveal even more clearly than it has already done that the conspiracy which wrecked the project for peace after the first World War was the most tragic and sinful chapter in our history.

"I sometimes hear it said that in the coming cooperation of nations for peace, the errors of Woodrow Wilson will be avoided. The whole structure that is being built now is laid out from the blueprints imbedded in the mind and soul of that martyred President. There will be changes in detail, but not in principle.

"Time brings its compensations. The wisest of men is the county coroner who gets the last look at things. Those who would cast discredit on Woodrow Wilson are only trying to cover up their own guilt in the conspiracy of 1919. If there still be active now some remains of the sinister movement of that time, it must be because an enduring peace will expose the wrong which they accomplished then. If a League of Nations succeeds today, it would have succeeded had these political plotters given it the chance a quarter of a century ago."

Wholesale Prices Unchanged for Week Ended March 24, Labor Department Reports

Lower prices for cattle and for white potatoes at New York together with minor decreases in the grain and cotton markets did not influence the Bureau of Labor Statistics' index of commodity prices at the primary market level. The U. S. Department of Labor announcement of March 29 stated: "The all-commodity index remained unchanged for the third consecutive week at 105.1% of the 1926 average. In the past four weeks the index has risen 0.3% to a point 1.4% higher than at this time last year."

The report went on to say:

"Farm Products and Foods"—Led by a decline of 0.7% in the livestock markets, average prices for farm products dropped 0.3% during the week. Quotations for cows were off 4% and steers nearly 1%. Rye, wheat and cotton declined fractionally. White potatoes at New York dropped sharply and somewhat lower prices were reported for potatoes at Boston and for apples. Prices for a few important farm products rose during the week. No. 3 yellow corn at Chicago and calves advanced less than 1% and increases of from 2.5% to a little over 5% were reported for citrus fruits, sweetpotatoes and white potatoes in the Chicago market. Since the end of February, average prices for farm products have advanced 0.5% and were 1.9% over the level for the corresponding week of last year.

"As a result of declining markets for apples and potatoes, average prices for foods dropped 0.1% to their level of a year ago. In the past four weeks, prices of foods in primary markets have risen 0.4%."

"Industrial Commodities"—Industrial commodity markets continued steady. Sales realizations on maple flooring advanced 1% and prices for sand and lime were fractionally higher. Turpentine rose 0.6%. These changes were not sufficient to affect the index for the building materials group which now stands nearly 17% above the 1926 average. Heavy supplies of ergot forced prices down 7.5%.

The Labor Department included the following notation in its report:

Note—During the period of rapid changes caused by price controls, materials allocation, and rationing, the Bureau of Labor Statistics will attempt promptly to report changing prices. The indexes must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports.

The following tables show (1) indexes for the principal groups of commodities for the past three weeks, for February 24, 1945 and March 25, 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 17, 1945 to March 24, 1945.

WHOLESALE PRICES FOR WEEK ENDED MARCH 24, 1945 (1926=100)

Commodity Groups—	3-24			3-17			3-10			2-24			3-25			3-17			2-24			3-25		
	1945	1945	1945	1945	1945	1945	1945	1945	1945	1945	1945	1945	1945	1945	1945	1945	1945	1945	1945	1945	1945			
All commodities	105.1	105.1	105.1	104.8	103.7	0	+0.3	+1.4																
Farm products	127.0	127.4	127.1	126.4	124.6	-0.3	+0.5	+1.9																
Food	104.5	104.6	104.5	104.1	104.5	-0.1	+0.4	0																
Hides and leather products	118.2	118.2	118.1	118.0	117.5	0	+0.2	+0.6																
Textile products	99.2	99.2	99.2	99.1	97.3	0	+0.1	+2.0																
Fuel and lighting materials	83.9	83.9	83.8	83.8	83.6	0	+0.1	+0.4																
Metals and metal products	104.3	104.3	104.3	104.3	103.8	0	0	+0.5																
Building materials	116.9	116.9	116.9	116.9	114.6	0	0	+2.0																
Chemicals and allied products	94.9	94.9	94.9	94.9	95.0	0	0	-0.1																
Housefurnishing goods	105.2	106.2	106.2	106.2	105.9	0	0	+0.3																
Miscellaneous commodities	94.4	94.4	94.4	94.1	93.3	0	+0.3	+1.2																
Raw materials	116.0	116.3	116.2	115.7	114.0	-0.3	+0.3	+1.8																
Semimanufactured articles	94.9	94.9	94.9	94.8	93.5	0	+0.1	+1.5																
Manufactured products	101.8	101.8	101.8	101.6	100.7	0	+0.2	+1.1																
All commodities other than farm products	100.3	100.3	100.3	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	98.3	0	+0.1	+1.1																

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM MARCH 17, 1945 TO MARCH 24, 1945

Increases		Decreases	
Paint and paint materials	0.1		
Livestock and poultry	0.7	Drugs and pharmaceuticals	0.1
Fruits and vegetables	0.2	Other farm products	0.1

Electric Output for Week Ended Mar. 31, 1945 1.8% 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. 31, 1945, was approximately 4,329,478,000 kwh., which compares with 4,408,703,000 kwh. in the corresponding week a year ago, and 4,401,716,000 kwh. in the week ended Mar. 24, 1945. The output of the week ended Mar. 31, 1945, was 1.8% lower than that in the same week last year.

PERCENTAGE INCREASE OVER PREVIOUS YEAR Week Ended

Major Geographical Divisions—	Mar. 31	Mar. 24	Mar. 17	Mar. 10
New England	0.4	3.7	0.1	0.5
Middle Atlantic	6.2	3.0	3.5	2.8
Central Industrial	0.2	1.8	0.9	1.7
West Central	6.1	5.3	5.9	7.3
Southern States	4.6	3.6	4.9	6.3
Rocky Mountain	7.4	10.0	7.5	5.6
Pacific Coast	6.5	2.1	0.1	2.1
Total United States	1.8	0.2	0.1	0.5

*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	1,689,250
Feb. 24	4,473,962	4,444,939	+ 0.7	3,892,796	1,519,679	1,706,719
March 3	4,472,110	4,464,886	+ 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	4,403,159	- 0.2	3,928,170	1,480,208	1,679,593
March 31	4,329,478	4,408,703	- 1.8	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.

Report on Ownership of Demand Deposits

The survey of demand deposit ownership conducted by the Federal Reserve System as of January 31, 1945, indicates, as did the previous survey, that individuals are still adding large amounts to their holdings of demand deposits. The expansion in individuals' holdings of demand and time deposits and of currency during the six months was greater than in any comparable period. Farmers' demand deposits also increased, but seasonal influences undoubtedly account for part of this rise. Unincorporated business, especially trade concerns, has also continued to expand its deposit holdings. Balances of corporations, exclusive of those engaged in trade, show little gain.

During the six months ended January 31, 1945, individuals other than farmers added an estimated 2.3 billion dollars to their demand deposits, a 16% gain. This lifted their total to 16.7 billion dollars, as shown in the following table. Farmers' deposits were also up 700 million dollars.

Ownership of Demand Deposits of Individuals, Partnerships, and Corporations

	Dollar Amount		Change, July 1944 to January 1945
	January 1945	July 1944	
Nonfinancial business	35.3	33.0	+2.3
Financial business	5.1	4.7	+0.4
Farmers	4.7	4.0	+0.7
Other persons	16.7	14.4	+2.3
All other	4.1	3.5	+0.6
Total	66.0	59.6	+6.4

Demand deposits of all domestic business firms increased an estimated 2.8 billions, or approximately 8%. Over one-half of the total business increase went into accounts of wholesale and retail trade establishments.

In addition to this substantial increase is personal demand deposits, time deposits and currency in circulation, both of which are held largely by individuals, increased an estimated 4.0 and 2.6 billion respectively. Thus, during this six months' interval, individuals, including farmers, increased the cash holdings by nearly \$10,000,000,000.

The division of business balances between corporate and other types of organization showed that the relative growth of unincorporated business holdings during the past six months was substantially greater than that for corporations. Corporate business balances increased about 5%, whereas noncorporate business balances increased 15%. Trade and service establishments accounted for a large part of the growth in each of the categories.

National Fertilizer Association Commodity Price Index Steady With Only Slight Decline

The weekly wholesale commodity price index, compiled by the National Fertilizer Association and made public on April 2, fractionally declined to 140.0 in the week ending March 31, 1945, from 140.1 in the preceding week. A month ago the index stood at 139.8, and a year ago at 137.0 based on the 1935-1939 average as 100. The Association's report went on to say:

Lower quotations in the farm products group were responsible for the small decline in the all-commodity index, with declines in each of the three sub-groups of this group index. Cotton declined slightly. Corn and rye prices were lower causing a moderate decline in the grains index. Quotations for good cattle and lambs were also lower resulting in a small decline in the livestock index. The textiles index declined fractionally. Quotations for news-roll paper advanced during the week causing the miscellaneous commodities group to advance. This rise was not sufficient to change the industrial commodities group index. All remaining groups in the composite index were unchanged.

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

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association

1935-1939=100*

% Each Group Bears to the Total Index	Group	Latest Preceding		Month Ago	Year Ago
		Week Mar. 31, 1945	Week Mar. 24, 1945		
25.3	Food	141.6	141.6	141.2	137.8
	Fats and Oils	145.3	145.3	145.3	146.1
	Cottonseed Oil	163.1	163.1	163.1	159.6
23.0	Farm Products	165.6	166.1	165.3	156.4
	Cotton	206.4	207.3	207.2	200.6
	Grains	162.9	163.7	163.7	164.8
	Livestock	159.9	160.3	159.4	146.4
17.3	Fuels	130.4	130.4	130.4	130.1
10.8	Miscellaneous Commodities	133.7	133.4	133.4	132.2
8.2	Textiles	156.0	156.1	156.1	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	140.0	140.1	139.8	137.0

*Indexes on 1926-1928 base were: March 31, 1945, 109.1; March 24, 1945, 109.1, and April 1, 1944, 106.7.

7th War Loan Seen as Challenge to Nation

The Seventh War Loan drive to start officially on May 14 will offer a test more serious than that of any previous war loan drive, a test which it is up to the wage and salary earners of the country to meet to a greater degree than ever before, Ted R. Gamble, national war loan Director, declared recently at a luncheon meeting of the New York Financial Advertisers in the City Midway Club.

Mr. Gamble, introduced by Frederick W. Gehle, New York State Chairman of both the last and the next war loan campaigns, as the "spark plug" of war finance, spoke extemporaneously.

Individuals, for whom a quota of \$7,000,000,000 of war bonds has been set for the forthcoming drive, will have received as income some \$14,000,000,000, or nearly \$2,000,000,000 more than they received in the comparable

war began has been the greatest single contribution to the prevention of economic dislocation. 46% of the Government's wartime spending was now coming from direct taxation as compared with 29% at the start of the war, while the average since the war began was 39%. This, together with the increased participation of non-banking investors in war bonds, and declining redemptions was pointed to as favorable factors in the maintenance of economic equilibrium.

The importance of wage and salary earners, including farmers and professional people, increasing their purchases was manifest and the WPB, the Treasury, and business and financial leaders all agreed that the threat of higher prices and economic instability lay with the individual.

"With consumption goods increasingly difficult to secure, more money is left in the hands of the people, and thus the biggest drive is timed to meet the biggest market for war bonds in our history," Mr. Gamble said. "The war bond program will make a definite contribution to holding the price line and stabilizing our economy, by removing money from current to future spending, and thus keeping it out of the hands of the black marketeers and profiteers."

"If we are going to maintain the gains we have made in this direction, we must and I believe we will do the biggest job we have ever done in the coming war loan campaign." The campaign would be backed by the greatest array of advertising and other activating media ever mobilized for any cause and would be the finest example of business-government-citizen cooperation in the nation's history, he added.

As of Jan. 1, 1945, the government's cash balance was \$16,000,000,000 larger than its expenditures, although the accumulated deficit was \$161,000,000,000. Of the total wartime borrowing, \$102,000,000,000 had been lent by non-banking investors, and \$75,000,000,000 by the commercial banks of the country. Total redemptions through February, 1945, averaged 12.98% of the total bonds sold up to then, which the speaker regarded as not excessive under the circumstances. Average annual interest cost of the Government's borrowings had declined from 2.58% to 1.92% and it could be expected that there would be a further drop to 1.75% before the war financing program is concluded, because of the reliance of the Treasury upon a large proportion of short-term borrowing, Mr. Gamble said.

To Insure Loans on War Workers' Houses

The Federal Housing Administration on March 28 notified its field offices to resume issuance of commitments to insure loans on houses built for war workers.

This phase of FHA operations was suspended early in February when the insurance authorization under Title VI of the National Housing Act neared exhaustion.

The FHA action was in accord with Congressional approval of an amendment to the Act which extends its war housing insurance powers until July 1, 1946, and added \$100,000,000 to its Title VI authorization.

Congress, in passing the amendment, raised the total FHA Title VI insurance authorization from \$1,700,000,000 to \$1,800,000,000 and thus makes possible, it was estimated, the construction of nearly 22,000 additional privately-financed dwelling units urgently needed for war workers. About 16,000 of these already have been programmed by the National Housing Agency.

Through February, about 380,000 houses for war workers had been completed by private enterprise with insurance through FHA's Title VI.

Trading on New York Exchanges

The Securities and Exchange Commission made public on Mar. 28 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Mar. 10, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Mar. 10 in round-lot transactions totaled 2,695,256 shares, which amount was 13.81% of the total transactions on the Exchange of 9,759,280 shares. This compares with member trading during the week ended March 3 of 2,964,005 shares, or 15.17% of the total trading of 9,776,340 shares. On the New York Curb Exchange, member trading during the week ended Mar. 10 amounted to 700,350 shares, or 14.52% of the total volume on that exchange of 4,811,800 shares. During the March 3 week trading for the account of Curb members of 753,360 shares was 13.41% of the total trading of 5,564,640.

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

WEEK ENDED MARCH 10, 1945		
A. Total Round-Lot Sales:	Total for week	%
Short sales	216,000	
†Other sales	9,543,280	
Total sales	9,759,280	
B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	865,320	
Short sales	90,200	
†Other sales	641,750	
Total sales	731,950	8.18
2. Other transactions initiated on the floor—		
Total purchases	308,070	
Short sales	23,600	
†Other sales	273,220	
Total sales	296,820	3.10
3. Other transactions initiated off the floor—		
Total purchases	248,462	
Short sales	33,520	
†Other sales	211,114	
Total sales	244,634	2.53
4. Total—		
Total purchases	1,421,852	
Short sales	147,320	
†Other sales	1,126,084	
Total sales	1,273,404	13.81

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

WEEK ENDED MARCH 10, 1945		
A. Total Round-Lot Sales:	Total for week	%
Short sales	13,510	
†Other sales	2,398,290	
Total sales	2,411,800	
B. Round-Lot Transaction for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	226,255	
Short sales	10,545	
†Other sales	200,140	
Total sales	210,685	9.05
2. Other transactions initiated on the floor—		
Total purchases	52,650	
Short sales	900	
†Other sales	51,375	
Total sales	52,275	2.18
3. Other transactions initiated off the floor—		
Total purchases	52,605	
Short sales	1,610	
†Other sales	104,270	
Total sales	105,880	3.29
4. Total—		
Total purchases	331,510	
Short sales	13,055	
†Other sales	355,785	
Total sales	368,840	14.52
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
†Customers' other sales	95,608	
Total purchases	95,608	
Total sales	83,881	

*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 \$37,301,000 For Week

Civil engineering construction volume in continental United States totals \$37,301,000 for the week. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 58% higher than in the preceding week, 27% above the volume reported to "Engineering News-Record" for the corresponding 1944 week, and 4% above the previous four-week moving average. The report made public on March 29, added:

Public construction is responsible for the increase, reporting a gain of 82% over a week ago and 73% over a year ago. Private construction is 22 and 59% lower, respectively, than last week and last year. Both state and municipal work and Federal volume participated in the public increase, both reporting gains over the preceding week and the 1944 week.

The current week's construction brings 1945 volume to \$380,207,000 for the thirteen weeks, a decrease of 16% from the \$450,122,000 reported for the corresponding 1944 period. Private construction, \$113,444,000, is 15% higher than a year ago, but public construction, \$266,763,000, is down 24% as a result of the 29% decline

in Federal volume. State and municipal construction is 17% higher than a year ago.

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

	Mar. 30, 1944	Mar. 22, 1945	Mar. 29, 1945
Total U. S. Construction	\$29,412,000	\$23,559,000	\$37,301,000
Private Construction	10,250,000	5,338,000	4,167,000
Public Construction	19,162,000	18,221,000	33,134,000
State and Municipal	2,277,000	3,181,000	4,900,000
Federal	16,435,000	15,040,000	28,234,000

In the classified construction groups, gains over the preceding week are in waterworks, sewerage, public buildings, earthwork and drainage, and streets and roads. The same classes of work report increases over the 1944 week. Subtotals for the week in each class of construction are: waterworks, \$805,000; sewerage, \$599,000; bridges, \$137,000; industrial buildings, \$2,602,000; commercial buildings, \$312,000; public buildings, \$22,047,000; earthwork and drainage, \$1,630,000; streets and roads, \$6,104,000; and unclassified construction, \$3,065,000.

New capital for construction purposes for the week totals \$4,504,000. It is made up of \$1,816,000 in State and municipal bond sales, and \$2,688,000 in corporate security issues. New construction financing for 1945 to date totals \$249,535,000, a volume that compares with \$181,638,000 reported for the corresponding thirteen-week period of 1944.

Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES (Based on Average Yields)									
1945—	U. S.	Avg.	Corporate by Ratings*				Corporate by Groups*		
Daily	Govt.	Corpo-	Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Averages	Bonds	rate*							
Apr. 3	122.04	114.85	121.04	118.40	114.85	106.04	111.25	114.27	119.20
2	122.00	114.85	120.84	118.40	114.85	106.04	111.25	114.27	119.20
Mar. 31	122.01	114.85	121.04	118.40	114.85	106.04	111.25	114.27	119.20
30	Stock Exchange Closed								
29	122.03	114.85	121.04	118.40	114.85	106.04	111.25	114.27	119.20
28	122.04	114.85	121.04	118.40	114.85	106.04	111.25	114.27	119.20
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	118.40	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	118.40	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
10	122.47	114.85	120.63	118.60	114.66	106.21	110.88	114.46	119.41
9	122.47	114.85	120.63	118.60	114.66	106.21	110.88	114.46	119.41
8	122.53	114.85	120.63	118.60	114.46	106.21	110.88	114.46	119.41
7	122.50	114.85	120.63	118.60	114.46	106.21	110.88	114.27	119.41
6	122.42	114.85	120.63	118.80	114.46	106.21	110.88	114.27	119.61
5	122.28	114.85	120.63	118.60	114.66	106.21	110.70	114.27	119.61
3	122.31	114.85	120.63	118.80	114.66	106.21	110.70	114.27	119.41
2	122.05	114.66	120.43	118.60	114.46	106.21	110.70	114.27	119.61
1	122.03	114.85	120.63	118.60	114.66	106.21	110.70	114.27	119.61
Feb. 23	121.92	114.66	120.02	118.60	114.46	106.04	110.52	114.08	119.41
16	121.97	114.46	120.02	118.60	114.27	105.69	110.15	114.08	119.41
9	121.58	114.27	119.82	118.40	114.08	105.69	109.97	114.08	119.20
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									
April 3, 1944	119.70	111.44	118.40	116.41	111.44	100.81	104.66	113.70	116.41
2 Years Ago									
April 3, 1943	117.38	109.60	117.60	115.43	110.52	96.85	100.98	112.93	115.63

MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices)									
1945—	U. S.	Avg.	Corporate by Ratings*				Corporate by Groups*		
Daily	Govt.	Corpo-	Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Averages	Bonds	rate*							
Apr. 3	1.66	2.91	2.60	2.73	2.91	3.33	3.10	2.94	2.69
2	1.66	2.91	2.61	2.73	2.91	3.33	3.10	2.94	2.69
Mar. 31	1.66	2.91	2.60	2.73	2.91	3.33	3.10	2.94	2.69
30	Stock Exchange Closed								
29	1.66	2.91	2.60	2.73	2.91	3.33	3.10	2.94	2.69
28	1.66	2.91	2.60	2.72	2.91	3.33	3.10	2.94	2.69
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	2.91	3.37	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

Daily Average Crude Oil Production for Week Ended March 24, 1945 Increased 8,200 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended March 24, 1945 was 4,782,115 barrels, an increase of 8,200 barrels per day over the preceding week and a gain of 397,365 barrels per day over the corresponding week of 1944. The current figure, however, was 11,235 barrels below the daily average figure recommended by the Petroleum Administration for War for the month of March, 1945. Daily output for the four weeks ended March 24, 1945 averaged 4,772,300 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 4,742,000 barrels of crude oil daily and produced 14,907,000 barrels of gasoline; 1,732,000 barrels of kerosine; 4,448,000 barrels of distillate fuel, and 9,166,000 barrels of residual fuel oil during the week ended March 24, 1945 and had in storage at the end of that week 53,487,000 barrels of civilian grade gasoline; 45,525,000 barrels of military and other gasoline; 6,859,000 barrels of kerosine; 26,782,000 barrels of distillate fuel, and 43,327,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations March	*State Allowables Begin. Mar. 1, 1945	Actual Production Week Ended Mar. 24, 1945	Change from Previous Week	4 Weeks Ended	
					Mar. 24, 1945	Mar. 25, 1944
Oklahoma	363,000	363,000	369,350	+ 400	369,050	329,500
Kansas	274,000	259,600	275,500	+ 4,200	260,650	274,100
Nebraska	1,000	-----	1,950	-----	950	1,350
Panhandle Texas	-----	-----	88,000	-----	88,000	92,850
North Texas	-----	-----	149,300	-----	149,200	142,600
West Texas	-----	-----	477,400	-----	474,100	340,900
East Central Texas	-----	-----	146,700	-----	147,600	116,600
East Texas	-----	-----	381,000	-----	383,750	365,100
Southwest Texas	-----	-----	352,150	-----	350,850	291,500
Coastal Texas	-----	-----	564,450	-----	563,850	513,800
Total Texas	2,160,000	2,160,675	2,159,000	-----	2,157,350	1,863,350
North Louisiana	-----	70,100	-----	50	70,150	76,150
Coastal Louisiana	-----	295,650	-----	-----	295,450	283,950
Total Louisiana	360,000	401,800	365,750	-----	365,600	360,100
Arkansas	80,000	80,317	80,200	- 100	80,700	79,650
Mississippi	53,000	-----	52,200	+ 700	51,900	41,500
Alabama	300	-----	250	-----	250	50
Florida	-----	15	-----	-----	-----	-----
Illinois	198,000	-----	191,250	+ 9,300	195,450	216,450
Indiana	12,000	-----	10,350	+ 50	11,350	13,600
Eastern (Not incl. Ill., Ind., Ky.)	68,200	-----	63,850	- 2,950	62,900	69,000
Kentucky	32,000	-----	14,600	+ 400	21,500	22,400
Michigan	47,000	-----	51,050	+ 950	48,550	50,950
Wyoming	100,000	-----	105,300	- 300	103,300	91,350
Montana	23,000	-----	20,550	- 100	20,650	20,800
Colorado	9,500	-----	10,000	+ 100	10,100	8,200
New Mexico	105,000	105,000	103,850	-----	103,900	112,850
Total East of Calif	3,886,000	-----	3,874,015	+ 12,600	3,864,150	3,555,250
California	907,350	907,350	908,100	- 4,400	908,150	829,500
Total United States	4,793,350	-----	4,782,115	+ 8,200	4,772,300	4,384,750

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

†This is the net basic allowable as of 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 24, 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		Gasoline Production at Ref. Inc. Nat. Blended	Stocks of Gas Oil Fuel Oil	Stocks of Residual Fuel Oil	Gasoline Stocks of Dist. and Other	Mili-Ci-willan Grade
	Capacity	Operating					
East Coast	99.5	713	90.1	2,017	5,285	5,618	6,903
Appalachian	-----	-----	-----	-----	-----	-----	-----
District No. 1	76.8	100	68.5	301	373	248	1,241
District No. 2	81.2	56	112.0	154	120	163	616
Ind., Ill., Ky.	87.2	779	90.9	2,920	3,351	1,846	6,778
Okl., Kans., Mo.	78.3	384	81.9	1,442	1,691	1,188	1,816
Inland Texas	59.8	233	70.8	967	335	599	1,279
Texas Gulf Coast	89.3	1,087	87.9	3,409	5,038	6,315	11,021
Louisiana Gulf Coast	96.8	284	109.2	752	1,903	1,502	2,413
No. La. & Arkansas	55.9	69	54.8	191	707	284	937
Rocky Mountain	-----	-----	-----	-----	-----	-----	-----
District No. 3	17.1	10	76.9	31	15	30	20
District No. 4	72.1	120	75.5	429	349	590	466
California	85.5	907	91.2	2,294	7,615	24,944	12,035
Total U. S. B. of M.	85.5	4,742	87.3	14,907	26,782	43,327	45,525
Total U. S. B. of M.	85.5	4,773	87.9	14,481	26,483	43,718	45,471
U. S. Bur. of Mines	4.466	-----	-----	13,221	30,925	52,475	35,189

*Includes aviation, military, solvents and naphthas, and gasoline blending stocks currently indeterminate as to ultimate use, and 11,748,000 barrels of unfinished gasoline this week, compared with 11,992,000 barrels a year ago. †Stocks at refineries, at bulk terminals, in transit and in pipe lines. ‡Not including 1,732,000 barrels of kerosine, 4,448,000 barrels of gas oil and distillate fuel oil and 9,166,000 barrels of residual fuel oil produced during the week ended March 24, 1945, which compares with 1,652,000 barrels, 4,527,000 barrels and 9,042,000 barrels, respectively, in the preceding week and 1,472,000 barrels, 4,785,000 barrels and 9,195,000 barrels, respectively, in the week ended March 25, 1944.

Note—Stocks of kerosine at March 24, 1945 amounted to 6,859,000 barrels, as against 6,852,000 barrels a week earlier and 6,476,000 barrels a year ago.

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 24, 1945, is estimated at 11,820,000 net tons, a decrease of 105,000 tons from the preceding week, and 134,000 tons less than in the corresponding week in 1944. For the calendar year to March 24, 1945 soft coal output total 139,855,000 net tons, a decrease of 7.6% when compared with the 151,291,000 tons produced in the calendar year to March 25, 1944.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended March 24, 1945, is estimated at 1,203,000 tons, a decrease of 11,000 tons (0.9%) from the preceding week. When compared with the output in the corresponding week of 1944, there was a decrease of 20,000 tons, or 1.6%. The calendar year to date shows a decrease of 17.5% when compared with the same period of 1944.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended March 24, 1945, showed an increase of 7,400 tons when compared with the output for the week ended March 17, 1945; but was 10,600 tons less than for the corresponding week of 1944.

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

	Week Ended			Jan. 1 to Date	
	Mar. 24, 1945	Mar. 17, 1945	Mar. 25, 1944	1945	1944
Bituminous coal & lignite	11,820,000	11,925,000	11,954,000	139,855,000	151,291,000
Total including mine fuel	1,203,000	1,214,000	1,223,000	12,696,000	15,398,000
Daily average	1,970,000	1,988,000	1,992,000	1,953,000	2,081,000

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

	Week Ended			Calendar Year to Date		
	Mar. 24, 1945	Mar. 17, 1945	Mar. 25, 1944	1945	1944	1937
Penn. anthracite	1,203,000	1,214,000	1,223,000	12,696,000	15,398,000	12,140,000
Total incl. coll. fuel	1,155,000	1,165,000	1,174,000	12,188,000	14,782,000	11,533,000
Beehive coke	-----	-----	-----	-----	-----	-----
United States total	134,600	127,200	145,200	1,357,600	1,884,200	891,800

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

ESTIMATED WEEKLY PRODUCTION OF BITUMINOUS COAL AND LIGNITE, BY STATES, IN NET TONS

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

State	Week Ended		
	Mar. 17, 1945	Mar. 10, 1945	Mar. 18, 1944
Alabama	364,000	373,000	383,000
Alaska	7,000	7,000	10,000
Arkansas and Oklahoma	91,000	83,000	83,000
Colorado	160,000	164,000	174,000
Georgia and North Carolina	-----	1,000	-----
Illinois	1,512,000	1,482,000	1,535,000
Indiana	565,000	562,000	542,000
Iowa	59,000	54,000	58,000
Kansas and Missouri	147,000	150,000	153,000
Kentucky—Eastern	972,000	880,000	928,000
Kentucky—Western	342,000	302,000	341,000
Maryland	35,000	35,000	40,000
Michigan	4,000	3,000	2,000
Montana (bitum. & lignite)	102,000	107,000	78,000
New Mexico	34,000	34,000	40,000
North & South Dakota (lignite)	40,000	56,000	52,000
Ohio	656,000	478,000	647,000
Pennsylvania (bituminous)	2,866,000	2,420,000	2,914,000
Tennessee	135,000	130,000	157,000
Texas (bituminous & lignite)	2,000	2,000	3,000
Utah	130,000	134,000	139,000
Virginia	366,000	343,000	392,000
Washington	20,000	20,000	26,000
West Virginia—Southern	2,070,000	2,052,000	2,197,000
West Virginia—Northern	1,038,000	883,000	985,000
Wyoming	198,000	198,000	193,000
Other Western States	-----	-----	-----
Total bituminous & lignite	11,925,000	10,885,000	12,072,000

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

Non-Ferrous Metals—Zinc Consumers Ask for Large Tonnage for April—Quicksilver Lower

"E. & M. J. Metal and Mineral Markets," in its issue of March 29, states: "With the war in Europe entering into its final stage, producers of non-ferrous metals are deeply concerned over the probable trend of business in the summer period. Current business continued at a high level and consumption for war purposes is expected to be maintained at a record rate for another month or two. However, there was some uncertainty about June forward business. Zinc consumers asked WPB for fairly large tonnages of zinc for April delivery. Requests for Special High Grade and Prime Western zinc had to be cut down, owing to the tight supply situation in these grades. Lead was quiet. Quicksilver for spot delivery was lower in price, reflecting recent unsettlement in forward metal." The publication further went on to say in part as follows:

Copper

A report to the effect that Great Britain has arranged to sell 85,000 tons of copper to France for delivery this year attracted wide interest. The deal is believed to be part of a commercial agreement in which foreign exchange plays an important part. In prewar times, France purchased substantial tonnages of copper from producers in this hemisphere. Early this year France obtained about 7,000 tons of copper from the United States, all of which was shipped under the war program. The fabricating division of the

copper industry consumed 165,387 tons of copper during February, a new monthly high. This compares with 153,904 tons in January and 131,855 tons in February last year. The previous record month was April 1944, when consumption, as measured by the figures compiled by the fabricators, reached 160,691 tons.

Lead

Though some factors in the industry still look for continued action by WPB in reference to the lead regulations, most observers believe that little of a disturbing nature is likely to occur under present conditions. Consumers will get about 21,500 tons of foreign lead during April, which means that the stockpile is being reduced.

Sales of lead during the last week were on the light side, amounting to 3,411 tons.

Lead-refinery statistics for February showed another moderate increase in stocks, the total on hand at domestic refineries at the end of the month amounting to

30,141 tons, against 27,738 tons a month previous and 19,536 tons on Dec. 31, 1944, the American Bureau of Metal Statistics reports.

Domestic shipments of refined lead in February amounted to 44,213 tons, against 40,887 tons in January.

Output of the refineries in February was on a reduced scale, but the decline in volume to 46,616 tons would have been greater except for a gain in production from secondary and foreign material.

The January and February refined-lead statistics, in tons, follow:

	Jan.	Feb.
Stock at beginning	19,536	27,738
Production:		
Domestic	45,463	38,699
Secondary and foreign	3,636	7,917
Totals	49,099	46,616
Shipments	40,887	44,213
Stock at end	27,738	30,141

Included in stocks of refined lead at the end of February were 5,664 tons of antimonial lead, which compares with 4,866 tons at the end of January.

Zinc

Allocation certificates for April zinc were released by WPB during the last week and producers believe that the tonnage called for will average close to that shipped in recent months. Some requests for Special High Grade and Prime Western were cut back.

Consumption of slab zinc in January amounted to 86,228 tons, against 73,642 tons in December and 70,630 tons in January last year, according to the Bureau of Mines.

Tin

The inventory of tin in the hands of Metals Reserve Co. on Oct. 31, 1944, was valued at \$91,989,736 (at market value), according to report made public by Charles B. Henderson, President of the RFC subsidiary. The market value of "Grade A" tin being 52¢ a pound, the trade lost no time in calculating that the stockpile contained roughly 88,450 short tons of tin. It was also revealed that the stockpile of tin stands at 83% of the objective set by WPB. The value covers tin stored as metal and contained in concentrate.

The market situation remains unchanged. Straits quality tin continued at 52¢ spot, with forward material nominally as follows:

	April	May	June
March 22	52.000	52.000	52.000
March 23	52.000	52.000	52.000
March 24	52.000	52.000	52.000
March 26	52.000	52.000	52.000
March 27	52.000	52.000	52.000
March 28	52.000	52.000	52.000

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

Quicksilver

Trade authorities believe that the market for quicksilver is passing through a rather "sensitive" period, which accounts for unsettlement in prices. Some producers on the Coast are maintaining prices, because of what they regard as a strong possibility that buying in volume for the enlarged battery program will set in soon. Others are nervous over freer offerings of Spanish metal on the basis of \$152 per flask, New York, duty paid. The result last week was that prices here covered a range of \$160 to \$165 per flask, depending on quantity.

Revenue Freight Car Loadings During Week Ended March 24, 1945 Increased 269 Cars

Loading of revenue freight for the week ended March 24, 1945 totaled 816,058 cars, the Association of American Railroads announced on March 29. This was an increase above the corresponding week of 1944 of 38,480 cars, or 4.9% and an increase above the same week in 1943 of 28,718 cars, or 3.6%.

Loading of revenue freight for the week of March 24, increased 269 cars, or 0.03% above the preceding week.

Miscellaneous freight loading totaled 404,875 cars, a decrease of 177 cars below the preceding week, but an increase of 32,129 cars above the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 110,214 cars, an increase of 1,834 cars above the preceding week and an increase of 3,498 cars above the corresponding week in 1944.

Coal loading amounted to 167,063 cars, a decrease of 2,507 cars below the preceding week, and a decrease of 955 cars below the corresponding week in 1944.

Grain and grain products loading totaled 45,822 cars, an increase of 1,755 cars above the preceding week and an increase of 2,561 cars above the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of March 24, totaled 29,389 cars, an increase of 1,067 cars above the preceding week and an increase of 1,024 cars above the corresponding week in 1944.

Livestock loading amounted to 15,668 cars, an increase of 1,333 cars above the preceding week and an increase 1,177 cars above the corresponding week in 1944. In the Western Districts alone loading of live stock for the week of March 24, totaled 11,995 cars, an increase of 1,120 cars above the preceding week, and an increase of 1,408 cars above the corresponding week in 1944.

Forest products loading totaled 39,604 cars, a decrease of 2,301 cars below the preceding week and a decrease of 3,984 cars below the corresponding week in 1944.

Ore loading amounted to 17,877 cars, an increase of 797 cars above the preceding week and an increase of 3,385 cars above the corresponding week in 1944.

Coke loading amounted to 14,935 cars, a decrease of 465 cars below the preceding week, but an increase of 669 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
Week of March 24	816,058	777,578	787,340
Total	9,234,642	9,442,747	9,039,808

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended March 24, 1945. During this period 82 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 24

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Eastern District—					
Ann Arbor	278	242	260	1,712	1,510
Bangor & Aroostook	3,200	2,721	2,633	607	210
Boston & Maine	7,213	6,966	6,273	17,210	16,798
Chicago, Indianapolis & Louisville	1,121	1,423	1,514	2,346	2,076
Central Indiana	36	37	31	42	37
Central Vermont	1,120	1,079	1,402	2,492	2,801
Delaware & Hudson	5,053	4,896	6,331	15,899	13,291
Delaware, Lackawanna & Western	7,456	7,474	7,568	12,675	11,418
Detroit & Mackinac	165	249	230	178	100
Detroit, Toledo & Ironton	2,036	2,043	1,890	1,544	1,432
Detroit & Toledo Shore Line	415	332	347	4,371	3,210
Erie	13,469	13,204	13,181	19,251	18,755
Grand Trunk Western	4,218	3,885	3,495	10,366	9,456
Lehigh & Hudson River	167	164	159	4,602	3,522
Lehigh & New England	2,082	1,864	2,140	1,542	1,519
Lehigh Valley	7,950	8,475	7,068	12,213	16,907
Maine Central	2,494	2,420	2,506	4,765	4,699
Monongahela	5,957	6,351	7,052	362	432
Montour	2,218	2,503	2,620	25	18
New York Central Lines	49,094	47,315	51,932	56,425	56,368
N. Y., N. H. & Hartford	11,066	10,291	10,460	20,782	20,472
New York, Ontario & Western	1,025	1,235	966	3,552	3,305
New York, Chicago & St. Louis	6,762	6,387	6,659	17,437	17,247
N. Y., Susquehanna & Western	520	518	371	2,789	2,968
Pittsburgh & Lake Erie	8,263	7,875	8,188	8,271	8,335
Pere Marquette	5,446	4,826	4,681	9,907	8,443
Pittsburgh & Shawmut	614	818	832	12	20
Pittsburgh, Shawmut & North	285	319	340	236	281
Pittsburgh & West Virginia	920	957	709	3,869	2,871
Rutland	364	378	355	1,100	1,366
Wabash	6,142	5,795	5,660	13,767	12,076
Wheeling & Lake Erie	6,655	4,935	5,004	5,665	4,485
Total	163,805	157,966	162,877	256,014	246,428

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Allegheny District—					
Akron, Canton & Youngstown	830	688	773	1,668	1,361
Baltimore & Ohio	45,072	40,557	41,572	31,662	29,175
Bessemer & Lake Erie	3,022	2,882	3,268	1,784	1,596
Buffalo Creek & Gauley	†	†	331	†	†
Cambria & Indiana	1,640	1,542	1,879	12	13
Central R. R. of New Jersey	6,411	6,464	7,203	22,695	22,070
Cornwall	490	596	590	65	66
Cumberland & Pennsylvania	212	211	302	7	10
Ligonier Valley	103	119	137	36	42
Long Island	1,500	1,237	1,090	4,795	3,815
Penn-Reading Seashore Lines	2,037	1,662	1,867	2,516	2,590
Pennsylvania System	81,758	76,961	78,754	66,987	66,540
Reading Co.	15,413	14,405	15,327	33,934	30,408
Union (Pittsburgh)	19,206	19,621	21,578	4,857	4,034
Western Maryland	4,188	4,022	4,259	15,548	13,671
Total	181,882	170,967	178,736	186,566	175,391
Pocahontas District—					
Chesapeake & Ohio	28,198	28,605	29,809	13,974	13,180
Norfolk & Western	21,665	21,789	22,721	9,822	7,929
Virginian	4,441	4,480	4,904	3,503	2,274
Total	54,304	54,874	57,434	27,299	23,383

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Southern District—					
Alabama, Tennessee & Northern	400	331	298	425	444
Atl. & W. P.—W. R. R. of Ala.	955	778	752	2,542	2,467
Atlanta, Birmingham & Coast	983	664	680	1,658	1,525
Atlantic Coast Line	14,030	13,523	15,401	13,336	11,278
Central of Georgia	3,958	3,731	3,883	5,993	5,010
Charleston & Western Carolina	471	362	376	1,546	1,985
Clinchfield	1,713	1,555	1,648	3,591	3,463
Columbus & Greenville	287	215	327	240	228
Durham & Southern	115	112	118	612	724
Florida East Coast	3,914	4,213	2,650	1,683	2,230
Gainesville Midland	42	33	38	163	123
Georgia & Florida	1,232	1,229	1,349	2,528	2,697
Gulf, Mobile & Ohio	388	340	370	861	777
Illinois Central System	4,563	3,975	3,474	4,391	4,450
Louisville & Nashville	28,753	27,143	26,268	18,699	17,389
Macon, Dublin & Savannah	26,410	24,149	25,231	12,688	12,165
Mississippi Central	212	124	155	1,001	1,077
Mississippi Central	414	259	220	493	845
Nashville, Chattanooga & St. L.	3,546	3,297	3,135	4,999	4,754
Norfolk Southern	1,080	966	1,223	1,836	1,796
Piedmont Northern	455	376	335	1,359	1,474
Richmond, Fred. & Potomac	495	341	354	12,793	11,755
Seaboard Air Line	11,835	10,340	10,325	9,620	9,781
Southern System	24,955	23,040	22,059	28,308	25,649
Tennessee Central	630	810	612	810	799
Winston-Salem Southbound	146	145	108	1,448	1,074
Total	131,982	122,051	121,386	133,623	125,959

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Northwestern District—					
Chicago & North Western	16,309	15,066	14,338	15,301	14,749
Chicago Great Western	2,621	2,642	2,373	3,859	3,556
Chicago, Milw., St. P. & Pac.	21,476	20,132	19,782	11,440	10,963
Chicago, St. Paul, Minn. & Omaha	3,620	3,151	3,146	4,440	4,501
Duluth, Missabe & Iron Range	1,025	1,213	1,133	263	260
Duluth, South Shore & Atlantic	495	763	804	584	541
Elgin, Joliet & Eastern	9,236	8,584	9,182	13,663	12,251
Ft. Dodge, Des Moines & South	445	375	378	107	121
Great Northern	11,026	12,466	11,574	6,221	5,431
Green Bay & Western	520	519	435	1,013	937
Lake Superior & Ishpeming	295	323	198	55	73
Minneapolis & St. Louis	2,082	2,062	1,936	3,133	2,595
Minn., St. Paul & S. S. M.	4,475	5,099	4,427	3,161	3,986
Northern Pacific	8,808	10,063	9,350	5,370	5,693
Spokane International	219	101	71	632	583
Spokane, Portland & Seattle	1,881	2,532	2,062	4,113	4,123
Total	84,533	85,001	81,209	73,021	70,163

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Central Western District—					
Atch., Top. & Santa Fe System	24,724	21,580	21,291	15,003	12,382
Alton	3,676	2,831	2,988	4,677	4,462
Bingham & Garfield	490	459	683	63	83
Chicago, Burlington & Quincy	20,675	18,354	19,042	13,151	12,787
Chicago & Illinois Midland	2,877	3,064	3,206	895	928
Chicago, Rock Island & Pacific	12,477	10,695	12,243	14,523	13,371
Chicago & Eastern Illinois	2,831	2,687	2,377	4,732	5,242
Colorado & Southern	710	647	770	2,382	2,386
Denver & Rio Grande Western	3,516	3,255	3,365	6,942	5,935
Denver & Salt Lake	523	672	749	54	20
Fort Worth & Denver City	829	836	1,100	1,564	1,667
Illinois Terminal	*2,478	2,119	1,968	*2,140	2,171
Missouri-Illinois	928	958	960	703	578
Nevada Northern	1,112	1,860	2,108	-90	116
North Western Pacific	623	757	992	864	726
Peoria & Pekin Union	11	9	25	0	0
Southern Pacific (Pacific)	27,525	29,362	27,270	15,511	14,637
Toledo, Peoria & Western	290	381	210	2,411	2,075
Union Pacific System	16,520	14,596	13,898	17,118	16,266
Utah	536	589	595	1	6
Western Pacific	2,004	2,250	1,850	5,321	4,055
Total	125,355	117,961	117,690	108,045	100,893

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1945	1944	1943	1945	1944
Southwestern District—					
Burlington-Rock Island	379	481	877	347	229
Gulf Coast Lines	7,346	7,445	5,097	2,722	2,336
International-Great Northern	3,086	1,844	2,095	4,043	4,059
Kansas, Oklahoma & Gulf	281	295	216	1,245	1,101
Kansas City Southern	5,463	5,511	4,472	3,367	2,921
Louisiana & Arkansas	3,490	2,860	2,935	2,643	2,235
Litchfield & Madison	355	313	310	1,259	1,219
Midland Valley	667	607	673	523	457
Missouri					

Items About Banks, Trust Companies

(Continued from page 1520)

908, compared, respectively, with \$1,104,705,889 and \$1,170,340,024 as of Dec 31, 1944. Cash on hand and due from banks amounted to \$241,276,558, against \$229,027,821; holdings of United States Government obligations \$550,298,549, against \$550,257,723. Loans and discounts decreased to \$292,019,726 from \$345,132,608. Capital and surplus remained unchanged at \$20,000,000, respectively. Undivided profits after reserve of \$500,000 for quarterly dividend increased to \$12,964,119 from \$12,403,282 at the end of December.

In its statement of condition as of March 31, 1945, J. P. Morgan & Co., New York, reported total assets at \$764,341,246 and total deposits to be \$700,765,086, compared, respectively, with \$816,596,609 and \$756,594,777 as of Dec. 31, 1944. Cash on hand and due from banks stood at \$126,849,180, against \$128,580,742 three months ago; U. S. Government bonds \$507,707,209, compared with \$535,055,436. Loans and bills purchased decreased from \$116,959,509 at the end of the year to \$88,592,488, while capital and surplus remained unchanged at \$20,000,000 each, and undivided profits increased to \$4,846,545 from \$4,429,102 in this current report.

The Federation Bank & Trust Company of New York reported as of March 31, 1945, deposits of \$28,435,113 and total resources of \$31,683,205, against \$29,606,511 and \$32,730,769, respectively, as of Dec. 30, 1944. Cash on hand and due from banks amounted to \$6,702,036, against \$7,916,540. Holdings of United States Government securities totaled \$12,536,991, against \$12,473,660. Loans and discounts were \$9,252,805, against \$8,378,707. Capital and surplus were unchanged at \$1,000,000 and \$1,200,000, respectively, and undivided profits were \$446,077, against \$415,026.

The Corn Exchange Bank Trust Co. of New York reported in its statement of condition as of March 31, 1945, total assets of \$730,329,276, compared with \$718,781,202, and total deposits and other liabilities of \$691,714,211, against \$680,602,630 on Dec. 31, 1944. Holdings of U. S. Government bonds were \$509,747,241 as of March 31, against \$491,375,697 three months ago, and loans and discounts stood at \$32,491,571, compared with \$38,719,585 at the end of 1944. Capital remained unchanged at \$15,000,000 while surplus and undivided profits increased from \$23,178,571 on Dec. 31 to \$23,615,066 on March 31.

The Continental Bank & Trust Company of New York reported as of March 31, 1945, total assets of \$174,600,879, compared, respectively, with \$166,225,371 and \$177,278,424 on Dec. 31, 1944. Cash on hand and due from banks amounted to \$35,072,409, against \$34,798,793; holdings of U. S. Government obligations to \$64,995,210, against \$61,376,347; loans and discounts to \$54,825,574, against \$62,766,460. Capital was unchanged at \$4,000,000; and surplus remained at \$4,500,000. Undivided profits were \$1,408,770, against \$1,239,436 at the end of last year.

The statement of condition of Manufacturers Trust Company as of March 31, 1945, shows deposits of \$1,845,217,647 and resources of \$1,957,824,482, which compare with \$1,991,382,142 and \$2,100,298,087 shown on Dec. 31, 1944. On March 31, 1944, the respective figures were \$1,562,527,324 and \$1,665,581,402.

Cash and due from banks is listed at \$378,712,247 as against \$445,668,127 shown on Dec. 31 and \$372,935,412 shown a year ago. United States Government Securities stand at \$1,149,132,013; three

months ago they were \$1,205,104,026 and one year ago they were \$864,450,080. Loans, bills purchased and bankers' acceptances are now \$340,326,892 which compare with \$367,338,389 on Dec. 31 and \$335,440,682 on March 31 of last year.

Preferred stock is shown as \$7,712,300, common as \$32,998,440, surplus as \$33,000,000 and undivided profits as \$20,384,160. As a result of the redemption of 14,881 shares of its preferred stock on March 28, as required under its preferred stock indenture, capital account was reduced by \$297,620, representing the aggregate par value for such shares, and undivided profits account was reduced by approximately \$452,380, representing the amount in excess of the par value of the shares redeemed at \$50 per share, plus the accumulated dividend of 40 cents per share.

Net operating earnings for the three months ending March 31, 1945, after amortization, taxes, etc., as well as dividends on preferred stock, were \$2,057,490, or \$1.25 a share, which compares with 99 cents a share for the three months ending March 31, 1944. Of this amount, \$824,959 was paid in dividends on the common stock, and \$1,232,531 was credited to undivided profits.

Mr. John E. Bierwirth, President of the New York Trust Company of New York, announced the appointment of Edward S. Peterson as Treasurer.

Mr. Peterson started his banking career with the Bank of America at San Francisco, Cal., in 1925; he was later employed by the City Bank Farmers Trust Company of New York, and joined the Investment Division of the New York Trust Company in 1937, being appointed an Assistant Secretary in October, 1943.

Percy H. Johnston, Chairman of the Chemical Bank & Trust Company, announced the addition of two new members to the Quarter Century Club of the bank. They are Frank K. Houston, President, and N. Baxter Jackson, First Vice-President, both of whom joined the bank on April 1, 1920.

Mr. Raymond G. Forbes, Vice-President and Treasurer of the New York Trust Company, New York, retired April 2, after 42 years of experience in banking with the Bankers Trust Company of New York and the Liberty National Bank of New York, which merged with the New York Trust Company in 1921. He has filled official positions in these institutions during the last 28 years, becoming Treasurer of the latter company in 1930 and Vice-President and Treasurer in 1941, with particular responsibility for banking and accounting operations.

Directors of Clinton Trust Company of New York on March 27 declared a regular quarterly dividend of 50 cents per share payable April 2 to stockholders of record March 28. This is an increase of 15 cents over 1944 quarterly payments.

Filling an unexpired term ending Dec. 31, 1945, John W. Cadman on March 16 was appointed Director at Large of the Federal Home Loan Bank of New York. Mr. Cadman is President of the Homestead Savings and Loan Association, Buffalo, N. Y.

Associated Press Washington advices of March 16 also said: The FHLB constitutes a credit reserve for 360 members in New York and New Jersey.

Fred G. Wolff, Vice-President, on March 28 was elected President of the Peoples Industrial Bank, New York. Mr. Wolff, who has been with the bank since 1932, succeeds the former President

Arthur G. Frank, who was recently elected to the newly created position of Chairman of the Board. Mr. Frank had been President of the institution for 24 years.

Oliver W. Birkhead has recently been elected Vice-President of the Empire Trust Co., New York. "Mr. Birkhead," states the Journal of Commerce on March 28, "is President of the Peoples National Bank & Trust Co., of White Plains, N. Y."

At a meeting of the Board of Directors of the Bankers Trust Company, New York, held April 3, George S. Schroth was elected an Assistant Treasurer. Mr. Schroth has been connected with the Note Tellers' Department at Bankers Trust Company since 1931.

Fulton Trust Company of New York reports total deposits of \$38,553,578 and total assets of \$44,011,815 in its statement of March 31, 1945, as compared with deposits of \$39,048,538 and total assets of \$44,462,755 on Dec. 30, 1944.

Cash, U. S. Government securities and demand loans secured by collateral amounted to \$40,530,551, as compared with \$40,937,297 on Dec. 30 last.

Capital and surplus showed no change in total at \$4,000,000 but undivided profits increased to \$1,139,035 after dividend payable April 2, 1945, as against \$1,116,470 shown on Dec. 30, 1944.

Statement of condition of Sterling National Bank & Trust Company of New York City on March 31, 1945 shows resources of \$131,960,321, as compared with \$127,864,980 on Dec. 31, 1944. Deposits were \$115,661,803, as compared with \$121,374,164. Of the March total deposits, U. S. Government deposits totaled \$12,090,729, as compared with \$19,816,051 on Dec. 31 last; commercial and other deposits reached an all-time high of \$103,571,074, as compared with \$101,558,112. Capital, surplus and undivided profits totaled \$5,085,242, a new high as against \$5,070,626 on Dec. 31.

Cash and due from banks amounted to \$26,925,619 on March 31, 1945, against \$29,433,333 on Dec. 31 last; U. S. Government securities were \$75,471,896, a new high as compared with \$64,479,579; State, municipal and corporate securities amounted to \$1,351,605, compared with \$1,538,763; loans and discounts were \$27,388,324, against \$31,168,980 on Dec. 31. Stock in Federal Reserve Bank was unchanged at \$142,500 and surplus was unchanged at \$3,250,000. Reserves were \$725,173, as compared with \$620,832 on Dec. 31.

Philip Kunzinger Jr., an Assistant Secretary of Brooklyn Trust Company and for many years Regional Officer in charge of the company's offices in the Bay Ridge region, died on April 3.

Mr. Kunzinger was born in Brooklyn in 1892 and was first employed by the Mechanics Bank of Brooklyn, which was later merged with Brooklyn Trust Company, in 1908. His headquarters had been at the Fourth Avenue office, Fourth Avenue and 51st Street, and he had been a resident of the Bay Ridge region for many years. He was a member and a trustee of the Roman Catholic Church of Our Lady of Angels and a member of Thomas Dongan Council No. 1251, Knights of Columbus. He was Treasurer and a Director of the 12:30 Club of Bay Ridge, and a member of the Bankers Club of Brooklyn. Funeral services will be announced later.

Judge Edward A. Richards, President of the East New York Savings Bank, Brooklyn, N. Y., announced an Easter gift of \$60,000 to 3,250 small-home owners. "Herald Tribune" advices of April 1, reported:

Beginning Easter Sunday (April 1) the interest payment on home mortgages, held by the bank, will be cut one-half of 1%—from 5% to 4½%.

The lower rate is granted only on homes and will not apply to apartment houses and other types of property on which the bank holds mortgage.

William Gordon Smith, Assistant Controller of the Brooklyn Savings Bank, Brooklyn, N. Y., and former President of the Savings Bank Officers Ass'n Group V, died on March 27 at 51 years of age. Mr. Smith was connected with many civic organizations as pointed out by the New York "Times" of March 29.

The County Trust Company, White Plains, N. Y., has added \$533,662.92 during the last 12 months to its capital funds, which now total \$2,704,457.33, according to the current statement.

Andrew Wilson, Jr., the President of the institution, states that \$393,350 of this amount represents the proceeds of the recent sale of stock and \$138,202.91 was added out of earnings during the period. The difference came from other sources.

Stockholders received a dividend of 25¢ a share on the new stock for the first quarter of 1945. If continued, this rate of payment would place the new stock on a dollar annual basis, equivalent to a \$2.50 rate on the former shares.

In his letter to stockholders, the President reported operating results for the first quarter's business as "encouraging in view of general conditions."

The current statement shows deposits of \$40,766,558, compared with \$34,076,162 a year ago and total assets of \$43,859,521, as compared with \$36,552,130 at this time last year.

Charles H. Wendell, President of the Farmers and Merchants Savings Bank, Lockport, N. Y., died on March 28 at 79 years of age. The New York "Times," in reporting this, said: Mr. Wendell has been connected with the Lockport bank since 1889, and has been President since 1928.

On April 4, Dwight E. Dean, President of the National Iron Bank, Falls Village, Conn., celebrated his 80th year of continuous service with the bank. Mr. Dean, who is now 96, became connected with the bank on April 4, 1865.

The New York "Herald Tribune" in reporting this also said: He is believed by his staff to be the oldest active banker in the country, and possibly in the world.

Roy A. Hitchings, President of the Irvington National Bank, Irvington, N. J., has recently been elected to fill the unexpired term of the late Charles A. Hassler as a member of the Board of Governors of the Essex County Chapter of the American Institute of Banking. Advices from the Newark "News" of March 26 said:

Mr. Hitchings is also President of the Essex County Bankers Association.

The statement of the Philadelphia National Bank for the quarter ended March 31, 1945, shows deposits on that date of \$695,455,654, which compares with \$715,366,516 on Dec. 30, 1944.

Total resources amounted to \$755,032,419, compared with \$774,126,070 at the end of December; cash and due from banks aggregated \$188,940,990, compared with \$179,670,195; U. S. Government securities \$443,608,501, compared with \$471,028,479; state, county and municipal securities were \$14,327,793, against \$10,547,043; other securities \$33,824,566, as compared with \$29,499,884; loans and discounts \$69,244,944, compared with \$78,800,075.

The capital and surplus of the

bank on March 31, 1945, were both unchanged at \$14,000,000 and \$28,000,000, respectively. Undivided profits are shown as \$10,437,784 and compare with \$9,958,269 on Dec. 30.

The General Motors Corp. announced on April 2 its intention to dispose of its 510,000 shares of common stock of the National Bank of Detroit. At the same time the stockholders of the bank approved the issuance of \$10,000,000 worth of additional common stock, it was announced by the bank's Chairman, Walter S. McLucas.

Detroit advices of April 2, to the Associated Press, also said:

"When the bank was organized following the bank holiday in Detroit in 1933, General Motors Corp. subscribed \$12,500,000 for all the bank's common stock. The Reconstruction Finance Corp. at the same time subscribed to its \$12,500,000 of preferred shares, of which it still holds \$8,500,000.

"Sales of common stock since the bank's formation have reduced General Motors holdings to an investment of about \$6,375,000, represented in the 510,000 shares.

"The new issue of \$10 par value common stock of the bank will be offered to stockholders at \$40 a share in the ratio of one for each four shares held."

The election of R. C. Hitchcock, Minneapolis manufacturer, as a director of the Minnehaha Nat'l Bank, Minneapolis, Minn., was announced by Lyman E. Wakefield, President of the First Nat'l Bank of Minneapolis, an affiliate of the bank, reported the Minneapolis "Journal" of Mar. 30.

The Mississippi Valley Trust Co., St. Louis, Mo., announced March 28 the promotions of Thomas J. Franey and Paul J. Harbaugh, as Assistant Secretaries.

Directors of the First National Bank, Palm Beach, Fla., have recently voted to increase the surplus of the bank by the transfer of \$300,000 from undivided profits.

At a recent meeting of the stockholders of the Banco Internacional, Mexico City, Mexico, the shareholders voted to double the capital of the bank from \$1,200,000 to \$2,400,000.

Bill Introduced to Outlaw Royalties to Labor Unions

Royalty payments to unions such as those paid to James C. Petrillo's AFL musicians union and those sought by the United Mine Workers Union will be outlawed if the bill introduced into the House on March 28 and sponsored by Representative Miller (R., Neb.) is passed by Congress.

Associated Press Washington advices of March 28 said:

"Congress never intended that labor unions should get the green light to commit acts that would be illegal if committed by anyone else," Mr. Miller said.

"The telephone unions are now giving consideration to charging a five-cent tax or toll on every long-distance telephone call. Unions might well demand a royalty on every plane manufactured or on every radio.

"Unions in the steel industry could follow Mr. Petrillo's or John L. Lewis's example and demand royalty for the steel they produce. . . . It will take legislative action to curb the racket of Mr. Petrillo and Mr. Lewis."

Mr. Miller also introduced a bill to outlaw the closed shop and dues checkoff by making such labor practices illegal and subject to penalties.