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The Financial Situation

"I thought it necessary, though at the hazard of being tedious, to examine at full length this popular notion that wealth consists in money, or in gold and silver. Money in common language, as I have already observed, frequently signifies wealth, and this ambiguity of expression has rendered this popular notion so familiar to us that even they who are convinced of its absurdity are very apt to forget their own principles, and in the course of their reasonings to take it for granted as a certain and undeniable truth. Some of the best English writers upon commerce set out with observing that the wealth of a country consists, not in its gold and silver only, but in its lands, houses, and consumable goods of all kinds. In the course of their reasonings, however, the lands, houses and consumable goods seem to slip out of their memory, and the strain of their argument frequently supposes that all wealth consists in gold and silver, and that to multiply those metals is the great object of national industry and commerce."

These lines were published in the fateful year of 1776 by none other than Adam Smith, until a very short time ago almost universally regarded as the "father" of sound economic thinking. It would require but little change in the words to make these sentences not only as pertinent today as they ever were but also as urgently in need of close attention.

"Wartime" Savings

For two or three years economists, and others who regard themselves as such, have been having much to say about "wartime savings" in this country. There is a rather well fixed pattern of discussion of this subject. First, the attention of the public is called to the huge volume of such "savings" now accumulated and still accumulating. Then the question is raised as to whether the holders of these

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Reciprocal Trade Pacts Renewals

By CHARLES P. TAFT*

Special Assistant to Wm. L. Clayton, Assistant Secretary of State

State Department Economist Pleads for Extension of the Hull Reciprocal Trade Agreements, With the 50% Additional Tariff Reduction Authority. Says We Must Have More Imports to Permit Devastated Countries to Restore Their Balance of Payments. Holds Renewal of Trade Pacts Ranks in Importance With Bretton Woods & Dumbarton Oaks Proposals

Within the last two weeks the bill for the renewal of the Hull Reciprocal Trade Agreements Act has been introduced into the House

of Representatives by Representative Dough-ton. It must be acted on before June 12th, or the existing authority lapses.

It provides for an increase in the original authority granted in 1934, and renewed in 1937, 1940 and 1943, without change. Tariff rates by this new bill could be reduced by 50% of what they were on Jan. 1, 1945.

Although the Reciprocal Trade Agreements program has the overwhelming support of every section of American opinion, the

*An address by Mr. Taft before the Minnesota United Nations Committee and Civic and Commerce Association of Minneapolis, March 30, 1945.



Charles P. Taft

opposition is vigorous and determined, and it is most essential for the supporters of sound commercial policy and international peace to rally for what promises to be a real fight.

It is true that the efforts of the United Nations group are concentrated on the active support of the Dumbarton Oaks Proposals at San Francisco, and of the Bretton Woods agreements in Congress. But the Trade Agreements renewal is an essential, perhaps the most essential, part of the economic program without which the new world organizations would start its life vitally handicapped. Those actively interested in San Francisco results should therefore pick up the Trade Agreements fight.

The 50% additional authority is essential to lay any basis for progress out of the devastating economic conditions that will exist when the German war is liquidated. The wise use of this authority in such a way as not to disrupt American employment and industry is pledged by the past record of the Trade Agreements

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International Economic Collaboration Essential

By HON. EDWARD R. STETTINIUS, JR.*
Secretary of State

Mr. Stettinius Stresses the Importance of Promoting Economic Welfare Throughout the World and Removal of the Political, Economic and Social Causes of War as a Means of Assuring Future Peace. Points to the Creation of an Economic and Social Council in the Dumbarton Oaks Plan as a Move to That End. Asserts We Must "Match Our Need for Full Production With World's Need for Our Products to Reach and Maintain a Higher Level of International Trade." Praises Work of UNRRA and Endorses Bretton Woods Proposals. Calls for Tariffs Elimination.

We are fighting this war in order that all Americans may gain the opportunity to live securely and in peace. I say opportunity—



E. R. Stettinius, Jr.

for victory in itself, as we all know but sometimes forget, will not be enough. Victory is the essential condition of our success, but not the assurance of it. The foreign policy of the United States is directed toward providing that assurance—in combination with domestic policy. Our objective in all our relations with other nations is to prevent aggression abroad from again disturbing the peace of the United States and to develop those conditions of in-

*An address by Mr. Stettinius before the Council of Foreign Relations at Chicago, April 4, 1945.

ternational life that will make it possible to maintain high levels of productive employment and farm income and steadily rising standards of living for all the American people.

This is a tremendous undertaking. We face difficulties and dangers whose magnitude it is hardly possible to over-estimate. Idealism and good intentions will not be sufficient. Our only chance of success is to face squarely the realities and to pursue a course of action firmly based upon these realities. Without bold, realistic and effective action it will not be possible to prevent this war from being followed by economic collapse and economic anarchy far more disastrous than the depression of 1929; nor will it be possible to prevent another war from bringing bitter sorrow and suffering to every American home.

Of one reality I believe the great majority of the people of the United States are now wholly convinced, and I do not believe

the people of the Middle West are any different in this matter from people in other parts of the country. After two World Wars and a terrible world-wide depression, all within the space of twenty-five years, we are convinced that political isolationism and economic nationalism are utterly unrealistic and can only lead to complete disaster for our country and for the world.

So our foreign policy is based upon the hard facts that if we are to prevent the disaster of another war for the United States we must find the means to act effectively with other nations to prevent aggression anywhere in the world; that we cannot have prosperity in the United States, if the rest of the world is sunk in depression and poverty.

In other words, since we live in a world where every nation has become virtually our next-door neighbor, we cannot achieve our objectives alone, but only in the close cooperation that neighbors in any American town are accus-

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*These items appeared in the "Chronicle" of Monday, April 9, on pages indicated.

From Washington Ahead of the News

By CARLISLE BARGERON

Woe be it to those American interests that are adversely affected by trade treaties that are being negotiated these days because our Senate is in a mood to cooperate with the world. It has been propagandized to the effect that the American people, and particularly the Senate, are on trial before the world. It has been told, until it is blue in the face, that its record on world cooperation is very bad and it must now go overboard in showing that it has reformed.

Notwithstanding that we have sent millions of our sons abroad, with nearly a million of them either killed, missing or wounded, and notwithstanding that we have given so freely of our national substance that we will feel the effects of it for 50 or 100 years, the world is still in doubt, we are told, about whether we are really in a cooperative mood. It is truly amazing. It is doubtful if any people in all the world were ever given such an inferiority complex about world relations.

No country owes us anything in the way of gratitude or even thanks, our own leaders tell us.

We are the ones to be grateful for having been saved by other nations.

It is in this inspired atmosphere that the State Department is negotiating routine trade treaties and the atmosphere which it in turn is presenting them to the Senate.

These routine treaties have no relation to Dumbarton Oaks, San Francisco, Yalta or any of the other milestones of civilization's progress. They are just plain commercial treaties which nations have been negotiating since time immemorial and will continue to do in spite of the outcome of the overall peace conferences. But the State Department and the Administration propagandists as a whole insist they are all tied up: to defeat or even straighten out the defects of any one of these commercial pacts is to jeopardize the peace structure. To question one of these pacts signifies to a suspicious world that we really haven't become world-minded at all.

Several months ago the Anglo-American oil pact was sent to the

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Carlisle Bargerón

"Implementing" Emotions

"Reports from the battlefields of Europe make it clear that the days of the Nazi tyranny are numbered. There will remain the grim necessity of intensive prosecution of the Japanese war. With that nothing must interfere.

"Yet military victories will be hollow, empty of meaning, if we fail in rebuilding a peace-time economy far stronger and more productive than we have had before. In a shattered world, our nation's success or failure in post-war readjustment may well determine whether the world can achieve a stable peace and security.

"If we, with vast resources and undamaged industrial facilities, can provide full employment in the United States for all those willing and able to work, we can fulfill our economic commitments in supplies and machinery to other nations for their reconstruction. We will then be able to carry out the responsibilities that lie in the proposals developed in international conferences at Hot Springs, Dumbarton Oaks, and Bretton Woods.

"By magnificent cooperation of industry, labor and farmers on the home front we have achieved unprecedentedly high levels of wartime production, income and employment. National solvency itself demands the maintenance of those high levels of production, income and employment in the reconversion period and into the peacetime economy. The nation has demonstrated that we can do this for war. We can and must do it for peace. In achieving it, the aspirations of the people of this nation and of the world will find their fulfillment."—O. Max Gardner, Chairman of the War Mobilization and Reconversion Advisory Board, to the President.

Such emotional — and meaningless — outbursts are, we suppose, to be expected at junctions such as the present.

What troubles us is that we insist upon "implementing" these outbursts with equal disregard of the realities.

Post-War Reconversion Plan for U. S.

Submitted by OWM Chairman—Lauded by FDR

The White House has made public an exchange of correspondence between President Roosevelt and O. Max Gardner, Chairman of the War Mobilization and Reconversion Advisory Board, advises to the New York "Times" from Washington, on April 7, state. The President praised Mr. Gardner's expression of faith in a future for America of peacetime abundance. According to the Associated Press statement from Washington of the cor-

respondence Mr. Roosevelt expressed gratitude to the board "for its expression of faith, both in our war effort and in the necessity that our certain victory means at home a peacetime economy far more abundant and productive than we have ever had before. You know how completely I agree." The President went on to say, the Associated Press states:

"We must plan security and abundance together. Such a stronger American economy will be essential to carry out the responsibilities that lie in plans made at Bretton Woods, Hot Springs and Dumbarton Oaks. Similarly, abundance at home depends upon organization for order and security in the world.

"America is fortunate to have such a re-affirmation of the uninterrupted tradition of an advancing America enunciated by men who represent great organizations of labor, industry and agriculture working together with others who represent the public. As such Americans chosen by the President and confirmed by the Senate, you have well stated the program by which we fight a victorious war and seek a meaningful peace.

"Very Sincerely Yours,
FRANKLIN D. ROOSEVELT."

This had been the President's reply to Mr. Gardner's letter transmitting a five-point board statement of faith in the future of America. Following is the Associated Press text of the letter:

Dear Mr. President:

As Chairman of the advisory board of the Office of War Mo-

bilization and Reconversion I have been directed by resolution to transmit to you the communication which follows here.

The advisory board of the Office of War Mobilization and Reconversion, created by Congress, appointed by you, and confirmed by the Senate, assembled this day at the White House, respectfully submits to you the following message:

We have expressed publicly our profound regret at the resignation of Justice Byrnes from the directorship of this office, and we here express our highest confidence in Judge Vinson whom you have nominated as his successor. It is fortunate that in great crises our nation produces public servants such as these.

Events of recent days have given us a sense of special concern about our responsibilities. The membership of the advisory board appointed to represent the public interest includes members experienced in the affairs of business management, labor, and agriculture.

It is the immediate responsibility of the board, in these critical moments, to bring to the director by advice and recommendations its best thoughts and assistance, reflecting the views of the different economic groups and the opinions and feelings of the people throughout the country.

Reports from the battlefields of Europe make it clear that the days of the Nazi tyranny are numbered. There will remain the grim necessity of intensive prosecution of the Japanese war. With that nothing must interfere.

Yet military victories will be hollow, empty of meaning, if we fail in rebuilding a peacetime economy far stronger and more productive than we have had before. In a shattered world, our nation's success or failure in post-war readjustment may well determine whether the world can achieve a stable peace and security.

If we, with vast resources and undamaged industrial facilities, can provide full employment in the United States for all those willing and able to work, we can fulfill our economic commitments in supplies and machinery to other nations for their reconstruction. We will then be able to carry out the responsibilities that lie in the proposals developed in international conferences at Hot Springs, Dumbarton Oaks, and Bretton Woods.

By magnificent cooperation of industry, labor and farmers on the home front we have achieved unprecedentedly high levels of wartime production, income and employment. National solvency itself demands the maintenance of those high levels of production, income and employment in the reconversion period and into the peacetime economy. The nation has demonstrated that we can do this for war. We can and must do it for peace. In achieving it, the aspirations of the people of this nation and of the world will find their fulfillment.

These observations lead us to the following firm convictions:

(1) That full employment can and will be attained here in the United States.

(2) That it can be achieved under our system of competitive free enterprise. In the conversion period, bold ventures by all our citizens are necessary and the role of Government must be positive. This does not call for any compromise with traditional American institutions and relations of Government, labor, business and agriculture.

(3) That the full use of our resources of materials and manpower can produce a national income which, properly distributed, will bring about sound and stable business and industrial activity, higher real wages, better health, housing and education for all.

(4) That the veterans returning when war is finally at an end will then find a respected and secure place in the economic life of the nation.

(5) That this nation can and will in that way help the needy in devastated lands abroad to alleviate their misery and enable them again to provide for themselves.

These convictions constitute our declaration of faith in the future of the nation. It is our firm purpose to do our best toward translating that faith into accomplishment as the foundation stone of world peace. We believe and know that it can be done. To this end we pledge our best efforts toward the preparation of a broad program of public and private action at the earliest possible time.

It is therefore our sincere and earnest desire to serve Director Vinson and our country in every possible way within the powers of our official capacity and as representatives of the public.

With high regards, believe me,
Sincerely yours,

O. MAX GARDNER,
Chairman.

Extend Mexico Claims

Legislation was signed on April 4 by President Roosevelt extending the time for determination and payment until April 5, 1947, of claims made by each country under the 1941 convention between the United States and Mexico.

Associated Press, Washington,

Poland and Mandates Are Thorny Problems

Efforts by State Department to Arrive at Agreements Among "Big Three." Secretary Stettinius Informs Senator Taft That U. S. Is Doing Utmost to Implement Yalta Agreement.

The status of Poland in the San Francisco Conference is still under negotiation, and a solution is sought with Russia to find a formula whereby Poland may have a delegation which is representative of all parties among the Polish people. Senator Robert A. Taft of Ohio, Republican member of the Senate Foreign Affairs Committee, in a letter to Secretary of State Stettinius proposed that the United States Ambassador to

Russia, Averell W. Harriman, one of the conferees to settle the Polish dispute and to set up a representative provisional Polish Government, be instructed not to approve any set-up which, like the Lublin Polish Regime, is predominantly under the influence of Russia. He wrote the Secretary of State that "it would be a tragic error for the United States to recognize any Government under whose rule the existing Polish armies would be unable or afraid to return to Poland." To this Secretary Stettinius replied that the United States is doing its utmost to implement the decisions of the Yalta Conference, adding that "because of the complexity of the problem and the many conflicting interests involved, progress has not been as rapid as we had hoped for, but I am still confident that a fair solution will be reached."

According to a special dispatch to the New York "Times," the Commission consisting of Soviet Foreign Commissar Molotov, the American Ambassador, Mr. Harriman, and the British Ambassador to Soviet Russia have failed to agree on the organization of a Polish Government, and the argument is not "who should be made members of the reorganized Polish Government, but who should be allowed to go to Moscow to discuss with the Commission the problem of forming it."

"This is not a dispute merely over shadows behind words," says the dispatch. "The impression is growing in Washington that, despite the Yalta communique, the Russians are not eager to permit anything more than the appearance of a three-Power settlement of the Polish question. The Russians are saying that they want a strong, friendly and independent Polish Government, but after seven weeks of discussions about arranging this, doubts are growing in Washington that the Polish Government can, under present conditions, be both 'friendly' to Russia and at the same time 'strong and independent.'"

In connection with this Polish problem, the Russian Embassy in Washington released an article written by M. Nokolayev in the official Russian publication, "War and the Working Class," in which the writer points out that success can be obtained in settlement of certain "defensive" disputes by bilateral treaties among individual States rather than by collective agreements.

In his article M. Nokolayev says: "One may and should hope that the new organization will perform its duty successfully and unflinchingly. But experience has shown that individual obligations of individual States in respect of allied assistance are observed to a greater degree and more rapidly than obligations assumed under collective agreements. That is why the countries which are most directly threatened by German aggression value

advices in reporting this went on to say:

Under the convention agreements, Mexico is to pay approximately \$40,000,000 in settlement of miscellaneous outstanding claims of each government against the other which arose between 1888 and 1943.

the bilateral agreements they have concluded, and it is scarcely likely they will want to renounce them or agree to make their operation contingent upon the decision of an international organization which has still to demonstrate its effectiveness."

Another problem requiring some sort of unanimity among the "Big Five," before the San Francisco conference convenes, is that relating to mandated territories. According to an Associated Press dispatch on April 2 the United States has proposed a Big Five meeting before the San Francisco conference, to work out an agreement on this matter.

It is reported that the meeting has been proposed for Washington about two weeks before the date of the San Francisco conference on April 25. The United States, Britain, Russia, France and China would take part.

This country, it is said, advocates an international trusteeship system under which nations holding mandates over territories would be required to permit the development of self-government leading toward independence.

State Dep't Relaxes Curb on Argentina

It was announced on April 4 that the State Department has decided to remove its economic restrictions against Argentina.

The War Shipping Administration only a few months ago had forbidden American ships to enter any Argentine port, giving the shipping shortage as its reason, but now that the Argentine Government has submitted to the requests of the United Nations to break with Germany economic relations may again be continued between these two nations.

The Associated Press announced from Washington on April 4 that the original date set for lifting bans imposed during the year-long estrangement was April 9, but since Argentina signed the act of Chapultepec in Mexico today, the move may come sooner.

Although straight-forward sanctions were never clamped on Argentina, U. S. trade agencies have been giving far stricter treatment to commerce with that country than with others in the hemisphere.

Shipping licenses, export-import licenses and priorities were subject to tight controls which have been loosened up for other Latin American States.

It was made almost impossible for Argentina to buy industrial goods or strategic materials from this country.

The new policy is to put Argentina on an equal footing with the rest of Latin America when it asks to buy something here. The sole test henceforth, it is said, will be whether the desired goods are available in sufficient quantities and whether transportation can be spared.

Recognition is expected in a few days and while the American countries are planning to act individually, it appears that normal relations with Argentina will be established throughout the continent very quickly.

Government Stabilizing Agencies Urge Post-War Continuance of Firm Controls

Davis, Bowles, Jones and Taylor Send Joint Report to Roosevelt

A joint report was made to President Roosevelt in the form of a letter signed by the heads of the Office of Economic Stabilization, the Office of Price Administration, the War Food Administration and the War Labor Board, advising that "wartime controls against inflationary pressures will have to be adapted to the stresses of transitions," according to advices to the New York "Times" from Washington on April 7.

Praising the spirit of cooperation which the public has displayed during the war, the letter, signed by William H. Davis, Chester Bowles, Marvin Jones, and George W. Taylor, on the second anniversary of the President's "hold-the-line" order, warned that a difficult period lay ahead, during which "a fundamental requirement . . . will be the adoption, by industry, of price policies . . . geared to large volume sales," and encouraging "mass buying through the narrowing of margins over production costs."

Stressing the danger of a "runaway price rise," the report stresses the need of continuing "the fight until the danger is over." It recalls that a year ago "we reported that the line had been held," and states that the line is still being held, with the nation's cost-of-living index now at "little more than 2% above its level of two years ago." According to an Associated Press dispatch from Washington, April 7, the following table of cost-of-living increases since the "hold-the-line" order accompanied the letter:

Item—	April, 1943	Feb., 1945	P. C. Increase
All items	124.1	126.8	2.2
Food	140.6	136.5	-2.9
Clothing	127.8	143.3	12.1
Rent	108.0	108.3	2.8
House furnishings	124.6	143.8	15.4
Fuel, electricity, ice	107.5	110.0	2.3
Miscellaneous	114.8	123.2	7.3

Below is the text of the letter itself as given by the Associated Press:

Dear Mr. President: Tomorrow will be the second anniversary of your "hold-the-line" order. It directed the agencies concerned with stabilization of prices and wages to stand fast against the inflationary pressures which total war brings in its train. A year ago we reported to you that the line had been held. Today, with another year of war behind us, we are happy to report that it is still being held. Notwithstanding the intense and accumulating strains of the greatest war production effort in history, the nation's cost of living index today stands little more than 2% above its level of two years ago when the "hold-the-line" order was issued.

A large number of items entering into the cost of living have been held absolutely steady. Some items, chiefly in the food group, have declined. On the other hand, clothing prices have undergone a gradual, but unbroken, rise during the past two years. Thanks, however, to new programs the rise will soon be stopped, and plans are under way to roll back prices on essential clothing items.

Average straight-time hourly earnings are currently estimated to be 10% above their level of two years ago, largely as a result of promotions and increased production. Wage costs have been kept relatively stable and have not contributed to any significant rises in the cost of living through pressures on production costs.

Stabilization has been effective not only for the cost of living and wages but for farm and industrial prices as well. During the past two years prices received by farmers and wholesale prices of industrial products have increased only about 2%. The record is clear that throughout the price and

wage structure essential stabilization has been achieved.

Stabilization is not an end in itself. As the Congress clearly recognized in the Emergency Price Control Act, stabilization is necessary to prevent conditions which would disrupt production and interfere with the prosecution of the war. We invite your attention to the fact that this two-year period of price and wage stability has also been a period of record industrial and farm production.

The stabilization agencies have, at all times, recognized that while stable prices and wages aid production, a rigid inflexibility might hamper it. The slight increases in the general levels of prices and wages reflect, for the greater part, adjustments found necessary to eliminate gross inequities in wage scales and to secure required production. The success of this policy is evidenced by the minor degree to which wages and prices have had to be adjusted and by the continuing flow of industrial and farm production.

In judging the record of stabilization, account must be taken of the inflationary pressures which have been built up and are still building up. The continued flow of Government war expenditures, totaling \$245,000,000,000 at the end of 1944, has pushed national income to peak levels. Each successive year has seen an increase in the spread between disposable civilian income — the income remaining in people's pockets after taxes — and the supply of goods and services available for civilian use. But in spite of this the line has been held.

Because of continuing requirements for war, the supplies of many civilian goods are scarce, and will get even scarcer, until well after V-E Day. This tightness of supply, taken together with the further increase of excess purchasing power, may well result in greater difficulties than any we have yet experienced in preventing inflation.

The difficulties are likely to be further increased by the readjustments in the war program and in the economy that will follow victory in Europe. It may be that for a brief period there will be an apparent end to the upward pressure on prices and even a general sag in prices. If that occurs there will be voices raised to claim that the danger of inflation is over and that all controls should forthwith be lifted.

The American people and their Government must remember that it was just such a deceptive sag of prices after the last war that led us to abandon all semblance of price control. But that sag proved to be the prelude to a steep inflation almost equaling that which took place during the war itself — an inflation that ended in disastrous collapse a year and a half after the Armistice.

We are confident that the people of this country will beware of those who will call for an abrupt ending of controls. In this war, unlike the last, the American people are aware of the critical need for stabilization. Not only have they accepted wage and price controls. They have given active support to these safeguards against inflation.

The successful operation of rationing and price control, for example, depends not simply upon

the day-to-day cooperation of housewives and business men, but upon the activity of nearly 200,000 volunteer workers throughout the nation.

The American people have contributed in numerous other ways to the success of stabilization. They have cheerfully accepted the heavy increases in taxes made necessary by war. And they have recognized that if they attempted to spend all their income in a period when goods are scarce, it would put the severest kind of pressure on prices. Over the past two and a half years they have saved close to 25% of their income after taxes. This has both helped to hold prices down and contributed to the sound financing of the war. In 1944 alone individuals bought more than \$15,000,000,000 of war bonds, increasing their total holdings to upward of \$50,000,000,000. In addition, they have accumulated huge savings in other forms, such as bank deposits and life insurance policies, which have been fed into the war-bond program through institutional channels.

As we look forward to final victory, the stabilization task will gradually have to be adjusted to a new objective — defined in the original Price Control Act as that of preventing a post-war collapse of values. The prevention of wartime inflation will, in itself, have contributed to the achievement of this task; but more must be done. Wartime controls against inflationary pressures will have to be adapted to the stresses of transition — to the requirements the economy will face when the Government has largely withdrawn from the market.

A fundamental requirement, at that time, will be the adoption, by industry, of price policies which are geared to large volume sales and which encourage mass buying through the narrowing of margins over production costs.

Wage policy, too, must be geared to the maintenance of mass markets. This calls for high wages — mass purchasing power is the indispensable basis of the prosperity we seek — but it also calls for high labor productivity, and the low unit cost of production necessary to support large wage payments.

Even this brief statement suggests the difficulty of the tasks which lie ahead. There is still the gravest danger of a runaway price rise, which would undo all that we have accomplished thus far, delay victory and cause untold personal suffering. But at the same time that we exert ourselves to prevent such a development we must prepare to deal with the deflationary tendencies which may appear in the transition period.

To maintain stability in the face of the dangers ahead will require the full support of yourself, Mr. President, the Congress and the American people.

As a nation, we do not like restrictions. But the whole war period shows that necessary, sensible and fair measures will be supported. We anticipate no let-down now.

We believe the American people will insist that the fight against runaway prices be continued until the danger is over, and will give that fight their full support. We believe they will insist that the problems of transition be attacked with boldness.

Fully aware of the difficulties ahead, we approach the future with confidence.

William H. Davis, Director, Office of Economic Stabilization.
Chester Bowles, Administrator, Office of Price Administration.
Marvin Jones, Administrator, War Food Administration.
George W. Taylor, Chairman, National War Labor Board.

The State of Trade

In recent weeks the air has been charged with thoughts and questions about reconversion induced by the prospects of an early victory in Europe. Labor and industry are especially concerned over this problem lest undue delay in establishing the groundwork for peacetime production create an unemployment condition that would be both widespread and disastrous to our economy.

On this score the results of last week's meeting between high ranking officials of the automotive industry and J. A. Krug, Chairman of the WPB, should provide welcome news that at long last due consideration is being given to the formulation of plans to facilitate industry's change over from that of supplying the sinews of war to that of meeting the requirements of peace.

The meeting gave evidence of being an harmonious one with industry represented by C. E. Wilson, President of General Motors Corporation; K. T. Keller, President of Chrysler Corp.; Henry Ford II, Executive Vice-President of the Ford Motor Co.; Paul G. Hoffman, President of Studebaker Corp., and George W. Romney, director of the Automobile Council for War Production and numerous others.

Mr. Romney, spokesman for the automotive industry in commenting upon the meeting expressed industry's satisfaction by saying, "we appreciate the forthright way in which Mr. Krug approached our problems and understood them."

Mr. Krug's committee included Hiland G. Batchellor, chief of WPB operations; Harold Boeschstein, Operations Vice-Chairman; John S. Chaffee, director of the WPB tools division, and other officials. Discussing the gathering in a general way, Mr. Krug stated, the meeting was the finest he ever attended with industry since the war and that some very difficult problems were covered. It was made clear by Mr. Krug that no authorizations for automobiles would be made until after the collapse of Germany "and maybe some time after that." As for production quotas, the matter was barely touched at the meeting, it was understood.

As for the question of machine tools and facilities, they were given major consideration. In offering a solution to these problems, the WPB Chairman reported that his machine tool division has been studying that problem for months and probably could see to it that the industry's requirements of 5,085 pieces of equipment would be available by the time they were needed, by juggling of supplier order books.

In the matter of an approximate \$25,000,000 in facilities, renovations and rearrangements which the industry presented as its needs, Mr. Krug flatly displayed no hesitation in saying that these could not be permitted until the materials and manpower shortages eased. To cope satisfactorily with these and other problems, the WPB is setting up in Detroit a co-ordinating staff to work out reconversion problems for the industry. Henry P. Nelson, director of the agency's aircraft division, will head this staff which will proceed at once to analyze automotive reconversion problems as they arise.

With respect to the general reconversion picture for all industry, the Chairman indicated that such slack as might result from the reshuffling of military programs after the European war will likely be taken up without too much delay by general civilian goods manufacture.

New Capital Flotations in March — New capital issues for the month of March totaled \$357,810,201, and were the largest for any month this year. This compares with \$188,257,290 reported in February and \$148,990,455 in March, 1944.

The March figures were exceeded by those of September,

October and November, 1943, and with these exceptions were the biggest in amount for any month since August, 1941. The financing for the month followed the trend of the previous 15 months, with the greater portion falling under the refunding column. Of the month's financing, \$295,766,014, or 82.7%, was for refunding purposes and \$62,044,187, or 17.3%, for new money. Of the month's total, public utilities accounted for \$219,715,000, or 62%; other industrial and manufacturing, \$64,469,001, or 18%; iron, steel, etc., \$29,100,000, or 8%; railroads, \$13,926,200, or 3%, and all other categories, \$30,600,000, or 9%.

Private issues for the month comprised 13 separate issues, aggregating \$152,275,000, or 42.5% of the total. This compares with \$29,600,000, or 15.7% so placed in February, and \$56,414,000, or 17.9% of the total recorded for January.

For the first quarter of 1945 total corporate emissions footed up \$861,088,194 as compared with \$468,208,800 for the first quarter of 1943. Of the 1945 total, public utilities aggregated \$349,715,000, or 40.6%; railroads, \$282,440,500, or 32.8%; other industrial and manufacturing, \$148,325,694, or 17.2%, and all other categories, \$38,507,000, or 9.4%.

Steel Industry — Order volume in the steel industry the past week continued relatively heavy with some steel companies again reporting an excess of orders over shipments. Indications, however, last week pointed to a definite feeling that the March peak in war orders — perhaps the highest monthly volume in steel history — was beginning to level off, 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, states "The Iron Age" in its current weekly comment of the steel trade. 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 at a high volume, but cancellations were, beginning to appear as a result of the cut in second allotments. The bulk of these adjustments is yet to come.

At Pittsburgh, the flow of orders tapered off to a degree, but one mill reported that its bookings were still somewhat ahead of shipments. Cancellations at Pittsburgh are growing, states the magazine. Monthly carryovers as a result have improved but they still remain a factor to be reckoned with.

Probably indicative of events to come was the cutback last week in the shell program. In addition, Navy cutback on ship construction the past week was reflected in rather substantial openings on plate mill schedules.

There was still some confusion in many official circles last week as to what magnitude the cutbacks would be on VE-Day and the speed with which they would be put into operation. Belief was general that the Army would take a gradual course in order to mitigate a possible chaotic steel order and production condition in the industry. There are many, however, who feel that cutbacks will reach the mills with such an impact after VE-Day that confusion will follow, at least temporarily.

Steel backlogs continued heavy this past week with little indication that anything but a small dent would be made in them, until military cutbacks occurred in (Continued on page 1642)

The Financial Situation

(Continued from first page)

"savings" will in the mass undertake to "spend" or "liquidate" them when the war is over. The query then arises as to whether such an effort on their part would be helpful or harmful to the public welfare. Some observers find the existence of these accumulated "savings" a serious threat of "inflation," while others believe, or at the least hope, that they will prove a force tending to stimulate wholesome activity during the years immediately following the war.

It seems to us that all too few stop to consider the precise nature of these "savings" about which so much is being said. The quarterly estimates of the Securities and Exchange Commission usually are at the center of most such argument and discussion. The Commission is responsible for figures which suggest that the people of the United States "saved" some \$172 billion during the years 1940 through 1944. This total is higher than corresponding estimates of the Department of Commerce. The differences are found chiefly in the earlier years, and appear to be due in part at all events to differences in definitions of terms. Such divergences between the two sets of estimates need not detain us here. The totals of the Department of Commerce are also very large.

Examination of the SEC data is the more profitable by reason of the fact that they present an estimate of the form in which the savings are now held. First of all, we find that the largest item, \$52 billion of the total of \$172 billion, consists merely of an increase in the amount of currency and bank deposits the Commission estimates individuals and unincorporated business to hold. The second largest amount consists of holdings of government obligations.

Are They "Savings"?

These huge sums without question are largely "savings" in the sense that they represent for the most part amounts currently received by individuals in excess of concomitant expenditures for consumers goods. The temptation for the unthinking to accept these as "savings" and "let it go at that" is therefore very great. The man in the street has always, and rightly, considered any of his income which he did not spend to be savings. Not being particularly learned in such matters, and all too seldom disposed to look closely into the inner nature of things anyhow, he can be excused for supposing that these huge sums actually represent savings in a national sense, that

is to say that the country as a whole has been laying by a proportionate amount of its current production of goods and services for a proverbial rainy day.

But has it? How could it do any such thing in the midst of a war which is daily expending more than this nation ever produced before in its history? Not only is it a fact that the productive power of the nation has of necessity been turned from the creation of useful articles of ordinary trade to those of destruction, but these implements of war themselves are being consumed at a rate which is almost incredible. It is true of course that under the pressure of great need we have been producing much more than ever before in our history; more than any other people ever produced in their history, but the shortages of all manner of things from new automobiles, washing machines, houses and clothes to practically all the major items of food renders it clear enough that far from saving anything, we have been in part "living off our fat" these past few years so far at least as consumers goods are concerned.

War Plants

We are being constantly reminded of the enormous amounts which have been laid out during the war on new factories of one sort and another. From these figures it is sometimes deduced that in capital goods we have managed to "save" a good deal—that is to say increase our power to produce over the period in question. But certain reservations are in order. For one thing we could be easily led astray in measuring these new plants and facilities in terms of cost. Most of them have cost us much more than they should. In terms of ordinary pre-war costs, these plants would amount to very much less than the unwary would suppose. In the second place many of these plants were constructed primarily for the production of items which will not be in demand when the war is over, or certainly not in any very great demand. What is more, a good many of them which were designed to produce goods which will be in demand— aeroplanes, for example, must either be written off entirely, or written down to what they are worth when diverted to some other purpose—so excessive has our "capacity" in such lines grown during the war.

It is moreover true that our ordinary plant has not been maintained as it should have been or normally would be. Depreciation reserves have been accumulating in cash. Obsolescent plant continues

Impartial Treatment of Business, Labor Urged

New York Board of Trade Seeks Legislation for Equal Rights and Responsibilities for Both Labor and Management. Wants Labor Unions Incorporated and Controlled and Right to Strike Put Under Restrictions.

At a meeting on April 3 at the Hotel Roosevelt, New York, the Directors of the New York Board of Trade adopted a statement petitioning Congress recommending that—(1) lockouts by management and unreasonable and unjustifiable strikes by labor be subject to penalties. (2) Interference with collective bargaining, threats or intimidation by employers and false representation, threats and intimidation by unions be made illegal. (3) Jurisdictional disputes between labor unions be settled by an appropriate governmental tribunal and such strikes prohibited. (4) Before a strike can be called legally, the members of the union shall have voted for the same by secret ballot and such voting should be supervised both as to eligibility of voters and the correctness of the count by an impartial National Labor Relations Board. (5) Equal power and responsibility under law, for the government to take over any business or labor union which fails to cooperate or interferes with the war effort. (6) Labor unions be incorporated and subjected to similar controls as management. (7) Business and labor unions be required to keep accurate records of financial transactions—including compensation of officers and executives subject to inspection of stockholders on the one hand, and union members on the other. (8) Equal legal restrictions be imposed on business and unions regarding campaigning and political contributions. (9) Personal penalties imposed for violation of law upon officers and executives of both business and unions. (10) Monopolies in restraint of trade and engaging in unfair business practices be prohibited both to business organizations and to labor unions.

In conclusion the Board ex-

presses the belief—"All classes of our population, whether they be labor, management, the so-called white-collar class, small or large business men, stockholders or partners in enterprise or individuals engaged in business on their own account, are equally interested in American prosperity. That prosperity in the coming era depends upon a realization and undertaking of responsibility, as well as an appreciation of their rights."

In releasing this statement John B. Glenn, president of the board, who presided at the meeting stated: "The subject of labor relations is one that provides widely divergent opinion. Our directors were a typical cross-section of American business. They debated the question long and earnestly from diametrically opposing philosophical approaches. There was sharp disagreement; motions were made, amended and amendments were offered to amendments; the votes were all divided and counted by a show of hands.

"But, we all came out of that meeting united in the purpose of advancing America to new heights of prosperity.

"Meetings identical to this one are being held all over the United States and out of them will come a clearer American labor law, and a definite labor policy.

"Our directors petition for equality under the law for employers; they request the same rights and privileges as are enjoyed by unions. And they ask that unions be placed under the same responsibilities and restrictions as are imposed upon management."

Condemns Royalty Payment to Unions

U. S. Chamber of Commerce Sees Dangers of Spread of These Exactions and Supports Bailey Bill in Senate Prohibiting Such Payment. Take Referendum Vote of Its Membership.

With a warning that widespread use of the principle of royalty exaction from industry may spell disaster to the national economy, the Chamber of Commerce of the United States, on April 5, sent to referendum vote of its membership a resolution supporting pending legislation in Congress to prohibit such royalty payments to representatives of employees.

The resolution, in the form of a declaration of policy submitted by the Chamber's Board of Directors, notes a recent "startling instance of the exaction by a labor leader and union as against a business enterprise, of a royalty per unit on sound recording in the musical field."

Also it points out that a similar exaction "has been sought per ton-unit by labor leaders as to coal production as against the operators in that industry." The

to function. Many types of durable consumption goods, such as motor cars, houses, and other items, have been wearing out or falling into disrepair. It may almost be taken for granted that we shall for peacetime purposes, be the poorer in terms of goods and productive power when the war ends, not the richer.

In what sense then are these accumulations of funds and Treasury deficits savings at all? Had we not better call them by some other name?

resolution to be voted upon follows:

"Recently there has been a startling instance of the exaction by a labor leader and union as against a business enterprise, of a royalty per unit on sound recording in the musical field, and since then a similar exaction has been sought per ton-unit by labor leaders as to coal production as against the operators in that industry.

"These exactions are not wages but extras going to union leaders or into union treasuries or trusts and not going to the employees direct or subject to their direct control.

"By the same logic the principle or royalty exaction could be applied to an infinite number of service and commodity units in other lines of activity, all at the expense of the consuming public and with possible disaster to our national economy. Such exactions, if tolerated, would represent in effect a scheme of private taxation—a scheme in which the 'taxes' would be levied, collected and used, not by Government but by private individuals.

"Proposed legislation has just been introduced in the Senate of the United States (S. 754 by Senator Bailey and referred to the Judiciary Committee), which declares among other things, that—

"(a) It shall be unlawful for any employer to pay or deliver, or to agree to pay or deliver,

Wilson of GM Opposed to Foremen's Union

Opposition to unionization of factory foremen was expressed by President C. E. Wilson of General Motors Corp. on the ground that such action would interfere with war production and "slow up post-war reconversion to civilian production," Associated Press advices from Washington state on April 9.

Citing the recent National Labor Relations Board ruling in a Packard Motor Co. case to the effect that foremen may comprise a collective bargaining unit, the AP report goes on to say, the GM head said that the NLRB decision meant "it is sanctioning and promoting the unionization of management personnel in spite of the fact that the National Labor Relations Act includes as an employer 'any person acting in the interests of an employer directly or indirectly'."

A foreman traditionally in American industry has functioned as part of management, Mr. Wilson said, according to the report, adding that it would be impossible "as a fellow unionist with those under him, to perform his functions which relate to their working conditions, wages, promotions and assignments on the unbiased basis essential to good management."

If foremen join unions factory managements will have to be reorganized "on a basis far more complicated and decidedly less effective," Mr. Wilson said.

"It would delay adequate post-war output of cars, refrigerators, ranges, furniture—all the things people need so much and have waited for so long.

"Finally—and, in the long run, perhaps most important of all—it would so increase production costs as to boost prices and the cost of living, and make the problem of reasonably full employment much more difficult."

Loan Post for Henderson

Designation of Charles B. Henderson, Chairman of the Reconstruction Finance Corporation board of directors, to serve also as Assistant Federal Loan Administrator was announced today, according to Associated Press advices from Washington, April 9. The report added that the Federal loan agency said Mr. Henderson had been named by Fred M. Vinson April 5, while Mr. Vinson still was Federal Loan Administrator, to the post so that the agency might be administered without interruption until appointment of a new Administrator.

any money or other thing of value to any representative of any of his employees who are engaged in commerce or in the production of goods for commerce.

"(b) It shall be unlawful for any representative or agent of any employees who are engaged in commerce or in the production of goods for commerce to demand, receive, or accept, or to agree to receive or accept, from the employer of such employees any money or other thing of value, for the use of such representative or in trust or otherwise."

"Since the principles of the proposed legislation are sound and since an emergency now exists that will not brook delay, the Chamber of Commerce of the United States approves such proposed legislation in principle and requests that the officers of the Chamber, or their designated representatives, actively seek the enactment thereof or of other legislation of like general character."

A period of 20 days is allowed for the Chamber's members to vote on the referendum.

Argentine Regime Recognized by U. S., Britain and Other Countries

Following her declaration of war on the Axis and signing of the resolutions adopted by the Inter-American Conference at Mexico City on March 27, Argentina has been readmitted to full diplomatic relations with the United States, Great Britain, France, Canada, the Netherlands, as well as several Latin American countries, according to an Associated Press dispatch from Washington, April 9. The announcement was released by Secretary of State Stettinius, who, according to the report, declined to say whether Argentina would be invited to join or would ask to join the United Nations, whether that subject had been discussed with the Russians, who have been highly critical of the present Argentine Government, or whether eventually Argentina would participate in the San Francisco Conference.

In giving further details, the Associated Press report goes on to say that today's action by the United States appeared to mark a sharp change from the policies followed by Secretary of State Cordell Hull, who initiated non-recognition of the Buenos Aires regime of General Edelmiro Farrell and in subsequent statements assailed the Administration as pro-Fascist. Officials here said that today's action represented an evolution of the policy that this country has been following in recent years, but did not explain how that worked out under the leadership of Secretary Stettinius and what reasons were paramount at this time.

Relations were reestablished by Edward L. Reed, Charge d'Affaires at the Embassy in Buenos Aires. He called on acting Foreign Minister Cesar Ameghino at 1 p. m. (12 M., Washington time) and left a note acknowledging receipt of an Argentine note of March 14, 1944, which had informed Secretary Hull that the Argentine President, General Pedro Ramirez, had resigned and that General Farrell had assumed the presidency.

Failure to acknowledge that note had provided the mechanism by which recognition of the Farrell Government had been withheld for almost 13 months. During that interim the non-recognition policy had been generally supported by the Western Hemisphere countries, the exact support varying from time to time as political conditions in Latin America changed. Four countries had never publicly and formally broken relations, although at various times their Ambassadors were absent from Buenos Aires.

The United States intends to send its own Ambassador there as soon as possible, officials said. The first move is likely to be the nomination of a man for that position by President Roosevelt.

A substitute for the House-passed "work-or-jail" bill and a subsequent Senate voluntary measure aimed primarily at establishing ceilings are preventing "hoarding" of labor, the measure was called by its proponents a composite of the two views.

While President Roosevelt said it wasn't everything he desired or that General George C. Marshall and Admiral Ernest King wanted, he nevertheless appealed to the Senate for its passage on the ground that it would assure the production of vital war materials.

While at the suggestion of Senator O'Mahoney (Dem., Wyo.) the Senate approved a motion to seek a further conference with the House in an effort at a new compromise, the feeling prevailed that there was no prospect of any manpower legislation at all.

The last hope of passage of the pending bill faded when Senator Johnson (Dem., Colo.), one of its original sponsors, joined the line-up against it after James F. Byrnes, just before quitting as War Mobilization Director, called for its passage.

Johnson said that, with Byrnes retiring to civil life "it was a poor time to freeze other people to their jobs."

Senator Hatch (Dem., N. Mex.) sought to have the measure today with a plea for support of the President and military authorities.

He said he resented the implication that by quitting Byrnes was doing something he would deny workers. Byrnes stayed on the job, Hatch said, "longer perhaps than his health and welfare permitted."

Henry P. Nelson Appointed to Auto Reconversion Post

Henry P. Nelson, who has been Director of WPB's aircraft division and will retain that office, is in addition to aid in the reconversion of the automotive industry to post-war production, WPB Chairman J. A. Krug has announced, according to Associated Press reports from Detroit, April 5.

Mr. Krug was in Detroit, the report states, to discuss the industry's reconversion problems with automotive men, and among other remarks stated:

"We did not talk about automobile production at all. No new cars will be approved until the collapse of Germany, and maybe for some time after that.

"We are using all the materials and manpower the country has to keep the war going, and until that situation eases it will not be possible to think of civilian car production."

In announcing the appointment of the 37-year-old Nelson, it is reported, Mr. Krug emphasized his job would be that of coordinating the reconversion preliminaries. "He is in no sense to be a 'czar,'" Mr. Krug said.

Mr. Nelson is a dollar-a-year man on leave to WPB from the International Harvester Co., where he was manager of schedules and production for the company's 19 plants, the Associated Press report stated.

Seek Russo-Turk Amity Pact

The Turkish Government has replied to Russia's recent note denouncing their treaty of friendship and neutrality by agreeing that the treaty which had existed since December, 1925, had outlived its usefulness and that a new one, "better confirming actual interests," would serve to mutual advantage, the Associated Press reported from Ankara, April 7. The report stated that the Turkish reply expressed a desire to "maintain and consolidate sincere friendship" between the two countries.

NAM and U. S. Chamber of Commerce Ask Strike Curbs

Present 5-Point Program for Government Action in Labor Disputes

According to B. E. Hutchinson, Vice-President of the Chrysler Corp. and a director of the National Association of Manufacturers, the latter organization is cooperating with the United States Chamber of Commerce, through a joint committee, to make legislative proposals for additional curbs on strikes. At a press conference of the Automotive Council for War Production, held in Washington on April 8, Mr. Hutchinson released

a five-point program that was under consideration by two leading industrial groups. This program as reported by the Associated Press is substantially as follows:

1. Making it illegal to strike in an effort to coerce Government agencies; this presumably would outlaw a strike intended to force the Government's hand in a wage dispute.

2. Making it illegal to strike in an effort to prevent the use of labor-saving devices.

Responsibility for Strikes

3. Imposing a "definite responsibility" on individual members of labor unions for striking or picketing against a NLRB ruling, and making such activity punishable as a misdemeanor.

4. "Some kind of deterrent to strikes in violation of collective bargaining agreements," and in violation of State or local laws.

5. Protection of workers in their right to stay on the job and move to and from their homes free from "coercion and molestation."

U. S. Chamber Warns Against Union Royalties

The United States Chamber of Commerce sent to a referendum vote of its members a resolution supporting the proposed congressional legislation prohibiting royalty payments to unions, such as those received by Petrillo's Musicians Union, and sought by John L. Lewis, United Mine Workers Union. Failure to pass such legislation the Chamber said "would spell disaster for our national economy."

The "Journal of Commerce" bureau Washington, from which we learned this information:

The resolution in the form of a declaration of policy submitted by the chamber's board of directors, announced, in part:

"Recently there has been a startling instance of the exaction by a labor leader and union as against a business enterprise, of a royalty per unit on sound recording in the musical field, and since then a similar exaction has been sought per ton-unit by labor leaders as to coal production as against the operators in that industry.

"These exactions are not wages but extras going to union leaders or into union treasuries or trusts and not going to the employees direct or subject to their direct control.

"Proposed legislation has just been introduced in the Senate of the United States (S. 754 by Senator Bailey and referred to the Judiciary Committee), which declares among other things, that—

"(a) It shall be unlawful for any employer to pay or deliver or to agree to pay or deliver, any money or other thing of value to any representative of any of his employees who are engaged in commerce or in the production of goods for commerce.

"(b) It shall be unlawful for any representative or agent of any employee who are engaged in commerce or in the production of goods for commerce to demand, receive, or accept, or to agree to receive, or accept, from the employer of such employees any money or other thing of value, for the use of such representative or in trust or otherwise.

"Since the principles of the proposed legislation are sound and since an emergency now exists that will not brook delay, the Chamber of Commerce of the United States approves such proposed legislation in principle and requests that the officers of the chamber, or their designated representatives, actively seek the enactment thereof or of other legislation of like general character."

Col. A. E. Howse Named Surplus Administrator

The Surplus Property Board has announced appointment of Colonel Alfred E. Howse as Administrator, according to a report to the New York "Times" from Washington, April 8. According to the report, the announcement was made by Guy M. Gillette,

Chairman of the board, who said that the board was fortunate in obtaining the services of Colonel Howse, whose civilian background includes long experience in large-scale merchandising and distribution programs. This type of experience, followed by a brilliant Army career, said Mr. Gillette, eminently qualifies him for the job.

Colonel Howse is trustee of the Howse Estates, the New York "Times" adds, as well as Chairman of the Wichita Wholesale Furniture Co. and affiliated companies, and partner in the Howse Investment Companies.

Lautner Appointed to Urban Land Inst.

The appointment of Harold W. Lautner of Washington, D. C., to the new post of Assistant to Seward H. Mott, Director of the Urban Land Institute, has been announced on April 4. The Institute is an independent, national organization working in the field of city planning and land development. It was established in 1939 to study and inaugurate practical approaches to the problems of city planning and land use.

Mr. Lautner is nationally known as a writer and student of city planning matters. He is the author of "Subdivision Regulations, An Analysis of Land Subdivision Control practices," which is the standard textbook on the subject and has collaborated in research studies on land values, traffic, zoning, and community development.

Mr. Lautner taught city planning at Harvard University, from which institution he holds the degree of Master of City Planning.

For several years he held important positions in the site planning, technical, and management divisions of the Federal Works Agency, and Federal Public Housing Authority. Previously he had wide experience in the development and management of real estate projects in the Chicago area.

He is a member of the American Institute of Planners. His technical ability and broad experience will be of particular value in carrying out the Urban Land Institute's greatly broadened program for study and research in urban affairs which it has inaugurated for 1945.

Russia Ends Neutrality Pact With Japan

The five year Jap-Russo non-aggression pact signed in Moscow on April 13, 1941 was denounced by Russian Foreign Commissar Molotov on April 5. The Russian note to the Japanese Ambassador Navtaka Sato was bluntly worded, accusing the Japs of aiding Germany in her fight against the Soviet. It also stated that neutrality was impossible when Japan was at war with Russia's Allies, Great Britain and the United States.

The Associated Press from London reported:

The treaty ordinarily would have run until April 1946. The denunciation becomes effective on April 13, just twelve days before the opening of the San Francisco conference.

Shortly before Moscow acted, the Government of Premier Gen. Kuniaki Koiso in Tokyo fell in the midst of a political and military crisis. This second Jap wartime cabinet might very readily have been previously aware of Russia's action, and resigned in an effort to get away before the situation got too difficult for them to handle.

Emperor Hirohito summoned Admiral Baron Kantaro Suzuki, 77-year-old President of the Privy Council, to form a new Government.

Russia's denunciation of the pact may not free her immediately to join the fight against the Mikado's empire. If both parties stick to the letter of the compact they must maintain neutrality toward each other until the expiration of the treaty's five-year term on April 25, 1946.

The Russians took action under Article III of the pact. That article said:

"The present pact comes into force from the day of its ratification by both contracting parties and remains valid for five years.

In case neither of the contracting parties denounces the pact one year before expiration of the term, it will be considered automatically prolonged for the next five years."

Compromise Manpower Bill Defeated by Senate

The compromise manpower control bill, which would have empowered the Director of War Mobilization to impose a jail sentence and fine on the essential worker who refused to be frozen to his war job, was defeated by the Senate on April 3, in the face of President Roosevelt's pleas to pass an effective labor draft bill. The Senate vote, which was 46 to 29, was made up of 21 Democrats, 24 Republicans and 1 Progressive

opposing the bill and 18 Democrats, 11 Republicans in favor of a labor draft measure.

The bill squeezed through the House on March 23 by a vote of 167 for the legislation against 160 with negative votes.

The President's final plea for the passage of the bill came on March 23 in a letter to Senator Thomas (D., Utah), in which he said, according to Associated Press advices that: "The manpower situation is still serious. In the days ahead of us there will be great temptation for workers to leave war plants. The failure to enact this legislation will make the successful conduct of the war even more difficult. . . ."

It previously was understood that the showdown would be delayed until April 4, however, con-

vinced that further efforts to win votes for the measure were futile. Majority Leader Barkley (Ky.) called for a vote unexpectedly a day before and sat by helplessly as the margin rolled up against it.

Associated Press Washington advices of April 3 went on to say:

The measure, worked out in a joint committee, would have placed in the Office of War Mobilization the power to enforce ceilings on the number of workers any plant could employ and compel workers to stay in essential jobs.

Penalties for violators could have been \$10,000 fine and a year's imprisonment. The measure also would have given the war mobilizer authority to investigate the extent to which labor is being hoarded.

More Delegations Named to Frisco Conference

Dutch Group Headed by Foreign Minister Van Kleefens. Cuba Names Its Ambassador. Yugoslavia to Send Ivan Subasic, Foreign Affairs Minister, as Its Chief Delegate.

It has been announced in London that the Netherlands delegation to the San Francisco Conference will be headed by Foreign Minister E. N. Van Kleefens.

Ambassador Alexander Loudon, Netherlands Minister in Washington, will be vice-chairman of the delegation. The delegates would include Dr. Hubertus van Mook, Lieutenant Governor of the Netherlands Indies; Vice-Admiral C. E. Helfrich, Maj. Gen. A. C. van Tricht and Father E. Beaufort of the Order of Franciscan Monks.

The Cuban Government announced on April 5 that Guillermo Belt, Cuban Ambassador to Washington would head the Cuban delegation to the San Francisco Conference. The delegation will also include Ramiro Guerra of the newspaper "Diario de la Marina"; Ernest Dihigo of the University of Havana, and Francisco Aguirre, a labor leader.

The State Department has announced that Yugoslavia has accepted an invitation to the Conference and will send as the chief delegate Minister of Foreign Affairs Ivan Subasic.

In all, about 44 acceptances of participation have now been announced. The total of nations in attendance at the Conference will reach 47 when a new Polish unity government is formed for that country in time to be represented.

President Roosevelt on April 6 designated Secretary of State Stettinius to be temporary Chairman at the opening of the Conference.

Alger Hiss was named permanent Secretary-General of the Conference and will be in charge of all arrangements for the meeting. He is Director of the State Department's Office of Special Political Affairs.

Mr. Roosevelt's Secretary explained that it is incumbent on the United States Government, as the host of the Conference, to select these officials. Mr. Stettinius will preside at the opening session and will serve until a permanent President is selected or Mr. Stettinius is designated to that office.

Living Costs Reported By Labor Department To Mid-March

Supplies of most important foodstuffs in independent retail stores continued to be ample in mid-March, but fresh meats were much harder to find than in mid-February, according to independent grocers reporting to the Bureau of Labor Statistics of the United States Department of Labor in 56 large cities, the Bureau announced on March 28. Butter, sugar and shortening were more widely available on March 13 than on February 13. Stocks of canned vegetables were good, although most canned fruits were generally difficult to buy. Chain stores are not covered in this survey.

Best grades and cuts of meat were again scarce in mid-March. More than three-fourths of the retailers interviewed on March 13 had no pork loins and hams; approximately 70% had no bacon or veal; more than one-half were without any cuts of lamb or mutton. Although one-half of the stores had some beef, a smaller number were supplied than in mid-February. Pork, in particular, was available in fewer stores on March 13 than on February 13, with 78% having no loins and ham, as compared with 62% in mid-February. Where stores had stocks of pork, they were very small; only one-fifth of those having pork loins and ham had more than one day's supply on hand. Supplies of frankfurters and bologna were adequate in most large cities.

Tariff League Head Censures FDR's Tariff Message to Congress

It is a source of great regret that the President's recent message to Congress on the tariff concealed so much more than it revealed, said Frederick K. Barbour, president of the American Tariff League, Linen Thread Co., in commenting on President Roosevelt's tariff message to Congress. Mr. Barbour went on to say: The statement about the United States being a creditor nation might be true, if the debts of World War I, as well as the vast amount of Lend-Lease, were collectible accounts. The pretense that a nation with more debts than any other nation on the face of the globe is at the same time a creditor, seems pretty fantastic.

We should not continue to mislead the people as to what is happening when United States tariffs are reduced. We have reduced over 12,000 United States rates, in return for which we have received some reductions from each of a number of other nations. But no other single nation has made the number of reductions that we have made in the tariff of the United States. Besides, there is a very important fact constantly overlooked and, that is, that other kinds of barriers to trade, such as quotas, exchange restrictions and imperial preference, are far more restrictive than any tariff can be. It would seem like elementary commonsense that those more restrictive barriers should be removed first. This is particularly true when it is realized that even if these more restrictive barriers were to be removed, these other nations would still have left tariffs higher than those of the United States.

The plea of the President would lead the people to believe that the tariff system of the United States is the greatest single barrier to trade in all the world. That is very far indeed from the true situation. Of course, everybody in the United States wants to help the rest of the world. But that aid does not consist in so weakening our own economy as to very effectively bar the kind of help we should like to give in the future.

Philippine Trade Pact For 20 Years Urged

Harold L. Ickes, Secretary of the Interior asserted on April 5, in discussing relief to the Philippines, said that trade relations between that commonwealth and the United States should not be arranged for less than 20 years.

The Herald Tribune Bureau in Washington, D. C., reported:

Asked about the promised independence of the Philippines, which is to be granted by July 4, 1946, Mr. Ickes told a news conference the United States would be "doing a distinct disservice" by making them free now. He explained that Philippine people have to eat and that their economic existence depends on the United States.

Concerning long-range rehabilitation requirements, Mr. Ickes set forth the following two points:

1. An impartially administered war-damage compensation bill covering both private and public property claims.
2. A definitely favorable settlement of future trade relations, which must be harmonized with prospective political relationships between the two governments and with the general American trade policy. These arrangements should cover a period of not less than twenty years. Otherwise, regardless of war-damage payments, there will be little re-investment in agricultural and light industries in the islands.

Greater New York Fund Campaign

The Greater New York Fund will begin its Eighth Annual Campaign on May 2, 1945, with J. Stewart Baker as General Chairman. Mr. Baker is Chairman of the Board of the Bank of the Manhattan Company.

The campaign goal is a minimum of \$4,500,000, asked of the business world on behalf of 408 voluntary hospitals, health and welfare agencies, all serving in the New York area. The money will be raised by voluntary contributions of business concerns and employee groups only.

The officers of the fund are:

Chairman, Members Council: James G. Blaine, president, Marine Midland Trust Company of New York.

Chairman, Board of Directors: Walter S. Gifford, president, American Telephone and Telegraph Company.

President: Arthur A. Ballantine, of the law firm of Root, Clark, Buckner and Ballantine.

Vice-Presidents: John S. Burke, president, B. Altman & Company; George Z. Medalie, attorney; Bayard F. Pope, chairman of the board, Marine Midland Corporation; Roy E. Larsen, president, Time, Inc.

Treasurer: William S. Gray, Jr., president, Central Hanover Bank and Trust Company.

There is a gap between the operating income of the 408 agencies participating in the Greater New York Fund and their actual operating and maintenance costs. Although a substantial portion of the difference is made up by investments and endowments, the aggregate distribution need for 1945 is \$22,500,000.

The agencies participating in the Greater New York Fund help more than 2,500,000 men and women and children annually.

The fund asks the business community for a minimum of \$4,500,000 as its share in the maintenance of the standards and services of these 408 participating agencies in this fourth war year.

Supreme Court Bars Back Wage Waiver

The Supreme Court ruled, according to Associated Press advices from Washington, April 9, that it makes no difference whether a worker has made a private arrangement with his employer for less than the back overtime pay actually due him, he may still collect the full amount under the wage-hour law.

The ruling was a 6-to-3 decision, the report states, delivered by Justice Stanley F. Reed.

In other wage-hour law decisions, also delivered by Justice Reed, the Associated Press report has the following to say:

The Court: Unanimously voided a general release by which a worker gave up additional back pay claims possible under the law.

Unanimously reversed a finding that interest may be added to amounts won by employees in suits filed under the Act to collect overtime compensation.

The 6-to-3 opinion, from which Chief Justice Stone and Justices Roberts and Frankfurter dissented, involved former employment of William J. O'Neil as a watchman at a business building owned by the Brooklyn (New York) Savings Bank. The bank said that without any demand from Mr. O'Neil it voluntarily calculated the overtime pay due him if the Wage-Hour Act applied to his former job, sought him out and gave him \$423. Mr. O'Neil in writing released the bank from further claims.

Later Mr. O'Neil sued for an additional \$423 as "damages," plus attorney's fees and interest. The Wage-Hour Act makes employers liable to workers for unpaid overtime compensation and for "an additional equal amount as liquidated damages." New York State

courts awarded Mr. O'Neil the additional amounts and this decision was upheld by the high court.

The case involving a general release on additional back pay claims reached the court on an appeal by L. Elwood Dize, manufacturer of barrels and boxes used by oyster and crab meat packers in Crisfield, Md. Lower Federal courts ruled that a release signed by Lake Maddrix on payment of \$500 which he claimed as overtime compensation could not be used as a defense against new claims. The Federal District Court found that at the time both employer and employee knew something in addition apparently was due. This decision also was upheld.

An appeal by the Arsenal Building Corp., owner of a building at 463 Seventh Avenue, New York City, and by Spear & Co., Inc., managing agent for the building, brought up litigation involving interest.

Meyer Greenberg, an elevator operator, and 25 other service employees in the building, in a suit in the Southern New York Federal Court won a total of \$5,379 for overtime pay and an additional \$5,379 for "liquidated damages" as permitted by the Act. The court also allowed \$2,151 as interest at 6% on the total award. The Second Federal Circuit Court, in affirming the District Court, added \$500 to the allowance of \$750 originally ordered for the employers' attorneys' fees.

Arsenal and Spear said the interest award was based on a State law. They contended it could not be added to damages won under a Federal Act and the Supreme Court reversed the lower court's decision.

The court also upheld a New York State Supreme Court award of unpaid overtime wages and damages to a group of employees of the J. F. Fitzgerald Construction Co., and in this case also ruled against payment of interest. It was another unanimous decision by Justice Reed interpreting the wage-hour law.

The employees had been working on a railroad bridge in Chatham, N. Y.

The construction company contended the record of the case contained no evidence that the employees were engaged in interstate commerce, so as to permit them to recover overtime wages and damages under the Federal law.

The Supreme Court said it was "clear" that employees "who actually repair abutments or substructures of bridges on which are laid tracks used in interstate transportation" are engaged in interstate commerce.

Peacetime Training Bill Again Postponed

It has been learned on good authority that Congress has again postponed legislation for compulsory peacetime training, at the request of the State Department, according to International News Service reports from Washington, April 7.

The reports give the State Department's reasons for asking that public hearings—supposed to have commenced this month before the House Committee on Post-War Military Policy—be held in abeyance until the world security conference is ended, as being due to a fear that they might "muddy the waters" at San Francisco.

V-E Only When Allies Declare It, Says Eisenhower, Asserling Germans Will Not Yield

Calling it very improbable that the Nazis will make a clean cut surrender such as was the case in 1918, General Dwight D. Eisenhower, said in a letter to President Roosevelt that V-E day will come only when the Allies proclaim it. He also said that there will probably be guerrilla resistance long after the major part of the German armies are beaten.

The Associated Press reported the text of the European commander's letter as follows:
Dear Mr President:

The further this campaign progresses, the more probable it appears that there will never be a clear-cut military surrender of the forces on the Western Front. Our experience to date is that even when formations as small as a division are disrupted, their fragments continue to fight until surrounded. This attitude, if continued, will likely mean that a VE day will come about only by a proclamation on our part rather than by any definite and decisive collapse or surrender of German resistance.

Projecting this idea further, it would mean that eventually all the areas in which fragments of the German Army, particularly the Paratrooper, Panzer and SS elements may be located, will have to be taken by the application of or the threat of force. This would lead into a form of guerrilla warfare which would require for its suppression a very large number of troops.

Of course, if the Government of Germany, or any group that could take over political control would make a national surrender, then all armed bodies remaining in the field would, in my opinion, no longer be classed as soldiers of a recognized government, but would occupy the status of brigands or pirates. Since, if captured under these conditions, they would not be entitled to protection afforded by the laws of war, it is my conviction that, except for extreme fanatics, they would largely surrender.

But so long as any of the Hitler gang retains a semblance of political power, I believe the effort will be to continue resistance not only throughout Germany, but in all of the outlying areas, including the western port areas of France and Denmark and Norway.

To counteract this eventuality our local propaganda stations are constantly pointing out to the Germans that they should now be planting corps for next winter's food instead of fighting. In addition, I am hopeful of launching operations at the proper time that should partially prevent a guerrilla control of any large area, such as the southern mountain bastion.

It is, of course, always possible that there might be in Germany a sudden upsurge of popular resentment against the war, which would lead to a much easier pacification than that described above. My opinion is based upon the supposition that our experience to date provides our best basis of future prediction. At least we should be prepared for the eventuality described.

(Signed)
DWIGHT D. EISENHOWER.

Land Banks to Call Bonds

Land Bank Commissioner W. E. Rhea announced on April 5 that the 12 Federal Land Banks are completing arrangements for the call for redemption as of May 1, 1945 of all outstanding Consolidated Federal Farm Loan 3 1/4% Bonds of May 1, 1945-1955. Mr. Rhea states that no refunding issue of bonds would be offered but that most of the funds for the redemption of the bonds to be called would be borrowed from commercial banks on a short term basis in order to provide the Land Banks with an outlet for surplus funds growing out of loan repayments.

Reconversion Comm. Named by WPB Head

War Production Board Chairman J. A. Krug has announced organization of a Committee to be responsible for working out a gradual modification of wartime production controls as well as formulating and timing of reconversion measures during the period between V-E Day and final victory over Japan, according to advices to the New York "Times" from Washington, April 7. "Period One" refers to this transitional period.

Chairman of the new Committee is J. D. Small, Executive Officer of WPB; Vice-Chairman is S. W. Anderson, Chairman of the Requirements Committee.

It will be the policy of the new Committee, the "Times" went on to say, to consult with all segments of industry before final action is taken. Other related Government agencies will also be consulted to insure coordination of reconversion plans.

Assisting Mr. Small, other members of the Committee will be: W. E. Haines, W. C. Skuce, Lincoln Gordon, Samuel L. Shober, Jr., Edward Browning, Jr., A. C. C. Hill, Jr., James Douglas, Bernard L. Lamb, George Seltzer, Major Ralph Hetzel, John H. Martin, I. N. P. Stokes, 2nd, Bertrand Fox, Mrs. Prudence Bowen and Charles Weiler.

The Committee will be divided into 11 subcommittees. According to the "Journal of Commerce," Washington, April 8, these subcommittees are to be set up as follows, each charged with the specific phase of the reconversion problem indicated:

Committee No. 1—War Programs and Released Resources, Bertrand Fox, Chairman. This Committee will make statistical analyses of military cutbacks and translate these cutbacks into terms of military-end products, materials, manpower and facilities.

Committee No. 2—Coordination of Cutbacks and Resumption, John H. Martin, Chairman. This Committee will deal with community problems, problems of principal plants and the utilization of particular facilities.

Committee No. 3—Non-War Programs, S. W. Anderson, Chairman; Shaw Livermore, Deputy Chairman. This Committee will deal with critically needed consumer products; critically needed producers' equipment, and end products; materials and components for "Pipe Line Filling" and urgent non-military construction.

Committee No. 4—Preparation for Reconversion, W. C. Skuce, Chairman. This Committee will determine the condition of reconversion industries and make plans for major industries; it will also examine control modifications facilitating reconversion, experimental models, needed capital equipment and "Pipe Line Filling."

Committee No. 5—Construction and Construction Controls, John L. Haynes, Chairman. This Committee will determine the status and prospects of essential civilian construction, the problems of reconversion in the construction industry and desirable changes in construction controls.

Committee No. 6—Basic Priority Controls, John C. Huston, Chairman. This Committee will recommend the simplified priorities system, the timing of and methods for eliminating the Controlled Materials Plan, and the function of the Spot Authorization

Plan, interagency directives, component scheduling and industrial inventories and surplus materials.

Committee No. 7—Order Structure and Reports, John F. Skillman, Chairman. This Committee will review WPB's L, M and other orders and recommend revocations for modifications to be put into effect at V-E Day or at specified dates thereafter.

Committee No. 8—Distribution Controls, A. C. C. Hill, Jr., Chairman. This Committee will deal with consumer and product distribution controls, distributors' inventories, and the rationing of gasoline, fuel oil, tires, solid fuels stoves, shoes and other items.

Committee No. 9—Imports, Exports, Shipping, Stockpiling and Subsidies, Edward Browning, Jr., Chairman. This Committee will deal with domestic raw materials subsidies, import raw materials subsidies, imports and import shipping controls, export priorities and controls and stockpiling.

Committee No. 10—Manpower Controls and Relations, Ralph Hetzel, Chairman. This Committee will examine the relationship of War Manpower Commission controls to WPB plans; manpower provisions in WPB controls; manpower clearances, labor conditions related to manpower; production urgency ratings for manpower and related field operations.

Committee No. 11—Small Business, Newcomers and Veterans, Bernard L. Lamb, Chairman. This Committee will examine the problems of small businesses in the reconversion period, veterans priorities and the problems arising in the establishment of new enterprises.

Borrowings Decrease In Month of March

The New York Stock Exchange announced on April 3, 1945, that the total of money borrowed as reported by Stock Exchange member firms as of the close of business March 31 was \$831,917,170, a decrease of \$58,627,088 from the Dec. 30 total of \$890,544,258.

The following is the Stock Exchange's announcement:

The total of money borrowed from banks, trust companies and other lenders in the United States, excluding borrowings from other members of national securities exchanges, (1) on direct obligations of or obligations guaranteed as to principal or interest by the United States Government, \$236,845,057; (2) on all other collateral, \$595,072,113; reported by New York Stock Exchange member firms as of the close of business March 31, 1945, aggregated \$831,917,170;

The total of money borrowed, compiled on the same basis, as of the close of business Feb. 28, 1945, was (1) on direct obligations of or obligations guaranteed as to principal or interest by the United States Government, \$314,707,715; (2) on all other collateral, \$575,836,543. Total, \$890,544,258.

Treasury Subscription and Allotment Figures

The Secretary of the Treasury on April 2 announced the final subscription and allotment figures with respect to the current offering of 7/8% Treasury Certificates of Indebtedness of Series C-1946.

Subscriptions and allotments were divided among the several Federal Reserve Districts and the Treasury as follows:

Federal Reserve District	Total Subscriptions Received and Allotted
Boston	\$182,960,000
New York	2,701,613,000
Philadelphia	117,552,000
Cleveland	217,722,000
Richmond	95,838,000
Atlanta	124,688,000
Chicago	521,991,000
St. Louis	157,962,000
Minneapolis	85,487,000
Kansas City	125,515,000
Dallas	112,333,000
San Francisco	365,556,000
Treasury	1,258,000
Total	\$4,810,495,000

Post-V-E Tax Bill To Aid Business

Senator Walter F. George, Chairman of the Senate Finance Committee, and Representative Robert L. Doughton, Chairman of the House Ways and Means Committee, have given assurance that soon after Victory—Europe Day there will be a tax bill designed to stimulate American business in a peacetime readjustment, according to advices from Washington to the New York "Times," April 7. The advices state that the amount of reserve of 10% excess profits which the legislation would make available to corporations is estimated at about \$1,400,000,000.

It was stated that the new tax bill was being developed by Joint Congressional Committee on Post-War Taxation, with the cooperation of Treasury tax experts.

Senator George is quoted as saying:

"It is not proposed to change or modify existing individual or corporation rates, but its provisions will encourage business to go ahead. Seesawing will end, I hope, or be eliminated.

"We will make immediately available tax credits, roughly approximating two or three billion dollars, and this will, I am sure, encourage business readjustments that normally will, or would be facilitated and speeded up toward reorganization in the light of reconversion necessities.

"It will enable organizations to amortize their war plants and help industries holding certificates of necessity, tax credits against excess profits.

"This will mean a great deal to general business, industry, commerce, but, I repeat, there will be no rate changes. That cannot well be done until after the war ends.

"The adjustments and changes will mean a great deal to smaller industries and especially in the South. Those enterprises whose excess profits range, say from \$10,000 to \$30,000 or \$40,000, should rebound and expand, I believe at least one-third of the corporations in this group will develop.

"And I figure the availability of these excess profits tax credits will be worth a great deal more to small business and industry—give them a bigger lift—than loans and advances from the Government."

Legislation is also expected, according to the "Times" report, which would forgive servicemen who have been overseas, income taxes deferred temporarily under the Soldiers and Sailors Relief Act.

Manpower Legislation Believed Moribund

It does not seem likely that Senate and House differences on manpower measures will be reconciled sufficiently to permit passage of legislation, according to Associated Press advices from Washington, April 9, which state that House leaders told reporters that they did not believe the House would accept the bill originally passed by the Senate. The House approved the Senate measure after it was rewritten in a Senate-House conference, but the Senate turned it down and has asked the House for another conference.

The original Senate bill provided generally for voluntary manpower controls, the Associated Press report continues, while the House bill called for stiff penalties for workers leaving their jobs without approval or refusing to accept war work. The compromise turned down by the Senate undertook to give the Director of War Mobilization power to control the job movement of virtually all men and women.

ABA 7th War Loan Drive Organization

Banks of the nation have completed their country-wide organization for the 7th War Loan Drive under the chairmanship of Tom K. Smith, President of the Boatmens National Bank, St. Louis, Missouri. Fifteen thousand banks are ready for the opening on May 14, according to W. Randolph Burgess, President of the American Bankers Association, who is also Vice-Chairman of the board, the National City Bank of New York, New York.

Mr. Burgess on April 3 announced membership of the Association's War Loan organization, which will bring together the 15,000 banks of the United States in a coordinated program to assist the Treasury in reaching its \$14,000,000,000 goal in the 7th War Loan Drive, including \$4,000,000,000 in E Bonds.

The ABA, as the representative of American banking, set up a special organization early in the war to assist the Government in its financing problems. This group includes the Committee on Treasury War Borrowing, of which President Burgess is Chairman, and the Committee on War Bond Drives, under the Chairmanship of Mr. Smith. Mr. Smith's Committee on War Bond Drives includes representatives from various parts of the country and works closely with ABA State war loan chairmen and special State chairmen representing the mutual savings banks. The work of the State chairmen is varied, according to the needs of each State, but mainly they provide a liaison between the Treasury's War Finance Committee in each State and the banks and the State banking associations.

The program of the national association is directed toward stimulating sales to individuals through personal solicitation. A booklet will be issued within a few days containing useful information for the banks in connection with the drive, with every kind of merchandising idea. As one important part of the program, banks are urged to adopt a system of scoring and reporting sales on a competitive basis with other banks in their community, and the booklet will also urge the establishment of some sort of staff competition in each bank, wherever such a course fits into the general selling program of the War Finance Committee.

In announcing the ABA 7th War Loan organization, Chairman Smith said that banks throughout the nation will devote their major effort to personal solicitation in order to make every American a regular War Bond buyer. "If a large proportion of income is saved in War Bonds, consumer purchases are reduced and there is less pressure of 'spending money' which might force the cost of living to serious heights."

Increase Insurance On Mortgages

Legislation increasing the amount of private war housing mortgages which may be insured under the national housing act to 1 billion, 800 million dollars was signed on April 2 by President Roosevelt.

Washington advices of the Associated Press report:

"The bill also extends the authority under which such mortgages may be insured, from July 1, 1945, to July 1, 1946. The new law provides machinery for assisting the liquidation and sale of properties acquired by the federal housing administration under war housing insurance contracts, which permits mortgages executed in connection with the sale of such properties to be insured without limitations upon time and aggregate amounts."

International Economic Collaboration Essential

(Continued from first page)

tomed to practice in settling affairs that mutually concern them.

Upon these facts the United States Government has based its foreign policy program to help achieve security and prosperity for the United States after the war is won.

The United Nations Conference at San Francisco later this month will mark a critical turning point in the history of the United States and of the world. For at San Francisco it is the purpose of the United Nations to write the charter of a world organization which will become strong enough to maintain peace for generations to come.

I know that many of you would like to hear from me tonight a discussion of temporary difficulties of a political nature that have recently arisen in connection with the San Francisco Conference. I regret that I shall not be able to do so, because the United States Government is at this moment engaged in very active efforts to resolve these difficulties and there is little that I can add tonight to the statement which I made yesterday in reference to some of them.

I do, however, want to say this much. I have full confidence that we shall be able to resolve these difficulties—and others of this nature that will inevitably arise as we approach the end of the war.

We are going right ahead with our plans for the San Francisco Conference and we are resolved to make it the success that it must be. I ask you to remember: first, that the United Nations have repeatedly overcome other difficulties and dangers far more serious in the past three years; second, that the vital national interests of the United States and of each of our allies are bound up in maintaining and cementing in the peace our wartime partnership; third, that the extent of our agreement is far wider and more fundamental than the extent of our differences. If we keep these facts constantly in mind, we shall be able to keep our sense of proportion.

Tonight I want to speak to you about other issues that are of fundamental and long-range importance to the future well-being of the United States and to the success of the World Organization. They are issues that call for the utmost that we as a people can give to their successful resolution.

Most of the public discussion of the Dumbarton Oaks Proposals upon which the Charter of the World Organization will be based has centered upon the security aspects of the Organization—upon its power to prevent or to suppress aggression through the Security Council.

That is a vital part of the plan, but I wish to remind you that it is, in fact, only half of the task that the World Organization must accomplish if it is to be successful. At the conclusion of the Crimea Conference President Roosevelt, Marshal Stalin and Prime Minister Churchill declared that the earliest possible establishment of the world organization was—and I quote—"essential both to prevent aggression and to remove the political, economic and social causes of war through the close and continuing collaboration of all peace-loving peoples."

It is the second part of that statement to which I refer and about which I wish to speak to you particularly tonight—the removal of the political, economic and social causes of war. That is the responsibility which will fall principally upon the Assembly and the Economic and Social

Council of the Organization, rather than upon the Security Council. That is the task to which the energies of the United States and the other members of the World Organization must be principally directed now and in the years following the war.

This is so, because no machinery for combined action to prevent or suppress aggression will work for any length of time in a world in which the causes of war—particularly the economic causes—are permitted to poison relations between countries.

Economic warfare, depressions, hunger, poverty, and despair—these are the conditions that undermine democracy and block its development, that breed tyrants and aggressors and that turn nations one against the other. These are conditions that we must fight to master if any international organization is to succeed in preserving peace.

That is another of the realities upon which our foreign policy is based.

As I have said, we face a task of extreme difficulty.

The battles of this war have left in their wake destruction of factories and homes and transport that is unparalleled in history. This damage has to be repaired.

The demands of war production have distorted the economies and the economic relationships of all nations as never before and have made necessary restrictive government controls of all sorts on normal business and agriculture. The transition from war to peace economy will challenge our patience and ingenuity to the utmost.

We and our fighting allies alike have enormously increased our national debts and our allies have, in many cases, incurred heavy new international debts as well.

Add to all this the fact that when this war began we had an inheritance of years of economic warfare among nations and that we have this earlier damage, as well as the damage caused by the war, to repair. This earlier economic warfare took many forms—restrictive government monopolies and private cartels, artificial restrictions on exchange, currency manipulation, high tariffs, quotas and other artificial barriers to profitable foreign trade and investment.

Finally, we have to face the fact that never before in our history, even in the periods of our greatest prosperity, have we attained a volume of production, trade and employment and a national income that came even close to what we have achieved in response to the demands of this war.

In order to achieve high levels of employment after this war—and to make sure that the men who return from the battlefronts will have secure jobs and good wages—it is estimated that we shall have to reach and maintain a national income in the neighborhood of 150 billion dollars, compared to the highest figure we ever reached before the war—less than 85 billions in 1929. This, we hope, will provide close to 60 million jobs, year in and year out, compared to the previous peacetime peak of 47 million in 1929.

Our problem thus adds up to this:

We know that we have the physical ability to reach the higher level of production that we must have, because we have done it in this war. We have added enormously to our production capacity and unlike many of our allies, our factories and farms have escaped entirely the destruction of war. But in peacetime we cannot reach this high

level of production unless we can find markets abroad as well as at home for our investment and our goods and services.

We know also that much of the world will emerge from this war in desperate need of supplies and equipment from us to get their own economies going again, but that they will often not have the money to pay for what they need until they have succeeded in restoring their own productive economic life.

We know also that short-sighted economic nationalism either on their part or on ours, would prevent any real recovery and would therefore destroy the markets we need and lead to unemployment and depression in our own country.

What we have to do is to match our need for full production with the world's need for our products in such a way as to reach and maintain over the years a permanently higher level of international trade—and to maintain it on a sound and profitable basis.

I have already stressed the difficulty of doing this. But I have seen too much of the achievements of American industry—both its management and its workers—and I have too much faith in American enterprise and initiative to think that it is impossible. On the contrary, I believe we as a nation have before us the greatest opportunity in our history to achieve in this generation the substantial fulfillment of the purposes of the American way of life.

Once in a while one of my business friends speaks to me of government planning as if it were either ridiculous or dangerous. I reply that when I was in business, planning was fundamental to successful management, and I don't suppose things have changed since. It seems to me that to assemble all the pertinent facts, analyze them, and then plan ahead on the basis of these facts is merely the most elementary common sense. If those of us who are in positions of responsibility did not plan ahead, we would be guilty of criminal negligence.

The U. S. Government has a well-rounded and carefully prepared program to achieve the results we seek in our foreign economic relations. We have been working actively on this program right through the war, and developing it step by step in consultation with our allies and with the Congress and people of the United States and preparing to put it into effect. The Atlantic Charter; the United Nations Declaration; the meetings at Moscow and Teheran, at Dumbarton Oaks and in the Crimea; the establishment of UNRRA; the conferences on food and agriculture at Hot Springs, on the International Bank and Monetary Fund at Bretton Woods, and on international aviation here in Chicago; and the Inter-American Conference at Mexico City—these have all been steps in the development of this program.

It is a program that is aimed at expansion, not restriction. It is rooted in the American traditions of freedom and enterprise.

You already know a good deal about this program, but you may not all have seen how each part was related to the other and to the whole, nor how closely linked this program is to steady jobs and better pay and higher farm income in this country and to the assurance that your sons and mine will not have to fight another and greater war 25 years from now.

We begin with UNRRA, which is an emergency and temporary agency created to assist in meeting the urgent needs of relief in liberated countries. It is already functioning.

The UNRRA program is a modest one. Probably four-fifths of the relief job will be done by the liberated countries themselves.

The purpose of UNRRA is to help the liberated peoples get enough food to eat, clothes to wear, and a roof over their heads

—relief which will make it possible for them to start earning a living again. It will not, however, meet the enormous problems of reconstruction—the rebuilding of destroyed or damaged factories and homes, the provision of raw materials and industrial machinery, and the supplies required for the restoration of agricultural production.

I should like at this point to state again what the President and other officials of the Government have often stated before.

It has never been intended to use Lend-Lease for post-war reconstruction or for any other purposes except those concerned with fighting and winning the war. And these are the only purposes for which Lend-Lease has been used. Lend-Lease is solely a war measure.

I make this statement because of the repeated distortions and misstatements that continue to be made on this subject. The core of our whole post-war foreign economic program is the expansion of private trade and the encouragement of private enterprise, with such assistance as is required from the Government to maintain high levels of production and employment.

We are resolved that the terms of the Lend-Lease settlement shall not be such as to endanger this program by placing unnecessary and restrictive burdens upon our commerce with other countries. We do not want war debts to smother trade this time as they did after the last war, and to poison relations between countries.

On the contrary, Article VII of the Lend-Lease Agreements with our principal allies in this war provides that the terms of the settlement shall be such as to expand production, employment, the exchange and consumption of goods, to eliminate all forms of discriminatory treatment in international commerce and to reduce tariffs and other trade barriers.

To meet the urgent needs of reconstruction, many of the countries which have suffered from the war will be able to buy a part of what they need out of their current resources. But the dollars and the gold that they now have or can acquire through their exports in the immediate future will be wholly inadequate to the dimensions of the task.

It is clearly evident that international credits in large volume and at reasonable rates of interest will be necessary to tide them over the next few years. It is also clearly evident that private investment cannot do a job of this magnitude unaided by the Government, especially in the unsettled conditions that will follow the war.

To help meet this and related needs—the plan for an International Bank for Reconstruction and Development and an International Monetary Fund was agreed to by the United Nations delegates at the Bretton Woods Conference and is now before Congress for approval.

The principal purpose of the Bank is to guarantee loans made by private investors for sound foreign projects of reconstruction and development and thus to extend the scope of private international investment.

Without the Bank I do not believe it will be possible to bring about the economic recovery of some of our best potential customers abroad and the development of the resources of other countries which can also buy products from us in large quantities if they have the money. China and many of the American Republics are outstanding examples of countries in this latter category.

This is an important point which is often overlooked or misunderstood. Sound industrial and agricultural development abroad does not take customers away from us. On the contrary, past experience

has proved time and again that the countries which buy the most from us are those whose economies are the most highly developed. Great Britain, for example, was our best pre-war customer. Canada, with a population of less than 12,000,000, bought more from us before the war than all of South America with a population of almost 90,000,000.

Economically undeveloped countries are not good customers because they do not have enough income to pay for purchases from us. Therefore the influence of the Bank in advancing industrial and agricultural development in such countries will be of direct advantage to our export trade. The more wealth they produce and the higher their national income, the more they will wish to buy from us and be able to pay for.

The essence of the plan for the International Monetary Fund, which your fellow townsman, Mr. Edward Brown, had a part in drafting, is an agreement on rules governing foreign exchange which will provide some assurance to international traders and investors of the value of the money they are dealing with and to exporters that they will get paid for their exports in their own money and not in some blocked foreign currency they cannot use.

The proposed Fund will not provide loans for reconstruction. But the substantial stabilization of the world's currencies which it will make possible when it goes into effect will be essential to sustaining a high volume of international investment and trade.

As a supplement to the International Bank and to private capital in the tremendous task of restoring peacetime production and trade in a world exhausted and bled white by war, we plan also to ask Congress in the near future to expand the lending authority of the Export-Import Bank. This Government institution has a ten-year record of profitable operations. It operates principally through private banks, manufacturers and exporters. Its capital is already largely utilized. It will have to have substantially increased capital to help meet the urgent needs for economic reconstruction and for rebuilding trade. And, obviously, if lending by private investors or the Export-Import Bank, or by private investors with the guarantee of the International Bank, is actually to take place, Congress must remove the restrictions of the Johnson Act and similar legislation.

Thus we have UNRRA and other emergency relief measures which prepare the way for the tremendous tasks of reconstruction.

We have the International Bank and other financial measures to make possible the financing of this economic reconstruction and of further economic development in the immediate post-war years. And we have the Monetary Fund providing for stabilization of currencies on a basis of gold and for ending economic warfare in the form of currency manipulation and exchange restrictions.

These are the foundations for building up the extensive and profitable international trade which is essential to high levels of production and employment in the United States.

Last year our wartime exports were valued at more than 14 billion dollars. Our greatest previous volume of peacetime exports was scarcely more than one-third of that figure. I do not suggest that it will be possible or that it will be necessarily desirable, to export 14 billion dollars' worth of products a year in peacetime. But specialists in this field do estimate that it will be necessary to approach the figure of 10 billion dollars a year if we are to maintain our production and employment at the levels we seek.

Only the most vigorous measures to remove artificial barriers to trade will make it possible for us to reach this goal after the

war. We have, first of all, to remove wartime restrictions as rapidly as the paramount requirements of defeating Japan, as well as Germany, will permit.

We have also to work toward a general lowering of the tariff barriers which prevailed before the war.

I hear it often said that high tariffs protect the American living standard. If there are any tariffs that really do that, I favor maintaining them. I also believe in looking at the record in these matters. What does the record show?

It shows that, actually, high tariffs today act as a depressing influence upon the living standard of the American people. The record shows that on the average the wages paid by the highly protected industries are lower than the wages paid by those industries which have little tariff protection or none at all. Our most efficient industries pay the highest wages and need no tariff protection.

The record also shows that consumers—and every American is a consumer—have to pay more for products manufactured by highly protected industries than they would if more of these products were imported. This means they have that much less money to spend for other products they would like to buy.

In thinking of tariffs, we have also to bear this in mind: our exports are the imports of other countries just as our imports are their exports. If we impose unfair tariff barriers that prevent Americans from buying from other countries products they would like to buy if they could, then we invite retaliation by these countries against our exports of products that we would like to sell to them.

It was this sort of competition in tariffs that strangled trade, restricted production and stimulated economic warfare before the war. We cannot afford to let it happen again.

We do not need to fear imports. On the contrary, we need imports of many commodities in order to live, because we do not produce them ourselves. We need more imports to replace some of our own raw material resources that we have consumed in such tremendous quantities in fighting this war. More imports mean not only more goods for American consumers, but more jobs and income for Americans engaged in the processing and distribution of imports. Finally, without more imports other countries will not be able to pay us for the increased exports that we seek.

For every reason of our own national interest it is my firm conviction that tariffs must be further lowered in the next few years, both by other countries and by ourselves.

In the last five years before the war we sought through the reciprocal trade agreements program initiated by my great predecessor, Cordell Hull, to repair some of the damage done to our economy by the Hawley-Smoot tariff bill. We made considerable progress in spite of the economic warfare which Germany and Japan were then pursuing and the generally unfavorable conditions which prevailed. Recognizing its efficacy, Congress has three times renewed the Trade Agreements Act since it was first passed.

Now it is necessary to move further. The Act is again before Congress for extension. As it stands it authorizes reductions in our tariffs up to 50% of the excessively high rates in effect in 1934. A good part of this authorization has been used up in the negotiation of the 28 trade agreements now in effect.

We need more bargaining power in persuading other countries to reduce their tariffs against our exports. We have therefore asked Congress to authorize an amendment which will apply the 50%

limit to the tariff rates as they stood in 1945 instead of the higher rates of 1934. This will give us a new "quid pro quo" in negotiating new agreements with other countries.

In addition to restrictive tariffs, there are other obstacles to wider trade and an expanding economy for the United States and the rest of the world. Preferences and quotas, for example, are artificial restrictions on trade between nations and export subsidies encourage uneconomic production, upset the world market and invite retaliation. In agreement with other countries, we must seek the means by which we can substitute for these practices other measures better calculated to maintain a healthy and expanding international trade.

We must also deal vigorously and effectively with international cartels. These restrictive and monopolistic agreements among private business interests fix prices, limit production, prevent the use of new inventions and productive techniques, arbitrarily divide markets and have in general a dangerous and throttling effect upon international trade. The evil effects of international cartels can be prevented only by supplementing national by international action against them and by taking the other measures which I have outlined to ensure that all nations will be able to live better without such practices than with them.

Some of our most serious economic problems arise out of chronic world-wide surpluses of such commodities as wheat and cotton. You in Chicago remember what happened to wheat farmers in this country after the last war when the bottom dropped out of the market for wheat and tens of thousands of farmers lost their homes and their livelihood. We do not want to see a repetition of that.

It is important that governments act together to deal with the problem of such surpluses primarily by cooperative measures to expand consumption, such as I have outlined tonight. In the exceptional cases where commodity agreements are necessary, they should be directed toward shifting excess productive resources into more profitable lines, and both consuming and producing countries should be fully represented. Otherwise individual governments will continue trying to deal with them by such deceptively easy routes as artificially supported prices and competing export subsidies. As we have learned from bitter experience, these can only lead to economic warfare and in the end make the problem worse instead of better for all concerned.

These problems and others like them can be faced and handled in time only by calling a conference of the principal trading nations of the world. We shall do all in our power to have such a conference convened within the next year. This conference would also prepare the way for establishment of a permanent trade organization within the framework of the World Organization, to deal with these problems on a continuing basis.

In the field of food and agriculture, we are further advanced. The President last week asked Congress to approve United States participation in the United Nations Food and Agriculture Organization. This Organization results from the Conference at Hot Springs in 1943. Eighteen nations have already ratified the agreement for membership. We should do so too.

The Food and Agriculture Organization will have powers of recommendation only, not of control or command, but I believe with the President that its work can do much to raise the standards of nutrition of all peoples and to establish and maintain expand-

ing prosperity for agriculture in our country and in all countries.

The food organization, like the other post-war international agencies to which I have referred this evening, would all eventually come within the framework of the World Organization when it is established.

I think you will agree that the program upon which we have begun is of great scope. It must be so if we are to deal successfully with problems and difficulties of equal magnitude.

The close cooperation of the United Nations in a program for economic reconstruction and expansion such as I have outlined to you tonight is fundamental to the success of the World Organization. Without it the world will be able neither to recover from the effects of this war nor to prevent the next war.

There are many pitfalls ahead of us. So closely is each part of the program interlocked with the other parts that if we fail to carry through on any important sector of this peace front, the whole program and our overall objectives will be placed in gravest jeopardy.

If we fail we are not likely to get another chance to fulfill the purposes for which we have fought—the assurance of a secure peace and a decent life for all Americans.

The task will require the utmost of us as a people in clear thinking, in understanding of where our real interests lie and in the ability to act courageously and wisely—and in time.

I return to the point at which I began. The preservation of peace requires something more than a desire for peace, no matter how strong that desire may be. It requires, in a world as complicated and as closely interknit as this modern world of ours, a great design. It requires, in other words, the same courage, the same boldness and realism in the field of international affairs which the citizens of this Republic, and of this great central valley, have so often demonstrated in the past.

If we Americans are proud of one thing more than of any other, we are proud of the fact that our forefathers were willing to face tremendous and complicated problems and to bring to them new and daring solutions. And there are no Americans who take more pride in that tradition than the Americans of these great Central States.

Believing in America as I do, I am confident that we will meet this greatest crisis of our modern history as we have met all the crises of our history before. I believe that we will act with understanding of where our real interests lie—wisely and courageously and in time—and that we will force the difficult circumstances of our time to yield up to us the sure and enduring peace which we are determined to leave to those who will follow us in this country we love so well.

Secretary Stettinius, in a later address, before the Council of Foreign Relations in New York City on April 6 expressed confidence that a new Polish Provisional Government would be established in time to have that nation represented at the San Francisco Conference. In this connection Mr. Stettinius remarked:

"Concern is expressed over the prospects of the San Francisco Conference because of the delays that have arisen over establishment of a new Polish Provisional Government of National Unity, or because of the questions raised by the Soviet request for separate membership in the Assembly of the World Organization of two of the Soviet Republics, or because of any other of the difficulties with which we are inevitably surrounded as we approach the end of the war.

"I can assure you that if we based our course of action on that

line of reasoning we would never have a Conference, or a World Organization. New problems of this nature will continue to arise. The coming months and years will be, in fact, a continuous challenge to our good sense, and our will to master the difficulties of peace.

"I hope that all Americans will keep such temporary difficulties as the delay over the new Polish Provisional Government of National Unity in perspective.

"It is important that this new government be established in time to make it possible for Poland to be represented at San Francisco. The United States Government is doing all in its power to bring this about. Poland is a United Nation and should be there.

"But I ask you to remember that the Agreement made at the Crimea Conference about Poland is only seven weeks old and that it was reached after two years of divergent views among the principal allies about the Government of Poland. The delay in carrying out the Crimea decision on Poland has been disappointing, but in this perspective it has not been long.

"I ask you also to remember that the Soviet Union, Great Britain and the United States have repeatedly reaffirmed and always agreed in their common determination to see established a strong, independent and democratic Poland after this war.

"Nothing has happened to shake my belief that the Crimea Agreement on Poland will be carried out. That Agreement, you will recall, provides that the new Polish Provisional Government of National Unity shall be formed by reorganizing the provisional government now functioning in Poland 'on a broader democratic basis with the inclusion of democratic leaders from Poland itself and from Poles abroad'; and that this new Government shall be pledged to holding free elections as soon as possible on the basis of universal suffrage and secret ballot, with all democratic and anti-Nazi parties having the right to take part.

"Our participation in that Agreement reflects the steadfast determination of the United States Government to respect the legitimate rights of small nations. No nation in the world has shown greater interest than the United States in the independence of small countries and in their right to manage their own affairs. This principle is basic in our dealings with all nations. It is basic in our policy for the peace. It is basic in the Dumbarton Oaks Proposals.

"The freedom and independence of small nations cannot be maintained, however, unless the large countries unite their power to preserve a peace in which the democratic rights of all nations can be upheld.

"The only hope of the small countries, as of the large countries, lies in a world so organized for peace that the industrial and military power of the large nations is used lawfully for the general welfare of all nations. The alternative is a world in anarchy in which lawless power runs riot and small nations are the first to be trampled underfoot."

Ask Funds to Return War Dead to U. S.

Congress will be asked by the War Department to appropriate \$122,900,000 for the return to the United States of American dead of World War II for burial in 79 proposed national cemeteries.

Associated Press advices from Washington, D. C., in announcing this said:

Made public by Senator Dill (D. Alabama), author of legislation for a national cemetery program, the study recommends \$109,000,000 for cemetery construction; \$1,645,480 to complete existing national cemeteries; \$2,737,000 for funeral transportation and equipment and \$9,000,000 for personnel to operate the cemeteries.

N. A. M. Predicts Flood Of Contract Settlements

Predicting that 20,000 prime contracts and 400,000 subcontracts will be terminated within three months after V-E day, the National Association of Manufacturers in its weekly, "N. A. M. News," states that "the critical nature of the situation arises from the fact that so many settlements will have to be made at the same time. If too many are fumbled, the effect on the economy of this country will be chaotic."

Continuing, the article says: "Some few of the larger companies which have assigned personnel to specialize in war contract termination know all about it, of course; but that degree of knowledge is by no means general among the holders of a total of 2,000,000 subcontracts. The government procurement services estimate that three-quarters of these subcontracts will involve claims of \$10,000 or less.

"To enable manufacturers to confront this avalanche of settlements without getting lost in them, N. A. M. presents in a special supplement to its 'NAM News' today a guide to the latest termination procedures worked out by the government procurement services. Many of the improvements reflect recommendations made by the advisory group of the N. A. M. committee, composed of officials who are primarily occupied with contract termination in their own companies.

"The improvement in contract termination started with the wartime necessity to cancel and shift quickly from one kind of munitions to another, to keep up with the changing tactical needs of the fighting forces. Last year the Army, which is the preponderant user of munitions, cut the time of termination in half, and since then has further reduced the average waiting time for settlement to about three months. The Navy, which has had less experience with shifting tactical demands, has reduced the waiting time to about six months. These improvements will now be tested in the forthcoming V-E shift from munitions to civilian goods."

Asks Role for Small Nations in Peace Plan

According to a wireless dispatch to the New York "Times" dated April 7, Paul Spaak, Belgian Foreign Minister, who is preparing to leave with his fellow delegates for the United Nations Conference at San Francisco, stated that "at San Francisco the task of the delegates from the smaller powers will be delicate. They must bear in mind two points of view equally important: to do nothing to make more difficult an agreement between the great powers and to defend at the same time the essential interests, moral and material, which they represent.

"Agreements among the great powers is above all necessary for world peace. The fact that the United States and Russia find themselves today among the founding members of this world organization is of tremendous importance. It is necessary, moreover, to bear in mind obvious trends in the two countries and in consequence accept certain compromises."

The Minister asserted, continues the dispatch, that it must be made clear that "the great powers do not in themselves represent the whole world, and that other nations, smaller and weaker, occupy in the economic, cultural and social field a position that commands attention and even respect, that their role in construction of and maintenance of peace is essential and that they merit a place in line with their importance and usefulness."

The State of Trade

(Continued from page 1635)

much greater volume. 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 to a lack of demand, "The Iron Age" notes.

Demand will be heavy for war materials for the Pacific. Furthermore, when some sort of order appears in the steel industry following VE-Day cutbacks, a new flow of steel orders for permissible civilian use will begin to take up the slack in steel production.

On representative steel products, current delivery promises being quoted are about the same as those given a month ago. Some extensions were given on such items as alloy steel, strip mill sheets, hot rolled strip, hot rolled pickled sheets, and cold finished bars. The greatest extension in deliveries involves electric furnace alloy bars, with one large producer promising February, 1946 delivery, compared to August promises at the beginning of March.

Plate producers, the trade paper discloses, are currently interested in a new gas pipeline project to run from Oklahoma to Detroit, a distance of nearly 1,300 miles. It is expected, due to the tightness in seamless tube, 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. 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 products 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. It is hinted in Washington circles that final action by OPA on steel price adjustments may be held in abeyance until after VE-Day.

The American Iron and Steel Institute announced last Tuesday that the operating rate of steel companies (including 94% of the industry) will be 94.3% of capacity for the week beginning Apr. 9, compared with 96.9% one week ago. This week's operating rate represents a decrease of 2.6 points from last week's rate, and is equivalent to 1,728,100 net tons of steel ingots and castings, compared to 1,774,000 net tons last week and 1,768,000 tons one year ago. The drop in operating rate for the week chiefly reflects a falling off in soft coal production.

Railroad Freight Loading—Carloadings of revenue freight for the week ended March 31, 1945, totaled 835,226 cars, the Association of American Railroads announced. This was an increase of 19,168 cars, or 2.3% above the preceding week this year and an increase of 49,120 cars, or 6.2% above the corresponding week of 1944. Compared with a similar period of 1943, an increase of 63,124 cars, or 8.2%, is shown.

Electric Production—The Edison Electric Institute reports that the output of electricity decreased to approximately 4,329,478,000 kwh. in the week ended March 31, 1945, from 4,401,716,000 kwh. in the preceding week. Output for the week ended March 31, 1945, was 1.8% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 160,300,000 kwh. in the week ended April 1, 1945, comparing with 203,700,000 kwh. for the corresponding week of 1944, or a decrease of 21.3%.

Local distribution of electricity amounted to 158,800,000 kwh. compared with 202,400,000 kwh. for the corresponding week of last year, a decrease of 21.6%.

Business Failures Decline—Following last week's upswing, commercial and industrial failures turned down again in the week ending April 5, reports Dun & Bradstreet, Inc. Concerns failing numbered 23 as compared with 28 in the previous week and 37 in the same week of 1944.

The decline occurred entirely among large failures involving liabilities of \$5,000 or more, falling from 16 a week ago to nine in the week just ended and were less than half the 22 in the corresponding week of last year. Small failures, however, exceeded their number in the prior week and came close to that of last year.

Canadian failures numbered two this week, unchanged from the previous week and compared with four in the corresponding week a year ago.

Wholesale Commodity Price Index—The daily price index of wholesale commodities, compiled by Dun & Bradstreet, Inc., moved slightly higher during the past week, registering 176.63 on Apr. 3, a new wartime high. This compared with 176.38 on Mar. 27, and with 172.88 on the corresponding date last year.

Unsettled character of the cash grain markets in the week, future markets with the exception of rye trended lower influenced by war developments in Europe. A strong cash market and a huge demand for flour for relief purposes accounted for the independent firmness of wheat. An easier tone was noted for corn, oats, and barley. A good demand for rye coupled with active buying at the close of the week sent prices sharply forward. Trade in flour for domestic use was moderate, however, Government agencies continued to purchase large quantities.

Beef production rose 4% in the same period, and in this case Government takings were also large, considerably larger than a year ago. Hog receipts remained small and insufficient to meet demands.

A narrow range prevailed in the cotton market and, notwithstanding the very favorable war news, the market's undertone held firm and moderate gains were registered. Improvement was noted in mill demand for spot cotton in the South, but activity was checked by a lack of offerings of desirable grades. Some farmers, reports indicated, have been switching cotton from the loom to the Government purchase plan.

Both foreign and domestic trading in the Boston wool market last week was irregular due to a scarcity of types most wanted. Discussions on pending tariff legislation were also responsible for much uncertainty throughout the trade. Shearing and contracting of the new clip appeared to be well under way and keen competition was reported, due in the main to the severe reduction in flocks.

Food Price Index Unchanged—Marking the seventh week of stability, the Dun & Bradstreet wholesale food index for April 3 continued at \$4.10, a gain of 1.7% over the \$4.03 registered at this time last year. The current figure is identical with that recorded two years ago. During the week slight advances occurred in rye, potatoes, steers and sheep. Lambs declined.

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

Paper Production—Paper production for the week ended March 31 was 88.9% of capacity, as against 85.7% of capacity for the preceding week, the Ameri-

can Paper and Pulp Association's index of mill activity disclosed. As for paperboard, production for the same period was reported at 100% of capacity, a rise of 1 point from the previous week.

Hardware Dealer Sales Show Gains—A good dollar volume increase in sales of independent retail hardware stores in February, 1945, as compared with the same period last year, was reported, by "Hardware Age" in its every-other-week market summary. Based on reports from all parts of the country sales were 9% higher than in February, 1944. Cumulative sales, for the first two months of 1945, showed an average gain of 12%, over the same months last year.

Reports from 301 wholesale hardware distributors in all sections of the country reflect an average gain, in February, of less than 1/2 of 1% over dollar volume in the same month last year. Cumulative sales, for the first two months of 1945, showed an average gain of 6% over that enjoyed in the same period last year. End of the month inventories for February, 1945, showed an average increase of 2% over the same month last year, and a like gain over January, 1945. Accounts receivable showed a slight increase over February, 1944, and collection percentages showed a good gain.

Retail and Wholesale Trade—The volume of retail sales dropped off from record pre-Easter levels, states Dun & Bradstreet, Inc., in its trade review of retail business for the country at large for the past week, but adds, that sales were well maintained as buying continued strong for most soft goods and seasonal lines. Sales increases last week over last year's final Easter shopping were unusually marked. This was partly attributable to a let-down of taxable items a year ago. Seasonal housefurnishings, it is understood, are moving more rapidly while food distribution assumes a slower pace.

In apparel departments some tapering off in coat and suit volume was noted, but brisk buying was maintained in dresses and accessories. Cotton dresses and sportswear were also in good demand. Cotton garbardine suits proved popular, but selection was limited.

Men's clothing and furnishings were in strong demand and volume was high wherever merchandise was available.

Housefurnishings, chief household aids such as moth preventatives and cleaning items, sold very well. Demand for seasonal furniture and decorative items was quite marked. Due to the impetus of early spring weather, garden and farm supplies moved rapidly. Florists too, reported an excellent business in the week.

Food volume dipped in the week with grocers and meat dealers conducting business under the handicap of merchandise scarcities. Sales of candy and other confections, however, were at a very high level.

Retail volume for the country was estimated at 6 to 11% above a year ago when Easter buying was in the final stage. Regional percentage increases were: New England, 8 to 12%; East, 7 to 13%; South, 11 to 14%; Southwest, 9 to 13%; Pacific Coast, 6 to 10%. With some areas adversely affected by a cold wave increases in the Middle West and Northwest were held down to 2 to 5%.

In the wholesale field buyers were visiting the markets in large numbers the past week to check on allotments and deliveries. Retailers are endeavoring to fill in rapidly depleted stocks, but are meeting with small success in their search for readily available merchandise. Wholesale volume was slightly above last week and even with a year ago.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index, were 8% ahead of a year

Silver Men Oppose Bretton Woods Plan

The Bretton Woods monetary plan, unless amended to include silver as a recognized world monetary metal, is doomed to failure, Senator Pat McCarran (D., Nev.) asserted on April 5. Senator McCarran, who is one of the Senatorial leaders of the silver bloc, told Harry D. White, Assistant Secretary of the Treasury in charge of research and foreign funds control, that unless silver was recognized, the silver senators who hold a balance will not vote for the Bretton Woods agreement.

The New York "Herald Tribune" reported on April 5:

Senator McCarran said that the Treasury Department is "well aware" how the Senate silver bloc feels and so also is the White House. He insisted that despite any new "setup"—such as Bretton Woods—"we shall vote to retain the constitutional money—gold and silver."

The silver Senators claim that the Bretton Woods pact proposal would set up "credit money" the exact makeup of which is not clearly defined. "Nothing less than the recognition of silver will get the votes of the silver Senators," Senator McCarran insisted, adding "there are plenty of us and they can't carry it over our heads."

Hit Canadian Draft Policy

The conscription policy of the Canadian Government was sharply criticized when opposition members brought up the fact that there are 18,000 troops AWOL in Canada, the Associated Press reports from Ottawa, April 7. The reports state that debate was fiery in last night's session as John Diefenbaker, spearheading the opposition fight, stressed the fact that more than 50% of troops drafted from Quebec went absent without leave.

Douglas Abbott, Parliamentary Secretary to Defense Minister General A. G. L. McNaughton, declared that he was sick and tired of having Canada called a nation of deserters and charged that the opposition was using the figures purely for political purposes. He said Canada, with an army of between 600,000 and 700,000, had no higher percentage of men absent without leave than other Allied countries.

ago for the week ended March 31, 1945. This compared with 25% (revised figure) in the preceding week. For the four weeks ended March 31, 1945, sales increased 20%, and for the year to date by 17%.

Retail trade here in New York the past week, while active, show some recession from the pre-Easter pace. Specialty stores also displayed a falling off in sales from recent weeks, but chain store volume held up well, particularly on variety goods. Sales of fresh vegetables and fruits moved ahead in the week and tended to a degree to make up for shortages in canned goods.

Tightness best describes supply conditions in the wholesale markets. Summer goods showed a good inquiry, but available goods were scant. Apparel manufacturers were awaiting the maximum average plan. According to the New York "Times" indications pointed to a delay of several weeks in fall lines as compared with last year.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to March 31, 1945, increased 5% over the same period of last year. This compared with an increase of 28% (revised figure) in the preceding week. For the four weeks ended March 31, 1945, sales rose by 21% and for the year to date by 17%.

From Washington Ahead Of The News

(Continued from first page)

Senate in this light. But fortunately for the American oil interests adversely affected the Chairman of the Senate Foreign Relations Committee is very oil-minded, being from the oil State of Texas. He was successful in resisting the browbeating of the propagandists and in holding the treaty in the Committee until the State Department admitted its defects and asked that it be sent back.

Now comes to Washington a group of excited citizens from the Colorado River basin, particularly Californians. They believe firmly that the Mexican water treaty by which Mexico is guaranteed 1,500,000 acre-feet of water annually from the Colorado River is seriously injurious to them. It is a matter of livelihoods, of future development with them. There seems to be little doubt that they have spent more than \$600 million in connection with the Boulder Dam project on a definite pact with Congress that the unallocated waters of the dam were to be reserved exclusively for their use. But do they get anywhere with the Senate? Indeed, they do not. They couldn't possibly hope to keep it bottled up in the Foreign Relations Committee. Apparently, the State Department learned from its experience with the Committee Chairman on oil. In this water treaty the negotiations gave Texas a consideration. They took care of the Lone Star State. This is to say, they tied up the development of the Rio Grande basin with the Colorado basin in the treaty. In return for the 750,000 additional acre-feet from the Colorado which Mexico gets, she in turn gives Texas 300,000 acre-feet from the Rio Grande. In addition, Texas and Mexico are to get Federal public works projects totaling some \$167 million by way of dams, canals, etc. Five hundred thousand acres are to be developed.

There are any number of Senators who will tell you privately that the Colorado River basin people really have a grievance, but they say they don't want to be voting against any treaties these days. They express frank doubt that they would have voted against the oil treaty had it got to the Senate floor.

Visiting the local editors, the Colorado basin representatives were frankly told that the "overall world situation" required our overlooking individual trade treaties these days, regardless of how inimical to American interests they might be. We've got to show the world that we are really serious about cooperating.

It would be beyond this writer to attempt to pass upon the relative claims of the Texas and Colorado River basin interests in this water treaty. We have sought to deal only with the fantastic situation in which purely trade treaties are being handled.

RFC Surplus Sold for \$105 Million

Announcement by the Reconstruction Finance Corporation reveals that to Feb. 28 it had sold surplus Government-owned capital and producers' goods for \$105,495,000, original cost \$161,051,000, according to United Press advices from Washington, April 5. The report gives the total amount of property which has been declared surplus and placed under RFC control to Feb. 28 was valued at \$636,357,000 for salable property and \$689,231,000 classed as non-salable. The non-salable category consists exclusively of 13,709 planes. These are either non-flyable or combat planes with no commercial value except as salvage.

Reciprocal Trade Pacts Renewals Burgess Asks Curb on Government Financial Corporations

(Continued from first page)

organization in its 11 years of operation under the act.

I am not sorry that there is the necessity for discussing the basis of international trade each three years when this act comes up for reconsideration. It has educated the American public to sound principles of international economic relationship, and the lesson cannot be too often repeated.

Since the first World War, we have become a creditor nation and have learned that if we are to be paid it will have to be mainly in goods or not at all. If we shut out the goods by high tariffs we can be paid in gold, but only until the gold runs out, and we seem to have not much use for it anyway.

But there is more to learn about this business of trade. It is not just an exchange of goods; it covers services to our tourists abroad, remittances by immigrants here to their families in the old country, shipping and air services by foreign lines, banking activities, patent payments, interest and dividends. All of those make up "invisible" items that help to balance imports and exports for us or for other countries.

The worst job the devastated countries face; and England, too, for that matter, is to restore their balance of payments. After the last war, in the two years 1919 and 1920, Europe imported \$17.4 billions of commodities and exported only \$5 billions. With the magnitude of disruption this time the pressure will be even greater, and the deficit, too, in all probability. The only salvation for all of us is to help England and the liberated areas to move all the exports they can and to build toward some equality between what they must import to live, and what they must export to pay for the imports.

During that period of adjustment, export and import controls, quotas and exchange controls are unavoidable. But unless we want excessive nationalism and the artificial self-sufficiency that continues economic warfare, we must work toward agreements for progressive relaxation of controls by others, and reasonable reduction of trade barriers by the United States.

It is true of course that trade can mean hostility and warfare. But if the spirit is right it helps our efforts for peace. As Herbert Feis puts it:

"Trade can be the support of, but not the substitute for a calm spirit within nations and just dealings between them, or for the maintenance of free institutions, or for the strength which sometimes alone can command respect."

All the discussions on the Reciprocal Trade Agreements and the Hull policies have failed adequately to concentrate on the importance of imports for our own benefit and advancement. People still talk about exports all by themselves, as increasing our employment, for instance, and giving us that extra 3,000,000 jobs toward the ideal job goal, without even wondering how the purchasers pay us for them.

The truth is that we ought to begin with imports for their own value. They give us things which frequently we can't produce at all, or would produce at much greater cost. That gives us more value for our wages and salaries, just like mass production of automobiles." To quote Herbert Feis again:

"The import trade of each nation enables it to share in the richness of the earth everywhere, and to benefit from the research, the diligence, the skill and the capital possessed by the men and women of other countries."

Exports pay for the imports we need, of course, and there are

many, many essential raw materials we don't and never can produce here. When they aren't expanded too far they give sound employment, and they pay our debts, too, or constitute investments of our capital.

I said investments rather than loans, because we have thought too much about repayment in these past years. If you buy stock in American Tel. and Tel. and it keeps on going, and you get your dividends, you don't talk about taking your capital out; you leave it in. If an investment is sound, why not leave it? If it is a loan and is paid off, why not leave the proceeds there in something else, also paying the interest or dividends? Then only the latter have to be paid in goods exported to us.

But can we look forward to expanding and non-discriminatory trade about which we in the State Department are always shouting? Or is it to be a pipe dream in a world of State traders and economic isolationists? The answer is perfectly clear: All the trading nations will be more than glad to go along on an expanding world economy with us, but they have to be shown what we are going to do about tariffs and such methods of economic warfare as export subsidies. If this Trade Agreements renewal fails with its additional authority, then we might as well kiss goodbye to any hope for economic cooperation from the other great nations of commerce.

Then why take a chance and seek more authority? You may well ask me. The answer is simple. The operations under the Trade Agreements Act are a bargaining process. While there is considerable authority left under the old act, it covers commodities that concern chiefly the enemy nations and certain other countries with whom we have not in the past been able to make agreements under the act. Our big customers and especially Great Britain and Canada gave us concessions of great importance, and we gave them nearly all our possible concessions. They are the very ones with whom we must do the quickest and most important bargaining for the post-war period, and our powers to enter into arrangements with them must be increased.

Fast action is needed with all nations with which we deal, especially the liberated areas. For that reason we are planning to deal with related groups of countries at the same time. Bilateral agreements will result and the bargaining will take place with the principal suppliers as before, and on a most-favored nation basis, but the coordination of negotiations, as has occurred in at least one instance in the past, makes it possible for each country to gauge its action in the light of action expected in a related negotiation. Thus it may be possible to operate in a much briefer period and so prevent at the very inception the trade practices we oppose.

There has been discussion of a multilateral agreement with a large number of countries. This would have to be on a formula for flat reductions across the board. The basic element in past negotiations, the careful study of the value and effects of each individual reduction of each individual rate in each country, would disappear because it would be impossible. That kind of bargaining can obviously not be conducted between many countries at a time.

On the other hand much more can be done now under the increased authority and the old method, because many industries converted to war production are not subject to disruption but can go back to lines that do not need

In Statement to Senate Finance Committee on Bill to Increase National Debt, ABA President Warns Against Inflationary Activities of Government Lending Agencies. Holds Country Has Capacity to Finance Debt, but Warns of Its Inflationary Pressure and Its Danger to Private Enterprise Arising From Heavy Tax Burdens.

W. Randolph Burgess, President of the American Bankers Association and Vice-Chairman of the Board of the National City Bank of New York, appeared before the Finance Committee of the Senate on March 15, which is considering House Bill 2404 to raise the public debt limit to \$300 billions. Mr. Burgess read to the Committee a formal statement in which he expressed the belief that the nation can support the additional debt, but warned that because the banks are required to absorb a large part of the increase there is danger of further inflationary pressure developing and that the rising debt also threatens business enterprise, "especially small enterprise." He urged that measures be taken to reduce non-war Government expenditure, and that curbs be placed upon the Government lending agencies, whose operations, he contended, are adding to the inflationary pressure, and are competing more and more with private lending institutions.

The text of the statement follows:

The raising of the debt limit is a necessary war measure. However, while we are passing this bill, we ought to recognize its inflationary dangers and make such efforts as we can to lessen those dangers.

The banks of the country have a special interest and a special responsibility as to the increase of the debt. They are taking a leading part in the efforts to sell to investors the Government securities representing the new debt. Whatever additional funds the Treasury needs beyond this must come from the banks themselves, and the banks are ready at all times to perform their traditional role of buying the amounts of Government securities that may be necessary, and so maintain the credit of the Government.

There is no serious question about the country's capacity to finance this added debt load. There is a question as to the way in which it will be financed and what the consequences will be. To the extent that investors don't buy the bonds and the banks have to buy them, new credit — new money — is put into use, and that is the basic cause of inflation.

As the debt has grown, the inflation pressure has increased. By the control of prices and interest rates and the rationing of goods, we have been able partly to conceal the inflation but it is smoldering underneath. The more the debt increases the greater will be the danger.

The second danger of the rising

tariff protection of the character they have previously enjoyed.

I am not one who believes that peace is dependent upon economics or that wars result from economic rivalry. Even some of the greatest Socialists agree that while men are profoundly affected by the way they earn their living, at the times of crisis it is ideals of justice and liberty and religion that determine their course.

But our economic foundations are tremendously important, and in these coming months it is our economic relation to England, France and Russia that can facilitate, or almost destroy our chances for building the foundations of peace. In all this complex of problems the renewal of the Trade Agreements Act must be considered to rank with the Bretton Woods agreements and the Dumbarton Oaks proposals.

debt is the danger to enterprise, and especially small enterprise. The higher the debt burden, the higher the taxes. Already the interest on the debt takes 4½ billion dollars of taxes. Small enterprise lives by plowing back profits into business, and under high taxes small enterprise does not flourish. It is the activity of hundreds of thousands of small business men that makes the difference between adequate employment and under-employment.

We can't do much now about the war expenditures other than watch out for waste, but we can do something about non-war expenditures now and looking ahead. We must see that the new debt limit is not an open invitation to increase unnecessary expenditures.

There are certain specific steps which could be taken immediately as brakes on unnecessary spending.

We ought to put Government corporations under closer fiscal control. Many of these corporations are in what the Secretary of the Treasury has termed, "the field of commercial enterprise." Many of them were organized to fight deflation by the process of inflating the economy. Now the condition is entirely different. It is not deflation. The grave danger now is inflation.

Many of these corporations have done and are doing an essential and useful public service. They operate, however, under different rules from regular Government departments. Their budgets in most cases are not reviewed annually by the Congress. In many cases, they secure their capital and working cash balances from the Government without cost. In addition, they pay no income taxes on the business they do. Some of these commercial corporations compete with private business which must pay dividends on its capital, and in addition, pay income taxes to the Federal Government, as well as taxes to local and State authorities. Many of these corporations have built up surpluses beyond what is needed in the conduct of their business.

For example, small banks in rural areas are now thrown into competition with Federal lending agencies in the agricultural credit field, which have free Government capital, which pay no Federal income taxes. The country banks have no free capital. They pay interest on savings accounts to thrifty people, and in addition, are subject to Federal income taxes, as well as local and State taxes. Country bankers are leaders in selling War Bonds to farmers. In agricultural counties they serve as Chairmen or active members of War Bond committees. They are glad to give this time and put forth this effort without cost to the Treasury.

While it is necessary to pass this bill, would it not be wise in the same legislation or at the same time to return to the Government some of the unused capital and surpluses in the hands of Federal corporations doing a commercial business, and in addition, require such corporations to pay interest or dividends on Federal funds they retain? Such action, it seems to us, is in the interest of fairness to those who conduct private business and pay taxes. Furthermore, such action would give assurance

Czech Gov. Pledges "Practical" Relations With Russia

Shortly after formation of the new Czech Government, the Czechoslovak Bureau in London issued a declaration of policy toward Russia, according to London Associated Press advices, April 7. The day-old Government, in which two key posts are occupied by left-wing members, promised to maintain "practical" military, political, economic and cultural relations with the Soviet Union. The declaration states:

"In matters of punishing Germany, in settling Germany's reparations obligations, in setting of new frontiers and in organization of future peace Czechoslovakia will stand as near as possible at the side of the Soviet Union and in one row with the other Slav and all democratic countries."

It is reported that the new regime has also intimated its intention of strengthening relations with the United States, Great Britain and France.

Inter-Amer. Economic Conference Postponed

The Governing Board of the Pan American Union April 4 postponed the Inter-American Technical Economic Conference from June 15 to November 15, 1945. The action was taken on recommendation of the Inter-American Financial and Economic Advisory Committee, which counseled a postponement because of a possible overlapping of dates with the San Francisco Conference on international organization, and the necessity of revising the program in view of the resolutions adopted at the recent Mexico City Conference on Problems of War and Peace.

The Financial and Economic Advisory Committee was requested to consider the modifications that should be made in the agenda and to submit a revised draft on or before April 25 in order that it may be considered at the May meeting of the Governing Board.

Knudsen Again Army Production Chief

It has been announced by Lt.-Col. Henry S. Thorne, New York Regional Commander of the ATSC, according to a statement appearing in the New York "Herald Tribune," April 10, that Lt.-General William S. Knudsen, Director of the Air Technical Command, will leave this post and return to his former one of Army Production Chief, May 1. The announcement further disclosed that when General Knudsen was assigned the command last July by General Henry H. Arnold, Commanding General of the Army Air Forces, he was directed to combine the functions of the Air Service Command and the Air Material Command, thus placing all AAF production and supply under one head. The two commands were formally merged as the ATSC on Sept. 1.

to the people of the country that Congress is determined to do what it can now to combat inflation and to provide for a sound fiscal policy.

A beginning has been made in this direction through the recent passage of the George Act, but there appears to be some question whether this applies to mixed ownership corporations as well as to wholly Government-owned corporations. A clarification of this point, making sure that it applies to all, would be in accordance with conclusion Number 8 of the Report of the Committee on the Reduction of Non-Essential Federal Expenditures of Aug. 1, 1944.

Weekly Goal and Coke Production Statistics

The Fuel Administration, U. S. Department of the Interior, in its latest report, states that the production of soft coal in the week ended March 31, 1945, is estimated at 12,135,000 net tons, an increase of 285,000 tons, or 2.4%, over the output in the preceding week. Production in the corresponding week of 1944 was 11,725,000 tons. The total output of soft coal from Jan. 1 to March 31, 1945 is estimated at 152,020,000 tons, a decrease of 6.7% when compared with the 163,016,000 tons produced in the calendar year to April 1, 1944.

According to the U. S. Bureau of Mines, output of Pennsylvania anthracite for the week ended March 31, 1945, is estimated at 1,182,000 tons, a decrease of 21,000 tons, or 1.7%, from the preceding week. When compared with the production in the corresponding week of 1944 there was a decrease of 103,000 tons, or 8.0%. The calendar year to date shows a decrease of 16.8% 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 31, 1945 showed a decrease of 3,300 tons when compared with the output for the week ended March 24, 1945; and was 12,600 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. 31, 1945	Mar. 24, 1945	Apr. 1, 1945	Mar. 31, 1944	Apr. 1, 1944
Bituminous coal & lignite—	12,135,000	11,850,000	11,725,000	152,020,000	163,016,000
Total including mine fuel—	2,023,000	1,975,000	2,094,000	1,959,000	2,082,000
Daily average					

*Revised. †Subject to current adjustment.

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

	Week Ended			Calendar Year to Date		
	Mar. 31, 1945	Mar. 24, 1945	Apr. 1, 1945	Mar. 31, 1945	Apr. 1, 1945	Apr. 3, 1944
Penn. anthracite—	1,182,000	1,203,000	1,285,000	13,878,000	16,683,000	13,232,000
*Total incl. coal fuel	1,135,000	1,155,000	1,234,000	13,323,000	16,016,000	12,570,000
†Commercial produc.	1,135,000	1,155,000	1,234,000	13,323,000	16,016,000	12,570,000
Beehive coke—						
United States total	131,600	134,900	144,200	1,489,500	2,028,400	951,100

*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 loadings 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. 24, 1945	Mar. 17, 1945	Mar. 25, 1944
Alabama	378,000	364,000	365,000
Alaska	6,000	7,000	10,000
Arkansas and Oklahoma	86,000	91,000	82,000
Colorado	148,000	160,000	178,000
Georgia and North Carolina			1,000
Illinois	1,518,000	1,512,000	1,562,000
Indiana	541,000	565,000	556,000
Iowa	61,000	59,000	48,000
Kansas and Missouri	135,000	147,000	153,000
Kentucky—Eastern	1,032,000	972,000	957,000
Kentucky—Western	348,000	342,000	313,000
Maryland	40,000	35,000	40,000
Michigan	4,000	4,000	5,000
Montana (bitum. & lignite)	105,000	102,000	81,000
New Mexico	36,000	34,000	40,000
North & South Dakota (lignite)	40,000	40,000	50,000
Ohio	652,000	656,000	601,000
Pennsylvania (bituminous)	2,759,000	2,866,000	2,799,000
Tennessee	137,000	135,000	162,000
Texas (bituminous & lignite)	1,000	2,000	4,000
Utah	140,000	130,000	137,000
Virginia	373,000	366,000	401,000
Washington	38,000	30,000	25,000
†West Virginia—Southern	2,086,000	2,070,000	2,251,000
†West Virginia—Northern	1,032,000	1,038,000	916,000
Wyoming	187,000	198,000	197,000
§Other Western States			
Total bituminous & lignite	11,850,000	11,925,000	11,954,000

†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.

Civil Engineering Construction \$182,498,000 For March

Civil engineering construction volume in continental United States for March totals \$182,498,000, an average of \$36,500,000 per week for each of the five weeks of the month. The weekly average volume tops that reported to "Engineering News-Record" for the four weeks of February by 33%, and is 4% higher than that recorded for the five weeks of March, 1944. The report issued on April 5 added in part:

Private construction, on the weekly average basis, is 47% above a month ago and 16% above the corresponding 1944 month. Increased industrial building activity is responsible for the private gain.

Public work records a 28% increase over the preceding month but is 0.5% lower than in March, 1944. State and municipal construction is up 19% compared with last month but declines 21% compared with last year and is the cause of the decrease in public construction. Federal volume is 30 and 3% higher, respectively, than a month ago and a year ago.

Civil engineering construction volumes for March, 1944, February, 1945 and March, 1945, are:

	March, 1944 (five weeks)	February, 1945 (four weeks)	March, 1945 (five weeks)
Total U. S. construction	\$175,726,000	\$109,516,000	\$182,498,000
Private construction	45,109,000	23,574,000	52,508,000
Public construction	130,617,000	80,942,000	129,990,000
State and municipal	18,643,000	9,947,000	14,783,000
Federal	111,974,000	70,995,000	115,207,000

The March volume brings 1945 construction to \$380,207,000 for the first quarter of the year, a total 16% below the \$450,122,000 reported for the corresponding 1944 period. Private construction, \$113,444,000, is 15% above a year ago, but public work, \$266,763,000, is down 24%. Federal construction totals \$227,323,000 for the three months, a decrease of 29% from the preceding year. State and municipal volume, \$39,440,000, is up 17% compared with the total for the opening quarter of 1944.

New Capital

New capital for construction purposes for March totals \$53,-

063,000, an increase of 132% over the volume reported for the corresponding month last year. Private investment, \$39,263,000, is 88% higher than a year ago, and RFC loans for private industrial expansion, \$13,800,000, are up 603%.

The March new construction financing brings 1945 volume to \$249,535,000 for the first quarter, a gain of 37% over the \$181,638,000 reported for 1944. The total is made up of \$37,867,000 in corporate security issues, \$120,731,000 in State and municipal bond sales, \$13,800,000 in RFC loans for private industrial expansion and \$77,137,000 in Federal appropriations for military and departmental construction.

National Fertilizer Association Commodity Price Index Breaks to New All-Time Peak

The weekly wholesale commodity price index compiled by the National Fertilizer Association made public on April 9, advanced slightly in the week ending April 7, 1945, breaking through to the new all-time peak of 140.2, from 140.0 in the preceding week. The all-commodity index reached its previous peak of 140.1 in the week ending Dec. 30, 1944, and has remained fairly steady since that period. A month ago the index stood at 139.7, the lowest point of the index in the first 14 weeks of 1945, and a year ago at 137.1, based on the 1935-1939 average as 100. The Association's report went on to say:

The farm products group index reached a new all-time peak during the latest week, with prices 0.2% above its previous peak reached Oct. 28, 1944, and again March 24, 1945. The cotton subgroup advanced during the week. The grains index declined slightly with lower corn quotations more than offsetting higher prices for rye. The livestock index rose substantially with higher prices for choice and good cattle, and lambs, and small declines in the prices for sheep. The foods group advanced slightly because of higher prices for potatoes. The textiles index advanced fractionally. All other groups in the index remained unchanged.

During the week 6 price series in the index advanced and 2 declined; in the preceding week there was 1 advance and 5 were declines; in the second preceding week there were 8 advances and 1 decline.

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			Year Ago
		Apr. 7, 1945	Mar. 31, 1945	Mar. 10, 1945	
25.3	Food	141.8	141.6	141.2	138.3
	Fats and Oils	145.3	145.3	145.3	146.1
	Cottonseed Oil	163.1	163.1	163.1	159.6
	Farm Products	166.4	165.6	165.2	156.7
	Cotton	207.4	206.4	206.1	200.1
	Grains	162.8	162.9	163.7	164.8
	Livestock	161.1	159.9	159.4	147.0
17.3	Fuels	130.4	130.4	130.4	130.1
10.8	Miscellaneous Commodities	133.7	133.7	133.4	132.2
8.2	Textiles	156.1	156.0	155.9	152.1
7.1	Buildings	104.7	104.7	104.7	104.4
6.1	Metals and Drugs	154.2	154.2	154.1	152.4
1.3	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	140.2	140.0	139.7	137.1

*Indexes on 1926-1928 base were: April 7, 1945, 109.2; March 31, 1945, 109.1, and April 8, 1944, 106.8.

Steel Operations Affected by Coal Output Drop—Cancellations and Cutbacks Continued

"The unofficial coal strike affecting particularly those mines vital to steel production was in the spotlight this week as the figures on steel losses rolled in," states "The Iron Age" in its issue today (April 12), which further says in part: "Pittsburgh units of the U. S. Steel Corp., particularly Carnegie-Illinois were the hardest hit, being forced to cut both iron and steel production. Early in the week 12 blast furnaces in Pittsburgh were banked, and 37 open hearths at Clairton, Homestead, and Duquesne were shut down. Coal shipments from the South were said to be easing the supply situation somewhat.

"The effect of mine stoppages and slowdowns since the expiration of the mine workers' contract had not yet reached the Chicago district early in the week, due mainly to a somewhat better inventory position in those plants. Reduction of the Chicago operating rate 2.5% this week is due to shutdowns of two big open hearths, one at the Gary and one at the south Chicago works of the U. S. Steel Corp.; coal was not a factor. If the mine picture does not improve immediately, however, the operating rate in this district will, of course, be adversely affected. The Pittsburgh rate dropped to 85%.

"The volume of steel orders is down very slightly this week, although not sufficiently to establish any definite trend. Some speculation is being heard that major steel consumers are trying to thin down their inventories as they did last summer, in anticipation of cutbacks considered imminent.

"District offices of steel producers report that there is a more hesitant attitude on the part of

buyers to place steel orders, and plate mills are somewhat concerned over the order picture for the coming months. It is felt by some that unless substantial orders are forthcoming soon, operating rates will be adversely affected during the summer.

"Cancellations this week are reported somewhat more numerous in most districts, although they are still primarily involving small tonnages. The drop in Maritime plate demand combined with the effect of the cancellation of 72 naval combat vessels has resulted in open space in many plate mills in May and June. Current demands are for about 750,000 tons a month, compared with a peak of about one million tons per month. With Maritime directives cut to 80,000 tons for July and none for August there is the possibility that plate demand will fall off to the point that production will be curtailed.

Cutbacks in the ammunition program are being continued this week.

"March shipments of finished products as compared with February seem to have improved in somewhat better proportion than the lengths of the months; one major producer's gain was upwards of 20%. In this particular case the result was to reduce carryover in marked proportions. In other instances, however, no reduction in carryover was affected, sheets continuing to be the biggest stumbling block in this direction. While much of the delivery program consisted of cleaning out stocks of finished products nevertheless shipments were heavy.

"Advices from Washington are that numerous new directives, many on sheets, are still to be placed and this will slow the reduction of carryovers this month. On the score of directives, there are no worthy indications that those on shell steel will be cut down, although the space will immediately be taken up by demand for other products."

The American Iron and Steel Institute on April 9 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 94.3% of capacity for the week beginning April 9, compared with 96.9% one week ago, 94.5% one month ago and 98.7% one year ago. The operating rate for the week beginning April 9 is equivalent to 1,728,100 tons of steel ingots and castings, compared to 1,774,900 tons one week ago, 1,730,900 tons one month ago, and 1,768,000 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets on April 9 stated in part as follows:

"Indication of critical need for war steel in spite of military successes in Europe and the Pacific is found in action by the War Production Board in reducing allotments for second quarter on maintenance and repair tonnage.

"The regulation limits transportation systems to 80% of the quantity permitted in fourth quarter last year, power, water, gas and central heating systems are limited to 20% of total purchases during 1944. Such purchases of those covered by regulations 5 and 5A, mining companies covered by P56 and Government services covered by P141 are limited to 20% of purchases in second quarter last year.

"Adjustments in second quarter schedules are being made in an effort to work in as many of the more pressing needs as possible. To this end the Army has released 34,000 tons of carbon steel to allow production to start on 2,000 additional box cars, facilitating a program of 20,000 scheduled for completion by the end of September. Shortage of this type of car is acute.

"Movement of Lake Superior iron ore by Lake has started, the first cargo from Escanaba, Mich., being unloaded at Cleveland April 5 and a large fleet being en route to the head of the lakes for additional cargoes.

"Scrap supply continues sufficient to maintain a high rate of steelmaking but there is no surplus and reserves are reduced by inroads during the difficult time last winter."

Money in Circulation

The Treasury Department in Washington has issued its customary monthly statement showing the amount of money in circulation after deducting the money held in the U. S. Treasury and by Federal Reserve Banks and agents. The figures this time are those of Feb. 28, 1945, and show that the money in circulation at that date (including, of course, that held in bank vaults of member banks of the Federal Reserve System) was \$25,751,204,220, as against \$25,290,209,861 on Jan. 31, 1945, and \$20,823,585,532 on Feb. 28, 1944, and compares with \$5,698,214,612 on Oct. 31, 1920. Just before the outbreak of the first World War, that is, on June 30, 1914, total was \$3,459,434,174.

Trading on New York Exchanges

The Securities and Exchange Commission made public on April 4 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. 17, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended March 17 in round-lot transactions totaled 1,595,908 shares, which amount was 16.35% of the total transactions on the Exchange of 4,882,480 shares. This compares with member trading during the week ended March 10 of 2,695,256 shares, or 13.81% of the total trading of 9,759,280 shares. On the New York Curb Exchange, member trading during the week ended March 17 amounted to 410,095 shares, or 14.89% of the total volume on that exchange of 1,376,655 shares. During the March 10 week trading for the account of Curb members of 700,350 shares was 14.52% of the total trading of 2,411,800.

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

Table with columns: A. Total Round-Lot Sales, B. Round-Lot Transactions for Account of Members, C. Total Round-Lot Sales on the New York Curb Exchange and Stock Transactions for Account of Members*. Includes sub-sections for week ended March 17, 1945.

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

Table with columns: A. Total Round-Lot Sales, B. Round-Lot Transaction for Account of Members, C. Odd-Lot Transactions for Account of Specialists. Includes sub-sections for week ended March 17, 1945.

*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.

Wholesale Prices Unchanged For Week Ended March 31, 1945

Average prices for commodities at the primary market level remained steady during March, according to the Bureau of Labor Statistics' index which has stood at 105.1% of the 1926 average for four consecutive weeks, announced the U. S. Department of Labor, in its report issued April 5 which further said:

"During the last week of the month higher prices for citrus fruits, for potatoes in Eastern markets and for livestock and its products brought prices for farm products and foods up slightly but did not change the all-commodity index. The index was 0.1% higher than for the week ended March 3, and 1.4% higher than at the end of March a year ago."

"Farm Products and Foods—With increases of about 11% for citrus fruits, nearly 6% for calves, 1.5% for steers, and higher markets for wheat and rye and for white potatoes at Boston and New York, average prices for farm products rose 0.2% during the last week of March. Lower prices were reported for barley, corn, cotton, and hay and for apples, onions, and sweetpotatoes. In the past four weeks, prices for farm products in primary markets have risen 0.1% and were 2.7% higher than at this time last year.

"Led by increases of 1.2% for fruits and vegetables — mostly

lemons and oranges at Chicago and white potatoes at New York—and 1.3% for fresh pork, average prices for foods increased 0.3%. From March 3 to March 31, the index for foods advanced 0.3% and was 0.6% higher than at the end of March a year ago.

"Industrial Commodities — Very few changes were reported in industrial commodity markets during the week. A further advance of 3.8% occurred in prices for sheepskins and brought the index for the hides and leather products group up 0.1%. The mercury markets weakened on reports that metal from Spain would soon be available. Turpentine dropped 1.8% and sales realizations on maple flooring were off 0.8%."

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 March 3, 1945 and April 1, 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 24, 1945 to March 31, 1945.

WHOLESALE PRICES FOR WEEK ENDED MARCH 31, 1945 (1926=100)

Table showing Wholesale Prices for Week Ended March 31, 1945. Columns include Commodity Groups, 3-31 1945, 3-24 1945, 3-17 1945, 3-3 1945, 4-1 1944, 3-24 1944, 3-3 1944, 4-1 1944, and Percentage change to March 31, 1945 from.

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM MARCH 24, 1945 TO MARCH 31, 1945

Table showing Percentage Changes in Subgroup Indexes from March 24, 1945 to March 31, 1945. Columns include Increases and Decreases with specific commodity categories.

Moody's Bond Prices And Bond Yield Averages

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

Table of Moody's Bond Prices (Based on Average Yields). Columns include 1945—Daily averages, U. S. Govt. Bonds, Corporate by Ratings (Aaa, Aa, A, Baa), and Corporate by Groups (R. R., P. U., Indus.).

Table of Moody's Bond Yield Averages (Based on Individual Closing Prices). Columns include 1945—Daily averages, U. S. Govt. Bonds, Corporate by Ratings (Aaa, Aa, A, Baa), and Corporate by Groups (R. R., P. U., Indus.).

*These prices are computed from average yields on the basis of one "typical" bond (3% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on April 4 a summary for the week ended Mar. 24 of complete figures showing the daily volume of stock transactions for odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

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

Table showing Stock Transactions for the Odd-Lot Account of Odd-Lot Dealers and Specialists on the N. Y. Stock Exchange. Columns include Week Ended March 24, 1945, Odd-Lot Sales by Dealers, and Round-Lot Sales by Dealers.

Americans to Take Cut in Sugar Supply

The sugar supply coming to the American civilian this year will be cut more than any year since the beginning of the war and might be less than the British ration, Lieut.-Col. R. W. Olmstead told the Senate Food Investigating Committee on April 4. On the other hand, Lieut.-Col. Olmstead, who is chairman of the War Food Administration's Allocations Committee, added the supply and demand of meat may strike a balance a year after the end of the European war.

Associated Press Washington Bureau said: He presented these figures of estimated sugar requirements for 1945:

United States—Per capita consumption of 83 pounds for civilians, a reduction of 7% from 1944 and 14% below 1935—39. United Kingdom—Per capita consumption of 86 pounds, an increase of 23% over 1944, but 17% below 1934—38.

Canada—Per capita consumption of about 83 pounds, a reduction of 4% from 1944 and 12% below 1935—39.

Colonel Olmstead emphasized that supply estimates are by no means firm, leaving open the question whether actual deliveries may not fall still shorter. It was brought out that the British can take from storage about half their estimated requirements and still have stocks of about pre-war level.

As to meat, Colonel Olmstead testified that the present world deficit is 6,200,000,000 pounds, or 15% of estimated requirements.

Moody's Daily Commodity Index

Table of Moody's Daily Commodity Index. Columns include dates from Tuesday, April 3, 1945 to Low, Jan. 24, 1944, and corresponding index values.

Daily Average Crude Oil Production for Week Ended March 31, 1945 Showed Little Change

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended March 31, 1945, was 4,781,415 barrels, a decrease of 700 barrels from the preceding week. It was also 11,935 barrels below the daily average figure recommended by the Petroleum Administration for War for the month of March, 1945. The current figure, however, was 398,165 barrels per day higher than the output in the week ended April 1 of last year. Daily production for the four weeks ended March 31, 1945, averaged 4,776,400 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 4,677,000 barrels of crude oil daily and produced 14,644,000 barrels of gasoline; 1,613,000 barrels of kerosine; 4,548,000 barrels of distillate fuel, and 9,184,000 barrels of residual fuel oil during the week ended March 31, 1945; and had in storage at the end of that week; 52,809,000 barrels of civilian grade gasoline; 45,903,000 barrels of military and other gasoline; 7,127,000 barrels of kerosine; 26,889,000 barrels of distillate fuel, and 41,745,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations	*State Allowables	Actual Production	Change	4 Weeks Ended	Week Ended
	Mar. 1945	Mar. 1945	Mar. 31, 1945	from Previous Week	Mar. 31, 1945	Apr. 1, 1945
Oklahoma	363,000	363,000	372,950	+ 3,600	370,100	331,000
Kansas	274,000	259,500	275,850	+ 350	268,550	270,000
Nebraska	1,000	---	11,000	+ 50	950	1,250
Panhandle Texas	---	---	88,000	---	88,000	92,850
North Texas	---	---	143,300	---	143,300	142,600
West Texas	---	---	477,400	---	477,400	340,900
East Central Texas	---	---	146,700	---	146,700	116,600
East Texas	---	---	381,000	---	381,000	365,100
Southwest Texas	---	---	352,150	---	352,150	291,500
Coastal Texas	---	---	564,450	---	564,450	513,800
Total Texas	2,160,000	\$2,160,675	2,159,000	---	2,159,000	1,863,350
North Louisiana	---	---	70,500	+ 400	70,350	76,900
Coastal Louisiana	---	---	295,650	---	295,650	283,950
Total Louisiana	360,000	401,800	366,150	+ 400	366,000	360,850
Arkansas	80,000	80,317	80,600	+ 400	80,600	79,100
Mississippi	53,000	---	52,300	+ 100	51,600	41,300
Alabama	300	---	250	---	250	100
Florida	---	---	15	---	---	50
Illinois	198,000	---	188,300	- 2,950	190,700	216,100
Indiana	12,000	---	10,100	- 250	10,750	13,750
Eastern—						
(Not Incl. Ill., Ind., Ky.)	68,200	---	68,400	+ 4,550	64,600	76,850
Kentucky	32,000	---	16,750	+ 2,150	18,200	21,200
Michigan	47,000	---	47,000	- 4,500	46,600	51,800
Wyoming	100,000	---	105,000	+ 600	104,650	86,750
Montana	23,000	---	19,950	- 600	20,450	21,500
Colorado	9,500	---	9,550	- 450	9,950	8,200
New Mexico	105,000	105,000	103,850	---	103,900	112,900
Total East of Calif	3,886,000	---	3,877,915	+ 3,900	3,868,850	3,556,050
California	907,350	\$907,350	903,500	- 4,600	907,500	827,200
Total United States	4,793,350	---	4,781,415	- 700	4,776,400	4,383,250

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

†Oklahoma, Kansas Nebraska figures are for week ended 7:00 a.m. March 29, 1945.

‡This is the net basic allowable as of March 1 calculated on a 31-day basis and includes shut-downs and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shut-downs 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 shut-down 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 31, 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			% Gasoline		% Stocks	% Stocks	% Gasoline	Stocks
	Refining	to Stills	Capac. Daily	Pro-duction	of				
	Re-Aver-	% Op-	erated	Inc. Nat.	Blended	Fuel Oil	Fuel Oil	Other	Grade
East Coast	99.5	747	94.4	1,943	5,093	5,498	6,795	6,986	
Appalachian—									
District No. 1	76.8	104	71.2	302	377	240	1,198	1,224	
District No. 2	81.2	54	108.0	170	117	152	604	812	
Ind., Ill., Ky.	87.2	761	88.8	2,881	3,413	1,773	6,474	17,612	
Okl., Kans., Mo.	78.3	370	78.9	1,418	1,670	1,234	1,564	8,040	
Inland Texas	59.8	225	68.4	895	297	629	1,327	1,702	
Texas Gulf Coast	89.3	1,085	87.7	3,351	5,213	5,731	11,604	5,097	
Louisiana Gulf Coast	96.8	266	102.3	826	1,966	1,529	2,493	2,623	
No. La. & Arkansas	55.9	80	63.5	218	756	268	879	1,880	
Rocky Mountain—									
District No. 3	17.1	10	76.9	28	15	30	20	63	
District No. 4	72.1	119	74.8	401	355	633	421	2,109	
California	85.5	856	86.1	2,211	7,617	24,028	12,524	4,661	
Total U. S. B. of M.	85.5	4,677	86.1	14,644	26,889	41,745	45,903	52,809	
Total U. S. B. of M.	85.5	4,742	87.3	14,907	26,782	43,327	45,525	53,487	
U. S. Bur. of Mines	4.459	---	---	13,626	29,926	52,193	35,665	51,582	

*Includes aviation and military grades, finished and unfinished, title to which still remains in the name of the producing company; solvents, naphthas, blending stocks currently indeterminate as to ultimate use and 11,481,000 barrels unfinished gasoline this week compared with 11,972,000 barrels a year ago. These totals for the weekly periods shown do not include any gasoline on which title has already passed, or which the military forces may actually have in custody in their own or leased storage. †Stocks at refineries, at bulk terminals, in transit in pipe lines. ‡Not including 1,613,000 barrels of kerosine, 4,548,000 barrels of gas oil and distillate fuel oil and 9,184,000 barrels of residual fuel oil produced during the week ended March 31, 1945, which compares with 1,732,000 barrels, 4,448,000 barrels and 9,166,000 barrels, respectively, in the preceding week and 1,643,000 barrels, 4,303,000 barrels and 8,613,000 barrels, respectively, in the week ended April 1, 1944.

§Note—Stocks of kerosine at March 31, 1945, amounted to 7,127,000 barrels, as against 6,859,000 barrels a week earlier and 6,567,000 barrels a year ago.

Civil Engineering Construction \$33,709,000 For Week

Civil engineering construction volume in continental United States totals \$33,709,000 for the week. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding, is 10% lower than in the preceding week, 1% under the volume for the corresponding 1944 week, and 0.4% below the previous four-week moving average as reported to "Engineering News-Record." The report made public on April 5 went on to say:

Private construction for the week is 24% above a week ago but is 34% under the total for the 1944 week. Public construction is 14% lower than last week but 9% higher than last year. State and municipal volume tops the preceding week by 96% and is 248% higher than a year ago. Federal construction, however, is 33 and 19% lower, respectively, than a week ago and a year ago.

The current week's construction brings 1945 volume to \$413,916,000 for the 14 weeks, a decrease of 14 1/2% from the \$484,085,000 reported for the 1944 period. Private construction, \$118,621,000, is up 12% compared with last year, but public construction, \$295,295,000, is down 22% as a result of the 28% drop in Federal work. State and municipal construction is 35% higher than in the 1944 period.

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

	Apr. 6, 1944	Mar. 29, 1945	Apr. 5, 1945
Total U. S. construction	\$33,963,000	\$37,301,000	\$33,709,000
Private construction	7,846,000	4,167,000	5,177,000
Public construction	26,117,000	33,134,000	28,532,000
State and municipal	2,764,000	4,900,000	9,621,000
Federal	23,353,000	28,234,000	18,911,000

In the classified construction groups, gains over last week are in industrial and commercial buildings, streets and roads, and unclassified construction. Increases over the 1944 week are reported in industrial and public buildings, and streets and roads. Subtotals for the week in each class of construction are: water works, \$277,000; sewerage, \$359,000; bridges, \$129,000; industrial buildings, \$4,096,000; commercial building and private mass housing, \$639,000; public buildings, \$12,671,000; earthwork and drainage, \$1,204,000; streets and roads, \$8,723,000, and unclassified construction, \$5,611,000.

New capital for construction purposes for the week totals \$8,830,000. It is made up of \$4,330,000 in State and municipal bond sales, \$4,000,000 in corporate security issues, and \$500,000 in RFC loans for industrial plant expansion. The week's new financing brings 1945 volume to \$258,365,000, a total 40% greater than the \$184,237,000 reported for the 14 weeks of 1944.

Non-Ferrous Metals—Deliveries of Copper Heavy—Lead Order Amended by WPB

"E. & M. J. Metal and Mineral Markets," in its issue of April 5, states: "With the stockpile of lead still falling, WPB last week issued an amended order designed to further limit consumption by keeping a close check on all end products. The listing of products in which the metal may be used has been simplified in the revised regulations. Copper producers believe that March deliveries of the metal established a new high. Zinc, being under allocation, presented a quiet appearance market-wise. Antimony continues in tight supply because of extra demands for the oxide for war purposes. Quicksilver on spot was available at \$159 per flask, or \$1 below the price named a week ago." The publication further went on to say in part:

Copper

Most copper producers believe that March established a new high in deliveries, with foreign-origin metal again accounting for most of the tonnage moved. The industry looks for some cutbacks in ammunition. However, wire mills are expected to maintain operations at a high rate for some time to come. In spite of developments in Europe, consumers show little or no uneasiness over big inventories.

Cutbacks in the output of small-arms ammunition are expected by WPB officials within two weeks. The accelerated program that was put into operation last December has increased the reserve supply of such ammunition substantially, and the requirements are now being reviewed by Army and WPB officials, according to Washington advices. Whether the cutback in small-arms ammunition will release copper and zinc for ordinary civilian needs is uncertain. Other war needs for these metals remain high, it is claimed.

February brass mill production fell off slightly, compared with January, but the daily rate was about the same for the two months. Production of the brass mills amounted to 468,958,000 pounds in February, against 478,000,000 pounds in January.

Lead

General Preference Order M-38 has been amended by WPB, effective March 31, eliminating the A, B, and C lists and substituting a permissive list for which lead may be used.

WPB also amended the collapsible tube regulations (Order M-115) to conserve on lead. Tubes for shaving cream, paints, depilatories, and insecticides are no longer permitted to contain lead, but aluminum may be substituted for packing these items on a quota basis. Lead-base tubes for dental cleansing preparations for civilian use are permitted to the extent of 20% of the deliveries made in the second quarter of 1944. All lead-base tubes to be manufactured for military orders remain unrestricted.

Consumers have been asked by the Tin-Lead-Zinc Division of WPB to file requests for foreign lead not later than the 18th of the month. Strict enforcement of the "deadline" will be part of the plan to regulate consumption of the metal under the revised order. Arrivals of lead from foreign sources have been disappointing, owing largely to transportation difficulties. The stockpile is likely to decline during the current month to a point well below the present level of about 65,000 tons. Sales of lead during the last week amounted to 12,755 tons.

Zinc

Most sellers reported a quiet market in zinc for the week that ended yesterday. From present indications the sales volume for April will be smaller than that of March. Though the supply of Special High Grade for April delivery was disposed of readily, requests for Prime Western have not been so urgent now that zinc is under allocation. Some Canadian

zinc has figured in recent transactions in this market.

Magnesium

January production of primary magnesium amounted to 7,700,000 pounds, against 8,514,000 pounds in December and 41,988,000 pounds in January last year, according to figures compiled by the Aluminum and Magnesium Division of WPB. Secondary recovery of magnesium in January amounted to 2,500,000 pounds, which compares with 1,844,000 pounds in December and 2,105,000 pounds in January a year ago.

Tin

Some small mines operating in Bolivia have threatened to shut down because of high production costs, according to advices from La Paz received here last week. The Government took action on March 30 to keep all of the country's tin properties in production. Banco Minero has been requested to take over and operate mines unable to produce tin concentrates under prevailing conditions.

There were no marked developments in tin in the United States market. Straits quality tin on spot held at 52¢, with forward metal, in cents per pound, nominally as follows:

	April	May	June
March 29	52.00	52.00	52.00
March 30	52.00	52.00	52.00
March 31	52.00	52.00	52.00
April 2	52.00	52.00	52.00
April 3	52.00	52.00	52.00
April 4	52.00	52.00	52.00

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

Quicksilver

The quicksilver situation changed but slightly during the last week. Spot metal could have been obtained at \$159 per flask on lots of 50 flasks or more, but in most directions \$160 was regarded as the minimum. The range in prices as the week ended was \$159 to \$134 per flask, depending on quantity. Spanish metal was available for April shipment from abroad at \$152 per flask, duty paid, New York. With most operators expecting a good volume of business to come into the market in the near future, selling pressure was decidedly limited.

Offerings on the Coast remained light, with nearby metal nominally unchanged at \$155 per flask. Forward material \$150 to \$154, depending on quantity and seller. Production moving up slowly.

Silver

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

Results Of Treasury Bill Offering

The Secretary of the Treasury announced on April 9 that the tenders of \$1,300,000,000 or thereabout of 91-day Treasury bills to be dated April 12 and to mature July 12, 1945, which were offered on April 6, were opened at the Federal Reserve Banks on April 9.

The details of this issue are as follows:

Total applied for \$2,163,982,000. Total accepted, \$1,303,940,000 (includes \$60,784,000 entered on a fixed price basis at 99.905 and accepted in full). Average price 99.905, equivalent rate of discount approximately 0.375% per annum. Range of accepted competitive bids: High, 99.908, equivalent rate of discount approximately 0.364% per annum. Low, 99.905, equivalent rate of discount approximately 0.376% per annum. (55% of the amount bid for at the low price was accepted). There was amaturity of a similar issue of bills on April 12 in the amount of \$1,302,998,000.

Revenue Freight Car Loadings During Week Ended March 31, 1945 Increased 19,168 Cars

Loading of revenue freight for the week ended March 31, 1945, totaled \$835,226 cars, the Association of American Railroads announced on April 5. This was an increase above the corresponding week of 1944 of 49,120 cars, or 6.2%, and an increase above the same week in 1943 of 63,124 cars or 8.2%.

Loading of revenue freight for the week of March 31, increased 19,168 cars, or 2.3% above the preceding week.

Miscellaneous freight loading totaled 410,783 cars, an increase of 5,908 cars above the preceding week, and an increase of 27,060 cars above the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 112,246 cars, an increase of 2,032 cars above the preceding week and an increase of 3,233 cars above the corresponding week in 1944.

Coal loading amounted to 171,507 cars, an increase of 4,444 cars above the preceding week, and an increase of 7,170 cars above the corresponding week in 1944.

Grain and grain products loading totaled 46,560 cars an increase of 738 cars above the preceding week and an increase of 5,233 cars above the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of March 31, totaled 30,124 cars, an increase of 235 cars above the preceding week and an increase of 2,353 cars above the corresponding week in 1944.

Livestock loading amounted to 14,516 cars, a decrease of 1,152 cars below the preceding week but an increase of 43 cars above the corresponding week in 1944. In the Western Districts alone loading of livestock for the week of March 31, totaled 11,172 cars, a decrease of 823 cars below the preceding week, but an increase of 671 cars above the corresponding week in 1944.

Forest products loading totaled 41,774 cars an increase of 2,170 cars above the preceding week and an increase of 782 cars above the corresponding week in 1944.

Ore loading amounted to 22,201 cars, an increase of 4,324 cars above the preceding week and an increase of 4,757 cars above the corresponding week in 1944.

Coke loading amounted to 15,639 cars, an increase of 704 cars above the preceding week, and an increase of 842 cars above the corresponding week in 1944.

All districts reported increases compared with the corresponding weeks in 1944, and 1943.

	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
Week of March 31	835,226	786,106	772,102
Total	10,069,868	10,228,853	9,811,910

Electric Output for Week Ended April 7, 1945 0.9% 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 April 7, 1945, was approximately 4,321,794,000 kwh., which compares with 4,361,094,000 kwh. in the corresponding week a year ago, and 4,329,478,000 kwh. in the week ended Mar. 31, 1945. The output of the week ended April 7, 1945, was 0.9% lower than in the same week last year.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended			
	April 7	Mar. 31	Mar. 24	Mar. 17
New England	1.2	*0.4	3.7	*0.1
Middle Atlantic	*5.2	*6.2	*3.0	*3.5
Central Industrial	0.8	0.2	1.8	0.9
West Central	9.4	6.1	5.3	5.9
Southern States	4.9	4.6	3.6	4.9
Rocky Mountain	*3.8	*7.4	*10.0	*7.5
Pacific Coast	*6.0	*6.5	*2.1	*0.1
Total United States	*0.9	*1.8	*0.2	*0.1

*Decrease under similar week in previous year.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1945	1944	% Change over 1944			
			1944	1943	1932	1929
Jan. 6	4,427,281	4,567,959	-	3,952,587	1,602,482	1,733,816
Jan. 13	4,614,334	4,539,083	+ 1.7	3,952,479	1,598,201	1,736,721
Jan. 20	4,568,214	4,531,662	+ 1.2	3,974,202	1,588,967	1,717,315
Jan. 27	4,576,713	4,523,763	+ 1.2	3,976,844	1,588,853	1,728,203
Feb. 3	4,538,552	4,524,134	+ 0.3	3,960,242	1,578,817	1,726,161
Feb. 10	4,505,269	4,532,730	- 0.6	3,939,708	1,545,459	1,718,304
Feb. 17	4,472,293	4,511,562	- 0.9	3,948,749	1,512,158	1,699,250
Feb. 24	4,473,962	4,444,939	+ 0.7	3,892,796	1,519,679	1,706,719
March 3	4,472,110	4,464,686	+ 0.2	3,946,630	1,538,452	1,702,570
March 10	4,446,136	4,426,630	+ 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	1,679,589
March 31	4,329,478	4,408,703	- 1.8	3,889,858	1,465,076	1,639,291
April 7	4,321,794	4,361,094	- 0.9	3,882,467	1,480,738	1,696,543
April 14	4,307,493	4,307,493	-	3,916,794	1,469,810	1,709,331
April 21	4,344,183	4,344,183	-	3,925,175	1,454,505	1,699,822
April 28	4,336,247	4,336,247	-	3,866,721	1,429,032	1,688,434

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

Building Construction in February

Building construction started in urban areas of the United States rose nearly 25% from January, Secretary of Labor Frances Perkins reported on April 7. "The total value of all urban building construction started during February was approximately \$77 million," she said, "over three-fifths of which was for non-Federally financed work."

"New non-residential building, two-thirds of it Federally financed, made up over half of the building construction started this month. Practically all of the new residential building was non-Federal and it rose in value by 18% from the previous month as compared with a 37% increase in new non-residential building. Total valuations for additions, alterations, and repairs in the month declined by 13% from January.

"To meet a demand for additional industrial capacity, new non-residential construction increased by one-half over February a year

ago in both Federal and non-Federal work. On the other hand, new residential work declined almost two-fifths over the year because of the virtual completion of Federal war-housing programs and because of wartime ceilings on non-essential building. Federal new residential building declined by \$2.7 million from a year ago, as compared with a drop of \$8.3 million in non-Federal residential construction. While new residential building decreased, additions, alterations, and repair work increased 7% over February 1944, with Federally financed work accounting for the largest proportion of the gain.

Percentage Change in the Value of Building Construction Started in All Urban Areas January 1945 to February 1945 and February 1944 to February 1945

Class of construction—	Percentage change from—					
	Jan. 1945 to Feb. 1945—			Feb. 1944 to Feb. 1945—		
	Total	Federal	Other than Federal	Total	Federal	Other than Federal
All construction	+14.8	+4.2	+40.3	+5.0	-4.5	+27.8
New residential	+17.6	+15.5	-	-38.9	-32.8	-89.8
New non-residential	+36.9	+7.4	+60.9	+52.1	+53.3	+51.5
Additions, alterations and repairs	-12.7	-6.0	-46.0	+7.2	+7.1	+8.0

*Percentage change not computed since no contract award notifications were received, January 1945.

"At the close of the first 2 months of 1945 the cumulative value of building construction started in all urban areas was approximately \$144 million, 10% below the aggregate for the same period in 1944. Non-Federal work was 9% and Federal work about 12% below the point where it was at the end of February a year ago. On the other hand, the new non-residential building started was 11% higher in value by the end of this February than last, entirely because of greater non-Federal activity. Furthermore, addition, alteration, and repair values were 14% higher.

Valuation of Building Construction Started in All Urban Areas, by Class of Construction First 2 Months of 1944 and 1945

Class of construction—	Total			Federal		
	1945 (In thousands of dollars)	1944	Percentage change	1945 (In thousands of dollars)	1944	Percentage change
All construction	143,963	160,401	-10.2	47,131	53,500	-11.9
New residential	31,889	60,480	-47.3	305	9,172	-96.7
New non-residential	66,696	60,125	+10.9	40,570	41,032	-1.3
Additions, alterations and repairs	45,383	39,796	+14.0	6,256	3,236	+93.3

"There was a 6% rise over January in the number of new dwelling units begun during the month. The total of 5,324 units started in February and the 5,046 begun in January were all privately financed. In February of last year, however, Federal contracts were let for nearly 1,200 units out of a total of about 9,000."

Weekly Statistics of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders		Percent of Activity Current Cumulative
			Remaining Tons	Percent	
1945—Week Ended					
January 6	189,769	125,882	52,194	80	80
January 13	149,921	150,011	524,308	95	87
January 20	131,901	150,876	503,240	84	89
January 27	159,885	152,075	510,931	95	91
February 3	204,550	148,139	565,064	92	91
February 10	149,590	151,307	560,960	93	92
February 17	145,541	149,816	553,609	93	92
February 24	131,989	152,755	529,238	97	93
March 3	181,377	150,486	558,285	96	93
March 10	177,711	152,611	580,804	94	93
March 17	129,948	153,625	557,986	95	93
March 24	137,911	158,551	537,005	99	94
March 31	178,483	162,386	549,631	100	94

Notes—Unfilled orders of the prior week, plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

WPB's Gradual Reconversion Program, Krug

Giving preference to the most-needed and most-essential civilian goods, the Government intends after V-E Day to funnel consumer production in such a way as not to permit civilian goods on a volume scale to reach the consumer for at least a year.

The Wall Street "Journal" Washington Bureau from which this information is learned continues:

Chairman Krug emphasized this schedule for a "gradual" reconversion timetable at a press conference on April 3 as he gave his interpretation of what the Byrnes second quarterly report released Sunday means for consumers and industry.

Mr. Krug indicated that the preference in home front articles after V-E Day will go to such consumer durables as refrigerators, washing machines, automobiles and radios. First, however, raw materials will be made available for new railroad and public utility equipment, oil drilling tools and farm machinery.

He outlined a twelve-point plan which the WPB will perfect and put into operation at various times after the German surrender. The 12 points are:

1. Cutbacks will be handled, wherever practicable, so as to dis-

tribute the production load equitably throughout the nation.

2. Positive assistance will be given through controlled material allotments and preference ratings for new or additional production of a very limited number of civilian products now in such short supply as to endanger the war-supporting economy.

3. Measures will be taken to facilitate reconversion through positive assistance for tools, equipment, construction and long lead-time materials and components needed to begin large-scale production promptly when further cutbacks occur.

4. Most of the so-called "rating floors" which now prohibit the acceptance or delivery of materials, components and equipment on unrated orders will be suspended.

5. The Controlled Materials Plan will be broadened by permitting the delivery and acceptance of controlled materials (steel, copper, or aluminum) without allotments, subject to preference at mills and warehouses for all orders covered by allotments.

6. As quickly as practicable a substantial number of L and M orders that now prohibit or restrict production and distribution will be relaxed or suspended. The WPB will continue to limit the production of some goods requiring materials still in scarce supply.

7. Most of the conservation orders specifying the kind of materials to be used in making certain products will be revoked.

8. Some relaxation in the construction order L-41 permit the most urgently needed civilian construction will be permitted.

9. Steps will be taken to insure that where production is authorized on a restrictive basis, small business and new producers are given full opportunity to participate.

10. A simplified priority system to replace CMP and other priorities will be introduced at the earliest possible date.

11. Procedure will be instituted for authorizing construction production in certain local areas, as exceptions to nationwide limitation orders, to permit utilization of labor and resources that cannot practically be used for war production or civilian manufacture not under limitation orders.

12. The WPB will continue specialized controls over all materials continuing in tight supply such as tin, crude rubber, textiles, lumber, and certain chemicals, to assure meeting all essential war and civilian needs.

Senate Gives RFC Funds for Subsidies

The Senate on March 15 passed a bill authorizing the Reconstruction Finance Corporation to spend up to \$1,468,000,000 on subsidies for the fiscal year 1946.

The Senate banking subcommittee approved the measure continuing the present subsidies without change on March 5.

Associated Press advices from Washington, D. C., on March 15, reported:

Biggest item in the legislation is authorization for RFC to spend \$560,000,000 to continue the most price "roll-back." The other subsidy authorizations are:

For foreign commodities other than rubber, \$80,000,000; rubber, \$60,000,000; butter, \$100,000,000; flour, \$190,000,000; petroleum products, \$290,000,000; copper and other mineral, \$88,000,000; and other commodities, \$100,000,000.

Lumber Movement—Week Ended March 31, 1945

According to the National Lumber Manufacturers Association, lumber shipments of 474 mills reporting to the National Lumber Trade Barometer were 13.0% above production for the week March 31, 1945. In the same week new orders of these mills were 30.8% more than production. Unfilled order files of the reporting mills amounted to 110% of stock. For reporting softwood mills, unfilled orders are equivalent to 30 days' production at the current rate, and gross stocks are equivalent to 33 days' production.

For the year-to-date, shipments of reporting identical mills exceeded production by 9.1%; orders by 17.2%. Compared to the average corresponding week of 1935-1944, production of reporting mills was 13.3% greater; shipments were 14.1% greater; and orders were 32.9% greater.

Items About Banks, Trust Companies

The statement of the Chase National Bank, New York, for March 31, 1945, was made public on April 4. The deposits of the bank on that date were \$4,497,560,000, compared with \$4,835,219,000 on Dec. 30, 1944, and \$4,457,582,000 on March 31, 1944.

Total resources on March 31, 1945, amounted to \$4,822,301,000, compared with \$5,160,004,000 on Dec. 30, 1944, and \$4,766,000,000 a year ago; cash in the bank's vault and on deposit with the Federal Reserve Bank and other banks amounted to \$887,573,000, compared with \$900,689,000 and \$936,854,000 on the respective dates; investments in United States Government securities, \$2,779,431,000, compared with \$2,899,834,000 and \$2,691,990,000; loans and discounts, \$855,787,000, compared with \$1,041,046,000 and \$878,952,000.

On March 31, 1945, the capital of the bank was \$111,000,000 and the surplus \$124,000,000, both figures unchanged during the past 12 months. The undivided profits on March 31 amounted to \$57,372,000, compared with \$49,801,000 on Dec. 30, 1944, and \$43,107,000 on March 31, 1944.

Comparative earnings for the first quarters of 1945 and 1944 are shown in the following tabulation:

	Earnings per Share for Three Months Ending March 31	
	1945	1944
Net current operating earnings	\$0.61	\$0.62
Net profit on securities	0.41	0.09
Net earnings per share	\$1.02	\$0.71

The Bankers Trust Co. of New York reported in its statement of condition as of March 31, total deposits of \$1,586,827,778 and total assets of \$1,749,872,596, compared, respectively, with \$1,726,073,557 and \$1,896,775,338 at the end of December. Cash on hand and due from banks amounted to \$274,083,413, against \$312,525,167; holdings of United States Government securities to \$977,180,771, against \$1,059,569,241, and loans and bills discounted to \$395,603,887, against \$444,931,343. Capital and surplus were unchanged at \$30,000,000 and \$80,000,000, respectively, and undivided profits were \$29,065,649, against \$27,344,871 on Dec. 31, 1944.

First National Bank of New York reported total resources of \$1,121,306,024 as of March 31, 1945, against \$1,170,656,363 at the end of 1944; deposits of \$928,374,546, compared with \$983,652,217; Government holdings of \$779,386,273, against \$805,569,800; loans and discounts of \$78,300,832, compared with \$120,203,124 in the last quarter of 1944, and surplus and undivided profits of \$119,797,574, against \$119,087,152 on Dec. 31.

The Marine Midland Trust Co. of New York reported as of March 31 total deposits of \$303,392,331 and total assets of \$324,400,343, compared, respectively, with \$283,087,049 and \$304,252,908 on Dec. 31, 1944. Cash on hand and due from banks amounted to \$81,722,702, against \$65,910,154; holdings of United States Government securities to \$141,211,156, against \$129,323,993, and demand loans, time loans and bills discounted to \$93,242,038, against \$101,882,184. Capital and surplus were unchanged at \$5,000,000 and \$10,000,000, respectively, and undivided profits were \$3,544,678, against \$3,378,136 at the end of 1944.

The United States Trust Co. of New York announced in its statement of condition as of March 31 total resources were \$170,187,368, against \$179,715,662 on Dec. 31, 1944; deposits of \$137,419,738, compared with \$146,654,340; U. S. Government holdings were \$104,-

004,860, against \$91,121,536; loans of \$24,032,313 compared with \$43,422,167, and surplus and undivided profits were \$28,569,912, against \$28,551,246 at the end of December. The capital remained unchanged for the past three months at \$2,000,000, while the dividend payable April 2 amounted to \$300,000.

Brown Brothers Harriman & Co. of New York, private bankers, in their financial statement as of March 31, 1945, show total assets of \$183,559,187, compared with \$180,612,121 on Dec. 30, 1944, and \$161,380,509 a year ago. Deposits amounted to \$161,637,691, compared with \$160,895,415 at the end of last year, and \$139,204,936 on March 31, 1944. Capital and surplus of \$13,625,185 compared with \$13,605,284 on Dec. 30, last, and \$13,545,553 a year ago.

Loans and discounts totaled \$36,563,536, compared with \$33,982,822 at the end of 1944 and \$39,709,313 a year ago. Other important asset items compare as follows with the figures of three months ago and a year ago: Cash, \$34,654,587, against \$38,129,179 and \$33,012,725, respectively, and United States Government securities of \$63,653,091, against \$59,515,927 and \$52,514,532.

Grace National Bank's statement of condition as of March 31, 1945, shows deposits of \$74,708,654 as compared with \$77,567,536 on Dec. 31, 1944, and \$68,741,266 a year ago. Surplus and undivided profits amounted to \$3,355,279 as compared with \$3,266,230 on Dec. 31, 1944, and \$2,847,043 a year ago. Cash in vault and with banks totaled \$15,534,160 as compared with \$16,015,168 on Dec. 31, 1944, and \$15,058,928 a year ago. U. S. Government securities were \$41,598,474 as compared with \$39,446,302 on Dec. 31, 1944, and \$37,317,504 a year ago. Loans and discounts were \$17,261,572 as compared with \$22,625,291 on Dec. 31, 1944, and \$17,952,765 a year ago.

The 86th Street branch of The National City Bank of New York has moved into enlarged, modernized quarters on the southeast corner of Broadway and 86th Street, at 2350 Broadway. The branch, opened in 1929, was formerly located on the northeast corner.

At the regular meeting of the board of directors of The National City Bank of New York, held April 10, J. T. S. Reed was appointed an Assistant Vice-President.

Asserting that the group of Lazard Freres & Co., which he represented as President of the Continental Bank & Trust Co., New York, have sold their stock in the bank, James A. Jackson has announced his intention to resign. Frederick E. Hasler, former President and now Chairman, will in all probability return to his previous post as well as his present position.

Announcement was made by Irving Trust Co., New York, on April 5 that Morgan S. MacDonald, who has been released from active duty with the United States Navy, has been elected an Assistant Secretary of the company.

The statement of condition of the Brooklyn Trust Co., issued today, showed deposits of \$224,812,130 and total resources of \$241,454,738, comparing with \$227,990,711 and \$244,554,548, respectively, on Dec. 30, 1944.

Cash on hand and due from banks was \$46,062,670 against \$44,044,220 at the end of last year, while holdings of United States Government securities were \$146,558,876 against \$152,921,563.

Loans and bills purchased were \$29,855,523 against \$32,378,210. Undivided profits were \$1,480,113 against \$1,477,644, while capital and surplus were unchanged at \$8,200,000 and \$5,000,000, respectively.

Bank buildings were carried at \$3,500,298, comparing with \$3,946,321 at the year-end, a reduction in book value of \$446,023.

Frank S. Harlow on April 5 completed his 30th year of banking with the Green Point Savings Bank, Brooklyn, N. Y. Mr. Harlow, who has been a trustee of the bank since 1913 and Secretary since 1918, according to the New York "Herald Tribune," has been active on committees of the New York State Bankers Association.

Arnold W. Kolkebeck was recently appointed to the position of Assistant Cashier of the Brooklyn Savings Bank, Brooklyn, N. Y.

Benjamin Fairbanks, President of the United States Trust Co., Newark, N. J., announced the election of Dr. Walter A. Reiter as a member of the board of the bank. Dr. Reiter is medical director of the Mutual Benefit Life Insurance Co., and is Treasurer of the Association of Life Insurance Medical Directors of America.

The Fidelity Union Trust Co., Newark, N. J., has made plans to make loans to New Jersey's large and small businesses as high as \$1,500,000, Associated Press advises from Newark reported on April 9.

"The new service by Fidelity, New Jersey's largest banking institution, Horace K. Corbin, President, said, will make available long-term loans for post-war production, distribution and employment potentials for New Jersey business.

"It provides: (1) Long-term loans for businesses which in the past have been restricted almost exclusively to short-term loans; (2) amortization schedules on the needs of each business; (3) a high degree of flexibility in loan terms adjustable to business needs."

Charles J. Wadsworth, Assistant Vice-President of the Hudson County National Bank, Jersey City, was found dead of carbon monoxide poisoning on April 4. Mr. Wadsworth was 71 years old when he died.

At a meeting of the board of the Fidelity Trust Co., Baltimore, Md., on April 5, N. Herbert Long was elected an Assistant Vice-President. Mr. Long, who will have charge of the insurance loan and new business department of the bank, was recently honorably discharged as Major of the Army Air Forces.

The Comptroller of the Currency has certified the increase in capital stock of the National Security Bank of Chicago, Ill., from \$400,000 to \$500,000, while the surplus remains unchanged at \$250,000, it was reported by Norman B. Collins, President of the bank.

The election of Donald D. Davis as director was announced on April 6 by L. E. Wakefield, President of the First National Bank of Minneapolis, Minn. Mr. Davis, who is Vice-President of the Minnesota and Ontario Paper Co., recently returned to Minneapolis after resigning his position as Vice-Chairman of the War Production Board.

Vance J. Alexander, President of the Union Planters National Bank & Trust Co., Memphis, Tenn., recently announced, according to the Memphis "Appeal," the promotion of Houston D. Beasley, Assistant Cashier, to the position of Manager and Assistant

Cashier of the new Highland Heights branch, which will be opened shortly.

The First National Bank of Miami, Miami, Fla., reported in its statement of condition as of March 20, 1945, that total deposits and total resources were \$95,991,815 and \$99,929,719, respectively, compared with \$90,990,664 and \$94,876,651 on Dec. 30, 1944. Cash on hand and due from banks was shown to be \$32,753,458, against \$20,625,892, while U. S. Government securities were reported as \$61,524,998, compared with \$68,051,402. The capital and surplus and undivided profits on Dec. 30, 1944, were \$1,500,000 and \$1,997,031, respectively, while towards the end of March capital was unchanged and surplus and undivided profits stood at \$2,177,863.

Bank of America of San Francisco, Calif., reported deposits as of March 20 to be \$4,285,958,360, compared with \$3,480,637,944 as of April 13, 1944. Total resources were announced as \$4,540,837,195, comparing with \$3,673,846,689 on the previous date. Loans and discounts totaled \$897,176,424 compared with \$832,185,514. Surplus and undivided profits were listed as \$147,903,359, against \$95,482,087 in April of last year.

Jesse W. Tapp, a nationally recognized expert in agricultural economy, has been reappointed Vice-President of the Bank of America, San Francisco, Calif., according to announcement by L. M. Giannini, President of the bank.

Mr. Tapp, who returns to Bank of America after a leave of absence in which he served as Associate Food Administrator in Washington and later as President of Axton-Fisher Tobacco Co., will cooperate with California agriculture in the readjustment problems of the future.

Mr. Tapp originally joined the bank as adviser on agricultural financing policies.

Edward C. Sammons was recently elected President of the United States National Bank, Portland, Ore., succeeding P. S. Dick, who was elected Chairman of the board. A. L. Mills Jr. was advanced to First Vice-President.

R. Langford James, Chairman of the National Bank of India, Ltd., head office in London, England, reported the condition of the bank as of Dec. 31, 1944, to be the following:

The total of the balance sheet at £66,623,503 creates another record for the bank. It is an increase of about £4,750,000 over the previous year. It is accounted for entirely by an increase under the heading current, fixed deposit and other accounts and reflects the continued increase in the volume of money passing into the hands of the bank's constituents largely as the result of war expenditure. It is of interest to note that the total of the current, fixed deposit and other accounts at about £61,000,000 is more than double the total of these same accounts in our balance sheet of Dec. 31, 1939.

Cash on hand and with our bankers and money at call at £23,000,000 show an increase of nearly £2,000,000. This, with our large holding of treasury bills, which has increased by over £2,000,000, constitutes a very liquid position, which in these times is highly desirable. Government securities are up by almost £1,000,000.

The Chairman of the Chartered Bank of India, Australia and China, of London, England, reported in the bank's annual statement of condition as of Dec. 31, 1944:

The figures of the balance sheet

are greater than on any previous occasion, the total at £95,564,109 showing an increase of £3,645,851 over that of last year.

Items on the liabilities side are confined to current and other deposits, which are up by £7,839,772. This increase is offset on the assets side by increases in cash, in Government and other securities, and in bills of exchange, including Treasury bills, of £4,297,429, £2,357,094 and £1,772,924, respectively, while the balance of remittances, drafts, etc., in transit between head office, branches and agencies, etc., has decreased by some £1,992,361.

The profit of the bank for the year ended December, 1944, amounts to £320,999. Brought forward from last year was a balance of £371,372, so that a total of £692,372 is left. An interim dividend at the rate of 5% per annum for the six months to June 30 was paid last year, absorbing £75,000, and we propose that a dividend for the half-year to Dec. 31, last, at 5% per annum, costing £75,000, should be paid; that £50,000 be transferred to the officers' pension fund and £5,000 to the widows' and orphans' fund; that £100,000 be set aside on account of contingencies, and the balance of £387,372 carried forward.

No Draftees From Canada to Pacific War

Prime Minister Mackenzie King of Canada announced to the House of Commons on April 4 that Canadian forces in the Pacific theatre of war will be made up entirely of volunteers and no conscripts will be sent.

A 30-day leave will be given to all those men serving in Europe following their return to Canada, and those men who choose to be sent to the Far East will comprise Canada's fighting force there.

The New York "Times," in reporting this on April 4, said:

The Royal Canadian Navy will serve with the Royal Navy and squadrons of the Royal Canadian Air Force with the Royal Air Force, while the Canadian Army personnel will serve with the United States land forces. The Army force will be concentrated in Canada for reorganization and training prior to dispatch to the Pacific theatre of operations.

The Navy and RCAF always have been volunteers but the Army includes some conscripts sent overseas in recent months. The Army force for the Pacific will be comparatively small compared to that sent to Europe, so there will be no dearth of volunteers.

Vinson Confirmed as War Mobilizer

Fred M. Vinson was confirmed by the Senate on April 4 as War Mobilizer succeeding James F. Byrnes. Mr. Vinson, who was unanimously confirmed by a voice vote of the Senate is said to be in general agreement with his predecessor's policies, on industrial demobilization and reconversion plans which Mr. Byrnes outlined on March 31 in his report to President Roosevelt.

Mr. Vinson has advanced rapidly from Stabilization Director to RFC Loan Administrator and now War Mobilizer.

Washington advices from the Associated Press reported on April 4 that Mr. Vinson was questioned for nearly an hour by the Senate Finance Committee headed by Senator George (D., Ga.) before they cleared his nomination to the Senate.

Previous information regarding Mr. Byrnes' resignation and Mr. Vinson's promotion may be seen in "Chronicle" April 5, page 1491.