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Observations . . . .

By A. WILFRED MAY

Already the Big-Power **VETO** privilege is being used as a prime instrument for world disunity. As was pointed out repeatedly in this columnist's dispatches from the San Francisco Conference, the veto technique constitutes a fundamental and permanent obstacle in the way of genuine UNO success. From Dumbarton Oaks on, the Soviet was its chief protagonist, the San Francisco Conference coming within a hair's breadth of breaking up on the Russians' insistence on wide extension of its usage. Their alleged "great concession" which preserved that Conference really represented no compromise whatever. At the eleventh hour they merely conceded the right to some measure of discussion of a dispute—a right which had been unquestioned before objection thereto had been raised there by M. Molotov himself. As the matter was then decided, even future amending of the charter is subject to veto. Dr. Evatt of Australia claimed that in its final form "the veto in effect only paralyses the Big Five members' action against each other, while permitting unhindered any amount of diplomatic jockeying behind the scenes." But the essence of the matter seems to me to be that, although it is true that an obstreperous Big Power on the warpath would not be estopped by a majority vote of the other nations, nevertheless the veto is very bad in affirmatively permitting the use of UNO prestige to *legitimize* sovereign wrongdoing.

The enactment of the veto provisions at Dumbarton Oaks and San Francisco was excused on the ground that they would be exercised only sparingly and defensively. But at London the Russians have lost no opportunity to maneuver behind the veto to exert their individual influence on nearly all the substantive questions. They used it to prevent the Security Council from acquitting the British on their charges about Greece, and in blackballing Lester Pearson from appointment as Secretary-General. In these two cases at least Mr. Vishinsky obstructed the operation of the Security Council and the majority will of the other nations. All the more serious will be irresponsible use of the veto on the really crucial issues which the future is certain to bring—including those arising from Mr. Stalin's newly-announced long-term aims.

* * *

The public's conception of the prospective working of the Bretton Woods agreements has been given a jolt of confusion by President

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From Washington Ahead of the News

By CARLISLE BARGERON

Nothwithstanding that the British are making a terrible sacrifice in accepting our loan terms, if terms is the right word, the London Daily Telegraph, has sent a Mr. Barkley, its parliamentary correspondent, over here to find out what we are going to do, now that the British Government has reluctantly accepted, and solely as a matter of keeping up good relations with their fellow Anglo-Saxons, about this loan.

Carlisle Bargeron

One of the first things this energetic correspondent has found out is that both Barney Baruch and Jesse Jones, our elder statesmen, are opposing it. This correspondent has undoubtedly already reported to his paper that, for crying out loud, we have overlooked a couple of influences over here. We gather that this has amazed the correspondent who was sent over to cover a story of a people who were reluctantly receiving something and finding an American Congress which was not disposed to impose any such sacrifice upon a friendly people.

The correspondent asked: Who is Mr. Baruch and who is Mr. Jesse Jones? They are not officials of your government, are they? It seems that the British had cultivated all of our Government officials by way of seeing that they would be imposed upon in accepting this loan. But not knowing our peculiar set-up of Elderly statesmen, it had never dawned upon them to cultivate these two men. That's trouble, of course, in this imposition upon the British which ratification of the loan will be.

Every correspondent and authority, even in Congress, with whom we have talked, says the loan or the imposition upon Britain, as it is represented, will be ratified by the Congress, after considerable debate. No one of these fellows would attempt logically to justify the loan, but they all agree that it is one of those things. To be against it is not to be broad-minded, not to have the world view. Well, it is pretty

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1,000,000 Trucks Annually for Four Years

Robert F. Black, President of the White Motor Company, Cites Need for Replacements as Indicating Unprecedented Output. Says Industry Is Hampered by Materials Shortages, and Predicts No Radical Changes in Truck Construction.

The following statement was made to the "Chronicle" by Robert F. Black, President of the White Motor Company:

Robert F. Black

From the standpoint of pent-up customer demand for its vehicles and the comparative simplicity of its reconversion problems, the motor truck industry is in an enviable position.

Approximately 3,000,000 trucks in use today are more than nine years old. At least 2,000,000 of these, or nearly half the total number licensed in this country, are being kept in service only by the most careful maintenance practices and would be replaced immediately, if replacement were possible.

On the basis of the most conservative estimates, a production of at least 1,000,000 trucks annually for four years will be necessary to meet the usual volume requirements of the market and replace the "over-age" trucks now in use.

In the last relatively normal year of demand, 1939, there were 685,296 civilian trucks produced by the industry. Production facilities were expanded somewhat during the war and additional expansion programs are now in progress. According to some estimates, it will be possible to pro-

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GENERAL CONTENTS

The Financial Situation

Revealing once more his inclination to adopt as his own the New Deal "ideology," its totalitarianism along with the rest, and imitating the author of the New Deal in his use of soothing syrup about individual enterprise and in his attempted stage setting, the President has come forward with a "program" of housing. It is a program, drawn by one of the President's assistants but made Administration property, which undertakes to cuddle up to the veterans at the same time that a dramatic showing is made of attacking "boldly" one of the dozen or so stringent shortages now existing. Considerable and drastic legislation of the type which the old National Resources Planning Board used to roll over its tongue with great satisfaction is needed to give this program effect. The fate of the scheme in legislative halls remains to be determined, but whatever may be the ultimate outcome in this respect the housing campaign now proposed must not be lightly pushed to one side.

Planned Economy

It embodies the essentials of the planned and managed economy notion of the times, and is plausibly announced and "explained." It's sop to the veterans and its obvious leanings toward labor pampering—to say nothing of the "social worker" element in the population which has for a long while past been whining about the housing shortage and eager to have the "government do something about it"—give it definitely dangerous potentialities. It is, moreover, a vehicle made to order for the dissemination of foolish and extremely hazardous notions about applying some of the "lessons" we are supposed to have learned about production and economics in general during the war.

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Administration's Housing Program

President Truman, in Releasing Report of National Housing Administrator Wyatt, Urges Congress to Enact Legislation to Execute It. Calls for Start on 1,200,000 Homes by End of Year and a Total of 3,000,000 Homes Within Two-Year Period. Plan Involves Private Enterprise, With Community Participation Paralleling Federal Action, and Measures to Avoid Inflation and Competitive Non-Essential Building. Looks to Recruiting 1,500,000 Additional Building Construction Employees.

On Feb. 7, President Harry S. Truman released the report of Wilson Wyatt, Federal Housing Expediter, setting forth an elaborate housing plan. The President in a statement approved the proposals and urged upon Congress the immediate necessary legislation to put it into execution. The text of the statement of the President and Mr. Wyatt's report follows:

Statement by the President

When I called Mr. Wilson Wyatt to Washington, I gave him only one instruction: to "make no little plans."

For five weeks Mr. Wyatt has been hard at work preparing his plans in consultation with all Government agencies concerned and with the principal business, labor and veterans' groups involved.

He has recommended a veterans' emergency housing program which is bold, vigorous and eminently practical. It has the complete and unqualified suppor of the Administration. All agencies of the Government are directed to use every resource at their command to fulfill this program. The Budget Director has, of course, been asked to review the budget recommendations in the light of the new housing proposals.

I urge the Congress to enact promptly the legislation necessary to carry out the program.

I call upon every public-spirited organization to muster its forces behind the program. I ask each community leader, each citizen, to do his utmost to make the plans a reality in his community.

Mr. Wyatt's Report

Dear Mr. President:

On January second I came to Washington at your request to study the critical housing shortage which confronts America today and to recommend and execute a plan of action. In the past five weeks I have met with more than thirty groups from industry, labor, veterans and Government. I have listened closely to their recommendations, and I have examined the principal available data.

Two sobering and inescapable facts emerge from this study in bold relief:

First, there is an urgent need for some 3,000,000 moderately and low-priced homes and apartments during the next two years.

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Of Concern to Us All

"On Monday Southern Pacific refunded at 2⅞% a $50,000,000 issue that it had floated in September at 3¾%; on Tuesday the competition of 16 leading investment banking houses for a prime-risk utility issue resulted in its being resold publicly to yield 2.39%; on Wednesday, the Union Pacific RR. marketed $44,493,000 of unsecured bonds at 2.51%, the lowest interest cost ever commanded by railroad finance, and by the week's end New York's 3s of 1980 were selling to yield 2% and the Victory Loan 2½s were changing hands on a yield basis of 2.24%.

* * *

"At Washington, where the Treasury has a big stake in low interest rates as an instrument of public-debt management, it was reported that Secretary Fred M. Vinson's office would follow, for the indefinite future at least, a hands-off, wait-and-see policy, under which maturing Government obligations either would be retired by Treasury cash or refunded into one-year ⅞% certificates. This was taken to mean that the pressure of funds seeking prime investment placement would continue to drive bond prices higher and yields and interest rates lower.

"Federal Reserve officials gave indications of increasing restiveness at the prospect that the banking system might have to remain dragooned indefinitely in the Government's war finance service at a time when the rest of private business was undergoing reconversion. For commercial bank and insurance investment interests the shrinking interest rate was becoming a matter of grave and immediate concern."—Paul Heffernan in the New York "Times" of Feb. 10.

If a better or more succinct summary of certain vital current developments has appeared, we missed it.

These facts may to some appear "technical," but *they touch—and deeply affect—our whole economy.*

Nothing should be left undone to bring them and their meaning to the attention of the public.

CPA Acts Against Shirt & Nylon Hosiery Hoarding

Action against a number of shirt and nylon hosiery manufacturers who were reported to be hoarding supplies was taken on Feb. 8 by the Civilian Production Administration, which according to Associated Press advices from Washington, in telegrams to unnamed firms with "excessive inventories," ordered the producers to halt immediately any further production of these items until their stocks are reduced "to more reasonable levels." The further advices of the Associated Press, as given in a Washington account published in the New York "Herald Tribune," went on to say:

CPA also informed the companies that until their inventories are cut "to a practicable minimum" they must not accept delivery of yarn or fabric or place new orders for such materials. The agency said its action resulted from investigations conducted by the CPA compliance division.

Firms to which telegrams were sent are charged, CPA said, with violating a priorities regulation which is designed to prevent accumulation of excessive inventories of scarce materials.

Morris S. Verner, Jr., director of the compliance division, said CPA investigators discovered that one Pennsylvania manufacturer of nylon hose was carrying an inventory of more than 1,760,000 pairs of nylons as of last Jan. 31. He said this figure included unfinished as well as finished hosiery, and "is substantially higher than this particular manufacturer's total production for January."

Mr. Verner said records of another Pennsylvania nylon manufacturer showed an inventory of 352,596 pairs as of Jan. 31, while only 7,716 pairs had been shipped by the firm.

The company explained, CPA said, that it has approximately 4,000 customers and did not wish to ship any hose until it had sufficient inventory to provide minimum shipments for all customers. The agency said that two shirt companies ordered to discontinue processing of fabrics "together had a total inventory of more than 870,000 shirts on Jan. 1."

"CPA is making every effort to shake loose scarce items that are being withheld from the public in excessive inventories," Mr. Verner said. "We intend to prohibit any more scarce material from flowing to manufacturers who don't sell excessive inventories. As a result, this will make more material available to those who do sell their product properly. It means the public will receive more shirts and hose and other scarce apparel items sooner."

A CPA spokesman said representatives of both Pennsylvania firms cited discussed their inventory situations with the agency today.

He said the company mentioned as having the smaller stock had "agreed to ship its excess inventory by Feb. 20." He said the ban on manufacture and acquisition of fabrics by the company was still in effect, however, and that he did not know when it would be lifted.

The spokesman said the other Pennsylvania firm had disputed inventory figures attributed to it by the CPA. This case, he added, will be further investigated and a decision made later on whether the ban should be revoked.

World News Services Discontinue Supplying Govt. With Reports

Announcement was made by the Associated Press on Jan. 14 that the wartime arrangement, whereby AP news was given to the Office of War Information and, later, to the State Department for overseas broadcasts and other uses, was to be discontinued on the ground that its Board of Directors believed "Government cannot engage in news casting without creating the fear of propaganda which necessarily would reflect upon the objectivity of the news services from which such news casts are prepared". This was followed by a similar announcement on Jan. 16 by the United Press to the effect that it would discontinue availability of the UP news report for Government overseas broadcasts. On Jan. 17, William Benton, Assistant Secretary of State, requested that the Associated Press board of directors name a committee to investigate the United States information program abroad, and protested the AP ruling. Terming the decision "arbitrary", according to Associated Press Washington advices, Mr. Benton said that the AP discontinuance "creates an obstacle to the conduct of American foreign policy".

The United Press, which suspended action on its earlier announcement to allow time for further discussion requested by Mr. Benton, on Jan. 28 made known its intention to discontinue on Feb. 16 its news services delivered as a war measure to the Office of War Information, the Office of Inter-American Affairs and the State Department, a United Press report in the New York "Times" stated. In Washington, according to the Associated Press, Assistant Secretary Benton said the UP "decision to cancel the service is highly regrettable and comes as a natural result of the action and statement of the AP's board of directors".

Mtge. Funds at Peak

The cost of mortgage money has been reduced as much as 50% in some areas in the past decade and now stands at the lowest point in our lifetime, and more funds are available for mortgage investment than ever before. L. E. Mahan, St. Louis, of the Mortgage Bankers Association of America said on Feb. 3 in a special communication to members. "There has been little if any material reduction in any of the other items that go into the cost of building a home, and in many items the costs have increased, including labor," he said.

Mr. Mahan declared that continued pressure to reduce the cost of mortgage money and too liberal mortgage terms could very easily drive capital from that field of investment. In looking at the overall picture, he said "we must protect life insurance policyholders, savings banks' depositors, depositors in building and loan associations. It is just as important that we encourage thrift as better housing, as they go arm in arm in a true democracy. The pending Wagner-Ellender bill is the latest effort along the lines of encouraging lower rates, longer terms, public housing and further restrictions surrounding building all of which would be a deterrent rather than an aid to the housing program," he said.

Mr. Mahan stated that, in his opinion, the greatest obstacle to new building at the present time is uncertainty, government controls and the fact that the public are not used to higher prices. "Lifting of controls would promote progress," he said.

The State of Trade

Reduced steel inventories the past week forced plants in some lines to curtail or cease operations entirely, bringing about a further decline in industrial production. Total production held at a level about the equivalent of the comparable period in 1941, but was nearly 40% below one year ago. A slight upturn in unemployment took place within the week and the number of men on strike was roughly estimated at about 1,400,000. News at the weekend provided some encouragement to industry that an end to the steel strike was in sight. The wage dispute between the United Automobile Workers, C. I. O. and General Motors Corporation too, appeared to be nearing a settlement. As in past weeks the level of new order volume continued upward.

Hopes, however, for a speedy return to full production in 1946, once major strikes throughout the country are settled faded the past week with the continued growth of industrial shortages. The present dearth of critical materials is expected by many to obtain for the remainder of this year.

Troubles in basic raw materials, states Business Week in its current "Outlook," now have spread far beyond steel, although the steel strike has diverted attention from the others. Mine, mill, and smelter strikes have steadily fanned out in the nonferrous lines with the country's largest copper mine, at Bingham, Utah, down. Other strikes affect verious nonferrous metals and the situation is aggravated further by the fact that Mexico's nonferrous miners are still out.

The situation in copper, the magazine notes, is not attracting so much attention because there is a good stockpile. Also, this country recently renewed its agreement to import 20,000 tons a month, mostly from Chile. Zinc though fairly plentiful, is persistently short in the best grades. Lead is a bad spot with the stockpile below a month's needs and no improvement is likely until the price is raised enough to let mines bid for labor.

Surprisingly few orders for nonferrous metals have been either cancelled or deferred, even by strike-closed customers, the magazine discloses.

Deliveries are wanted for fear of higher prices and some would place orders well into the future if suppliers would accept them.

Despite the tight steel situation, some things have backed up. Tinplate mills, for example, use about 2,000 tons of tin a month and since they have not been running, tin supplies will be eased proportionately. Some slowdown has also occurred in steel alloying materials.

Steel Industry—"Collective bargaining" between the U. S. Steel Corp. and the Government as to how much of a price advance shall be given for an 18.5¢ an hour wage settlement, gathered momentum last week. Whether or not this type of bargaining will have any more success than that between the steel company and the union remains to be seen, according to "The Iron Age," national metal working paper, in its review of the steel trade the past week.

The complex relationship between steel prices and prices of items made from steel is so intricate, the magazine pointed out, that to find a solution over the next few days seems unlikely. If the Government, as now appears probable, has decided not to clean up the steel situation on an expediency basis, there is more than a 50-50 chance that the steel strike will not be settled this week and maybe not next week.

Chester Bowles, still a dominant figure in Government price policies is reported to be reconciled to a steel price increase up to about $4.50 a ton, but may oppose anything beyond that figure. Unless his viewpoint is changed, a Government - industry stalemate on prices may develop in view of the position taken by U. S. Steel that a price of much more than $6.25 a ton would be necessary to compensate for the 18.5¢ an hour increase plus past accumulated increases in steelmaking costs.

It is no longer believed that the steel price advance when it comes will be a simple across-the-board move for carbon steel products. Rather it is expected that the inequities between the prices of some steel products and others will be straightened out by a varying adjustment on some items. This method, "The Iron Age" notes, would also tend to alleviate the hardship which small nonintegrated mills have complained of on the basis that an identical advance on semifinished steel and finished steel products does not give them relief.

It was estimated that by the end of the past week steel lost because of the strike will amount to about 4,500,000 tons or at the rate of about 1,500,000 tons a week. Since the resumption of steel output to pre-strike levels after a settlement is made will take some time, it is already evident that reconversion has been set back weeks and possibly months.

One by-product of the steel strike has been the elimination of steel shipments to Europe and to the Philippines for rehabilitation purposes. It is expected that the tentative allocation plans set up by the Civilian Production Administration for shipment of 850,000 tons of steel over the next six months to Europe will be drastically altered. So far no actual allocations have been made on steel companies but the directives were in the process of being issued. Shipment of steel abroad will not be resumed to the prestrike volume for weeks and possibly months after production gets underway.

Up to the close of last week and considering only the basic steel industry and not steel fabricating and processing firms the loss in wages since the strike began will be more than $45,000,000.

The American Iron and Steel Institute announced on Monday of this week the opening rate of steel companies having 94% of the steel capacity of the industry will be 5.5% of capacity for the week beginning Feb. 11, compared with 6.0% one week ago, 79.5% one month ago and 91.4% one year ago. This represents a decrease of 0.5 point or 8.8% from that of the previous week.

This week's operating rate is equivalent to 96,900 tons of steel ingots and castings and compares with 106,200 tons one week ago, 1,401,200 tons one month ago and 1,673,900 tons one year ago.

Electric Production—The Edison Electric Institute reports that the output of electricity decreased to 3,980,000,000 kwh. (preliminary figure) in the week ended Feb. 2, 1946, from 4,034,365,000 kwh. in the preceding week. Output for the week ended Feb. 2, 1946, however, was 12.3% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports System output of 198,200,000 kwh. in the week ended Feb. 3, 1946, comparing with 195,200,000 kwh. for the cor-

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House Passes Anti-Strike Legislation

By an overwhelming vote, 258 to 155, the House passed on Feb. 7 the far-reaching labor disputes legislation introduced by Representative Case (R.-S.D.). In spite of attacks on the measure by organized labor and efforts within the legislature to defeat it, a powerful coalition of Republicans and Southern Democrats gave it the necessary backing for victory over its opponents. The bill's supporters denied that the measure was designed to strip workers of their rights and would result in industrial strife, arguing that sweeping action is needed to protect the public interest when labor and management disagree. Under the measure, according to the account given by the Associated Press from Washington, the Government's policy would be:

"That labor disputes affecting the public interest should be settled fairly and so far as possible without interruption or delay in the production and distribution necessary to the public interest, and to that end it is the duty of both employers and employes to bargain in good faith.

"Government decision should not be substituted for free agreement, but governmental machinery to promote peaceful settlement of disputes should be improved. Demands of either labor or management should be kept within the bounds of reason and fairness and both sides must recognize the rights of the general public.

"The desired end of bargaining between management and labor is a contract. Once that contract is made it must be equally binding and enforceable on both parties.

"The use of force, violence and compulsion are declared to be against public policy, as they violate the principles of freedom and self-government upon which our Government was formed and the purposes for which it was founded."

The Associated Press has summarized the provisions of the bill as passed by the House as follows:

1. It calls for a national labor-management mediation board of at least six members, appointed by the President. The chairman, Vice Chairman and Secretary would be public representatives and would be subject to Senate confirmation. The other members would include an equal number of representatives from management and labor.

2. Employers and employes each would be required to give the board five days' notice of a contemplated lockout or strike. The board would assume jurisdiction if it found the public interest substantially affected. The board then could issue an order banning strikes or lockouts for 30 days. Such orders would be enforceable through court injunctions.

3. Both parties to a contract would be required to keep it or be subject to civil suits for damages.

4. Use of violence, force, threats or intimidation on picket lines would be outlawed. Thus, labor would be banned from forcefully preventing those wanting to work from doing so. Likewise, management would not be allowed to break up picketing. Violators of this section would be subject to court injunctions or loss of their re-employment rights and collective bargaining powers. An amendment specified, however, that injunctions must not be used to prevent peaceful picketing or peaceful assembly.

5. Supervisory employes not doing manual, productive work would be denied the status of employes under the act. This would allow foremen's unions but give them no legal standing in dealing with employers.

6. Only employers dealing with 250 or more workers would come under the measure.

7. Boycotts would be banned. Thus unions would be forbidden to conduct a concerted refusal to handle goods in order to make management come to terms. Supporters of the bill said this section would prevent many jurisdictional disputes. Any violators would lose their collective bargaining rights. The section originally provided court injunctions could be used freely to enforce the language, but was modified to read injunctions could be used only to insure movement of perishable goods, such as live poultry.

At no time during heated debate in the House over the measure did its supporters lose control of the outcome of a final vte. However, House leaders have admitted privately, according to the Associated Press, that the bill may meet a cool reception in the Senate which, if it does not reject it entirely, will almost surely greatly modify it. Administration supporters in the House had hoped to substitute President Truman's fact-finding proposal for the more severe Case bill.

To Revise Schedules on Loans to Costa Rica

The board of directors of the Export-Import Bank have approved an agreement with Costa Rica, subject to the approval of the National Congress of Costa Rica, to revise the amortization schedule on two loans totaling $7,000,000, Wayne C. Taylor, President of the Bank, announced on Feb. 4. The loans were originally authorized by the Bank in 1940 and 1942 to assist Costa Rica in the construction of the Inter-American Highway and tributaries and for emergency financing in the Republic, as a part of the general plan of hemispheric defense. It is made known that by the terms of the new agreement the repayment of principal scheduled to begin in 1946 is reduced during the years 1946 through 1950, after which time the Bank has agreed to review amortization rates for the succeeding years in the light of conditions then existing.

"The purpose of the new agreement," Mr. Taylor said, "is to adjust the loan maturity schedule, as originally drawn, to post-war conditions in Costa Rica. The new schedule of repayments will not only assist Costa Rica, but also gives the Export-Import Bank greater assurance that repayments can and will be met in accordance with the terms now established. This step has been under discussion with Costa Rica for some months," Mr. Taylor said. The announcement from the Bank added:

"The original agreements provided for retiring $2,000,000 in full in the period from 1946 to 1952 and $5,000,000 in the period from 1946 to 1958. The loans were secured by Costa Rica's pledge of tobacco and gasoline taxes. Annual payments of principal under the original terms would have varied between $377,000 and $819,000, with an average between 1946 and 1950 of $520,000 per year. The rate of interest is 4%. In 1946, interest and principal due would have equaled about 7% of Costa Rica's normal total revenues.

"The new agreement provides that in the five-year period from 1946 to 1950 Costa Rica shall make payments for interest and principal combined of not less than $350,000 per year, plus any amounts by which gasoline tax receipts shall exceed this sum. For the five-year period, the Bank has agreed to release its claim upon the tobacco tax in order to assist Costa Rica in strengthening her financial economy. The original agreement provisions will again come into operation in 1951, except as may be modified by mutual agreement at that time."

Lira Devaluated—Treas. Dept. Statement

The devaluation of the lira by the Italian Government without ever once using the word devaluation has been completed, it was made known in Associated Press accounts from Rome on Feb. 3. In part the press accounts had the following to say:

Like a man cutting off the dog's tail a little at a time in an effort to make it hurt less, the Treasury has taken step after step during the past month until today the banks said they were prepared to handle all foreign exchange transactions at the new rate of 225 lira to the dollar.

The old rate was 100 lira to the dollar, while the black market rate at present is oscillating between 350 and 400.

Incidentally the Treasury and War Departments issued on Feb. 2 the following joint statement:

The War and Treasury Departments, working through Headquarters, U. S. Forces, Mediterranean Theater, and the American Embassy in Rome, yesterday terminated negotiations for procedures in the interests of the U. S. armed forces in the theater.

As a result the Italian Government extended to the armed forces of the United States and to other agencies of the United States Government, the rate of exchange of 225 lire equals one U. S. dollar, which the Italian Government had made available to the diplomatic corps.

The previous rate of exchange was 100 lire equals one U. S. dollar.

Referring further to the Rome Associated Press advices, noted above, we quote further therefrom as follows:

But Francesco Cincimino, administrative chief of the Finance Ministry, never said this was devaluation. He said it was merely a variation of the lira's value.

The government's reluctance to say in so many words that the currency was being devalued is explained partly by the fact that "facendo una bella figura" (making a good appearance) is almost as important in Italy as is "face" in the Orient.

But there also was real fear on the part of officials that forthrightness might blow the lid off the currency.

The lira is supported by little gold and few foreign credits. Internal expenditures are exceeding revenue by an average of 1,000,000,000 lire daily. Government's estimate of the minimum imports needed to keep Italians alive and revive industry exceed estimated exports and supplies from UNRRA by $650,000,000.

The Treasury's first concession was on Jan. 4, when the government established export and import subsides of 125% to meet the weak purchasing power of the lira. Then, at the request of the British and American governments, the new rate of 225 lire to the dollar was established for American diplomatic and government personnel with a similar rate for British officials. This was followed by a similar rate for British and American military personnel.

The proposed revision of the lira was referred to in our issue of Feb. 7, page 766.

Payment on Brazil Bonds

Guaranty Trust Co. of New York announced on Feb. 5 that it is prepared to make payment in U. S. Dollars of Deposit Certificates representing an interest in State of San Paulo (Brazil) 25-Year (Non-Callable) 7% Milreis Loan Bonds maturing Jan. 1, 1946, and of Interest Warrants due Jan. 1, 1946, detached from these Deposit Certificates. Deposit Certificates should be presented at the Corporate Trust Division and Interest Warrants at the Coupon Paying Division.

Senator Tydings Urges President to Call World Disarmament Conference to Prevent Atomic War

An immediate call for a world disarmament conference by President Truman to prevent an atomic world war was urged in the Senate on Jan. 28 by Senator Tydings (Democrat) of Maryland. Mr. Tydings, interrupting the Senate filibuster against the Fair Employment Practices bill, said he doubts that the United Nations action for control of the atomic bomb would be successful. "I do not believe that the United Nations Organization is equipped to initiate successfully a task of this magnitude, the Senator asserted, after pointing out that all the remaining great world powers are rearming to the teeth. Associated Press advices from Washington Jan. 28, as given in the New York "Sun," reporting this, continued:

Because Germany and Japan are not to be permitted to rearm, Mr. Tydings said, there is this situation:

"It is as plain as the nose on one's face that the great armed forces of our own country are being maintained principally for possible use against Russia, Britain, France or China, since Germany and Japan are to be kept disarmed.

"Is it not plain, too, that Russia is maintaining her armed forces for possible use against Britain or the United States or France or China?"

Senator Tydings introduced a resolution calling for the world disarmament conference as he began a lengthy prepared speech in its support.

Earlier, the special Senate committee on atomic energy was told by Dr. Harrison Davies, of the Federation of Atomic Scientists, that development of atomic energy must certainly be freed from every vestige of military control.

Saying that this nation had "weakened" itself in previous world disarmament moves, Senator Tydings said now is the time for a showdown of good faith among the great Powers.

"Strangely enough," he said, "the UNO seems content to have nations agree only for the control of the atomic bomb. It does not seem bent upon prohibiting its future use. We seem to have forgotten the possibilities of the rocket, the V-1 and V-2 and other flying bombs which can wing their way near the stars on flight of hundreds of miles on their evil missions of destruction."

He predicted that other nations soon would be producing atomic bombs.

"But is the UNO and are all of us centering our efforts on the prevention of World War III?" he asked. "Frankly, I do not believe we are."

Mr. Tydings said that in the UNO Charter there is "no declaration of purpose or principle, no stated objective for eventual world disarmament. The UNO is doomed to failure unless the member nations use its services, rather than the battlefield, for settlement of their disputes."

The Senator said this country was planning the largest Air Force, Army and Navy despite its pledges to the UNO and said the same was true of England and Russia.

"In this state of a world armed to the teeth, we cannot further rely on the UNO for our protection," Senator Tydings said.

Members of the Senate's special committee questioned Dr. Davies' argument for "complete exclusion of the military" from policy-making functions of the proposed atomic energy commission.

Dr. Davies, a native of Winchester, Va., is now living at Oak Ridge, Tenn., site of an atomic bomb plant. He said that he spoke for more than 1,500 scientists and engineers connected with work on the new source of power.

He said in testimony prepared for the special Senate committee on atomic energy that "we wish to go on record most strongly as favoring complete exclusion of the military from any policy-making function on the commission" proposed for handling the problem.

He added, "we do not mean to exclude efficient liaison between the commission and the armed forces." He said that the atomic scientists would not oppose making such liaison mandatory.

"However," he said, "it is in the best tradition of American Government that policy be made by civilians. A subject fraught with such tremendous significance to our foreign policy as the development of atomic energy in this country must certainly be freed from every vestige of military control."

Other points Dr. Davies made in indorsing the bill by Senator McMahon (D., Conn.) to create a commission to handle the atomic program included:

1. "As citizens we fear unwise laws on atomic energy for the same reason that other citizens fear them; we too value our lives."

2. "Any domestic legislation must encourage the international control of atomic energy."

3. "Vigorous research and development, in nuclear science must be maintained. The use of the fission phenomenon and its by-products in physical, chemical, biological, medical and industrial research, as well as in power development, should greatly enrich our country and indeed all mankind."

4. "The bill attempts to provide the freest possible exchange of scientific information. We strongly approve."

5. "We feel the espionage act will provide as much national security as can be found in a policy of secrecy."

6. "The policy of postponing large-scale industrial application is, in our opinion, a wise policy. Premature development of special interests in this field may prejudice the possibility of international control."

7. "There can be no solution of the problem of security short of an effective international control of atomic and other weapons of offense and of the elimination of war as a method for settling international disputes."

Savs.-Loan Ass'ns Pay Dividends

By December 31 the savings and loan associations and cooperative banks had distributed to holders of share accounts throughout the nation some $86,000,000 in dividends from earnings of the six months up to date. This announcement from the United States Savings and Loan League, which was issued Dec. 30, carried with it the notation that some 7,750,000 persons have participated and that this last half of the year payment brings the total distributed for the year up to $170,460,000.

This payment marked the 230th semi-annual period at which these cooperative home financing institutions have added to the wealth of their systematic savers and investors, said Morton Bodfish, Chicago, Executive Vice-President of the League. "The total dividend distributed by all our institutions combined is larger than it has been in six years," said Mr. Bodfish. "Although the rate at which dividends are paid has declined since 1939, the increase, especially in the last two or three years, in the amounts which shareholders have invested have offset this factor in determining the dollar volume of earnings distributed."

The Financial Situation

(Continued from first page)

It would be well for the rank and file to study the tenets expressed and implied in this program, to analyze them in the light of their own experience, and to reach a careful conclusion as to their real merits. Otherwise, we may well, either in this connection or some other, make blunders which would plague us for generations. Let us turn to the measure. Take this introduction to the subject by Mr. Wyatt, the housing expediter, who is given credit for the scheme:

> Two sobering and inescapable facts emerge * * *:
>
> First, there is an urgent need for some 3,000,000 moderately and low-priced homes and apartments during the next two years.
>
> Second, we can meet this need only by bringing to bear the same daring, determination and hard-hitting teamwork with which we tackled the emergency job of building the world's most powerful war machine four years ago.
>
> When, in a recent radio message to the American people, you called for the immediate production of an unprecedented number of homes, I could not help but recall the goal of 50,000 aircraft which President Roosevelt set in the early days of the war. Though many people considered it impossible, that goal and others like it were achieved and passed.
>
> We met in full our obligation to our men and women in uniform.
>
> To meet our obligation to those same men and women in civilian life, we will need the same drive and ingenuity on the part of American business and American labor and the same Government stimulus and financial assistance that made possible the miracle of war production in that earlier emergency.

There follows an imitation of the Roosevelt "boldness"—a setting of "impossible" goals in the thought, we suppose, that the very grandiose scale of the program will "challenge the imagination" and win friends for it. Here, according to Mr. Wyatt, is what we must do—chiefly, of course, for the veteran:

> Our sights must be raised far above the present target of four or five hundred thousand homes in 1946.
>
> I am therefore recommending that the following program of emergency measures be put into effect immediately:
>
> (1) Construction of 2,700,000 low and moderate cost homes must be started by the end of next year. The target for 1946: 1,200,000 homes started, of which 700,000 will be conventional houses; 250,000 permanent prefabricated houses and houses assembled on-site from prefabricated parts and materials, and 250,000 temporary units. The target for 1947: 1,500,000 homes started, of which 900,000 will be conventional houses; 600,000 permanent prefabricated houses and houses assembled on-site from prefabricated parts and materials. (The previous all-time high was 937,000 homes in 1925; in 1945, only 240,000 homes were built.)
>
> Except for 200,000 units of temporary re-use war housing and 50,000 new trailers, all of these will be permanent homes. On the assumption that the recommended legislation is authorized promptly the program should move into high gear by the end of the first quarter of 1946. Within two years from that time the urgent need figure of some 3,000,000 homes should be met under this program.

Now come the schemes by which all this is to be accomplished. They include guaranteed markets, all manner of subsidies, the inevitable priorities and allocations made so familiar during the war, use of war plants, various "incentives" to induce enlargement of facilities for the manufacture of materials, assumption by government of risks, recruitment and training of workers on a scale comparable to nothing in our peacetime history, strict price control which is expected apparently to sterilize the inflationary factors generated by the drive itself, and much more of the same order. The long list of procedural recommendations is followed by the sage remark that "it will take a dynamic program to achieve this goal. Neither business-as-usual, labor-as-usual, building-as-usual, nor government-as-usual will suffice."

What Are We to Think?

Now what is the man in the street to think of all this? He will, of course, be well aware of the dire shortage of housing in this country. He will probably guess that if the wartime psychology can be adequately duplicated so that labor can be persuaded to work reasonably well and to avoid endless strikes and featherbedding restrictions, so that the priorities, allocations and other controls can be made effective, and the government can obtain and keep the services of able men to direct the program—each a very sizable "if" in its own right—a surprisingly large number of houses could be built in the time allotted. Since the need is obviously great, the question must be faced: "Why not proceed?"

It may be said at once that if this amount of housing, of the type planned and in the places to be chosen is so important and so badly wanted within the next year or two that the cost of its provision is of little or no consequence, and so vital to our need or our desires that other privations which we should be obliged to suffer to have this program successful are minor matters, and if our essential requirements in housing can in no other manner be met, then of course the program should be adopted. These are the considerations, of course, which impelled us to similar techniques in the production of armament, and, granted a peacetime duplication of them, they would logically impel us to this plan.

Costs, Direct and Indirect

But do these conditions obtain? Of course not. At points Mr. Wyatt speaks of this or that advantage not costing the veteran anything. Let it be definitely understood that anything provided in this program would cost us all, including the veteran, perhaps twice what it would cost if provided in the usual way. These additional costs will in part be hidden in taxes and the like, but they will be assessed and paid nonetheless. Unless the government has suddenly acquired a degree of omniscience not hitherto given to man, a very large part of these costly housing facilities will for one reason or another lose much of their usefulness so soon as men are able once more to build the houses they really want where they really want them. The cost factor—including indirect as well as direct costs—is, of course a highly important one.

Again, is housing the only vital essential that is in short supply at the present time? Of course not, and any concentration of the sort here planned upon housing can not fail to get in the way of ending some of these other shortages—food, clothing, transportation, and almost all other articles needed by civilized man. The market, not government, should decide which of these needs is most urgent.

Work to Preserve Dual Banking System

With the end of the war and the advent of reconversion, forces at work in our country which would undermine its time-tested monetary and credit structure have taken on new vigor, according to H. N. Thomson, President of the State Bank Division of the American Bankers Association. In a letter to members of the division on Feb. 1, Mr. Thomson, who is also Vice-President of the Farmers and Merchants Bank, Presho, S. D., said:

"These forces which would build a Utopia are not confined to our own country. A weary world is now in the midst of a period of readjustment in which fanatics of every kind find the opportunity to press upon society their pet economic and social panaceas. The manifestations of this world movement have broken out more spectacularly in England and in France than in our country, but they are also very noticeable here. They are all predicated on the basic idea that the first step in a socialized program is that of getting control of the credit system. The banking profession must work harmoniously to combat forces of this nature.

"In my opinion, the true interests of the public and of the banks are identical. If we serve these, there need be little doubt about the future." Mr. Thomson said that the State Bank Division will continue to devote itself to the preservation of the dual banking system, "for community development in the American way could not have occurred without locally owned financial institutions."

End of Tyranny of Labor Unions In Strike Movements Demanded by N. Y. Chamber

Calling for an end of the "tyranny" of leaders of labor unions in calling strikes which menace the health and well being of the 7,500,000 people in New York, the Chamber of Commerce of the State of New York sent a resolution on Feb. 7 to Mayor O'Dwyer pledging its full support to any program he develops to meet "the present municipal crisis" and to enforce law and order. The resolution was adopted on motion of Richard W. Lawrence, former President of the Chamber, following his recital of hardships to the public caused by the elevator strike of last September and leading up through recent labor disputes to the tugboat strike.

After referring to the results of a survey of losses incidental to the elevator strike, which was made public by the Chamber on Feb. 4, Mr. Lawrence said:

"That, of course, was a very regretable occurrence. But what are we facing in New York City today? By proclamation of Mayor O'Dwyer, the schools of New York City are to close down tomorrow. There is very definitely a menace to the health and well-being of the seven and a half millions of people, particularly to the workers themselves, resulting, if you please, from the desire of a very slight percentage of the population of the city employed at the strategic area that has to do with the operation of this great harbor of transportation, fuel and food, 3,000 members in all.

"Yesterday, according to the newspaper accounts of the meeting held in the Manhattan Opera House, a vote was taken of the members of the union as to whether or not they would obey the request of the President of the United States that they return to their vocations.

"Six hundred of the 3,000 voted. Over 200 voted to accept the President's request, and 400 voted against it. In other words, by a majority of 200—200 individuals—we have this situation of crisis affecting the life of this great City of New York.

"Now, I could go further into the details of the distress, mental and physical, and the distress that is likely to occur, unless reason is restored in the leadership of the labor movement, not only in this town but all through the country, because, very definitely, under the laws of the nation, in our everyday dealing with the men and women in the employ of industry, we are powerless, as the management or ownership group, to deal with the situation on an equal basis."

Mr. Lawrence said that Gov. Edge of New Jersey struck a "clarion note" in his message to the Legislature in which he upheld the principle that strike should not be permitted against vital services that affect millions of innocent people in and adjacent to the strike areas.

In part, Mr. Lawrence also stated:

"Recently, the head of the Transport Union, a member of the City Council, Mr. Michael Quill, served notice upon the community that as of a certain hour, a strike would be called of the members of his union, that have to do with the operation of the most vital element in our city's life, its subway, and, to a degree, its surface transportation, unless the city would cease, if you please, its plans to utilize existing power resources to take the place of worn-out facilities existing in the city-owned power plants—threatened to strike, not for wages, not for hours, but to bring about a political result.

"I would like to suggest that a message be sent from this meeting, which is a representative meeting of the citizens of New York—every one of you have very considerable personal responsibilities that have to do with the well-being of the city's population—to Mayor O'Dwyer, that we will stand steadfast behind him in any program that he develops that will bring an end to the tyranny I have described."

U. S. Senator Joseph C. O'Mahoney of Wyoming, who was scheduled to speak at the Chamber, was unable to be present on account of illness. The Chamber adopted resolutions opposing the payment of a State bonus to war veterans and also Federal financial aid to the States' public school systems. It approved an extension of Foreign Trade Zone privileges and urged prompt return of the Employment Services from the Federal Government to the States.

Export-Import Credit For Chilean Railways

The board of directors of the Export-Import Bank have approved an increase of $800,000 to an existing line of credit available to the Electrical Export Corporation for shipment of electric locomotives and related electrical equipment to Chile, Wayne C. Taylor, President of the Export-Import Bank, announced on Feb. 4. In July, 1945, the Export-Import Bank agreed to purchase from the Electrical Export Corporation $2,000,000 of notes of the Chilean State Railways, representing not over 70% of the contract price of the equipment. The new total credit line thus becomes $2,800,000. The enlarged credit line is required in order to provide for certain changes in the equipment and locomotive specifications sice the credit line was first established.

"This type of credit," Mr. Taylor said, "is designed to assist in financing U. S. exports which tend to develop the economy and increase the productive capacity of the borrowing country, thus enlarging the future potential foreign trade with the United States. Equipment of this character requires longer term financing than is usually undertaken by private banks." Mr. Taylor added:

"The Export-Import Bank has financed the sale of other railroad equipment to Chile in the past and our experience has been most satisfactory, all engagements having been met in full at maturity dates. Advices from the Export-Import Bank stated, in part:

"The agreement provides that the credit line may be used until Dec. 31, 1946. Notes to be purchased under the credit carry interest at 4% and mature semi-annually over a period of seven years. The notes are to be unconditional negotiable obligations of the Railways. The Republic of Chile is to provide assurance satisfactory to the Bank that dollar exchange will be made available promptly to meet all obligations."

Provisional UNO Budget

The United Nations Organization's Administrative Budgetary Committee of the General Assembly received recommendations on Feb. 1 from experts for a provisional budget for 1946, which would cover expenditures of $24,978,000, according to a wireless report from London to the New York "Times." The report gave the following as estimates included:

$17,906,000 for a Secretariat; $2,500,000 for the expenses of the Assembly sessions and meetings of the Atomic Energy Commission and other bodies established by the Assembly; $3,000,000 for unforeseen expenses, and $700,000 for the International Court of Justice.

Senator Johnson Would Have British Loan In U. S. Limited to Popular Subscription

A proposal by Senator Edwin C. Johnson (Democrat) of Colorado to limit the $3,750,000,000 British loan to popular public subscription in this counttry met with differing views in the Senate on Feb. 6. Senator Johnson's proposal was embodied in an amendment offered on Feb. 5 to an administration bill now before the Senate Banking and Currency Committee. The amendment would forbid use of Treasury funds or Government credit for financial aid to England, but would allow sale of special British loan bonds to the public.

Associated Press advices from Washington Feb. 5 stated:

Senator Johnson said bank deposits in this country now total $162,000,000,000 while the public debt has reached a record high of more than $279,000,000,000.

"This," he said of his plan, "would provide a popular referendum on the question of a British loan and it would not be a part of the national debt. The Treasury is worse than broke," he added. "Why not submit this to the people who have the money and not let taxpayers underwrite the loan?"

Representative James A. Roe, Democrat, of New York, said today this nation must guard itself against British "propagandists" and "super-salesmen" seeking to "put across" the proposed loan to Britain. "We have been over-generous to all nations," Representative Roe said in a statement, "but now our own needs must be considered."

The Department of Commerce reported today that the United States Government had $1,141,000,000 outstanding in loans, advances and financial aid to foreign governments Sept. 30, 1945. Considerable expansion of these transactions is indicated in the near future "in line with increasing foreign financial commitments of the Government."

Noting that most Senators were slow to commit themselves on Senator Johnson's proposal, the Associated Press reported as follows on Feb. 6 regarding the drift of the views:

Five Senators who volunteered comment were divided three to two over the desirability of such a legislation introduced by Senator Edwin C. Johnson. Mr. Johnson summarized his position when he told the Senate yesterday that he believed "there is money enough in this country to furnish the British loan, but it's not in the Treasury."

Senators favoring Senator Johnson's suggestion made this comment in separate interviews:

Senator Willis (Rep., Ind.): "I think it's a good idea. It would tend to check the inflation in this country by giving people a chance to invest their funds."

Senator Revercomb (Rep., W. Va.): "If we have to have a policy on loans, then I am for Senator Johnson's idea."

Senator Robertson (Rep., Wyo.): "That's the way to do it."

Opposing the Johnson plan were Senators Hatch (Dem., N. M.) and Buck (Rep., Del.).

"It could not be done that way," Senator Buck told a reporter. "If it could have been handled that way, they would never have come here to get it."

President Truman Urges "Rights" for Family

As the National Catholic Conference on Family Life, under the auspices of the Family Life Bureau and the National Catholic Welfare Conference, commenced its four-day session Feb. 5, at Catholic University, Washington, it received a message of greeting from President Truman, in which the President said; according to the Associated Press:

"The deliberations which your program calls for are timely. Indeed, it would seem inconceivable that, as we put our hands and our hearts to the giant task of building anew at this turning point in history, we should fail to center a great shares of our attention and effort upon the family unit. The measure of a civilization is the measure of its family life. It is normally the soil of the steady and responsible home that begets that important driving incentive of a people that induces them to strive and work, to move upward and onward, to progress. . . .

"Perhaps it were well if we in America, who have in the past fought so well for a bill of rights for the individual, would in the future fight no less valiantly for a bill of rights for the family. The fact that your program is sponsored by a church group gives assurance that the strengthening and refining influence of religion in the family circle will be given attention."

Credit to Finland Under Loan Agreement With Export-Import Bk.

Approval of a credit line and loan agreement between the Republic of Finland and the Export-Import Bank of Washington by its board of directors was announced on Jan. 31 by Wayne C. Taylor, President of the Export-Import Bank. The advices state that "a line of credit of $35,000,000 is provided by the Bank upon which Finland may draw for the purchase in the United States of urgently needed materials, equipment and services. In addition, the agreement provides for refunding existing loans from the Export-Import Bank to the Finnish-American Trading Corp., which, with principal and interest, total approximately $25,000,000. These existing credits were granted in 1939 and 1940 and were guaranteed by the Republic of Finland. This new credit and refunding operation does not affect the special credit of $5,000,000 to Finland for the purchase of raw cotton, which was recently announced by the Bank." The announcement on Jan. 31 of the Export-Import Bank further said that "Finland has estimated that it will ultimately require additional dollar credits to meet its reconstruction and reconversion requirements and to reestablish a balanced economy to a point where foreign assistance would no longer be required. The new credit, however, is as large as the Export-Import Bank feels is consistent with the many demands upon its funds.

"The record of Finland in dealing with the financial obligations to the Export-Import Bank has been an enviable one considering the difficulties of the war period," Mr. Taylor said. "Slightly over 10% of the principal loaned in 1939 and 1940 has already been repaid. Payments of interest have also been made amounting to approximately $4,000,000 and representing about 77% of the interest accruing during this difficult period. Such remaining principal and interest as would have become due were deferred by mutual agreement and there has been no default." Mr. Taylor continued:

"In the 1930 decade, Finland reduced her outstanding foreign indebtedness from approximately $200,000,000 to $8,000,000. The war left Finland again with foreign obligations of approximately $180,000,000, exclusive of reparations to Russia. Her production facilities were relatively undamaged, however, and her principal needs are for food and industrial raw materials and fuel. With the necessary interim financial assistance from the United States, I am confident that Finland can and will continue this splendid record."

The credit agreement specifies the types of products that may be purchased in the United States and specifies that they may not be re-exported."

The Bank states: "Annual Finnish exports from 1936-1938 averaged approximately $180,000,000 annually, and imports $175,000,000. During that pre-war period, her principal exports were lumber, paper, and wood pulp. Her imports were very diversified and consisted of foodstuffs, fertilizers, other chemicals, textiles, hides, rubber, coal, petroleum products, iron, steel, machinery, and a very wide variety of miscellaneous products. From 1936 to 1938 average U. S. exports to Finland were approximately $17,000,000, and imports from Finland about $15,000,000.

"The use of credit is restricted to the purchase in the United States of certain types of supplies, materials, equipment and services approved or to be approved by the Export-Import Bank.

"The new credit is to be available for use prior to June 30, 1948. The agreement contains the same general provisions as other reconstruction loan agreements entered into by the Bank, such as restrictions of shipments to vessels of U. S. registry, the right of cancellation by either party at any time as to unused portions of the credit, the borrowers undertaking to register the securities under the Securities Act of 1933 upon the Bank's request, and an undertaking to supply the Bank periodically with full information as to the financial and economic position of the Finnish economy.

"Advances under the credit are to be made against notes of the Republic of Finland bearing interest at 2½% until March 15, 1951. Existing notes of the Finnish Trading Corporation are to be exchanged for similar notes of the Republic of Finland, with interest at 2½% until 1951. At the maturity of the notes in 1951, they all will be exchanged for three series of new notes. The first series totaling $20,000,000 will bear interest at 2½% payable in equal semi-annual installments until 1956. The second series of $20,000,000 will carry interest at 3% with principal payable from 1956-1961. The third series of $20,000,000 will carry interest at 3½% and mature from 1961 to 1966. Finland has reserved the right to prepay any of the notes prior to maturity.

President Praises Work Of Housing Administration

John B. Blandford, Jr., retiring as National Housing Administrator for an advisory post in China, received a letter on Jan. 31 from President Truman accepting his resignation in which the President expressed confidence that Mr. Blandford, in helping the Chinese Republic to set up a budget system, "will be of immense value to a country striving so hard to make democracy serve the needs of all the people." Commenting on Mr. Blanford's report of the achievement of the National Housing Agency under his administration and outlining a future course, President Truman wrote, according to a special dispatch from Washington to the New York "Times": "It is a satisfaction to know that you have presented to the Congress a comprehensive program of new housing legislation to provide for the needs of returning veterans, on the one hand, and to make up the large shortages with which so many communities entered the war."

Increasing Production Safeguard Against Inflation According to Harold E. Stassen

The government should take necessary steps to bring labor and industry together and keep production going, it was declared on Jan. 31 by Harold E. Stassen, former Governor of Minnesota, and potential Republican Presidential candidate, in his fourth public address in six days in New York City. "The role of Government must be to find a point of agreement—not to make decrees or decisions," he declared, adding that the "government should correct abuses with the least possible interference." The New York "Herald Tribune" of Feb. 1, from which we quote, also reported Mr. Stassen as saying that production in ever-increasing amounts will be the greatest safeguard against inflation in America, in his address, which was delivered before 300 wholesale grocers, members of the Independent Grocers' Alliance, at a luncheon at the Park Central Hotel. The "Herald Tribune" added:

It is a "tragic situation," said Mr. Stassen, that a three and one-half cents wage differential was preventing settlement of the steel industry strike.

With the greatest demand for consumer goods in history and the greatest ability to produce them, there is "no place for a stiff, unyielding attitude on the part of either management or labor in industrial disputes," he asserted.

Labor Dept. Price Index Up in November

Retail prices of goods and services important in the purchases of moderate - income city families advanced 0.2% between Oct. 15 and Nov. 15, after declining 0.4% during the three previous months according to the Bureau of Labor Statistics of the U. S. Department of Labor. The removal of subsidies on butter and peanut butter seasonal increases for eggs, and higher costs for clothing and housefurnishings were mainly responsible for this increase. The consumers' price index for Nov. 15, 1945 was 129.2% of the 1935-39 average and was 2.1% above the level of a year ago.

The report issued on Jan. 6 by the Labor Dept. also said:

The food bill for city workers' families rose 0.6% during the month as the first effects of the withdrawal of the butter and peanut butter subsidies were reflected in the index. The average price of butter advanced 9%, or 4.5 cents per pound; peanut butter increased 2.4%, or 0.7 cents per pound. When subsidy payments were first made on these two foods in 1943, the average price of butter dropped 5.1 cents in the first month while peanut butter went down gradually, declining 5.0 cents during the succeeding six months.

Prices of all foods other than butter and peanut butter showed an average increase of 0.3% between mid-October and mid-November. Prices of green beans moved up sharply (18%) as OPA adjusted ceiling prices to meet higher production costs. Oranges (still under price control in mid-November), cabbage, and spinach prices dropped seasonally more than 8%. Eggs continued their seasonal advance and now average 68 cents per dozen.

Clothing costs increased by 0.1% during the month ending Nov. 15. Retailers' inventories of apparel—especially men's clothing—continued to be extremely low as replacements from manufacturers were quickly sold to returning servicemen and early Christmas shoppers. Prices for work trousers and overalls rose moderately reflecting upward adjustments in ceilings by OPA to encourage production. With only higher-priced articles available in many cities, costs of men's overcoats suits, sweaters, and socks, and women's percale housedresses and gloves continued to edge upward. Inexpensive and medium quality business shirts and shorts were found in some stores at lower prices, produced under the low-cost clothing program. However, quantities were far below the heavy demand.

Average prices of house furnishings advanced 0.3% over the month. The price of sheets, which rose more than 5% between mid-September and mid-October, advanced an additional 2% as retailers continued to adjust their ceilings in accordance with the recent price increases granted to manufacturers. Scattered increases were reported in the costs of living room and bedroom suites.

Fuel, electricity, and ice costs decreased 0.1%. Rate reductions, lowering the average cost of electricity to New York families by almost 6%, more than offset increases in the prices of heating oils in Chicago and Minneapolis. Coke prices in New York City and anthracite prices in Buffalo rose to ceilings already established.

The costs of miscellaneous goods and services decreased 0.1% during the month as additional retailers were reported resuming the sale of cigarettes in multiple units. The price of pipe tobacco increased slightly in several cities. Small price changes for cleaning and other household supplies occurred in all but two cities.

Rents were not surveyed in November.

Heads of NAM Committees for 1946

Robert R. Wason, president of the National Association of Manufacturers, announced in New York on Feb. 3, the appointment of 16 businessmen as Chairmen of the NAM standing committees which recommend policy on economic and social matters in which the Association is interested. NAM committees and the new chairman are:

Administrative Law, Hugh M. Comer, President, Avondale Mills, Sylacauga, Ala.; Economic Stability, John C. Parker, Vice President, Consolidated Edison Co. of New York, Inc., New York City; Industrial Problems, William B. Warner, Chairman, McCall Corp., New York City; International Economic Relations, Herbert H. Schell, President, Sidney Blumenthal & Co., New York City; Patents and Research, R. J. Dearborn, President, Texaco Development Corp., New York City; Social Security, W. B. McIntosh, President, Pyramid Rubber Co., Ravenna, Ohio; Tax Administration, E. A. Converse, Jr., Secretary, Belknap Hardware & Mfg. Co., Louisville, Ky.; Taxation, H. E. Humphreys, Jr., Chairman Finance Committee, United States Rubber Co.; Labor Program, Clarence Randall, Vice-President, Inland Steel Co., Chicago; Civilian Production Resumption, Nathaniel Leverone, Chairman, Automatic Canteen Co. of America, Chicago; Contract Termination, Clarence L. Collens, Chairman, Reliance Electric & Engineering Co.; Disposal of Government-Owned Plants and Materials, Charles J. Stilwell, President, Warner and Swasey Co., Cleveland, Ohio; Inflation Control, Charles S. Davis, President, Borg-Warner Corp., Chicago; War Control Termination, John Aircy, President, King-Seeley Corp., Ann Arbor, Mich.; Several of the NAM committee Chairmen are still to be appointed.

Non-Lend-Lease Exports Increased in 1945—Loans by Export-Import Bank

Gains in exports other than lend-lease during 1945 were made known on Feb. 5 by the U. S. Department of Commerce, which stated that combined loans, advances and financial aid by the United States Government to foreign governments outstanding on Sept. 30, 1945, totaled $1,141,000,000, with considerable future expansion indicated in line with increasing foreign financial commitments of the Government. The Department stated that the latest compilation of Government loans, advances and financial aid to foreign governments and entities, prepared by the Clearing Office for Foreign Transactions of the Commerce Department's newly-created Office of Business Economics, covers the quarter from June 30 to Sept. 30, 1945, and shows an increase of $69,000,000 for the quarter. The $1,141,000,000 total was made up of $516,000,000 in loans, $84,000,000 in advance payments for articles purchased abroad, and $541,000,000 in "financial aid," i.e. payments made without any obligation to repay or without any definte agreement as to terms of repayment. The announcement of the Department continued:

Taking a look into the future, the Clearing Office said it was indicated that rising loan commitments foreshadow large increases in outstanding foreign credits, but that advance payments would probably continue at comparatively low levels. Financial aid to the American Republics is not likely to expand and all but $15,000,000 of the $500,000,000 authorized for China already has been disbursed, it was said.

The compilation itemized the additional U. S. Government foreign commitments that would result if the Export-Import Bank should use all of its $3,500,000,000 authorized lending capacity to meet the credit needs of foreign governmets and if major international financial arrangements already approved or under discussion should be consummated, as follows:

"Use of uncommitted lending capacity of Export-Import Bank on Sept. 30, 1945, $2,782,000,000 action on Bretton Woods commitments, excluding $2,540,000,000 subject to call to meet possible losses of the Bank, $3,385,000,000; lend-lease settlement with the United Kingdom, $650,000,000; proposed loan to the United Kingdom, subject to approval by the Congress, $3,750,000,000."

This total of $10,567,000,000 does not include any allowance for additional recoveries under lend-lease in the form of Section 3-C credits or settlement obligations, nor are there included any outstanding open account items, such as civilian Supply "bills rendered" and surplus property disposals other than for cash, the Clearing Office said.

United States loans abroad outstanding on Sept. 30, most of them made by the Export-Import Bank, totaled $516,000,000 broken down as follows: United Kingdom, $266,000,000; American Republics $148,000,000; China $52,000,000; Finland $24,000,000; Bahrein $15,000,000, and various others $11,000,000.

The Clearing Office noted that during the October-December quarter the Export-Import Bank had announced a credit of $550,000,000 to France to aid in carrying out commitments of the United States Government arising out of the lend-lease 3-C agreements; $100,000,000 to Belgium; $50,000,000 to the Netherlands; $20,000,000 to Mexico; $33,000,000 to Chile, and a general line of credit of $100,000,000 to finance the export of 800,000 bales of cotton to Belgium, Czechoslovakia, Denmark, France, Italy, the Netherlands, Norway, Poland and Finland.

U. S.-Soviet Agree on Aid for Korea

The joint American-Soviet conference on the trusteeship for Korea issued a communique on plans for establishing contacts between the northern and southern halves of the occupied country, according to Associated Press advices of Feb. 8 from Seoul, Korea. It was disclosed that arrangements would be made to permit railroad, motor and coastwise waterborne transportation of Koreans between the Russian-north and American-south zones, with continuance of the present division of the country into separate military commands at the 38th Parallel. However, under the new decision, it is stated Koreans in the north can hope to receive rice from the almost wholly agricultural American zone, and sell their industrial products and raw materials of the Russian zone.

Continuing the Associated Press advices said:

The communique promised, future coordination between the two commands on economic and administrative matters, probably through a two-power commission voted by the conference to help Korea realize political independence—promised after a five-year trusteeship.

Additionally, the delegations discussed exchange of goods, settlement of mutual accounts and release of electric power, overabundantly present in the north.

There was no official statement as to when the new provisions would be effective.

An aide to Maj. Gen. A. V. Arnold, chief of the American delgation, said the communique terms required approval of Lieut. Gen. John Hodge, commanding United States forces in Korea, and the Russian commander.

Under the agreement, thousands of "refugees" in their own country will be able to return to their homes in the north without resorting to sneaking across the border.

W. Averell Harriman, United States Ambassador to Moscow, stopped off at Seoul for three days en route to the United States, leaving again on Feb. 5. There was speculation, according to Associated Press reports of Feb. 2, as to whether his presence was connected directly with efforts to work out a joint Russo-American trusteeship. Visiting Lieut. Gen. John R. Hodge, commander of the American forces in Korea, Mr. Harriman is reported to have expressed satisfaction with what he observed.

Observations

(Continued from first page)

Truman's message to the Congress requesting ratification of the Anglo-American Loan. It will be recalled that in urging public approval of the Bretton Woods Fund last year its proponents repeated again and again that it would stand on its own feet. In an interview with this columnist at the beginning of the San Francisco Conference Mr. Harry White vigorously affirmed that the Fund's success in no way depended on the outcome of the Conference or on the future workings of the United Nations Organization. Treasury officials were insistent that there was no justification for worry over future shortages of dollars—the doubters being termed destructive skeptics.

Now, however, in his plea the President himself says that the large British credit is necessary for both the acceleration and the success of the Bretton Woods operations.

Without questioning in the slightest degree the propriety of American financial aid, the urgent plea must still be made for "calling a spade a spade," in lieu of inviting subsequent bitter disillusionment. For a variety of the most cogent long-term political as well as economic considerations, it would be far wiser to term our pending financial aid to Britain a gift rather than a loan. The wisdom of such a course is surely vastly enhanced by Premier Stalin's latest speech, urging his people to gird themselves to fight the capitalist world.

Furthermore it should be realized that under the provisions of the International Bank, that institution as well as the Fund may run short of dollars. Whenever it is necessary to meet interest or amortization payments on guaranteed loans, the Bank "may call an appropriate amount of the unpaid subscriptions of members." While use of the United States subscription of $3,175,000,000 would suffice to meet interest payments, defaults might create a shortage of dollars for interest payments.

Thus the Bretton Woods machinery will have to be bolstered by the Anglo-American and other loans, each of which will entail further bolstering—ad infinitum.

* * *

The inflationary and other deleterious effects of our Government's cheap money policy on various segments of our society are currently being accentuated by further sensational declines in interest rates. In the Government Bond field the new Victory Loan 2½s since the close of the Drive in December have risen to a 4½-point premium where they yield but 2.23%, while the new 2¼s rose to 103½, yielding but 1.94%. The great decline in yields of issues which are now, or imminently, eligible for bank investment, has carried them down to well under 2% for the long-terms and under 1½% for the medium-terms.

The effect of such low yields on commercial bank investment harbors most serious repercussions. With the average commercial bank portfolio estimated as yielding less than 1%, the threat to the long-term preservation of bank assets arising from the temptation to relax prudence in portfolio management is very great. For example, with the supply of available corporate bonds constantly dwindling, and the quantity as well as the yield of the Treasury's falling, the desire to maintain their earnings is certain to exert tremendous pressure on banks to invest their funds in non-high grade railroad bonds. A future yield as low as 3% on them is being forecast by some observers. The fallacy of incurring risk with depositors' funds because of the disadvantageous yields obtainable on alternative sound investment media should be obvious. But the temptation to forsake quality is bound to grow with generally declining yields. If this is not recognized, it may eventually lead to disaster in the banking system.

* * *

Another important result of the incidence of cheap money on commercial bank activities is to be found in their large-scale entrance into the consumer-credit field. Through the National Sales Finance Plan, participated in by 1,000 banks in 31 States, by the Bank of America in 11 States, and by the Northwest Bancorporation in 6 States, the commercial banks cover the entire nation with the exception of the city of Chicago. As President Rathje of the American Bankers Association recently warned his colleagues, an "epidemic interest" is being evinced with insufficient understanding of the special techniques of this kind of credit. Inexperience in properly figuring costs, reserves, and other elements in the purchase of paper—combined with the competitive pressure on the rates charged—may subsequently lead to serious trouble.

* * *

Also in the stock market the Government's cheap money policies directly undermine the same Government's anti-inflation incantations. The disadvantageous yields obtainable from Government and corporate bonds drive investors' funds into stocks of new and existing companies, and accentuate market rises under the "what-else-can-I-do-with-the money" theme.

Elect to World Court

The business of electing judges for the International Court of Justice was accomplished for the most part by the United Nations Organization's Security Council and General Assembly on Feb. 6 with the election of 13 of the 15 to be appointed, according to Associated Press advices from London. One of the first appointees to be chosen was Green Hackworth, a legal authority in the State Department at Washington; John E. Read, of Ottawa, a legal adviser to the Canadian Department of External Affairs, was also elected. Others elected, the Associated Press reported, were:

Dr. Hsu Mo of China, Prof. Sergei Borisovich Krylov of the U. S. S. R., Badami Pasha of Egypt, Prof. Jules Basdevant of France, Sir Arnold Duncan McNair of the United Kingdom, Dr. J. Philadelpho de Barros Azevedo of Brazil, Dr. Charles de Vischer of Belgium, Isidro Fabela Alfaro of Mexico, Dr. Milovan Zoricic of Yugoslavia, Alejandro Alvarez of Chile and Dr. Jose Gustavo Guerrero for El Salvador."

The press advices added: "The full term of a member of the International Court is nine years, but in the first court only five will serve for that period. Five others will have six-year terms and the remaining five three-year terms. When all the seats are filled, the Secretary-General will decide by lot which judges will have six-year and three-year terms. The new court succeeds the Permanent Court of International Justice established at The Hague in 1921."

House Votes Against Pres. Request to Retain Federal Authority Over USES

Overriding a request by President Truman, the House on Jan. 29 passed a bill returning the United States Employment Service to State control not later than June 30. The retention of Federal administration of USES until June 30, 1947 had been requested by President Truman. Associated Press advices from Washington Jan. 29 in the New York "Journal of Commerce" reporting this added.

Amid cries of "States' rights," a coalition of Republicans and Southern Democrats voted overwhelmingly for the earlier date. The roll call vote was 263 to 113.

The measure now goes to the Senate. If approved there in its present form, Administration leaders said, it probably will run into a Presidential veto.

Congress passed legislation last Dec., ordering return of USES to the States within 100 days, but Mr. Truman refused to sign it.

He urged postponing the transfer, contending that an earlier switch would seriously harm the reconversion program, particularly re-employment of veterans.

Those supporting the early end of Federal control argued, however, that there would be greater efficiency and economy under State operation.

A series of votes preceded the final roll call tally.

The chief test came on an amendment by Representative Dirksen (Rep., Ill.) fixing the June 30 deadline. It was approved on a 254 to 125 roll call vote.

NYSE Borrowing Higher in January

The New York Stock Exchange announced on Feb. 4, that the total of money borrowed as reported by Stock Exchange member firms as of the close of business on Jan 31 was $882,927,940, as compared with $1,073,837,453 on Dec. 31.

The following is the Stock Exchange's announcement of Feb. 4:

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, $362,762,924; (2). On all other collateral, $520,165,016; reported by New York Stock Exchange Member Firms as of the close of business Jan. 31, 1946 totaled $882,927,940.

The total of money borrowed, compiled on the same basis, as of the close of business Dec. 31, 1945, was (1). on direct obligations of or obligations guaranteed an to principal or interest by the United States Government, $494,216,241; (2). on all other collateral, *579,621,212, total, *$1,073,837,453.

*Revised.

Motor Carrier Tonnage Decreased in December

The volume of freight transported by motor carriers in December decreased 9.7% below November and 12.2% below December of last year, according to American Trucking Associations, Inc., which further announced as follows:

Comparable reports received by ATA from 228 carriers in 40 States showed these carriers transported an aggregate of 1,674,945 tons in December as against 1,855,194 tons in November and 1,906,895 tons in December, 1944.

The ATA index figure, computed on the basis of the average monthly tonnage of the reporting carriers for the three-year period of 1938-1940 as representing 100, was 148.2.

Approximately 81% of all tonnage transported in the month was hauled by carriers of general freight. The volume in this category decreased 12.3% below November and was 12.4% below December, 1944.

Transportation of petroleum products, accounting for about 14% of the total tonnage reported, showed an increase of 9.8% over November and a drop of 13% below December, 1944.

Carriers of iron and steel hauled about 2% of the total tonnage. Their traffic volume was 15.4% below November and 1.1% below December, 1944.

About 3% of the total tonnage reported consisted of miscellaneous commodities, including tobacco, textile products, bricks, building materials, machinery, vehicle parts, chemicals, mine ore and household goods. Tonnage in this class decreased 9.6% below November and 9.0% below December, 1944.

Filibuster Sidetracks Renewal of FEPC

Filibustering tactics of Southern Senators, who received support from a few Northern delegates succeeded on Feb. 9 in sidetracking the bill for a permanent Fair Employment Practices Commission, the Senate on that day laying the bill aside for other business. On Feb. 9 it was stated in Washington Associated Press accounts that it would take a majority vote of the Chamber to get the FEPC measure back on the floor, where it has been since Jan. 17. The press advices Feb. 9 added in part:

The decision came on a Senate roll call, 48 for and 26 against a motion to limit debate on the bill to set up a regular agency to police industry and Government against discrimination on account of race or creed.

This was six votes short of the two-thirds required to invoke cloture and thus insure a final vote. Under the cloture each Senator is limited to an hour's talk, but the rule is seldom invoked.

As soon as veteran Senator McKellar (Dem., Tenn.), regular presiding officer and an FEPC opponent, announced the cloture attempt had failed, Senator Chavez (Dem., N. M.) jumped up and moved to take up an appropriation bill.

Majority Leader Barkley (Dem., Ky.) arose to say he regretted the outcome but the Senate must turn to other matters because he had not the "slightest hope we can ever reach a final vote on this."

Senator Barkley joined Senator Chavez in asking that the Senate put aside the controversial measure to take up an appropriation bill.

Senator Magnuson (Dem., Wash.) wanted to know what would then happen to the FEPC bill. He was told it would go back on the Senate calendar.

Senator Mead (Dem., N. Y.), ardent FEPC supporter, demanded a roll-call on this. With obvious relief, 71 Senators voted to put the measure aside with only 12 opposing.

The final tally showed 22 Democrats, 25 Republicans, the lone Progressive, LaFollette (Wis.), favoring cloture with 28 Democrats and eight Republicans opposed.

After it was over Senator Morse (Rep., Ore.) announced to the Senate that "I shall see to it" that the principle of the FEPC legislation shall come back to the Senate floor "periodically."

Senator Morse said "no issue is more fundamental" than the ability of the Senate to do business despite the desires of filibusterers.

Earlier, Senator Taft (Rep., Ohio) had urged adoption of voluntary measures against discrimination rather than the compulsion provided in the bill.

On Feb. 1, when oratorical tactics to prevent possible passage of a permanent Fair Employment Practice Commission were in their third week, Senators Albert W. Hawkes (Rep., N. J.), Burton K. Wheeler (Dem., Mont.) and Robert A. Taft announced opposition to the Commission which would police industry and government against racial or religious discrimination, the Associated Press reported from Washington, and added that Senator McKellar, president pro-tempore, helped the Southern group in its protest with the announcement that he would rule that a petition to choke off debate cannot be offered.

The filibuster was the result of a vote taken in the Senate on a surprise motion of Senator Chavez on Jan. 17, to take up consideration of legislation desired by the Truman Administration to established a permanent FEPC, which won approval 49 to 17. Southern Democrats immediately threatened a filibuster revolt, the Associated Press stated in its account from Washington, and all other legislation was for the time crippled.

The following day the Southern Senators' filibuster was in full swing and on Jan. 19 proponents of the FEPC proposed round-the-clock Senate sessions as a means of breaking it. By that time the anti-FEPC group was undeniably in the driver's seat, the Associated Press reported. The proposal for continuous sessions was postponed—at least temporarily—on Jan. 21. The same day a respite came for the filibustering Southerners when Senate clerks read President Truman's long message on the budget and state of the Union.

The concerted opposition to the FEPC brought criticism from Labor Secretary Lewis B. Schwellenbach and Harold E. Stassen, former Minnesota Governor, both of whom spoke from prepared addresses at a dinner of the National Council for a Permanent Fair Employment Practice Commission, according to Associated Press advices from Washington on Jan. 23. Mr. Schwellenbach said the FEPC bill "is a test of our willingness to practice democracy as well as preach it"; and Mr. Stassen declared, the Associated press continued, that the question "is not simply of the importance of legislation to safeguard the rights of minorities, but also of the importance of the establishment of a legislative procedure that will prevent minorities from wilfully blocking the decisions of the majority."

By Jan. 26, Senators who had hoped to thwart the Southern drive to talk the legislation to death admitted weariness and saw little anticipation of relief from the sustained oratorical attacks.

Senator McKellar, answering questions by Senators Chavez, floor manager for the bill, and Aiken (Rep., Vt.), on Feb. 1 said that he would hold that a debate limitation petition is not in order. Ever since the filibuster started Jan. 17, the business technically before the Senate has been correction of its journal for that day.

On Feb. 4, Senator Barkley, leader of the majority, in attempting to invoke cloture to break the filibuster, offered a cloture petition signed by 48 members, said special Washington advices to the New York "Times" from C. P. Trussell. It was blocked by a ruling of Senator McKellar, president pro-tempore. Senator Barkley entered an appeal from the ruling and the chair declared the appeal debatable. Parliamentarians said that the appeal was "debatable" without limitation. On Feb. 7 it was indicated in an account to the New York "Herald Tribune" from its Washington bureau, that the filibuster was abandoned on that day when supporters of the FEPC privately conceded defeat. It was added that without opposition, Senator Barkley, in the Senate, withdrew his appeal from a ruling of the chair that the petition to limit debate was out of order and Sen. Clyde R. Hoey, Democrat, of North Carolina, in turn, withdrew his amendment which had sought to "correct" the Senate's journal of Jan. 17.

More Home Loans By Savs. & Loan

An increase of 50% in the savings and loan institutions' volume of home construction loans in 1945 over 1944 was reported on Jan. 23 by Henry P. Irr, Baltimore, President of the United States Savings and Loan League. He said that the total volume of loans for all purposes represented a 24% increase over the previous year and went up to $1,800,000,000, the largest financing of home ownership these institutions have accomplished since 1929 when $1,850,000,000 in new loans were recorded. The advices from the League Jan. 26 added:

"Construction loans while still a minor factor in the savings and loan and co-operative bank 1945 activity, because most of the year new home building was severely restricted, showed the greatest gain over the previous year of any of the categories for which loans are made by these institutions. Home purchase loans were up just 20% over 1944 volume, and as reported above, the total was less than one fourth greater than in the previous year.

"During the first ten months for which complete data are available, the savings and loan institutions advanced $128,000,000 for new house building. He estimated that the full year's construction loan volume would still be less than that of 1942 during one quarter of which there were no out-and-out restrictions on building, but the 1945 figure was some 40% ahead of 1943, the first entire year that the building restriction order was in force.

Life Insurance Policy Loans Increase

New life insurance policy loans have increased materially since V-J Day, reflecting the greater emergency needs of individual families affected by employment dislocations during the reconversion period, it was reported by the Institute of Life Insurance on Jan. 24, which also said:

A record low point in rate of new policy loans was reached at mid-year last year. It continued until just after V-J Day, but in the weeks following the end of the war the rate sharply increased, nearly doubling in some companies. As a result, the new loans taken out during the latter part of 1945 were up about 50% over those taken out in the corresponding period of 1944. They were still far below the prewar levels, however, running about 75% under the 1939 level.

Notwithstanding the rise in new loans, there was a further decrease during 1945 in the total of policy loans outstanding, the $1,950,000,000 on the books at year-end comparing with $2,134,000,000 at the close of 1944 and $3,248,000,000 at the end of 1939. This sharp reduction in total loans is even more clearly shown when the loans are related to total policy reserves from which loans can be made. The present ratio is 5%, compared with 13% in 1939.

A contributing factor to the reduction in outstanding loans has been the increase in loan repayments during recent years, some companies reporting that for several years cash repayments have been materially larger than total new loans. Since V-J Day, however, there has been a slight reduction in the repayment of loans. The average size of new policy loans has increased since prewar days, although these are still in the small loan category, generally averaging between $100 and $200 per loan.

Policy cash surrender value payments, which reflect the same general conditions as do the policy loans, have also increased since V-J Day. Such payments reached a record low level last year and held at that level until V-J Day, when they increased sharply within 30 days and have increased each month since then. In the closing days of 1945, they were at the highest level in two years. Sharp as this increase was, however, they were still far below prewar levels. In 1945 total cash surrender values paid out to policyholders were $240,000,000 which compares with $732,000,000 in 1939.

Bowles Agrees to New Wage-Price Formula

A new wage-price policy to permit price increases to equalize wage boosts is expected to be worked out in the near future, according to Washington advices to the "Journal of Commerce" on Feb. 4, which stated that Price Administrator Chester Bowles has agreed that revision is necessary in order to give stability to the national economy and accelerate production. The same advices said that Mr. Bowles had agreed to a price increase for steel of more than $4 a ton, which would be predicated on the steel companies paying the 17.5% wage increase which President Truman has suggested as a compromise of the steel dispute. The settlement of this strike is regarded as a possible pattern to be carried out under the new policy.

Although details of the new formula are still to be worked out and no official release of plans has as yet been made, the "Journal of Commerce" went on to say that the main considerations are concerned with the following points:

1. Wage increases, either voluntary or government-sponsored, and up to a stated percentage.

2. Price increases to compensate for the wage increases, "where necessary." The effect of wage increases on the price line has not yet been measured by OPA and no definition of "where necessary" is so far available. Presumably, however, the price agency will follow its settled policy of requiring absorption of cost increases, including wage increases, when it can be shown that the affected companies or industries will not have their profits cut below the 1936-39 rate.

3. Possibly a government formula for raising wages. If such a formula is adopted, all signs point to use of the 17.5% wage increase which President Truman suggested for the steel industry as the basic measure to be used.

4. Government control of wages, at least to the extent that wage increases in excess of the stated percentage will not be considered by OPA as cost increases on which compensatory price increases may be sought.

New Surplus Agency

President Truman, by executive order on Feb. 1, merged the Surplus Property Administration and the War Assets Corp. into a new War Assets Administration, which will commence as an independent agency to handle all surplus property activities on March 25, according to special advices to the New York "Times." The new agency, which will operate within the Office of Emergency Management, will be headed by Lieut. Gen. E. B. Gregory. Foreign surplus will be handled by State Department. In ordering the streamlining of the surplus disposal activities of the Government, the "Times" went on to say:

"The President followed recommendations of W. Stuart Symington, whose resignation as Surplus Property Administrator became effective today. President Truman appointed Mr. Symington Assistant Secretary of War for Air.

"As the policy making phase of the surplus property program has been substantially completed, there is no longer a need for a Surplus Property Administrator in the Office of War Mobilization and Reconversion," the White House explained.

"The order will have the effect of streamlining the organization of surplus property activities, by placing under single direction the functions of making and carrying out domestic surplus property policies. Until now, policies have been determined by the Surplus Property Administrator, while the bulk of disposal operations has been under the direction of the War Assets Corporation."

Early Consideration For New Tax Program

There seemed likelihood of Congressional action on a new tax reduction measure, with the introduction in the House on Jan. 30 of a bill designed to remove 18,000,000 individual income taxpayers from the tax rolls and still raise more than $25,000,000,000 in revenue. Proposed by Rep. Eberharter (D.-Pa.), the bill was referred to the Ways and Means Committee, but is not scheduled for immediate consideration. Called by its sponsor an "incentive income tax plan," the principal provisions of the measure were summarized by Mr. Eberharter as follows:

The taxing of income rather than of individuals or corporations as such.

Raising exemptions for single persons from $500 to $1,250 and for married couples from $1,000 to $2,500 with an exemption of $500 for each dependent.

Putting corporations under a single Federal income tax at rates identical to those paid by individuals.

Elimination of the payment by stockholders of taxes on their dividends.

After exemptions, the rates on net taxable income would range from 25% on the first $5,000 to 50% on all such income above $25,000 with interim step-ups of 5% on each additional $5,000.

The possibility of the House Ways and Means Committee being free to consider a new tax program seemed stronger when on Jan. 31 it was proposed that the committee split up into subcommittees in order to handle both taxes and Social Security legislation. One subcommittee, according to the "Wall Street Journal" in its Washington advices, would handle the Social Security study, which may last three or four months. A second subcommittee would consider taxes, and a third would handle all other committee matters. Each of the subcommittees would consist of eight members and would have as its ex-officio chairman Committee Chairman Robert L. Doughton (D.-N. C.).

USO Through 1947

Plans have been announced for the continuance of the United Service Organizations until Dec. 31, 1947, according to the New York "Times" on Feb. 5, which reported the program outlined by Lindsley F. Kimball, USO President, at a luncheon at the Waldorf-Astoria, in New York, on the fifth anniversary of the agency's founding. It will be necessary for the USO to make it own appeal for public funds next fall, Mr. Kimball said, as it will be financed only through 1946 by the National War Fund which has conducted its last drive.

The luncheon celebration heard messages from President Truman and Army and Navy officials urging that the USO program be continued. More than 5,000 similar observances were said to have been held throughout the country. Dr. Kimball told the New York assemblage that the USO would not have completed its wartime, demobilization, reconversion and Army-of-occupation responsibilities until the date set for its termination, Dec. 1947. With its organization funtioning in 43,000 of the nation's 44,000 communities, USO has a responsibility "not to add to the general chaos of the times" by withdrawing suddenly, he declared, according to the "Times."

Administration's Housing Program

(Continued from first page)

Second, we can meet this need only by bringing to bear the same daring, determination and hard-hitting teamwork with which we tackled the emergency job of building the world's most powerful war machine four years ago.

When, in a recent radio message to the American people, you called for the immediate production of an unprecedented number of homes, I could not help but recall the goal of 50,000 aircraft which President Roosevelt set in the early days of the war. Though many people considered it impossible, that goal and others like it were achieved and passed.

We met in full our obligation to our men and women in uniform.

To meet our obligation to those same men and women in civilian life, we will need the same drive and ingenuity on the part of American business and American labor and the same Government stimulus and financial assistance that made possible the miracle of war production in that earlier emergency.

Our sights must be raised far above the present target of four or five hundred thousand homes in 1946.

I am therefore recommending that the following program of emergency measures be put into effect immediately:

(1) Construction of 2,700,000 low and moderate cost homes must be started by the end of next year. The target for 1946: 1,200,000 homes started, of which 700,000 will be conventional houses; 250,000 permanent prefabricated houses and houses assembled on-site from prefabricated parts and materials, and 250,000 temporary units. The target for 1947: 1,500,000 homes started, of which 900,000 will be conventional houses; 600,000 permanent prefabricated houses and houses assembled on-site from prefabricated parts and materials. (The previous all-time high was 937,000 homes in 1925; in 1945, only 240,000 homes were built.)

Except for 200,000 units of temporary re-use war housing and 50,000 new trailers, all of these will be permanent homes. On the assumption that the recommended legislation is authorized promptly the program should move into high gear by the end of the first quarter of 1946. Within two years from that time the urgent need figure of some 3,000,000 homes should be met under this program.

(2) Preference for veterans and their families in the rental or purchase of these homes with appropriate provisions for non-veteran hardship cases.

(3) Greatly expanded production of conventional and new-type materials obtained by firm and timely use, where necessary of:

(a) Premium payments for increased production,

(b) Guaranteed markets for materials manufacturers,

(c) Priorities and allocations of equipment and materials,

(d) Wage-price adjustments or prices increases where they are necessary and not inflationary.

(e) Use of war plants and new facilities to increase present production capacity.

(f) Rapid tax amortization for plants which are newly built or converted to produce essential building materials, and

(g) Absorption by Government of undue risks in developmental work on new-type materials.

(4) Recruitment and training of 1,500,000 additional workers on-site and off-site by the middle of 1947.

This means more than tripling the present labor force engaged in residential construction.

(5) Postponement of all deferrable and non-essential construction for the balance of 1946 to release needed materials and labor for veterans' homes and for essential and non-deferrable projects.

(6) Rapid expansion of factory fabrication of materials and parts, as well as complete low-cost homes by making materials available and guaranteeing the market for the product.

(7) Priorities and allocations to home builders for equipment and materials.

(8) Federal cooperation and assistance where necessary in the development of home sites.

(9) Channeling the largest part of materials into homes and rental housing, both farm and urban, selling for not more than $6,000 or renting for not more than $50 per month.

(10) Curbing of inflation through more effective price control on building materials, ceilings on new and existing homes, and on building lots, and through the continuation of rent controls.

(11) The early adoption of S1592, the Wagner-Ellender-Taft Bill.

(12) Insured mortgages on low-cost homes up to 90% of value and based on necessary current costs.

(13) New temporary legislation to support the program, including $250,000,000 for temporary re-use war housing.

(14) Community participation paralleling Federal action through emergency housing committees in cities and towns throughout the country.

(15) The Reconstruction Finance Corporation to play a major role in financing the program. In addition, authorization from Congress will be required immediately to provide $600,000,000 for premium payments.

I believe that the success of a program of this magnitude will depend on several basic elements of policy which must influence every step that is taken.

Private enterprise must assume the leading role of this task as it did in the task of war production. And to that end the building industry and financial institutions must be relied upon as the maintay of the production program. In addition, industry is entitled to a fair return for all-time record production of good materials and good homes at low prices.

Labor is entitled to a fair return for its share in the task. And that means higher wages in some contributing industries where workers have been historically low paid.

It will take a dynamic program to achieve this goal. Neither business-as-usual, labor-as-usual, building-as-usual, nor government-as-usual will suffice.

The Size of Immediate Housing Needs

The present housing emergency is the culmination of more than ten peacetime years and four war

number of new homes had been

In October, 1945, 1,200,000 families were living doubled up with other families. At that time the situation was critical. It is rapidly becoming worse. The following table shows with shocking clarity that even without reducing the number of families which were doubled up in October, 1945, we would have to build approximately 3,000,000 new homes by the end of 1947 just to keep the situation from becoming worse:

Families living doubled up with other families in October, 1945, at least	1,200.000
Add:	
Married veterans who will be needing homes by December, 1946	2,900,000
Non-veterans marrying who will be needing homes by December, 1946	560,000
Total	3,460,000
Subtract:	
Existing vacancies and new vacancies occurring during 1946 as the result of deaths and dissolutions of families	945,000
Additional families needing homes by end of 1946	2,515,000
Additional families needing homes by end of 1947 (1,110,000 new families less 430,000 vacancies occurring as the result of deaths and dissolutions of families.)	680,000
Total need by end of 1947	3,195,000

With at least 1,200,000 families still doubled up.

Our target is 2,700,000 homes and apartments started by the end of 1947.

Approximately 1,200,000 must be started in 1946. Of these, some 700,000 will be conventional houses; 250,000 permanent prefabricated parts and materials, and 250,000 temporary units (200,000 temporary re-use war housing and 50,000 trailers).

Approximately 1,500,000 homes must be started in 1947. Some 900,000 of these will be conventional homes and 600,000 will be permanent prefabricated homes and homes assembled on-site from prefabricated parts and materials. No temporary units will be built under this program in 1947.

In my judgment we can hit this target. We must—unless we are to fail in our duty to the veterans. Without bold, emergency action I am convinced that only about four hundred to five hundred thousand new homes would be built in 1946.

It will take time, under any program, to produce materials and to build houses in quantity. Because the program will start slowly and will speed up as materials and manpower become available in greater quantity, each month's delay in getting under way in 1946 will mean a loss of about 75,000 units, a number equal to almost one-third of the 1945 production of homes.

During the past few weeks I have heard the fear expressed that gearing our building industry to meet the present emergency will result in an over-expanded industry. The facts contradict this fear. The figure of some 3,000,000 homes needed by the end of 1947 does not take into account the more than 10.5 million homes which are sub-standard and which must and can be replaced in a healthy, full production economy.

Each year, in addition to the existing substandard dwellings, about 200,000 additional units drop into the sub-standard class or are destroyed. Approximately 400,000 net additional new families are created each year. These figures do not include farm homes or the temporary housing which was built during the war and which must be replaced.

The Problem of Materials

Increasing the flow of building materials is the essential first step in meeting the problem. Necessary restrictions through the war years have closed down many mills and factories; production in others has been severely curtailed. Inventories of all building materials have been sorely depleted.

These conditions mean that shortages of materials would be encountered even in building the 400,000 to 500,000 homes previously contemplated for 1946. The proposed veterans' emergency housing program tremendously increases this problem.

For example, in 1945 residential construction consumed about $400 million of building materials. In 1946 this program will require $2 billion of building materials, and in 1947 it will require $3.25 billion. This represents an eightfold increase in requirements between last year and next year.

Requirements of all materials and supplies—lumber, brick, wall board, lath, cast-iron soil pipe, electrical, plumbing and heating supplies, roofing materials, and others — far exceed foreseeable production unless emergency action is taken.

These material deficits must be made up by greatly expanded production of conventional materials and by the use of new types of materials. The possibilities in this direction are significant. The use of metal window sash and framing instead of lumber has already been introduced. Composition and plastic materials are available for flooring to supplement scarce seasoned hardwoods. Pre-assembled unit bathrooms and kitchens can economize both material and manpower. Examples of this sort can be multiplied.

To achieve the necessary expansion, both of conventional and of new-type materials, three fundamental steps are called for:

(1) All existing plants must be brought to capacity operation as speedily as possible.

(2) Unused war plants and facilities must be converted for the production of new as well as conventional materials.

(3) Beyond this, new capacity must be built to the degree necessary to meet the requirements of the program.

The additional cost and risk of expansion, whether through increases in output, or additions to existing plants, conversion of old ones, or construction of new ones, must—when clearly necessary—be shared by the Government just as it was during the war.

This requires more rapid than usual amortization of the plant for tax purposes; Government underwriting of sales of new-type materials at prices sufficient to cover developmental costs; adequate short- and long-term Government credit, where private capital is not available, and premium payments in selected cases for increased production of conventional and new-type materials, achieved over and above a carefully selected base period. Premium payments will also be necessary in cases where production costs rise due to the payment of overtime, or the addition of another shift.

Such premium payments will bring production to a high level without increasing the cost of the completed house to the veteran.

The total national outlay for materials for the housing program will be about $2 billion this year and about $3.25 billion in 1947. Of the two-year total of $5.25 billion, $4.25 billion will probably be spent for conventional materials. While it is impossible at this time to determine accurately how much will be needed for premium payments, it is estimated that about 10% of the total national outlay for conventional materials or approximately $400 million may be required.

Premium payments from this fund will be made selectively. Increased production of some materials can be secured without such payments, for others a slight additional payment will be sufficient; in a limited number the premium will have to be substantial to secure the needed output.

In addition to premium payments for conventional materials we must recognize that proportionately greater risks will be encountered in production of new materials. One billion dollars worth of new or substitute materials will be required. It is estimated that approximately 20% of the amount or 200 million dollars will be required to encourage increased production.

The Problem of Manpower

Serious manpower shortages will have to be overcome if we are to attain our goal of 2,700,000 dwelling units by the end of 1947. There are at present 650,000 workers employed (both off-site and on-site) in producing homes.

To meet our goal, a peak of 2,150,000 workers will have to be on the job — 1,150,000 actually constructing houses and 1,000,000 at work producing and distributing the materials going into home building. This means that by mid-1947 we must have more than triple the number of workers presently engaged in the industry.

Vigorous action will be needed to attract an additional 1,500,000 workers. Recruiting programs pointing up the long-term prospects of a revitalized industry will have to be started at once. Veterans should be given every inducement to participate. A large-scale apprentice program should be undertaken promptly to produce the skills that are necessary.

Wherever wages in industries producing materials are abnormally low and stand in the way of recruiting the necessary manpower, wages will have to be raised. In specific cases where it is absolutely necessary, wage increases will be cared for by premium payments in order to stimulate maximum production.

Construction to Meet the Needs

No matter how successful we are in stepping up the supply of materials and in training and recruiting manpower, the most vigorous and imaginative measures will be required in the construction industry itself to build 2,700,000 homes in less than two years.

In 1946 we cannot escape the use of converted barracks and the movement and re-use of surplus temporary houses. These are not the kind of homes people like but in the present emergency they are acceptable. It should not be necessary to provide any more of them in 1947. They will be located on publicly-owned land and will be torn down as soon as the increase in the supply of permanent homes makes their use unnecessary.

Both the construction industry and labor groups must gird themselves for far greater effort than ever before. The nation expects maximum efficiency from both industry and labor to reduce housing costs. Our target of 1,500,000 homes to be started in 1947 is more than twice the production in 1941, when 715,000 units were built. And it far exceeds the record of 1925, the biggest home-building year in our history, when 937,000 units were built.

In order to meet our goal, we must step up conventional construction. This will be facilitated by utilizing some of the improved techniques developed during the war emergency. Under pressure of war needs, some of the leading builders pioneered in mass-production methods and on-site fabrication. As a result they were able to accelerate and increase construction and to reduce costs.

We will need more widespread use of these mass-production methods in conventional building. We will gain great advantages from the use of prefabricated parts for houses, such as complete bathroom and kitchen units, as well as new types of materials. The ingenuity of the industry should extend and improve these

W. N. Seymour Named To Community Trust

Whitney North Seymour of Simpson Thacher & Bartlett, of New York, has been named a member of the Distribution Committee of the New York Community Trust by Judge Learned Hand of the United States Circuit Court of Appeals. Mr. Seymour succeeds Joseph P. Grace, Sr. Thomas M. Debevoise, Chairman of the Committee, has been reappointed to serve until Jan. 1, 1952, by Harrison Tweed, President of the Association of the Bar of the City of New York. Major General Ulysses S. Grant III, Chief of Engineers of the U. S. Army, Washington, D. C., has been appointed to membership on the Advisory Committee of the Civilian Military Education Fund in the Trust by Col. William R. Brewster, President of the Association of Military Schools and Colleges.

methods to meet the needs of this program.

A job of this magnitude is going to require the best efforts of the entire building industry, including both large builders and small, both builders of apartment houses and large developments and builders of individual homes. Large-scale production of materials will enable the big builders to go ahead rapidly with the larger housing developments. And at the same time, it will assure the small builder, both rural and urban, that he will get his share of materials.

While we must depend for the bulk of our homes on building by conventional methods, we will also need to stimulate a large program of factory fabrication of homes. Increased emphasis on factory fabrication is also important from the point of view of manpower, since this method requires a smaller percentage of highly skilled workmen.

Greater reliance can thus be placed on semi-skilled and unskilled manpower which can be quickly trained. This is essential, since the magnitude of this program cannot be met even by the use of every skilled worker who can be recruited or trained. Furthermore, it is expected that greater production of lower-priced homes may be achieved.

A factory prefabrication program lends itself to the use of surplus plants, as well as assuring the full utilization of the existing prefabrication industry. The program is also well adapted to the use of substitute materials.

This program for factory fabrication contemplates the development of permanent homes which will meet accepted standards.

In addition to a shortage of materials, a serious obstacle in the way of the production of 250,000 prefabricated units this year and 600,000 in 1947, is the industry's lack of distribution facilities. The fact that manufacturers do not have established sales outlets tends to keep production down.

Under these circumstances, we must encourage private firms to go into this field and do the job with the Government assuring them of a market for the house they build. This can be accomplished by giving a Government purchase contract to producers who sell new-type houses through normal private channels of distribution. To qualify for such a purchase contract assuring full capacity operation, the producer should establish that:

1. He is prepared to produce a house which has been approved by the Government as meeting sound and tested standards of safety, durability, livability and health.

2. The house will be sold in the lower-priced field at approximately $3,500 for a one-bedroom house plus approximately $500 for each additional bedroom (f. o. b. plant, including the necessary equipment but excluding the cost of land and erection).

3. He had formulated an effective plan for distribution and erection which will be placed into operation to insure that houses will be put up promptly.

4. He can and will produce a specified number of houses for the twelve calendar months after the date of the Government purchase contract, which assures him of a market.

Under the purchase contract, the Government will take delivery of the houses only when the producer is unable to market them within a reasonable period following their production. In that case, the Government will dispose of the homes for use in veterans' housing, in the same manner that it now disposes of surplus property of the Government. Some loss may result from this program, but the amount of that loss is expected to be relatively small in relation to the size of the program and to the benefits to be derived.

It should be recognized that conventional builders and construction workers will not only have to do their regular job of home-building, but will also have to play a big part in the erection of factory-fabricated houses. Thus, the building industry is assured of a leading role in the emergency job. In addition, we can create in a brief period a mass-production building industry comparable in size, in opportunity for investment, and in employment with the automobile industry of the Twenties.

Land and Facilities

The veterans' emergency housing program contemplates building a larger number of homes during the next two years than in any comparable period of our history.

As manpower and materials become available, a sufficient number of lots must be ready, so that veterans' housing may go forward without delay. The number of lots improved with sewer, water and other facilities is far short of the requirements for the housing program. Vigorous action of all concerned will be required to overcome this shortage.

While it is clear that the central responsibility in this problem rests with the community, it may prove necessary for the Government to assist in providing facilities and in the development of sites.

Postponement of Deferrable and Non-Essential Construction

It will be impossible to achieve our housing goal for the year 1946 without diverting critical materials and manpower from deferrable and non-essential construction, both public and private. Only in this way can we secure an immediate expansion of essential residential construction.

It will be a matter of months before we can effectively expand material capacity and recruit and train needed manpower.

In the meantime, the deferral of the less-essential projects provides the one immediately available source of manpower and materials. It is hoped that the materials and manpower shortage will ease sufficiently by the end of 1946 to permit the relaxation of restraints on non-residential construction.

The determination of what constitutes essential and non-deferrable construction must be made in terms of well-defined standards and administered on a decentralized basis with the advice of local communities. Appeals from decisions made locally will be reviewed in Washington.

Homes Which Veterans Can Afford

Recent surveys conducted by the War Department at separation centers reveal that most veterans expect to be able to pay less than $50 monthly for the rental or purchase of a home. A large proportion of these veterans plan to rent rather than purchase homes.

This makes it clear that while there are definite advantages in retaining the present price ceiling of $10,000 (and rental ceiling of $80) on new construction, the largest part of residential building materials must be channeled, through priorities and allocations, into homes selling for $6,000 or less including land, or renting for not more than $50 per month.

To provide moderately priced homes with a maximum of rental units, it is necessary for the Government to offer greater incentive for the building of such housing. This can be achieved by insuring mortgages on low-cost homes for builders to the extent of 90% of value. Furthermore, such mortgages must be based on necessary current costs of construction rather than on long-term economic values, and they should be amortized over a long period. These techniques were successfully followed during the war under Title VI of the National Housing Act.

The Government can further reduce financing costs by lowering interest rates on insured mortgages and providing other aids to home purchasers.

A complete plan must also include aid for the expansion of the housing program for families of low income, with preference to veterans.

The Danger of Inflation

An inflationary spiral would be fatal to the housing program. By creating uncertainties it would impede production and lead to inventory hoarding and speculation. It would result in such high prices on homes as to put them completely out of reach of veterans' incomes.

Prices of building materials have already risen 35 to 40% above pre-war levels. We cannot afford any further rise. Houses are being sold at prices in many cases far above even today's increased costs of replacement. Here again we cannot afford any further rise. Many who want to rent are forced instead to buy at inflated prices.

An inflation of housing costs like that which followed the last war would inevitably put prices beyond the reach of millions of veterans and others and would prevent a sustained high level of construction activity.

To curb inflation, the Government must use its present powers to the full, including strict control over prices of materials, and the continuation of rent controls. Legislative authority is needed for ceiling prices on old and new housing and on building lots in urban areas.

Community Action

No program of this magnitude can be directed from Washington alone. We are going to need the advice and active participation of courageous community leaders in cities and towns throughout the country.

During the past few weeks I have had several meetings with representative Mayors and Governors, many of whom already have well-developed programs of local action. Together we have mapped out uniform plans for further activity to tie in with the veterans' emergency housing program.

As a first step we agreed that local emergency housing committees should be formed wherever they did not already exist. These committees will be composed of representatives from local government, veterans, labor, builders, building materials producers, financing institutions, chambers of commerce and other interested groups. The basic purpose of these committees will be to clear away obstacles which might impede the progress of the local housing program.

They will:

(1) Undertake to assure first preference to veterans on existing houses offered for rent or for sale.

(2) Develop temporary home-sharing programs for veterans.

(3) Aid in securing the extension of emergency building codes and the modernization of existing codes.

(4) Encourage conversions to provide additional dwelling units.

(5) Speed up inspections and issuance of building permits by local authorities.

(6) Provide sites for Army and Navy barracks which can be demounted, transported, and converted at Federal expense.

(7) Discourage black market activity in building materials and in rents and support price ceilings.

(8) Assist in recruiting and training labor.

(9) Break local bottlenecks in building materials.

(10) Establish centralized information centers to refer veterans to available housing.

(11) Assist in arrangements for adequate transportation and services for new developments.

(12) Help prepare land and facilities to accommodate new dwellings.

In many instances States will find it necessary to adopt legislation which will expedite the veterans' emergency housing program.

Legislation Required

Existing laws do not provide sufficient authority to enable us to achieve the objectives of this program. The prompt passage of additional legislation is imperative.

We must have legislation promptly which will:

1. Provide funds for premium payments to secure increases in production of conventional and new types of building materials. Authorizations of $600,000,000 are needed for the purpose.

2. Make funds available to the extent necessary to stimulate technical research into new construction methods and materials by private research groups and to absorb certain developmental costs involved in devising new materials or new methods.

3. Permit the rapid tax amortization of new plant facilities to produce new materials or manufactured homes.

4. Permit the construction of additional rental units and homes through insured mortgages up to 90 per cent of value and recognizing the necessary current costs.

5. Extend to Dec. 31, 1947, the authority for priorities and allocations.

In addition to these measures which are needed to increase and accelerate the construction of permanent housing, legislation is needed which will:

A. Provide 100,000 additional temporary housing units required to meet the most urgent needs for veterans' housing in cities and in colleges. This additional housing should be provided through the reuse of surplus Army and Navy barracks and other temporary housing. The relocation and conversion of these structures to dwellings requires a minimum of new materials. An additional appropriation of $250,000,000 is needed for this purpose.

B. Stop inflation in the prices of homes through price control on housing and housing sites. While production is the long-range solution for inflation, we should protect the veteran against excessive prices if he buys a home now.

C. Extend the necessary financing and other aids provided in S1592 (the Wagner-Ellender-Taft Bill), to make decent homes available for families of all incomes within their means. This would include the expansion of sound Government insurance of mortgage loans to encourage housing for families of moderate income and necessary aid for the expansion of the housing program for families of low income.

The permanent housing legislation recommended in your recent message on the State of the Union is essential to achieve emergency housing objectives, while at the same time it launches the comprehensive action required to meet our basic housing problem.

Mr. President, you asked me to prepare a bold and realistic plan to meet the pressing housing needs of our veterans.

This is that kind of plan. It is attainable.

This is a plan to meet an emergency which has grown out of the war just as surely as did our need for 50,000 aircraft in 1942. I believe that Americans will face this task in the same spirit in which they faced the fighting part of the war. I believe that the veterans will get their homes.

WILSON W. WYATT,
Housing Expediter.

Support of UNO Urged by Stassen

According to Harold E. Stassen, Minnesota Republican leader, Americans must have "some measure of regard for the dignity of fellow human beings and their welfare" in considering the UNO, atomic energy, world economy and future diplomacy. Mr. Stassen made the foregoing comments at a meeting on Jan. 29 at Town Hall of EssexCounty, N. J., at the East Orange High School. The Newark "Evening News" in its accounts of his remarks, reported Mr. Stassen as saying that rather than assume a cynical or "defeatist" attitude, we should promote a broad, international outlook and scrap narrow nationalism.

These are four major post-war responsibilities which victory has brought us, he said:

"Vigorous and continuous support of the start and development of the UNO.

"Presentation of a fair atomic energy policy to the United Nations Atomic Commission.

"Elimination of any narrow, restricted view toward the economic welfare of other peoples of the world.

"Development of a staff for diplomatic and foreign service which is much beyond anything we have had."

The Newark paper further reports Mr. Stassen as saying:

"As the war ended, it left one billion people short of food, 500,000,000 seething in social and political unrest and 250,000,000 a long distance from home. UNO is the first step, the beachhead won on the battlefield for peace.

"If nations are sincere, this organization is so overwhelmingly strong that it is almost absurd to call it weak, as some skeptics have accused. We, who believe it is and can be strong, must not be too timid to say so.

"The UNO is the 'Town Hall' of the world. Cynics say it has no chance to succeed. Cynics, at birth of the United States of America, scoffed more eloquently at the new republic's chances for survival than any one today is scoffing at the UNO. We must hope and be determined that the cynics of today shall be as wrong about UNO as they were about the U. S. A. in the past!"

The Midwest Republican advocated a "world-wide law, outlawing the manufacture, use or possession of atomic weapons and a world-wide system of inspection to ascertain if the outlawing is being fulfilled." To do this, he said, atomic materials must be inspected in a thorough and scientific manner.

From the Newark "Evening News" we also quote the following:

Economic policies, the speaker said, must be adjusted to fit into "multi-lateral" trade. "We cannot allow poverty and degradation in other countries. We must fit our policies to fit their cases and likewise fit their policies to our system." There is an economic need, he said, for assurance of long-term sources of raw materials for this country's mills and plants.

To get the type of diplomacy we need, "which would be frank, open discussion, not secret diplomacy," Stassen suggested "we put our young men and women into intensive training for foreign service, start a school which will be the 'West Point' or 'Annapolis' of the diplomatic service."

Electric Figures Delayed

Due to the observance of Lincoln's birthday (Feb. 12), the electric output figures as released by the Edison Electric Institute were not released in time for publication in this issue.

The State of Trade

(Continued from page 878)

responding week of 1945, or an increase of 1.5%. Local distribution of electricity amounted to 191,300,000 kwh., compared with 181,500,000 kwh. for the corresponding week of last year, an increase of 5.4%.

Railroad Freight Loadings—Carloadings of revenue freight for the week ended Feb. 2, 1946, totaled 723,135 cars, the Association of American Railroads announced. This was an increase of 14,005 cars (or 2.0%) above the preceding week and 16,421 cars, or 2.2% below the corresponding week of 1945. Compared with the similar period of 1944, a decrease of 82,579 cars, or 10.2%, is shown.

Paper and Paperboard Production—Paper production in the United States for the week ending Feb. 2 was 101.5% of mill capacity, against 94.5% in the preceding week and 88.8% in the like 1945 week, according to the American Paper & Pulp Association. Paperboard output for the current week was 95%, compared with 94% in the preceding week and 92% in the like 1945 week.

Business Failures Off Slightly—After a three-week increase, commercial and industrial failures turned down slightly in the week ending Feb. 7, reports Dun & Bradstreet, Inc. Concerns failing numbered 27, as compared with 31 in the previous week and 14 in the corresponding week of 1945. This marked the fourth straight week in which concerns failing have exceeded the number a year ago. In fact, in the last two weeks failures were about twice as numerous as in the same weeks last year.

Large failures involving liabilities of $5,000 or more remained at 19, the same number occurring last week. This compares with only 9 large failures in 1945's corresponding week. The decline this week came entirely in small failures with losses under $5,000. Concerns failing in this size group fell from 12 a week ago to 8 in the week just ended.

In trade, both wholesale and retail, failures were more numerous this week than in the previous week, but a decline appeared in manufacturing, construction and commercial service. Compared with the same week of 1945, failures this week were higher in all lines of trade and industry. The Upswing was sharpest in retail trade where 12 failures occurred as compared with only 5 a year ago.

Wholesale Commodity Price Index—Following a mild dip at mid-week, the daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., turned upward, closing at 183.40 on Feb. 5. This compared with 183.80 a week previous, and with 175.33 at this time a year ago.

Grain markets were again featured by activity in rye futures where persistent demand forced prices up to new highs for the past 25 years. Cash grains generally continued in good demand but supplies were limited and prices held at ceiling levels throughout the week. Total stocks of wheat in the United States on Jan. 1, 1946, as reported by the Department of Agriculture, were 689,327,000 bushels. This indicated a disappearance of 715,000,000 bushels since July 1, 1945 and a drop of 145,000,000 bushels under stocks reported on Jan. 1, 1945.

Flour demands remained strong but mill offerings were restricted by scarcity of wheat. Ceiling prices ruled in leading hog markets as accumulated demand exceeded supplies. Livestock receipts improved with the settlement of the strike of packing house workers. Lard stocks also showed improvement.

Cotton markets were active last week with sales considerably above those of a year ago. Price movements, however, were irregular and covered a fairly wide range. Toward the close of the period, profit taking and liquidation brought a check to the rise. In early dealings, values reached new high ground for 22 years on active trade and speculative demands. Tending to stimulate demand were the raising of the parity price of cotton to 21.95 on Jan. 15 from 21.82 in December, the continuing pressure of inflationary forces, and the anticipation of a large export demand. Current entries of cotton into the Government loan and purchase programs continue at only a fraction of the volume reported a year ago.

Trading in domestic wools in the Boston market last week continued slight, although it was felt that manufacturers were becoming more interested in domestic wools. Unfavorable prospects of large purchases in foreign markets in the future have influenced buyers to catalogue wools available in this country. The small offerings of spot fine foreign wools were quickly purchased while medium foreign wools were not in such strong demand.

A total of 2,025,978 pounds of domestic wools were appraised for purchase by the Commodity Credit Corporation during the week ending Jan. 25, 1946, bringing the total appraised to date to 333,204,707 pounds. By the same date a year ago 373,132,587 pounds had been appraised. Consumption of wool on the worsted system reached 58% of total consumption in October, the largest recorded since early in 1942.

Wholesale Food Price Index Unchanged—The wholesale food price index, compiled by Dun & Bradstreet, Inc., for Feb. 5, stood at $4.12 marking the third consecutive week without change. This was 0.5% greater than last year's $4.10, and 2.5% above the 1944 figure of $4.02. Commodities with advances in price were steers and sheep. Declines were shown for rye, potatoes, currants and lambs. The index represents the sum total of the price per pound of 31 foods in general use.

Wholesale and Retail Trade—Retail volume for the week and for the country as a whole fell slightly from last week but remained moderately above the comparable week a year ago, Dun & Bradstreet, Inc., reports in its current survey of trade. Consumers continued to search for long-awaited items such as hosiery, home furnishings, and electric appliances.

Men's clothing continued in very limited supply. Fur volume was spotty this week with some cities in the country reporting volume below a year ago. Spring dresses and suits sold well, while the volume for coats and suits was above a year ago.

Buying in sportswear departments was heavy, with cottons in great demand. Volume in resort wear reached a high level this week; bathing suits, cotton dresses, and linen and twill slacks were all best sellers. Straw hats were popular. Women's accessories sold in increased volume; Valentine gifts such as scarfs and jewelry were popular.

The scarcity of both nylon and rayon hosiery continued. Demand for men's hose remained strong. Stocks of cotton and rayon piece goods remained at a low level. Plastic fabric volume, however, was high.

Consumers ordered electric appliances whenever possible. Innerspring mattresses were readily purchased. Furniture volume rose over a year ago and the demand for case goods and upholstered furniture remained strong.

Food volume was about even with last week and moderately over a year ago. Canned peas and beans sold well, while stocks of canned tomatoes continued limited. Meat supplies were adequate with poultry plentiful. Fresh vegetables such as cabbage, celery, carrots, and lettuce were fairly abundant.

Retail volume for the country was estimated to be from 6 to 10% over a year ago. Regional percentage increases were: New England 4 to 8, East 10 to 14, Middle West 3 to 7, Northwest 7 to 11, South 6 to 9, Southwest 5 to 8, and Pacific Coast 6 to 10.

Wholesale volume this week remained close to the level of last week and was moderately over last year's volume for the corresponding period. Available stocks continued low and deliveries remained limited. In general, demand centered on the better and medium priced items.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended Feb. 2, 1946, increased by 20% above the same period of last year. This compared with an increase of 17% in the preceding week. For the four weeks ended Feb. 2, 1946, sales increased by 17% and for the year to date by 13%.

On a comparative basis retail trade here in New York last week made one of the best showings with substantial increases occurring in dollar volume. Estimated department store gains the past week approximated 30% over the 1945 week, with commensurate gains recorded by apparel specialty and chain stores.

A falling off in buyer arrivals in the wholesale markets was noted for the week as compared with preceding weeks, but the search for merchandise continued. The announcement by President Truman that the United States will play a larger role in helping to ward off starvation abroad caused shoppers to make heavy purchases of flour and cereal products.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to Feb. 2, 1946, increased 27% above the same period last year. This compared with a like increase in the preceding week. For the four weeks ended Feb. 2, 1946, sales rose 26% and for the year to date by 21%.

From Washington Ahead of the News

(Continued from first page)

hard to live in Washington and not have the world view. The thing that gives these un-world-minders strength, however, and therefore, quite worrying to our visiting British correspondent, is that two such world-minders as Barney Baruch and Jesse Jones, are against the loan. All Barney can do is to visit with members of Congress and counsel with them and promise to help them in case they need money in their next campaign. But Jesse has a newspaper, the Houston "Chronicle," aside from his ability to visit with congressmen.

Notwithstanding this opposition, the belief is that the loan will be ratified. The impulse on the part of our congressmen to be world-minded is more compelling than the influence of Messrs. Baruch and Jones.

This writer, himself is getting to be confused on the whole business of world-mindedness. The same influences, insofar as we can see, who insisted that we get into the war because the British Empire was a definite part of our foreign policy—that we and the British Empire, speaking the same language, either rose or sunk together; these same influences now seem to be trying to scuttle the Empire. They are tremendously critical of the British in Greece, in India and in Indonesia. There is manifestly something wrong about this picture. If the British Empire is an integral part of our foreign policy, if Britain has been our bastion in the past—the only justification we could have had for getting in the war—then we should certainly protect or go along with the British Empire setup now, and not be the referee, as our Liberal writers are calling it, between Britain and Russia. We are either with Britain or we are not. If we are not, why were we in the war? The answer is, of course, that we, of all people, always have to go into a war with a lot of hifalutin' terms. We are for "democracy," we say. That makes us look even sillier than we have been. We went into the war with Britain, to preserve her foreign policy which was ours. If our statesmen would admit that, they would get an awful lot of trouble off their necks. And certainly, in the meantime, we should brook no Communist voices which are trying to create chaos in our thinking by throwing up the fact that we said we were fighting for democracy. We should say frankly that that was the bunk.

On this broad abuse of the word "democracy" we have a serious domestic situation. As this is written, the information is that there is to be a new wage-price formula, but that John Snyder, who had fought for a certain increase for Steel, is to have all of his price control powers taken from him, and that Chester Bowles, the man who is keeping us from "inflation," is to assume full charge. In the pageantry of Washington, this is pretty good. Had the great Bowles been overridden and Snyder won out on the question of the Steel price, unquestionably the newspapers would have headlines that Chester had lost his fight against inflation. He had made a heroic stand, we would have been told, but greedy, selfish interests had got the better of him. It would have been a shame, the people would have agreed, that this upright conscientious man was bowled over by the greedy interests in this way, and he could have undoubtedly been elected to some office from Connecticut, which is his desire, on the basis of the great fight he had made for the American housewives, a very formidable lot, to whom, in fact, we are paying billions in food subsidies to keep up the illusion that their prices aren't being raised.

Mr. Truman, as we understand it, being convinced that Chester is heading off production, finally hit upon the idea of a new price formula, but to prevent Chester's martyrdom, then said, Now Chester you will have increased and final authority on prices from now on, subject only to me. But John Snyder, as we understand it, is to continue to be one of his closest advisers.

Mr. Truman, however, will continue to have trouble as long as he keeps Henry Wallace in the cabinet. It is not necessarily Henry himself, but his disciples are day in and day out, working up means to embarrass the President, with a view to discrediting him so that Henry will be the choice in 1948. A possible justification of their work is that Mr. Truman will not run again. Nobody knows whether that is true, not even Mr. Truman. But the Wallace people, who have been behind the fight on Snyder and on the side of Bowles, are seeking to make it impossible for him to run. Instead of complaining about how people are mistreating him, Mr. Truman should look to his official family. The job the Wallace followers are doing on him is nobody's business.

1,000,000 Trucks Annually for Four Years

(Continued from first page)

duce at an annual rate of 1,500,000 motor trucks when these expansion programs are completed.

Unfortunately, the industry has not been able to swing back into peacetime truck production—despite the relative simplicity of its reconversion problems—as quickly as it undertook its tremendous war-time assignment of building military vehicles.

In December, to cite the latest month for which production figures are available, the industry had a goal of 90,000 truck units. This had been set by the War Production Board, early in July. Actually, production was about one-third this hoped-for minimum figure.

Materials and parts shortages, together with labor tie-ups, have so far made it impossible for the industry to produce more than a trickle of production. These are the two weightiest and most unpredictable factors overhanging the industry's operations this year. Any improvement in the availability of parts and materials, and in the labor situation in all the industries related to truck production, will be immediately reflected in production volume.

The ultra-streamlined "dream trucks of the future," which were publicized during the war as the postwar products of the truck industry will not be forthcoming. Appearance-wise, the modern motor trucks produced this year and next, at least, will be little changed over pre-war designs. As utility vehicles, appearance, *per se*, is not a fundamental factor in trucks, although proper body design for more efficient handling of loads, better weight distribution and other elements which enter into truck design are important economic factors. These elements and some basic engineering improvements in power plants, developed as a result of war experience in building military vehicles capable of operating over extremely rugged terrain, are incorporated in motor trucks now being produced.

During the wartime emergency, state regulations affecting the operation of motor trucks were relaxed somewhat as an aid to war production. There is a tendency in some quarters, now, to go back to the hampering confusion which existed in this field, prewar. The motor truck industry feels that inasmuch as the full use of motor transportation was important to achieving satisfactory war production, it is also going to be equally important in helping achieve level of peacetime production and employment.

The efficient distribution of goods is becoming recognized as equally important as efficient production in maintaining our economy at proper levels. As a matter of fact, most authorities agree that the opportunities for creating new efficiencies in distribution are greater than the opportunities for reducing the production costs of most kinds of goods. Because motor trucks provide transportation links of so many kinds in the chain between producer and consumer, their efficient use can go far in lowering distribution costs in this country. The 3,000,000 "over-age" trucks now in service handicap such a program, and as quickly as they can be replaced, their owners and the public as well, will benefit from better service at lower costs.

Steel Operations at 5.5% of Capacity — Heavy Demand Expected to Follow Strike Settlement

After a loss of approximately 6,000,000 tons of steel and $60,000,000 in wages of basic steel employees, the steel wage-price issue has been settled and the strike is expected to be ended probably this week, or early next week, according to "The Iron Age," national metalworking paper. "The only bar to steel workers going back to work the latter part of this week or next Monday, Feb. 18, would be a disagreement over the retroactive feature of the wage increase," states this publication in its issue of today (Feb. 14), which further adds:

Steel workers will get their 18½¢ an hour (President Truman's compromise) which represents a scaling down from the union's original demand of 25¢ an hour which was subsequently cut to 22½¢, 20¢ and 19½¢. The steel industry is to obtain an average increase of $5 a ton on carbon and alloy steels. Two weeks will be required to allocate $4.50 of the $5 advance among various steel products. Three weeks will be required to distribute the remaining 50¢ a ton among steel products.

This price advance is not an across-the-board adjustment with the result that when final price details are worked out some products will be raised more than others. This method is for the purpose of attempting to restore or keep the basic relationship between the price of semifinished steel and finished steel in order to alleviate hardship for the small nonintegrated steel companies. The only reason the steel price announcement had not come out earlier this week was because it was held in abeyance until the broad pricing policy of the Administration was completed and announced.

"President Truman had set a retroactive date of Jan. 1 for the wage advance, but the steel industry held out for the date on which the men returned to work. Furthermore the price advance is to take effect officially the day the men return to their jobs. Since it will take some time to work out the details of allocating the price advance to various products, steel customers will receive an additional billing to take care of the difference between the old price and the new.

On the basis of 55,000,000 tons of finished steel per year (approximately the output for 1945) the price advance of an average $5 a ton will bring the industry about $275,000,000 a year, while a wage advance of 18.5¢ an hour will cost about $183,000,000. The difference will fall far short of what the industry has claimed is necessary to make up for past accumulated costs. The OPA in 1945 consistently promised the industry that price relief would be granted for these accumulated costs.

It is to be expected that the steel wage-price settlement will not be satisfactory to all steel companies. However, the major agreement on prices between the government and the U. S. Steel Corp. and on wages between the Steel Corporation and the union will be accepted by the rest of the industry.

With final negotiations between the U. S. Steel Corp. and the United Steel Workers of America expected to take place this week, it is probable that steel production will by Monday or a few days sooner begin the long upward move towards prestrike operation levels. The length of time it will take for the industry to reach such an operating rate may run into weeks. Some companies will be able to step up their operations rapidly, while others may require from one to two months before the prestrike ingot rate is obtained.

A large number of steel producers accounting for a small proportion of total steel output may find the settlement made by the large steel companies difficult to digest. This is especially true on the basis of loss figures during the later part of 1945. This outlook is believed to be one reason why the OPA consistently refused to agree to an across the board increase in steel prices which would have accentuated the disparity between the prices of semifinished steel and finished steel products.

The American Iron and Steel Institute on Feb. 11 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 5.5% of capacity for the week beginning Feb. 11, compared with 6.0% one week ago, 79.5% one month ago and 91.4% one year ago. This represents a decrease of 0.5 point or 8.8% from the preceding week. The operating rate for the week beginning Feb. 11 is equivalent to 96,900 tons of steel ingots and castings, compared to 106,200 tons one week ago, 1,401,200 tons one month ago, and 1,673,900 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Feb. 11 stated in part as follows:

"End of the steel strike is expected to result in more active demand than before the interruption, as settlement of the controversy will mean clearing of the greatest obstacle in the path of reconversion and probably early adjustment of a number of important strikes in steel consuming industries.

"Major consumer interest at first will be devoted to obtaining shipments on orders now on mill books as early as possible, as attention before the steel walkout was directed primarily to the same purpose, to build inventories to help out while mills were down. However, volume of new orders is expected to expand sharply as more stable conditions prevail and the cost and labor pattern is clarified. Also seasonal factors should prove stimulating.

"Third week of the steel strike saw inquiry at the lowest point since the interruption began, despite the belief that a break in the deadlock might come soon, as a result of the expected announcement by Washington of a new price-wage formula. Growing additional individual problems of consumers had much to do with slowing of inquiry. Those not already down because of strikes of their own were being forced to curtain operations because of materials shortage, a number suspending entirely for this reason.

"Recently there has been a freer disposition on the part of producers to enter orders and promise deliveries based on a time beginning with the end of the strike. In these cases sellers are limiting their commitments. They still favor regular customers and in general still are unable to promise nearly as much as is asked. With so much tonnage already lost because of the strike many consumers must reconcile themselves to a revision in requirements. However, various producers, including some leading mills, are not making promises of any description as to future deliveries, except perhaps on certain specialties or identified projects, and even then they are limited as to what they can do. Where consumers do not take their orders back for reinstatement later the orders are simply filed for future consideration.

"As an example of the far reaching effects of steel shortage tire manufacturers are limited in production by lack of bead wire, backlogs being nearly exhausted and no hope offered of replenishment for some time.

"Pig iron melters in general are in need of more tonnage as most foundries are not affected by the strike and are continuing castings production.

"Scrap continues scarce, at ceiling prices and in strong demand. Shortage is expected to continue well into the summer at least and melters, even though strike-bound, are using every device to assure as great supply as possible for poststrike use. Material is being stored wherever possible, to be available when steel production is resumed. Though no new orders are being given, steelmakers promise further tonnages as soon as mills become active."

Dickey Chairman of N. Y. Red Cross Group

Manhattan's financial firms—banks, brokers, investment houses, factors and finance and loan companies—have been organized into 17 campaign divisions in support of the Red Cross 1946 Fund, according to an announcement by Charles D. Dickey, Vice-President of J. P. Morgan & Co. Incorporated and Chairman of the Financial Section of the Red Cross Commerce and Industry Committee.

A Red Cross 1946 Fund quota of $1,490,000, the largest assigned to any fund-raising group in the forthcoming campaign, has been accepted by the city's financial center, it was announced by Mr. Dickey. In announcing the quota, which was described as the minimum amount to be contributed, Mr. Dickey stated that his section, comprising banks, security exchanges, insurance companies, accountants, law firms and finance and loan companies already has achieved more than 34% of its objective in pre-campaign contributions. Leading the 33 fund-raising divisions in Mr. Dickey's section are the banks and trust companies of Manhattan, the contributions of which to date have equaled 60% of its quota of $581,000. This division is led by Sidney Weinberg, of Goldman Sachs & Co.

This year the Red Cross is seeking $100,000,000 to continue its activities for the armies of occupation, in veterans' and military hospitals and in local communities. Greater New York's share of this quota is $10,500,000. In previous campaigns the Financial Section has been responsible for obtaining corporate gifts that comprised a large proportion of the total raised by the Commerce and Industry Committee.

Serving with Mr. Dickey as group and division chairmen are: Sidney Weinberg, of Goldman, Sachs & Co., Chairman of the bank and trust companies, Brokers and brokerage houses and investment groups; John Coleman, of Coleman & Co., New York Stock Exchange; Edwin Posner, of Andrews, Posner & Rothchild, New York Curb Exchange; Jerome Lewine, of Henry Hentz & Co., New York Cotton Exchange; F. Wilder Bellamy, Investment Trusts; Hardwick Stires, of Scudder, Stevens & Clark, Investment Advisers; Frank Dunne, of Dunne & Co., Unlisted Securities; Alfred Shriver, of Morgan Stanley & Co., Investment Bankers; Clarence G. Michalis, President, Seamen's Bank of Savings, Savings Banks; Gardner W. Taylor, President, First Federal Savings & Loan Assn., Savings and Loan Associations; Lincoln Cromwell, Chairman, William Iselin & Co., Factors; Charles J. Davis, Vice-President, William Iselin & Co., Textile Factors; Windsor C. Batchelder, Vice-President, National Credit Office, Credit Agencies; Herbert R. Silverman, of Centaur Credit Corp., Factors Finance Companies and Miscellaneous Factors; Arthur O. Dietz, President, Commercial Investment Trust Co., Finance and Loan Companies; Fred W. Hautau, Vice-President, Commercial Investment Trust Co., Finance Companies; William E. Thompson, of the Personal Finance Co., Small Loan Companies; Louis Graverman of Paul Kaskel & Sons, Inc., Personal Loan Companies; Hendon Chubb, of Chubb & Sons, General Insurance; Laurence Kennedy, President, Marsh & McLennan Inc., Downtown Insurance brokers; Edward I. White, of White & Camby, Inc., Uptown Insurance Brokers; Bernard Culver, Fire Insurance Companies and Groups; Harold C. Conick, Manager, Royal Liverpool Group, British Companies; Vincent Cullen, Casualty and Surety Companies; Michael Murphy, Association of New York Mutual Casualty Companies, Mutual and Reciprocal Companies; Dudley Dowell, Vice-President, New York Life Insurance Co., and Henry Lievestad, of the same company, Chairman and Co-Chairman, respectively, of the Life Insurance Companies' Group; Henry E. Mendes, of Touche, Niven & Co., Accountants and Accounting Firms; W. E. Stevenson, Lawyers and Law Firms, assisted by J. Edward Lumbard, Jr., and Francis Adams Truslow, downtown and uptown division chairmen, respectively.

Sitterly in Trade Bd. Committee Post

E. F. Sitterley, President of J. E. Sitterley & Sons, Inc., publishers of World's Business & Guia, export business publications, has been appointed Chairman of the Export Committee, Aviation Section, New York Board of Trade, Inc., John F. Budd, Chairman, announced on Jan. 16. Associated with world trade and the publishing field for a quarter of a century, Mr. Sitterley it is stated has been active in bringing about improved cultural and commercial relations between the United States and other nations. During the recent War he served on the Air Staff of Rear Admiral Forrest B. Royal during the Battle of Leyte Gulf, and served with the Pacific Fleet throughout the Solomon Islands, Mariannas and Philippine campaigns, and with carrier Task Force 58 in the First Battle of the Philippine Sea.

Mr. Sitterley is a Director of the American Arbitration Association; Chairman, of the Regional Committee Activities, Foreign Trade Education Committee of the National Foreign Trade Council; Member of the Commerce and Industry Association of New York, Pan American Society, Mexican Pilgrims and Asiatic Society. He has addressed chambers of commerce, foreign trade organizations, manufacturing, industrial and educational groups throughout the United States.

ABA Bank Management Commission Meeting

The Bank Management Commission of the American Bankers Association will meet in executive session at the Edgewater Beach Hotel, Chicago, Ill., on Friday and Saturday, March 1 and 2, it was announced on Feb. 1 by Willaim A. McDonnell, Chairman of the Commission, who is also Vice-President of the Mercantile-Commerce Bank & Trust Co., St. Louis, Mo. During this executive session, which will be held in Chicago at this time instead of at the annual ABA spring meeting, Commission members will discuss among other things a simplified formula for calculating FDIC insurance and make plans for future activities. Chairman McDonnell said, "the two days will be devoted to intensive business sessions which will be attended only by members of the Commission and the ABA staff, numbering about 15 in all."

Operating Income of Marine Midland Corp.

The annual report to stockholders of Marine Midland Corp. issued Jan. 29 reflects consolidated current operating income of the Corporation and its affiliates for the year ended Dec. 31, 1945, of $4,816,243 and is equivalent to 85 cents per share on the outstanding shares of Marine Midland Corp. stock in the hands of the public on Dec. 31, 1945. This compares with 91 cents per share for the year 1944. Gross operating earnings increased substantially but increases in interest paid, expenses, and taxes it is stated more than offset the gain in gross earnings. Provision for Federal Income, State Franchise, and Other Taxes was $1,688,975 compared $1,078,685 a year ago.

Net addition to capital surplus after deducting dividends paid and accrued was $6,228,000 for the year, compared with $5,516,000 for 1944. This reflects the net change in the capital, surplus and undivided profits accounts of the banks, affiliate, and Marine Midland Corp. itself. The book value is equivalent to $12.42 per share on the outstanding shares of Marine Midland Corporation stock on Dec. 31, 1945.

U. S. Government securities owned by the corporation, its banks and affiliate increased from $600,952,479 to $713,501,436 in the year. The average maturity of U. S. Government securities was five years and one month. Figured to call dates, the average was three years and ten months. 37.4% of these investments were due within one year; 57.9% within five years; 87.8% within ten years. Other securities owned increased from $25,870,205 to $33,966,280. It is also noted that loans and discounts increased $31,386,187. "V" and "VT" forms of credit and other loans for war purposes showed a sharp decline; however, loans for peace-time production and activity have begun to show increases.

At the year-end the deposits of the banks of the Group were $1,152,276,331 as compared with $976,346,213 on Dec. 31, 1944, and their total assets on Dec. 31, 1945 were $1,227,353,252.

Dividends received by the parent company from its constituent banks and trust companies amounted to $1,746,220, equal to 31 cents per share, and the parent company declared dividends during 1945 amounting to $1,557,775, or 27½ cents per share.

Steel Production in 1945 Below 80-Million Ton Mark

The steel industry produced 79,745,581 tons of ingots and steel for castings in 1945, the American Iron and Steel Institute announced on Jan. 10. That tonnage, although well above the highest output of any peacetime year, was almost ten million tons below the record production of 89,641,600 tons established in 1944.

The industry's average operating rate during 1945 was 83.5% of capacity, compared with 95.5% of capacity in 1944. Calculated weekly production was 1,529,451 tons in 1945 against 1,714,644 tons per week in 1944.

The second half of last year, which brought the ending of the war and the national coal strike, resulted in the largest part of the year's decline as compared to 1944. Production during the first half of 1945 was only 2,000,000 tons below output of the corresponding part of 1944, but in the second half of 1945, it was down approximately 8,000,000 tons from the output of the latter part of 1944. Fourth quarter output at 17,884,091 tons was the lowest of the year.

Production in December was 6,084,929 tons, against 6,201,380 tons in November and 7,366,170 tons in December, 1944.

National Fertilizer Association Commodity Price Index Advances to New High

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on Feb. 11 advanced 0.3% to a new high peak of 142.4 in the week ended Feb. 9, 1946, from 142.0 in the preceding week. The previous high point was reached the last week of 1945 when it was 142.3. A month ago the index stood at 142.1, and a year ago at 140.1, all based on the 1935-1939 average as 100. The Association's report went on to say:

Four of the composite groups of the index advanced during the latest week and the remaining groups of the index were unchanged. The farm products group advanced with two of its subgroups sharing in the advance; one subgroup was fractionally lower. The cotton index rose to a new high level. The livestock index advanced with higher prices for lambs, sheep and eggs more than offsetting lower prices for cattle and poultry. The grain index declined slightly because of lower rye prices. The food group advanced moderately. The textile index was slightly higher. The miscellaneous commodities group advanced with higher quotations for paperboard. The index (not shown in the table below) for all commodities except farm products and foods advanced and is now at the same level that it was in September, 1945.

During the week 5 price series in the index advanced and 6 declined; in the preceding week 9 advanced and 2 declined; in the second preceding week 5 advanced and 6 declined.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled bv The National Fertilizer Association
1935-1939=100*

% Each Group Bears to the Total Index	Group	Latest Week Feb. 9, 1946	Preceding Week Feb. 2, 1946	Month Ago Jan. 12, 1946	Year Ago Feb. 10, 1945
25.3	Foods	142.4	141.1	143.1	142.9
	Fats and Oils	146.6	146.6	146.6	145.3
	Cottonseed Oil	163.1	163.1	163 1	163.1
23.0	Farm Products	170.8	168.6	170.8	165.0
	Cotton	241.7	239.1	232.6	203.4
	Grains	169.7	169.8	169.3	162.7
	Livestock	160.3	157.2	162.3	159.9
17.3	Fuels	129 3	129.3	129.4	130.4
10.8	Miscellaneous commodities	133.9	133.5	133.5	133.4
8.2	Textiles	160.4	160.0	159.2	155.5
7.1	Metals	110.2	110.2	110.2	106.4
6.1	Building materials	160.4	160.4	160.4	154.1
1.3	Chemicals and drugs	127.0	127.0	127 0	125.4
.3	Fertilizer materials	118.2	118.2	118.2	118.3
.3	Fertilizers	119.8	119.8	119.9	119.9
.3	Farm machinery	105.2	105.2	105.2	104.8
100.0	All groups combined	142.4	142.0	142.1	140.1

*Indexes on 1926-1928 base were: Feb 9, 1946, 110.9; Feb. 2, 1946, 110.6, and Feb. 10, 1945, 109.1.

Moody's Common Stock Yields

For yields in prior years see the following back issues of the "Chronicle": 1941 yields (also annually from 1929), Jan. 11, 1942, page 2218; 1942 levels, Jan. 14, 1943, page 202; 1943 yields, March 16, 1944, page 1130; 1944 yields, Feb. 1, 1945, page 558; 1945 yields, Jan. 17, 1946, page 299.

MOODY'S WEIGHTED AVERAGE YIELD OF 200 COMMON STOCKS

	Industrials (125)	Railroads (25)	Utilities (25)	Banks (15)	Insurance (10)	Average Yield (200)
Oct., 1945	3.7	5.2	4.2	3.1	3.1	3.8
Nov., 1945	3.6	4.8	4.0	3.2	3.2	3.7
Dec., 1945	3.6	4.8	4.1	3.3	3.1	3.7
January, 1946	3.4	4.5	3.8	3.4	2.9	3.5

Moody's Bond Prices and Bond Yield Averages

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

MOODY'S BOND PRICES
(Based on Average Yields)

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Feb. 12	Stock	Exchange	Closed						
11	126.12	119.61	123.34	121.88	119.00	114.27	116.41	120.02	122.29
9	126.15	119.61	123.56	121.67	119.20	114.27	116.61	120.02	122.29
8	126.15	119.61	123.34	121.88	119.20	114.27	116.41	120.02	122.29
7	126.09	119.61	123.56	121.67	119.00	114 27	116.41	119.82	122.29
6	126.06	119.41	123.56	121.67	119.00	113.89	116.22	119.82	122.29
5	125.98	119.20	123.34	121.46	118 80	113.70	116.02	119.61	122.29
4	125.97	118.20	123.34	121.46	118.80	113.70	116.02	119.41	122.29
2	126.05	119.20	123.34	121.46	118.80	113.50	115.82	119.41	122.29
1	126.05	119.20	123.34	121.46	118.80	113.50	115.82	119.41	122.29
Jan. 25	126.28	119.00	123.12	121.25	119.00	113.31	115.63	119.41	122.09
18	126.06	118.60	122.50	120.84	118.60	112.93	115.24	118.80	121.88
11	126.11	118.20	122.09	120.63	118.20	112.56	115.04	118.40	121.46
4	125.18	117.80	121.67	119.82	117.60	112.37	114.66	117.80	120.84
High 1946	126.28	119.61	123.56	121.88	119 20	114.27	116.61	120.02	122.29
Low 1946	124.95	117.60	121.46	119.82	117.40	112.19	114.46	117.80	120.63
1 Year Ago Feb. 10, 1945	121.59	114.27	119.82	118.40	114 08	105.69	109.95	114.08	119.20
2 Years Ago Feb. 11, 1944	119.69	111.25	118.40	116.22	111.25	100.49	104.31	113.50	116.41

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

1946— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus
Feb. 12	Stock	Exchange	Closed						
11	1.32	2.67	2 49	2.56	2.70	2.94	2.83	2.65	2.54
9	1.32	2.67	2.48	2.57	2.69	2.94	2.82	2.65	2.54
8	1.32	2.67	2.49	2.56	2.69	2.94	2.83	2 65	2.54
7	1.32	2.67	2.48	2.57	2.70	2.94	2.83	2.66	2.54
6	1.33	2.68	2 48	2.57	2.70	2.96	2.84	2.66	2.54
5	1.33	2.69	2.49	2.58	2.71	2.97	2.85	2.67	2.54
4	1.33	2.69	2.49	2.58	2.71	2.98	2.85	2.68	2.54
2	1.33	2.69	2.49	2.58	2.71	2.98	2.86	2.68	2.54
1	1.33	2.69	2.49	2.58	2.71	2.98	2.86	2.68	2.54
Jan. 25	1.31	2.70	2.50	2.59	2.70	2.99	2 87	2.68	2.55
18	1.33	2.72	2.53	2.61	2.72	3.01	2.89	2.71	2.56
11	1.32	2.74	2.55	2.62	2.74	3.03	2.90	2.73	2.58
4	1.38	2.76	2.57	2.66	2.77	3.04	2.92	2.76	2.61
High 1946	1.40	2.77	2.58	2.66	2.78	3.05	2.93	2.76	2.62
Low 1946	1.31	2.67	2.48	2.56	2.69	2.94	2.82	2.65	2.54
1 Year Ago Feb. 10, 1945	1.72	2 94	2.66	2.73	2.95	3.41	3.17	2.95	2.69
2 Years Ago Feb. 11, 1944	1.85	3.10	2.73	2.84	3.10	3.72	3.49	2.98	2.83

*These prices are computed from average yields on the basis of one "typical" bond (3¾%- 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.

NOTE— The list used in compiling the averages was given in the Nov. 22, 1945 issue of the "Chronicle" on page 2508.

Wholesale Prices Unchanged in Week Ended February 2

Primary market prices were unchanged on the average during the week ended Feb. 2, 1946, it was indicated on Feb. 7 by the Bureau of Labor Statistics, U. S. Department of Labor which stated that "at 106.8% of the 1926 average, the level of four weeks ago, the index of commodity prices prepared by the Bureau, was 2.0% higher than the first week of Feburary, 1945. The advices from the Bureau added:

"Farm Products and Foods—Average prices of farm products declined 0.2% during the week largely because of reduced quotations for livestock, reflecting low demand by packers pending resumption of full operations under government seizure. Prices of grains averaged slightly higher, with increases for oats, the only grain available in quantity, and continued speculative advances for rye, which raised rye prices to the highest level since April 1918. Among the fruits and vegetables, prices of potatoes increased with good demand in most markets and sweet potatoes and oranges were higher. Lemons declined seasonally and apples and onions were lower with qualities poor. Cotton quotations continued to advance in a speculative market. Prices of hay declined and offerings were large. Eggs dropped seasonally. The group index for farm products was 1.2% lower than a month ago and 32% above a year ago.

"Food prices averaged slightly lower (0.1%) as the decreases for eggs more than offset higher prices for fresh fruits and vegetables and fractionally higher prices for cereal products. Average prices of foods were 1.2% below early January 1946 and 2.3% above the first week of February, 1945.

"Other Commodities—There were few important price changes for other commodities during the week. The group index for all commodities other than farm products and foods remained at the level of the previous week, 0.3% higher than four weeks ago and 1.6% above the corresponding week of last year. Prices of several types of shoes advanced, reflecting the 4½% increase in OPA ceilings to cover higher manufacturing costs and cotton blankets rose 15% with an increase in manufacturers' ceilings to encourage restoration of production. Prices of anthracite advanced fractionally and butyl acetate rose toward ceiling.

The Labor Department included the following notation in its report:

The Bureau of Labor Statistics' wholesale price data, for the most part, represent prices in primary markets. In general, the prices are those charged by manufacturers or producers or are those prevailing on commodity exchanges. The weekly index is calculated from one-day a-week prices. It is designed as an indicator of week to week changes and should not be compared directly with the monthly index.

The following tables show (1) indexes for the past three weeks, for Jan. 5, 1946 and Feb. 3, 1945 and (2) percentage changes in subgroups indexes from Jan. 26, 1946 to Feb. 2, 1946.

WHOLESALE PRICES FOR WEEK ENDED FEB. 2, 1946
(1926 = 100)
(Indexes for the last eight weeks are preliminary)

Commodity group—	2-2 1946	1-26 1946	1-19 1946	1-5 1945	2-3 1945	Percentage changes to Feb. 2, 1946 from— 1-26 1946	1-5 1945	2-3 1945
All commodities	106.8	106.8	106.7	106.8	104.7	0	0	+2.0
Farm products	129.7	129.9	129.3	131.3	125.7	—0.2	—1.2	+3.2
Foods	106.7	106.8	107.3	108.0	104.3	—0.1	—1.2	+2.3
Hides and leather products	119.8	119.4	119.4	119.4	117.9	+0.3	+0.3	+1.6
Textile products	101.1	101.1	101.1	100.6	99.1	0	+0.5	+2.0
Fuel and lighting materials	85.4	85.4	85.5	85.2	84.0	0	+0.2	+1.7
Metal and metal products	105.8	105.8	105.4	105.3	104.2	0	+0.5	+1.5
Building materials	119.9	119.9	119.8	119.1	116.7	0	+0.7	+2.7
Chemicals and allied products	96.0	96.0	96.1	96.1	94.9	0	—0.1	+1.2
Housefurnishings goods	106.8	106.6	106.6	106.4	106.2	+0.2	+0.4	+0.6
Miscellaneous commodities	95.0	95.0	95.0	95.0	94.1	0	0	+1.0
Raw materials	118.9	119.0	118.7	119.7	115.3	—0.1	—0.7	+3.1
Semi-manufactured articles	97.5	97.5	96.9	96.9	94.8	0	+0.6	+2.8
Manufactured products	102.9	102.9	102.9	102.6	101.6	0	+0.3	+1.3
All commodities other than farm products	101.7	101.7	101.7	101.4	100.1	0	+0.3	+1.6
All commodities other than farm products and foods	100.9	100.9	100.8	100.6	99.3	0	+0.3	+1.6

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM
JAN. 26, 1946 TO FEB. 2, 1946

Increases

Shoes	0.7	Other Farm Products	0.2
Fruits and Vegetables	0.4	Anthracite	0.1
Furnishings	0.3	Cereal Products	0.1
Grains	0.1		

Decreases

Livestock and Poultry	0.9	Other Foods	0.7

MacArthur Reports Administration In Japan Before Allied Control Plan

A report was released by the War Department, the Associated Press reported from Washington, Jan. 3, in which General MacArthur gave details covering the initial two months of Japanese occupation, after the landing on Aug. 30, 1945. The General described his policy as using, not supporting, "the existing Government in Japan, and to permit and favor changes in the form of Government initiated by the Japanese people or Government in the direction of modifying its feudal and authoritarian tendencies."

The report goes on to say, according to the Associated Press, that military control has been imposed upon the Government structure, but with minimum interference with the existing administration. "Not only has this policy attained the desired ends," General MacArthur stated, "but it has avoided the use of hundreds of thousands of personnel which would have been required had the basic structure of the Japanese Government been reconstituted and replaced." The Associated Press added:

Gen. MacArthur's report held out no high hope for an immediate trend to democracy in Japan because the people "have had no experience with it in any way" and the Government has suggested little toward democratic reform.

But if democracy can't be imposed directly, the American GI's of the occupation force are demonstrating it, the General said. He added that the conduct of the troops is exemplary.

The report, written well before the recent Moscow conference which resulted in an Allied control plan for Japan, made no detailed comment on other Allied Powers in the occupation picture.

It did comment, however, on the situation existing in Korea, where part of the peninsula is under Russian control, part under American.

"Since the two sectors of Korea are mutually dependent," said Gen. MacArthur, "all phases of life in the country suffer from the arbitrary division at the 38th parellel (the boundary between the two zones).

"The solution to problems occasioned by this division can be solved only by active co-operation between the Governments of the United States and the Soviet Union."

The Big Three Foreign Ministers at Moscow agreed on the formation of a joint United States-Russian commission to assist in the formation of a provisional Korean Government.

In a report on non-military activities, Gen. MacArthur said the food situation in Japan itself promises to be critical this year if estimates of the Japanese ministry are correct.

"At least 3,311,000 metric tons of food or rice equivalents may have to be imported in 1946 in order for the Japanese to be able to maintain as much as an 1,800 caloric diet per person per day," he said.

The minimum caloric and protein intake requirement per day for the average Japanese was estimated by the ministry to be 2,160 calories and 76 grams of protein.

But MacArthur added that "there is no evidence that the average food intake ever reached 2,160 calories for any year during the war."

The rice crop, principal factor in the Japanese food situation, was severely damaged by typhoons in September, Gen. MacArthur reported, while the scarcity of chemical fertilizers also will contribute to the food shortage.

Articles Prohibited in Mails to Czechoslovakia

Postmaster Albert Goldman announced on Jan. 30 that information had been received from the Post Office Department, Washington, that the importation into Czechoslovakia of Slovak, Czech, or Czechoslovak silver coins and subsidiary coins, of valuable papers (paper money, securities, etc.) of any kind, as well as of savings booklets, is permitted only by authorization of the Czechoslovak National Bank at Praha. It is further stated:

"Unmanufactured gold, silver, and platinum may be imported into Czechoslovakia by mail on the condition that they are delivered to the Czechoslovak National Bank at Praha.

"The importation of foreign silver coins is free, with the exception of those of Germany and Hungary, the importation of which is prohibited."

Foreign Remittance Service to Bulgaria

Resumption of foreign remittance service to Bulgaria under United States Treasury General License No. 94 was announced on Jan. 24 by Ralph T. Reed, President of the American Express Co. The company indicates that it is now in a position to forward foreign money orders by cable and mail to beneficiaries in all parts of Bulgaria. The foreign money orders are transmitted in United States dollars and payable in Bulgaria in leva for the equivalent of the dollars transmitted.

Moody's Daily Commodity Index

Tuesday, Feb. 5, 1946	266.1
Wednesday, Feb 6	266.3
Thursday, Feb. 7	266.6
Friday, Feb. 8	267.0
Saturday, Feb. 9	267.3
Monday, Feb. 11	267.3
Tuesday, Feb. 12	*
Two weeks ago, Jan. 29	266.4
Month ago, Jan. 12	264.7
Year ago, Feb. 10, 1945	253.3
1945 High, Dec. 27	265.0
Low, Jan. 24	252.1
1946 High, Feb. 9	267.3
Low, Jan. 2	264.7

*Holiday.

Trading on New York Exchanges

The Securities and Exchange Commission made public on Feb. 6, 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 Jan. 19, 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 Jan. 19 (in round-lot transactions) totaled 4,844,248 shares, which amount was 14.72% of the total transactions on the Exchange of 16,454,020 shares. This compares with member trading during the week ended Jan. 12 of 4,221,146 shares, or 15.59% of the total trading of 13,541,850 shares. On the New York Curb Exchange, member trading during the week ended Jan. 19, amounted to 1,516,760 shares or 13.85% of the total volume on that Exchange of 5,474,400 shares. During the week ended Jan. 12 trading for the account of Curb members of 1,127,430 shares was 14.77% of the total trading of 3,816,265 shares.

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

WEEK ENDED JAN. 19, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	465,480	
‡Other sales	15,988,540	
Total sales	16,454,020	
B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	1,498,520	
Short sales	290,260	
‡Other sales	1,222,560	
Total sales	1,512,820	9.15
2. Other transactions initiated on the floor—		
Total purchases	297,570	
Short sales	24,000	
‡Other sales	253,740	
Total sales	277,740	1.75
3. Other transactions initiated off the floor—		
Total purchases	5[illegible]3,768	
Short sales	58,810	
‡Other sales	635,020	
Total sales	693,830	3.82
4. Total—		
Total purchases	2,359,858	
Short sales	373,070	
‡Other sales	2,111,320	
Total sales	2,484,390	14.72

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

WEEK ENDED JAN. 19, 1946

	Total for Week	†%
A. Total Round-Lot Sales:		
Short sales	90,170	
‡Other sales	5,384,230	
Total sales	5,474,400	
B. Round-Lot Transactions for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	518,765	
Short sales	54,295	
‡Other sales	436,030	
Total sales	490,325	9.22
2. Other transactions initiated on the floor—		
Total purchases	91,845	
Short sales	6,000	
‡Other sales	105,255	
Total sales	111,255	1.85
3. Other transactions initiated off the floor—		
Total purchases	84,250	
Short sales	13,150	
‡Other sales	207,170	
Total sales	220,320	2.78
4. Total—		
Total purchases	694,860	
Short sales	73,445	
‡Other sales	748,455	
Total sales	821,900	13.85
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	189,467	
Total purchases	189,467	
Total sales	222,145	

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

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

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

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

Civil Engineering Construction Totals $55,527,000 for Week

Civil engineering construction volume in continental United States totals $55,527,000 for the week ending Feb. 7, 1946, as reported to "Engineering News-Record." This volume is 21% below the previous week and 169% greater than the week last year, and is 18% below the previous four-week moving average. The report issued on Feb. 7 went on to say:

Private construction volume for the current week is 30% below the previous week but 328% above the week last year. Public construction, 7% over last week and 57% over the corresponding week of last year, gained largely due to state and municipal construction's increase of 15% over last week and 572% increase over the 1945 week. Federal construction, down 3% from last week also dropped 75% below the week last year.

The six-week cumulative total for 1946, $403,804,000, is 275% greater than the $137,500,000 reported for the like period of 1945. Private construction cumulative volume, $274,111,000 is 467% above last year, and public construction is 45% greater than 1945. The cumulative total for state and municipal construction is 347% above last year and federal construction is down 39% from last year.

Civil engineering construction volume for the current week, last week, and the 1945 week are:

	Feb. 7,1946	Jan. 31,1946	Feb. 8, 1945
Total U. S. Construction	$55,527,000	$70,197,000	$20,591,000
Private Construction	36,648,000	52,555,000	8,569,000
Public Construction	18,879,000	17,642,000	12,022,000
State and Municipal	16,468,000	14,285,000	2,451,000
Federal	2,411,000	3,357,000	9,571,000

In the classified construction groups, four of the nine classes recorded gains this week over last week as follows: sewerage, commercial buildings, highways and unclassified. Seven of the nine classes gained over the week last year as follows: waterworks, sewerage, bridges, industrial and commercial buildings, highways and unclassified.

NEW CAPITAL

New capital for construction purposes this week totals $11,331,000, and is made up of $5,584,000 in state and municipal bond sales and $5,747,000 in corporate security issues. The current weeks new financing brings the 1946 cumulative total for six weeks to $262,117,000, 42% greater than the amount reported for a like period of 1945.

Non-Ferrous Metals—Strikes Close Mills and Refinery—Canada Revokes Silver Ceiling

"E. & M. J. Metal and Mineral Markets," in its issue of Feb. 7, stated: "Strikes spread to brass mills, the Laurel Hill copper refinery of Phelps Dodge, and the zinc mine and mill at Mascot, Tenn. Plants of the American Brass Co. in the Waterbury area and at Buffalo were shut down on Feb. 4, and the plant of Chase Brass & Copper, at Waterbury, also closed on the same day. Workers at the mill of the Scovill Manufacturing Co., Waterbury, walked out on Feb. 5. Bridgeport Brass was scheduled to close down Feb. 11. Transportation was disrupted in New York harbor because of a strike of tugboat crewmen. A wages-price policy was expected hourly from Washington to clarify the situation for all industry. The only price development last week was the removal of the ceiling on silver by Canada." The publication further went on to say in part as follows:

Copper

Interest in copper naturally centered in the latest strike developments. That the movement of metal will drop sharply in February is regarded as certain, but few in the industry are concerned about what the statistics are likely to show under prevailing abnormal conditions. The statistical record for January should be relatively good, as a substantial tonnage was moved in the first month of the year.

Details on the Government's purchase program for Latin American copper are not yet available. With the market for foreign copper definitely firmer, and with costs rising, producers are not anxious sellers of the metal under the old terms.

Copper imports of the United States in 1945, in tons, according to the Bureau of the Census:

	1945
In ore, matte, etc.	77,517
Blister copper (content)	238,012
Refined	530,262
Old and scrap (content)	1,360
Total	847,151

Imports of copper in December totaled 61,125 tons, of which 6,387 tons was contained in ore, etc., 12,912 tons was blister, 41,785 tons refined, and 41 tons was contained in old and scrap.

Lead

Demand for lead was active throughout the week and sales for the period involved 9,731 tons. Books for March lead were opened, which accounts for the increased volume.

According to a news report from Washington, OPA intends to take no action to increase the price of lead "at this time." Lead authorities regard the situation in the metal as strong and cling to the view that to increase production the price will have to rise sooner or later.

In a reply to a recent statement by automobile men that a reduction in battery supplies is forcing cars off the road, Administrator Small, OPA, said that sufficient lead has been provided during the period Oct. 1, 1945, to March 31, 1946 to permit production of 9,223,000 replacement batteries, as compared to production of 8,862,000 replacement batteries during the same period a year ago. This does not indicate, he said, that we are faced with a widespread immobilization of automotive equipment due to lack of replacement batteries.

Supplies of lead to consumers in the United Kingdom are being rationed, according to the Metal Bulletin, London. Deliveries to consumers absorbing more than two tons a month are limited to a percentage of average monthly consumption in the four-months' period of September-December 1945, subject to an adjustment in relation to the consumer's stock position. For the first quarter of 1946 the rate was fixed at 80%.

Zinc

Zinc producers are encountering difficulties in making regular shipments because of a tight situation in the matter of obtaining box cars now tied up because of strikes in various industries particularly steel.

The mine and mill of the American Zinc, Lead & Smelting Co., at Mascot, Tenn., shut down on Saturday because of a strike for higher wages.

Producers of Prime Western, used in galvanizing, report a decline in the movement of the metal because of the steel strike. Die casters, however, continue to take liberal quantities of Special High Grade.

Tin

Exports of tin concentrates from Bolivia during 1945 contained 43,147 metric tons of tin, against 39,340 tons in 1944 and 40,958 tons in 1943.

Malayan officials estimate that production of tin in that area in 1946 will amount to 12,300 long tons, in 1947 to 46.150 tons, in 1948 to 72,800 tons, and in 1949 to 73,500 tons. Peak production in Malaya was 85,384 tons in 1940.

Nigeria is asking for a higher price on sales of its tin to the British Ministry of Supply to offset higher labor costs.

The tin situation in the United States remains about unchanged with consumption temporarily down because of the steel strike Straits quality tin for shipment, in cents per pound, was nominally as follows:

	Feb.	March	April
Jan. 31	52.000	52.000	52.000
Feb. 1	52.000	52.000	52.000
Feb. 2	52.000	52.000	52.000
Feb. 4	52.000	52.000	52.000
Feb. 5	52.000	52.000	52.000
Feb. 6	52.000	52.000	52.000

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

Quicksilver

Buying of quicksilver in the last week was on the quiet side, with the price situation about unchanged Quotations showed a range of $103 to $105 per flask, the top figure being $1 lower than that named in the preceding week. With domestic consumption expanding, due in part to the battery program of various civilian products, most sellers regarded the market as steady.

The average price for January was $104.808 per flask, against $108.000 in December.

Silver

Effective Feb. 1, Canada abolished its ceiling price of 40¢ an ounce on silver sold for domestic consumption. The ceiling on silverware also was revoked, but the ceiling price on silverplate was retained. Canadian producers may now sell their entire production at the world price. However, they have been asked by the Canadian authorities to give prior consideration to Canada's needs.

The New York Official price for foreign silver was unchanged last week at 70¾¢ an ounce. London continued to quote 44d.

Eastern Spring Meeting Of Controllers Institute

The Eastern Spring Conference of the Controllers Institute of America will be held April 14-15 in the Waldorf-Astoria Hotel, New York, William Widmayer, Comptroller of the Guaranty Trust Co. of New York and President of the Institute's New York City Control, will serve as general Chairman of the Conference. William J. Wardell, Vice-President, and Controller of the American Can Co., has been appointed Chairman of the program committee in charge of the event. The publicity committee will be headed by John D. Grayson, Treasurer of the Hazeltine Electronics Corp., and R. C. Casselberry, Controller of the General Aniline & Film Corp., will be Chairman of the reception committee.

Arthur R. Tucker, managing director of the Institute, will be Chairman of the arrangements committee, assisted by a Vice-Chairman, Arthur C. Harragin, Comptroller of the Lone Star Cement Corp.

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Feb. 6, a summary for the week ended Jan. 26 of complete figures showing the daily volume of stock transactions for odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

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

Week Ended Jan. 26, 1946

	Total For Week
Odd-Lot Sales by Dealers— (Customers' purchases)	
Number of orders	48,672
Number of shares	1,461,692
Dollar value	$57,747,758
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	119
*Customers' other sales	39,771
Customers' total sales	39,890
Number of Shares:	
Customers' short sales	4,172
*Customers' other sales	1,122,575
Customers' total sales	1,126,747
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	150
†Other sales	210,160
Total sales	210,310
Round-Lot Purchases by Dealers—	
Number of shares	502,930

*Sales marked "short exempt" are reported with "other sales."

†Sales to offset customers' odd-lot orders and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Daily Average Crude Oil Production for Week Ended Feb. 2, 1946 Decreased 17,100 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Feb. 2, 1946 was 4,609,200 barrels, a decrease of 17,100 barrels per day from the preceding week and 114,200 barrels per day less than in the corresponding week of 1945. The current figure, however, was 109,200 barrels in excess of the daily average figure of 4,500,000 barrels estimated by the United States Bureau of Mines as the requirements for the month of January, 1946. Daily production for the four weeks ended Feb. 2, 1946 averaged 4,603,050 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 4,530,000 barrels of crude oil daily and produced 13,841,000 barrels of gasoline; 2,163,000 barrels of kerosine; 5,636,000 barrels of distillate fuel, and 8,506,000 barrels of residual fuel oil during the week ended Feb. 2, 1946; and had in storage at the end of the week 102,835,000 barrels of finished and unfinished gasoline; 8,624,000 barrels of kerosine; 28,939,000 barrels of distillate fuel, and 39,086,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*B. of M. Calculated Requirements January	State Allowables Begin. Jan. 1	Actual Production Week Ended Feb. 2, 1946	Change from Previous Week	4 Weeks Ended Feb. 2, 1946	Week Ended Feb. 3, 1945
Oklahoma	382,000	390,000	†387,400	— 5,250	390,750	363,800
Kansas	260,000	249,400	†239,600	—14,850	251,200	257,400
Nebraska	800	----	†750	----	750	950
Panhandle Texas			81,000	----	81,000	88,700
North Texas			152,800	----	152,800	143,150
West Texas			490,600	----	489,950	478,600
East Central Texas			142.650	----	141,350	144,050
East Texas			320,000	----	320,000	400,700
Southwest Texas			338,000	----	333,450	342,350
Coastal Texas			511,800	----	500,300	552,600
Total Texas	1,950,000	‡2,122,696	2,036,850	----	2,018,850	2,150,150
North Louisiana			79,800	— 100	79,600	68,300
Coastal Louisiana			288,850	----	288,850	289,200
Total Louisiana	365,000	409,214	368,650	— 100	368,450	357,500
Arkansas	76,000	77,311	77,050	+ 200	77,150	81,550
Mississippi	48,000		56,750	+ 2,450	55,300	48,150
Alabama	500		650	----	650	300
Florida	----		100	----	100	50
Illinois	206,000		210,700	+ 1,650	208,650	194,500
Indiana	13,000		15,150	+ 450	14,850	13,200
Eastern— (Not incl. Ill., Ind., Ky.)	63,200		63,500	+ 3,550	63,250	58,150
Kentucky	28,500		29,500	— 200	29,450	30,200
Michigan	46,000		44,350	— 2,400	45,550	46,800
Wyoming	90,000		97,750	— 4,050	98,750	94,850
Montana	21,000		19,050	— 450	19,400	19,650
Colorado	20,000		22,500	— 200	22,450	9,350
New Mexico	98,000	104,000	98,400	----	98,400	103,150
Total East of Calif.	3,668,000		3,768,700	—19,200	3,763,950	3,829,700
California	832,000	§824,000	840,500	+ 2,100	839,100	893,700
Total United States	4,500,000		4,609,200	—17,100	4,603,050	4,723,400

*These are Bureau of Mines calculations of the requirements of domestic crude oil (after deductions of condensate and natural gas derivatives) based upon certain premises outlined in its detailed forecast for the month of January. As requirements may be supplied either from stocks or from new production, contemplated withdrawals from crude oil inventories must be deducted from the Bureau's estimated requirements to determine the amount of new crude to be produced. In some areas the weekly estimates do, however, include small but indeterminate amounts of condensate which is mixed with crude oil in the field.

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m. Jan. 30, 1946.

‡This is the net basic allowable as of Jan. 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 1 to 12 days, the entire state was ordered shut down for 5 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 5 days shutdown time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, KEROSINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED FEB. 2, 1946

(Figures in thousands of barrels of 42 gallons each)

District—	% Daily Refin'g Capac. Report'g	Crude Runs to Stills Daily Av.	Crude Runs to Stills % Operated	§Gasoline Produc'n at Ref. Inc. Nat. Blended	‡Finish'd and Unfin. Gasoline Stocks	‡Stocks of Kerosine	‡Stks. of Gas Oil & Dist. Fuel Oil	‡Stks. of Resid. Fuel Oil
		Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis						
East Coast	99.5	728	92.0	1,575	22,175	3,691	8.409	5.822
Appalachian—								
District No. 1	76.8	93	63.7	296	2,968	240	471	282
District No. 2	81.2	59	118.0	145	1,152	12	107	223
Ind., Ill., Ky.	87.2	696	81.2	2,580	21,886	1,389	3,948	2,681
Okla., Kan., Mo.	78.3	385	82.1	1,324	9,682	317	1,386	1,025
Inland Texas	59.8	215	65.2	913	3,058	160	289	655
Texas Gulf Coast	89.3	1,087	87.9	3,613	16,646	1,187	5,452	4,285
Louisiana Gulf Coast	96.8	307	118.1	872	5,322	782	1,436	1,203
No. La. & Arkansas	55.9	61	48.4	181	2,036	200	435	233
Rocky Mountain—								
District No. 3	17.1	12	92.3	37	107	20	21	31
District No. 4	72.1	113	71.1	352	2,034	99	353	716
California	86.5	774	80.0	1,953	15,769	527	6,632	21,930
Total U. S. B. of M. basis Feb. 2, 1946	85.7	4,530	83.8	13,841	*102.835	8,624	28,939	39,086
Total U. S. B. of M. basis Jan. 26, 1946	85.7	4,553	84.2	13,622	101,737	8,759	29,498	39,722
U. S. B. of M. basis Feb. 3, 1945		4,695		14,674	†92,141	8,549	31,301	50,203

*Includes 8,227,000 barrels of unfinished gasoline stocks. †Includes 12,752,000 barrels of unfinished gasoline stocks. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §Not including 2,163,000 barrels of kerosine, 5,636,000 barrels of gas oil and distillate fuel oil and 8,506,000 barrels of residual fuel oil produced during the week ended Feb. 2, 1946, which compares with 2,195,000 barrels, 5,720,000 barrels and 8,411,000 barrels, respectively, in the preceding week and 1,338,000 barrels, 4,695,000 barrels and 9,670,000 barrels, respectively, in the week ended Feb. 3, 1945.

Weekly Coal and Coke Production Statistics

The total production of bituminous coal and lignite in the week ended Feb. 2, 1946, as estimated by the United States Bureau of Mines, amounted to 12,630,000 net tons, an increase of 105,000 tons, or 0.8%, over the preceding week. Output in the corresponding week of 1945 was 11,290,000 tons. From Jan. 1 to Feb. 2, 1946, soft coal production amounted to 58,199,000 net tons, an increase of 0.9% when compared with the 57,655,000 tons produced from Jan. 1 to Feb. 3, 1945.

Production of Pennsylvania anthracite for the week ended Feb. 2, 1946, as estimated by the Bureau of Mines was 1,247,000 tons, an increase of 34,000 tons (2.8%) over the preceding week. When compared with the output in the corresponding week of 1945 there was an increase of 410,000 tons, or 49.0%. The calendar year to date shows an increase of 15.7% when compared with the corresponding week of 1945.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended Feb. 2, 1946 showed an increase of 9,100 tons when compared with the output for the week ended Jan. 26, 1946; but was 14,900 tons less than for the corresponding week of 1945.

ESTIMATED UNITED STATES PRODUCTION OF BITUMINOUS COAL AND LIGNITE (In Net Tons)

Bituminous coal & lignite—	Week Ended Feb. 2, 1946	Week Ended *Jan. 26, 1946	Week Ended Feb. 3, 1945	Jan. 1 to Date †Feb. 2, 1946	Jan. 1 to Date Feb. 3, 1945
Total, including mine fuel	12,630,000	12,525,000	11,290,000	58,199,000	57,655,000
Daily average	2,105,000	2,088,000	1,882,000	2,071,000	1,948,000

*Revised. †Subject to current adjustment.

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

Penn. Anthracite—	Week Ended ‡Feb. 2, 1946	Week Ended §Jan. 26, 1946	Week Ended Feb. 3, 1945	Calendar Year to Date Feb. 2, 1946	Calendar Year to Date Feb. 3, 1945	Calendar Year to Date Feb. 6, 1937
*Total incl. coll. fuel	1,247,000	1,213,000	837,000	5,400,000	4,668,000	5,329,000
†Commercial produc.	1,197,000	1,164,000	804,000	5,183,000	4,481,000	5,063,000
Beehive coke—						
United States total	84,200	75,100	99,100	410,200	482,700	339,100

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

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

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

State—	Week Ended Jan. 26, 1946	Week Ended Jan. 19, 1946	Week Ended Jan 27, 1945
Alabama	327,000	373,000	380,000
Alaska	6,000	6,000	7,000
Arkansas and Oklahoma	115,000	105,000	112,000
Colorado	137,000	160,000	176,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	1,563,000	1,564,000	1,518,000
Indiana	556,000	570,000	550,000
Iowa	45,000	45,000	65,000
Kansas and Missouri	135,000	114,000	204,000
Kentucky—Eastern	1,144,000	1,076,000	1,080,000
Kentucky—Western	464,000	442,000	388,000
Maryland	55,000	55,000	35,000
Michigan	3,000	3,000	3,000
Montana (bitum. & lignite)	94,000	80,000	103,000
New Mexico	30,000	30,000	35,000
North & South Dakota (lignite)	73,000	98,000	72,000
Ohio	787,000	833,000	660,000
Pennsylvania (bituminous)	2,726,000	3,064,000	2,340,000
Tennessee	156,000	134,000	152,000
Texas (bituminous & lignite)	2,000	2,000	5,000
Utah	159,000	150,000	152,000
Virginia	395,000	376,000	410,000
Washington	25,000	30,000	31,000
†West Virginia—Southern	2,314,000	2,240,000	2,267,000
‡West Virginia—Northern	963,000	1,090,000	715,000
Wyoming	250,000	221,000	218,000
§Other Western States	*	2,000	1,000
Total bituminous & lignite	12,525,000	12,864,000	11,680,000

†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.

Farm Land Prices Paralleling Inflationary Trend of World War I Period, ABA Reports

Farm land prices in the United States are currently following the inflationary trend of the World War I period, according to the Agricultural Commission of the American Bankers Association. The Commission on Jan. 28 reported to banks of the nation that farm land prices in 36 states have increased more since the start of the war in 1939 than they did in the corresponding period of World War I, and average prices in ten States are now above levels existing at the boom peak which was reached in 1920.

In the semi-annual farm land price bulletin published for the use of all banks, C. W. Bailey, Chairman of the Commission and ABA Vice-President, who is also President First National Bank of Clarksville, Tenn., says: "The dangers of the present situation are apparent. Whether or not the boom following World War I will happen again depends on the continued effectiveness of inflation controls and on how well people remember the bitter lessons of 25 years ago. "Shortly after the close of World War II — in November, 1945—the average price of farm land in the United States was 58% higher than when the war broke out in 1939. This compared with a rise of 36% during World War I. While average farm land prices the country over are still below those existing right after the first war, the advance started from a lower level this time," Mr. Bailey continued.

The ABA index based on average farm land prices of the 1912-14 period as 100, shows that on Nov. 1, 1945, average prices the country over had risen to 133. On March 1, 1919, which is a comparable time at the close of World War I, average prices were 140% of the prewar average. However, when World War II started in 1939 the average price of farm land in the United States was 84 on the index. Therefore the vertical rise to the present level of 133 is greater than it was in the first war period.

Mr. Bailey points out that the current trend in farm land prices has so far paralleled the advance in the World War I period. In the year following March 1, 1919, farm land prices continued to advance another 30 points to the high point of 170 in the 1920 boom. In the collapse that followed, many farmers who had overextended themselves to buy high priced land lost their farms.

The advices from the Association added:

"The ten States in which average farm land prices are now above the previous peak levels of 1920 are Rhode Island, Connecticut, New Jersey, Kentucky, North Carolina, Alabama, Florida, Washington, Oregon, and California. In New Mexico the present average price level is equal to the peak prices of 1920.

"Effectiveness of the ABA national program to hold farm land prices at levels that peacetime farm incomes can support, is shown by the fact that in 22 States average prices have not yet advanced to levels which existed on March 1, 1919. These States are: Nevada, Utah, Wyoming, Montana, North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Minnesota, Iowa, Missouri, Wisconsin, Illinois, Indiana, Ohio, West Virginia, Georgia, Delaware, New York, Vermont, and Maine.

"The ABA program in which 13,000 country banks are actively participating is: Encourage farmers—and everybody—to buy U. S. Savings Bonds and to save in other ways to help fight inflation now; discourage borrowing to speculate in farm lands; help veterans by giving them practical information about the hazards inherent in excessive farm land prices."

Credit for Financing Residential Building

Further assurance that credit would be adequate for financing residential construction throughout the United States was provided by the Reconstruction Finance Corporation on Feb. 5. Announcement was made that the RFC Board of Directors, at a recent meeting, had extended the protection of the RFC Blanket Participation Agreement with banks to include loans made by banks to contractors or other business enterprises interested in building residences. In its Feb. 5 advices the RFC added:

"Under the BPA Plan, RFC, in effect, makes available to approved banks a guarantee up to 75% of any business loan which meets the requirements of the Agreement. Since its inception last March, the Plan has been applicable to various kinds of business loans made by participating banks. Until now, however, it had not been available for loans to contractors and other business enterprises for residential construction.

"As of December 31, 1945, more than 1,200 loans to business enterprises of many types and sizes had been authorized under the BPA Plan. These loans aggregated more than $58,000,000, and individual loans ranged from $240 to $350,000, established as the maximum for any individual loan an approved bank might make under the Agreement. More than 1,900 banks had been approved, as of that date, to make loans under the Agreement. The program was inaugurated in March. In the last three months of the year more loans, both in number and in aggregate amount authorized, were made than during the first six months, ended Sept. 30, 1945. This accelerated rate is continuing. During January more than 340 additional loans were authorized under BPA agreements, totaling approximately $16,000,000.

"The action is part of a Governmental program in which RFC is participating to hasten the reconversion of the Nation and its productive capacity from a wartime to a peacetime basis. In this program RFC is concentrating on the problem of assuring adequate credit through banks to take care of returning veterans, anxious to establish their own businesses, and to provide for the credit needs of small business establishments which frequently need loans of longer maturity than commercial banks ordinarily extend."

Revenue Freight Car Loadings During Week Ended Feb. 2, 1946 Increased 14,005 Cars

Loading of revenue freight for the week ended Feb. 2, 1946 totaled 723,135 cars, the Association of American Railroads announced on Feb. 7. This was a decrease below the corresponding week of 1945 of 16,421 cars, or 2.2%, and a decrease below the same week in 1944 of 82,579 cars or 10.2%.

Loading of revenue freight for the week of Feb. 2, increased 14,005 cars, or 2.0% above the preceding week.

Miscellaneous freight loading totaled 293,221 cars, an increase of 2,868 cars above the preceding week, but a decrease of 70,949 cars below the corresponding week in 1945.

Loading of merchandise less than carload lot freight totaled 118,641 cars, an increase of 1,830 cars above the preceding week, and an increase of 24,745 cars above the corresponding week in 1945.

Coal loading amounted to 187,833 cars, an increase of 3,787 cars above the preceding week, and an increase of 30,027 cars above the corresponding week in 1945.

Grain and grain products loading totaled 54,420 cars, an increase of 552 cars above the preceding week and an increase of 12,644 cars above the corresponding week in 1945. In the Western Districts alone, grain and grain products loading for the week of Feb. 2 totaled 35,590 cars, a decrease of 229 cars below the preceding week, but an increase of 6,521 cars above the corresponding week in 1945.

Livestock loading amounted to 19,161 cars, an increase of 4,221 cars above the preceding week and an increase of 5,165 cars above the corresponding week in 1945. In the Western Districts alone loading of livestock for the week of Feb. 2 totaled 15,304 cars, an increase of 4,543 cars above the preceding week, and an increase of 4,887 cars above the corresponding week in 1945.

Forest products loading totaled 36,366 cars, an increase of 777 cars above the preceding week, but a decrease of 7,076 cars below the corresponding week in 1945.

Ore loading amounted to 5,986 cars, a decrease of 92 cars below the preceding week and a decrease of 4,229 cars below the corresponding week in 1945.

Coke loading amounted to 7,507 cars, an increase of 62 cars above the preceding week, but a decrease of 6,748 cars below the corresponding week in 1945.

All districts reported decreases compared with the corresponding week in 1945 except the Eastern, Pocahontas, and Southern and all reported decreases compared with 1944, except the Pocahontas and Southern.

	1946	1945	1944
4 weeks of January	2,883,620	3,003,655	3,158,700
Week of February 2	723,135	739,556	805,714
Total	3,606,755	3,743,211	3,964,414

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Feb. 2, 1946. During this period 70 roads reported gains over the week ended Feb. 3, 1945.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED FEB. 2

Railroads	Total Revenue Freight Loaded 1946	1945	1944	Total Loads Received from Connections 1946	1945
Eastern District—					
Ann Arbor	388	303	259	1,879	1,409
Bangor & Aroostook	2,462	2,026	2,463	392	449
Boston & Maine	7,515	6,228	6,708	12,539	14,236
Chicago, Indianapolis & Louisville	1,194	1,181	1,400	1,877	2,122
Central Indiana	29	31	37	47	46
Central Vermont	1,055	999	1,020	2,087	2,721
Delaware & Hudson	4,568	3,765	5,541	10,825	13,508
Delaware, Lackawanna & Western	7,168	5,568	7,392	8,123	8,165
Detroit & Mackinac	237	185	160	198	102
Detroit, Toledo & Ironton	1,937	1,681	2,102	1,728	2,218
Detroit & Toledo Shore Line	292	403	323	2,673	3,220
Erie	9,952	10,053	12,238	14,112	14,271
Grand Trunk Western	3,134	3,513	3,712	8,406	9,050
Lehigh & Hudson River	167	132	161	2,543	3,892
Lehigh & New England	2,104	1,426	1,914	1,472	1,455
Lehigh Valley	7,761	5,654	8,748	7,483	9,366
Maine Central	2,730	2,276	2,444	3,842	3,997
Monongahela	7,342	4,266	5,647	290	229
Montour	2,872	2,116	2,476	26	25
New York Central Lines	42,143	39,863	47,659	49,621	39,082
N. Y., N. H. & Hartford	10,513	9,192	9,868	13,509	17,093
New York, Ontario & Western	812	686	927	2,783	2,325
New York, Chicago & St. Louis	5,374	5,667	6,966	13,101	13,015
N. Y., Susquehanna & Western	455	409	549	2,318	2,602
Pittsburgh & Lake Erie	2,380	6,536	7,742	8,002	5,594
Pere Marquette	4,652	4,520	4,583	7,576	7,309
Pittsburgh & Shawmut	876	668	854	18	10
Pittsburg, Shawmut & North	268	219	316	242	197
Pittsburgh & West Virginia	769	842	1,259	1,170	3,014
Rutland	362	335	398	1,186	832
Wabash	6,277	5,967	6,409	12,247	10,801
Wheeling & Lake Erie	3,545	4,721	5,001	2,751	5,002
Total	141,333	131,431	157,276	195,066	197,358
Allegheny District—					
Akron, Canton & Youngstown	514	721	706	1,293	1,482
Baltimore & Ohio	35,709	35,601	42,600	22,953	25,188
Bessemer & Lake Erie	871	2,083	3,302	1,153	1,424
Cambria & Indiana	1,640	967	1,848	3	2
Central R. R. of New Jersey	5,460	5,617	6,558	16,199	18,687
Cornwall	1	317	623	13	40
Cumberland & Pennsylvania	342	148	236	14	7
Ligonier Valley	44	70	139	5	46
Long Island	1,701	1,425	1,386	4,271	4,018
Penn-Reading Seashore Lines	1,577	1,545	1,684	1,983	2,337
Pennsylvania System	64,156	65,847	78,637	53,812	52,129
Reading Co.	11,425	11,634	15,470	25,499	25,550
Union (Pittsburgh)	1,585	17,384	19,990	919	2,910
Western Maryland	4,215	3,233	4,135	11,486	13,050
Total	129,240	146,597	177,314	139,603	146,870
Pocahontas District—					
Chesapeake & Ohio	30,216	27,390	29,210	10,237	11,747
Norfolk & Western	21,017	21,066	22,471	6,134	9,591
Virginian	5,059	4,766	4,593	2,253	2,487
Total	56,292	53,222	56,274	18,624	23,825
Southern District—					
Alabama, Tennessee & Northern	468	431	325	242	385
Atl. & W. P.—W. R. R. of Ala.	831	842	879	1,929	2,780
Atlanta, Birmingham & Coast	†	†	730	†	†
Atlantic Coast Line	16,244	14,709	13,672	10,573	14,654
Central of Georgia	4,239	4,051	4,120	4,696	5,392
Charleston & Western Carolina	389	498	411	1,495	1,861
Clinchfield	1,686	1,714	1,733	3,538	3,707
Columbus & Greenville	339	298	318	271	262
Durham & Southern	83	119	91	638	635
Florida East Coast	3,618	3,091	3,207	1,531	1,534
Gainesville Midland	57	75	55	114	163
Georgia	1,110	1,069	1,155	2,100	2,696
Georgia & Florida	466	396	443	787	859
Gulf, Mobile & Ohio	5,261	4,906	4,231	4,277	4,602
Illinois Central System	27,781	26,838	29,677	14,444	17,904
Louisville & Nashville	25,534	25,373	25,831	9,282	11,653
Macon, Dublin & Savannah	275	185	132	914	772
Mississippi Central	320	321	332	464	550
Nashville, Chattanooga & St. L.	2,994	3,371	3,331	3,831	4,926
Norfolk Southern	1,221	957	1,086	1,555	1,817
Piedmont Northern	467	468	430	1,459	1,440
Richmond, Fred. & Potomac	315	527	431	9,053	9,476
Seaboard Air Line	11,806	10,811	11,110	8,731	9,411
Southern System	24,508	24,353	23,801	24,204	26,487
Tennessee Central	525	701	688	826	763
Winston-Salem Southbound	118	147	147	886	1,409
Total	130,655	126,251	128,366	107,840	126,138
Northwestern District—					
Chicago & North Western	16,827	15,359	16,264	14,025	13,203
Chicago Great Western	2,949	2,466	2,902	3,243	3,273
Chicago, Milw., St. P. & Pac.	21,775	21,601	22,001	10,951	10,468
Chicago, St. Paul, Minn. & Omaha	4,439	3,310	3,882	4,241	4,064
Duluth, Missabe & Iron Range	1,288	1,317	1,372	335	280
Duluth, South Shore & Atlantic	716	658	798	632	580
Elgin, Joliet & Eastern	2,016	8,393	8,787	7,775	11,883
Ft. Dodge, Des Moines & South	484	308	452	117	93
Great Northern	11,656	10,828	12,475	4,404	5,338
Green Bay & Western	*492	489	463	*1,020	976
Lake Superior & Ishpeming	327	260	267	58	79
Minneapolis & St. Louis	2,127	1,955	2,259	2,062	2,455
Minn., St. Paul & S. S. M.	5,156	4,725	5,431	3,846	3,283
Northern Pacific	8,837	9,401	10,106	4,541	5,602
Spokane International	128	244	117	468	614
Spokane, Portland & Seattle	1,803	2,509	2,246	2,152	3,548
Total	81,020	83,823	89,822	59,870	65,738
Central Western District—					
Atch., Top. & Santa Fe System	24,050	24,038	21,538	10,020	13,948
Alton	2,502	3,534	3,078	3,174	4,481
Bingham & Garfield	5	410	536	8	102
Chicago, Burlington & Quincy	21,829	19,574	21,422	11,215	12,274
Chicago & Illinois Midland	3,426	3,096	2,962	856	838
Chicago, Rock Island & Pacific	12,882	12,039	12,385	11,676	13,648
Chicago & Eastern Illinois	2,881	2,698	2,836	3,018	4,279
Colorado & Southern	636	730	747	1,198	2,150
Denver & Rio Grande Western	2,994	4,033	3,811	3,892	5,988
Denver & Salt Lake	637	768	933	49	22
Fort Worth & Denver City	970	906	901	1,248	1,475
Illinois Terminal	2,054	2,246	2,144	1,602	1,971
Missouri-Illinois	872	926	982	513	562
Nevada Northern	1,447	1,421	1,914	121	119
North Western Pacific	577	734	637	535	936
Peoria & Pekin Union	10	7	18	0	0
Southern Pacific (Pacific)	27,513	29,178	28,848	9,437	14,773
Toledo, Peoria & Western	0	297	486	0	1,952
Union Pacific System	15,708	17,272	16,279	11,544	14,976
Utah	879	543	713	8	0
Western Pacific	1,876	1,781	1,441	3,243	3,776
Total	123,748	126,231	124,611	73,357	98,270
Southwestern District—					
Burlington-Rock Island	306	392	267	554	556
Gulf Coast Lines	5,232	6,091	7,584	2,549	2,742
International-Great Northern	1,845	2,695	1,829	3,940	4,160
‡K. O. & G., M. V. & O. C.-A.-A.	*1,392	1,457	967	*1,724	1,786
Kansas City Southern	2,776	4,650	5,157	3,027	3,041
Louisiana & Arkansas	2,317	3,659	3,275	2,670	3,023
Litchfield & Madison	315	326	332	1,305	1,293
Missouri & Arkansas	171	165	238	377	602
Missouri-Kansas-Texas Lines	4,997	6,835	5,308	3,728	5,070
Missouri Pacific	16,180	17,556	16,867	14,735	17,827
Quanah Acme & Pacific	104	66	118	249	348
St. Louis-San Francisco	9,911	9,206	8,524	8,321	8,266
St. Louis-Southwestern	2,570	3,437	3,161	4,833	6,937
Texas & New Orleans	8,700	10,289	13,410	5,509	5,880
Texas & Pacific	3,886	5,054	4,921	6,529	8,561
Wichita Falls & Southern	79	93	72	60	57
Weatherford M. W. & N. W.	66	30	21	9	45
Total	60,847	72,001	72,051	60,119	70,194

*Previous week's figure. †Included in Atlantic Coast Line RR. ‡Includes Midland Valley Ry. and Kansas, Oklahoma & Gulf Ry. only in 1944 and also Oklahoma City-Ada-Atoka Ry. in 1945 and 1946.

NOTE—Previous year's figures revised.

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 1945—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Cumulative
Nov. 3	201,060	156,223	511,022	97	94
Nov. 10	162,023	157,617	509,984	97	94
Nov. 17	123,281	154,122	479,228	95	94
Nov. 24	123,781	147,083	454,926	91	94
Dec. 1	172,297	152,571	472,568	96	94
Dec. 8	173,537	154,235	490,123	97	94
Dec. 15	150,330	157,792	487,481	98	94
Dec. 22	122,229	148,591	451,654	92	94
Dec. 29	97,323	78,862	462,446	52	93
1946—Week Ended					
Jan. 5	176,346	111,967	526,891	75	75
Jan. 12	143,366	144,482	523,672	94	85
Jan. 19	134,265	143,550	507,651	93	88
Jan. 26	142,142	143,101	499,955	94	89
Feb. 2	178,590	150,634	516,776	95	90

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.

Civil Service on Peacetime Basis

Reestablishment of the Civil Service System on a peacetime operating basis was ordered by President Truman on Feb. 5, advices to the New York "Times" from Washington stated, adding that the order included the requirement that 1,600,000 or more Federal war service employees take competitive examinations, with war veterans being accorded first-call advantage. Until the reconversion takes place, all appointments made by the Departments and agencies are to be on a temporary basis. A White House statement went on to say, according to the "Times":

"When the Departments make appointments pending the establishment of regular civil service list, they will be required to give preference first to disabled veterans, second to non-disabled veterans and third to displaced Federal workers. Such appointments must conform to the qualification standards established by the Civil Service Commission."

In explanation of the President's order, it was pointed out that war service appointments which his order discontinued, were made during the war period so as to defer the regular filing of civil service vacancies while millions of veterans in the armed forces were unable to compete for regular positions.

On V-J Day, according to the Civil Service Commission, about two-thirds of the 2,300,000 persons held war-service appointments.

Since then the total has been cut by 500,000.

The White House statement added:

"As reductions in force continue, the proportion of war service appointees on the Federal payroll will grow smaller and smaller."

It was stated that war service appointees who *fail to pass* the competitive examinations will be replaced promptly by persons from the top of the Civil Service lists, and those who pass will be given regular Civil Service appointments whenever their names are reached on the lists.

President Truman in his order provided for establishment of committees of expert examiners in all departments and agencies for holding examinations in professional, scientific and technical fields for positions which are peculiar to one agency or a small group of agencies.

The statement concluded:

"The return to regular Civil Service procedures for the purpose of filling vacancies is the only way by which full force and effect can be given to the provisions of the Veterans Preference Act of 1944."

Lumber Movement—Week Ended February 2, 1946

According to the National Lumber Manufacturers Association, lumber shipments of 413 mills reporting to the National Lumber Trade Barometer were 15.7% above production for the week ending Feb. 2, 1946. In the same week new orders of these mills were 11.0% above production. Unfilled order files of the reporting mills amounted to 92% of stocks. For reporting softwood mills, unfilled orders are equivalent to 33 days' production at the current rate, and gross stocks are equivalent to 34 days' production.

For the year-to-date, shipments of reporting identical mills exceeded production by 13.0%; orders by 18.8%.

Compared to the average corresponding week of 1935-1939, production of reporting mills was 2.1% above; shipments were 4.1% below; orders were 20.1% above.

Items About Banks, Trust Companies

Frank K. Houston, Chairman of the Board of the Chemical Bank & Trust Company of New York announces that Schuyler Merritt II, Treasurer of McKesson & Robbins, Inc., was elected to the Advisory Board of the Madison Avenue at 46th Street office of the Bank.

Walter G. Kimball, Chairman of the Board of The Commercial National Bank and Trust Company of New York, announced the following official changes and appointments, effective Feb. 7:

David P. Blankenhorn, Assistant Cashier, to become Assistant Vice-President; George S. Hall, Assistant Cashier, to become Assistant Vice-President; Paul R. Vervoort, Assistant Cashier, to become Assistant Vice-President; Walter W. Troy appointed Assistant Cashier.

Mr. Kimball also announced that: Lynn T. Hannahs, Jr., until recently a Captain in the Army of the United States, was appointed Assistant Vice President; and Malcolm R. Tait, until recently a Lieutenant (senior grade) in the U. S. Navy, was appointed Assistant Vice-President.

B. F. Hogan, President of the Greater New York Savings Bank of Brooklyn, N. Y., on Jan. 16 announced the election of Manuel Kessman as Assistant Controller, and R. L. Wassmere as Assistant Secretary.

Offering of the unsubscribed portion of 16,125 shares of capital stock (par value $12) of The County Trust Company of White Plains, N. Y., has been announced by Hayden, Stone & Co., at $38.50 per share. A total of 15,916 shares were purchased through the exercise of subscription warrants issued to capital stockholders, and the balance has been purchased by the underwriter. Stockholders of record Jan. 17, of The County Trust Company, and of the Ossining Trust Company of Ossining, N. Y., who acquired County Trust stock in exchange for their shares, were offered the right to purchase one new share of County Trust Company stock at $35 per share for each four shares owned. These rights expired at 3 p.m. on Feb. 4. The County Trust Company was incorporated in 1903 uner the laws of the State of New York, and is the largest bank in Westchester County. On Dec. 26, 1945, directors of the bank approved a plan to absorb the Fleetwood Bank of Mount Vernon and the Ossining Trust Company, which became additional County Trust Company branches upon approval of each bank's stockholders in Jan. 1946. Upon completion of the present program, branch offices will be located at Mount Vernon, Fleetwood, Scarsdale, Hartsdale, Mamaroneck, Pleasantville, Hastings-on-Hudson and Ossining. Total resources of the bank, upon completion of the mergers and sale of the additional stock, will exceed $77,000,000. The annual report to the stockholders of The County Trust Company, presented by Andrew Wilson Jr., President, was referred to in our issue of Feb. 7, page 772.

Charles H. Diefendorf, President of the Marine Trust Company of Buffalo, N. Y., announced the following official promotions, after a meeting of the directors in January, according to the Buffalo "Evening News":

Albert L. Sanderson, formerly Vice President, to Vice President and Secretary; Clifford B. Marsh Jr., Assistant Vice President, to Vice President; Henry B. Sheets, Assistant Treasurer, to Vice President; Karl Hinke, Assistant Treasurer, to Assistant Vice President; Martin J. Travers, Assistant Treasurer, to Assistant Vice President.

Appointed as assistant secretaries are: Homer R. Berryman, Edward G. Maloney, Stewart D. Steele and Archibald C. Robson. Roswell J. Fleischman and Harold P. McNamara were appointed assistant treasurers.

At the same meeting, the directors also elected Henry W. Wendt, Chairman of the Buffalo Forge Company, as a director of the trust company.

Charles F. McGahan, manager of the Buffalo office of the Institutional Securities Corporation since 1941, has become Assistant Vice President of the Western Savings Bank of Buffalo, N. Y. The Buffalo office of Institutional Securities, an instrumentality of the State's savings banks, has been placed under the supervision of Harold F. Grunert, manager of the Rochester office, it was learned from the Buffalo "Evening News" which on Jan. 2 also reported that Konrad L. Engel, who had been Mr. Grunert's assistant in Rochester, would take charge of the Buffalo office.

The Board of Governors of the Federal Reserve System announces that effective Feb. 4 The First Trust and Deposit Company of Syracuse, N. Y., has absorbed The First National Bank and Trust Company of Baldwinsville, Baldwinsville, N. Y.; The First National Bank of Canastota, Canastota, N. Y.; Liverpool Bank, Liverpool, N. Y., and The State Bank of Parish, Parish, N. Y., all member banks. In connection with the absorption, branches were established at Canastota, Liverpool and Parish.

The New York State Banking Department reports that as of Jan. 18 the Endicott Trust Company of Endicott, N. Y., received the approval of the Department to increase the capital stock from $200,000, consisting of 2,000 shares of the par value of $100 each, to $400,000, consisting of 4,000 shares of the par value of $100 each.

Elevated at annual meetings of the directors of the Rhode Island Hospital Trust Co. of Providence and its subsidiary, the Rhode Island Hospital National Bank, were Harold H. Kelly, chosen Secretary of the Trust Company and Cashier of the National Bank to succeed George H. Capron, retired, and E. Lambert Clifford, named a Vice-President by both banks. Mr. Kelly had been serving both institutions as Vice-President. Mr. Clifford was formerly Assistant Secretary of the Trust Company and Assistant Cashier of the National Bank.

The Providence "Journal" announced that William A. Hathaway, President of the High Street Bank & Trust Company of Providence, R. I., since 1938, was elected to the Chairmanship of that bank's board of directors at the annual stockholders meeting in January. The bank had been without a board Chairman since the death several years ago of Henry Greenwood. The "Journal" also stated:

Victor H. Frazier, formerly Vice-President and Treasurer, was chosen to succeed Mr. Hathaway as President, and Lovett C. Ray, formerly Assistant Treasurer, was elected as the new Treasurer.

W. Allen Traver, President and General Manager of Franklin Process Co., was elected a member of the board of directors.

It was announced on Feb. 5 that Clifford B. Fergus has been advanced from the post of Assistant Cashier to that of Vice-President of the Mellon National Bank of Pittsburgh, Pa., according to the Pittsburgh "Post - Gazette." Mr. Fergus, who has been Assistant Cashier since 1927, joined the Mellon National 32 years ago.

The Union Bank of Commerce of Cleveland announces through its President, J. K. Thompson, that A. J. Battista, formerly of J. P. Morgan & Co. Inc., has been elected an Assistant Vice-President of the bank, effective Jan. 15. Mr. Battista will be in charge of the Foreign Department.

Control of the Capital Bank of Cleveland, Ohio, has been acquired by a Cleveland group of investors who have elected William Friedman, President, and S. M. Schultz, Vice-President and Secretary, according to advices appearing in the Cleveland "Plain Dealer" of Feb. 6 by Guy T. Rockwell, Financial Editor. From the same advices we quote:

"Stockholders approved an increase in capital and have until Feb. 14 to subscribe to new stock at $45 a share, of which $10 would go to raise capital to $150,000 and $35 would be added to surplus, increasing that figure to $350,000 and making capital and surplus $500,000. The new President has had 25 years' banking experience in Cleveland. He came directly here from his native Czechoslovakia where he was born 49 years ago. One of his first jobs in Cleveland was in the foreign exchange department of the Guardian Trust Co. He remained with the Guardian 15 years. The past ten years he has been in the commercial banking department of the American Savings Bank, rising to Executive Vice-President and Secretary. Sam M. Schultz, an officer and director of Capital the past ten years, has been continuously in the banking field since his association with the investment firm of Otis & Hough in 1908.

"J. L. Simon, President of the National Key Co., has been elected Treasurer, and Sidney R. Gladstone has been elected Assistant Treasurer.

"Control of the Capital Bank stock was sold by Alex S. Wintner and Paul Wintner, who were President and Vice-President. The Wintners organized the bank in 1929. As of Dec. 31 it showed resources in excess of $3,600,000."

Charles W. Dupuis, President of the Central Trust Co. of Cincinnati, Ohio, announced the election of W. H. Mitchell and Frank P. Rhame as directors of the institution at the annual meeting in January, the Cincinnati "Enquirer" reported. Mr. Mitchell is President of the Mitchell Steel Co., Mr. Rhame is general manager of the Lunkenheimer Company. At the meeting of the directors of the institution, Ralph G. Holste, formerly Assistant Vice-President, and Walter S. March, Assistant Vice-President and Comptroller, were made Vice-Presidents. Mr. March continues as Comptroller. At the same time Clarence J. Thesing, formerly Assistant Trust Officer, was named Trust Officer. Arthur Kluener and Edward J. Weissler, formerly Assistant Cashiers, were named Assistant Vice-Presidents.

Five employees named officers were Edwin C. Gamble, Assistant Secretary; Charles F. Curro, Harry G. Kurre, Justus B. Martin and J. R. Pohlman, Assistant Cashiers.

The stockholders of the Chicago Title & Trust Co., Chicago, Ill., recently approved a five for one split in the number of shares of stock it was made known in the Chicago "Tribune" on Jan. 15. This will increase the number of shares from 120,000 at $100 par to 600,000 at $20 par. The new stock will be distributed to the stockholders Feb. 15. The same paper also stated that Harold A. Moore, Vice-President and Treasurer of the institution, was elected a Director. He has been with Chicago Title and Trust since 1931 and became a Vice-President in 1937. Directors reelected were Chester R. Davis, James H. Douglas, Jr., Percy B. Eckhart, Newton C. Farr, and F. Stanley Rickcords.

The Mercantile-Commerce Bank and Trust Company, St. Louis, Mo., has announced the appointment of William H. Jaffke as Assistant Vice-President with the Real Estate Department of the bank. Mr. Jaffke has been with the Tower Grove Bank and Trust Company for the past 18½ years, and before leaving to join Mercantile-Commerce, was Secretary and Treasurer in charge of the Mortgage Loan and Real Estate Department.

The Board of Directors of the Union National Bank of Kansas City, Mo., on Jan. 11, announced the promotion of Roland B. Hewitt from Vice-President and Trust Officer to Executive Vice-President and Chairman of the Trust Department. Mr. Hewitt held his previous office since the organization of the bank in 1933.

J. C. Tenison, President of the Dallas National Bank, Dallas, Tex., announced recently the election of Lt. Col. Robert A. Vineyard as Assistant Vice-President of the bank. Col. Vineyard, who has recently been relieved from active duty with the Army Air Forces, was previously connected with the bank from 1923 to 1931, when he resigned to accept an appointment with the U. S. Comptroller of Currency and was assigned to the duty of field examination of national banks within the 11th Federal Reserve District according to the Dallas "Times-Herald" which also stated:

He left this position to accept the Cashiership of the City National Bank in Wichita Falls where he remained until 1942, when he was called to active duty with the Army Air Forces.

W. W. Milne has been appointed a General Manager of Barclays Bank (Dominion, Colonial and Overseas).

The directors of Westminster Bank Ltd. of London announce with regret that owing to advancing years R. E. Dickinson has resigned his seat on the Board.

It was announced on Jan. 26 that Michael F. Berry has been appointed a Director of Westminster Bank Ltd.

R. L. Hird, while retaining his seat on the Board of Directors of the National Bank of India Ltd., has retired from the position of General Manager of the bank after over 48 years service. T. T. K. Allan has been appointed General Manager.

The Board of Directors of Swiss Bank Corporation at a meeting held in Basle on Feb. 5th approved accounts for 1945, showing net profits, including carry over of 10,627,647.05 Swiss francs against 10,510,496.20 Swiss francs for 1944, and total assets of 1,826,427,161 Swiss francs against 1,540,016,463 Swiss francs. At the general meeting to be held on March 1st, the Board of Directors will propose a 4% dividend (same as last year), after which there would be a carry over of 4,227,647.06 Swiss francs against 4,110,496.20 Swiss francs.

House Group Urges Hawaii as State

The House Territories Committee was urged, on Jan. 24, by its subcommittee which had just completed a study of the question as to whether Hawaii should be admitted to the Union as a state, to "give immediate consideration to legislation" to make the territory the forty-ninth state, according to Associated Press Washington advices. The subcommittee carried its investigation right to the Hawaiian Islands themselves and had returned the day prior to submitting its report.

In commenting on the result of the study, Representative Hugh Peterson (D.-Ga.), Chairman of the Territories Committee, which discussed the report of its subcommittee behind closed doors, said that no action would be taken on the recommendations until a transcrip of the hearings had been studied. In part, the report stated, according to the Associated Press:

"The people of the territory of Hawaii have demonstrated beyond question not only their loyalty and patriotism but also their desire to assume the responsibility of statehood," and continued by noting that it was the policy of the United States "that peoples be allowed to choose freely their form of political status."

The subcommittee said the mixed racial complexion of Hawaii-Caucasians, Hawaiians, part-Hawaiians, Japanese, Chinese, Koreans, Puerto Ricans and Filipinos—existed at the time Hawaii was annexed to the United States as a territory.

It lists figures showing that the Caucasian population has increased steadily since 1878 and now is 34.4%, while the Japanese population, now 32.5%, reached its peak percentage in 1940 "and has steadily declined since then due to prohibition of immigration, lower birth rate, and the increasing immigration of other peoples."

President Truman on Jan. 21 urged Congress to take immediate action to make Hawaii the 49th State of the Union, and requested that consideration be given to making Alaska a State also as soon as it is ascertained whether the people there desire it. The President also recommended, the Associated Press reported from Washington, increasing self-government for the people of the Virgin Islands.

Results of Treasury Bill Offering

The Secretary of the Treasury announced on Feb. 11 that the tenders for $1,300,000,000 or thereabout of 91-day Treasury bills to be dated Feb. 14 and to mature May 16, which were offered on Feb. 8, were opened at the Federal Reserve Banks on Feb. 11.

Total applied for, $1,987,760,000.

Total accepted, $1,309,003,000 (includes $51,482,000 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.

(62% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue on bills on Feb. 14 in the amount of $1,316,727,000.