

# The COMMERCIAL and FINANCIAL CHRONICLE

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## Observations . . . . .

By A. WILFRED MAY

Discouraging it truly is to those of us who are desperately clinging to the hope for international harmony, when the head of a world power indulges himself with such outbursts as those emanating from Generalissimo Stalin. Of all the statements in his latest Broadcast to the World probably the most fantastic—subsequently reiterated in the United States—is the thesis that Mr. Churchill is following Hitler in the latter's racial theories. "Hitler began to set war loose by announcing his racial theory, declaring that only people speaking the German language represent a fully valuable nation," said the Soviet ruler. "Mr. Churchill begins to set war loose also by a racial theory, maintaining that only nations speaking the English language, being the only fully valuable nations, should rule over the remaining nations of the world." The truth is that the attempted analogy is doubly false, because neither Mr. Hitler nor Mr. Churchill so expressed themselves. In trying to make his case, Mr. Stalin deliberately confuses the characteristic of language with that of race. Actually, of course, no one was exempted from Hitlerite extermination by reason of language qualifications—witness the extinction of millions of Jews despite their perfect employment of the German dictionary. Hitler's endless rantings were based directly on race—in contrast to which, not a word of Mr. Churchill can be interpreted thus—whether spoken in Fulton, in New York City, or anywhere else at any time in his career. The latter's plea for definitive Anglo-American cooperation is unmistakably based on ideology; on the joint desire to preserve our democratic way of life (a policy no less valid for us now than it should have been in 1933, than it was recognizedly so in 1940, and than it is being pursued now vis-a-vis Spain and Argentina), and to further the United Nations Charter.

Again, Mr. Stalin manages to report with great glee that Mr. Churchill, after having backed "gentlemen from the Fascist servants' hall," was voted out of office by "the common people." "It is they, millions of these common people," says Stalin, "who isolated reactionaries in Europe—collaborators with Fascism—and gave preference to Left democratic parties. It is they, millions of these common people, having tried the Communists in the fire of struggle and

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## Rebuild America

By BRYN J. HOVDE\*

President, National Public Housing Conference, Inc.  
President, New School for Social Research

Housing Authority Declares That America, Although Unscathed by War, Needs Vast Rebuilding Because: (1) Over 40% of Its Residences Are Below Civilized Standards; (2) Every American City Has Suffered a Slow Cancerous Decay; (3) for 20 Years the U. S. Has Not Produced Enough Houses to Accommodate Its New Families; and (4) Because the Construction Industry, as the Bellwether of Our Economy, Must Satisfy a Tremendous Demand Without Inflation. Dr. Hovde Calculates That 6,300,000 New Dwellings, Giving Employment to 4 Million Workers, Are Needed in the Next Decade. He Praises the Wagner-Taft-Ellender Bill as Laying Down a Comprehensive National Program for All Levels of Income.

Rebuild America in Ten Years!! A bold program, all will agree. Some will say it is unnecessary. Some that it is unrealistic. Many will scoff. The



Bryn J. Hovde

National Public Housing Conference, nevertheless, has adopted it, and has adopted it with full knowledge of its magnitude and its difficulties.

### America Needs Rebuilding

Why should America need rebuilding? The richest country on earth. One of the few countries in the world on which no

foreign armies have set foot in over a century. A colossal continental area on which no enemy plane has dropped a bomb. At a time when European, African and Asiatic peoples have not even roofs over their heads, why should America require rebuilding? Because 40% of its non-farm residences and an even larger proportion of its farm homes are below contemporary civilized standards. Because every American city has suffered a slow cancerous decay. Because millions of Americans have never known the vaunted "American

\*An address by Dr. Hovde before the National Public Housing Conference, Inc., New York City, March 14, 1946.

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## Opposes Curb on Savings Interest

T. Philip Reitingger of Montclair Savings Bank Issues Statement in Opposition to Proposal Introduced in N. J. Legislature to Extend Emergency Powers of State Banking Superintendent to Curb Interest Rates. Holds Power Is Economically Unsound and Socially Unjust and That Keeping Maximum Rate at 1% Will Discourage Savings and Interfere With Rights of Management.

T. Philip Reitingger, President of the Montclair (N. J.) Savings Bank, on March 8 issued a statement to state legislators in opposition to the bill pending in the New Jersey Senate (Senate Bill No. 68) which would extend for one year the emergency power that is granted to the State banking superintendent to prescribe maximum rates and dividends upon time and savings deposits.



"I desire, in the name of more than twenty thousand depositors of the Montclair Savings Bank, who are proportionate owners of that institution, to register opposition to this bill and ask you on behalf of hundreds of thousands of small thrifty savers of the State of New Jersey to register your disapproval by voting against this bill," Mr. Reitingger stated. "I do not know who prepared the statement in support of Senate Bill No. 68, but certainly it discloses a lack of consistent and logical thinking. The statement that 'At present there is more reason for the regulation of such

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## The Financial Situation

That penchant of the modernists which leads them into an unending search for non-existent means of thwarting natural forces and of freeing themselves of the necessity of accepting mankind as they find it, has been much in evidence of late in the field of banking, credit, money and the public debt. It has given rise to a number of proposals, some of them fairly definite and relatively well developed, and others still in the nebulous or "discussion" stage, designed to accommodate our financial system to the situation and the philosophy—or the climate of opinion, as one recent writer termed it—of the "brave, new world" in which we now live, or, at any rate, expect or hope to live in the early future. There can be little doubt that more, rather than less, will be heard of all this in the months to come.

### Can Not Sanctify Economic Sin!

Some of these suggestions are not available in detail to the public as yet, and in any event this is not quite the place to enter into a tedious discussion of the technical questions most of these notions raise. Certain general observations are, however, definitely in order and they apply to all these schemes, or all of them that have come to our attention. The first and the most fundamental is that they are designed to sanctify, or at the very least, to mitigate the effects of programs which are quite unsound, should be promptly abandoned and can not enjoy ultimate success in any event. In somewhat different words, these monetary and banking proposals are assigned tasks which are about as impossible of achievement as perpetual motion. What they are likely to do in the circumstances, and the surroundings in which they are expected by their authors to operate, is to aggravate unfortunate situations already

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## From Washington Ahead of the News

By CARLISLE BARGERON

Well, on the question of whether we are going to war with Russia, which is what people have been calling up the newspapers to ask about, the answer is no. We have had a tremendous lot of political pageantry on it and there are various forces at work on the inflammatory situation which we seem to be in. It is sort of interesting, too, as to how stirred-up propaganda has come to be such a part of our lives.

We have sat back smugly and talked about our freedom of speech and freedom of press and how, as a result, we are the best informed people in the world. The plain facts are that, beginning with World War I when we accepted propaganda as a means of winning a World War, we have gradually come to excel in it and are now, very likely, the most propaganda-ridden people in the world.

Inssofar as what Russia is doing, there is really nothing that any fair minded man should get ex-



Carlisle Bargeron

cited about. By this, we mean to say that the picture was drawn by the so-called Isolationists back in '39 and '40. Senator Burt Wheeler, Lindbergh, any number of them told exactly what the situation would be today. It is a little pathetic to hear the great Winston Churchill, now completely disrobed and whose oratory, for some reason or other, doesn't seem to be as telling as it was a few years ago, complaining about what Russia is doing. The record is quite clear that the much despised Cliveden set foresaw this situation. Their idea was to play Hitler against Stalin in the hope that they would kill each other off. Churchill, along with kindred spirits in our country, didn't like this. It gave him an "issue" against Chamberlain, a despised old man because he wanted peace, because he realized what a war meant to Britain, and not what it meant to the "higher" classes, but to the workingmen.

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## The London UNO Meeting

By HON. TOM CONNALLY\*

U. S. Senator from Texas

Chairman, Senate Foreign Relations Committee

**Maintaining That the First Meeting at London of UNO Was an Outstanding Success, Though "All Was Not Light Without Heat," Senator Connally Warns That the Task of Preserving Peace Is Not Automatic. Praises Record of Security Council in Bringing Into the Open Quarrels Between Nations, Whether Large or Small, and Says That Despite Attitude of Russia, That Country Wants Peace. Warns That Russia's Right to Decide Its Form of Government Does Not Extend Beyond Its Boundaries, and Urges a Firm U. S. Attitude While Expressing a Desire for Russian Friendship. Says U. S. Must Accept Leadership, Responsibility and Urges Strong Armed Forces, "as We Survey the World Situation."**

At the outset, Mr. President, I want to make my position unequivocally clear. In my opinion the General Assembly was an outstanding success. In my opinion, the United Nations machinery demonstrated undeniably its usefulness and the great influence it may exert in behalf of world peace. In my opinion, the charter remains the best hope of mankind.

I repeat, Mr. President, in my view, the First General Assembly was an unqualified success. After San Francisco we had only the bare skeleton of the Charter. At London the inert framework was invested with flesh and blood. It became a living organism. It was not expected that the London meeting would do more than set up the organization and its agencies. It was called for that purpose alone.



Sen. Tom Connally

Before we left London, the General Assembly had been organized. The six non-permanent members of the Security Council had been elected and that body had organized. The 18 members of the Economic and Social Council had been selected and that body had begun its duties. The 15 judges of the International Court of Justice had been elected. The Court will soon convene at the Hague. The Military Staff Committee had been set up. It convened in London and meets again soon in New York. Its task is well in hand. The Secretary-General had been selected and far-reaching plans laid for the new Secretariat. The resolution providing for the atomic energy commission had been approved.

By no means the least of our gains was the fact that progress was also made toward setting up the Trusteeship Council. Great Britain, New Zealand, Australia, Belgium and France all agreed to place under the trusteeship system the territories they now hold under League of Nations mandates.

By no means the least of our gains was the fact that progress was also made toward setting up the Trusteeship Council. Great Britain, New Zealand, Australia, Belgium and France all agreed to place under the trusteeship system the territories they now hold under League of Nations mandates.

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\*Speech by Senator Connally in the Senate, March 12, 1946.

## Anglo-U. S.-Soviet Relations

By WINSTON CHURCHILL\*

Former Prime Minister of Great Britain

**Disclaiming Thoughts of a Military Alliance, Mr. Churchill Pleads for British-American Cooperation Through "Free Voluntary Fraternal Association." Emphasizing the English-Speaking People's Sympathy for the People of Russia, He Calls on the Latter's Government Leaders to Cooperate With the World Organization. He Urges That the Security Council "Thrash Out" Soviet Policies. Decrying Recent Charges That Britain Does Not Have a Democratic Government, He Declares That the People's Freedom to Elect and to Change Their Rulers Is the True Determinant of Democracy. In Columbia University Address He Recommends Communists Study Work of the White Ant.**

When I spoke at Fulton 10 days ago, I felt it was necessary for someone in an unofficial position to speak in arresting terms about the present plight of the world.

I do not wish to withdraw or modify a single word. I was invited to give my counsel freely in this free country and I am sure that the hope which I expressed for increasing association of our two countries will come to pass, not because of any speech which may be made, but because of the tides that flow in human affairs and in the course of unfolding destiny. The only question which in my



Winston Churchill

opinion is open is whether the necessary harmony of thought and action between the American and British peoples will be reached in a sufficiently plain and clear manner and in good time, to prevent a new world struggle or whether it will come about, as it has done before, only in the course of that struggle. I remain convinced that this question will win a favorable answer. I do not believe that war is inevitable or imminent. I do not believe that the rulers of Russia wish for war at the present time. I am sure that if we stand together calmly but resolutely in defense of those ideals and principles embodied in the Charter of the United Nations, we shall find ourselves sustained by the overwhelming assent of the peoples of the world, and that, fortified by this ever-growing moral authority, the cause of peace and freedom will come safely through and we shall be able to go on with the noble work—in which the United States has a glorious primacy—of averting famine, of healing the awful

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\*An address by Mr. Churchill at New York City's Official Dinner in his honor, Hotel Waldorf Astoria, March 15, 1946 along with one made March 18, at Columbia University.

## Equitable Life Releases Annual Report

Policyholders and beneficiaries in New York State received \$51,489,986 in payments from the Society last year, Thomas I. Parkinson, President, announced on March 16.

Payments to widows and children and other beneficiaries of New York policyholders who died during the past year amounted to \$19,709,156. Older people in this State received \$6,168,290 as income payments under annuity contracts. Dividends to policyholders in this state, representing refunds of premium payments in excess of the amounts required for insurance protection, totaled \$11,039,004. Payment of mature endowments and other benefits to New York residents aggregated \$13,973,534.

For the nation as a whole, benefit payments by The Equitable Society aggregated \$238,064,000, an average of \$27,176 every hour throughout the past year.

A total of \$46,600,000 has been set aside for distribution as dividends to policyholders during 1946.

Life insurance protection provided by The Equitable Society crossed the nine-billion dollar mark last year to a new record high of \$9,172,440,000. Of the total insurance in force, \$5,569,776,000 is owned through individual policies and \$3,602,664,000 through group policies safeguarding workers in over 2,000 business enterprises. New life insurance sales in 1945 amounted to \$649,987,000.

The assets guaranteeing the payment of the Equitable's 6,052,513 insurance and annuity contracts and group certificates increased \$341,455,000 last year, the greatest gain in the Equitable's history, to a new high of \$3,849,438,000.

Holdings of United States Government bonds aggregated \$1,923,667,000 at the year-end, a net increase of \$1,607,221,000 since Pearl Harbor and equivalent to 52% of the entire invested assets of the Equitable.

Pointing out that Equitable funds are at work in business enterprises in every state of the union, Mr. Parkinson stated that new investments totalling \$458,916,000 were made in industry and business last year at an average return of 3.21%.

## Marvel is Confirmed Minister to Denmark

The United States Senate confirmed on March 12 the nomination of Josiah Marvel Jr. of Wilmington, Del. to be U. S. Minister to Denmark. The nomination was sent to the Senate by President Truman on March 1. In reporting his appointment, Associated Press advices from Washington on March 1 stated:

"Mr. Marvel, an attorney, is a former Chairman of the Democratic State Committee in Delaware and a former Captain in the Air Corps.

"At Copenhagen, Mr. Marvel will succeed Monnet B. Davis, who recently was appointed Consul General in Shanghai with the rank of Minister.

"Mr. Marvel was born Nov. 26, 1904, at Wilmington. His father was a president of the American Bar Association.

"Mr. Marvel has long been active in Democratic politics. He is a former Secretary of State for Delaware and for several years was attorney for the Delaware Highway Department.

"He began law practice in Wilmington after graduating from Harvard University Law School in 1931. He was Assistant City Solicitor of Wilmington before his entrance into Delaware State Democratic politics.

## The State of Trade

Industrial output last week continued to be held below originally planned schedules by labor and material shortages, although some slight increase in production was noted for the period. The week ending March 2 saw a further rise of 3.7% in unemployment compensation claims. Production of steel made additional progress the past week with output of automobiles showing an advance of 34%. The general delay, however, in filling back orders for machine tools was occasioned by the shortage of electric motors.

Textile production was hampered by the factors mentioned above, such as labor shortages and small yarn deliveries, and a limited supply of new machinery. In the clothing industry manufacturers were frequently forced to allow fabric supplies to determine production. Output of shoes rose in the week as back orders continued to pile up and in some instances new orders were not accepted.

"The employment situation," states the Business Bulletin of the La Salle Extension University for March, "apart from strikes and those indirectly affected by them, is much better than was generally expected. The increase in civilian industries, in trade and related lines has offset the declines in the war plants and the demobilization of the armed forces. According to the latest estimates made by the Census Bureau, total employment is 51,720,000 as compared with 50,120,000 a year ago. Unemployment has risen from 700,000 to a little over 2,000,000 which is the number that has often been out of work even in periods of prosperity.

"Factory employment has declined about 3,000,000 during the last 12 months but most of these workers as well as the returning service men and women have found employment in other lines. The increases over last year have been marked in trade, transportation, service industries, and in construction. Further shifting is likely, especially to construction as the Government-stimulated housing program gets under way.

"Factory payrolls have declined somewhat more than the drop in industrial production, due entirely to the reduction in overtime payments. Some of this reduction has been offset by higher hourly rates of pay, but most factory workers now have smaller weekly earnings than they received at the wartime peak. In some lines, the drop has been quite drastic although in others workers are earning almost as much as they were a year ago. In nearly every industry, earnings are far above pre-war.

"Workers are inclined to compare their present earnings, not with their prewar ones, but with their most recent wartime wages. That fact accounts for the strength of the movement toward higher wages, even though they do mean higher costs for industry at the same time that industry has lost its biggest customer—the Government. Then, too, the cost of living has risen over 30%, which absorbs some of the wartime increase in weekly earnings although not all of it. The pressure toward higher wage rates is likely to continue strong for several months after the major strikes have been settled. Unless labor productivity increases greatly, most industries will be compelled to adjust their operations to higher labor costs."

Steel Industry—With wartime speed, the steel industry was forging ahead the past week in an attempt to make as much steel as possible before operations might be curtailed because of a coal mine shutdown, according to the "Iron Age," national metal-working paper. Even though the present percentage is based on less capacity because of revisions early this year, actual weekly output is on a par with prestrike activity.

Between now and the period in April when a possible slowdown in steel production may occur, steel output is expected to gain rapidly, the magazine states. Equipment is now in good shape and previous difficulty in obtaining manpower has lessened considerably. Nevertheless coal stockpiles at steel companies are still no more than two to three weeks on the average.

Because of the fear in some circles that the coal strike, if it occurs, will be a lengthy one, steel companies are being forced to make tentative plans for slowing down some operations as soon as the strike is called. By starting a slowdown in operations early, the Iron Age notes, the conservation of coal allows a more economical operation of coke ovens and blast furnaces and leaves the industry in a better position for a full-scale output when the coal strike is ended.

Realignment of sales territories by steel producers has stepped up in recent weeks, swelling the rank of consumers who must find new sources of supply. Mills are drawing in their lines and confining a large part of their shipments to the more profitable nearby areas. Firms in such regions as Pittsburgh, Wheeling, Youngstown and Buffalo are restricting their sales in the Midwest, particularly on sheet and strip products.

Chicago producers are cutting down on sales to areas from Detroit eastward. Concurrently neighborhood customers are being favored on quotas and one western mill is reported giving unlimited tonnage to customers in its state.

This hurly-burly in reshaping sales policies is a direct result of the inadequacy from the steel industry's standpoint of the recent price advance. In order to pay the 18½ cents an hour increase in wages and at the same time strive for a good financial showing, steel firms have had to draw in their belt tighter and seek every means possible to effect economies, the Iron Age observed.

On the production side cost cutting is taking the form of strict adherence to the 40-hour week and the streamlining of the distribution of steel production to eliminate money losers and low profit products. Items which were not advanced enough to take them out of the high cost category are being made in less quantities and more emphasis is being placed on the products which show a better return.

New steel business last week surged ahead further and the order volume now being placed is at the prestrike level. Specified tonnage or what is called a firm backlog this week averaged about seven months full production on an industry basis at the present rates although certain products are further extended.

Export directives on additional steel products may come soon. Steel shipments abroad this year have been running about 40% below 1945, partly due to the ending of lend-lease and other financial aids and partly due to supplying domestic demands.

The American Iron and Steel Institute announced on Monday of this week the operating rate of steel companies having 94% of the steel capacity of the industry will be 88.9% of capacity for the week beginning March 18, compared with 83.6% one week ago, 15.2% one month ago and 96.9% one year ago. This represents an increase of 5.3 points or 6.3% over the previous week.

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## Senate Committee Hearings on Loan to Britain

Recent witnesses at the Senate Banking Committee hearings on the proposed loan to Great Britain have been consistent in recommending favorable action on the bill. Relaxation of government controls over world trade promised by the loan agreement appears to be the consideration given greatest emphasis in the testimony of prominent representatives of government, banking and agriculture.

Secretary of Commerce Henry A. Wallace, who appeared before the Committee on March 12, recommended the loan as an essential part of the program for world recovery and declared it to be good business to lend money to your best customers. Under questioning he conceded that the loan might be "labeled in part as charity," but asserted it would be "a good financial venture if we gave them the money." Senator Taft (R-Ohio) debated the inflationary aspects of the loan with Mr. Wallace, but the latter insisted that these would be effectively countered through export controls. Mr. Wallace indicated, according to Associated Press Washington advices, that he believed international agreements would be necessary to control prices and production of several important commodities, including wheat, cotton and sugar. Earlier, the Secretary of Commerce had made the statement that international trade should be on a "fair, sound and economic basis, free from artificial restraints and restrictions."

In the course of his testimony before the Banking Committee Mr. Wallace said that he thought Great Britain should transfer certain war bases to the United States on a permanent basis. He also told the committee, the Associated Press continued, that he would not support the proposed \$3,750,000,000 loan to Britain "for a moment" if he thought it was a step toward an alliance with Britain. He commented on these points in reply to questions after reading a prepared statement indorsing the loan.

Wallace said there was some slight risk of financial loss in the proposed loan "but the risk of not making the loan is much greater."

"If our failure to make it should in any way contribute to a future atomic war," he said, "the cost may well be several hundred billion dollars, the destruction of our cities and a large part of our population, and indeed the destruction of civilization itself."

Summing up his prepared statement, Mr. Wallace told the committee, according to the Associated Press:

"1. The loan will make possible expanded world trade and thus is to our interest;

"2. Without the loan and sound world trade the economic health of many countries will be affected, and thus give rise to possible threats to world peace;

"3. The loan itself is a good financial proposition—as sound an investment as can be made of a sum of that size in any manner. It is the soundest kind of business to extend credit to good customers. It should be remembered that before the war the United Kingdom was our best customer."

Under-Secretary of State Dean Acheson, appearing before the Banking Committee, March 13, declared that rejection of the loan to Britain might radically revise the entire pattern of world trade. Forecasting that it would lead to Empire production of many agricultural products such as apples, tobacco and cotton now taken from the United States. Mr. Acheson further predicted that it would foster home production in England of many American specialties. He added that the loan was the last clear chance to restore world trade to a free basis and thereby increase production and employment everywhere. According to Mr. Acheson, the Associated Press reported, Great Britain would be forced into deals which would arouse resentment in America if she doesn't get the planned \$3,750,000,000 credit. "They would have to pull the Empire closer and closer together,"

he told the Committee, "and exclude us and every other country from this trade."

That Great Britain, if not given the loan, would be forced to retreat into an economic bloc, with the end of the Bretton Woods monetary agreements a certainty, was also the opinion of Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, who appeared before the committee on Mar. 8. Committee members reminded Mr. Eccles, Washington advices to the "Journal of Commerce" stated, that banker spokesmen had, during the Bretton Woods hearings, advocated a loan to Britain. Senator Taft charged that the Administration had at that time discounted the need of British financial aid. The "Journal of Commerce" added:

"But Mr. Eccles condemned as 'foolish' the claims that certain banker spokesmen had made that a loan would have been a substitute for Bretton Woods. The Federal Reserve Chairman said that Allen Sproul and John Williams, who took that position, were 'all by themselves' among those in the Federal Reserve. He said neither Bretton Woods without the loan, nor the loan without Bretton Woods would have proved workable."

In the course of his remarks, Mr. Eccles condemned budget deficits and said there is no need for one at this time. He stated that the Treasury cash balance could be used to retire some \$10,000,000,000 to \$12,000,000,000 of the public debt at the same time that the financing of the British loan could be accomplished without resort to public borrowing.

Winthrop Aldrich, Chairman of the Board of the Chase National Bank of New York, endorsed the loan, when he appeared before the committee on March 13, as "a major step in the restoration of world commerce," adding that free enterprise throughout the world would be endangered by failure to approve it. Mr. Aldrich, according to the "Journal of Commerce," criticized the proposal of Senator Taft that, instead of a \$3,750,000,000 U. S. credit to Britain, this country make a gift of \$1,000,000,000 and let the British rely on the International Bank and Monetary Fund for the remainder. He said that Senator Taft's proposal was contrary to the purposes for which the monetary fund and bank are established. Under-Secretary of State Acheson had earlier said of the Senator's suggestion that it would "practically destroy" the whole international financial mechanism which this country has sought to develop. The views of Mr. Aldrich were given in full in our issue of March 14, page 1341.

Ralph E. Flanders, Vermont manufacturer and Chairman of the Boston Federal Reserve Bank, appearing at the hearings March 14 envisioned the loan and related agreements as the first phase of an ideological war with Russia. Such a contest should be welcomed, he said, "provided the superiority of either side is finally determined by the favorable effect on the living conditions of the peoples living under one or the other sets of ideas." Other remarks of Mr. Flanders, as reported from Washington to the Associated Press March 14 follow:

"Discussing Russia's place in the picture, he said:

"We are disturbed by our lack of comprehension of Russia's purposes and policies. Rightly or wrongly, we have the feeling that this lack of comprehension is the most serious problem we face in

maintaining peace for the next generation.

"We may say with full confidence that Russia does not desire war, because it is so obviously contrary to her interests to have war.

"When it comes, however, to a contest between different types of social organization, we may be sure that Russia does want that kind of struggle.

"Furthermore, it is a conflict which we ought to welcome, provided the superiority of either side is finally determined by the favorable effect on the living conditions of the people living under one or the other sets of ideas.

"This kind of competition Russia will engage in and we should gladly join in it, because fundamentally it is competition to improve the material conditions of humanity."

The Banking Committee was informed on March 14 by Russell Smith, legislative secretary of the National Farmers Union, that the union had approved the proposed British loan virtually unanimously. He said that delegates to a recent convention of the organization had overwhelmingly agreed that the loan terms "constituted an essential start toward a permanent declaration of economic peace."

## Conditions on Loans To Britain, Russia Urged by Stassen

Former Governor of Minnesota Harold E. Stassen told reporters at West Palm Beach, Fla., on March 8, that he believed United States loans to Great Britain and Russia should be used as instruments to effect international cooperation. Expressing the view that the loans were necessary to stabilize world economy, Mr. Stassen nonetheless stated that they should be used to gain operative concessions from the two powers seeking them. He declared, according to a special dispatch to the New York "Times," that the "loan to Russia should be granted, but not given away glibly. It should be made only in return for definite concessions by Moscow, such as access to and free passage of news."

As for the loan to Great Britain, Mr. Stassen said (we quote from the "Times") that this should be predicated on changes in the "sterling bloc" practices and on the altering of colonial preferential trade policies.

"These policies," he maintained, "work to the advantage of countries of the Empire and its satellites and to the detriment of the United States."

However, he added, defeat of the British loan would be detrimental to our economy.

## Dr. Sun Memorial

American and Chinese admirers of the late Dr. Sun Yat-sen, founder of the Chinese Republic, held a memorial meeting at New York's Town Hall Club on March 12, the 21st anniversary of his death. President Truman sent a message of greeting to the assembly, according to the New York "Times" on March 13, in which, praising the life long effort of Dr. Sun to create a new China, and lauding the victory of the present-day China against the forces of aggression, he predicted that the "Chinese people will go forward to consummate their late leader's goal of a new, independent, democratic and prosperous China which will take a foremost place in the family of nations." Dr. C. L. Hsia, a member of the Legislative Yuan, governing body of China, and President of the Chinese News Service, addressed the meeting, describing Dr. Sun's social system as "a combination of what is desirable in state socialism and private capitalism."

## Sees Opposition to Cheap Foreign Imports

American Tariff League Announces Results of Poll Conducted by Three Survey Organizations. Reports Overwhelming Vote Advocating Making Japan Pay for War.

While 75% of the American people favor the U. S. expanding its activities in international affairs and trade, 62% are unwilling to go as far as to allow cheap foreign imports to jeopardize the domestic economy, an American Tariff League analysis of recent public opinion surveys reveals.

In a study, just published, entitled "Public Opinion in the U. S. on Foreign Trade," the author, Dr. John Lee Coulter, consulting economist of the League, summarizes recent polls conducted by three nationally-prominent survey organizations, as follows:

"In spite of America's interest in world affairs and desire to expand her foreign trade, she definitely is not willing to sacrifice her markets to cheaply-produced goods which endanger domestic employment, the American wage scale and the domestic price level, and thereby threaten her own high standards of living."

On the question whether the United States should take an active part in world affairs, one poll revealed that 71% of those polled favored participation, while 75% were shown favorable in another survey conducted by a different group.

In surveys on the importance of United States trade with foreign countries, 56% of the persons interviewed favored increased trade in one poll. In another poll, 45.7% declared that the U. S. "needs" foreign trade for real prosperity, while an additional 23.8% replied that foreign trade "helps."

However, in a poll asking the following question: "In order to

try out a union of nations as a possible way of preventing wars, would you be willing or not willing to allow competitive imports, even if prices were lower?" 62% of those questioned said they were unwilling to allow competitive imports. Only 28% were willing; 10% had no opinion.

In a poll conducted just after the Japanese surrender, 79% of the replies favored making Japan pay in some way or other for the cost of the war. When asked specifically, "If the only way Japan could pay us for our cost of the war would be in goods, would you be willing for our country to accept any goods which could be sold cheaper than similar goods we make in this country?" 68% declared they were not willing to accept such goods.

The League study also revealed that only 32% of the persons polled approved of buying European shoes and trying to shift American workers, thereby displaced, to other industries. Similarly only 32% approved of buying cheap foreign farm products and inducing American farmers to raise other non-competitive products.

## Home Building Gains in January

Prospects for meeting the President's goal of 1,200,000 new homes in 1946 were encouraged by the continued contra-seasonal rise in home construction during January, the Bureau of Labor Statistics of the U. S. Department of Labor announced on March 2. The 37,900 new nonfarm dwelling units started in the first month of 1946 was 30% above the December, 1945, total of 29,100 and five times the 7,700 units begun in January a year ago.

The announcement also said:

"Home building reached its 1945 high during the last three months of the year. The sharp increase in private residential construction that followed the end of the war brought the fourth quarter total to 90,300—more than 2½ times the 33,500 units started in the corresponding three-month period in 1944 and 38% above the 65,500 units reported in the third quarter of 1945. Only 25 of the units begun in the last quarter of 1945 were publicly financed as compared with 7,500 in the same period of 1944.

"It is estimated that approximately 245,500 new family dwelling units were put under construction in 1945. Although this was substantially above the total of 169,300 units started in 1944, it was still less than half the 1942 volume and only a little more than a third of the post depression peak of 1941.

"Average permit valuations increased considerably during the year. The average valuation per dwelling unit as stated by private builders in their applications for permits to build was 31% higher in 1945 than in 1944. This was caused principally by the tendency of builders to concentrate on higher priced types of housing. Total valuation of both public and private construction in 1945 amounted to 892 million dollars—nine-tenths more than the 469 million dollars reported for the preceding year.

"These estimates are based on building permits issued and on Federal construction contracts awarded and were prepared by the Bureau of Labor Statistics of the United States Department of

Labor. The non-farm area of the United States is defined as including all incorporated places and all unincorporated areas except farms.

"Of the 229,200 privately financed dwelling units started in 1945, 88% were 1-family units, 5% 2-family units and 7% were in multifamily structures. The corresponding distribution in 1944 was 83% 1-family, 7% 2-family, and 10% multifamily units.

"All city sizes and all geographic divisions shared in the increase during 1945 in the number of dwelling units started. The largest proportional gain (65%) occurred in cities having a 1940 population of between 5,000 and 10,000. However, the greatest numerical increase (10,900 units) was in cities of from 10,000 to 25,000 population. Twenty-eight percent of the units begun in 1945 were located in the Pacific States, followed by 18% in the South Atlantic and 17% in the East North Central States.

"The proportion of privately financed units located in urban areas was about the same (two-thirds) in both 1945 and 1944. On the other hand, 62% of new public units were located in urban areas in 1945, while in the preceding year the proportion was 70%.

"When allowance is made for the understatement of construction costs by private builders when applying for building permits, it is estimated that the 245,500 new units started in 1945 will cost approximately 1,024 million dollars. The corresponding overall costs of the 169,300 units started in 1944 is estimated to be approximately 529 million dollars."

## The Financial Situation

(Continued from first page)

existing, to cause still other difficulties to arise, and give much longer lease of life to policies which must in the end fail and which should be terminated without delay.

Here are some of the most commonly mentioned objectives of these suggestions: To enable the Treasury to avoid any curtailment of, indeed, if desired greatly to expand public expenditures, (1) without paying higher interest costs, indeed achieve even lower interest costs if that can be arranged; (2) without in any way interfering with the easy money policy of the authorities as respects private borrowers; (3) without further expansion of "the money supply," i.e., currency in circulation and bank deposits, or at all events without permitting any such expansion to have its normal effects upon industry and trade; (4) without limiting the authorities (for which read politicians, for the most part) in their effort to check any "inflationary" movement which might result from more active employment of the "money supply" now existing, and yet (5) be certain that the banks are not paid more than the politicians think desirable for the accommodation they afford the Treasury.

### Earning Too Much

This last objective, incidentally, is to be distinguished from concern about the mere matter of interest rates, or in other words the rate at which the banks are paid for their services. These rates at times appear to be threatening to become a vanishing quantity as the mathematicians express it. It would be difficult for even the political trouble maker to stir up popular resentment against these fractional rates of interest now paid to the banks on most of their loans to the Treasury. The trouble (for the politician) is that the banks have done, and are doing, so much for the Treasury that their income by past standards is large even at these very low rates. In any event, the politicians have for some time past been uneasy about the potential adverse public attitude toward the amount the Treasury is currently paying to the banks—traditionally an easy target for the trouble maker.

As to the broader objectives, let it be confidently, positively and emphatically asserted at once that there is no way under the sun in which the Treasury can indefinitely play fast and loose with the public purse and not play hob with the credit and monetary system of the country and ultimately its price structure. There are many of course who now smugly point

out that deficit has been piled upon deficit during recent years, and that while large, indeed unprecedented, additions have been made to our money supply, no catastrophic changes have occurred in prices. They point to "dire predictions" made in prewar days about the consequences of loose fiscal policy, and add that "they proved to be unfounded. The fallacy in all such retorts is well known to our readers, we feel certain, and needs no repetition here. Indeed, those who now urge unprecedented precautions to prevent future trouble betray by their very act lack of confidence in the situation as it now stands. There would be no point at all in their coming forward with "remedies" or preventives for a danger they are sure neither now exists nor is likely to come into being in the future.

### Must Remove Causes

The point now, therefore, is not whether the current situation has grave dangers inherent in it, or whether further continuation of the policies which brought it into being in the first place would or would not be hazardous, but is rather the fact that by the nature of the difficulty no way except removal of causes can cure it or prevent its worsening in the years to come. Least of all, could mere mechanisms which serve only to give the underlying facts a different appearance, or to obscure the course of events, long prevent developments from having the effects which similar causes have invariably had in the past, and can be counted upon to have in the future. In some respects what is now offered appears to be hardly more than another name for the same old rose—or should we say the same old skunk cabbage? In general, however, what most of them aim to do is to place in the hands of public officials or quasi-public officials certain "new" tools with which they are supposed to be able to do what Canute failed to achieve—halt or change the course of the tides.

### Interest Rates and Prices

What some of these day-dreamers seem to plan is to keep interest rates very low for the good of the economy, but see to it that no one except government takes advantage of cheap money. If both government and private business borrow from the banks, the supply of money must rise regardless of any of these plans that have come to our attention. An abnormally low interest rate is not likely to encourage private lending, or the accumulation of private funds available for lending, but even if it did the

## Congress Pigeonholes Pensions Bill

The House voted, 217 to 116, on March 12 against taking up legislation to include members of Congress in the civil service retirement system, pigeonholing the pensions bill after being told it ought to be more interested in balancing the budget. Representative Colmer of Mississippi, Chairman of the Postwar Economy Committee, asserted, according to Associated Press Washington advices: "It seems to me that with a national debt approaching \$300,000,000,000 we ought to be tightening our belts and practicing some economy."

One of the strongest protests against the pension plan came from Representative Tarver of Georgia, who stated:

"With all the major problems facing Congress, here we find ourselves taking a day off to find out if we're going to provide additional benefits for ourselves from the United States Treasury." The Associated Press also stated in part:

Reps. Adolph J. Sabath (D-Ill.), Clarence J. Brown (R-Ohio) and Carl Vinson (D-Ga.) said the retirement plan was similar to that enjoyed by other Government workers. They remarked that generals and admirals have generous retirement provisions.

Under the bill, sponsored by Vinson, Congress members could have joined in the civil service retirement system, if they chose, by contributing 5% of their salaries. Brown said the contributions would fall about \$1,000,000 a year short of meeting the average retirement benefits.

A similar plan for retirement benefits passed the House but ended in defeat in February, 1942. That was the occasion for the "bundles for Congress" quips which spread over the nation.

In today's debate Reps. James W. Wadsworth (R-N.Y.) and A. S. Milee Monroney (D-Okla.) pointed out that a retirement system was part of a broad plan recently advanced for reorganizing Congress. They asked that this entire plan be considered as a whole.

activation of now idle deposits might have precisely the effect now feared of further additions to the money supply. What is desired by many in this field appears to be at bottom quite analogous to corresponding attitudes in the field of commodity prices—but of course not in the matter of wages. In regard to both prices and interest rates, the "benefits" of cheapness along with the productive stimulation of dearness is insistently demanded.

It will obviously require much more than ingenuity to reach any such objectives as these. It is fashionable to scoff at "natural law," and to rebel at its tyranny, but the fact is, of course, that "natural law" is nothing more and nothing less than the pattern of behavior of human beings. Until such time as men and women change their basic nature to the extent that in the future they respond to this or that basic situation in a way different from the past, we shall all be slaves to "natural law" whether we like it or not. Much if not most of current scheming in the field of money and related areas can be characterized as merely futile rebellion against forces not made by man.

## N. Y. Reserve Bank Reports Ratio of Profits of Members to Capital Funds 11.6% in 1945

Profits after income taxes, realized by all member banks in the New York Federal Reserve District, increased during 1945, averaging 11.6% of capital funds, compared with 9.5% in 1944 and 7.2% in 1943. This is made known by Allan Sproul, President of the New York Reserve Bank, who on March 5 issued his annual report of operating ratios of member banks in the District for 1945. The figures above, he indicated, represent unweighted averages of the percentages for individual banks; the ratio of aggregate profits to aggregate capital funds, showed a smaller increase in 1945. "Not all individual banks," said Mr. Sproul, "shared in the 1945 increases, however; there were over 200 member banks in the Second District, or more than 25% of the total number, which showed decreases in net profits after income taxes. This diversity of experience will bear watching and study in the period immediately ahead, when some of the factors (such as large increases in bank holdings of Government securities) leading to continued increases in bank earnings, may no longer be operative."

Mr. Sproul went on to say that "the largest gains in profits during the past year occurred in three groups of banks outside New York City with deposits in excess of \$2,000,000, and in New York City banks with deposits under \$100,000,000; these groups of banks had profit-to-capital ratios at least 2 points, or 20% higher in 1945 than in 1944. Most of the banks showing decreases in net profits were institutions with less than \$20,000,000 of deposits, although a number of the larger banks outside New York City also had smaller profits in 1945 than in 1944." Continuing he said:

"As in recent previous years of rising net profits for the majority of banks in the District, dividends to bank stockholders were not generally and substantially increased in 1945. Banks continued the conservative and necessary policy of adding a large part of their net profits (about 80% on the average) to capital accounts, thereby increasing capital funds about 9.5%. The remaining 20% of profits was used for dividends, which for all banks in the District average only 2.1% of total capital accounts, the same as in 1944. Despite additions to capital funds, mostly out of earnings, the average ratio of capital accounts to total deposits declined from over 9% in 1944 to 8% in 1945. The ratio of capital to all assets other than cash and Government securities, however, rose to 43% as compared with 40% in 1944.

"The principal reason for increased net profits of most banks was the increase in volume of earning assets, chiefly Government securities. There were also substantial increases in loans to finance the purchase or carrying of Government securities, however, and, in the case of New York City banks, some increases in industrial and commercial loans. The average rates of return on earning assets were lower than in the previous year as reflected in the ratio of total earnings to total assets, and also in the ratio showing earnings on loans. For the first time, a ratio has been calculated to show separately the average return on U. S. Government securities and on other securities. Since these ratios have not been computed for previous years, for all groups of banks, no exact comparison is available. However, the combined rate of return on Government securities and on other securities was lower in 1945 than in 1944 for most groups of banks.

"The increase in total current income of the banks was more than enough to cover increased expenses for salaries, interest on an expanded amount of time deposits, and other increased costs of bank operations, leaving the ratio of net current earnings to total earnings practically unchanged from 1944 for most groups

of banks. There were sizable additions to current net earnings from profits on securities sold during the year, and from recoveries on loans and securities that had been written down or charged off in previous years, particularly for the medium and larger size banks. Taxes on net income were also much larger than in previous years and for all banks averaged 7.8% of gross earnings and about one fourth of net current earnings. The proportion of earnings used for income taxes increased with the size of banks, and was highest for New York City banks having total deposits of more than \$100,000,000; for this group income taxes amounted to 19% of total current earnings and 41% of net current earnings.

"The changes since the end of 1941 in assets and liabilities of member banks in the Second District, for four size groups of banks, are shown in graphic form on the back page of this circular. The banks have been grouped according to amount of total deposits, and identical banks for each size group have been used for each year end throughout the period. The largest percentage changes in total resources were in the banks having total deposits under \$100,000,000—the increase in these banks being more than 100% in each of the three groups, compared with about 60% in the larger banks. The expansion in total deposits in all groups, varying from 60 to 130%, has been closely related to the changes in the volume of Government securities held. Demand deposits expanded about twice as much as time deposits in all groups except in the very largest banks where the percentage gains in demand and time deposits were roughly the same.

"Holdings of securities other than Government securities declined in all groups, during most of the period but increased moderately during 1945. A similar situation prevailed in loans, except in the largest banks where substantial increases in loans for purchasing or carrying Government securities in connection with war financing, together with a smaller increase in commercial and industrial loans (especially in 1945), caused a rise of approximately 70% during the four years. Capital funds increased steadily throughout the war years in all groups of banks but not in proportion to the increase in deposits."

## Great Britain, Argentina In Trade Agreement

London United Press advices March 11 reported that the trade agreement between the United Kingdom and Argentina, which expired Feb. 21, has been extended six months until Aug. 21 in the form of a "gentlemen's agreement" made public by the British Government on that day. The further London advices, as given in the New York "Herald Tribune" stated:

"The agreement of trade and commerce concluded between the United Kingdom and Argentina Dec. 1, 1936, was due to expire Feb. 21, 1946, in view of six months notice of termination given by the Argentine Government on Aug. 21 last," the British statement said. "It has, however, now been arranged in an exchange of letters between representatives of the two Governments that the agreement should be regarded as remaining in force for a further period of six months in the form of a gentlemen's agreement."

## UNO Council Meeting March 25

The opening session of the Security Council of the United Nations Organization is expected to take place at New York's Hunter College, in the Bronx, on March 25 instead of the 21st as originally planned, the delay being due to difficulties of travel. The State Department has announced that Secretary James F. Brynes will attend the opening. It is not known just what will be on the Council's agenda. According to Benjamin Cohen of Chile, Assistant Secretary General in charge of UNO's Department of Public Information, recently arrived in this country from Scotland, the problems to be dealt with are still a matter of conjecture.

The UNO will continue its "open door" policy with respect to news, Mr. Cohen asserted, according to the New York "Times" report of an interview on Mar. 13. "Everything done by the UNO, unless there is some special reason, will be wide open to the press," he declared.

"Public opinion is the most important element in our whole thinking. Therefore, we will seek to provide full knowledge of what we are doing." The "Times" also stated that:

"China's representative, probably Dr. Quo Tai-chi, will preside at the Bronx meeting.

"He reported it was not known whether the Foreign Ministers of all the nations on the Council would attend, but that Sir Alexander Cadogan, Great Britain's Permanent Under-Secretary for Foreign Affairs, was on his way to New York for the meeting.

"Dr. Pedro Leao Velloso, former Foreign Minister of Brazil, is expected to head that country's delegation, Mr. Cohen said. Moscow has not advised as to when the Russian delegation will arrive or who will comprise it, he reported.

"The Military Staff Committee will meet in private sessions, pos-

sibly before the Security Council meeting begins, the diplomat disclosed. The committee's work will be carried on also at Hunter College."

The desire of the United States Congress for frank and open discussion during the Council's New York meeting was voiced on Mar. 13 by Senator George (D-Ga.) who, according to Associated Press Washington advices, stated that he regarded perfect candor and above-board discussion as the only course to pursue if there is to be hope of settlement. "The time has undoubtedly arrived when nations should speak plainly and they won't lose anything by doing it," he declared. "As for ourselves, we are big enough to assert our deeper convictions—not in our selfish interests, but in the interest of the world."

Doubts that Russia would put in an appearance at the Council's meeting were dispelled by announcement from the Russian Embassy in Washington that the Soviet's delegation would be present for the session.

Associated Press reports from Oslo, Norway, on Feb. 26, stated that Finn Moe, Norwegian delegate to the UNO and a member of the Foreign Affairs Committee in the Norwegian Parliament, had been appointed chief adviser for political affairs to Trygve Lie, Secretary-General of the UNO General Assembly.

## UNO Account Opened At N. Y. Reserve Bank

The opening of an account in the name of the United Nations Organization with the Federal Reserve Bank of New York was made known recently by Capt. L. Francis Morrissey, Finance Officer of the UNO. Following his arrival in the United States on March 4, Capt. Morrissey held a press conference in New York City on March 7, at which time he said in part:

"Immediately on arrival in this country last Monday, (Mar. 4) the Government of the United States of America were extremely helpful in making funds available to the United Nations in New York to finance the initial activities connected with the establishing of the interim Headquarters here in the United States of America. A sum of \$200,000 was advanced as part of the United States of America's advance payment to the Working Capital Fund, which the General Assembly at its 31st Plenary Meeting in London in February, decreed should be established in the sum of \$25,000,000.

"Banking facilities have been arranged and the formalities connected with the opening of an account in the name of the United Nations with the Federal Reserve Bank of New York were completed on Monday, March 4th, 1946, and also a commercial banking account has been opened in New York, and this bank is proceeding with arrangements necessary to open a branch at Hunter College within the next few days."

The New York "Sun" of March 7, had the following to say regarding the advance to the UNO.

The \$200,000 already advanced is part of a \$6,153,000 sum the United States is to contribute to the UNO working capital fund which was set at London at \$25,000,000. The British Government underwrote the London meetings,

which cost \$872,000, according to Capt. Morrissey.

America's part of the fund, it was revealed, comes to 24.614% of the total, while the share of the United Kingdom is 14.768%, or \$3,692,750. Russia is to contribute 6.892%, or \$1,723,000; China, 6.4%, or \$1,600,000, and France, 5.602% or \$1,400,000.

Among the smaller nations Luxembourg's contribution was set at .049%, or \$12,250; San Salvador joined Luxembourg in having a very small assessment.

None of the nations other than the United States and Great Britain has contributed, Capt. Morrissey revealed, but as yet no date for payment or delinquency date has been set.

He revealed that it was a rare occurrence for the Federal Reserve Bank to open an account and added that the transaction was completed with a great deal more speed than he expected.

Capt. Morrissey served in the British Army for six years during the war in General Staff capacities, four years being spent in Burma, where he was wounded. Before the war he had experience in London financial circles. He is 34 years old.

The UNO will pay the city \$9,333.34 a month, under a lease signed yesterday for the buildings at Hunter it will use, including the gymnasium and Davis Hall. The lease covers the period from March 1 to May 15.

The United States Post Office has loaned the services of a postal instructor for two weeks to assist the UNO's mailing arrangements at the Bronx campus.

W. J. Opie is Assistant Finance Officer of the UNO.

Announcement was made on Feb. 25 by Mayor O'Dwyer of New York that the gymnasium building in the Bronx Center of Hunter College would be available to the Security Council of the United Nations Organization when it assembles in this country late this month for an anticipated period of six weeks.

## The London UNO Meeting

(Continued from page 1542)  
It is hoped that appropriate agreements can be concluded by the time the Assembly meets again in September.

The meetings of the Assembly and its committees challenged our admiration and stimulated our hopes. Here was a world assembly devoting its labors to international and world problems. No other gathering to compare with its importance or potentiality had ever before assembled on the planet. It suggested the projecting into world affairs of the principles which established the British Parliament and the profound political doctrines promulgated by the Constitutional Convention of the American States in 1787. It marked an epoch—it will become historic.

With all these organizational problems properly disposed of, the General Assembly might have adjourned with its task well done. However, it proceeded to demonstrate its vitality by passing resolutions relating to a wide array of substantive matters—UNRRA, war criminals, the colonial areas of the world, war refugees, and food,—to mention only a few.

The agreement reached on the atomic energy resolution was encouraging to the advocates of world peace. The resolution was presented to the assembly by Secretary Brynes on behalf of the delegation in an eloquent and convincing address. After only two hours of debate, the Committee on Political and Security Affairs unanimously agreed to recommend the establishment of a commission for the control of atomic energy and other related matters. Rarely in the annals of recorded history has such a momentous decision been arrived at so quickly by a deliberative body.

As you know, the resolution makes ample provision for adequate security safeguards. Neither the United States nor any other country will be asked to give up any atomic energy secrets until security devices have been established to protect humankind against the terrific blasting power of the atomic bomb.

Moreover, as I pointed out when I presented the resolution on behalf of the sponsoring powers, the Commission will not have the authority to compel action on the part of any nation. Each state will be free to consider the acceptance or rejection of the Commission's recommendations in accordance with its own constitutional processes."

### Not All Light Without Heat

I would not be frank, Mr. President, if I were to imply that all was light without heat in London. Just as there are evidences of party politics, sectionalism and pressure group activities in our own Congress, so there were evidences of nationalism, power politics and lobbying in London.

One very heated controversy arose over the insistence on the part of France, Belgium, the Ukraine, the Soviet Union and certain other states with strong trade union movements, that the World Federation of Trade Unions should be placed in a privileged position in the United Nations Organization. Some wanted to go so far as to grant WFTU representatives the right to speak and vote in the General Assembly. The United States delegation objected to any non-governmental organization speaking in the General Assembly or voting in any of the organs of the United Nations Organization. That proposal was abandoned. We objected vigorously to the principle that any single organization, regardless of its size and influence, should be granted a special position of power and prestige in the Organization. I am pleased to observe that our position was adopted by

the General Assembly by an overwhelming vote.

A second controversy—this time over war refugees—illustrates the differences which at times divided the members of the Assembly. Some delegations, including our own, used as their text the fundamental principle of democratic life and argued that full freedom of speech and information should be encouraged in all refugee camps. Certain other delegations strongly opposed permitting in refugee camps any propaganda directed against the United Nations or any member of the United Nations or even against the refugees returning to their native lands. Once again, after a heated debate, the Assembly upheld our view.

Of course, there were differences. With 51 nations present it would be surprising if there weren't differences. But these differences were by no means diplomatic crises. They were the kind of disagreements which arise very often on the floor of the Senate. In each case, after the debate was over, after the arguments had been exhausted and the vote taken, the defeated states accepted the decision of the Assembly with perfectly good grace.

Even so, disappointment has been expressed in some quarters because the Soviet Union voted against the United States on a number of occasions. We differed with them in respect to the postponement of the Security Council elections. We differed with them on the refugee problem and the World Federation of Trade Unions. We differed with them on other fundamental issues.

For my part, Mr. President, I have no objection to sincere opposition. Each nation has a right to its own views in the light of its own national interests. Once the vote is taken, however, all the United Nations, in accordance with the terms of the Charter, are obligated to respect the will of the Assembly.

Slowly and painfully the 51 United Nations, through the instrumentality of the General Assembly, are learning to cooperate on a peace-time basis. We must not be impatient with the progress made. We cannot expect a child to run before he has first learned to walk.

### The Security Council

It was not anticipated that the Security Council would do more than organize. However, four delicate international issues were presented to the Council. Issues in these cases were presented by formal complaints by Iran demanding the removal of Russian troops from Iranian territory; by complaining of the presence of British troops in Greece; by Russia protesting against British troops in Indonesia, and by Syria and Lebanon demanding the withdrawal of French troops from those territories.

The Security Council, even though still in its infancy, demonstrated remarkable vigor and vitality. It faced with courage and promptness the situations in Iran, Greece, Indonesia, and Syria and Lebanon even before it had adopted its rules of procedure. It has given new courage to the proponents of collective security and new hope for the future success of the United Nations Organization.

Instead of crippling the Security Council, Mr. President, these four disputes served as fortunate opportunities for the new Organization to justify its existence and to demonstrate without question its stability and its possibilities.

Some are displeased with the action of the Security Council. They feel that the Council should have taken more vigorous action to insure the immediate evacua-

tion of troops from Iran and Indonesia.

I attended regularly the meetings of the Security Council, and it is my belief that the Council acted as it was directed to act by the Charter. Whenever a dispute arises, its first and foremost duty is to encourage the disputing parties to settle the affair by peaceable means of their own choice.

This the Council did. As a result, distinct progress was made toward the solution of all these problems with the possible exception of Syria and Lebanon. In that case, the negative vote of the Soviet Union blocked official action by the Council. Even here, however, as a direct result of the proceedings before the Council, diplomatic action has already been taken voluntarily and a date has been set by the states involved providing for the removal of French and British troops from Syria and Lebanon.

This goes to demonstrate that, veto or no veto, the great powers will not lightly disregard the moral force of the obligations they have assumed to act in harmony with the purposes and principles of the Charter.

Can anyone deny that the hand of the Iranian Government has been strengthened in its negotiations with the Soviet Union by the fact that the spotlight of world public opinion was thrown on the whole affair in the Security Council? Can anyone deny that the tense situation in Syria and Lebanon has been adjusted by the Council's discussion?

### International Quarrels Brought Into Open

Here lies one of the enduring values of the United Nations machinery. Instead of allowing two countries to carry on their quarrel in secret, the Security Council took the issues out in the open where they were considered and discussed by the representatives of 11 nations in a forum upon which all the world could look. An opportunity was given for the formation of a vigorous and definite world public opinion.

It is possible, too, that the frank and open statements in the Council may be ushering the world into a new era in diplomacy when the statesmen will speak to the people in a language they can understand. They may be the beginning of a reversion to shirt sleeve diplomacy in the best American tradition.

The meeting of the Security Council was significant and historic. It was a solemn hour when the 11 members, speaking for and serving the United Nations, considered international problems affecting distant parts of the earth. It was inspiring to look upon a tribunal in which a small and weak nation could and did call to the bar of judgment a great nation flushed with victory and conscious of its military power.

It was one of the most notable assemblages of recorded history. Here the longing for peace was struggling to achieve concord and harmony among the powers capable of making war or banishing war. May the years give it strength. May God bless and inspire it.

### Stettinius Expressed Views

There has been some suggestion that the United States representative did not take an aggressive attitude. It must be said that Mr. Stettinius, as a member of the Council, made clear his position on all of these issues. His views were plainly and vigorously advanced. There was no evasion or shirking of responsibility.

I often heard it said in London that the greatest difference between the United Nations and the League of Nations is that the two most powerful nations in the world—the United States and the

Soviet Union—are members of the United Nations, and were not members of the League. It follows that the success of the Organization will depend, in large measure, on the ability of the people of these two great states and Great Britain to work cooperatively together.

#### Russia

Much has recently been said in addresses and the press respecting the conduct of the Soviet Union and its future course toward the United Nations.

My contacts at San Francisco and London convince me that Russia does not want another war. When one contemplates the devastation of territories stretching to the gates of Leningrad and Moscow by armies of the enemy; when one remembers the carnage and destruction that left Stalingrad a pile of ruins; when the graves where sleep hundreds of thousands of gallant Russians cry for peace for future generations, it can be understood why Russia does not want another war.

Russia can have peace by supporting and cooperating with the United Nations. Her responsibility is great because her power is great.

So long as Russia, Great Britain and the United States are loyal to the obligations of the Charter and adjust differences as they arise, there will be peace. Those who want peace must not commit acts that tend to provoke war.

We fought the war together. We must maintain the peace together. It is complained that Russia, not in a single and isolated instance, but in a number of situations in distant parts of the earth, has revealed a pattern of conduct with respect to the results of the war which is disquieting and disturbing to international good will and harmony. Of course, no nation has a right by the exertion of tremendous economic or political pressure to subordinate other nations to its will. The United States will remain true to its treaty obligations. The United States will remain true to its commitments under the Charter. The United States expects all other members of the United Nations Organization to respect and perform every duty and obligation which they have assumed.

Peace treaties are yet to be considered and adopted between nations participating in the war. These treaties must settle many questions that not vex us. Boundaries, reparations and the status of governments are to be fixed and determined by these instruments. All nations must await their execution. No unilateral action should be taken toward anticipating what may result.

It is my belief that mutual understanding and cooperation with Russia are not insuperable. The cloud of suspicion and distrust which arose between Russia and the Western democracies after the first World War has plagued our relations ever since. It is hoped that Russia will not permit her new found power to blind her to the necessity of recognizing and respecting the rights of other nations.

I have high hopes that through a spirit of understanding and frank discussion the relations between the United States, Great Britain and Russia under the Charter may be continuously improved and strengthened. These three nations have the supreme opportunity of the centuries to achieve and maintain the peace of the world. Shall they throw it away and turn back to the days of suspicion and distrust and fear?

Russia has a right to any form of government which it sanctions. It has the right to adopt its own system without the interference or intervention of any foreign nation.

These rights do not extend beyond her boundaries.

The United States and all the

other members of the United Nations have the same inalienable right to adopt their system of government and their economy without the interference or intervention of any other power. The United States will resist aggression by arms. It will also oppose aggression by economic or political pressure or maneuver. Let us hope that in the mutual recognition of the international rights of all nations under the Charter, a system of mutual respect and understanding may grow and develop in support of the Charter and its lofty principles.

#### U. S. Should Take Firm Stand

It is my belief that our proper course is to meet each issue in the Security Council or the Assembly or in diplomatic conduct as it arises, and to take our stand firmly upon our rights under the Charter, under treaties and under international law and hold to that position with firmness and insistence. The consequences that follow would establish our honorable and just course in our dealings with foreign nations and with the issues of peace. Let us say to Russia, "We want your friendship. We want to cooperate. We shared your comradeship in the bloody chapters of the most tremendous war in all times. We want your comradeship in the peace. Our countries have been traditional friends. Let that traditional friendship be cemented and strengthened and buttressed by mutual labors in behalf of world peace."

So long as the supreme goal of the great powers remains world peace this should not be an insuperable task. From San Francisco to London there has been noticeable progress. The course of our negotiations have not always been easy. There were sharp controversies and there were interminable hours of discussion and debate. But in the end, even though we were not always in agreement, we understood each other better.

It is well here to remember that—and it cannot be repeated too often—every member of the United Nations assumed definite and unequivocal obligations when they ratified the Charter. In solemn covenant they agreed in the Purposes and Principles of the Charter, to the following:

1. To "fulfill in good faith the obligations assumed by them in accordance with the present Charter."

2. To "settle their international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered."

3. To "refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the Purposes of the United Nations."

4. To "give the United Nations every assistance in any action it takes in accordance with the present Charter."

Complete respect for, and adherence to, these solemn commitments ought to be in the minds of all statesmen who are in any way controlling the affairs of government in the various countries who are members of the Organization.

#### Wants Frequent Conferences of 'Big Three'

It seems to me that the heads of state or the Foreign Ministers of the Big Three or the Big Five might meet with considerable advantage to the cause of peace at stated intervals or appropriate times to discuss mutual problems. In frank conversations face to face—in candid explanations eye to eye—in language clear and plain and if need by blunt, many questions which might otherwise result in serious international friction could be adjusted.

Such conversations would generate mutual convictions of sin-

cerity of purpose. They would develop confidence and trust. Like treatments in the field of preventive medicine, if used at the right time they may be able to avoid a major surgical operation.

Thus far, I have presented what may seem to some a rather optimistic report of the London meetings. Even the most sanguine among us, however, will admit that there are dangers which beset the new Organization as it begins its tortuous and hopeful journey down the road to world peace. What shall the future be?

What is vital to keep in mind is that the machinery is not automatic. It needs moral energy to power it and intelligence to guide it.

The answer lies in undergirding and strengthening the United Nations, and giving it our complete and loyal support. It will require the constant and unremitting care of the great and small states alike. Its high purposes must be made known to the peoples of the world.

There is one heartening fact which gives us hope. The peoples of the world—regardless of language, religion or color—want peace. That is a fundamental fact which enables us to face the storms that may arise as the United Nations proceeds with its work.

We shall, of course, cheerfully supply our quota of assistance the Security Council needs—whatever it may call for in the way of troops and planes and ships—in order to maintain world peace.

Advancing the power and prestige of the United Nations will require patience on our part. It will require tolerance. It will require firmness tempered with understanding and tact.

We shall not shirk our responsibilities under the Charter. We shall not abandon our traditional and historic policies. We gave millions of heroic men to the allied cause. We poured out our treasure and are now staggering under the heaviest national debt ever witnessed in the history of the world. We made these sacrifices not for conquest, not for booty, not for dominion either by the sword or by political pressure. We made these sacrifices to defend free government and liberty. We fought to preserve the right of governments and peoples to determine their own destiny. We fought against the evil forces of world mastery and conquest. We are now devoted to preserving and maintaining the peace which must follow the greatest tragedy in the annals of all time. The world must live together in peace or go down to ruin in the most terrible holocaust that has ever blasted the face of the globe.

The world knows that we do not look with covetous eyes upon territories of any other nation. The world knows that we do not desire to extinguish the liberties of any other people. The world knows that we have no plans hostile to its peace and happiness.

#### Responsibility of U. S. Leadership

Destiny has laid upon the United States a challenge for leadership in this noble cause. Such a responsibility is tremendous. We must meet it. We must never evade its obligations. Without partisan or political division among our people we mean to serve the world and its preservation through the maintenance of peace. All of the centuries call upon us in this supreme hour to stand staunchly and firmly for the obligations of the Charter, for the sanctity of treaties, for the maintenance of international law and for the traditional principles of government that have distinguished the life of this Republic.

One threat to the United Nations will be the relentless and insidious attempts of the enemies of real democracy to drive wedges

of suspicion and distrust into the ranks of the United Nations.

After World War I the Allies began quarreling among themselves even before the peace was signed. By 1936 they were so split apart that German troops were able to reoccupy the Rhineland without resistance from the League of Nations.

There is another difficulty which confronts the United Nations Organization—the possibility that the terms of the peace settlements may not be satisfactorily adjusted. The Organization is charged with the responsibility of keeping the peace when the outlines of that peace are not yet clearly discernible.

Boundary lines are to be drawn, reparations must be adjusted and political and economic settlements may be sanctioned. For this reason, it is imperative that the allied nations exert every effort toward establishing just and righteous treaties of peace.

#### An Adequate Armed Force

As we survey the world situation, as we appraise our own national and international interests, as we peer into the troubled years ahead, I am convinced that it is imperative that the United States maintain an adequate army, a superior navy and a superlative air force. We shall not maintain these armed forces for aggression or conquest. They must be maintained for our security, for the defense of our people and our territories. They must be maintained to sustain our international rights and obligations. They must be maintained to resist any aggressor who may threaten our security or any plan or scheme for world conquest. Those purposes are not inconsistent with our loyalty and devotion to the United Nations. Such forces will be the armies of security and peace.

Mr. President, it would be a tragic and cruel blow to the cause of peace if our people or the people of the United Nations were to conclude that our glorious victories on the battlefield and the mere creation of the United Nations Organization will automatically usher us into an era of peace and happiness without further interest and toil and constant struggle toward success.

Mr. President, the meetings of the General Assembly and the Security Council in London were an outstanding success. The Assembly performed its duties of setting up the constituent organs of the United Nations according to the plans adopted at San Francisco. The Security Council with courage and wisdom met the unexpected issues that were presented to it. All in all it may be said that the Organization was auspiciously launched. The forces of peace have been advanced and strengthened.

We have assumed gigantic obligations. We must meet them—we must insist that other nations meet their commitments—we must give of our thoughts, of our strength and of our moral power to utilize the new machinery we have created. We must see to it that the United Nations Organization becomes, in fact, the "overriding factor in foreign policy."

Mr. President, in this solemn and portentous hour of civilization's history there lie before the nations of the Earth two pathways. One leads to peace—to happiness—to prosperity. The other leads to war, and tragedy and misery and blood and death—I would set before the peoples, and nations two placards, two pointing fingers indicating directions and the fate of the traveler.

One would say, "We have set up the United Nations—here is the road to peace." The other would read, "There is the road to misery and ruin and death—War! Let those nations or peoples who may dream of war look upon

the devastated lands of Russia—let them look upon the vast areas that have been scorched and seared by fire and sword. Let them look upon England, scarred and bruised by the cruel and brutal bombs of our enemy. Let them look at Japan—her dreams of aggression and dominion over the vast territories of eastern Asia and the Pacific vanished in the clouds of fire and smoke over Hiroshima and Nagasaki. Let them look upon Japan—stripped of her conquests, occupied by the military power of the Allies, with her government and institutions controlled and directed by the armies and navies of the nations she hoped to subjugate. Let them look upon Italy, conquered and wounded and facing hunger and hardship, with her armies scattered and her fleets torn from her. Let them look upon the grave of the dishonored Mussolini that led her to her tragic fate. Let them look upon the far-flung territories which Hitler's legions conquered and occupied in the early stages of the war, now liberated but writhing in confusion and suffering.

Let them visit Germany. Let them look upon great industrial cities that now lie crushed and broken. Let them lift up their gaze to Berlin, once the proud capital of the German Empire, shattered and bleeding and pulverized by the constant hammering of Allied bombs and artillery. Let them look upon Germany occupied by the armies of the Allies, with its government and institutions under the armed might of the nations whose peace was challenged by the cruel ambitions of German aggression. Let them visit the fortress of Hitler—the madman who led them to disaster and ruin—beneath the Reich Chancellery where fifty feet of concrete could not save Hitler from the St. Helena of madness, misery and death.

The United Nations offers the world the highway to peace. We pray God that it may travel that way.

## MBA Expansion Program With Washington Office

An expansion of activities of the Mortgage Bankers Association of America, which involves setting up a Washington office for the organization, was announced on March 13 by Byron V. Kanaley, Chicago, Association President. A committee of five has been named by the Association's Board of Governors to supervise establishing the Washington office. The national office will remain in Chicago where it has been located since 1914. The committee consists of Mr. Kanaley, Guy T. O. Hollyday, Baltimore, Association Vice-President, W. L. King, Washington, D. C., Chairman of the Federal Legislative Committee, William G. Nelson, Chicago, Chairman of the FHA Committee, and Dean R. Hill, Buffalo, Chairman of the present Washington committee. They expect to select a Washington representative within the near future. H. Loy Anderson, present Washington Counsel, will continue in that position.

Other parts of the new program involve an expansion of the Association's educational program with emphasis on courses designed to assist young men and veterans wishing to enter mortgage banking. Two courses have already been contracted for this Spring, the first at New York University for city mortgage lenders, and the second at Purdue University for farm mortgage lenders. Mr. Kanaley said that the Association is expanding its activities in preparation for the large volume of building and real estate financing expected in the future.

# Opposes Curb on Savings Interest

(Continued from first page)

dividends and interest on time deposits because of the present low level of such rates, is not the product of mature thought."

To this Mr. Reitingger added: "This delegation of power to the Commissioner in the opinion of competent counsel is unconstitutional and in my opinion should be so declared in a court of equity. However, it is not my purpose, at the present time, to present opinion on the basis of law, but on the basis of sound economic principles and justice for the 'little man,' the thrifty investor.

"Continuance of these powers is unsound for the following reasons:

1. It tends to create monopolistic practices.
2. It stifles competition.
3. It discourages progressive banking.
4. It encourages complacent management of mutual institutions.

"I do not believe it necessary to elaborate on these reasons.

"Uniformity of 'charges' whether prescribed by external authorities to limiting of interest return, or other charges arranged through Clearing House agreements and other devices, tend to create monopoly. Such acts stifle competition by placing an umbrella over the inefficient, and discourage progressive banking.

"At the moment the greatest cry among bankers is against inflation. Business men, including bankers, are fighting inflation by discouraging wasteful spending and encouraging saving. The greatest force for saving is the reward obtained for such practice. The American Bankers Association is encouraging those institutions which can by proper management afford to pay higher interest on deposits, to do so, and the American Bankers Association has good reasons for such a recommendation.

"You will be interested to read the following compilation of 'Average Dividend Per Bank,' 'Surplus Ratio' and 'Banks Paying Varying Rates' of all the mutual savings banks in the United States. This data is taken from the February, 1946, number of the 'Month's Work,' published by the National Association of Mutual Savings Banks.

	Average Dividend Per Bank Jan. 1, '46	Surplus Ratio Jan. 1, '46
Connecticut	2.02%	12.2%
Delaware	2.75	14.2
Indiana	1.63	9.5
Maine	1.95	13.0
Maryland	1.95	11.3
Massachusetts	1.87	10.7
Minnesota	1.50	6.0
New Hampshire	2.01	11.7
New Jersey	1.00	12.4
New York	1.68	10.8
Ohio	1.25	6.3
Oregon	2.00	4.0
Pennsylvania	1.71	8.0
Rhode Island	1.61	8.8
Vermont	1.64	7.3
Washington	2.00	5.9
Wisconsin	1.25	7.8
United States	1.80%	10.6%

## Banks Paying Varying Rates

Jan. 1, 1946	28 Banks paid	1%
4	"	1 1/2 & 1
1	"	1 1/4
1	"	2, 1 1/2 & 1/2
1	"	2 & 1
182	"	1 1/2
2	"	2 & 1 1/2
1	"	1 3/4
275	"	2
33	"	2 1/4
1	"	2 1/2
3	"	2 3/4

"You will note that the mutual savings banks of New Jersey pay an average dividend of 1% and those located in our neighboring States are reported as follows:

New York	1.68%
Pennsylvania	1.71%
Delaware	2.75%

# US Chamber Questions Budget Methods

Budget methods tending to discourage tax reduction were called into question in the February 23rd issues of "Business Action," the publication of the United States Chamber of Commerce. The 1947 budget would not be far out of balance, the publication asserted, if public-debt transactions for international projects and unauthorized domestic proposals were eliminated. These items are listed as totaling \$4.2 billion, which is within \$100 million of the estimated deficit of \$4.3 billion.

Text of the article follows: "The Government's budget as proposed for the 1947 fiscal year which begins July 1 has been accepted too generally as indicating a deficit of \$4.3 billion. It is true, of course, that the budget message listed expenditures at \$35.8 billion and receipts at \$31.5 billion. But those totals are open to considerable question—and Congress will want to take a good look at them, especially in the light of the need for tax reductions. Some of the questions members of Congress probably will ask:

"1. Why charge against current revenues, more than \$2.7 billion of 'international finance' expenditures which, by existing and proposed law, would be public debt transactions? Does that mean, for instance, that if all our foreign loans are to be listed as 'expenditures' with the erroneous suggestion that they are chargeable against current revenues, then the budget would be out of balance by that much unless an equal amount of new taxes were raised, notwithstanding that the loans would run 30 to 50 years?"

"2. Why charge against current revenues another \$1.5 billion of expenditures, excluding international finance, for which no legislation exists, for which no details are supplied, and all of which is not likely to be appropriated, let alone spent, in full in fiscal 1947?"

"3. Should the \$2.7 billion and the \$1.5 billion be thrown out of the 'expenditures' column and thus reduce the expenditures chargeable against current revenues to \$31.6 billion, not \$35.8 billion, and thus make the deficit less than \$100 million, assuming revenue estimates are not too low? The issue is not one of mere labeling of items or failures to supply the details on some \$3 billion of unauthorized items which in the budget message are charged against current revenues. It is, in part, an issue of proper budget form. But of vastly greater importance, it is an issue of controlling expenditures for which taxes must be found each year to produce a balance in the budget. It is right now an issue of the extent, if any, that taxes can be cut this year, without endangering in the subsequent year, a balanced budget, including provision for debt reduction.

"It is also an issue of whether the budget statement is to be accepted that the eventual postwar total of expenditures, for which taxes must be found, will not be less than \$25 billion. But this is not all. The revenue estimate of \$31.5 billion is being criticized as being too low, notwithstanding the strikes and other restraints upon revenues. The criticisms do not reach to the decision to reflect the full expenditure program, proposed as well as authorized, in the budget. The trouble is with the inference that all the so-called expenditures, even those not yet authorized, and those which by law are, or would be made public debt transactions, should be set off against current revenues, and that therefore the resultant 'deficit' will not permit tax reduction.

"Next year's budget is likely to be in balance, correctly speaking, and, in any event, it will be nearer in balance than the budget of any great country."

# From Washington Ahead of the News

(Continued from first page)

Well, he lacked "imagination," and so the dashing Winnie, whose whole life has been associated with the loss of blood, not his own (as witness Gallipoli in the First World War and the ill-fated adventure into Norway in this one) gratified his life-long ambition to be Prime Minister of Britain. Now he is complaining about what has happened. Our despised isolationists told him that, back in '39 and '40. Instead of Hitler ruling the European continent, Stalin is. A fine improvement in the world affairs!

The situation is downright embarrassing to our domestic world statesmen, many of whom can't support their wives. They are conscience-stricken. They are being asked on every hand: Now, what sort of a situation is this? To get rid of one menace and have an equally formidable one, if not more so because of the idea he is spreading, facing us. Fascism, never was a threat in this country, mainly because nobody can explain just what it is. Communism is now rampant all over the world.

How about this, the Congressmen, facing reelection in November, are being asked. It is downright embarrassing. So there comes a lot of political pageantry. Vandenberg, Tom Connally and Mrs. Roosevelt come back from the UNO conference, determined that we have got to "get tough" with Stalin. Jimmy Byrnes, they feel, hasn't been tough enough. Neither does Admiral Leahy, who has developed the unique job of being close to Presidents, of being a "close adviser" on foreign affairs. We can remember when in the propaganda of Washington the good admiral was being accused of being a Fascist because he was over there at Vichy and had cordial relations with Petain, the "arch collaborator," as we have come to understand.

Vandenberg, Connally and Mrs. Roosevelt seek to put the heat under Jimmy. But Admiral Leahy has a decidedly more pointed way. He plants with a Washington columnist the story that Truman has become so annoyed with Jimmy's appeasement that he has asked for and has accepted Jimmy's resignation. It is a one-day sensation in crowded and provincial Washington. It's the way things are done here.

A job is done on Jimmy and Truman. Jimmy makes a speech widely heralding our determination not to let Stalin get by with murder. Truman goes out to Fulton, Mo., and introduces Churchill after having known what he is to say.

Well, it looks like we are standing up to Stalin.

Then Stalin bounces back angrily at Churchill. We run for cover (we won't let a State Department official attend the Churchill New York meeting) and the British Government hastens to say that Churchill is an outsider looking in. We have stood up and been tumbled over.

Aside from this pageantry, however, our position is very clear. Oh, we forgot to mention another little threat we were making. At the height of the crisis, the story was permitted to leak out that we had dug up the body of the Turkish ambassador who died in 1944 and were sending it back to Turkey on the battleship Missouri, with destroyer escort.

This, of course, prompted Stalin to move faster. So being up against an apparent situation, our position has now been defined as just what we will do in the event Stalin moves into Iran, into Iraq or into Turkey. We will support the UNO. That is what Jimmy now says eloquently. We have wrapped our destiny around that

organization, which, the American people don't quite realize as yet, calls for a UNO military police, to which we shall contribute the most in armaments and men.

But the UNO doesn't meet until March 25. Before that date and the finish of its wrangling, Stalin should have accomplished what he wants. Our American interventionist statesmen hope the UNO will get them out from their dilemma. They will be able to say: Well, this is what the UNO ordered.

If you have any doubts as to what bunk it all is, just remember that we have a tremendous controversy going on over whether the military or the scientists should control the atomic bomb which, as we understand its devastating effects, ought to be capable of bringing any country to brook, or to seeing life the way in which we peace loving peoples see it. Apparently Stalin isn't paying any attention to our possession which is being used to frighten us to death. We repeat that we are the most propaganda-ridden nation on earth.

## Ask Huge Navy Fund

A Navy budget of \$3,725,000,000 in new funds for the next fiscal year was transmitted to Congress by President Truman on March 8, according to advices to the New York "Times," which added that it was the largest budget recommended in peacetime. This information was conveyed by Navy public-relations spokesmen who explained that the recommended amount is based on expectations that the Navy will have an average strength of 500,000 enlisted men, plus 58,000 officers, during the coming fiscal year, and a Marine Corps of 100,000 enlisted men, also the largest peacetime personnel strength in the Navy's history.

An increase in the requested amount to \$4,225,000,000 is planned to be effected by transfer of \$500,000,000 from the Naval Central Procurement Fund. The "Times" added:

"Of the \$4,225,000,000 total, \$300,000,000 is to be used to liquidate obligations incurred in prior years. An item of \$275,000,000 is provided for new contracts for planes to be delivered in 1948.

"One exceedingly important item, which has been urged by naval leaders from Secretary Forrestal down, is an appropriation of \$227,000,000 for research and development work. This, according to the White House, "will allow this program to proceed at about its present level." The Navy is urging that research be pushed to the fullest extent possible, in order that it not fall behind in the conception and development of new weapons.

## "American Day" May 19

In a proclamation signed March 12, designating Sunday, May 19 as "I Am An American Day," President Truman urged local government officials and civic and educational organizations that they hold exercises "designed to help our new citizens, both native-born and naturalized, to understand more fully the significance and responsibilities of citizenship" in the United States. The President's proclamation, according to Associated Press advices from Washington, drew attention to the fact that this country is looked to by the whole world for leadership and assistance, and that new citizens as well as those of long standing made their contribution to the nation's "final and complete victory" over its enemies.

# Rebuild America

(Continued from first page)

standard of living." Because for two decades the United States had hardly in any single year produced enough new houses to accommodate its new families. Because the construction industry is the bellwether of our economy and it must operate at formerly unheard of levels to provide the employment and the production necessary to satisfy a tremendous demand without inflation. Because America is the one hope of the democratic world, whose failure to provide adequately for the general welfare will plunge the believers in democracy into despair. Senator Taft of Ohio knows whereof he speaks in saying, "If the free enterprise system does not do its best to prevent hardship and poverty, even for those who can't be shown to deserve it, it will find itself superseded by a less progressive system which does."

Although the main body of facts necessary to an understanding of the problem has been repeated over and over—in speeches, journals, reports, and Congressional committee testimony—it requires constant restatement. Thus America requires a sound basis on which to develop a sound program. This body of fact is unfortunately confined to the non-farm residences and communities. About rural housing almost our only information is that there the need is relatively even greater. The best information we have on non-farm conditions is derived from the census of 1940, the first in American history to cover the shelter of American citizens.

According to that census 17.1 million homes were in passably good condition, meaning that they were structurally sound and supplied with running water and with inside toilets and bath. 1.8 million were listed under "condition unknown." 10.7 million of the nation's non-farm houses were in various stages of sub-standard condition. They ranged from sound structures requiring only the installation of running water or bathrooms to structures so dangerous and insanitary that no good farmer would use them for stables or pig-stys. Many thousands were not homes at all, in the sense that a home gives privacy to a single family, for many more thousands of families lived doubled up with others. In 1940 there were 7.6 million farm homes and here an even larger percentage were sub-standard.

## Bad Housing Correlated With Low Incomes

The census of 1940 produced another set of figures, none of which surprised the country, but which do comprise the most accurate and recent information we have on the relation between family income and the kind of housing that can be had in a completely unplanned housing economy. Only 4% of families with \$5,000 a year and more in income were found to live in deficient dwellings, only 7% in the income bracket of \$3,000 to \$5,000 a year. Bad housing was the lot of 13% of the families earning from \$2,000 to \$3,000 a year; 23% of the families with \$1,500 to \$2,000; 39% of those with \$1,000 to \$1,500; 62% of those with \$500 to \$1,000; and 80% of the families with less than \$500 a year lived in bad housing. Obviously, with increased incomes or special public provision for their housing, families with less than \$1,500 a year in income have little chance of finding a good home. Not only did the 1940 census spot-light the well known fact that there is a direct relationship between meagerness of family earnings and the badness of their housing. It proved that for this progressively worse housing families of progressively lower income paid progressively higher proportions of that lower income. Whereas families in the \$3,000 to

\$5,000 income group paid only 17.2% of their incomes and only 7% of them got bad housing, families with incomes of \$500 to \$1,000 paid 31.3% of their incomes and 62% of these families had to take bad housing. In the income group of less than \$500 a year the families paid 42.5% of their tiny incomes for housing and 80% of such families got the worst housing in the country. Imagine paying \$212.50 a year for a verminous, unsafe and insanitary dump of a house and trying to raise a little group of children to health and American citizenship on the remaining \$287.50 a year! Obviously, the very first element of a housing policy for America must be the production and renting of houses in some reasonable ratio to the various family incomes.

Until the government of the United States took a hand in shaping housing policy, however, this was never done. In the first place, completely free and unaided private housing enterprise took four years after the First World War to get back into stride under conditions infinitely more favorable than those confronting us today, and did so then only at greatly inflated building costs. Only the relatively well-to-do therefore got new housing. Hence it is not surprising to note in the second place, that at no time in the booming 1920's did housing production keep up with the expanding housing need. And yet the 1920's were banner years, with an average number of 703,000 new dwellings started each year. Then came the bust and its concomitants of deflation, mortgage foreclosures and ruin. In 1925 almost one million units were started; in 1933 less than 100,000. When building began to pick up again, very slowly between 1934 and 1940, the water of inflation had been wrung out of real estate, so that the average house started in 1939 cost about \$3,850 whereas in 1925 it had cost about \$4,850. The need for housing was pathetic by 1941. The war had made it a crisis with serious economic and political implications.

## Experience During Last War

During the last war only such housing was permitted to be built as would serve the absolutely minimum needs of the war workers necessary to the production of the means with which to wage it. About 4,000,000 war workers and about 5,000,000 of their dependents—9,000,000 in all—moved from their previous dwellings to quarters near war production plants. For over half of them no new housing was built at all; they moved into existing dwellings often made inferior by sub-division. Of the rest, more than half were put up in barracks (euphemistically called dormitories), trailer camps, and temporary structures. Only a small minority moved into permanent houses of minimum standards. War housing consequently added little of permanent value to the nation's housing plant.

## The Return of the Veterans

And now the veterans come home clamoring, with a right that cannot be denied, for a place to live. Many of them married before they left for the fighting fronts; many of them had married earlier but had to give up their homes when Uncle Sam reduced the family income to an allotment; he rest want to marry on their return. Every mother's son of them dreamed in the barracks and in the foxholes of some special girl and the American home he would come back to—if he lived. This is the all-American love story of our generation.

So the veteran is a special problem. And yet he is not a special problem. For the veteran is American. The privilege of becoming a veteran was very democratic in-

deed. No one was denied it because of wealth or poverty, because of race, religion, or color. The initials G.I. before our American Joe stand for Government Issue. G.I. Joe issued from the American people, from all of them. On discharge he must return to the body of the American people, sharing its ranges of income from affluence to poverty, its housing conditions from mansion to hovel. The veterans' housing problem is therefore, except for the merest emergency shelter he must have at once and with which he will never be satisfied, the same as the over-all American housing problem, namely **How to get a good home in a good neighborhood no matter what the family income may be.**

That is the problem. In solving it we shall Rebuild America.

## But How?

This time we have a plan. This time we have experience to guide us. Sad experience to warn us what not to do. Happy experience to guide us in what we must do. For several years the most capable students of the housing problem in this country have worked together in committees of the National Association of Housing Officials and the National Public Housing Conference assembling information, comparing experience, and developing items in a comprehensive program. In Congress, particularly in the Senate Committee presided over by Senator Taft, exhaustive hearings have been held. In these hearings no group or person desiring to testify has been denied that opportunity. The various national housing agencies have presented voluminous data. The resulting bill, Senate 1592, under the joint bi-partisan sponsorship of Senators Wagner, Taft and Ellender, for the first time in American history lays down a comprehensive, national program for housing at all levels of income, non-farm and farm, and for the redevelopment of urban slum lands. Since that basic bill was introduced it has become necessary to make very special provision for the most immediate emergency needs of veterans' families with no housing whatsoever. Mr. Wilson Wyatt, newly appointed Housing Expediter and Administrator of the National Housing Agency, has therefore added a strictly emergency program to the long-term program for permanent housing and rebuilding in the Wagner-Taft-Ellender bill.

## A Makeshift for Veterans

It is recognized by everyone that much of the emergency program for veterans must be makeshift temporary housing. No one will like it. No one is proud of it. It must come down as soon as better houses are available. The danger is that selfish interests supported by an ignorant public will conspire to insist upon conditions that will prevent the building of better houses in sufficient amounts to make the removal of these temporaries feasible. As long as they stand in use they are slum breeders. We built thousands of them during the war, vowed to remove them and even set up funds out of rental income to do so. But now, instead of finding ourselves in a position to remove them, we find that we must build more of them. They are a travesty upon the public housing program. We are not going to rebuild America with emergency shelter, necessary as it may be at the moment. Only by proceeding under the basic bill with provision of permanent good housing in good neighborhoods are we going to rebuild America.

## Provisions of the Wagner-Taft-Ellender Bill

The Wagner-Taft-Ellender bill presents the following program:

(1) The National Housing

Agency is established on a permanent, instead of merely a war, basis. The operating agencies under it will be the same as now, two for assistance to so-called "private housing" (FHLBB and FHA) and one (FPHA) for assistance to local housing authorities to construct and operate public, low rent housing for families unable out of their own resources to provide themselves with good housing. The National Housing Agency is authorized to make investigations and reports on the housing market, the improvement of investment opportunities and to conduct research for improved construction methods and lowering of production costs. It may also extend matching grants in aid to local public bodies to enable them to make the necessary local studies and plans.

(2) Since it is firmly intended that private enterprise shall continue to be the American way of providing almost all of its housing, extensive Federal aids are established for the advantage of private enterprise. Most are further developments of previously extended aids, but some new ones appear in the Wagner-Taft-Ellender bill. Thus the building and loan associations are given greater freedom in the investment of their funds. FHA mortgage insurance is liberalized, especially for rental housing and low-cost houses, and the interest rate is reduced to 4%. This last can safely be done, for the mortgage banking system has annually been taking a fancy profit for no risks whatsoever. Home owners whose mortgages are insured by FHA are finally given some degree of protection against the loss of their equities in times of stress. A new type of private housing, especially suitable to families with moderate to low incomes, namely non-profit mutual ownership (or cooperative) housing, becomes eligible for mortgage insurance, and rental housing for such families becomes eligible for insurance on more favorable terms. Finally, this bill offers to insure large investors in rental housing for families of lower income against decline of the yield below 2.75% plus a 2% annual amortization charge. By these measures it is sought to make it completely safe for private investors and builders to serve all families, except those with incomes so low that they cannot conceivably pay the full cost (including a profit) of minimally standard housing.

(3) As a further aid to private enterprise, as well as to cities and local housing authorities, in the redevelopment of deteriorated city areas the bill provides an ingenious method of Federal and local assumption of the difference between the high acquisition cost of such land and the lower use value. Slum land always costs more than it is worth. Hence almost none of it has been redeveloped by private enterprise. Almost the only redevelopment has occurred in connection with public housing, where the excess land cost has been taken into the total development cost to be amortized by annual Federal subsidies to local housing authorities. Under this bill the excess land cost will be shared by the local government, which will donate the land in unnecessary street area and any other lands it may possess, and the Federal government, which will retire the balance in 45 annual subsidies. Thus private enterprise will be able to use the land at a reasonable cost.

(4) For such families as cannot possibly, out of their own incomes, pay the full price or rent of minimal standard housing, but only for the lowest 80% of such families, provided the local governing body shall have requested it, the Federal government (FPHA) would extend aid to local housing authorities sufficient to provide in

four years for approximately 10% of the estimated total number of such families. This is certainly not a rash or even a generous offer of aid to this desperately needy segment of the American people. The bill embodies the lessons of successful experience with this type of housing aid, consequently it will almost certainly be unnecessary for the Congress to appropriate any capital funds, all of which are contemplated to be borrowed by local housing authorities from private investors. As before, all development must be by private contractors.

(5) Some provision is made for rural housing, an honest beginning at least.

(6) Provision is made for the sale of permanent war housing projects to local housing authorities for use as veterans' and low rent housing, where at present they can be sold almost only to private speculators.

(7) Veterans are given preference in all housing aided or insured by the Federal government.

## The Bill's Faults

The bill has only two serious faults as far as it is possible to judge in advance. Both of them penalize the poorest segment of the population, veterans as well as others. In the first place, no provision whatsoever is made for the upper 20% of the lowest income group. In the second place, the housing program is limited by permissible appropriations to only 10% of the lowest income group. Both these serious faults were deliberately committed to appease an absolutely unappeasable set of interests, namely the National Association of Real Estate Boards, the National Association of Home Builders, and the Mortgage Bankers Association. The NAREB is in the act of collecting from its members a huge special fund for the purpose of killing this bill. They speak of it as the "WET Bill" and the "Trojan Horse Bill" which will socialize the American home and mark the end of private enterprise in this country. This is also the gang that last week prevailed on the House to deny Wilson Wyatt the powers he and President Truman felt were essential to prevent inflation in building costs and rents.

## The Necessary Rate of Production

What rate of production must we achieve each year to Rebuild America in Ten Years? Let us understand at once that when we succeed in this goal there will still be a healthy normal job for the building industry to do each year thereafter. But thereafter the demand for new housing will be stable and achievable, a job merely of keeping America well housed. For the decade ahead, however, in which we must catch up on an enormous pent-up need, the National Housing Agency estimates that 6,300,000 new dwellings will be necessary to properly house veterans and new families, to afford privacy to doubled-up families, and achieve a necessary normal 5% vacancy list. In addition 200,000 will be needed to replace units annually destroyed by fire, storm and flood. 7,000,000 units which were substandard in 1940 must be replaced. And another 2,600,000 units must replace an equivalent number which will have become substandard by 1955. This makes a total of 16,100,000 non-farm dwelling units for the 10-year period, to which must be added perhaps as many as 3,500,000 farm units that need replacement. Altogether the number of new dwellings needed would seem to be 19,600,000, or almost 2,000,000 per year. The National Housing Agency, ultra-conservative in its estimates and program, makes no provision for farm housing and proposes replacement of only one-half the houses substandard in 1940, and comes out with an an-

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nual 10-year program of 1,260,000. Even this rate of production will require a vast expansion of the house-building industry, as well as of all those that serve it. The National Housing Agency estimates that 1,260,000 new units each year will give full employment to about 4,000,000 workers.

## Construction Industry Our Economy's Bellwether

The residential construction industry is in many respects the bellwether of our whole economy. It should be the most stable and dependable part of it. Contrariwise, it has been the least stable, rising from 1920 to 1925 to heights out of all proportion to industrial production and dropping far below the level of industrial production in 1933. It is, because of the large investment represented by a single home, very sensitive to inflationary tendencies. Therefore residential construction began to decline in 1926, four years before the great crash in 1929, and plunged violently one year before. In periods of deflation it picks up more slowly. A stabilized residential construction industry would be like ballast to the rest of the economy. Stabilization is possible only on two premises, namely the prevention of inflation and long-range planning of production such as the 10-year program to Rebuild America. The emergency and long-range programs have been courageously propounded by Wilson Wyatt. The great questions remaining therefore are these: (a) Will Congress have the intelligence and courage to enact the Wagner-Taft-Ellender bill, and (b) Will it be able to withstand the inflationary lobbies, particularly the real estate lobby?

The pressure for inflation and the opposition to the Wagner-Taft-Ellender bill come from the same source, namely the speculative interests represented by the National Association of Real Estate Boards, the National Association of Home Builders, the Mortgage Bankers Association, and the Producers' Council. There are many upstanding individual members of these associations who do not agree with the wicked policies of their central offices. But the NAREB, on Feb. 6, 1946, appealed to its thousands of members for special subscriptions of funds with which to combat the Wagner-Taft-Ellender bill and the anti-inflationary ceilings on existing houses and on buildings lots. Furthermore, the February number of "Headlines," the official organ of the NAREB, is devoted to a lying, satirical attack on the Wagner-Taft-Ellender bill which they call the "WET Bill" and the "Trojan Horse Bill." Sewell Avery, U. S. Gypsum king as well as of Montgomery Ward fame, declared on March 6th that Wyatt's proposal to use some subsidies to get building materials into flow and thus avoid inflationary higher price levels is the wrong approach. "I don't believe practical men have the slightest confidence in the housing program," said the pontifical Mr. Avery. If you remember, it was Mr. Sewell Avery who was so "practical" in his interference with the war effort that American troops had to carry him out of his own office in his own chair.

The United States is now at the show-down on this program. The first round has been won in part by the selfish inflationary and speculative interests. The House of Representatives on March 7th voted to deny Wilson Wyatt many of the anti-inflationary powers he and President Truman had asked for. Note well that inflation of building costs will affect veterans more adversely than any other group. It is time to throw the money-changers out of the temple of American democracy. It is time for the people of America to take charge of its own destiny so far as its housing and its cities are concerned.

wounds of Hitler's war and rebuilding the scarred and shattered structure of human civilization. Let me declare, however, that the progress and freedom of all the peoples of the world, under a reign of law, enforced by a World Organization, will not come to pass, nor will the age of plenty begin, without the persistent, faithful, and above all fearless exertions of the British and American systems of society.

## Events Are Now Swiftly Moving

In the last 10 days the situation has greatly changed as the result of decisions which must have been taken some time ago. Instead of a calm discussion of broad and long-term tendencies we now find ourselves in the presence of swiftly-moving events which no one can measure at the moment. I may be called upon to speak about the new situation when I get back home.

There are however a few things which I am bound to say tonight lest a good cause should suffer by default. If any words that I have spoken have commanded attention, that is only because they find an echo in the breasts of those of every land and race who love freedom and are the foes of tyranny. I certainly will not allow anything said by others to weaken my regard and admiration for the Russian people or my earnest desire that Russia should be safe and prosperous and should take an honored place in the van of the World Organization. Whether she will do so or not depends only on the decisions taken by the handful of able men who, under their renowned chief, hold all the 180 million Russians, and many more millions outside Russia, in their grip. We all remember what frightful losses Russia suffered in the Hitlerite invasion and how she survived and emerged triumphant from injuries greater than have ever been inflicted on any other community. There is deep and widespread sympathy throughout the English-speaking world for the people of Russia and an absolute readiness to work with them on fair and even terms to repair the ruin of the war in every country. If the Soviet Government does not take advantage of this sentiment, if on the contrary they discourage it, the responsibility will be entirely theirs.

## USSR Should Observe Its Treaty Obligations

There is for instance a very good way in which they could brush aside any speeches which they dislike. It is a way which is open to them now in the next fortnight. The British Government, of which I was the head, signed a Treaty with Russia and with Persia solemnly undertaking to respect the integrity and sovereignty of Persia and to evacuate that country by a certain date. This Treaty was reaffirmed at Teheran by the Tri-Partite Agreement signed by the head of the Soviet Government, by the late President Roosevelt and by me. In fulfillment of this Agreement the United States and the British have already left that country. But now we are told that the Soviet Government, instead of leaving, are actually sending in more troops. Now this is one of those cases for which the United Nations Security Council was especially devised, and I am very glad to read in the newspapers that the Soviet representatives will attend the meeting of the Security Council which is to take place in New York on March 25. By all means let the matter be thrashed out there and let respect be shown, even by the greatest or most deeply-interested powers, to the conclusions of the Security Council. In this way the reign

of world law and the international foundations of enduring peace would be immeasurably consolidated.

## The Soviet's War Effort Has Been Magnificently Rewarded

There is no reason why Soviet Russia should feel ill-rewarded for her efforts in the war. If her losses have been grievous, her gains have been magnificent. Her two tremendous antagonists, Germany and Japan, have been laid low. Japan was overthrown almost entirely by American arms. Russia recovered almost without striking a blow all that she lost to Japan 40 years ago. In the west the Baltic states and a large part of Finland have been reincorporated in Russia. The Curzon line is no longer questioned. Then we come to the Straits of the Dardanelles. I welcome the Russian flag on Russian ships on the high seas and oceans. I have always told our Soviet allies that Great Britain would support the revision of the Montreaux convention about the Straits. At Potsdam the Americans and British offered to Russia a joint guarantee of the complete freedom of the Straits in peace and war, whether for merchant ships or ships of war. To this guarantee Turkey would gladly have subscribed. But we were told that that was not enough. Russia must have a fortress inside the Straits, from which she could dominate Constantinople. But this not to keep the Straits open but to give power of closing them to a single nation. This is out of harmony with the principle urged by the United States representatives of the freedom of the great waterways of Europe, the Danube, the Rhine, and other rivers which run through many countries. At any rate, there was the offer and I have no doubt it is still open, and if Soviet Russia still persists in putting pressure on Turkey, the matter must in the first instance be pronounced upon by the United Nations Security Council. Thus early will come a very great test for the World Organization on which so many hopes are founded.

## Misunderstanding About Democratic Government

It has been frequently observed in the last few days that there is a great measure of misunderstanding. I entirely agree with that. Could you have a greater example of misunderstanding than when we are told that the present British Government is not a free democratic government because it consists only of the representatives of a single party whereas Poland, Rumania, Bulgaria and other countries have the representatives of several parties in their governments. But this also applies to the United States, where one party is in office and wields the executive power. But all this argument overlooks the fact that democratic governments are based on free elections. The people choose freely and fairly the party they wish to have in office. They have every right to criticize that party, or the government based upon it, and can change it by constitutional processes at any time they like or at frequent intervals. It can hardly be called a democratic election where the candidates of only one party are allowed to appear and where the voter has not even the secrecy of the ballot to protect him. These misunderstandings will be swept away if we get through the present difficult period safely and if the British, American and Russian peoples allowed to mingle freely with one another and see how things are done in their respective countries. No doubt we all have much to learn from one another. I rejoice to read in the newspapers that there never were more Russian ships in New York harbor than

there are tonight. I am sure you will give the Russian sailors a hearty welcome to the land of the free and the home of the brave.

## Great Britain and U. S. Must Work in Full Loyalty to UNO Charter

Now I turn to the other part of my message — the relations between Great Britain and the United States. On these the life and freedom of the world depend. Unless they work together in full loyalty to the Charter, the organization of the United Nations will cease to have any reality. No one will be able to put his trust in it and the world will be left to the hideous clash of nationalisms which has led us to two frightful wars. I have never asked for an Anglo-American military alliance or a treaty. I asked, and I ask, for something different and in a sense I asked for something more. I asked for fraternal association, free voluntary fraternal association. I have no doubt that it will come to pass, as surely as the sun will rise tomorrow. But you do not need a treaty to express the natural affinities and friendships which arise in a fraternal association. On the other hand, it would be wrong that the fact should be concealed or ignored. Nothing can prevent our nations drawing ever closer to one another, and nothing can obscure the fact that in their harmonious companionship lies the main hope of a world instrument for maintaining peace on earth and goodwill to all men.

I thank you profoundly for all your gracious kindness and hospitality to me during this visit I have paid to your shores. Mine is not the first voice raised within your spacious bounds in the cause of freedom and of peace. Nor will it be the last that will be encouraged by the broad tolerance of the American people. I come to you at a time when the United States stands at the highest point of majesty and power ever attained by any community since the fall of the Roman Empire. This imposes upon the American people a duty which cannot be rejected. With opportunity comes responsibility. Strength is granted to us all when we are needed to serve great causes. We in the British Commonwealth will stand at your side in powerful and faithful friendship and in accordance with the World Charter, and together I am sure we shall succeed in lifting from the face of man the curse of war and the darker curse of tyranny. Thus will be opened ever more broadly to the anxious toiling millions the gateways of happiness and freedom.

On March 18, Mr. Churchill, at the ceremonies marking the conferring on him by Columbia University of the honorary degree of Doctor of Laws, Mr. Churchill spoke as follows:

Mr. President, Ladies and Gentlemen: It gives me the great pleasure to receive this degree and the honor and esteem it implies from Columbia University. During the war, when I was here on business two years ago, I received your invitation, and it came to me from Dr. Nicholas Murray Butler. A promise made to him is not one that could ever be broken, and although I have been endeavoring to live as quiet and reposeful a life as possible during my visit to the United States, I thought myself bound not only by my promise but by my great regard for him to come forward and accept this remarkable honor which this great university of the mighty City of New York wished to confer upon me.

We have had an announcement in the paper the day before yesterday of the great affliction

which has fallen upon Dr. Nicholas Murray Butler, whom I have known for so many years. The light has failed, but that is only the light which reacts upon our physical senses; the inward vision, the light that burns within, burns all the brighter and shines from him in guiding all those who have known him for so many years and have lived with him and guided those forward along the path of decency, of honor, of character, and of good sense.

I wish to pay my tribute of respect to him on this occasion, when you are bestowing this honor upon me.

## Praises American Education

The university life of the United States will stand out as a glorious trophy and monument of its power and wealth and culture. In no other country that has ever existed has such university training been so widely diffused. The graduates of your universities are numbered, not by the millions but by the tens of millions. Everywhere young men and young women can come forward and gain the immense advantage of a year or two or it may be more, if they are lucky, of a view of all the arts, the sciences, of the knowledge, of the wisdom and the dignity which man has accumulated, painfully and slowly, in his long toil through life. Indeed, it is the glory of your country that these facilities should be open to so many, and that young man or young woman who has a chance and does not take full advantage of it, who has got good grounds to avail himself or herself of it and does not, will have bitter grounds to repent in days to come.

Under the great stroke of war, under the processes of academic development, the curriculum had to be altered. Other colleges, other schools were opened on dark and stormy fields of war and far out on the ocean space and in the high air. But education could be gained there, education which acts as a great former of character, which gives the young man facing the storm a poise, a position and a dignity which may well animate his estate all the rest of his life, apart from making his country-men grateful to him for all he has done.

You have, I have no doubt, been assured, indeed, when I spoke in Miami and received a degree there three weeks ago, that immense preparations are being made and are, in fact, in progress to provide for the facility of education which will be needed by your young men returning home from the war, so that there is no blackout period in their lives, and that they can enter into full citizenship of a free country with that essential knowledge of the humanities and of the learning which the world has gathered together, and which universities inculcate in those who have years to learn, and there are many.

## Urges English Language Study

May I say that I think there should be, or in the universities it is most important that there should be, a study of our language, the English language. We have a very great tradition in that. It is a key to a marvelous literature; it is the means of contact between—I will not say the most numerous but the most influential mass of human beings spread about the world. We have a great tradition, a great legend, and I know now our young officers and soldiers, GIs coming back from the front, British officers and private soldiers all returning home—one thing they certainly have got, and that is a good grounding in Anglo-American slang.

I suggest without any prejudice that they now acquire full knowledge and facility of the

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majority and power of their own mother tongue.

I read a great deal out of the newspapers, read all the newspapers I can see in this country. Turning over the pages, so many pages, in the morning between the different advertisement sheets, and so on, is a healthy physical exercise. It might well replace the ordinary dumbbells. I see in some, and in some books that I read, an undue reliance upon slang. In its right place slang has its virtues, but let us keep a tight hold of our own mother tongue because that is the key to the treasure-houses of the past and also the key to the great works of the future.

### Urges Study of History

Another study which is very important, it seems to me, is the study of history, and of course history, like everything else that is human, is erroneous and fallible, but still a knowledge of the past is essential to taking a broad view, and a true view of the course to be pursued in the future.

They say history never repeats itself, but only the historians repeat one another. They say also that the lesson of history is that it renews parallels; however it may be, although no situation will exactly repeat itself, it is a good thing to have in one's mind all that has happened in the past, with as much emphasis as we can, illumined as you can, in your mind with the romance and drama of all the countries, of all the nations that have been moving forward in the vast process of the world.

### Communists and Termites

Even our Communist friends should study this. They should study the admirable modern works on the life and the soul of the white ant. That will show them not only a great deal about their past but will give a very fair indication of their future. But, with regard to our common history, which bifurcated at a point in the past, I hope that there will be an attempt to write history without prejudice.

In conflicts which arise between people, in the long story of man, prejudices arise, and it is right that both sides should be stated with all the force and fashion of the day in which these events took place, but in the after time, as we move on, it seems to me that an effort should be made to inculcate the truth as far as has been given to us to ascertain, to inculcate the actual facts that occurred, and to understand the strange position and hard position in which human beings are placed in the conflicts which break out around them. I hope that Anglo-American history may be studied from that point of view so that we may at any rate understand how all that has happened to us and how it is we are all here in the world together at the present time and not getting on so badly after all.

### Sympathy for Toiler

I have great sympathy with the ordinary humble, common toiler. What chance has he or she when the world convulsions sweep across his land? What chance has he when his home is shattered, the institutions in which he was brought up, all the surroundings vanishing in the night, or liquidated? How can he in his humble position, one individual out of scores of millions, control or guide or govern, and how can he adjust himself in anything like a remote degree for what position he is forced into by tyrants who from time to time seize upon the governments of great states.

No, a spirit of tolerance and comprehension must run through all our studies of history; and, for

my part, I am glad to say here in Columbia University, in my heart there is no abiding hatred to any great race on this earth.

I earnestly hope that there will be no pariah nations. Guilty or punished, we have to look forward to a broader, fairer world, richer, fuller in every way. There must be opened, under the aegis and under the authority, valiantly maintained, unflinchingly maintained, a world organization to guard the humble toiler, guard the small homes of the nation, of all the nations, from renewal of the horrors of war and of tyranny.

Such are the words I venture to speak to you today, and I must also say that in that task you will be aided to the utmost by all the moral and material forces that the British Empire, the British nation, the British Commonwealth of Nations can supply. Thus, walking forward together, with no aims of conquest, subjugation, or material profit, or advancement of the sordid interests—marching forward together, we may render at this juncture services to humanity which never before has any country had the honor to do.

I thank you very much for the honor you conferred upon me today, for the attention with which you have listened to me. I shall carry away from this noble hall an indecipherable impression of your kindness and of the greatness of the city and nation to which you belong.

## Congress Proposes for Ceiling on Spending

The special joint Senate-House committee which has had under deliberation a Congressional reorganization program issued its formal report on March 4, according to Washington advices to the Associated Press. The keynote of the Committee's recommendations was the curbing of spending, the report stating that at present there is no Congressional coordination between revenue-raising and appropriations. Other recommendations contained in the 35-page report on a year's study into how Congress could improve and streamline its operations included, the Associated Press stated:

"1. Authorization for each member to employ a high-caliber administrative assistant at an annual salary of \$8,000 to handle such non-legislative work as helping a constituent obtain something from a Government department. The committee said these chores now take up as much as 80% of a member's time.

"2. An increase from \$10,000 to \$15,000 in annual salary and provision for retirement on the same terms as civil service workers.

"3. Consolidation of the Senate's thirty-three standing committees into sixteen and the House's forty-eight into eighteen. In that connection, it was proposed that the practice of creating special investigating committees be abandoned.

"4. Creation of majority and minority policy committees to lay down formal party policy on legislative issues. Each legislator would be free to vote as he saw fit, but the report said that existence of a formal policy would help the voters hold both the party and the individual accountable."

The report of the 12-member joint committee, headed by Senator La Follette (Prog.-Wis.), with Representative M o n r o n e y (D.-Okla.) as Vice-Chairman, was issued amid indications within Congress of increasing concern over the fiscal position of the nation. Sixteen Senators and House members have already called for a balanced budget in the year commencing July 1.

## Lehman Leaves UNRRA

On the grounds of ill health, Herbert H. Lehman tendered his resignation on March 12 as Director General of the United Nations Relief and Rehabilitation Administration. His letter of resignation was addressed to the Central Committee of UNRRA for presentation to the Council, which will choose his successor. Reviewing the work of the relief organization briefly, Mr. Lehman said he had hoped to remain with it until it had accomplished its purposes, but that he was no longer able to do so. He offered to give advice or assistance to those who would carry on the work if they should find it necessary to call on him. Mr. Lehman also said in part:

"I should like to emphasize what, to me, is a matter of primary importance. UNRRA has not only provided material aid to many millions of people, but in so doing has given fresh hope to those millions of men and women—a hope that the United Nations by continuing to work together effectively can, in fact, establish good will and understanding amongst men.

"Much has already been accomplished to justify the hopes that countless suffering human beings had placed in this organization. Much remains to be done. In separating myself from the administration I do so with the firm conviction that the structure, has been well built; that the organization is functioning efficiently and in accordance with the high principles and policies of its charter, and that the staff will give to my successor the same full measure of loyalty and support which they have always given me.

"It is my earnest hope that at the council meeting that is about to convene and at the next meeting which will be held during the summer action will be taken to provide for the transfer to other organizations of those activities of UNRRA which will inevitably be left unfinished if, as at present is indicated, UNRRA will cease to function in a little more than a year from now. It is probable, in my opinion, that further assistance—particularly in providing food and agricultural rehabilitation—will have to be extended beyond this year. It is especially important that the future of the persecuted and stateless peoples be dealt with, with sympathy, foresight and courage, on an international basis, and that provision be made for their continuing assistance and protection lest they be left to shift for themselves, helplessly, in countries which they will always remember as the graveyards of their nearest and dearest. Happily, international responsibility for the care of refugees and displaced persons who, for valid reasons, cannot be repatriated has already been recognized by UNO."

## Pasvolsky Leaves State Department

The resignation of Leo Pasvolsky as special assistant to the Secretary of State was announced on March 14. Coming to the State Department from the Brookings Institution in 1935, Mr. Pasvolsky was closely associated with Cordell Hull in work on the reciprocal trade agreements, and had recently been in charge of international organization and security affairs. Secretary Byrnes, in accepting his resignation, warmly commended Mr. Pasvolsky's record of service according to the New York "Times" Washington dispatch which stated that the former State Department assistant would return to the Brookings Institution.

## Observations

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resistance to fascism, who decided that the Communists deserve completely the confidence of the people."

But if this is so, it is indeed impossible to understand the difficulties of Messrs. Vishinsky, Molotov, and Stalin in gaining "the confidence of the common men" who succeeded Mr. Churchill. Mr. Molotov's recent reproving remark to Mr. Bevin to the effect that he preferred dealing with gentlemen like Mr. Eden, and his present deep schism with the Labor Government, surely indicate a lack of sympathy between the Soviet itself and the "common man." It seems that, unfortunately, the only people who understand the Communists—are the Communists! And our Henry Wallace!!

A helpful major step toward Marshal Stalin's enlightenment of the world as to his intentions would be for him—in lieu of uttering irrelevant invective—to explain his concept of the proper behavior regarding solemn treaty obligations. Perhaps he will still give delayed observance to the treaties and agreements affecting Iran, including the Anglo-Persian alliance past, tri-partite treaty of June, 1942, and her obligations under the United Nations Charter. In any event, however, the Soviet actions regarding treaties over the long-term past leaves his permanent policy completely uncertain. While there is a consistent pattern of Russian violation of international agreements, this has been admitted only in the case of the 1939 pact with Hitler, which (for obvious motives) she subsequently quite frankly, and cynically affirmatively proclaimed, she had never intended to observe.

But the Soviet's bland disavowal of its pact with Germany must be accepted with more than a grain of salt. For it was simultaneously accompanied by a definitive commercial agreement. This initial commercial agreement was superseded by another one of Feb. 11, 1940, which was supplemented by a third agreement of Jan. 10, 1941. According to an official statement made by Foreign Minister Von Ribbentrop on June 23, 1941, Russia's deliveries of goods under these agreements "were carried out on schedule until the last day before the rupture." Moreover there were other agreements between Stalin and Hitler, as those dealing with Poland, the Baltic States, Finland, Bessarabia, the Balkans, and the Near East. As to the observance of the 1939 non-aggression pact, which started Hitler on the march, Mr. Molotov himself insisted that his government had played along 100%, per his statement of June 22, 1941: "The attack on our country was perpetrated despite the fact that a treaty of non-aggression has been signed between the USSR and Germany and that the Soviet Government most faithfully abided by all provisions of this treaty. During the entire period of the operation of this treaty the German Government could not find ground for a single complaint against the USSR as regards observance of this treaty."

But in her relations with other countries the Soviet has shown a consistent and clear record of treaty-violation—as with Poland and Finland, with the League of Nations, with Romania, and with the Baltic States. It will be recalled that in June, 1940, the Red Army, pursuant to 24-hour ultimatums, embarked on a career of "explosive expansion," occupying Lithuania, Latvia, and Estonia; installing therein new governments dominated by the Kremlin, and within two months incorporating them in the Soviet Union—action which was violently condemned by both Washington and London. Incidentally the United States was put in the strange and uncomfortable position of lend-leasing bombs to a country dumping them on Finland, the only country that regularly paid her war debts.

In its striving to "understand Russia," is not the world's deduction to be that her permanent policy is to break international agreements at will? This seems inescapable, with an outstanding exception consisting in Stalin's observance of his pact with Germany (complicated somewhat by his denial thereof in frankly and cynically ascribing double-dealing to himself, because ideological face-saving was then needed).

While few of the opponents of the present Congressional provisions for controlling atomic energy have followed Secretary Wallace to the extent of hurling his well-worn "fascism" epithet, the occasion for their volubly-expressed worries is still difficult to understand. The focal point of their displeasure is with the Vandenberg amendment to the McMahon Bill, adopted by a Senate Committee vote of 10-1. Typical are the objections broadcast last Sunday night from an all-out meeting at New York's New School for Social Research, by Merle D. Miller, former managing editor of "Yank" and a seasoned veteran, and by Dr. Irving Kaplan, Chairman of the Executive Committee of the discovery's Manhattan Project Scientists. In the Vandenberg amendment they visualize the threat of "military dictatorship" and the intensification of the provocation of war. Similarly Americans United, an active and influential organization, promulgates this criticism: "This (the Vandenberg amendment) represents a terrible danger of military dictatorship, through abuse of these extraordinarily wide powers of discretion. If we are to avoid war and dictatorship, we must not put control of the ultimate power of the universe in the hands of the military."

Actually, such professed forebodings appear entirely unwarranted. As the bill now stands, (consistent with President Truman's interpretation), it leaves every decision regarding atomic energy in civilian hands, and represents complete civilian control. The military authorities may only appeal to the President for his final decision if they think that the civilians' decisions threaten the national defense. With the President, chosen by a free electorate, acting as the Commander-in-Chief of our armed forces, it is difficult to agree with the charge that his subordinates heading the Army and Navy are potential instruments of either dictatorship or fascism. With the world and our country in a tragic condition of strife, should not the military experts—as a matter of sensible prudence—have at least minority representation on a body administering an essential war weapon? Surely this does not seem inconsistent with Senator Vandenberg's professed supreme aim "that the United Nations shall succeed in a total prohibition of atomic energy for military purposes anywhere on earth."

## Electric Output for Week Ended March 16, 1946 9.3% Below That for Same Week a Year Ago

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended March 16, 1946, was 3,987,877,000 kwh., which compares with 4,397,529,000 kwh. in the corresponding week a year ago, and 3,952,539,000 kwh. in the week ended March 9, 1946. The output for the week ended March 16, 1946 was 9.3% below that of the same week in 1945.

### PERCENTAGE DECREASE UNDER SAME WEEK LAST YEAR

Major Geographical Divisions—	March 16	March 9	March 2	Feb. 23
New England	4.2	5.1	1.9	6.4
Middle Atlantic	3.0	5.7	4.3	5.2
Central Industrial	13.5	15.7	15.9	20.5
West Central	1.2	2.4	1.9	3.4
Southern States	9.9	11.9	11.8	13.2
Rocky Mountain	11.2	1.6	11.1	12.0
Pacific Coast	13.4	13.4	13.1	10.0
Total United States	9.3	11.1	10.6	12.3

### DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1945	1944	% Change under 1944	1943	1932	1929
Dec. 1	4,042,915	4,524,257	-10.6	4,560,158	1,518,922	1,806,225
Dec. 8	4,096,954	4,538,012	-9.7	4,566,905	1,563,384	1,840,863
Dec. 15	4,154,061	4,563,079	-9.0	4,612,994	1,554,473	1,860,021
Dec. 22	4,239,376	4,616,975	-8.2	4,295,010	1,414,710	1,637,683
Dec. 29	3,756,942	4,225,614	-11.0	4,337,287	1,619,265	1,542,000

  

Week Ended—	1946	1945	% Change under 1945	1944	1932	1929
Jan. 5	3,865,362	4,427,281	-12.7	4,567,959	1,602,482	1,733,810
Jan. 12	4,163,206	4,614,334	-9.8	4,539,083	1,598,201	1,736,721
Jan. 19	4,145,116	4,588,214	-9.7	4,531,662	1,588,967	1,717,315
Jan. 26	4,034,365	4,576,713	-11.9	4,523,763	1,588,853	1,728,208
Feb. 2	3,982,775	4,538,552	-12.2	4,524,134	1,578,817	1,726,161
Feb. 9	3,983,493	4,505,269	-11.6	4,532,730	1,545,459	1,718,304
Feb. 16	3,948,620	4,472,298	-11.7	4,511,562	1,512,158	1,699,250
Feb. 23	3,922,796	4,473,962	-12.3	4,444,939	1,519,679	1,706,719
March 2	4,000,119	4,472,110	-10.6	4,464,686	1,538,452	1,702,570
March 9	3,952,539	4,446,136	-11.1	4,425,630	1,537,747	1,687,229
March 16	3,987,877	4,397,529	-9.3	4,400,246	1,514,553	1,683,262
March 23	4,401,716	4,401,716	0.0	4,409,159	1,480,208	1,679,589
March 30	4,329,478	4,329,478	0.0	4,408,703	1,465,076	1,633,291

## 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—	U. S. Govt. Bonds	Avg. Corporate	Corporate by Ratings*				Corporate by Groups*		
Daily Averages			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Mar. 19	125.80	119.61	123.56	122.29	119.00	114.27	117.00	120.22	122.09
18	125.80	119.82	123.77	122.50	119.20	114.27	117.00	120.22	122.09
16	125.80	119.82	123.77	122.29	119.20	114.27	117.00	120.22	122.09
15	125.80	119.82	123.77	122.29	119.20	114.27	117.00	120.22	122.09
14	125.80	119.82	123.77	122.29	119.20	114.27	117.00	120.22	122.09
13	125.81	119.82	123.77	122.29	119.20	114.46	117.00	120.22	122.29
12	125.84	119.82	123.77	122.29	119.20	114.46	117.00	120.22	122.29
11	125.86	119.82	123.77	122.50	119.20	114.46	116.80	120.43	122.50
9	125.86	119.82	123.77	122.50	119.20	114.46	116.80	120.43	122.50
8	125.81	119.82	123.56	122.29	119.20	114.46	116.80	120.22	122.29
7	125.81	119.82	123.56	122.29	119.20	114.46	116.80	120.22	122.29
6	125.81	119.82	123.56	122.29	119.20	114.46	116.80	120.22	122.29
5	125.81	119.82	123.56	122.29	119.20	114.46	116.80	120.22	122.29
4	125.81	119.82	123.56	122.29	119.20	114.27	116.61	120.22	122.29
2	125.84	119.61	123.56	121.88	119.20	114.02	116.41	120.22	122.29
1	125.84	119.61	123.56	121.88	119.20	114.27	116.61	120.22	122.09
Feb. 21	126.02	120.22	123.34	121.88	119.00	114.27	116.41	120.22	122.09
15	126.14	119.61	123.56	121.88	119.20	114.27	116.80	120.02	122.29
8	126.15	119.61	123.34	121.88	119.20	114.27	116.41	120.02	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	119.82	123.77	122.50	119.20	114.46	117.00	120.43	122.50
Low 1946	124.97	117.60	121.46	119.82	117.20	112.19	114.46	117.80	120.63
1 Year Ago	122.20	115.04	120.84	118.60	114.85	106.39	111.25	114.46	119.41
2 Years Ago	120.13	111.44	118.20	116.41	111.44	100.65	104.66	113.70	116.41

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

1946—	U. S. Govt. Bonds	Avg. Corporate	Corporate by Ratings*				Corporate by Groups*		
Daily Averages			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Mar. 19	1.35	2.67	2.48	2.54	2.70	2.94	2.80	2.64	2.55
18	1.35	2.66	2.47	2.53	2.69	2.94	2.80	2.64	2.54
16	1.35	2.66	2.47	2.54	2.69	2.94	2.80	2.64	2.55
15	1.34	2.66	2.47	2.54	2.69	2.94	2.80	2.64	2.54
14	1.34	2.66	2.47	2.54	2.69	2.94	2.81	2.64	2.54
13	1.34	2.66	2.47	2.54	2.69	2.93	2.80	2.64	2.54
12	1.34	2.66	2.47	2.54	2.69	2.93	2.80	2.64	2.54
11	1.34	2.66	2.47	2.53	2.69	2.94	2.81	2.63	2.53
9	1.34	2.66	2.47	2.53	2.69	2.93	2.81	2.63	2.53
8	1.34	2.66	2.48	2.53	2.69	2.93	2.81	2.63	2.54
7	1.34	2.66	2.48	2.54	2.69	2.93	2.81	2.64	2.54
6	1.34	2.66	2.48	2.54	2.69	2.94	2.81	2.64	2.54
5	1.34	2.66	2.48	2.54	2.69	2.93	2.81	2.64	2.54
4	1.34	2.66	2.48	2.54	2.69	2.94	2.82	2.64	2.54
2	1.34	2.67	2.48	2.56	2.69	2.95	2.83	2.64	2.54
1	1.34	2.67	2.48	2.56	2.69	2.94	2.82	2.64	2.55
Feb. 21	1.33	2.67	2.49	2.56	2.70	2.94	2.83	2.64	2.55
15	1.32	2.67	2.48	2.56	2.69	2.94	2.81	2.65	2.54
8	1.32	2.67	2.49	2.56	2.69	2.94	2.83	2.65	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	2.66	2.47	2.53	2.69	2.93	2.80	2.63	2.53
1 Year Ago	1.65	2.90	2.61	2.72	2.91	3.37	3.10	2.93	2.68
2 Years Ago	1.80	3.09	2.74	2.83	3.09	3.71	3.47	2.97	2.83

\*These prices are computed from average yields on the basis of one "typical" bond (3 3/4% 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.

## The State of Trade

(Continued from page 1542)

This week's operating rate is equivalent to 1,566,800 tons of steel ingots and castings and compares with 1,473,400 tons one week ago, 268,000 tons one month ago and 1,774,900 tons one year ago.

**Electrical Production**—The Edison Electric Institute reports that the output of electricity decreased to 3,952,539,000 kwh. in the week ended Mar. 9, 1946, from 4,000,119,000 kwh. in the preceding week. Output for the week ended Mar. 9, 1946 was 11.1% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 183,000,000 kwh. in the week ended March 10, 1946, compared with 176,400,000 kwh. for the corresponding week of 1945, or an increase of 3.8%. Local distribution of electricity amounted to 180,200,000 kwh., compared with 173,100,000 kwh. for the corresponding week of last year, an increase of 4.2%.

**Railroad Freight Loadings**—Car loadings of revenue freight for the week ended Mar. 9, 1946, totaled 786,202 cars, the Association of American Railroads announced. This was an increase of 3,805 cars (or 0.5%) above the preceding week and 19,147 cars, or 2.5% above the corresponding week of 1945. Compared with the similar period of 1944, an increase of 5,937 cars, or 0.8% is shown.

**Business Failures Remain Low**—Although declining from the previous week's level, commercial and industrial failures in the week ending March 14 continued to exceed the number occurring last year. Dun & Bradstreet, Inc., reports 17 concerns failing as compared with 22 in the prior week and 16 in the corresponding week of 1945.

All of this week's decline occurred in large failures involving liabilities of \$5,000 or more. These large failures, down from 19 last week to 13 in the week just ended, were nevertheless more than twice as heavy as in the same week of 1945 when there were only 5. Little change from the previous week appeared in small failures with losses of less than \$5,000, but, compared with the corresponding week a year ago, small failures fell far short—4 against 11.

Concerns failing in manufacturing increased this week, while in all other trade and industry groups failures turned downward.

One Canadian failure was reported, the same number as last year. In the preceding week, 4 failures were reported in Canada.

**February Building Permits**—Although off slightly from the two immediately preceding months, the volume of building permits issued during February 1946, was, with those two exceptions, the highest for any other month since October 1929. Totaling \$198,698,543, last month's aggregate for 215 cities fell 2.6% below the \$204,052,082 for January, but rose well over twice the \$73,599,154 for February 1945, according to Dun & Bradstreet, Inc.

**Wholesale Commodity Price Index**—Fluctuating within a comparatively narrow range during the week, the daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., fell to

## Moody's Daily Commodity Index

Tuesday, March 12, 1946	271.4
Wednesday, March 13	271.3
Thursday, March 14	271.1
Friday, March 15	271.0
Saturday, March 16	271.1
Sunday, March 17	271.3
Tuesday, March 18	271.3
Two weeks ago, March 5	271.5
Month ago, Feb. 19	268.7
Year ago, March 19, 1945	255.3
1945 High, Dec. 27	268.0
Low, Jan. 24	252.1
1946 High, March 4	271.7
Low, Jan. 2	264.7

186.75 on March 12, from 187.02 a week earlier. Comparing with 176.46 on the corresponding 1945 date, the current figure indicates a rise of 5.8%.

Grain markets were unsettled last week with future deliveries of wheat, oats, and barley selling below ceiling limits for the first time in many weeks. The decline was largely influenced by indications of an easing in the tight situation in cash grains, the fear of increased government controls over feed grains and the expectation of lessened foreign demand after June 1. Cash wheat and corn remained at ceilings as country offerings failed to satisfy the active demand.

### Trading on New York Exchanges

The Securities and Exchange Commission made public on March 13 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Feb. 23, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Feb. 23 (in round-lot transactions) totaled 2,816,210 shares, which amount was 16.57% of the total transactions on the Exchange of 8,515,570 shares. This compares with member trading during the week ended Feb. 16 of 2,712,885 shares, or 15.97% of the total trading of 8,496,490 shares.

On the New York Curb Exchange, member trading during the week ended Feb. 23, amounted to 873,695 shares, or 13.53% of the total volume on that Exchange of 3,229,180 shares. During the week ended Feb. 16 trading for the account of Curb members of 865,885 shares was 12.76% of the total trading of 3,391,820 shares.

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

WEEK ENDED FEB. 23, 1946		Total for Week	%
<b>A. Total Round-Lot Sales:</b>			
Short sales	-----	221,490	
Other sales	-----	8,294,080	
<b>Total sales</b>	-----	<b>8,515,570</b>	
<b>B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:</b>			
<b>1. Transactions of specialists in stocks in which they are registered—</b>			
Total purchases	-----	1,025,650	
Short sales	-----	129,620	
Other sales	-----	762,280	
<b>Total sales</b>	-----	<b>891,900</b>	<b>11.30</b>
<b>2. Other transactions initiated on the floor—</b>			
Total purchases	-----	148,400	
Short sales	-----	7,800	
Other sales	-----	157,900	
<b>Total sales</b>	-----	<b>165,700</b>	<b>1.84</b>
<b>3. Other transactions initiated off the floor—</b>			
Total purchases	-----	277,365	
Short sales	-----	32,320	
Other sales	-----	274,875	
<b>Total sales</b>	-----	<b>307,195</b>	<b>3.43</b>
<b>4. Total</b>	-----	<b>1,451,415</b>	
Total purchases	-----	169,740	
Short sales	-----	1,195,055	
Other sales	-----	1,364,795	<b>16.57</b>

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

WEEK ENDED FEB. 23, 1946		Total for Week	%
<b>A. Total Round-Lot Sales:</b>			
Short sales	-----	36,820	
Other sales	-----	3,192,360	
<b>Total sales</b>	-----	<b>3,229,180</b>	
<b>B. Round-Lot Transactions for Account of Members:</b>			
<b>1. Transactions of specialists in stocks in which they are registered—</b>			
Total purchases	-----	318,190	
Short sales	-----	18,425	
Other sales	-----	245,360	
<b>Total sales</b>	-----	<b>263,785</b>	<b>9.01</b>
<b>2. Other transactions initiated on the floor—</b>			
Total purchases	-----	40,900	
Short sales	-----	3,200	
Other sales	-----	46,450	
<b>Total sales</b>	-----	<b>49,650</b>	<b>1.40</b>
<b>3. Other transactions initiated off the floor—</b>			
Total purchases	-----	45,835	
Short sales	-----	6,550	
Other sales	-----	148,785	
<b>Total sales</b>	-----	<b>155,335</b>	<b>3.12</b>
<b>4. Total</b>	-----	<b>404,925</b>	
Total purchases	-----	28,175	
Short sales	-----	440,595	
Other sales	-----	468,770	<b>13.53</b>
<b>C. Odd-Lot Transactions for Account of Specialists—</b>			
Customers' short sales	-----	0	
Customers' other sales	-----	114,779	
<b>Total purchases</b>	-----	<b>114,779</b>	
<b>Total sales</b>	-----	<b>154,306</b>	

\*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.  
 †In calculating these percentages the total of members' purchases and sales is compared with twice the total round-lot volume on the Exchange for the reason that the Exchange volume includes only sales.  
 ‡Round-lot short sales which are exempted from restriction by the Commission's rules are included with "other sales."  
 §Sales marked "short exempt" are included with "other sales."

### Civil Engineering Construction Totals \$74,769,000 For Week

Civil engineering construction volume in continental United States totals \$74,769,000 for the week ending March 14, 1946 as reported to "Engineering News-Record." This volume is 9% above the previous week, 83% above the corresponding week of last year, and 15% above the previous four-week moving average. The report issued on March 14 went on to say:

Private construction this week, \$45,893,000 is down 3% below last week and 339% above the week last year. Public construction, 36% greater than last week, is 5% below the week last year. State and municipal construction, 42% greater than last week is also 1,342% above the 1945 week. Federal construction, 18% above last week, is down 76% below the week last year.

Total engineering construction for the eleven-week period of 1946 records a cumulative total of \$739,440,000, 132% above the total for a like period of 1945. On a cumulative basis, private construc-

tion in 1946 totals \$499,059,000, 380% above the total for 1945. Public construction, \$240,381,000, is 12% greater than the cumulative total for a like period of 1945 as state and municipal construction, \$161,068,000 to date, is 414% above 1945. Federal construction, \$79,313,000, dropped 57% below the 11-week total of 1945.

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

	Mar. 14, '46	Mar. 7, '46	Mar. 15, '45
Total U. S. Construction	\$74,769,000	\$68,369,000	\$40,763,000
Private Construction	45,893,000	47,073,000	10,457,000
Public Construction	28,876,000	21,296,000	30,306,000
State & Municipal	22,014,000	15,491,000	1,527,000
Federal	6,862,000	5,805,000	28,779,000

In the classified construction groups, five of the nine classes recorded gains this week over the previous week as follows: bridges, industrial buildings, public buildings, earthwork and drainage, and highways. Seven of the nine classes recorded gains this week over the 1945 week as follows: sewerage, bridges, industrial buildings, commercial buildings, earthwork and drainage, highways, and unclassified.

#### New Capital

New capital for construction purposes this week totals \$12,465,000, and is made up of \$4,982,000 in state and municipal bond sales and \$7,483,000 in corporate security issues. New capital for the 11-week period of 1946 totals \$327,654,000, 61% greater than the \$203,453,000 reported for the corresponding period of 1945.

### National Fertilizer Association Commodity Price Index Again Advances to Another New Peak

The weekly wholesale commodity price index compiled by The National Fertilizer Association and made public on March 18, advanced 0.5%, to 143.6, reaching another new high peak for the index in the week ended March 16, 1946, from 142.9 in the preceding week. However, the index is now only 0.9% higher than it was at the beginning of this year. A month ago the index stood at 142.1, and a year ago at 139.8, all based on the 1935-1939 average as 100. The Association's report added:

The advances in the industrial commodity groups were again mostly responsible for the rise in the general index. The index of all commodities except farm products and foods (not shown here) advanced 0.8% during the latest week and reached a new high peak. The building materials group rose substantially as a result of higher prices for lumber and crushed stone. The textile group reflected the higher ceiling prices for cotton goods. The miscellaneous commodity group was higher because of an increase in the price for leather. The farm products group advanced slightly. The cotton subgroup declined slightly. The grain index was down because of lower quotations for malting barley, which more than offset higher rye prices. The livestock index advanced with higher prices for light weight hogs, milk, and eggs, but lower prices for calves and lambs. Alfalfa hay at Louisville advanced during the week. The food index advance reflected higher prices for lard and dressed fowl. All other groups in the composite index remained unchanged.

During the week 13 price series in the index advanced and 4 declined; in the preceding week 13 advanced and 3 declined; in the second preceding week 10 advanced and 2 declined.

#### WEEKLY WHOLESALE COMMODITY PRICE INDEX

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

% Each Group Bears to the Total Index	Group	Latest Preceding		Month Ago	Year Ago
		Week 1946	Week 1945		
25.3	Foods	141.9	141.6	141.5	141.0
	Fats and Oils	147.4	146.6	146.6	145.3
	Cottonseed Oil	163.1	163.1	163.1	163.1
23.0	Farm Products	172.5	172.4	170.1	165.4
	Cotton	251.8	253.8	245.7	206.4
	Grains	172.4	173.2	169.8	163.6
	Livestock	160.2	159.5	158.3	159.5
17.3	Fuels	126.5	126.5	128.7	130.4
10.8	Miscellaneous commodities	134.3	133.9	133.9	133.4
8.2	Textiles	163.7	161.3	161.0	156.0
7.1	Metals	116.9	116.9	110.2	104.7
6.1	Building materials	167.8	162.5	160.1	154.2
1.3	Chemicals and drugs	127.2	127.2	127.0	125.4
.3	Fertilizer materials	118.2	118.2	118.2	118.3
.3	Fertilizers	119.8	119.8	119.8	119.9
.3	Farm machinery	105.2	105.2	105.2	104.8
100.0	All groups combined	143.6	142.9	142.1	139.8

\*Indexes on 1926-1928 base were: March 16, 1946, 111.9; March 9, 1946, 111.3, and March 17, 1945, 108.9.

### Bank Debits for Month of February

The Board of Governors of the Federal Reserve System issued on March 11 its usual monthly summary of "bank debits" which we give below:

#### SUMMARY BY FEDERAL RESERVE DISTRICTS

(In millions of dollars)

Federal Reserve District	-3 Months Ended-			
	Feb. 1946	Feb. 1945	Feb. 1946	Feb. 1945
Boston	3,164	3,189	11,796	11,015
New York	32,733	31,207	122,211	108,981
Philadelphia	3,233	2,972	11,350	10,687
Cleveland	4,186	2,476	15,033	14,941
Pittsburgh	2,752	2,476	9,273	8,561
Atlanta	2,683	2,416	8,996	8,238
Chicago	10,194	10,130	35,651	35,577
St. Louis	2,040	1,908	7,022	6,657
Minneapolis	1,364	1,163	4,764	4,155
Kansas City	2,432	2,260	8,103	7,723
Dallas	2,241	2,002	7,577	6,923
San Francisco	6,949	6,258	22,904	20,748
<b>Total, 334 centers</b>	<b>73,970</b>	<b>70,249</b>	<b>264,679</b>	<b>244,287</b>
*New York City	30,498	29,065	114,352	101,733
†140 other centers	36,212	34,724	125,963	120,518
‡193 other centers	7,261	6,461	24,364	22,036

\*Included in the national series covering 141 centers, available beginning in 1919.

### Debit Balances on N. Y. Stock Exchange

The New York Stock Exchange announced on Feb. 19, that as of the close of business on Jan. 31, member firms of the New York Stock Exchange carrying margin accounts reported total of customers' net debit balances on Jan. 31, 1946 of \$1,167,534,805 compared with \$1,138,314,378 on Dec. 31, 1945. These figures include all securities, commodity and other accounts. They do not include debit balances in accounts held for other firms which are members of national securities exchanges, or "own" accounts of reporting firms, or accounts of general partners of those firms.

Credit extended to customers on U. S. Government obligations was \$193,330,765 at the end of January against \$196,386,679 at the end of December. (This amount is included in the net debit balance total.)

Cash on hand and in banks in the United States on Jan. 31 was \$360,931,749 compared with \$312,154,327 on Dec. 31.

Total of customers' free credit balances stood at \$726,891,466 on Jan. 31 against \$651,683,490 Dec. 31. This includes free credit balances in regulated commodity accounts, but does not include free credit balances held for other firms which are members of national securities exchanges, or free credit balances held for the accounts of reporting firms or of general partners of those firms.

#### Swiss Credit to Norway

Under date of March 6 advices from Berne, Switzerland (Reuter) were reported as follows in the New York "Times":

"Switzerland and Norway have concluded a commercial treaty under which the Swiss grant Norway a credit of 5,000,000 francs (about \$1,160,000) to allow that country to import vital goods needed for reconstruction, it was officially announced here today. The bulk of Swiss exports to Norway will consist of machines, textiles, chemical materials, clocks and other precision instruments. Norway will supply mainly fish, whale oil, zinc and furs."

### NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on March 13, a summary for the week ended Mar. 2 of complete figures showing the daily volume of stock transactions for odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

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

Week Ended March 2, 1946

	Total For Week
<b>Odd-Lot Sales by Dealers—</b>	
(Customers' purchases)	53,830
Number of Orders	1,532,161
Number of Shares	\$63,734,832
Dollar Value	
<b>Odd-Lot Purchases by Dealers—</b>	
(Customers' sales)	
Number of Orders	142
Customers' short sales	41,172
Customers' other sales	
Customers' total sales	41,314
<b>Number of Shares:</b>	
Customers' short sales	5,021
Customers' other sales	1,216,973
Customers' total sales	1,221,994
Dollar value	\$52,857,460
<b>Round-Lot Sales by Dealers—</b>	
Number of Shares:	
Short sales	140
Other sales	187,570
Total sales	187,710
<b>Round-Lot Purchases by Dealers—</b>	
Number of shares	484,720
*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 March 9, 1946 Decreased 322,900 Bbls.

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended March 9, 1946, was 4,403,350 barrels, a decrease of 322,900 barrels per day from the preceding week and 364,665 barrels per day less than in corresponding week of 1945. The current figure was also 46,650 barrels below the daily average figure of 4,450,000 barrels estimated by the United States Bureau of Mines as the requirements for the month of March, 1946. Texas accounted for most of the decline, showing a decrease of 291,750 barrels per day as compared with the week ended March 2, 1946. Daily production for the four weeks ended March 9, 1946 averaged 4,638,300 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,656,000 barrels of crude oil daily and produced 13,669,000 barrels of gasoline; 2,276,000 barrels of kerosine; 5,929,000 barrels of distillate fuel, and 8,779,000 barrels of residual fuel oil during the week ended March 9, 1946; and had in storage at the end of the week 104,901,000 barrels of finished and unfinished gasoline; 8,108,000 barrels of kerosine; 25,131,000 barrels of distillate fuel, and 38,388,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*B. of M. Calculated Requirements March	State Allowables Begin. Mar. 1 1946	Actual Production Week Ended Mar. 9 1946	Change from Previous Week	4 Weeks Ended Mar. 9, 1946	Week Ended Mar. 10, 1945
Oklahoma	366,000	359,525	1381,550	- 7,900	387,600	369,200
Kansas	252,000	245,200	1244,700	- 12,350	253,750	251,450
Nebraska	800		7850		850	900
Panhandle Texas			81,000		81,000	88,000
North Texas			146,050	- 11,550	154,700	149,300
West Texas			436,500	- 66,750	486,600	477,400
East Central Texas			127,500	- 18,700	141,550	146,700
East Texas			317,400	- 3,600	320,100	381,000
Southwest Texas			290,200	- 65,950	339,650	352,150
Coastal Texas			418,800	- 125,200	512,700	564,450
Total Texas	1,910,000	1,791,553	1,817,500	-291,750	2,036,300	2,159,000
North Louisiana			82,300	- 500	81,600	70,650
Coastal Louisiana			293,350	+ 4,500	289,950	295,650
Total Louisiana	372,000	406,454	375,650	+ 4,000	371,550	366,300
Arkansas	76,000	79,603	77,400	+ 400	77,350	81,200
Mississippi	52,000		55,300	+ 200	54,600	50,450
Alabama	600		1,000	- 50	1,000	250
Florida			100		100	15
Illinois	198,000		207,850	- 4,700	209,950	201,300
Indiana	13,000		18,750	+ 450	17,600	12,300
Eastern (Not incl. Ill., Ind., Ky.)	61,200		63,900	- 2,850	63,900	59,400
Kentucky	29,000		30,600	+ 450	30,300	27,250
Michigan	46,000		45,100	+ 2,300	43,800	46,300
Wyoming	94,000		102,700	- 2,350	103,800	101,850
Montana	20,400		19,100		19,100	20,650
Colorado	23,000		28,200	+ 4,900	25,000	10,250
New Mexico	98,000	106,000	95,600	- 2,850	97,750	103,950
Total East of Calif.	3,612,000		3,565,850	-312,100	3,794,300	3,862,015
California	838,000	824,000	837,500	- 10,800	844,000	906,000
Total United States	4,450,000		4,403,350	-322,900	4,638,300	4,768,015

\*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 March. 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. March 6, 1946.

‡This is the net basic allowable as of March 1 calculated on a 31day basis and includes shutdowns and exemptions for the entire month. With the exception of those fields which were exempted entirely the entire state was ordered shut down for 10 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 10 days shutdown time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

## CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, KEROSENE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED MARCH 9, 1946

(Figures in thousands of barrels of 42 gallons each)

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

District	% Daily Report	Crude Runs to Still	Crude Runs to Refin.	% Op. Av.	% Daily Report	Crude Runs to Still	Crude Runs to Refin.	% Op. Av.	% Daily Report	Crude Runs to Still	Crude Runs to Refin.	% Op. Av.
East Coast	99.5	776	98.1	1,637	23,439	3,817	7,247	5,976				
Appalachian												
District No. 1	76.8	94	64.4	295	2,863	144	413	288				
District No. 2	81.2	57	114.0	175	1,287	23	53	302				
District No. 3	87.2	722	84.2	2,588	24,157	1,104	3,086	3,192				
Ind., Ill., Ky.	78.3	376	50.2	1,299	9,859	324	1,359	1,028				
Okl., Kan., Mo.	59.8	196	59.4	829	3,175	287	298	592				
Inland Texas	89.3	1,150	93.0	3,610	15,289	1,096	4,258	4,240				
Texas Gulf Coast	96.8	311	119.5	827	4,673	490	1,373	1,185				
Louisiana Gulf Coast	55.9	61	48.4	156	2,060	152	443	222				
No. La. & Arkansas												
Rocky Mountain												
District No. 3	17.1	12	92.3	36	113	20	29	31				
District No. 4	72.1	111	69.8	364	2,307	92	377	561				
California	86.5	790	81.7	1,853	15,670	559	6,195	20,771				
Total U. S. B. of M.												
Basis Mar. 9, 1946	85.7	4,656	86.1	13,669	104,901	8,108	25,131	38,388				
Total U. S. B. of M.												
Basis Mar. 2, 1946	85.7	4,779	88.4	13,871	104,462	8,127	25,148	38,441				
U. S. B. of M. basis Mar. 10, 1945		4,755		14,798	197,175	6,740	26,191	43,907				

\*Includes unfinished gasoline stocks of 8,576,000 barrels. †Includes unfinished gasoline stocks of 12,070,000 barrels. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §Not including 2,276,000 barrels of kerosine, 5,929,000 barrels of gas oil and distillate fuel oil and 8,779,000 barrels of residual fuel oil produced during the week ended March 9, 1946, which compares with 2,416,000 barrels, 5,838,000 barrels and 8,634,000 barrels, respectively, in the preceding week and 1,659,000 barrels, 4,976,000 barrels and 9,345,000 barrels, respectively, in the week ended March 10, 1945. †Revised in East Coast District.

## Steel Output Highest Since V-J Day—Order Books Loaded—Pressure for Deliveries High

"With major industrial strikes over or in the final stages of negotiations, steel consumers this week were in a mad scramble to be placed on mill order books for tonnages regardless of delivery promises," states "The Iron Age" in its issue of today (March 21), which further goes on to say: "Order books are loaded already and backlogs are sufficient to represent several months production at high levels but this has had little effect in keeping customers from putting pressure on steel firms."

Some current factors point to a rapid acceleration in steel output after the coal controversy is out of the way. It is more than probable that the operating rate at that time will go beyond 90% of operations and might reach 95% for an extended period. Major reasons for this optimism is based on the equipment and manpower outlook.

In recent weeks many steel companies have seen their manpower problem dissolve as the influx of returning veterans reached high proportions. Not only have most mills been able to obtain new employees in desired numbers, but they have also been able to stick close to a 40 hr week.

The combination of an easier manpower situation, a shorter week and one of the greatest wage increases in steel history is expected to bring about a sharp change for the better in productivity. Equipment is now in much better shape because of an intensive repair and rehabilitation program. The steel industry is now on the threshold of a period which will see not only high operating rates but continuous ones over long periods. If this movement is held back by the coal strike or slowed up it will nevertheless pick up momentum at a later date.

The coal strike outlook this week is still serious and there is nothing yet to indicate that the country will not face a mine shutdown.

Steel companies and their customers are closely watching the latest moves towards the possible allocations or directives on steel for foreign shipment. Last fall a plan was set up calling for enforced allocation of 840,000 tons of steel for export to various countries. This plan never got underway and was seriously affected by the steel strike. It is now understood that the Dept. of Commerce is trying to convince the Civilian Production Administration that a new export allocation program is necessary.

The new program, which is by no means settled, involves close to 1,000,000 tons of steel products to be allocated for export over the next nine months. Resistance to this plan is based on the fact that steel firms already are shipping steel abroad using as a pattern the distribution in the prewar years. It is argued that this process makes it unnecessary for actual allocations by governmental agencies and at the same time presents a fair policy whereby domestic customers are not discriminated against by unusually high exports.

The steel ingot rate this week has again advanced and raw steel output level is now on a par with prestrike volume and some small further gains are expected next week.

Due to the increase of 75¢ a ton on all grades of pig iron except charcoal, the "Iron Age" pig iron price composite has advanced from \$25.37 a gross ton to \$26.12 a gross ton.

The American Iron and Steel Institute on Monday of this week 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 88.9% of capacity for the

## Freight Cars on Order Again Up in February

The Class I railroads on March 1, 1946, had 39,191 new freight cars on order, the Association of American Railroads announced today (March 21). This included 13,767 hopper, including 3,423 covered hoppers, 5,664 gondolas, 705 flat, 13,550 plain box, 3,785 automobile, 1,620 refrigerator, and 100 miscellaneous freight cars. New freight cars on order on Feb. 1, last, totaled 38,090 and on March 1, 1945, amounted to 37,166.

They also had 463 locomotives on order March 1, this year, which included 85 steam, six electric and 372 Diesel locomotives. On March 1, 1945, they had 546 locomotives on order, which included 138 steam, two electric and 406 Diesel one year ago.

The Class I railroads put 4,807 freight cars in service in the first two months in 1946, which included 1,231 hopper (including 48 covered hopper), 977 gondolas, two refrigerator, 13 flat, 718 automobile box and 1,866 plain box freight cars. In the first two months of 1945 the railroads put in service 8,384 new freight cars.

They also put 28 new locomotives in service in the first two months this year, of which 17 were steam, and 11 were Diesel. New locomotives installed in the same period last year totaled 80, of which there were five steam, and 75 were Diesel.

## Administration Plan for Wool Growers

A program designed to place wool growers on an equal footing with other agricultural producers and stabilize the industry was proposed to Congress by President Truman on Mar. 12, in a letter to Senator O'Mahoney (D.-Wyo.), Chairman of the Senate Special Wool Investigating Committee, in which the President urged passage of legislation to carry out the program.

The legislation, which Mr. Truman asserted was developed by Administration agencies to meet "a serious worldwide wool situation," would have the following objectives, as outlined by the Associated Press in its Washington dispatch:

"1. Place the parity price of wool at the so-called 'comparable' level so that wool parity prices will be on a level equivalent to parity prices for other farm products.

"2. Authorize the Commodity Credit Corp. to support wool through purchases or loans as it does other agricultural products.

"3. Provide for the sale of domestic wool by the CCC at prices competitive with imported foreign wool.

"4. Make the Marketing agreement Act applicable to wool.

"5. Provide for the use of customs duties to make up losses in the CCC wool support program.

"6. Provide for a research and development program to improve the quality of wool and stimulate its use."

In discussing the program Senator O'Mahoney expressed the opinion that it would "bring to an end the uncertainties of the past few years which have resulted in a material reduction of the sheep population of the country." He likewise said that he was sure dealers and wool manufacturers would find the plan satisfactory. The Associated Press also reported him as saying:

"Senator O'Mahoney emphasized that the program was approved after full discussion by the Cabinet.

"It comes to Congress, therefore, with full support of the Administration, which means that the State Department and all other departments and agencies of the Government will be behind it," he added.

week beginning March 18, 1946 (highest since V-J Day), compared with 83.6% one week ago, 15.2% one month ago and 96.9% one year ago. This represents an increase of 5.3 points or 6.3% from the preceding week. The operating rate for the week beginning March 18 is equivalent to 1,566,800 tons of steel ingots and castings, compared to 1,473,400 tons one week ago, 268,000 tons one month ago, and 1,774,900 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on March 18 stated in part as follows:

"Most steel plants now are in operation and hindrances developing in getting under way after the idle period are being eliminated rapidly, production gaining momentum each week. Were it not for shortage of pig iron, steel output would be at a higher level. While leaving much to be desired, as many consuming plants are down all over the country, the overall gain in consumer operations is clearly reflected in increasing pressure for steel. At no time in months has demand appeared more urgent and in spite of acceleration in steel production supply continues tight.

"It is practically impossible for buyers to place new tonnage in any major product before fourth quarter and in some specialties before the end of the year, which really means not at all as few producers will book tonnage for 1947. Steel consumers are gaining a better idea of where they stand, as producers are in better position to know what they can do, barring further disruptions, such as a strike in the soft coal industry.

"Mills dividing their output on a quota basis have reduced quotas in some instances. Some have virtually canceled all commitments for the final two months of the year, to offset losses due to the strike and attending effects, indicating that these commitments will come up for review later, possibly to be rescheduled during the first two months next year. Other producers have made somewhat different adjustments.

"Settlement of several major strikes at consuming plants will increase demand for steel, which will increase the tight supply situation despite the rise in steel output.

"Some confusion has arisen over application of the recent price increases granted by Office of Price Administration and some changes are likely to be made to fit conditions better. Expectation is that an increase in pig iron prices will be made soon, with indications that it will be 75 cents per ton, though nothing official has been announced. Adjustments in increases on alloys and in plate are said to be under consideration and some further increases may be announced within the five weeks allowed OPA for completing the revision.

"Effect of the recent steel strike on steel ingot production is shown in the report of the American Iron and Steel Institute for January and February. In the former month output of steel for castings totaled 3,869,076 net tons, an average rate of 49.6% of capacity; in February output was 1,353,074 tons, at 19.2% of capacity. These figures compare with output of 5 to 7 million tons per month during 1945."

### Weekly Coal and Coke Production Statistics

The total production of bituminous coal and lignite in the week ended March 9, 1946, as estimated by the United States Bureau of Mines, was 13,025,000 net tons, an increase of 305,000 tons, or 2.4%, over the preceding week. Output in the week ended March 10, 1945 amounted to 10,810,000 tons. From Jan. 1 to March 9, 1946, soft coal production totaled 121,134,000 net tons, an increase of 3% when compared with the 117,569,000 tons produced in the period from Jan. 1 to March 10, 1945.

Production of Pennsylvania anthracite for the week ended March 9, 1946, as estimated by the Bureau of Mines, was 1,198,000 tons, a decrease of 41,000 tons (3.3%) from the preceding week. When compared with the output in the corresponding week of 1945 there was an increase of 91,000 tons, or 8.2%. The calendar year to date shows an increase of 10.7% when compared with the corresponding period of 1945.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended March 9, 1946 showed an increase of 3,600 tons when compared with the output for the week ended March 2, 1946; but was 26,000 tons less than for the corresponding week of 1945.

Commodity group	Week Ended		Jan. 1 to Date		
	Mar. 9, 1946	Mar. 2, 1946	Mar. 10, 1945	Mar. 9, 1946	Mar. 10, 1945
Bituminous coal & lignite	13,025,000	12,720,000	10,810,000	121,134,000	117,569,000
Total, including mine fuel	13,025,000	12,720,000	10,810,000	121,134,000	117,569,000
Daily average	2,171,000	2,103,000	1,802,000	2,085,000	1,973,000

Commodity group	Week Ended		Calendar Year to Date		
	Mar. 9, 1946	Mar. 2, 1946	Mar. 10, 1945	Mar. 9, 1946	Mar. 10, 1945
Penn. Anthracite	1,198,000	1,239,000	1,107,000	11,375,000	10,279,000
Total incl. coll. fuel	1,198,000	1,239,000	1,107,000	11,375,000	10,279,000
Commercial produc.	1,150,000	1,189,000	1,063,000	10,919,000	9,868,000
Beehive coke	102,800	99,200	128,800	866,000	1,095,800
United States	102,800	99,200	128,800	866,000	1,095,800

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

State	Week Ended		
	Mar. 2, 1946	Feb. 23, 1946	Mar. 3, 1945
Alabama	421,000	400,000	358,000
Alaska	7,000	7,000	6,000
Arkansas and Oklahoma	102,000	98,000	56,000
Colorado	155,000	138,000	177,000
Georgia and North Carolina	1,000	1,000	1,000
Illinois	1,572,000	1,558,000	1,478,000
Indiana	568,000	560,000	527,000
Iowa	45,000	39,000	47,000
Kansas and Missouri	152,000	108,000	164,000
Kentucky	1,113,000	1,163,000	1,016,000
Kentucky—Eastern	478,000	455,000	337,000
Kentucky—Western	635,000	708,000	679,000
Maryland	46,000	43,000	31,000
Michigan	3,000	3,000	3,000
Montana (bitum. & lignite)	97,000	98,000	104,000
New Mexico	32,000	27,000	32,000
North & South Dakota (lignite)	67,000	71,000	53,000
Ohio	767,000	815,000	553,000
Pennsylvania (bituminous)	2,974,000	2,850,000	2,549,000
Tennessee	163,000	160,000	134,000
Texas (bituminous & lignite)	1,000	1,000	4,000
Utah	148,000	153,000	144,000
Virginia	388,000	385,000	369,000
Washington	24,000	26,000	28,000
West Virginia—Southern	2,207,000	2,260,000	2,054,000
West Virginia—Northern	1,006,000	1,006,000	947,000
Wyoming	183,000	204,000	185,000
Other Western States	1,000	1,000	1,000
Total bituminous & lignite	12,720,000	12,625,000	11,356,000

†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.

Higher mill realizations for Western pine raised lumber prices fractionally, and butyl acetate quotations advanced. Drain tile quotations rose as additional manufacturers moved to higher ceilings previously allowed, and paving brick, sand and gravel increased following local ceiling adjustments.

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 Feb. 9, 1946 and March 10, 1945, and (2) percentage changes in subgroup indexes from March 2, 1946 to March 9, 1946.

Commodity group	Index				Percentage changes to March 9, 1946, from—			
	3-9 1946	3-2 1946	2-23 1946	2-9 1946	3-10 1946	3-2 1946	2-9 1946	3-10 1945
All commodities	108.2	107.6	107.4	107.1	105.1	+0.6	+1.0	+2.9
Farm products	133.9	130.7	131.1	130.4	127.1	+2.4	+2.7	+5.4
Foodstuffs	109.2	107.9	108.3	107.1	104.5	+1.2	+2.0	+4.5
Hides and leather products	120.1	120.1	120.1	120.0	118.1	0	+0.1	+1.7
Textile products	101.9	101.4	101.1	101.1	99.2	+0.5	+0.8	+2.7
Fuel and lighting materials	85.4	85.4	85.6	85.8	83.8	0	-0.5	+1.9
Metal and metal products	107.8	107.8	105.8	105.8	104.3	0	+1.9	+3.4
Building materials	121.1	121.0	120.2	119.9	116.9	+0.1	+1.0	+3.6
Chemicals and allied products	96.0	96.0	96.0	96.0	94.9	0	0	+2.0
Housefurnishings goods	108.3	108.0	108.0	106.8	106.2	+0.3	+1.4	+2.0
Miscellaneous commodities	95.4	95.4	95.4	95.3	94.4	0	+0.1	+1.1
Raw materials	121.4	119.5	119.7	119.3	116.2	+1.6	+1.8	+4.5
Semi-manufactured articles	99.6	99.6	98.5	97.5	94.9	0	+2.2	+5.0
Manufactured products	103.8	103.7	103.4	103.2	101.8	+0.1	+0.6	+2.0
All commodities other than farm products	102.6	102.5	102.2	101.9	100.3	+0.1	+0.7	+2.3
All commodities other than farm products and foods	101.6	101.5	101.1	101.1	99.4	+0.1	+0.5	+2.2
Increases		Decreases						
Fruits and vegetables	7.0	Furnishings	0.5					
Other farm products	3.5	Dairy products	0.2					
Grains	2.3	Brick and tile	0.1					
Clothing	1.9	Cement	0.1					
Livestock and poultry	0.7	Lumber	0.1					
Meats	0.1							

### Latest Summary of Copper Statistics

The Copper Institute on March 12 released the following statistics pertaining to production, deliveries and stocks of duty-free copper.

U. S. Duty	Production		Deliveries to Customers		Stocks End of Period	Stock Increase (+) or Decrease (-)
	*Crude	†Refined	‡Domestic	§Export		
Year 1939	836,074	818,289	814,407	134,152	159,485	+17,785
Year 1940	992,293	1,033,710	1,001,886	48,537	142,772	-41,417
Year 1941	1,016,996	1,065,667	1,545,541	307	75,564	-48,671
Year 1942	1,152,344	1,135,708	1,635,236	---	65,309	+16,636
Year 1943	1,194,699	1,206,871	1,643,677	---	52,121	-12,172
Year 1944	1,056,180	1,098,788	1,636,295	---	66,780	-42,608
Year 1945	841,667	843,113	1,517,842	---	76,512	-1,446
2 Mos. 1946	99,991	112,592	129,408	909	70,282	-12,601
Jan., 1945	73,754	67,726	145,904	---	59,715	+6,028
Feb., 1945	67,496	69,950	172,585	---	57,142	-2,454
Mar., 1945	76,537	76,395	218,488	---	51,861	+142
Apr., 1945	74,392	75,436	161,111	---	55,453	+1,044
May, 1945	74,469	85,319	139,203	---	63,941	-10,850
June, 1945	72,271	74,377	94,031	---	70,738	-2,106
July, 1945	72,855	72,995	88,661	---	76,166	+140
Aug., 1945	68,253	69,127	86,840	---	80,316	+874
Sept., 1945	64,091	45,145	83,478	---	68,675	+18,946
Oct., 1945	69,322	70,363	104,104	---	73,913	+1,041
Nov., 1945	65,586	70,218	119,973	---	74,425	+4,632
Dec., 1945	62,641	66,062	103,464	---	76,512	+3,421
Jan., 1946	58,178	69,008	115,601	---	72,799	-10,830
Feb., 1946	41,813	43,584	83,807	909	70,282	-1,771

\*Mine or smelter production or shipments, and custom intake including scrap. †Beginning March, 1941, includes deliveries of duty paid foreign copper for domestic consumption. ‡At refineries on consignment and in exchange warehouses, but not including consumers' stocks at their plants or warehouses. §Computed by difference between mine and refined production. NOTE—Statistics for the month of January, 1946, have been revised.

### Non-Ferrous Metals—Further Cut in Use of Lead Likely—Brass Mill Dispute Nears End

"E. & M. J. Metal and Mineral Markets," in its issue of March 14, stated: "Though additional work stoppages appear to be in prospect so far as producers of non-ferrous metals are concerned, the wage dispute that has interrupted operations at the brass mills is nearing a settlement. The February statistics of the copper and zinc divisions showed a decline in both production and deliveries, but the movement of these metals was larger than expected. The lead industry was disturbed on prospects of another move by CPA to limit consumption. A revised order is expected to take the form of a general cut in use. Extension of price control for another year was recommended by the House Committee on Postwar Economic Policy. 'The publication further went on to say in part as follows:

**Copper**  
The February statistics of Copper Institute showed that output declined sharply, owing to strikes. Deliveries also dropped, but not to the extent that most observers expected.

**Lead**  
Workers were granted an increase of 18½c. an hour. This move is expected to lead to a general settlement of the dispute that closed most of the country's important brass mills.

**Brass**  
With the supply situation growing tighter, owing to labor troubles, additional limitations on consumption are expected for the second-quarter period. Miners have given St. Joseph Lead a month's notice for negotiating a new wage contract that follows the general pattern set by the CIO.

Sales for the week were light, amounting to 1,633 tons. The Civilian Production Administration holds firmly to a view that restriction of consump-

tion of lead will have to be retained for another year. In reviewing the supply-demand situation, the agency points out that in general, lead is not now a deterrent to over-all reconversion. Whether or not it will be in subsequent quarters depends on the success that can be achieved in stimulating supply and maintaining effective conservation. "It is probable," CPA states, "that even stricter measures than those now in effect will be necessary. Use controls will certainly continue, and it may be necessary to control actual purchase of lead."

**Zinc**  
As for some time past, producers of Special High Grade zinc experienced no difficulty in disposing of their output, owing to the continued high rate of activity in die casting. Call for Prime Western was good, but temporarily below the average of recent months because of necessary adjustments by galvanizers that are traceable to the recent steel strike. With brass mills resuming, the demand for zinc from that quarter should improve.

The February statistics of the zinc industry were better than most observers expected. Shipments of slab zinc totaled 54,470 tons, which compares with 58,635 tons in January. Output in February totaled 61,272 tons. Stocks increased to 273,459 tons, which compares with 266,657 tons in the month previous.

### Tin

Though most consumers of tin believe that increased supplies of the metal will come on the market in the third and fourth quarters, owing to the revival of at least some production in the Far East, the Civilian Production Administration continues to take a conservative view of the outlook. Unsettled conditions and declining productivity have prompted CPA to estimate new supply of tin for this country in 1946 of only 42,000 tons. Domestic consumption is estimated at 65,000 tons, which points to another sharp reduction in stocks on hand.

The price situation in tin remains unchanged. Straits quality tin for shipment, in cents per pound, was nominally as follows:

	March	April	May
March 7	52.000	52.000	52.000
March 8	52.000	52.000	52.000
March 9	52.000	52.000	52.000
March 11	52.000	52.000	52.000
March 12	52.000	52.000	52.000
March 13	52.000	52.000	52.000

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

### Quicksilver

A fair volume of business came into the market in the first half of the week that ended yesterday, and the market remained firm at \$103 to \$103 per flask. Though production on the Pacific Coast is increasing, operators representing sellers in that area remain fairly optimistic over the outlook. Consumption of quicksilver is expected to gain steadily as some of the new uses developed in the war years enter into the picture. More is heard about the "fluid" drive for electric motors in refrigerator units, in which quicksilver will be used. However, quantity production of the device has not yet been attained, the trade believes. Tension over the Spanish situation continued last week.

### Silver

Senators from Western states last week opposed the amendment to the Treasury-Post Office Appropriation Bill authorizing the Treasury to sell its free silver at 71.11c. for commercial purposes.

Demand for silver remains active and far exceeds current new supply. The New York Official price of foreign silver was unchanged last week at 70¼c. an ounce troy. London was unchanged at 44d.

### Wholesale Prices Rose 0.6% in Week Ended March 9, Labor Department Reports

Market prices for agricultural commodities advanced sharply during the week ended March 9, 1946, with the group index for farm products rising to the highest level since September, 1920, according to the advices March 14 from the Bureau of Labor Statistics, of the United States Department of Labor, which stated that "this increase raised the all commodities wholesale price index of the Bureau 0.6% to 108.2% of the 1926 average. This was 1.0% above a month ago and 2.9% above the corresponding week of March, 1945," said the Bureau, whose further report added:

**Farm Products and Foods**—The advance of 2.4% during the week in the group index for farm products reflected generally higher prices for agricultural commodities. Grains advanced 2.3% on the average, with higher ceilings allowed by OPA to take account of increased parity prices and to correct maldistribution. Livestock prices were higher with strong demand, and live poultry prices advanced seasonally. White potato prices increased with the seasonal movement accentuated by the reaction to extension of the ceiling suspension. Sweetpotato prices and orange quotations advanced as better qualities moved to market. Lemon prices were lower. Alfalfa hay prices rose from the relatively low level of recent months, and cotton quotations continued to advance on speculative buying.

"The advance of 7% in fruit and vegetable prices was primarily responsible for the 1.2% rise in the group index for feeds. In addition, oatmeal prices were fractionally higher and dressed poultry quotations moved up seasonally. In the week ended March 9, 1946, farm products were 3.4% and foods 4.5% above the levels of mid-March, 1945.

**Other Commodities**—Average prices for all commodities other than farm products and foods rose 0.1% to a level 2.2% above the corresponding week of last year. Manufacturers' prices for men's dress shirts advanced, following establishment of a new OPA pricing policy which allows selling at current cost plus a specified mark-up. Prices for hard surfaced floor coverings moved up approximately 9%, with higher ceilings allowed manufacturers to cover increased costs, which it is planned will be absorbed by distributors and retailers.

Revenue Freight Car Loadings During Week Ended March 9, 1946 Increased 3,805 Cars

Loading of revenue freight for the week ended March 9, 1946 totaled 786,202 cars, the Association of American Railroads announced on March 14. This was an increase above the corresponding week of 1945 of 19,147 cars, or 2.5%, and an increase above the same week in 1944 of 5,937 cars or 0.8%.

Loading of revenue freight for the week of March 9, increased 3,805 cars or 0.5% above the preceding week.

Miscellaneous freight loading totaled 349,221 cars, an increase of 10,306 cars above the preceding week, but a decrease of 34,905 cars below the corresponding week in 1945.

Loading of merchandise less than carload lot freight totaled 122,023 cars, an increase of 380 cars above the preceding week, and an increase of 24,213 cars above the corresponding week in 1945.

Coal loading amounted to 187,708 cars, an increase of 2,433 cars above the preceding week, and an increase of 30,446 cars above the corresponding week in 1945.

Grain and grain products loading totaled 47,160 cars, a decrease of 7,752 cars below the preceding week but an increase of 6,510 cars above the corresponding week in 1945. In the Western Districts alone, grain and grain products loading for the week of March 9 totaled 32,638 cars, a decrease of 5,208 cars below the preceding week but an increase of 5,680 cars above the corresponding week in 1945.

Livestock loading amounted to 15,205 cars, a decrease of 1,454 cars below the preceding week but an increase of 1,937 cars above the corresponding week in 1945. In the Western Districts alone loading of livestock for the week of March 9 totaled 11,484 cars, a decrease of 1,104 cars below the preceding week, but an increase of 1,530 cars above the corresponding week in 1945.

Forest products loading totaled 42,035 cars, a decrease of 553 cars below the preceding week and a decrease of 401 cars below the corresponding week in 1945.

Ore loading amounted to 9,819 cars, an increase of 362 cars above the preceding week but a decrease of 6,736 cars below the corresponding week in 1945.

Coke loading amounted to 13,031 cars, an increase of 83 cars above the preceding week, but a decrease of 1,917 cars below the corresponding week in 1945.

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

Table with 4 columns: Year (1946, 1945, 1944), and 4 rows of weekly loading data for January, February, March 7, and March 9.

The following table is a summary of the freight-carloadings for the separate railroads and systems for the week ended March 9, 1946. During this period 75 roads reported gains over the week ended March 10, 1945.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS) WEEK ENDED MARCH 9, 1946

Large table with columns for Railroads, Revenue Freight Loaded (1946, 1945, 1944), and Total Loads Received from Connections (1946, 1945). Rows include Eastern District, Allegheny District, and Pocahontas District.

Table with columns for Railroads, Revenue Freight Loaded (1946, 1945, 1944), and Total Loads Received from Connections (1946, 1945). Rows include Southern District, Northwestern District, Central Western District, and Southwestern District.

High Excise Taxes Seen Continuing

Any hope which the buying public might have had that high wartime excise taxes on "luxury goods" might be reduced in the near future was dimmed by the statement of Representative Robert L. Doughton (D.-N. C.), Chairman of the House Ways and Means Committee, when on Feb. 24 he told newsmen that he believed there was every likelihood that such taxes would be continued at least through 1946. A similar view was expressed by Senator Walter F. George (D.-Ga.), Chairman of the Senate Finance Committee, who, the Associated Press added in its dispatch from Washington, declared that he "could see no use for action at this time" on revising the excise list.

Rule on Netherland Bonds

It was noted in the New York "Journal of Commerce" of March 6 that American holders of Netherlands and Netherlands Indies guilder bonds may now forward coupons to banks in the Netherlands which may purchase dollars under a Netherlands Treasury general license, the financial attaché of the Netherlands Embassy disclosed on March 5. The paper from which we quote added: "During the war, it was explained, the Netherlands Government made arrangements for payment of interest on the internal guilder bonds held outside the country. American holders were paid in dollars, and those in Britain in sterling. After liberation this practice was discontinued. Baring a special ruling, it would be necessary for each foreign holder of such bonds to have his agent in Holland apply for a license to convert the guilders into dollars. Under the Treasury ruling, however, this is approved under general license." The official announcement which came to us from the Netherlands Embassy under date of March 4 said:

"The Financial Attaché of the Netherlands Embassy disclosed today that interest on Netherlands and Netherlands East Indies Government guilder bonds will be transferred to residents of the United States of America in U. S. dollars.

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

Table with columns for Period, Orders Received, Production, Unfilled Orders, and Percent of Activity. Rows show weekly data for 1945 and 1946.

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.

Lumber Movement—Week Ended March 9, 1946

According to the National Lumber Manufacturers Association, lumber shipments of 432 mills reporting to the National Lumber Trade Barometer were 4.8% above production for the week ending Mar. 9, 1946. In the same week new orders of these mills were 0.6% above production. Unfilled order files of the reporting mills amounted to 87% of stocks. For reporting softwood mills, unfilled orders are equivalent to 32 days' production at the current rate, and gross stocks are equivalent to 35 days' production. For the year-to-date, shipments of reporting identical mills exceeded production by 9.4%; orders by 10.7%. Compared to the average corresponding week of 1935-1939, production of reporting mills was 0.3% below; shipments were 2.7% below; orders were 9.0% below.

## Items About Banks, Trust Companies

J. Luther Cleveland, President of Guaranty Trust Company of New York, has announced the appointment of Omer V. Claiborne as manager of the Company's office in Brussels, Belgium, and of Elie Delville as Assistant Manager of that office. Mr. Claiborne, who was associated with the Brussels Office as Assistant Manager before the war, returned recently from military leave of absence, during which he served as a Colonel in the U. S. Army and became chief of the French Currency Section of SHAEF. Mr. Delville has been with the Brussels Office since 1919, in recent years as Secretary.

Following a meeting of the Board of Directors of the Bank of the Manhattan Company of New York on March 14, F. Abbot Goddard, President, announced the election of Walter P. Andrews as an Assistant Vice-President, a promotion from the position as Assistant Cashier which he held before leaving the Bank to serve in the Armed Forces. Mr. Andrews, who is a graduate of Princeton University, was recently released to inactive duty by the United States Navy with the rank of Lieutenant-Commander after three and one-half years of service. He returns to the Bank as a representative in the Central Western States.

Frederic G. Hoppin has been re-elected a Trustee of Union Square Savings Bank of New York, it is announced by R. H. Brownell, President. Mr. Hoppin was recently discharged from the United States Army where he held the rank of Lieutenant Colonel. He has resumed active partnership with the firm of Frederic G. Hoppin Bros. & Co., 120 Broadway, members of the New York Stock Exchange. Mr. Hoppin is Treasurer and a Director of the New York Institute for the Education of the Blind.

It was announced on March 18 that at a meeting of the Executive Committee of Bankers Trust Company of New York, Walter Eisenreich was elected an Assistant Treasurer. He will continue his association with the Fifth Avenue Office. At the same meeting, Maximilian E. Gevers and William N. Hartman were likewise elected Assistant Treasurers and will continue their assignments to the Foreign Department of Bankers Trust.

Thomas J. Shanahan, President of the Federation Bank and Trust Company of New York, announced that at a meeting held March 12 the Board of Directors approved a transfer of \$100,000 from reserves, to surplus, bringing surplus to \$1,500,000 and combined Capital and Surplus to \$3,000,000. At the same time a quarterly dividend of \$0.25 a share was declared, payable April 1, 1946 to stockholders of record as of March 15, 1946.

Clinton Trust Company of New York City has been granted permission by the State Banking Department to open a new branch in the Motor Truck Terminal, being constructed by the Port of New York Authority in the area between Washington and Greenwich, Spring and Houston Streets, embracing the Canal Street industrial area on the lower West Side in downtown New York. The Clinton Trust Company at present has banking offices at Tenth Avenue and 57 Street and in the McGraw Hill Building at 330 West 42 Street. Edward W. Smith,

President of the bank, in announcing the plans for the new branch, said: "The Chairman of the Port Authority recently stated that approximately two-thirds of the merchandise freight now entering and leaving the port district is carried by trucks over the highways. With our years of experience on the West Side, we feel confident that we shall be able to provide the various banking services which are vital to this area and essential to the motor transportation industry."

The Broadway Saving Bank of New York announced the opening on March 15 of its new Chelsea branch office at 254 West 23rd Street, New York City.

William J. Noonan, a Vice-President of the National City Bank of New York, died on March 17 at the Harkness Pavilion Columbia-Presbyterian Medical Center, New York. He was 57 years of age. Before becoming in 1924 assistant general sales manager of the National City Company, a subsidiary of the National City Bank of New York he had been in the employ of the New York Central R.R. and the New York, Susquehanna & Western R.R. In the New York "Herald Tribune" of Mar. 18 it was also stated:

"He became assistant Vice-President of the National City Company in 1925 and a year later was transferred to the National City Bank of New York, where he became Assistant Vice-President. In 1927 he was appointed a Vice-President, a post he held up to the time of his death.

Mr. Noonan was also director of the American News Company, the Union News Company and the National City Safe Deposit Company, a subsidiary of the National City Bank of New York."

N. Baxter Jackson President of the Chemical Bank & Trust Company of New York announces that Henry R. Sutphen, Jr., has joined the staff of the bank and will be associated with Huntington M. Turner, Vice-President in handling the bank's business in the Middle Western States including Michigan, Illinois, Wisconsin, Minnesota, Iowa, Nebraska and the Dakotas. Mr. Sutphen graduated from Princeton University in 1924 and received his early banking training with the Bankers Trust Company in New York. In 1936 he became a partner in the firm of Hackney, Hopkinson & Sutphen, members of the New York Stock Exchange in which he was active until he entered the armed forces attaining the rank of Major. Mr. Sutphen is also a trustee of the American Savings Bank of New York.

Announcement was made on March 19 by The National City Bank of New York of the appointment of Norris O. Johnson and Fred H. Diefenbacher as Assistant Vice-Presidents. Mr. Johnson has been associated with the Federal Reserve Bank since 1934 and served as special representative to visit central banks of India, Australia and New Zealand. In 1945 he was named Treasurer-General of the Imperial Government of Iran. He will become a member of National City's economics staff. Mr. Diefenbacher came to the National City Bank in 1917 and since 1937 he has been a member of the Personal Credit Department at 42nd St. Branch. At the same meeting Harold Bohsung and Nelson Galbraith were appointed Assistant Cashiers.

At a meeting of the Executive

Committee of City Bank Farmers Trust Company of New York held March 19, Walter Monsees formerly an Assistant Trust Officer, was appointed a Trust Officer and Kenneth A. Hackler and William L. Marsh were re-appointed Assistant Trust Officers. Mr. Hackler and Mr. Marsh have returned from service with the armed forces as a Major in the Air Force and a Lieutenant-Colonel in the American Field Service respectively.

The Lafayette National Bank of Brooklyn announced on Mar. 13 the election of Percy T. Stapleton as Assistant Vice-President. He joined the banking organization on Feb. 1, 1944, as assistant to the late George P. Kennedy, President. Mr. Stapleton formerly served as secretary to Edward T. O'Loughlin, former Register of Kings County, for six years, and was chief clerk of the Surrogate Court of Kings County for 11 years.

Brooklyn Trust Company announced on March 18 the opening of a Consumer Credit Division which will engage in the financing of purchases by consumers of various kinds of durable goods, including household appliances and automobiles. The method of such financing will be through the purchase from dealers of consumers' installment notes. Rates of discount will be as low as those offered by any other banking institution engaged in this type of business, it was said. The Company will continue to make personal loans to those who wish to pay cash in full for durable goods, as well as for other purposes.

J. Marshall Perley, Vice-President and Trust Officer of the New Rochelle Trust Co., New Rochelle, N. Y. died on March 14. Mr. Perley, said New Rochelle advices to the New York "Times" was a director of the New Rochelle Civic and Commerce Association, former President of the New Rochelle Community Chest, a former director of the New Rochelle Clearing House, a director of the Westchester County Clearing House, a director and treasurer of the New Rochelle Taxpayers Association, a member of the executive committee of New Rochelle Hospital. He was also identified with various other interests, including the New York State Bankers' Association.

The Savings Bank of New London, New London, Conn., announces the death of its President, Charles Elliott White on Feb. 28.

Edward S. Rudloff, President of the Citizens National Bank & Trust Company of Englewood, N. J. died on March 3 at the age of 55. Mr. Rudloff had been Cashier of the Union National Bank & Trust Co., Pottsville, Pa. before he went to Englewood in 1929.

S. Oran Farrand, President of the Essex County Chapter of the AIB, was recently elected Assistant Treasurer of the Verona Trust Company, Verona, N. J. Mr. Farrand, in accepting this position, leaves the Bloomfield Bank & Trust Company, with which he has been associated since 1923, according to the Newark "News."

It is learned from the Philadelphia "Evening Bulletin" of March 15 that the stockholders of the Ninth Bank and Trust Company of Philadelphia will hold a special meeting on May 14 to vote on an increase of \$275,000 in the amount of common stock and the retirement of the balance of the preferred stock, amounting to \$300,000. When approved, rights will be given to stockholders to purchase one new share at \$11 for each five shares held on May 4.

Subscription rights will expire on June 15.

John S. Smith, President of The Farmers Deposit National Bank of Pittsburgh, and Andrew J. Huglin, President of the Pitt National Bank of that city announced on March 14 that the directors of their banks have unanimously approved an agreement under which the Farmers Bank will acquire the business of the Pitt Bank. The plan involves the assumption of all deposits and certain other liabilities of the Pitt National by the Farmers Bank and a cash settlement with the Pitt Bank in an amount which, it is estimated, should yield approximately \$160.00 per share to Pitt's stockholders, subject to possible variation dependent on final settlement of taxes and liquidation expenses.

Notices relative to the proposed transaction have been sent to the stockholders of the Pitt National Bank calling a special meeting of stockholders to be held on April 18 for the purpose of ratifying the agreement. Upon approval of the agreement by the Pitt Stockholders, Farmers plans to open a branch bank in the quarters now occupied by the Pitt National at Liberty and Fifth Avenues, to be known as the Pitt Branch of The Farmers Deposit National Bank. All the executive and employee personnel of the Pitt National will be retained to operate the new branch of The Farmers, which will continue to offer the same banking services heretofore rendered to the customers of the Pitt National. All the facilities of Farmers will also be available to the customers of the branch bank. Mr. Huglin, President of the Pitt National, will become a Vice-President and a Director of Farmers and in addition to other important duties will have general supervision over the operations of the Pitt Branch. Pitt National was organized in 1933. Its December 31, 1945, statement showed deposits of \$22,033,783, total resources of \$24,133,711, and capital, surplus and undivided profits of \$1,957,891.

The Farmers Deposit National Bank is Pittsburgh's oldest bank, its business having been established in 1832. The 1945 year end statement shows deposits of \$159,823,838 and total resources of \$181,690,758. Capital and surplus total \$18,000,000.

Announcement is made by the Chicago Terminal National Bank of its removal on March 18 to spacious new quarters on the main banking floor of the modern 22-story building at the southwest corner of La Salle Street at Monroe. In its announcement the bank states:

"This convenient location in the heart of the downtown district of Chicago has prompted us to revise our name from The Terminal National Bank of Chicago to CHICAGO TERMINAL NATIONAL BANK in keeping with the future of Chicago—the rail and air terminal of the world."

As to its new quarters the bank says:

"The interior of imported Italian marble, fine bronze work, and wide traffic areas provides one of the finest banking floors in the Middle West. In this new location with its large, comfortable lobby and ample cage space, all departments will be on the main banking floor."

At a meeting of the Board of Directors of the Barnett National Bank, Jacksonville, Fla., held on March 12, R. B. Lipscombe was elected Assistant Vice-President. Mr. Lipscombe has been serving as an officer of the Barnett National Bank of De Land, Fla. according to the Florida "Times Union."

According to an announcement made by A. P. Imahorn, President of The Hibernia National Bank,

of New Orleans, La., Clyde Hendrix, Jr. has been appointed Assistant Vice-President of the bank. The appointment becomes effective immediately. Mr. Hendrix was separated from the Naval Service February 27, 1946, with the rank of Lieutenant Commander, after forty months of active duty. He was graduated from Alabama Polytechnic Institute with a B. S. degree in 1927, and received his M. S. from Columbia in 1929. His graduate work was done in banking, accounting, finance, economics, and business law. He entered the employ of the Comptroller of the Currency as an Assistant National Bank Examiner in July, 1929, and has spent his entire business career as a bank examiner or supervisor. In January, 1936, he was commissioned as National Bank Examiner for special work throughout the 6th Federal Reserve District. From January, 1938, until he entered the Service he was National Bank Examiner in charge of the New Orleans sub-district covering the southern half of Louisiana and Mississippi, exclusive of New Orleans. Mr. Hendrix comes from a banking family. His father, Clyde Hendrix, Sr., is President of the Farmers and Merchants Bank, of Madison, Ala., and Treasurer of the Mutual Savings Life Insurance Company of Decatur, Ala. Mr. Hendrix, Sr., is a past President of the Alabama Bankers' Association and also a past President of the State Bank Division of the American Bankers Association.

Approval of the sale of 100,000 new shares of Valley National Bank of Phoenix, Ariz. common stock, at \$15 per share, will be asked of the stockholders at a special meeting to be held in Phoenix, March 20. The \$1,500,000 increase in capital, which has been recommended by the board of directors, would bring the valley Bank's total capital structure to approximately \$8,500,000. "The rapidly continuing growth and expansion of the Valley Bank warrants the proposed increase in capital funds," stated Walter R. Bimson, President. "This is in line with our policy to increase the capital structure as deposits increase." In January of this year Valley Bank stockholders received a 25% stock dividend. The distribution of this dividend increased the number of shares outstanding from 400,000 to 500,000. The recommended sale of the 100,000 new shares will bring the total to 600,000. According to the President's Annual Report to stockholders at the end of 1945, total capital funds were over \$6,748,000, of which almost two-thirds, or \$4,048,000, had come from earnings of the bank. On approval of the stock issue, stockholders of record March 20 will have the prior right to subscribe to the new stock on a basis of one new share for each five shares owned. Any unsubscribed shares will be offered to the public through the Arizona investment firms of Refsnes, Ely, Beck & Co. and Benton M. Lee & Co., in Phoenix, and Henry Dahlberg & Co. and Durand & Co. in Tucson. In April, 1944, the last time additional shares of Valley Bank common stock were issued for sale, the complete offering of 100,000 shares was oversubscribed. The Valley Bank, it is stated, has deposits exceeding \$200,000,000. Although Valley Bank stockholders live in 26 states and three foreign countries, 78.7% of the common stock is now held by Arizonans, bank officials said.

Directors of the Dominion Bank, (Canada) at a meeting held at Toronto on March 14 declared a dividend of 2½% or 25 cents a share for the quarter ended April 30, 1946. The dividend is payable May 1, 1946 to stockholders of record at the close of business on April 15. The previous dividend declared by the bank was 20 cents a share.