

WASHINGTON, D. C., SUNDAY MORNING, NOVEMBER 4, 1934.

Part 5—12 Pages

DEPOSITS INCREASE  
\$39,422,307 HERE  
IN TWELVE MONTHS\$256,630,881 Total Dis-  
closed by Controller's  
Call of October 17.STEADY PICK-UP CITED  
IN CAPITAL BUSINESSGeneral Improvement in Con-  
fidence Reported to Have Attract-  
ed Funds From Hoarding.

BY EDWARD C. STONE.

An increase of \$39,422,307.19 in aggregate deposits in Washington banks in the last 12 months was revealed yesterday when complete figures were compiled on the results of the controller's call of October 17, 1934, by Audley A. P. Savage, auditor of the National Savings & Trust Co.

The survey shows that total deposits in 22 Washington banks on October 17 of this year aggregated \$256,630,881.35, while on the date of the comparable call a year ago, October 25, deposits in the banks here totaled only \$217,208,574.16.

The analysis further shows that there was a gain of \$20,478,451.32 between Controller O'Connor's condition call of October 17 and the call of June 30 of the present year. Deposits in the local banks on June 30 amounted to \$236,152,424.13, while by October 17 they had mounted to the above stated figure of well over \$256,000,000.

Comparisons also brought out the fact that aggregate deposits in the Capital's banks have now passed the total reported on the first call issued after the Wall Street crash in 1929, and have nearly reached the figures attained just before the break.

The boom broke between the controller's calls of October and December of 1929. On October 29, 1929, the local banks reported total deposits of \$269,589,885.64, while on December 31 of that year they stood at \$255,346,857, or about \$1,000,000 less than they are at present.

The review shows that deposits in Washington banks now are almost exactly the same as they were in March, 1930. On March 27, that year they totaled \$256,870,920.93. By June 30 of the same year they had climbed to \$262,052,926.88.

Many factors are assigned in explaining the jump of over \$20,000,000 in deposits in the past three months and more than \$39,000,000 in the past year. A steady pick-up in business is given as one of the chief reasons, retail trade here having scored substantial improvement so far this year, according to monthly reports. The sum total of money paid to depositors in closed banks which were liquidated, has been another factor.

It is reported by bank officials that a good deal of money which has been hoarded in safe deposit vaults, has come back into the bank vaults in recent months. In fact, it is believed the general improvement in business has reduced the popularity of hoarding until there is comparatively little money now hidden away.

Growth in the Capital's population has brought many new accounts to the banks, swelling deposit totals. Some bankers note a swing back toward thrift and savings, the sum total of these savings adding a substantial amount to deposits. There are scores of other reasons. In a nutshell, Washington is steadily and rapidly working out of the depression.

Mr. Savage's analysis shows that all groups of banks, national, savings and trust companies, have shared in the past three months' advance. Deposits in national banks gained \$12,925,486.49 over the June figures. Savings deposits were up \$1,701,745.80 and trust company deposits mounted \$5,851,224.93. The deposits of individual banks were as follows:

| National Banks.    |                |
|--------------------|----------------|
| Bank of Washington | \$9,766,256.99 |
| Columbia           | 4,212,841.03   |
| Hamilton           | 15,545,185.94  |
| Liberty            | 1,551,382.94   |
| Lincoln            | 7,978,290.11   |
| Metropolitan       | 23,847,119.67  |
| National Capital   | 2,264,402.08   |
| Riggs              | 76,923,694.29  |
| Second             | 6,269,239.95   |

Total \$151,358,412.72

Savings Banks.

|                         |                |
|-------------------------|----------------|
| Anacostia               | \$1,298,363.96 |
| Commerce & Savings      | 1,923,997.85   |
| East Washington         | 801,110.47     |
| McLellan                | 3,112,354.24   |
| Morris Plan Bank        | 1,070,762.29   |
| Security Savings & Com. | 5,585,666.03   |
| City Bank               | 4,971,206.95   |
| Industrial Bank         | 216,886.60     |

Total \$18,980,338.49

Trust Companies.

|                   |                 |
|-------------------|-----------------|
| American Security | \$38,471,516.36 |
| Musney            | 4,605,128.08    |
| National Savings  | 15,168,165.04   |
| Union Trust       | 9,024,593.31    |
| Washington Loan   | 19,022,727.35   |

Total \$86,292,130.14

Recapitulation.

|                 |                  |
|-----------------|------------------|
| National Banks  | \$151,358,412.72 |
| Savings Banks   | 18,980,338.49    |
| Trust Companies | 86,292,130.14    |

\$256,630,881.35

COTTON SHIPPERS URGED  
TO ATTACK TARIFFS

MEMPHIS, Tenn., November 3.—A. E. Hohenberg of Memphis, president of the American Cotton Shippers' Association, charged in a statement today that "artificial trade barriers" are stifling the Southern cotton farmer and that unless there is a readjustment the South "cannot hope to maintain its supremacy in the world cotton market."

Mr. Hohenberg sent letters to association members urging them to contact members of Congress in advance of the next session, asking tariff reductions.

## Re-elected

BERGMANN AGAIN TO HEAD  
D. C. LOAN LEAGUE.CARL J. BERGMANN.  
—Harris-Ewing Photo.

CARL J. BERGMANN was re-elected president of the District of Columbia Building and Loan League at the annual meeting, Robert E. Buckley was re-elected vice president, William S. Quinter, secretary, and Millard T. Dixon, treasurer.

Reports showed that all 17 associations belonging to the league are co-operating with the Federal Housing Administration in the renovating program. Each reported making loans and many have made a large number. All the league members stated that they had more than sufficient funds to take care of the demand.

The Code Committee reported that the District rules and regulations had been approved by the national code authorities and that the code was now in full force and effect.

The secretary's report showed a considerable gain in assets for the last year and that associations were lending a million and a half dollars each month.

The delegates to the United States Building and Loan Convention in New Orleans declared that delegates from all parts of the country reported business had definitely started upward with a marked increase in public confidence.

EFFORT TO CREATE  
HUGE CHAIN SEEN  
IN MORROW MOVEUnited Stores May Become  
Key to Far-Flung Re-  
tail Empire.

By the Associated Press.

NEW YORK, November 3.—Wall Street sees a new far-flung chain store empire taking shape in the hands of George K. Morrow, known for his ability to revitalize moribund corporations.

On heels of the recent announcement of acquisition of working control of McLellan Stores by the Morrow interests, comes the report they also bought heavily into McCrory Stores.

Both organizations have been in receivership, but plans for reorganization are under way. The Morrow group already controls United Stores. In chain-store circles it was thought United Stores might become the key to an extensive and varied aggregation of chain stores under Morrow control.

Both the McLellan and the McCrory chains operate in the variety field of merchandise, with prices ranging from five cents to \$1.

Advantages Are Cited.

When architects, builders or contractors start talking about the latest in housing, such as the pre-fabricated houses, they emphasize quality, costs and salability.

The pre-fabricated house, built like a refrigerator, can be air-conditioned. This also makes it easier to heat and easier to keep clean, as dust is excluded.

Along with these qualities goes the equally important item of costs. If financial terms can be had on easier and can be obtained at a lower cost, say these proponents of pre-fabrication, then they will tend to take their place on some points just as the automobile.

Some pre-fabricated houses utilize the heating system for hot water as well as heating; the refrigerating unit for air-conditioning as well as keeping food. The units are so arranged that they can be cut off when not in use.

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## BUYERS ARE CAUTIOUS.

NEW YORK, November 3 (AP).—Although optimistic about the outlook for Christmas business, men's wear stores are purchasing holiday items cautiously, manufacturers indicate. Useful gifts are said to be stressed strongly.

adjustment plans, the 13,000,000-bale carry-over of American cotton has been reduced to 10,634,000 bales, but may find itself with one-third to one-half of this year's crop on its hands.

This year's crop, estimated at 9,443,000 bales, is one of the smallest on record, but unless consumption, both foreign and domestic, increases, the A. A. will have made little progress toward getting rid of the surplus.

The contention has been advanced, too, that the Government, through its offer to lend any producer 12 cents a pound on his cotton, has pegged the price and created an artificial value for American cotton which has caused consumers abroad to buy Indian, Egyptian and other staples.

The market price is around 12 cents now, and 12 cent loans already have been made on 1,711,905 bales of cotton.

Since the A. A. began its crop

BUILDERS PREPARE  
FOR ORDERS UNDER  
HOUSING PROGRAMMakers of Mass-Produced  
Homes Push Financing.  
Materials Purchased.SAVINGS BANKS STUDY  
REAL ESTATE LOANSProponents of Pre-Fabricated  
Houses Emphasize Quality, Low  
Costs and Salability.

BY JOHN A. CRONE.

Special Dispatch to The Star.

NEW YORK, November 3.—Hailing the Government's announcement on 5 per cent maximum interest charges and 1/2 per cent service charges and Henry I. Harriman's suggestions of mass production of low-cost country and suburban homes, many groups in the building trades are speeding their preparations today to begin work as soon as the construction program of the Housing Administration gets under way.

Several of the makers of mass-produced homes pushed their financing plans, which, contrary to Wall Street reports, will not be a private pool exceeding two billion dollars. Other contractors placed orders for materials.

At least one local life insurance company got ready to make mortgage money available and savings banks showed greater willingness to consider applications for real estate loans.

Idea Evolved Slowly.

The idea of mass-produced houses has evolved somewhat like automobile manufacture. The first automobile was merely a carriage to which motor power was added. The first mass-produced houses were shipments of plans and raw materials, with doors and windows already cut out. Later such "pre-cut" houses were factory-fabricated, so that little saving had to be done on the building site. Hardware was standardized.

The success of these "mail order" houses led to further experimentation. Cement, cement blocks, cotton and steel were tried. It was found possible to make cement and concrete blocks quite as easily as bricks. It was also possible to design, stamp out and cut regulation pieces of steel on a mass-production basis. These dwellings are referred to as "pre-fabricated."

E. F. Hodgson Co. of Boston in 1898 offered one-story houses of panel construction wood, complete heating, lighting and plumbing at lower than average prices.

New Materials Tried.

These were just a few of the predecessors of the home and garden developments, which have received so much publicity as a result of the administration's "subsidized" home-planting plans. Generally such developments offer from one quarter of an acre to several acres on which a 1-story completely equipped house, with garage attached, is built. Some of these houses, mass-produced, with a refrigerator, washing machine, gas water heater, furnace, plumbing, shrubs, trees and flowers and chicken coops, along with an acre or so of land, can be had for \$4,000 cash.

When building activities showed signs of slowing up, as early as 1927, architects, bankers, building material manufacturers and others began to think in new housing terms. They decided to try out new materials. There are at least a half dozen modern housing concerns utilizing new materials in varying combinations, and many more than a dozen pre-fabricated housing companies whose creations are built around steel.

When architects, builders or contractors start talking about the latest in housing, such as the pre-fabricated houses, they emphasize quality, costs and salability. The pre-fabricated house, built like a refrigerator, can be air-conditioned. This also makes it easier to heat and easier to keep clean, as dust is excluded. Along with these qualities goes the equally important item of costs. If financial terms can be had on easier and can be obtained at a lower cost, say these proponents of pre-fabrication, then they will tend to take their place on some points just as the automobile.

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Since the A. A. began its crop

BRITAIN EXTENDS  
TRADE RECOVERY  
ON BROAD FRONTHeavy Industries Flourish,  
Theaters Filled, Retail  
Volume Climbs.FEDERATION TO ENTER  
EUROPEAN STEEL CARTELEnglish Group Stronger in Ratio  
to Continental Rivals Than  
at Any Time Since War.

Special Dispatch to The Star.

NEW YORK, November 3.—Cables and radio dispatches to Business Week give the following survey of business abroad for the week ending today:

LONDON.—"Recovery has reached the point in England where the luxury hotels are filled once more, theaters are overflowing, retail trade is advancing. With King George's 25-year jubilee due to be celebrated in 1935, all London is looking ahead for a boom."

Threats of a slumping of business in the heavy industries as the domestic market becomes saturated before export trade has picked up accordingly have not yet materialized. Heavy industries are flourishing. Turnover on the stock exchanges is still small, but prices for gilt-edged securities are mounting to new highs. Lord Dorman Long, venerable name in the steel and engineering industry, has decided to write off 9,000,000 pounds from share capital, reserving an equity on ordinary shares. This is a result of improved conditions and of a desire not to handicap recovery by past losses. If the scheme is carried through, the company will be able to operate further units of its plant and regain its ancient glories.

Cartel Entrance Planned.

"Entry of Britain into membership in the European steel cartel will take place later this winter. The British Iron and Steel Federation have now set up a Foreign Relations Committee, whose real duty will be to conduct the final negotiations with the cartel committee. The federation has agreed the general lines in which it is prepared to enter. This includes an agreement to accept a 10 per cent quota for the British market on which there would be a partial refund of duties, subject to prices and control satisfactory to the British industry. In return, the federation will demand certain concessions in regard to export quotas to selected markets. The entry of Britain into the cartel will be conditional on the understanding that Britain's dominance in her own Dominion markets is not to be shaken."

"The moment for entry has been chosen wisely, for Britain is now stronger in relation to her European rivals than at any time since the war."

United France Urged.

PARIS.—"When France's major political party, the Radical-Socialists, convened at Nantes last week, their leader, Herriot, dominated the meeting. Pleading that increasing unemployment and general business stagnation would make the winter one of the hardest, that France has faced since the World War, and that the Saar plebiscite in January opening the way for international complications, demanded a united France behind the government, Herriot urged followers to stand behind the coalition government of Premier Doumergue. The convention agreed, but the prestige of the government has weakened so drastically in recent weeks it is doubtful if it can carry its efforts through."

"September foreign trade returns, announced this week, show a slight decline in imports and a 10 per cent increase in exports, thus reducing the trade deficit to 125,000,000 francs, in contrast with an average monthly deficit in the last five years of 900,000,000 francs. French business, however, shows no signs of recovery. First concrete result of the Brussels Conference is likely to be the announcement of a French colonial loan to be spent for metallurgical equipment. Orders also have been placed for a French and Belgian industry."

(Continued on Page 3, Column 1.)

FORD HOPES OFFSET  
BY EARNINGS REPORTS

By the Associated Press.

NEW YORK, November 3.—Optimism in Wall Street over 1935 automobile sales prospects, as envisaged by Henry Ford, has been tempered by the third quarter reports of General Motors and Chrysler.

Both show that rising costs have nearly caught up with the gains in sales so that profit margins have been eaten close for comfort of shareholders.

Although General Motors' report had prepared the Street for a lean profit-showing by Chrysler, it was a revelation for many to read the latter's net earnings had declined in face of record sales.

For example, the banks state that an account averaging \$50 with 12 checks would be charged \$12.25. An average balance of \$180 with 23 checks will rate a charge of 75 cents, while accounts that averaged \$230 a month with 16 checks would receive a fee of 25 cents. An account averaging \$210 with 13 checks would not be charged. A charge of 5 cents for each additional check, with a minimum charge for excess activity, of 25 cents. In case the activity in an account exceeds 50 checks per month, the depositor will be charged according to a downward sliding scale, 4 cents and so on. The charge is based on what might be called "mass production," which means that the larger and more active the account, the lower the service charge.

Reactions Are Varied.

Depositors' reactions to the new charges were varied yesterday. Some said the new charges appeared fair; others thought the small depositor would suffer more than large ones. To this claim bankers replied that every account had to be analyzed no matter how large. If a big account is being handled at a loss, the charge will be levied just as on a small one. If a small one is handled at a profit, prescribed limits there will of course be no charge.

The accounts of all the officers in the banks, those of their wives and of every employee must be examined every month and service charges applied if found due under the schedule. The examinations are mandatory in every bank and there can be no favorites, clearing house officials said.

MUNICIPALITIES VOTE  
MORE BONDS IN MONTH

Special Dispatch to The Star.

NEW YORK, November 3.—New municipal bond issues approved by voters of 64 municipalities in 22 States during October totaled \$4,369,800, as compared with \$3,584,400 approved in September.

Voters of 25 communities in 14 States rejected a total of \$1,240,000 in bonds aggregating \$9,784,000, as compared with \$2,189,000 rejected in September.

DEPOSITORS TOLD  
OF NEW CHARGESBanks Send Out Notices on  
Uniform Rules Adopted  
Here.

First notices announcing adoption of standard service charges by all Washington banks were mailed to depositors yesterday. Although the new rules went into effect in the banks as of Thursday, November 1, depositors will not come into close contact with the new schedule until they get their statements at the end of the month.

Adopted by the Washington Clearing House Association last Friday night, the new rules throw the flat service charge into the discard in favor of the measured charge. The bank notices announce the following service charge schedule on all accounts averaging under \$1,000 a month:

| Average monthly balance. | Checks.   |
|--------------------------|-----------|
| \$1 to \$100             | No charge |
| 101 to 200               | No charge |
| 201 to 300               | No charge |
| 301 to 400               | No charge |
| 401 to 500               | No charge |
| 501 to 600               | No charge |
| 601 to 700               | No charge |
| 701 to 800               | No charge |
| 801 to 900               | No charge |
| 901 to 1,000             | No charge |

## Sliding Scale Used.

If a depositor draws more than the allowed number of checks based on the average size of his account during the month, he will be charged 5 cents for each additional check, with a minimum charge for excess activity, of 25 cents. In case the activity in an account exceeds 50 checks per month, the depositor will be charged according to a downward sliding scale, 4 cents and so on. The charge is based on what might be called "mass production," which means that the larger and more active the account, the lower the service charge.

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Power output last week was 3.4 per cent ahead of the like period last year. But utility stocks on the average are several points below their position a year ago.

Rising costs of operation in the meanwhile partly accounts for the divergence in the curves of electric production and demand for utility services. Nor has the industry been relieved of its worry over Government competition.

UTILITY EQUITIES REMAIN DOWN  
DESPITE RISE IN POWER OUTPUTMUNICIPALITIES VOTE  
MORE BONDS IN MONTH

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Review Forecasts  
Increase in Taxes,  
Strict Collections

Special Dispatch to The Star.

NEW YORK, November 3.—Governmental outpourings for relief continue to pile up deficits, says the United Business Service. No appreciable improvement in business is in sight which would make the reduction of relief expenditures politically practicable.

The Treasury must plan increased taxes and practice the most stringent collection policy regarding existing imposts.

It seems probable that two important items will be affected measurably. First, there is likely to be increases in surtaxes on incomes in the middle brackets (\$5,000 to \$25,000). Secondly, higher rates on inheritances should be anticipated.

ACACIA REVENUE  
PASSES \$10,000,000Last Nine Months' Business Best  
in History, Says Company  
Official.

Figures released by William Montgomery, president of the Acacia Mutual Life Insurance Co., yesterday show total income for the first nine months of 1934 were more than \$10,000,000, the largest income for any nine-month period in the history of Acacia. Also, Mr. Montgomery states, a gain of 40 per cent is shown in the excess of income over disbursements.

During the last quarter of this year Acacia has shown a 28 per cent decrease in policy loans as compared with the same period last year.

LYNCHBURG TOBACCO  
MARKET TO BE OPENED

Special Dispatch to The Star.

LYNCHBURG, Va., November 3.—The dark leaf tobacco market will open for the sale of the 1934 crop next Wednesday and warehousemen are looking for good initial sales, but not heavy because weather conditions have not prevailed to make it possible for big sales.

The Government estimate for Virginia dark crop is 21,700,000 and usually the Lynchburg market sells about one-third of the crop to the State. Acacia has cut this year about 20 per cent. As poundage the aggregate weight of the 1934 crop may be heavier than that of 1933. Three warehouses will be open for the sale. Warehousemen are urging planters not to glut the market, a condition that always costs the planters, warehouses and buyers money.

## INSTITUTE DATE SET.

NEW YORK, November 3 (AP).—The annual meeting of the Cotton-Textile Institute will be held here December 5, it was announced. With the addition of 127 new mills since January 1, the membership of the institute is now said to represent 85 per cent of all the spindles in use in the United States.

Whatever impression to the contrary might be created by the poor market for power shares, electricity has extended its dominion over industry and home through the depression. Statisticians say the long-term growth of the industry has not stopped, although it has been retarded. Residential consumption of electricity continues to gain.

One explanation for that is evident in the North American Co.'s report that electric sales in Washington, D. C., are expected to increase about 11,000,000 kilowatt hours annually as a result of air-conditioning installations in the first nine months of this year. Its St. Louis subsidiary expects an increase of 16,000,000 kilowatt hours' consumption in that area annually by virtue of sale of 28,000 electric refrigerators in the district up to the end of September.

Power output last week was 3.4 per cent ahead of the like period last year. But utility stocks on the average are several points below their position a year ago.

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