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ORDERS

New orders during the quarter amount to \$85,131,000.00, increasing the company's net orders position to \$1,277,775,000.00. Over and above this figure there is an amount of \$57,526,517.00, which is committed by letter orders but has not been finalized in firm contracts. There is an additional \$21,851,490.00 covering contracts not confirmed, and \$3,347,518.00 covering submissions made but not confirmed.

During this quarter quantities have been increased in both the artillery and shell programs so that the company now has commitments well into the fourth quarter of 1945 and some as far as January, 1946.

The company has continued to emphasize the importance of the Canadian sources giving us the final prices and other contractual data and although there has been some improvement in the flow of the required information it is still sluggish.

ACCOUNTS RECEIVABLE

Cash receipts during the quarter were \$41,992,184.00, leaving a balance outstanding over thirty days of \$6,562,794.00. Active steps have been taken to further reduce this amount. Billings were \$48,717,497.00, leaving a balance outstanding of \$23,824,457.00.

TERMINATIONS

The Joint Army-Navy Termination Agreement was signed by the three interested parties on January 8, 1945. In the last quarterly report an opinion was expressed that no difficulty would be experienced in clearing up terminations promptly. Such is not the case and promised dates of filing certificates have not been lived up to. The principal excuse is the apparent inability to exert pressure on Canadian manufacturers to file their termination claims. As the result of continued delays and no apparent assurance that final certificates will be available, War Supplies Limited position, that was so admirably established with the Termination Authorities of the U.S. Army, with the assistance of Messrs. Palmer and Williams of D.M.S., is being jeopardized.

Lt. Col. Wright, of the U.S. Signal Corps, has been appointed Liaison Officer on terminations for all the procurement agencies of the U.S. Army.

ORGANIZATION

Contracts with the U.S. procurement agencies have continued to be most encouraging and visits have been made to Chicago, Detroit, Dayton, Philadelphia and Monmouth by members of the staff.

AIRCRAFT

The U.S. Army U.S. Navy Aircraft contractual picture has greatly improved, due to more direct contacts between Federal Aircraft Limited, the U.S. procurement agencies and this company.

STAFF

Toward the end of this quarter a move was made into better quarters with adequate accommodation for the present staff.

PRESENT ORDERS

Contracts active	252
Contracts completed	1,072
Contracts cancelled	<u>196</u>
	1,570